

# EIR

Executive Intelligence Review

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# EIR

## From the Managing Editor

Some people may have quickly forgotten the glimpse into the minds of the military men ruling in the Kremlin which was afforded by last September's coldblooded shutdown of civilian airliner KAL 007, in which 269 innocent lives were taken. That the KAL shutdown was not a "tragic accident" or isolated atrocity, but a manifestation of the threat to civilization from the Soviet military junta, is proven by this week's cover story.

An international team of *EIR*'s Soviet and East bloc analysts demonstrates that the entire Soviet economy is organized for winning world ascendancy by military means, or simply the convincing threat of military means. Laurent Murawiec, from our economics staff in Wiesbaden, has analyzed the history of the U.S.S.R. economy from the Revolution onward; Konstantin George, an expert on both Eastern and Western European affairs, documents the current looting of the East bloc satellites; and *EIR*'s Stockholm-based Soviet expert Cliff Gaddy exposes the redirection of Soviet energy policy away from economic considerations and toward purely military ones. The report was assembled by Editor-in-Chief Criton Zoakos, who promises that this is "only the first installment" in a full re-examination of the Soviet economy, an economy which has been unable to generate broadly based technological progress except by contributions from the West.

Note that *Pravda* marked the March 23 anniversary of President Reagan's speech on "Mutually Assured Survival" by admitting (for the first time, so far as we know) that the United States has offered to "share" the new defensive technologies with the Soviet Union, and denouncing the offer as "demagogic."

The Soviets, it should be added, are counting on the kind of ineptitude demonstrated in the interim March 30 agreement on the Argentine debt, covered in this week's Economics section, a sleight-of-hand which will only further damage the moral and material interests of both the creditors and the countries which should be described as their strategic allies, rather than merely their debtors. As you will see in the transcript of *EIR* founder Lyndon H. LaRouche's March 26 national TV broadcast on "Henry A. Kissinger: Soviet Agent of Influence" presented in our National section, the Soviet drive will only be halted if the United States once more becomes *a beacon of hope and a temple of liberty* to the rest of a despairing and desperate world.

*Susan Johnson*

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UPI

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## The U.S. banking system after Argentina

by David Goldman

In 1897, an Italian anarchist drove a stiletto into the heart of the Austrian Empress Elisabeth, who, not understanding that she had been stabbed, walked several hundred paces and fell dead. Some observers are astonished that the money markets showed practically no reaction to the Argentine crisis during the week ended March 30—on the contrary, interest rates fell somewhat and securities prices were slightly higher—at a point where senior administration officials and banking analysts are debating whether such large commercial banks as Manufacturers Hanover can survive the next several months.

Earlier that week, the attention of market participants had been misfocused on the deliberations of the Federal Open Market Committee, the Federal Reserve System body that supposedly sets monetary policy. An expected tightening of credit did not materialize. On Monday, March 26, the federal funds rate (overnight rate for interbank loans) stood at 10.5%, and had fallen to as low as 5% by Wednesday, before snapping back to slightly over 10% on Friday afternoon; contrary to expectations, the Federal Reserve did not raise its discount rate.

Temporarily lower interest rates provided a soporific to a market whose trillion-dollar offshore branch has suffered from a “slow-motion panic” since early March, when some of the major banking creditors of Argentina found themselves unable to raise funds in the Eurodollar market without paying a significant, and dangerous premium. These include not merely Manufacturers Hanover, the subject of emergency merger studies at New York accounting firms and at federal regulatory institutions, but also some of the offshore subsidiaries of Citibank. A large rollover date for banks’ Eurodollar liabilities passed quietly March 30.

The solution maintaining the calm, however, holds the promise of major developments to come. The Federal Reserve dumped some money into the markets, and the Treasury

released reports of a “bridge loan” to prevent Argentina from ending the month with more than 90 days’ arrears on its loans to major American banks. The loan did not materialize, because Treasury lawyers decided that the funds available for the exercise, the Exchange Stabilization Fund, could not be lent under circumstances where no future loans were in evidence to repay the “bridge.” This consideration led, finally, to the incredible charade announced the evening of March 30, in which Venezuela, Mexico, Brazil, the banking creditors, and *Argentina itself* have each committed \$100 million to provide an emergency \$500 million package to Argentina (see article, page 6).

Supposedly, this will enable U.S. bank regulators to pretend that the overripe Argentine loans do not have to be classified “non-performing,” and that big American banks will not have to stop accruing the income from such loans, and permit everyone to go home happily, until the June 30 inspection of the books rolls around.

In reality, the Federal Reserve has merely given the British and Swiss banks who precipitated the Argentine crisis the choice of 1) blowing out the American dollar during the second quarter, taking the long-term bond markets with it, or 2) declining to continue financing either the American banks or their major debtors, forcing a banking crisis. The “buyers’ strike” against the Treasury’s \$15 billion refunding operation March 29 and the weakness of the dollar throughout the week suggests that the former option is already in progress, but which way the damage is sustained is really a matter of European bankers’ whim at this point.

The Treasury is not legally positioned to bail out the Argentine mess, let alone the series of crises which will follow its example. The Federal Reserve’s printing press will be left with the bill. This may take the form of a frantic effort to bring down banks’ cost of funds to enable them to forego

the interest on loans equivalent to their stockholders' capital which are no longer accruing, or it may take the form of a direct bailout of some major institutions. In either case the effect is the same, i.e., the one identified by Bank for International Settlements president Fritz Leutwiler last September. The American central bank will have to throw out its much-prized "monetary targets," and create a mass of liquidity to prevent a banking collapse, re-starting the run against the dollar, and a run by foreigners against the long-term debt market in U. S. dollars.

### United States a net debtor

This will put the United States where the Swiss bankers want it, accelerating the already extensive domination of U.S. financial markets by private European financial entities. The single most important policy statement by an administration official was made by presidential economic adviser Martin Feldstein. He warned in congressional testimony that by the end of 1984, the United States would be a "net debtor nation," i.e., will owe more to foreigners than foreigners owe to the United States. Previously, Feldstein's Economic Report of the President released this February had argued, "In 1984 the U.S. current account deficit is forecasted [sic] to be roughly 40% the size of the Federal Government budget deficit. This means that a capital inflow from abroad is financing the equivalent of 40% of the budget deficit, and the crowding out of other sectors of domestic demand is reduced correspondingly. International capital flows of this magnitude are consistent with the increasing integration of world capital markets."

U.S. banks passed the line into dependency on external financing during the third quarter of 1983, when they borrowed from the Eurodollar interbank market at a \$53 billion annual rate. Previously, American banks had been net creditors of the interbank market, and, following the exhaustion of the OPEC payments surplus during 1982, had become the principal source of new funds to the market.

Although data are not available after last year's third quarter, it appears that the dependence of the banks on such inflows increased substantially since then. During March alone, three major loans taken out by Atlantic Richfield, Texaco, and Socal brought \$35 billion Eurodollars into the American banking system.

### Signals from the Eurobond market

The biggest financing operation ever on the Eurobond market was completed in late March, and it shows what the Swiss intentions are. The European *fondi* are simultaneously forcing up the interest rate which America must pay to obtain foreign funds, while preparing to turn their emerging "net creditor" status into a dominant equity position in the U.S. economy. This is the "debt for equity" grab, applied domestically, which the Kissinger-dominated Reagan administration has foolishly encouraged for Ibero-America.

Texaco, which borrowed \$8 billion in February to buy

Getty Oil from a consortium led by Chase, has issued an \$800 million convertible debenture (bond convertible into equity upon demand), the largest-ever convertible issued on the Eurobond market. The leading Swiss newspaper *Neue Zürcher Zeitung* commented March 28 that this issue shows "that the Eurobond market, now in existence for 21 years, has reached maturity," i.e., can rival the domestic U.S. bond market.

The Zürich daily added that "the transaction showed some new developments which could be trailblazing. For example, the creation of regional sub-consortia, reminiscent of international syndicated credit business, helped to ensure the frictionless placement of the issue." That is, the Swiss took half the whole thing (led by Crédit Suisse-First Boston), demonstrating what the *NZZ* called the "enormous placing power of the Swiss banks."

Most interesting are the terms. Usually the interest on convertible debentures is low, reflecting the option to convert to equity, while the premium for equity conversion is nominal. In this case the interest rate of 11 7/8% is nearly at market levels, while the conversion premium of 28.62% is unusually high.

At this date the high conversion premium will be of small importance. Clearly the Swiss are not confident that the Persian Gulf will remain open for very long, which implies that Western Europe will fall to Soviet dominion.

Chase Manhattan Bank is preparing a similar issue to raise capital. The formula is somewhat different, but the principle is the same. It will issue debt with an interest rate determined by a spread above the Treasury bill rate, and repay part of the principal in equity. In effect, this is a convertible debenture at a market interest rate, rather than the usual lower-than-market interest rate.

The Swiss equity interest in the United States is of special significance. Large European fortunes will have to find a home in the United States in the relatively near future as a hedge against Russian influence in Western Europe. This is not a matter of capital fleeing to "the last citadel of capitalism," as is frequently presented. On the contrary: One-third of all Eurobond issues are currently denominated in European Units of Account (see Foreign Exchange, page 15), and some leading European financiers foresee the integration of the European Monetary System into a broader arrangement dominated by the Comecon's transferable ruble. In some respects, the growth of Soviet trade with Europe relative to the collapse of world trade holds money at home.

However, the Soviets are likely to play the game by very rough rules as long as Europe officially adheres to the Atlantic Alliance, and, especially, as long as France continues to support the American beam-weapons initiative as a means of strengthening NATO. The Swiss and their European friends plan a new wave of flight capital into the United States; they would prefer it to occur when the dollar is weak and American equity is a bargain, but they are locking up certain critical equity positions already.

# Debtors' cartel formed . . . to bail out banks

by Valerie Rush

The U.S. Treasury Department pulled a last-minute emergency bailout of U.S. banks out of the hat just hours before the March 31 accounting deadline would have forced those banks to classify up to \$10 billion worth of outstanding loans to Argentina as "non-performing."

The emergency package involved a short-term \$500 million credit line to cover a portion of the overdue interest Argentina has been refusing to pay the banks since President Raul Alfonsín took office last December. Cementing the bailout scheme was an Argentine pledge to reach an agreement with the International Monetary Fund at the earliest possible moment.

Contributing to the emergency loan are 11 of Argentina's major commercial creditor banks *plus* fellow debtors Mexico, Brazil, Venezuela, and Colombia. Mexico and Venezuela will each lend \$100 million, and Brazil and Colombia will contribute \$50 million apiece. The Argentines themselves will kick in \$100 million from their own reserves, the creditors a final \$100 million.

The U.S. Treasury has agreed to provide \$300 million to repay the contributions from Argentina's fellow debtors. The U.S. commitment will be met only *after* Argentina signs up for a new International Monetary Fund austerity program. Thus Mexico, Brazil, Venezuela, and Colombia will find themselves allied with the IMF in forcing Argentina to destroy its economy, if they ever are to be repaid their \$300 million.

## 'Defusing the debt bomb'

The involvement of major Ibero-American debtors in the bailout scheme has been hailed by creditors as an unprecedented breakthrough in the international debt crisis; one banker cited by the *New York Times* said triumphantly, "this defuses the debt bomb," i.e., potential concerted action by the debtors to demand general restructuring of their obligations.

Bankers had watched anxiously throughout the previous week while the Ibero-American debtor nations used the ongoing tour of the region by Mexican President Miguel de la Madrid as an opportunity to denounce unfair loan conditionalities and high interest rates, and to urge increased unity of action to resolve their common debt problem. They did in fact unify—but to back the very institutions which have been looting their economies and undercutting their sovereignty.

According to unconfirmed reports, Mexico played a major role in pulling the other debtor nations behind the bailout scheme in the name of stabilizing Argentina's new democracy. Mexico herself has been courting unprecedented social and economic chaos by shutting down large parts of her industrial base, slashing wages, and driving many Mexicans below the subsistence level through adherence to IMF conditionalities.

Mexican Finance Minister Jesús Silva Herzog, who has worked closely with his Argentine counterpart Bernardo Grinspun throughout the past weeks, has been invited to address the April 1-3 meeting of the Trilateral Commission in Washington, D.C. The commission convenes for tea at the White House on April Fool's Day.

## Can the deal stick?

The International Monetary Fund strategists symbolized by Henry Kissinger are ecstatic at the gross display of cowardice by the Ibero-Americans. Chase Manhattan executive vice-president Francis Stankard, for example, bumbled to the *New York Times*: "This is unquestionably the most constructive action ever to date in the international debt situation."

Yet things may take an unexpected turn. First, the emergency bailout set a precedent for viewing the Ibero-American debt in global terms, both on the part of the creditors and now also on the part of the debtors. This precedent could be used by the debtors to exact major concessions from the creditors in the near future—if they decide to fight. The economic crisis across the continent will not allow the debt question to be pushed into the background.

Second, there is little reason to believe that the March 30 emergency deal with Argentina will stick. The paper shuffle to cover up at least \$3 billion in arrears was intended as a short-term bridge until the Argentines submit to an IMF "reorganization." However, their government's pledges notwithstanding, the Argentine people are in no mood to sign away their country.

President Alfonsín's frontal assault on the Armed Forces since taking office has earned him the enmity of nationalist military layers, while his unsuccessful war against the Peronist trade union movement has intensified labor's resistance to the government's austerity policies. The executive of the CGT labor federation recently warned of "a social explosion of unforeseen consequences" if any government deals with the IMF.

The Argentine economy is out of control. Inflation continues to rage at a rate of 600% annually, eating into whatever salary increases have been granted. Industrialists subject to price controls cannot begin to meet production costs. Every major sector has been slammed by strike actions demanding wage increases and an emergency economic program to meet the present crisis. A further turn of the screw under IMF "reorganization" could trigger civil war, with sweeping and unpredictable results.



# 'They will try to walk on water'

*This March 30 interview with a source close to Federal Reserve Chairman Paul A. Volcker was provided to EIR by a journalist.*

**Q:** I hear something really big is up on Argentina.

**A:** I don't think this is going to be resolved by the end of the month. . . . I think it's going to be a clear indication that there is a round of new debt issues coming up that are going to address different issues than have been addressed in the past. That's what this is the beginning of. People think it's an accounting problem, that if Argentina and the IMF come to an agreement we can solve the thing, but I don't think so.

**Q:** When are they going to consider that Argentina should have paid but didn't?

**A:** Argentina was supposed to have paid as long ago as October. The point is—and this has nothing to do with the regulators, but the regulations, which say that if the banks have not been paid interest in over 90 days, [the loans] are non-performing, unless they fall under the condition that they are either in process of being paid or well collateralized. Now if some magician out there can convince the regulators that those conditions apply, the banks don't have to write those loans off.

**Q:** Who's the magician? Who could do that?

**A:** Let's say the IMF said, "We've struck a deal with them, but it's going to take a week for us to disburse the funds and them to pay interest, but don't worry, they're in the process of repayment."

**Q:** Do you think the IMF is going to do that?

**A:** No, I'm just saying this is the only way around the 90-day limit. . . . If some time between now and the 10th of the month, someone struck a deal that indicted the banks were going to get paid, then it would have to happen.

**Q:** What about Regan? Is he going to give Argentina a bridge loan?

**A:** If he was, I wouldn't be able to talk about it.

**Q:** He told Manufacturer's Hanover that he wasn't, but he told some people very high in the administration that he was. Or at least, he said that he wanted to.

**A:** There are people who think that it is not a wise idea, like those who know that the law requires it to be a "bridge" loan and not a "pier." If you keep walking on a pier, you'll get wet. On a bridge you get to dry land at the other side. . . . Funds are available for bridging. The way we've done it for Brazil and Mexico, they were always a bridge to future bank or IMF loans. . . .

In the case of Argentina, if they have not reached some type of agreement with the IMF and with the banks, then we're going to have a tough time convincing Congress, if not the people in the administration, of the problem. The Congress is saying, "Why are you giving Argentina the money—the banks don't want to, and there's no clear indication that the banks are going to?" They haven't said it yet because they haven't been asked, but people in the administration object to using ESF [Treasury Exchange Stabilization Fund] loans. There are obvious problems: you won't get the funds back, so it is not a bridge. I don't think a bridge loan will be forthcoming.

I think they are going to wait and see what happens, Manny Hanny be damned; and Manny Hanny may very well be damned at the rate things are going. . . .

**Q:** But no bridge loan.

**A:** The feeling now is: The markets haven't reacted, maybe we can resolve this in the first few weeks of April; let's not panic.

**Q:** But you said there would be no bridge loan because it would be a "pier."

**A:** Well, if it's a choice between either a cliff or a pier, maybe they'll take the pier. At least they can walk on water for a little while. . . .

**Q:** Argentine finance minister Grinspun said he was going to club with Brazil, Mexico, and Venezuela and present the banks with a \$250 billion lump sum to deal with.

**A:** I think people are confident at this point that Mexico and Brazil won't be foolish enough to throw their lot in with the Argentines. They're very much content with letting the Argentines set the precedent, and then seeing if they can get a good deal.

At this point, I think they'd like to see the Argentines be successful, but they don't want to suffer any consequences the Argentines may face in the outcome. . . . De la Madrid will be in Argentina on Monday. See what they have to say to each other. He was in Brazil Wednesday and Thursday. My boss was down there at the same time. . . . Basically we don't have any real problem with De la Madrid.

**Q:** What is he saying?

**A:** Oh, trade, El Salvador, debt problems. We don't see a problem with the debtors' cartel. An Argentina is acting on its own.

# Mexico's President launches his tour

by Robyn Quijano

Mexican President Miguel de la Madrid ended the first leg of his four-nation South American tour with an attack against Henry Kissinger and his policies of destabilization, wars, and invasions.

After signing a communiqué with Colombian President Belisario Betancur backing economic integration of the continent and pointing to development as the solution for Central America, the Mexican President condemned "those who conspire against the peace of nations, and above all against democracy and liberty, and who assume the most retrograde positions. We Latin Americans are protagonists of contemporary history and not the objects of this history. To play this role we are prepared with the best weapons a nation can have . . . reason and law. . . ." Kissinger is known in Ibero-America for having told Chilean foreign minister Gabriel Valdes in 1969 that "nothing important can come from the South. History has never been produced in the South."

The question of Ibero-American sovereignty, independence, and the need for a well-defined security pact were discussed. In response to the not-so-secret unpublished portion of the Kissinger Commission report on Central America which recommends a U.S. invasion of Nicaragua, Betancur and de la Madrid agreed that the four presidents of the Contadora Group (Mexico, Colombia, Panama, and Venezuela) would immediately meet "in order not to suffer such a defeat as during the Malvinas crisis when Latin America managed no more than a moral protest," reports Mexico's *Excelsior* newspaper.

Mexico and Colombia, the northern and southern flanks of Central America, are targeted for destruction should the region become the center of East-West conflict, the new Vietnam, that Kissinger is planning.

In his greeting to the Mexican President, Belisario Betancur described the labors of Contadora and attacked "the United States, the Soviet Union, and Cuba for supplying arms to the region. . . . [We must stop] all of our nations from being pulled into an East-West conflict, or from being victims of such a conflict," stated the Colombian President.

De la Madrid's ministers expressed outrage last month when the U.S. Southern Command's Gen. Paul Gorman charged that the Mexican government was covering for subversives in the region, and Kissinger crony Barbara Walters

provocatively asked Democratic presidential candidates how they would react to a communist insurgency in Mexico.

The day de la Madrid left Mexico another scandal erupted as the following April 2 *Newsweek* story hit the Mexican press: "President Reagan has ordered the State Department to play hardball with Mexican President de la Madrid to win Mexican support for U.S. policies in Central America."

National Security Decision Directive (NSDD) 124 was signed by Reagan in March, the magazine reports, ordering the State Department to write a "communication and diplomacy master plan" to change Mexican opposition to Kissinger's war plans in Central America. The CIA will arrange for Central American leaders to "call upon Mexican officials," the U.S. embassy will "discreetly assemble a list of de la Madrid aides whom Washington should try to influence," and Reagan will tell de la Madrid during a May visit to the United States: "The price for continued U.S. economic aid to Mexico is support for Washington's policies in Central America."

*EIR* founder Lyndon LaRouche warned recently that the aim of Kissinger's policy is to set up a U.S. invasion of its neighbor and ally. If carried out, NSDD 124's "hardball" is a giant step toward that plan.

It was Victor Acosta, president of the Colombian Labor Federation (UTC), who proposed to de la Madrid that Ibero-America take the two steps essential to dealing with the economic crisis. Speaking at a luncheon with 50 representatives of Colombian labor, political parties, and business, Acosta told the Mexican President that Ibero-America must respond with a joint debt moratorium and regional coordination "to defend our economies."

"The challenges of today newly unite us. . . . Economic problems are at the heart of all the others. This is the moment to . . . seek solutions through collaboration and joint action," said de la Madrid in Bogotá.

Betancur commented emphatically: "Latin America has become a net exporter of capital. . . . This cannot continue, and Latin America must demand a change in the rules of the game of the international economic system. It is urgent to stop Latin America from continuing to pay more principal and interest than it receives in new loans, at the expense of the per capita income of the 375 million inhabitants of our region, income that dropped by 5% in 1983. We need new resources with long payment terms and reasonable interest rates.

"The last half-point increase in the prime rate can cost Latin America nearly \$1.5 billion in the next 12 months. These irrational levels of interest rates are a result of the U.S. model of development, which is now financed in significant portion through the contributions of the developing countries. If Latin America were working with the interest rates which the U.S. paid between 1870 and 1930—2.3% over inflation—it would stop the transfer of nearly \$15 billion a year."

## 'No hope for us, the way we are going'

If there were direct elections for the Brazilian presidency this year, Vice-President Aureliano Chaves would win, according to the latest polls. But direct popular elections are unlikely.

São Paulo industrialists and military nationbuilders who fear that the International Monetary Fund's policies will make Brazil into another Iran view Chaves as the statesman capable of bringing national unity to face the crisis.

### 'Brazil's IMF agreement cannot work'

Chaves visited Washington and New York on March 15-23. He addressed the debt question at a press conference: "The way the agreement [of Brazil] with the International Monetary Fund is now set up, the country cannot comply with its international obligations. How are we going to accept paying our international commitments by stopping, amputating, and intercepting our productive capacity? We have to chose new paths."

The next day, in New York, what he had to say about Franklin Delano Roosevelt, whose home he had just visited, convinced reporters he was projecting his own program for Brazil:

"When Roosevelt replaced president Herbert Hoover in 1933, he found the American nation drowning in a terrible recession. Of about 120 million people, 17 million were on the unemployment index. American industry was hit by a sharp and sustained drop in production. American agriculture which always had been a bulwark was in a state of enormous depression. American foreign trade had fallen to dangerous levels. There was enormous social unrest and worrisome national demoralization.

"In the first 100 days, Roosevelt sent Congress 15 bills. . . . He restored confidence . . . through the fireside chats. . . .

"The American recession coexisted with an important fact, the economic liberalism carried to an extreme in that period.

"President Roosevelt was a man who . . . was committed to free enterprise, to the market economy, but he found him-

self compelled to make incursions into the American economy, not to intervene for its own sake, but to bring back an ordering principle.

"He was compelled to take initiatives in areas which were unattractive to private enterprise, but were fundamental to the American economy from a broader perspective.

"For example, the initiative to create the Tennessee Valley Authority . . . the first step toward furnishing electricity on a large scale to permit the recuperation of a region which had inexorably been condemned to extreme misery. . . .

"It was evident that no private electric company would make that kind of investment. What was needed was the vision of a statesman who would discern the future rather than focus on the present. A businessman, battered by the here and now, generally tends to look at the day-by-day as though he did not need the future. He tends to see the day-by-day and to project tomorrow as a function of today. The vision of a statesman extends a bit beyond that."

Chaves said that he gathered from his brief meeting with President Reagan that Reagan "comprehends President Figueiredo's efforts to consolidate democratic life . . . and comprehends that Brazil must resume development to comply—as it wishes to do—with its international commitments.

### 'To roll over debt is to increase it'

"For us to have satisfactory results, we must change the methodology being used to balance our foreign debt. . . . The initiative on this must come from us. The initiative must come from the debtor countries, especially Brazil. . . .

"There is no hope for Brazil the way we are going. We are taking palliatives; we are apparently solving the problems of the moment, today's problems, and aggravating tomorrow's problems. Rolling over the debt does not mean paying the debt; it means increasing the debt. . . .

"Brazil cannot live for long with a recession. Development must be resumed; thus any foreign debt payment agreement which aggravates the recession in Brazil is a harmful prescription."

*EIR* asked Chaves whether the impending visit of Mexican President de la Madrid to Brazil would bring into play "the new methodology for negotiating the foreign debt" which Chaves had called for. Chaves replied, "I think the visit of President de la Madrid to Brazil is extremely important. . . .

"I think an exchange of information, of points of view, and even of what could be called doctrine would be very useful. The [debt] negotiation process may not be a joint one—since each country has its own peculiarities—but the doctrine which will inform the negotiations could have many points of agreement. . . .

"I think that Mexico is having a very sure vision of its reality and is being extremely cautious about the way in which it is going to exploit its natural resources. It is being careful to avoid its natural resources being exploited in a predatory, injudicious manner."

# Thai banks approve Kra Canal project

by Gail G. Kay and Sophie Tanapura

A spokesman for Bangkok Bank, Thailand's number-one bank and one of Asia's largest, gave the green light March 19 to a canal-building project that promises to transform the economies of the Indian Ocean-Pacific Basin region. The construction of a sea-level canal across the Isthmus of Kra, is a key feature of the "Great Projects" global infrastructure-building program outlined by Lyndon H. LaRouche, Jr. in an *EIR* Special Report published in 1983.

At an invitation-only brainstorming session on March 19 in Bangkok, the Fusion Energy Foundation (FEF) and *EIR* responded to a Thai government request to review the financing and economic feasibility of the Kra Canal. Present were 40 top corporate executives, government officials, and military observers. The corporate participants included: the three top shipping firms in Asia, Maersk Lines, East Asiatic and Sealands; Bangkok Bank, Thai Farmer's Bank, and Chase Manhattan Bank; and interested Japanese firms, Mitsui and Mitsubishi.

In July-August 1983, LaRouche and some of his *EIR*-FEF associates made a "fact-finding" tour of Japan, India, and Southeast Asia; in August, a conference on the Asian "Great Projects" was held in Washington, D.C., and in October 1983, a conference in Bangkok was cosponsored by the Thai Ministry of Communications. In January, Pakdee and Sophie Tanapura of *EIR*'s Bangkok bureau toured six U.S. cities to sound out government officials, corporations, and others on support for the Kra Canal.

## Assumption: expanded trade

The premise of LaRouche's Asia program is that under conditions of rapid rates of global economic growth made possible by adoption of his proposals for a new world economic order, the concentration of ocean-borne freight movements will make the Indian and Pacific Oceans' basin the center of the world's economy. The main bottleneck to the doubling or tripling of such traffic by the turn of the century is the constricted passage past Singapore through the Straits of Malacca. The remedy is a large, high-speed, sea-level canal through the Isthmus of Kra.

The *EIR*-FEF proposal, as presented at the earlier conferences, drew on a 1973 feasibility study carried out by engi-

neers and planners of Tippetts Abnett McCarthy Stratton (TAMS), Robert R. Nathan Associates, Inc., in collaboration with Lawrence Livermore Laboratory. LaRouche proposed a two-lane, sea-level canal without locks through which tankers up to 500,000 dwt could pass at normal speeds. Preferably, excavation of the canal would be accelerated by use of peaceful nuclear explosives (PNEs). The *EIR*-FEF plan called for integration of one or two deep-sea ports and associated industrial zones at either end of the canal.

At the March 19 meeting, Uwe Parpart-Henke, FEF research director, presented revisions of the canal project and proposals for its financing.

Excavation and construction costs were taken from the 1973 TAMS study, and put in 1983 constant dollars. The results, Dr. Parpart reported, led the *EIR*-FEF team to reject its previous preference for the 500,000-dwt ship size in favor of a 250,000-dwt two-lane canal, using PNE methods of construction. Estimated cost would be \$10.4 billion (1983). Should the Thai government prefer not to use PNEs, the second best option would be a one-lane canal capable of handling 250,000-dwt ships, at an estimated cost of \$9.93 billion.

The *EIR*-FEF study anticipates a dramatic increase in general cargo traffic moving *westward* toward the Indian Ocean and Europe, whereas the 1973 TAMS study predicted a significant increase in eastward-bound oil traffic from the Middle East, i.e., toward Japan and the United States. This difference argues for a two-lane canal.

## Financial mechanisms

Parpart-Henke proposed a six-point, two-level financing package. The first level involves multilateral funding institutions such as the World Bank and the Asian Development Bank and interest-free loans from the United States and Japan, the two primary foreign beneficiaries of the canal. The largest share in this category would have to come from the import-export banks of the leading advanced-sector countries and commercial banks. Ultimately, commercial banks would be expected to provide 40-50% of the total value of the project.

The second level would come from regional and Thai sources, preferably both government and private, and government-sponsored preferential participation in construction contracts for Thai companies.

In commenting on the *EIR*-FEF study, Dr. Nimit Nontapunthawat, vice-president and chief economist of the Bangkok Bank and manager of the bank's Economic and Marketing Research Center, reviewed the increased debt burden to Thailand over the decade required for canal construction and other infrastructural commitments. His conclusion was that after 10 years, Thailand's debt-service ratio would be about 2 or 2.5 to one, based on an estimated total debt of \$38 billion and an export-earning potential of about \$15 billion. This is dramatically better than the Philippines, where the debt-service ratio is 5 to 1.

# U.S. stance toward the Third World: hostage to the genocide lobby

*Testimony given before the Senate Foreign Relations Subcommittee on Western Hemisphere Affairs on March 20 put evidence before the public that U.S. foreign policy toward Central America in particular, and the rest of the developing world generally, is being controlled by a "population-control lobby" that is running wild.*

*Dr. Jacqueline R. Kasun, from the Economics Department of Humboldt State University in California, presented well-documented testimony about the secret conditions the population controllers have placed on U.S. aid to the developing sector—conditions that have turned those countries away from the United States.*

*EIR does not totally agree with Dr. Kasun, particularly in her recommendations on economic policies for Central America; she also neglects to mention that these population-reduction conditions are the core of the Kissinger Commission report on Central America (see EIR, Feb. 14). But she presents excellent evidence of the fact that these conditions are not only based on fraudulent assumptions, but also are bound to turn the rest of the underdeveloped sector against the United States.*

*Dr. Kasun's footnotes are available upon request.*

. . . In response to these growing, multiple problems created by misguided central planning for development and unfavorable world economic conditions, the U.S. Agency for International Development [a branch of the State Department] has since the mid-1960s insisted that Central America, along with all other countries receiving our foreign assistance, must control its supposedly "excessive" population growth. Positing, as Richard E. Benedick, State Department coordinator for Population Affairs, has put it, that controlling population is a "matter of urgent global priority," that "the 'right' to multiply indiscriminately represents a misplaced morality," and that "strenuous efforts will be required to reach the two-child norm," AID has poured millions of dollars into the population-control activities of the Pathfinder Fund, the Population Council, Planned Parenthood, the As-

sociation for Voluntary Sterilization, the U.N. Fund for Population Activities, and related agencies in Central America. In 1978, AID inserted Sections 102 and 104(d) into the foreign Assistance Act to require that countries receiving our aid must demonstrate a commitment to population control. This, of course, is the basis of those so-called "requests" for "population assistance" which AID reports from countries receiving our aid. They are *required* to "request" population assistance.

These strong statements and forceful actions by AID, however, represent the beliefs of a rather small but superbly organized and well-financed (with U.S. government funds)

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## What 'population problem' in Central America?

Country or State	Persons per square mile 1982	GNP per capita, dollars, 1981
CENTRAL AMERICA	121	n.a.
Honduras	84	\$ 600
El Salvador	574	650
Nicaragua	47	860
Guatemala	163	1,140
Costa Rica	112	1,430
California	151	n.a.
India	570	260
China	285	300
South Korea	1,080	1,700
West Germany	643	13,450
Japan	825	10,080
New Jersey	986	n.a.
Rhode Island	898	n.a.

**Source:** Population densities from *Statistical Abstract of the United States, 1982-83*; GNP figures from World Bank, *World Development Report 1983*.

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special interest group. They do not represent the consensus among development economists. The assumptions of the population-control lobby have been strongly criticized by many distinguished economists, including Julian Simon, Goran Ohlin, Mark Perlman, Peter Bauer, Fred Glahe, Colin Clark, and Richard Easterlin. The fact is that world resources are fully adequate to permit economic development and comfortable living standards for all peoples. Less than half of the earth's arable land is in use, and yields could be increased many times over. World agricultural resources are capable of feeding 10 to 25 times as many people as now live on earth, using present agricultural methods. Supplies of industrial metals and energy are not running out but are increasing. . . . The world's entire population could be settled in the state of Texas with a large suburban home with front and backyards for each three-person family, and all the rest of the world would be empty.

There is no economic evidence, though many economists have searched for it, that rapid population growth retards the growth of the gross national product or restrains investment. Investment depends not on the birth rate but on opportunities for the efficient and profitable use of economic resources. Countries which offer these opportunities will attract investment capital, and the data show that countries with rapidly growing populations have achieved just as high rates of investment and equal or better rates of output growth, as compared with countries having low population growth. . . .

There is resistance to AID population control in Central America, as there has been throughout the world. Chris Hedges in the *Christian Science Monitor* of January 13, 1984 described the bitter response of El Salvadorans to AID's sterilizations drive which uses a quota system to achieve more than 20,000 sterilizations a year in that country, reportedly without adequate provisions for voluntary consent. In a country where "death squads" operate widely, is it realistic to expect that a sterilization drive, promoted with all the diplomatic and financial leverage of AID, should observe the niceties of true voluntarism?

The Agency for International Development is well aware of the resistance which its population-control programs elicit in many countries; AID officials have spoken frankly about it. Richard Benedick has reported extensively to Congress on the "sensitivity" of these programs and the "lack of commitment" and "opposition" to them on the part of foreign peoples. One of the first acts of the Sandinista government in Nicaragua was to close the despised AID birth-control clinics. The Sandinistas declared that from now on birth control was to be the private business of citizens and not the business of the government. Similarly, soon after the United States' ignominious ejection from Iran, the Khomeini government made this same symbolic gesture, closing the AID-financed birth control clinics which had spearheaded the movement for population control in Iran.

One AID memorandum of 1982 frankly stated that all

support for these programs would collapse if the United States stopped financing them and forcing them as a condition for receiving our aid. It is reported in Mexico that the price which the Mexican government has to pay for International Monetary Fund assistance in solving its recent balance-of-payments crises brought on by misguided economic "planning" was to agree to a vigorous drive for population control. The Mexican government is now committed to reducing population growth to 1% per year by the year 2000; this implies a limit of two children or less per family, depending on how soon Mexican families comply with the program to reduce births. AID has stated that the "sensitivity of population programs" is so great that it is desirable to use the "multilateral agencies"—in Mexico's case, apparently, the IMF—as surrogates for AID itself in many cases.

The response of AID and its client agencies in the population-control network to what they admit to be widespread resistance is to try harder—to spend more money and apply more leverage. Benedick insists that "the U.S. should seek to keep the population problem at the forefront of the world's agendas" and that we should "assign . . . a population officer in the staffing of every Embassy where population facts are important"—that is, of course, in his view, everywhere.

Moreover, the drive for population control in countries receiving our aid is only one of the goals of the population activists in the Department of State. State Department Document NSSM 200, classified in 1974 and not declassified until 1980, clearly states that population control is to prevail also in the United States:

Constructive action by the U.S. will further our objectives. To this end we should: . . . Urge the adoption . . . of specific population goals including replacement levels of fertility of DCs and LDCs by 2000. . . . After suitable preparation in the U.S., announce a U.S. goal to maintain our present national average fertility no higher than replacement level and attain near stability by 2000.

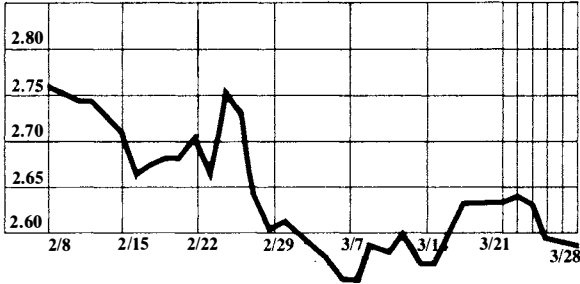
The document furthermore states that, to attain these goals, "mandatory programs may be needed." In the meantime the population activists seek now to increase their bitterly resisted programs in Central America by exploiting the need for emergency assistance in that troubled region.

Bizarre as it may seem, the plain fact is that the foreign policy of this great nation has been, is being, used—"taken hostage" may not be too strong a term—by a very special interest group with a monomaniac world view, the belief that what it calls "overpopulation" is at the root of all human problems and that the United States must lead a world crusade against population, regardless of cost. Such fanaticism must not be allowed to dominate or to use our foreign policy. The United States needs secure peace in Central America, not an AID sterilization drive to be defended and promoted at the risk of our sons' lives. . . .

# Currency Rates

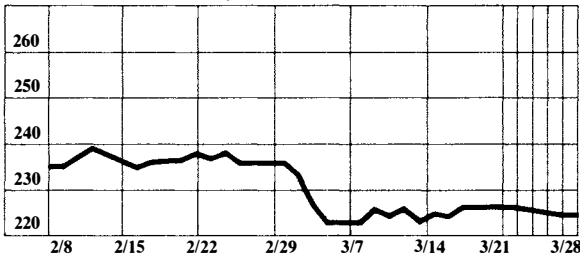
## The dollar in deutschmarks

New York late afternoon fixing



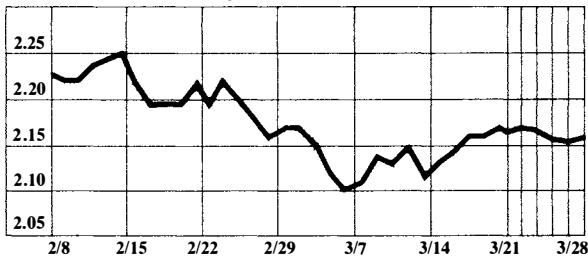
## The dollar in yen

New York late afternoon fixing



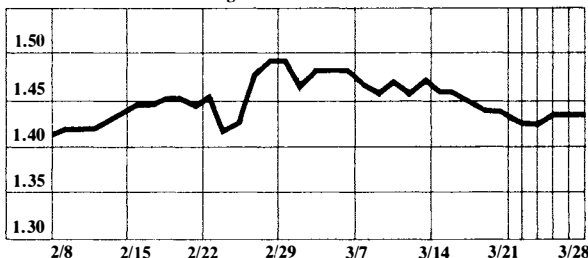
## The dollar in Swiss francs

New York late afternoon fixing



## The British pound in dollars

New York late afternoon fixing



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Advertisement

## A disastrous U.S. export policy

*The State Department and conglomerates are pursuing "food control" instead of expanded farm sales.*

America's farm exports have fallen in volume for the past four years; they are estimated at 140 billion tons for 1984, down 15% since the 1979 all-time high of 163 billion tons. Despite the latest U.S. corn sale to the Russians of 400,000 tons, U.S. feed-grain exports have declined 22% since 1979, though a slight increase is reported for 1984.

Easy as it is to blame the strong dollar and the world "recession" for the decline of agricultural exports, if Congress or the administration were serious about reversing the decline in U.S. exports, they could take action to expand the markets by promoting agro-industrial growth abroad and supplying export credits. Instead, they are allowing the cartels to take advantage of the collapse and consolidate their control of the markets. This involves the increasing use of countertrade (an elaborate form of barter in which the corporate giants can often impose not only commodity prices but conditionalities).

Congress has dealt with three pieces of export-related legislation: the Export Administration Act, the Supplemental Appropriations Bill for Africa, and the Agricultural Amendment Act. The first passed the Senate March 1, and awaits conference committee action. The bill is aimed to encourage U.S. exports while attempting to limit exports of high technology products for national security reasons. The final version could give the special trade negotiator more control over embargos of farm exports, at the expense of the U.S. Department of Agriculture (USDA).

The second bill, signed by the President, provides a measly \$90 million in food aid for Africa. It increases funding for the PL 480 program, Title II, the cruel and unproductive "food for work" program.

The third bill, HR4072, was passed March 22. It also increases funds available for PL 480 by \$150 million in FY84, adds \$500 million in guaranteed export loans from the Commodity Credit Corporation, and expands the direct-credit program by \$100 million for FY85.

Mere expansion of export credits will not help much so long as the conglomerates and the IMF are running the system. Ninety percent of all PL 480 contracts are given to the seven "major" companies in the commodity cartel—Cargill, Continental, Nestlé, Bunge, Dreyfus, André, and Phibro. The program has been turned into a vehicle for the State Department, working with the International Monetary Fund, to provide scant amounts of food to "approved" nations in a combined blackmail and triage operation. The State Department's Agency for International Development is withholding food from famine-wracked Bolivia on the grounds that aid would discourage local farmers—who are starving and cannot plant crops.

What prevents many countries from importing is not only the lack of foreign exchange but the IMF/World Bank conditionalities which insist that they forego imports in order to pay debt. Thus their buying power has grossly deteriorated.

This situation has opened the door

for 20th-century "East India Companies," such as Sears World Trade, Peabody World Trade, and Bank-America World Trade Corporations to increase their control of export markets, using barter and countertrade. For example, in 1983, the grain giant Cargill bartered to provide Ecuador with rice in exchange for barter rights on Ecuadoran output.

The U.S. government has only one barter agreement, an exchange of Commodity Credit Corporation non-fat dry milk for 1 million tons of Jamaican bauxite. If the administration has shied away from state-to-state barter and countertrade arrangements, it is encouraging the private sector to make such deals which are now said to account for nearly 40% of Third World trade and 30% of world trade.

Commerce Undersecretary for International Trade Lionel Olmer, speaking at a *Financial Times*-sponsored conference in January, noted that the government had considered a proposal to exchange U.S. butter for nickel from Russia and to trade agricultural products for Mexican petrochemicals.

There is growing pressure at the USDA and among farm organizations for reviving and funding the GSM-3011 program, which allows a PL 480 recipient to use the funds for food infrastructure development.

This would not only increase exports, but develop long-range markets through construction of grain elevators, roads, railways, and so forth, to improve importing and processing capabilities.

The last time the program was funded was in 1979 to enable Israel to build a grain storage facility. Why does Congress refuse to revive the one government program that could assist the underdeveloped sector to make large medium-term increases in its import capability?



## Decoupling Europe from the dollar

*Kissinger's business partners expand use of ECUs—for political rather than financial reasons?*

When Henry Kissinger wrote in *Time* magazine March 5 that the United States might remove its troops from Europe, the financial ground had already been laid for the decoupling of Europe from the U.S. dollar.

The mechanism is the European Currency Unit (ECU—pronounced *ay-ko*), the currency numeraire of the European Community set up in 1978 at the foundation of the European Monetary System (EMS). ECUs are not printed legal tender, but a currency cocktail of the major EMS domestic currencies, originally conceived to promote trade and economic growth in Europe. At its foundation, the EMS and its ECU were hailed by *EIR* and others as a potential vehicle to put Europe back on a gold-and-dollar standard, and bind Europe closely to Washington.

Instead, as Kissinger's private business partner Lord Peter Carrington took over NATO, Carrington and BIS chief Fritz Leutwiler have over the past year promoted the ECU as a currency Europe can use *instead of the dollar*. (See *EIR*, Oct. 25, 1983.)

More than 200 European banks now take accounts denominated in ECUs, and hold as much as 10 billion ECUs in deposits, Yves Le Portez of the European Investment Bank estimates. Interest rates on ECUs are lower than those on U.S. dollars. The ECU is now the third largest currency of world bond syndication after the dollar and the German mark. During 1983, banks, corporations, and international organizations borrowed 2.35 billion ECUs, and since 1981 a total

of 4.35 billion ECU-bonds has been issued.

U.S. negotiators at the GATT talks in Geneva in March were shocked when European Commissioner Viscount Etienne Davignon demanded that trade quotas be set in ECUs, not dollars, an aide to U.S. Special Trade Representative Bill Brock told *EIR*. "They are using the ECU to set U.S. export quotas to Europe, not the dollar, and this will cut U.S. exports. They're using the 1982 dollar-to-ECU rate, which means that since the ECU is worth less now, U.S. exports to Europe will be even smaller than the quotas. But why are they doing it, really?"

The BIS argues that the U.S. dollar is too unstable to finance trade. As one banker said, "The dollar will fall some more, then rise again, and fall later this year.

"They lose both ways with a dollar system. The Europeans were first hit by the rising dollar, when they had to absorb a collapse of their imports and inflation to their import prices. Now they've absorbed that, the dollar is collapsing—which won't help them, because they were just getting to where they could use cheap European currencies to sell more European exports."

New York Federal Reserve President Anthony Solomon threatened in a speech last year that Europe is "tired of being whipsawed by U.S. interest rate and exchange rate fluctuations. They may seek ways to insulate themselves behind various kinds of trade barriers, exchange controls, and capital controls."

In order to impose capital controls

on Europe, "you would have to develop a whole new transaction currency to maintain capital flows within the EMS," a Morgan Guaranty economist told *EIR* at the end of March. "Practically speaking, they would have to use ECUs and totally change the currency flows within Europe."

"ECU transactions, of all types, are already in the billions of dollar ECU equivalent per year," a top source at the Federal Reserve informed me earlier this month. ECUs are being used for trade and intervention.

"The European central banks are already using the ECU and the EMS currencies as the transaction currency, including as currency of intervention, sidestepping the dollar entirely," the Fed man said. The European central banks, especially the smaller ones like Belgium with less dollar reserves, are pushing the ECU market in Europe like crazy. They are doing a lot of exchange intervention in ECUs; they buy French francs for ECU bank balances, and the traders sell the ECU bank balances to the West German central bank, for example, if they want German marks. Nobody prints ECUs, it's unnecessary."

The European central banks are also "pushing the European banks to lend and the companies to finance trade in ECUs," he pointed out. "Companies are using the ECUs to pay their trade regularly. A German company exports to France, the French company pays in an ECU bank balance, and the German company holds the ECU bank balance. They use it later for their foreign purchases. When the German company needs cash to pay their workers, they can go to the central bank and get German marks, but otherwise they just hold ECUs."

Otto Wolff von Amerongen, dean of German banking and industry, wants a parity for the ECU with the Soviets' transferable ruble.

# Business Briefs

## European Agriculture

### German farmers protest EC price cuts

Twenty thousand enraged and desperate farmers from all over West Germany gathered in the Dortmund Westfalenhalle March 25 to protest the European Community's recent cuts in price supports for agricultural goods. Last year alone, 20,000 farmers—a rate of 60 per day—were forced to stop farming, and now the situation is worse.

But leaders of the German Farmers' Association (Bauernverband) failed to put forward the basic issue facing agriculture: the need for every nation's farmers to increase production to reverse the growing world food crisis.

The organization's president, Herr Heeremann, resorted to a demagogic speech after being booed by the audience. Heeremann's assertion that "if things are not changed very rapidly, the mood of the farmers may rapidly shift against our democracy and our parties," was met with frenetic applause from the usually docile farmers. He then attacked American agriculture for dumping cheap products on German markets.

Agriculture Minister Kiechle was greeted with hoots and whistles, then a load of manure was dumped in front of the podium while he was speaking, flanked with signs that threatened "French measures" would be taken if there were no government action. Signs recalling the Nazi slogans about German farmers and German oaks have already begun to appear at farmers' meetings.

## European Community

### 'Storm on the Channel: continent isolated'

That quip regarding British chauvinism was revived on March 30, after a last-minute ministerial effort by the European Community (EC) to narrow differences concerning the British budget contribution. It ended with worsened disagreements, the *Daily Telegraph's* front-page headline being "Britain

Refuses to Bail Out EEC." (The British still call the EC the European Economic Community.)

"Failing in its attempt to prevent the establishment of the EC, Britain joined in order to sabotage it and destroy it from the inside," as a French journalist put it. Prime Minister Margaret Thatcher demanded a \$1 billion-plus cut in the U.K. budget contribution, and her partners bent over backwards to appease her, accepting a \$740 million rebate. Yet British Foreign Minister Geoffrey Howe announced that Britain would refuse to pay a scheduled \$160 million advance payment to the budget, hastening bankrupting the EC.

The British government is demonstratively studying ways of withholding all payments to the EC budget and "preparing for a war of attrition with its EEC partners," according to the *Financial Times*. Despite the undisputably disruptive role played by the British, French Foreign Minister Claude Cheysson "firmly quashed suggestions that the EC could do without Britain." Gaullist opposition leader Jacques Chirac demanded that the United Kingdom be put "on holiday" from the Community. French President François Mitterrand "hinted at the end of the summit that the Nine might try to push ahead on their own," without Britain.

## Infrastructure

### Scranton, Pennsylvania suffers dysentery

Former Lehigh Valley coal center Scranton is now afflicted with an outbreak of dysentery caused by protozoa infesting the city's main water supply due to leaking of raw sewage (fecal contamination) into the city reservoir. The condition of the reservoir has developed over years, but the Environmental Protection Agency, fully aware of the situation, failed to take corrective action.

Democratic presidential candidate Lyndon LaRouche's health adviser, John Grauerholz, M.D., addressed a meeting on the water crisis March 27, and also discussed the contamination crisis in the depressed former steel town of McKeesport, 250 miles to the west.

A water-management crisis faces much of the nation due to lack of investment in water infrastructure for over 25 years. Dr. Grauerholz asserted that "all civilization is the history of the increased ability to keep what you take in away from what you put out. When there is no longer the means to maintain that separation, contamination which has led historically to the deadliest of man's diseases has set in." Drops in population have always preceded the onset of pestilence, including the 14th-century Black Death that killed three-quarters of Europe's population.

The collapse of infrastructure in Pennsylvania is demonstrated by fiscal cutbacks which have left only 35 water quality inspectors to check the state's 7,000 water systems to prevent potential outbreaks of typhoid, cholera, or hepatitis, any one of which could enter a fecal-contaminated water supply through only one carrier.

## Petroleum

### Kissinger and Qaddafi plot coup in Sudan

Henry Kissinger is involved in the moves of Libyan dictator Muammar Qaddafi to overthrow Sudanese President Jaffar Numeiry and partition Sudan into Muslim and black African states. At stake is control of the large oil reserves in southern Sudan.

Two days after the Libyan bombing of the central Sudanese town of Omdurman March 16, Sudan's Defense Minister Umar Muhammed at-Tayabbi spent six days in Washington where he met with both Henry Kissinger and representatives of Standard of California (Chevron). At-Tayyib returned to Sudan in the company of State Department official Vernon Walters, a long-time Kissinger associate.

The increased military pressure on Sudan by Libya is calculated to destabilize the Numeiry regime and open the way for a coup by a handpicked puppet of Kissinger and the oil companies. Chevron has been exploring for oil in Sudan; it has been revealed that Chevron has hired Kissinger as a consultant. Shortly after Walters's trip to Sudan, Kissinger appeared on U.S. nation-

## Briefly

wide television and stated that the United States should give no more heavy arms to Sudan. Without continued U.S. aid, Sudan will be rendered defenseless against Libya.

### U.S. Agriculture

#### **Commodity programs to be barely maintained**

Assistant Agriculture Secretary William Leshner told an agricultural policy meeting in Washington D.C. March 27 that the next farm bill will have to include some type of commodity program because the absence of such a program would be too much of a "shock to the system" of U.S. agriculture.

Speaking at the 1984 National Food Policy conference, Leshner claimed "I don't think we can return to the so-called free market with no farm programs." There is still a role for government in agriculture, he stated, although "not as deep as it is today"; it will be to "smooth out the highs and lows" in farm prices.

Leshner is a supporter of the policy the Reagan administration has been putting into effect for three years that has entailed driving down the prices of U.S.-produced commodities to make it possible to sell them on the world market at cheaper prices than other countries.

### Dope, Inc.

#### **Colombian drug mafia claims chauvinism**

United States Ambassador to Colombia Lewis Tams announced March 28 that the United States would cancel the visa of Pablo Escobar, whose drug dealings are estimated at \$10 billion. Tams also announced that the United States was about to ask for the extradition of Escobar and 24 other top Colombian drug chiefs for trial in the United States.

Escobar immediately launched an anti-American campaign in the Colombian daily *El Tiempo*. "I am surprised," he wrote, "that those of us whom you accuse of owning the [cocaine] laboratory [raided and destroyed

by the Colombian government in mid-March] are the same people who are publicly fighting Justice Minister Rodrigo Lara Bonilla, who has shown himself the abject representative of your government in the Colombian cabinet." Escobar registered his "most energetic and patriotic protest against the unmerited intrusion of U.S. ships and authorities into Colombian territory"—part of U.S. cooperation with the war on drugs Lara is conducting.

At the same time, Colombian Communist Party's weekly newspaper *Voz Proletaria* furiously denied Tams's documented assertion that Escobar's cocaine factories are guarded by leftist guerrillas. But, the paper wrote, "the class struggle also goes on in the underground economy. The exploited peasants have found themselves having to cultivate coca and sell it to the mafia's factories."

### Food Crisis

#### **Philadelphia conference on African famine**

The LaRouche Campaign held an Emergency Conference to Stop Genocide in Africa March 25 in Philadelphia. Panelists included former Manhattan Borough President Hulan Jack; Minnesota farm leader and LaRouche Democratic candidate Pat O'Reilly; Second District congressional candidate Susan Bowen; U.S. Club of Life Executive Committee member Sheila Jones from Chicago; and Lyndon LaRouche's scientific adviser Marcia Merry. Conference moderator was Muriel Mirak, a founding member of the international Club of Life.

Conference speakers attacked the Third World policies of Henry Kissinger as destroying the principles of the United States and its historical commitment to developing the world—and related conditions in Africa to the dysentery outbreak in Scranton. A development policy for Africa was presented to the conference, and a resolution was passed calling on the U.S. government to stop genocide in Africa, to forbid racist Henry Kissinger access to all positions of power, and to carry out Lyndon LaRouche's Great Projects approach to African development.

● **THE UNITED STATES** is halving the tariff-free import quotas for newly industrialized nations' goods. Some \$12 billion in exports from major debtor nations will now be subject to duties which will destroy their trade.

● **THE U.S. TRADE DEFICIT** will probably be reduced by 40-60% in the next 18 months if the present trend to a cheaper dollar continues, U.S. Trade Representative William Brock stated March 28. He attributed the sharp rise in the deficit to "economic growth" in the United States, and the drop in exports by developing nations to the debt crisis and the dollar's appreciation.

● **JAPAN'S** six largest steelmakers will spend \$2.71 billion on plant and equipment investment in FY1984, the companies announced March 29. This will mean an overall drop of 23.7% in capital investment from the current fiscal year. Nippon Steel, the largest producer, stated that it had earmarked no funds for expanding capacity; it will emphasize energy conservation, cost reduction, and high-quality products. Nippon will cut its capital investment by 40% from last year.

● **CHINA** and the Japanese corporation Mitsubishi signed a science and technology exchange agreement in early April. The first meeting will be held in Peking in August.

● **HOGS AND PIGS** in the United States are now at 39.5 million head, the lowest March inventory since 1976.

● **THE EIR** three-minute taped report service has been restored following machine repair. We apologize to subscribers for the delay. Any full-year EIR subscriber is eligible to receive the report's phone number, which can be called for a daily international update on breaking developments.

## The Soviet economy: everything goes for war build-up

by Criton Zoakos and Laurent Murawiec

The Soviet economy is a military economy. The greatest proportion of its working population (about 42% of the labor force not employed in agriculture or services) is employed in military production. The greatest proportion of its re-investable surplus (about 75%) is channeled into military production. And the one sector of its social activity which year after year registers increasing growth rates is the military.

These statistics ought to be the indispensable grounding for any serious intelligence evaluation of both the Soviet economy and the Soviet military effort. Unfortunately, this has not been and is not the case, at least not in the U.S. intelligence community. Once the composition of the Soviet Union's labor force is understood and its implications are assimilated in a competent way, the absurd debates over "dollar estimates" of Soviet military expenditures among the CIA, DIA, Rand Corporation, et al. will cease, and will be replaced by a sober understanding that we are dealing not with an ordinary though inefficient economic system, but with a purely military machine with a "nation attached to it."

This has been especially true since the end of the Brezhnev era, and the takeover by the military junta which swept aside the communist bureaucracy and now governs absolutely. As this Special Report demonstrates, the economies of the U.S.S.R. and the satellite countries of Eastern Europe are being stripped down to fuel the current military buildup. But the shift now under way merely accentuates the distorted features of an economy which has been on a Spartan military footing since 1925.

The Soviet Union, a nation with half the GNP of the United States, has maintained a military expenditure at least twice as large as that of the United States over a period of more than a decade. It outproduces the United States by wide margins in every category of military hardware, from rifles to tanks, to aircraft, to warships, to conventional and nuclear-armed missiles of all ranges.

Of a total labor force of about 140 million persons, 8.5 million are employed in the manufacture of combat hardware of all types. A total of 26 million are employed in industrial professions which produce goods for the consumption of



*The Red Army on parade in Red Square. The military machine devours about three-quarters of the surplus generated by the Soviet economy.*

UPI

the military machine and under the direct administration of the military establishment. In short, the Soviet "military-industrial complex" employs 26 million productive workers, which is approximately the same number that the United States employs in all manufacturing categories combined.

Compared to these 26 million productive workers in the Soviet military-industrial complex, the total number of non-military-related Soviet industrial workers is about 36 million. The rest of the Soviet labor force is distributed between agriculture, services, and administration.

Of a total of 62 ministries which comprise the Soviet government, 17 industrial ministries are administered directly by the military. These are: 1) General Machine Building; 2) Machine Building; 3) Shipbuilding; 4) Aviation; 5) Defense Industry; 6) Radio Industry; 7) Communications Equipment Industry; 8) Medium Machine Building; 9) Electronics Industry; 10) Electrical Equipment Industry; 11) Installation and Special Construction Work; 12) Maritime Fleet; 13) Transportation and Heavy Machine Building; 14) Oil Refining and Petrochemical Industry; 15) Energetics Machine Building; 16) Instrument Making, Automation Equipment, and Control Systems; 17) Civil Aviation.

In 1980, Soviet military hardware of all types was being assembled in 134 major final assembly plants which were being supplied by over 3,500 other individual installations. This represents the greatest number of such facilities of any nation on earth, and by far the greatest amount of industrial floor space. During the 1960s and the 1970s, the Soviet economy consistently produced and employed twice as many major weapons systems per year as the United States.

Each year, the Soviet educational system graduated 300,000 engineers and 400,000 "junior engineers." Half of these joined the military sector. By comparison, the United States graduated 60,000 engineers per year and only 20% of those joined the defense industry.

Our own rough estimate, based on qualified manpower allocations among production sectors, is that for every man-hour invested in "new investment," there are three manhours invested in the productions of military hardware. This is a rough, heuristic approximation which may upon closer study prove to be an underestimation of the extent of the military production effort. As a rule of thumb, available information justifies the assumption that 75% of all reinvestible surplus generated by the Soviet economy goes into military output.

This, of course creates a problem: if one continues, year after year, to plow the investable surplus of the economy into military output, the productive base is bound to start crumbling from the lack of adequate replenishment of the productive plant and equipment which produces the annual reinvestable surplus. This is what happened to the Soviet economy in the decade of the 1970s.

### **Cannibalization of the civilian sector**

We survey three crucial economic parameters: rate of growth of GNP, rate of growth of civilian investment, and rate of growth of military production.

The rate of growth of the Soviet GNP as measured by official Soviet statistics declined from 6-7% per year in the 1950s, to 5% in the 1960s, to 3.8% in the 1970s, including 0.9% for 1979-80.

Yet from 1966 to 1981 the annual growth rate of military production averaged 5-6% per year, more than doubling over the entire time span. It is generally estimated, on the basis of conventional judgments, that annual Soviet military spending is between 18% and 20% of Soviet GNP. More sophisticated methods of analysis tend to accept a 30-35% figure.

From 1970 to 1980, the civilian sector of the Soviet economy collapsed, while its military sector enjoyed unprecedented prosperity. Military production facilities of all types expanded at an unprecedented rate. In 1980 they were able to produce 3,000 main battle tanks, compared to the United States' maximum capacity of 750. Floor space in the shipbuilding industry expanded by about 75%, facilitating the production of seven types of submarines and all types of surface combatants. In 1979-80 the U.S.S.R. produced 23 submarines, while the U.S.A. produced two, and those with serious production difficulties. The Soviet aviation industry underwent two successive phases of expansion and modernization in this period, having massively outproduced its U.S. counterpart. It is now about to test-fly a fighter bomber clearly superior to the American F-16. At the beginning of the decade, the Soviets could produce about 200 missiles per year; now the production of the SS-20 medium-range missiles alone is probably this much.

In the course of the 1970s, the Soviet Union's 50 major weapons design bureaus launched and completed over 200 new major weapons systems, compared to less than half that many in the United States. These included the SS-18, SS-19, SS-20, and the Typhoon nuclear submarine. From 1970 to 1980, the Soviets invested three times as much as the United States in conventional hardware for their land forces, twice as much for aircraft production, twice as much for military R&D, and twice as much for strategic offensive weapons. Through expansion of their space program, the Soviets laid the basis for the future development of seven major new types of space systems: the G-1 (Saturn class) super booster, a medium-lift space booster, a space shuttle, a space plane, a large space station, the Potok communications satellite, and an advanced antisatellite system—all expected to be ready for deployment either later in 1984 or early in 1985.

The year 1976 was a critical turning point. The Tenth Soviet Five-Year Plan for 1975-80 had provided for an increase in civilian investment of 42% over the five years. After the initialing of the SALT II accords in 1975, the Soviet leadership decided to increase military production and correspondingly decrease the civilian investment rate to 23% for the five years.

After the first reduction of civilian investments by half in 1976, a second major such decision was made in the spring 1981 Central Committee meeting, which ordered another halving from a 23% rate over five years to a 12% rate. Before Brezhnev died, it was once more decided to further reduce civilian investment growth rate to 1.5% per year.

## The program of the Ogarkov era

But by then another important political event had occurred: Chief of Staff of the Soviet Armed Forces Nikolai V. Ogarkov published a booklet titled *Always Ready to Defend the Fatherland*. It laid out the policies and economic programs on the basis of which a successor to the dying Brezhnev was to be selected. Ogarkov proposed to dramatically accelerate the rate at which the Soviet military economy cannibalizes the modest resources of the civilian sector, in order to further speed up the pace of military buildup. Both Yuri Andropov and Konstantin Chernenko were chosen after they had paid homage to the Ogarkov program.

Marshal Ogarkov's booklet states:

In the interests of raising the defense capacity of the country, it is more necessary than ever before that the mobilization of the Armed Forces be coordinated with the national economy as a whole, especially in the use of human resources, transport, communications, and energy, and in ensuring the reliability and viability of the entire vast economic mechanism of the country. In this connection, there must be a constant effort to find ways to improve systems of cooperation among enterprises which produce the basic types of weapons, and to make them more autonomous with respect to energy and water supplies, to provide them with necessary stocks, and to create an equipment and material reserve. Further improvement has to be made in the actual system of mobilization readiness of the national economy on the basis of the principle that a close interrelationship between the mobilization readiness of the Armed Forces, the national economy and civil defense is the most important condition for maintaining the defense capacity of the country as a whole on the requisite level.

Marshal Ogarkov's economic program was identified by students of Soviet history as the continuation of a Spartan military-economy doctrine which became dominant in the Soviet Union in 1926-27 and was best articulated in two earlier books, Major General A. N. Lagovskii's *Strategy and Economy* (1957) and the other published in 1947 by N. A. Voznesenskii, the man who directed the Soviet economy during the war, from 1941 to 1946, *The War Economy of the U.S.S.R. in the period of the Patriotic War*.

We present excerpts from these seminal policy documents which ultimately determined the evolution of the Soviet war machine "with a nation attached to it."

First, from Major General Lagovskii: "Economy and strategy are intertwined and reciprocally dependent. Their full unity is achieved by State Power. This unity is a perfectly new phenomenon in the history of war and only possible in the Socialist State." And further on: "In order to meet the

requirements of war, the whole economy will be revamped for war." Lagovskii quotes early communist General M. V. Frunze, who wrote in 1924 that "Each time something is started in the economy, culture or other spheres, we must always raise the question: how much will the results of what we are starting here be in harmony with the requirements of the defense of the country? Is there a possibility to build it in such a way that it can also fulfill determined military tasks?"

"Strategy must already in peacetime make known the approximate requirements of Army and Navy for the early phase of a war, so that the economy, as war breaks out, has sufficient bases in energy and raw materials, the required production capacity and skilled labor force, to meet the requirements of the armed struggle." Also: "[Modern] wars have demanded from the economies already in peacetime a powerful tension and a corresponding preparedness to supply the armed struggle with the required military hardware.

"In modern war, quantity and quality of weaponry are of primordial significance . . . the country's economy must be prepared to take up immediately the mass production of arms, military technology hardware, and other supplies for the Armed Forces . . . today, the strength of a country depends also on the time in which it can deploy its military potential . . . the prompt and all-rounded mobilization of all economic reserves is in the first place dependent on a country's economic system. . . . The Socialist system of planned economy has major advantages from this standpoint over the capitalist economic system."

Then, most emphatically: "*Economic planning is very strongly determined by the interests of strategy. . . . The reciprocal relations and mutual influence of economy and strategy are in the modern war of especial significance. He alone who grasps this fact, recognizes the true driving force of war.*"

N. A. Voznesenskii, who directed the World War II economy of the Soviet Union, asserted the military superiority of socialist planning in the following way:

"The Patriotic War created a new period in the development of Socialist economics, the period of war economics. War economics of the U.S.S.R. is characterized by peculiar laws in the sphere of production and reproduction."

Voznesenskii described ". . . the mobilization of the productive powers of Socialist industry, workers, and engineering and technical personnel for the needs of the Patriotic War. Industrial enterprises were converted to war enterprises. War industry was reinforced by means of transferring to it enterprises from other branches of the economy. The output of a number of civilian products was stopped in order to release productive capacity, manpower, and material resources for the needs of the war economy. The commodity composition of industrial output underwent a radical change. Increases in the relative shares of quality

rolled steel in the output of metals, of aviation gasoline in the output of petroleum products, and of special chemicals in the output of the chemical industry took place. The relative share of foodstuffs and supplies for the Red Army in the food-processing and light industries increased, etc." These "new laws" have obtained in Russia's economy ever since. They are the very principle of the economic matrix of Russia.

## The continuity of socialist planning

As to the present relevance of the Voznesenskii doctrine, suffice it to mention an extraordinary paean published on the occasion of the 80th anniversary of his birth in the official government daily *Izvestia* on Dec. 1, 1983, and another panegyric printed in *Pravda* on the same day, extolling the "unfading fascination and authority of this man . . . one of the creators of the political economy of Socialism, the discoverer of a number of fundamental problems in science." Just as former premier Aleksei Kosygin was being posthumously hailed on his own 80th anniversary above all as one of the main organizers of the World War II mobilization, rather than for any other earlier or later achievement, the fact that Defense Minister Dmitrii Ustinov, in place in the military-industrial ministries since 1939 and a war-time collaborator of both Voznesenskii and Kosygin, is at present the overseer of the Russian "military-industrial complex" testifies to the continuity of the Russian leadership's doctrine and practice.

Ogarkov himself, in the cited 1982 booklet, reviews the lessons of 1941:

The beginning and the course of World War II introduced further changes into the concept of mobilization and to an even greater extent revealed the direct link which connected the mobilization and deployment of the Armed Forces with the transition of the entire economy to a war footing and the reorganization of the political, social, scientific, and other institutions of the State. The greater part of the economy and resources of the State were enlisted for the purpose of ensuring immediate war needs.

Here again, Ogarkov is underscoring the principles that have governed the Russian war mobilization since 1975.

The high-blown prose of Voznesenskii and Lagovskii notwithstanding, no war economy can survive for long by dumping most of its reproductive potential into the dead end of military hardware. Missiles, tanks, and warships do not add to productivity and are a net minus for the stock of capital plant and equipment. After a few production cycles, the whole scheme tends to come to a crashing halt, unless it loots an extraneous source of wealth . . . or unless somebody feeds the military monster from outside. The Soviet war production system is no exception.

# How the West helped build the Soviet war machine

by Criton Zoakos and Laurent Murawiec

Serious students of Soviet history have long recognized, though the fact has yet to register among the ignoramuses who write for the press, that the Soviet war production system that exists today was in evidence as far back as 1925-26, after the death of V. I. Lenin. Ironically, Lenin, the founder of the Soviet system, the purported father of modern communism, was fated to implement only one economic system after he ascended to power, and that was a form of "free enterprise," under the rubric of the New Economic Program (NEP). Shortly prior to, and then after his death, a massive economic crisis developed which was never resolved rationally.

In 1926 and 1927, a group of Russian policy makers resolved on a long-term plan of building a new imperial state power which would be based on modern military might. After L. D. Trotsky's expulsion from power in the early months of 1927, this group worked out a detailed plan for evolving a powerful military force. They concluded that their first prerequisite was a modern industrial base upon which such an army would be founded. These military plans were then translated into the celebrated First Five Year Plan of 1929/30-1934/35.

At the end of this Five Year Plan, Soviet manufacturing of tanks had increased 40-fold, of heavy artillery guns 100-fold, of rifles 1,000-fold, and so forth. On April 28, 1929, *Pravda* quoted the vice-president of the Revolutionary Military Soviet, Unshlikht:

We must try to ensure that industry can as quickly as possible be adapted to serving military needs . . . [therefore] it is necessary to carefully structure the Five-Year Plan for maximum cooperation and inter-relationship between the military and civilian industry. It is necessary to plan for duplication of technological processes and absorb foreign assistance. . . . Such are the fundamental objectives.

Every new plant had a department devoted to military products, and every plant produced both civilian and military goods, although the military took first priority.

## **Bolshevism and U.S. technology**

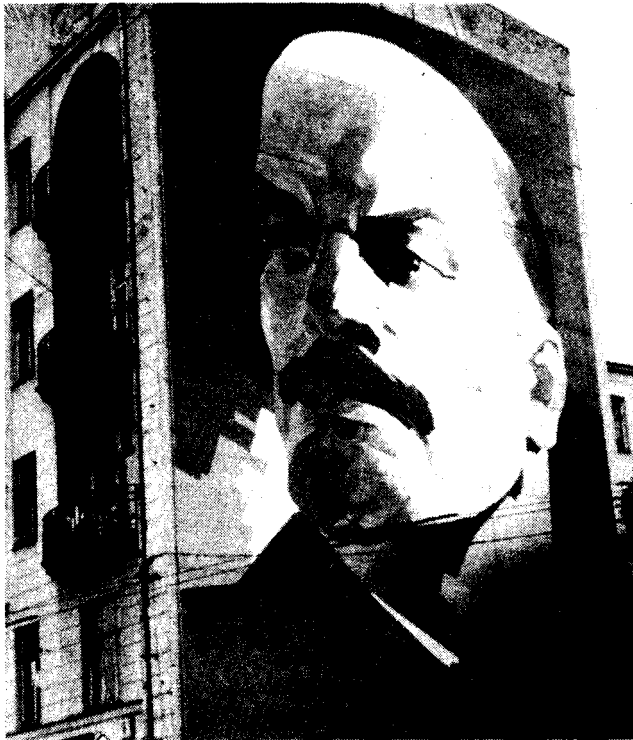
The secret, of course, is that the early industrialization effort depended almost entirely on Western companies, en-

gineers, investment programs, and Western imported plant and equipment. The economic historian A. C. Sutton has written the definitive documentation of that period of history, in his authoritative *Western Technology and Soviet Economic Development* from which we quote here:

The rapid growth of the 1920s was dependent on foreign operative and technical skills. Electrical energy grew more rapidly than any other sector. Socialist electrification was achieved in good part in the 1920s. This was heralded as a triumph of Socialist construction, but unless one defines the latter as a Western enterprise operating in a Socialist economy, it should be hailed as a triumph of Western private enterprise working under enormously difficult technical and political conditions. . . . The remarkable growth of production in the 1920s is in those sectors that received the greatest Western aid: coal, oil, pig iron, and rolled steel. Those sectors without a great deal of aid barely improved their position during the course of the decade. The Western contribution to Soviet production between 1917 and 1930 was total. No important process has been isolated which was not a West-to-East transfer. . . . The penetration of Western technology was complete: at least 95% of the industrial structure received this assistance.

The period hailed as the great industrialization of the Soviet Union, the demonstration of the superiority of Socialism, was described in 1933 by the journal *Za Industrializatsiyu* as "a combination of American business and science with Bolshevik wisdom, [whose combined effect] has created these economic giants in three or four years." Given what we know of Bolshevik wisdom in industrial matters, little could be credited to socialism. Hundreds, perhaps thousands of Western companies were called to supervise construction of the first Five-Year Plan. According to Harry Schwartz (*Russia's Soviet Economy*, N.Y., 1950), "It seems correct to say that every or almost every major branch of the Soviet productive system received substantial aid from abroad and had much of its rapidly expanding corps of native engineers and technicians of all kinds trained, directly or indirectly, by foreigners." Adds Sutton:





NSIPS/Uwe Parpart

*The Soviet economy has been grounded in military production since the death of Lenin.*

The foreign engineers who worked for the Soviet Union between 1930 and 1945, whether under the first Five-Year Plan, during the '36-'39 period, under the Nazi-Soviet Pact or under Lend-Lease, were usually top-flight consultants without whom the projects would have remained on paper only. The Soviets were adept at selecting, in almost every field, from irrigation to metallurgy, first rank foreign construction companies and the finest industrial talent.

Even more significant, *“the Five-Year Plan as a concept is almost completely a myth of the propaganda mills. The complete design work, supervision of construction, provision of equipment and in many cases, actual factory construction were done by Western companies under contract.”* We shall not repeat the detailed treatment of individual industrial branches which Sutton takes three volumes to develop, but for the purposes of this report, his study of the planning and construction projects will provide the required paradigm:

One of the truly great surprises in researching this study was the discovery that the architectural design and supervision of construction of industrial units as well as the supply of equipment and similar assistance was very much an American responsibility. In the words of Albert Kahn Co., Inc., the foremost industrial architects in the United States: “It was in 1928 . . . that the most extraordinary commission ever giv-

en an architect came in the door unannounced. In that year, a group of engineers from the U.S.S.R. came to the Kahn office with an offer for a \$40 million tractor plant and an outline of a program for an additional \$2 billion [these are 1928 dollars!—ed.] worth of buildings. About a dozen of the factories were done in Detroit; the rest was handled in a special office with 1,500 draftsmen in Moscow.” The “outline of a program” presented to the Kahn organization in 1928 was nothing less than the first and second Five-Year Plans of “Socialist construction.”

The contract was for plant design, the selection and ordering of machinery, the preparation of process layouts, and the ordering and shipping of the tools needed to build the plants. The chief of the Soviet State Project Construction Trust, Gosproektstroi, was G. K. Scrymgeour, a Kahn engineer who also headed the Building Commission of the Supreme Economic Council—the only American to be a member of the “National Technical Soviet”! Thus were the three shining examples of Socialist construction, the tractor plant in Stalingrad, and those in Chelyabinsk and Kharkov, built from top to bottom by American technology—the Russians providing unskilled labor and raw materials. The military industry, which includes the three above-mentioned plants, was similarly assisted.

### **Lack of innovation**

What is further striking is the fact that, no more in the 1930s than in the 1920s did any significant technological innovation spring up in Russia’s civilian economy. What happened was that “the Soviets acquired 30 years of foreign technological development in three years, although it took 10 to 15 years to absorb the acquisition,” Sutton reports. But the backwardness remained in terms of innovation—contrary to a country like Japan, which extensively borrowed and copied, but assimilated and further developed technology developed elsewhere.

What happened in the 1930s was really the mass import of selected technologies for selected, key branches that central planning had decided to boost—as preconditions for developing the defense economy.

This Western technological assistance, including emphatically Nazi assistance especially after the Hitler-Stalin Pact, continued until Hitler’s June 1941 Operation Barbarossa. Lend-lease supplies from the United States in the capital goods sector alone represented more than one billion (1938) dollars, with the result that, in the words of Sutton, “The Soviet economy ended the war at a level of technology which in many respects was at a par with that of the United States.” After sizable technological input accrued because of the 1939 Nazi-Soviet Pact, “the Soviets had, in effect, an indigenous military technology by 1941. Further, weapons were produced in large quantities over a full decade . . . this prudent, far-sighted policy accounts for the Soviet ability to turn back

the Nazi invasion before Lend-Lease goods flowed in any great quantity."

When Lend-Lease goods, supplied under the first, December 1941 Russian-American protocol, started to flow, they represented an extraordinary technological bonanza. A June 1944 cable to the State Department by then-Ambassador to Moscow Averell Harriman makes the point clear: "*Stalin paid tribute to the assistance rendered by the United States to Soviet industrialization before and during the war. He said that about two-thirds of all the large industrial enterprises in the Soviet Union had been built with U.S. help or technical assistance.*"

Close to half a billion 1938 U.S. dollars worth of advanced machine-tools were injected into the Russian economy. Still, in spite of the high technological standard thus acquired, the principle of the war economic mobilization was the starving of the population, of the civilian sector as a whole, of anything that did not go to the front.

From the end of the war to the death of Josef Stalin, the parasitical Soviet war economy took its time to digest the looting of Eastern Europe, an issue treated elsewhere in this Special Report. After that arrived the era of détente, and with it the modern, controversial form of "technology transfers," "industrial espionage," and that one-way East-West trade without which the Soviet military machine of the 1970s and 1980s would not have been built.

### **Stealing, copying, and assimilating**

The process whereby Russia acquires foreign technologies exemplifies the nature of the beast: Incapable of developing at the frontiers of technology, it steals the products of external systems that are able to advance permanently. The old quip of the Russian agricultural minister opposing the takeover of the rest of the world—"Who will sell us grain then?"—has across-the-board validity. We shall once more draw on Sutton's analysis:

The operational key to the development and utilization of technology within the U.S.S.R. is contained in the two words, "standardization" and "duplication." [In a first stage, the targeted foreign technology is acquired.] The technological dragnet [is] unbelievably thorough and complete. It is doubtful whether any technical or economic development of consequence has escaped examination by the Soviets. When information could not be acquired overtly, it was acquired covertly, by espionage, from governments, companies, and individuals. Such information was translated, summarized and distributed to planning, design, research, engineering, and economic bodies.

Prototypes of promising processes were acquired, examined, dissected, catalogued, and analyzed in the most minute detail. The process most suitable for Soviet conditions became the standard. Foreign engineers were hired to carry out or assist the selection

process. When the standard had been identified, it was prepared for duplication and standard drawings were prepared. This process of identification of standards and subsequent duplication is found in all major Soviet industries. . . . Why were the Soviet engineers and planners so successful in choosing the best foreign technologies? In almost every case [they] made an excellent choice. They invariably chose a more successful, low-cost process. . . . One explanation might be the highly detailed comparative technical studies conducted . . . it is clear that the Soviet system has institutional procedures enabling the rapid, usually successful transfer of Western technology at low cost and in a relatively efficient manner.

A series of other advantages are listed by Sutton: the help of espionage, local communist parties and sympathizers, cooperative Western manufacturers providing data in order to gain contracts, the pinpointing of the more successful processes by market results in the West. "These constitute a formidable package of advantages. . . . In brief, the Soviets have demanded and have been supplied with the frontier work of capitalist systems often before it is utilized in the country of origin. . . . This policy requires extensive information, assimilation of foreign techniques, and a great deal of skill to avoid mistaken choices."

The study of the "copying" methods further reveals the inner nature of the Russian system: The fundamental doctrine and policy of the regime prohibits the conditions that cause innovation to flourish. As a result, Russia is "compelled" to imitate the creative discoveries made outside it, without ever being capable of mastering the process by which such discovery is achieved. The Russian economic situation is thus rooted in the deepest of all epistemological problems, that of mastering the process of successive scientific discoveries and the method by which the process is mastered.

According to a 1982 intelligence report to the U.S. Congress, during the 1970s the Soviet theft and acquisition program made available to the Soviet economy the following otherwise unavailable technologies (among others): 1) complete industrial processes and semiconductor manufacturing equipment capable of meeting all Soviet military requirements; 2) complete computer system designs, concepts, hardware, and software plus a wide variety of general-purpose computers and minicomputers, enough to cover 50% of the U.S.S.R.'s computer needs and 100% of its military needs; 3) automated and precision manufacturing equipment for electronics, materials, and optical, and future laser weapons technologies; machine tools for cutting large gears for ship propulsion systems; 4) optical, pulsed power-source lasers and other laser-related components, including special optical mirrors and mirror technology suitable for future laser weapons.

The dollar value of the 1970s loot in this area alone is estimated in the high scores of billions.

# Looting the East European colonies for the Russian imperial war effort

by Konstantin George

No comprehensive understanding is possible of how the Soviet Union's economy ticks, let alone of the current "surge phase" of the war economy mobilization, without examining the dynamics of Russia's colonialist looting of its Eastern European satrapies. The Soviet Union is an imperialist power; it has colonies, known politely as the "fraternal countries" of the Comecon, and to describe its posture towards them as rape would hardly be an exaggeration.

The prime function of the economies of the "captive nations" of Eastern Europe is the compulsory export to Russia—on Russia's terms regarding quantity, quality, and delivery dates—of tens of billions of rubles of critical goods, machinery, machine tools, and transport equipment, all underpriced through rigged Soviet pricing policies and a ruble overvalued in relation to the Eastern European currencies. Without this systematic looting, not only would the depth and scope of the Russian war economy hardly be imaginable, but, even more emphatically, the fouled-up Soviet civilian economy would be in far worse shape than it is now.

The satellites, in particular East Germany, Czechoslovakia, and Finland (Finland has annual consultations and extensive agreements with the Council for Mutual Economic Assistance—CMEA or Comecon—and, since it has no choice but to comply with Soviet demands for goods exports and "cooperation" in "joint projects," must be included in the rigorous definition of "colony") are Russia's milk cows supplying industrial goods crucial for the Russian war buildup.

A case in point is ship construction. In the past 20 years the Soviet Union has built up a first-class navy and become the world's number-one merchant shipping power. Without the shipyards of East Germany, Poland, and Finland, this dual feat would have been impossible. Russia can build the atomic submarines, helicopter carriers, guided-missile cruisers, and destroyers for its four fleets, but not without captive shipyards producing the scores of new ocean-going vessels required each year.

In 1983 alone, of 67 major ocean-going ships produced in East German shipyards, 54 were delivered to the Soviet Union. Scores of ocean-going ships were delivered to Russia by Polish and Finnish yards. Project this back over 20 years, with a minimal annual average of 40 East German-built ships delivered, and with similar calculations regarding Poland and Finland: 2,300 major ocean-going ships entered the Russian

merchant fleet courtesy of the captive shipyards. Government and industry sources in Poland and East Germany report that they are compelled by Moscow to use scarce foreign exchange to purchase Western navigation and other specialized equipment to equip the ships. There is no Russian compensation for these hard-currency expenditures.

These numbers only begin to tell the story. Finnish yards produce a high percentage of specialized modern ships which enter the Soviet merchant fleet, such as container ships, RoRo (roll on-roll off) cargo ships, icebreakers, and a fleet of heavy-duty modified ice-breaker transports for use in the Arctic Ocean-Barents Sea and the Sakhalin-Kamchatka-Bering Sea region in the Pacific. The Polish shipyards in Szczecin and Gdansk are currently producing on a priority basis 33 large tugs (nine already delivered) to tow rigs and platforms into place in the Soviet offshore oil-drilling program. The dredges, which maintain Soviet harbors in operation and keep the required water depths for navigation in the Soviet Union's extensive inland waterway system of rivers, lakes and canals, are produced in East Germany.

## Twenty years of looting

The Soviet military build-up since the 1962 Cuban Missile Crisis has been accomplished by notable increases in the rate of looting in each subsequent Comecon Five-Year Plan. This point was illustrated in grisly fashion in December 1965, when the East German delegation returned from Moscow after signing the trade protocol for 1966-70, with a whopping increase in mandated deliveries to the Soviet Union. The East German Planning Commission head, Eric Apel, went straight to his office, put a pistol to his head, and terminated his services to the "first Workers' and Peasants' State on German soil."

The Comecon "integration" process has gone through three principal turns of the screw: 1976-80, 1981-85, and the shift to a war economy underway today. The figures comparing 1976-80 with 1981-85 are quite telling. From 1976 to 1980 the total flow of goods classified as "machinery, equipment, and transportation" (especially ships and railroad cars) exported from Eastern Europe (not counting Finland) to the Soviet Union was valued at 40 billion rubles. Soviet exports of goods in the same categories to Eastern Europe were valued at 24 billion rubles for the same period. For 1981-85, the

original plan for East European exports of these goods categories to the Soviet Union was set at 60 billion rubles—a 50% increase over the preceding five years. Actual rates of deliveries were higher, and the rates continue to climb. The planned Soviet deliveries to Eastern Europe of these categories for 1981-85 were set at no more than 24 billion rubles—no increase at all.

We will now zero in on East Germany (G.D.R.) and Czechoslovakia (C.S.S.R.), the number-one and number-two trading partners of the Soviet Union, with whom the Soviet Union conducts 20% of its trade (11% and 9% respectively). Soviet-G.D.R. trade from 1976 to 1980 totaled 37.7 billion rubles; the 1981-85 Plan was for 59.8 billion rubles, already a dramatic increase, and the actual 1981-85 totals will minimally reach 65 billion rubles. Soviet-Czech trade for 1976-80 was 29.5 billion rubles; the planned total for 1981-85 was 41.4 billion rubles, and the actual total will reach no less than 53 billion rubles for the five years. Already in 1983, over 35% of total Czech and East German trade was with the Soviet Union.

With the transition to military junta rule in the U.S.S.R. in the last years of the Brezhnev and Andropov regimes, Soviet intra-Comecon trade reached percentages not seen since the Stalin period. In 1981 the Soviet Union conducted 52.8% of its trade within the Comecon (including Finland). In 1982, the figure was 55%, and in that year a goal of 58% was set for 1985. That 58% share has since been set in 1983 as the goal for 1984, and now that target has been thrown overboard for even more ruthless “integration.”

### Even tighter ‘integration’

With Andropov not yet officially dead and the military junta ensconced in power, in the immediate aftermath of the Dec. 26, 1983 Central Committee plenum which officially heralded the “patriotic duty . . . of greater labor discipline,” Radio Moscow of Dec. 29 announced the decisions of the plenum for the Eastern European colonies: “Trade between the CMEA countries will grow by almost 19% in 1984 and the CMEA share of U.S.S.R. trade will reach 61% [the earlier 58% projection is dead and buried], versus 53.7% in 1980, testimony to deepening socialist economic integration.” In case anyone in Eastern Europe missed the point, Radio Moscow added: “The Central Committee Plenum was a vivid expression of our party’s course for attaining a qualitatively new level of economic integration [in the Comecon]. . . . Comrade Andropov said one cannot imagine life [a bit of black humor by the military?—KG] in the countries of the Socialist Community without it. . . . In the long term, integration will become even deeper, all-embracing, and effective.”

Radio Moscow carried the news of the new trade protocols signed with Czechoslovakia and East Germany, reporting that in 1984 U.S.S.R.-Czech trade will grow by 12% and total more than 12 billion rubles, and trade with East Germany will “significantly increase to well over 14 billion ru-

bles in 1984.” Concerning East German exports to the Soviet Union:

The *proportion* of the following will increase: machine tools, presses, forging equipment, electronically-controlled metalworking lines and tools, plus electrical and industrial chemical goods.

The German Democratic Republic [G.D.R.] will supply: complete rolling mill plants, equipment for production of cable and stranding machines, equipment for crude petroleum reclamation and processing, cranes, open-pit mining equipment, excavators, road construction machinery, equipment for the construction of industry, for the printing industry, ships, textile machinery, agriculture machinery, and railroad cars. Also air conditioning and refrigeration equipment, pumps and compressors, machinery for the food industry and the chemical and light industry.

The following percentage figures tell the story of the G.D.R. economy in a nutshell. In 1983, 80% of the ocean-going ships produced were exported to the U.S.S.R., 60% of all waterborne craft, 80% of all railway cars, 40% of all machine tools, 40% of all forges and presses, 60% of refrigerated trucks and railway cars, and 70% of all telephone switchboard equipment.

Since the Central Committee plenum, the Soviet marching orders have begun to be implemented: East Germany has commenced a speed-up in the machine tool sector, with a workforce of 80,000 divided into four giant machine-tool-producing facilities (*Kombinaten*) in Berlin, Karl-Marx Stadt, Erfurt, and Schmalkalden. The Erfurt *Kombinat*, on short notice, just announced that it will “voluntarily” advance by six months the 1984-85 delivery dates for three huge forging presses for the Soviet vehicle industry. The machine tool industry as a whole has just pledged “four extra days worth of production” above the 1984 norms.

### Soviet conditionalities

Trade with the Soviets on their terms, however, is only part of the way the East European satrapies are exploited. All are hostage to Soviet deliveries of critical raw materials, which are supplied on the basis of conditionalities very similar to the International Monetary Fund’s colonialist doctrines towards the developing sector. Soviet deliveries of raw materials required by the East European countries are supplied not only in return for a massive flow of industrial goods, but on condition that the East European countries supply money, labor and equipment to “jointly” build with Russia the great majority of the huge Soviet raw material development projects, raw material processing plants (e.g., ore concentrating and pelletizing and pulp and paper plants) and infrastructure projects (oil and gas pipelines, roads, railways, and port facilities).

Imagine if the United States in its relation with Mexico, as a condition for food exports, were to demand supply of

labor, money, and equipment to "jointly" build with the United States the grain storage facilities, port facilities, railways, and roads that would service the U.S.-Mexican trade. This is what the Soviets have been demanding, in increasing amounts with each successive Five Year Plan, of their East European colonies.

The three paradigm cases for these policies are energy, raw materials, and transportation. Let's start with energy. In 1982, in a typical "fraternal agreement," the East Germans, in return for receiving "additional amounts of natural gas" (barely enough to meet requirements), agreed to provide the funds, labor, and machinery to construct 500 kilometers of the Soviet-European gas pipeline within the Soviet Union and seven of the compressor stations. Similar arrangements were concluded with the other satellites, while the Czechs were made to foot the bill for the entirety of the pipeline in their territory (the trunk line traverses Czechoslovakia before entering West Germany and Austria). From the standpoint of Soviet long-term strategic planning, it should be noted that all of the three major gas pipelines built from 1967 to the present traverse only the territory of the Soviet Union and Czechoslovakia before entering Western Europe.

Compulsory Czech exports of wide-diameter seamless steel pipe to the Soviet Union are also crucial for Russia. (Czechoslovakia ranks number two in pipe exports to the Soviet Union, after the Mannesmann firm of West Germany, which has exported well over eight million tons of such pipe to the U.S.S.R. in the past ten years.) The steel pipe plant at Chmutov alone has exported two million tons of wide-diameter pipe to the Soviets in the past ten years, plus an additional one million tons of smaller-diameter pipe. Another steel plant at Kosice in Slovakia, some 50 kilometers from the Soviet frontier, exports its production to Russia via a Russian broad-gauge railway especially extended into Czech territory for that purpose.

Soviet policy is to simultaneously maximize the satellites' dependency on Russia for raw materials for their industries, and to maximize the flow of oil and gas from Russia to Western Europe, increasing Western Europe's dependency. To facilitate this dual objective, the Soviets have promoted a nuclear energy program in their three most tightly controlled satellites, the G.D.R., Czechoslovakia, and Bulgaria, while the cornerstone of the East European energy program remains coal-fired thermal power plants, using poor quality domestic coal resources as much as possible. Thus the main expansion of power plants in the G.D.R., Poland, and Romania has been based on domestic lignite.

The other facet of the program has been the construction of a string of Soviet power plants, mostly coal-fired and some nuclear, in the Western Ukraine (the largest one at Khmel'nitskii will be completed next month), with high voltage power lines extending hundreds of kilometers into eastern regions of Poland, Czechoslovakia, and Hungary, bringing these territories more directly into the Soviet electricity grid. The same will be true for Bulgaria.

These giant power plants and power lines are built as "joint" projects between Eastern Europe and the Soviet Union. The power plants are fired in part by good quality Polish bituminous coal, millions of tons of which are now shipped to the Soviet Union annually under a Soviet-dictated priority railway project shoved down Poland's throat in the early 1980s. (The Polish coal mines, like all the key enterprises in the country, are under military control.) The Soviets built a nearly 400-kilometer-long broad-gauge railway through Polish territory to the mining and steel center of Katowice in Silesia, thus not only making all the iron ore flow and the bulk of the coal flow to and from the "Polish Ruhr" dependent upon the Russian railway system, but also commencing Polish dependency on Soviet ports for Polish exports to third countries.

The statement of the Soviet foreign trade ministry on the scope and political significance of the project speaks for itself:

The length of the stretch on Polish territory is 397 kilometers. It's the biggest transportation project undertaken in Poland in the entire postwar history. Forty-four railway bridges were built, including large bridges over the rivers San, Vistula, Nida. . . . This stretch is of many-sided significance. Its main aim consists in securing the rhythmical direct transport of Soviet iron ore for the Polish steel industry, and in the other direction of Polish sulfur from Tarnobrzeg and coal from Silesia to the Soviet Union . . . and for enabling the foreign trade of Poland to also be conducted through the Soviet Union [through Soviet ports].

Two of the biggest problems confounding the Soviet railway system are the overriding need to reduce the ton-mileage devoted to coal-hauling, and the shortage of functioning locomotives at any one time, especially for the long-haul routes. The East German newspaper *Neues Deutschland* this month reported on Soviet announcements that two-kilometer-long freight trains hauling coal from the Kazakhstan fields to the power plants in the Urals have been instituted as the norm, and three-kilometer coal trains have been begun on the Baikal-Amur (BAM) railway, in the Soviet Far East. Extensive reports were published in the *Kazakhstan Pravda* in 1981, decrying the idling of thousands of coal cars because of a lack of serviceable long-haul locomotives.

The two mammoth iron-ore mining, concentration, and pelletizing projects underway, mostly at East European and Finnish expense, are at Krivoi Rog in the Ukraine and at Kostomuksha in Karelia, 30 kilometers from the Finnish border. Kostomuksha, now operational and handling 16 million tons of iron ore per year, was built by 10,000 Finnish industrial and construction workers. The project also entailed massive modernization and expansion of rail and road facilities in the Karelian corridor between Leningrad and the Finnish frontier, projects with definite military implications.

The Comecon is now in the midst of the 1981-85 program

for repairing, modernizing, and reconstructing 19,000 kilometers of track which "service the overwhelming portion of freight transport between the CMEA countries," and the program is, as the Soviet Foreign Ministry so politely phrased it, "at joint expense." Of the 19,000 kilometers, 2,000 are being double-tracked, 7,000 are being equipped with automatic switching and track control, 6,000 are being electrified, and 9,000 being reconstructed.

Of the 18 major rail lines involved, 14 are east-west truck lines and all have primary military significance, for obvious reasons. The east-west lines being rebuilt and reequipped include 1) the line from Kiev through the Western Ukraine, Southern Poland (south of Warsaw and Lodz) and crossing into East Germany between Forst and Falkenberg, 2) the line from the iron ore center at Krivoi Rog in the Ukraine through Lvov to the Hungarian capital of Budapest, and 3) the line from Krivoi Rog to Prague.

The massive rail program is paralleled by a military priority Comecon highway program, also being built at predominantly East European expense, according to Soviet specifications.

The following item appeared in *Neues Deutschland* Dec. 19, 1983: "Bratislava, C.S.S.R.: The first phase of a new two-deck combined rail and highway bridge over the Danube, is 24 months ahead of schedule. One rail track and two highway lanes on the bridge, 460 meters long, are now open to traffic. . . the bridge is part of the CMEA's 'Trans-European Transport System.' [emphasis added]"

Nothing in the East bloc gets built 24 months ahead of schedule unless it has top military priority, and that's obviously the case concerning both this particular bridge and the "Trans-European Transport System" of which it is a part. To quote the Soviet foreign trade minister concerning this program:

The program consists of four new main highways with a total length of about 9,000 kilometers: Berlin-Warsaw-Moscow, with a length of 2,000 kilometers; Rostock-Berlin-Prague-Budapest-Bucharest-Constanta, with a length of more than 2,000 kilometers; Danzig-Warsaw-Katowice-Bratislava-Budapest-Timisoara-Turnu-Severin-Craiova-Calafat-Widin-Botevgrad-Sofia, a length of 2,500 kilometers; and Moscow-Kiev-Kishinev-Bucharest-Sofia, a length of 2,500 kilometers.

In cooperation in activities of this kind, it is the norm that the reconstruction of roads and the accompanying installations, that each country meets the entire cost and labor at its own expense for the stretch of road to be built on its territory. At the same time, however, questions such as the category of road and the schedule of construction are to be centrally decided [by the Russians]. Thus, uniform highways will be built, based on a unified technology.

Such is the colonial policy of the modern-day Sparta.

## Military scales down

by Clifford Gaddy

Although the Soviet Union built the world's first nuclear power plant (1954), and especially during the 1970s talked a lot about an ambitious program of nuclear-generated electricity, that program never really got off the ground. The marshals, it seems, were never really persuaded of the merits of the "peaceful atom." Requiring a centralized energy grid and major investments in large units, the nuclear program ran counter to the military's preferred scheme of a network of small, decentralized energy plants; for that reason the marshals opposed the nuclear energy option from the beginning.

The Soviet energy sector is a case study corroborating the thesis of the Soviet General Staff that when the interests of the military collide with those of the civilian economy, it is the military considerations that take precedence even if that means an economic loss.

In 1970 the official plans for the domestic nuclear power program of the Soviet Union called for an installed capacity of over 50 gigawatts by 1985 (1 GW is roughly the capacity of a single large modern nuclear plant). Right now, it looks like the Soviets will be lucky to reach 25 GW by that date.

This record of only 50% fulfillment of the original plan is one of the worst in the Soviet economy, and cannot be dismissed as just another manifestation of poor Soviet economic performance. The foot-dragging and obstruction in an area which leading economic planners and politicians had defined as a national priority can only be due to the persistent opposition of the military leadership of the country.

The Soviets have known all along that nuclear-generated electricity is far and away the most advantageous form of energy for an economy, the one that best promotes technological and economic growth. The nuclear course not only made economic sense, but it had ideological legitimacy as well: It was, after all, Lenin who had defined communism as "Soviet power plus electrification of the entire country."

Nevertheless, the Soviets' effort to apply the most modern technology to that task of electrification was pitiful. From the construction of the first station in 1954 until 1970, the Russians had managed to install less than 1 GW of nuclear capacity. (The U.S.A. by that time had 6.5 GW.) By 1975 the Soviet figure had crept up to only 4.7 GW, compared to a U.S. increase to 39.8 GW. As bad as this was, though, there were signs that the advocates of the peaceful use of atomic power might be gaining the upper hand. Officially,

# nuclear program

the U.S.S.R. was to build 50 GW of nuclear capacity by 1985, and to reach that level it planned to build a new industry and a new city around the world's first assembly-line production facility for nuclear reactors. The new factory, the Atomash Plant on the Volga-Don Canal in southern Russia, was to be the showpiece of the national nuclear program, turning out eight reactors a year that could be transported by river and rail to power station sites around the country.

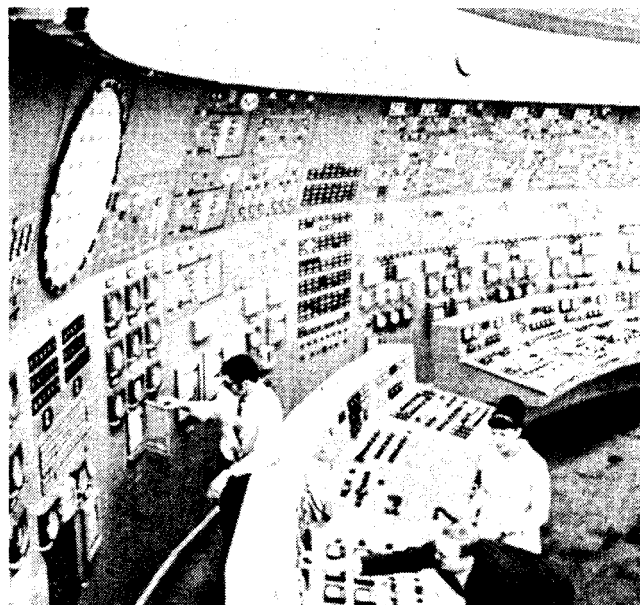
Official Soviet statements explained why the nuclear effort was necessary. Increased electrification of the country was essential, they said, because of the rising transportation costs of oil and gas; the old gas and oil fields were becoming exhausted, and the new fields lay thousands of kilometers deep into Siberia, with no roads or rail communications. The way to generate that electricity cheaply, specialists said, was through nuclear energy: "Atomic power stations generate electric power at a substantially lower cost than other power stations do," said one top expert, Academician Styriovich.

## The shift to natural gas

In other words, in view of the huge extra infrastructural investments required, oil and gas are not cheap energy sources. Yet what has happened over the past years? Precisely at the same time that the nuclear industry has been kept operating at half-speed, incredible resources have been invested in the uneconomical Siberian oil and gas industries.

The size of the gas effort in particular is staggering. In the past five years, according to newly appointed Soviet Communist Party boss Konstantin Chernenko in his election speech in early March, the Soviet Union has built 40,000 kilometers (around 25,000 miles) of gas pipelines. This required some 27 tons of steel pipe, at a cost of around 30-35 billion rubles. This is a huge investment, more than that spent on nearly every major national industrial project the Soviets have recently undertaken—the BAM railway in Siberia, the Kama River truck plant, the Volga auto plant, Atomash, and others—combined. It is an investment that makes very little economic sense except for one fact: A large part of the pipe was produced and paid for by Western countries.

The sheer inefficiency of the investment in the gas pipeline can be seen from the following calculation. According to Soviet figures, the so-called specific capital investment of a Soviet power station—that is, all the expenditures required



*A nuclear plant on the U.S.S.R.'s Mangyshlak peninsula.*

to build the plant, including the costs of building railways and roads to connect the plant to the existing transportation network, losses caused by construction, costs of water supply, and investments in housing and other facilities for new workers—is in the range of 210-270 rubles/KW of capacity, depending on the type of reactor built. Thus, if the Soviets had taken the full 30-35 billion rubles which they had invested in gas pipelines over the last five years and built nuclear plants instead, they could have had an additional 111-166 GW of nuclear capacity. And even with a more realistic assumption that not all the investments could have been diverted from gas to nuclear, it is clear that there would have been no problem in reaching the target of 50 GW of nuclear capacity by 1985, and probably much, much more.

Economically, this would have meant a tremendous advantage for the Soviets themselves. Rather than pouring tens of billions of rubles into a very inhospitable region of the country for pure raw materials extraction, they would have been involved in nuclear technologies on a tremendous scale in the civilian economy. Whereas in the gas option, the infrastructural investments were made in regions not previously involved in production (and thus such investments do not contribute to speeding up rates of circulation within the production apparatus), in a nuclear option infrastructural investments would have been concentrated where they were most needed in the Soviet economy: to upgrade the infrastructure grid within existing production regions.

But this economic argument did not outweigh what the marshals perceived as the *military* advantages of five years' intensive investment in natural gas production: a more decentralized energy grid inside the U.S.S.R. and, thanks to a huge volume of gas exports to the West, a prime capability for energy blackmail of the adversary in Western Europe.

## The Russian junta slams Dr. K.'s back channel

by Criton Zoakos

Secretary George P. Shultz was taken aback by the intensity of emotion displayed by Mr. Anatolii Dobrynin during a late-February meeting between the two, as the Soviet ambassador insisted that any negotiations between his country and the Reagan administration will be absolutely and unconditionally out of the question, on arms control or on any other issue.

"As far as my government is concerned," Dobrynin was reported to have said, "President Reagan thinks in private what this man LaRouche says in public," referring to Democratic presidential candidate Lyndon H. LaRouche, Jr. Secretary Shultz protested vigorously that this was not the case. Dobrynin stood his ground. As far as his government is concerned, LaRouche is the man with the ideas behind President Reagan's decision to develop anti-missile beam weapons, the single greatest concern of the Soviet government at this time.

Secretary Shultz, in the course of the meeting in question back in late February, was convinced that the advice received from his friend Dr. Henry A. Kissinger was sound, namely that the Soviet leadership would agree to start "back channel" negotiations as soon as they were convinced that first, LaRouche had no influence in the shaping of the administration's anti-missile laser defense policy, and second, that he, Kissinger, was the leading influence behind Washington's shaping of foreign and security policy. Secretary Shultz was also aware that, apart from Ambassador Dobrynin's openly stated concerns about LaRouche, the Soviet government in general was focusing its intense hostility on the Democratic candidate.

Not long before, on Nov. 15, the Soviet government's daily newspaper, *Izvestia*, reported the following on a conference on beam weapons held by Mr. LaRouche in Rome, Italy: "... but all it took was to turn up in that hall and listen

to the speeches [at Mr. LaRouche's conference] and no doubt remained . . . you were among troglodytes. . . . They came to Rome from various countries, on invitation from a certain Lyndon LaRouche. . . . [He] is once again trying to run [for the presidency]. As the hobbyhorse of his electoral campaign LaRouche has chosen . . . space weaponry. The get-together at the Hotel Majestic showed that both Reagan and LaRouche have followers in the Old World."

Against this background, Secretary Shultz tried to convince the Soviet ambassador that none of this is true, that LaRouche is an inconsequential fringe person in U.S. politics, that the beam weapons policy would get nowhere beyond the "research" phase, and that it was urgent to commence the "back channel" negotiations as recommended by Henry Kissinger. Having made his point, Dobrynin demurred and reverted to his customary diplomatic ambiguity.

A euphoric Shultz returned to his office to order a "comprehensive review" of the status of U.S.-Soviet relations. Ambassador Arthur Hartman was brought back from Moscow for emergency consultations with Shultz, Gen. Brent Scowcroft and others outside the government including Henry Kissinger, Winston Lord, and William Hyland. They decided to go ahead with a plan proposed by Kissinger in December 1983, namely, to promote an individual as a special "presidential envoy" to conduct "private," "quiet" diplomacy away from the public view. Kissinger had recommended that Lt. Gen. Brent Scowcroft specifically be named for this task.

Scowcroft was Kissinger's chief national security aide through the Nixon and Ford administrations and now is associated with the consultant firm Kissinger Associates, Inc. He is also the chairman of the President's bipartisan review panel on strategic weapons.

Shultz's "emergency consultations" during the first week



of March produced a plan of action: Brent Scowcroft would be sent to Moscow armed with a letter (of unknown contents) from President Reagan, to seek a private meeting with General Secretary Chernenko. The Reagan letter in the hands of Scowcroft would serve as a signal to Moscow that Kissinger is in the saddle in Washington. Ambassador Hartman would meet with Foreign Minister Gromyko for the appropriate explanations and arrangements.

Hartman went back to Moscow, and asked for a meeting with Gromyko. He was told it would be on the 12th of March. The following day, Scowcroft was to arrive with four other persons: William Hyland, David Jones, Paul Doty, and Arnold Horelick.

The day arrived. Before leaving the embassy for his appointment with Gromyko, Ambassador Hartman glanced at the morning's *Izvestia*, and there it was, dominating the center of the "international news" page of the Soviet government's newspaper: an article titled "Behind The Scenes of Events: One More Scandal." Datelined "New York, March 11, TASS," the *Izvestia* article described "the scandalous ties of the Reagan administration with LaRouche. . . [which were] exposed in a special report on NBC television. The proof was so weighty that the White House did not even try to deny it. . . . The White House was forced to acknowledge the existence of secret ties which the National Security Council of the United States and the CIA maintain with a neo-fascist organization calling itself the International Caucus of Labor Committees. . . [which,] headed by its 'Führer' Lyndon H. LaRouche, Jr. is striving to undermine the influence of communists and other left forces among the workers and student youth. . . ."

Hartman went to his meeting with Gromyko anyway. We have reasons to believe that Gromyko rubbed Hartman's face in *Izvestia*'s international news page: "Reagan thinks in private what LaRouche says in public," he could have echoed Dobrynin's complaints to Shultz. At any rate, Gromyko made it clear that there will be no negotiations with the Reagan administration, back channel or no, Kissinger or no. Later, sources reported that Hartman was not given much of a chance to speak at all. He was subjected to "one and a half hours of bristling, unmitigated vitriol," one diplomat said.

The next day, Brent Scowcroft and his team arrived, proudly brandishing a letter from President Reagan and demanding to see Chernenko. He never saw Chernenko. He stayed in Moscow for five days waiting around to see Chernenko. He was told that as a courtesy to a retired American general, he would be permitted to see Deputy Foreign Minister Korniyenko. In the end, Henry Kissinger's "presidential envoy" left Moscow with his tail between his legs.

A week later, the State Department declared itself "slighted." These fellows really know how to take a hint. When, however, somebody spits in their face, it is a different matter. They simply sit there smiling and saying nothing. This is what in fact happened a few days after the "slighting" of Scowcroft.

On March 21, a Soviet tanker, the *Lugansk*, sailing near the coast of Nicaragua, was damaged by a mine laid by anti-Sandinista rebel forces who are in insurrection against the Nicaraguan government. Foreign Minister Gromyko summoned that day U.S. chargé d'affaires Warren Zimmerman to the Foreign Ministry in Moscow and issued an unprecedented charge, as reported by TASS:

"The Soviet government holds the U.S. government responsible for that grave crime, an act of banditry and piracy. . . . The government of the U.S.S.R. reserves the right to demand compensation for the Soviet citizens who suffered injury and the replacement of the material damage done to Soviet property. The government of the U.S.S.R. states its resolute protest to the government of the U.S.A. in connection with the criminal action against the Soviet ship *Lugansk* and warns that the United States will bear the entire responsibility for the consequences with which the continuation of such actions is fraught."

Diplomatically, to blame the U.S.A. for a mine laid by Nicaragua's anti-Sandinista rebels is equivalent to the United States having moved to declare war against the Soviet Union, say, back in the 1960s, because a Vietcong platoon attacked a U.S. Army patrol in South Vietnam.

The State Department, however, decided to do nothing about this matter except quietly "reject the Soviet protest."

The Soviet government's newly articulated foreign policy of "one and sole superpower" which began with its March 12 *Izvestia* attack against the "LaRouche-White House connection," was completely elaborated in an unusual lead editorial of the Communist Party daily *Pravda* on March 23, 1984, the first anniversary of President Reagan's celebrated March 23, 1983 speech announcing a strategy of Strategic Missile Defense based on beam weapons, a strategy widely identified with Lyndon H. LaRouche, Jr.

### 'Focus of evil'

We quote from the arrogant *Pravda* editorial: "By continuing to tread the path of preparing for nuclear war on the ground, on the seas, in the air and now in outer space, Washington inevitably places itself in opposition to the fundamental interests of all people and indeed becomes the 'focus of evil' it is so busy trying to locate. . . ."

"For many years now, especially after the coming to office of the Reagan administration, the American side has tried in vain to convince people that the best way to quench a fire is to pour oil on the flames, while the best way to enhance security is to pile up more and more heaps of weapons. And what is the result? This policy is disorganizing international relations, creating crises in the economies of even developed capitalist states, bringing whole continents onto the brink of bankruptcy and confronting the United States itself with insoluble internal problems," *Pravda* said, assuming for the first time the role of champion of the economic interests of both "developed capitalist states," and Third World debtor nations.

# 'We need a good, expensive arms race'

by Laurent Rosenfeld

So far, the French press has ignored the most important military strategy conference of the year in France—the March 23-24 meeting, sponsored by the Fusion Energy Foundation and featuring Lyndon H. LaRouche, Jr., on developing directed-energy beam weapons against nuclear missiles. But the conference had no sooner closed its sessions in Paris than its impact reverberated in statements by French political leaders and the press.

The meeting, on the first anniversary of President Ronald Reagan's speech announcing the scrapping of the old Mutually Assured Destruction doctrine and its replacement by the doctrine of Mutually Assured Survival, drew over 200 persons, despite a campaign of intimidation and blackmail led by Henry Kissinger that included threats to LaRouche and to his top representative in France, Jacques Cheminade. The presence of 30 to 40 military officers and representatives of most of the political parties in France, as well as many unofficial representatives of the government, shows how much the beam-weapons idea has penetrated French social and political strata.

Cheminade, the chairman of the France and Her Army Committee set up last June to promote beam defense, commented March 27 that the beam-weapons policy is just about everywhere in France now. "President François Mitterrand called for beam defense in The Hague in February. Prime Minister Pierre Mauroy followed suit a week later. Last weekend," Cheminade continued, "the top French opposition figure, Gaullist RPR leader Jacques Chirac, called for a European ABM defense program, and stressed the need for every European, and particularly the West Germans, to have the feeling of really being defended."

By Tuesday, March 27, the major Paris daily *Le Monde* carried an article by editor Michel Tatu reflecting the present official policy, giving the arguments for and against beam weapons, and concluding that "France has no interest in seeing both superpowers cover themselves with defensive barriers. But since they are doing it anyway, how could France remain behind?" Then on March 29, *Le Figaro* reported that French defense ministry officials claim that French "power lasers will be able to destroy satellites" within four years.

Cheminade explained to *EIR*: "The issue of beam weap-

ons is everywhere, but now we have to mobilize resources for a crash program. And for this, we also need a new world economic order, we need great projects such as a trans-African high-speed railway like France's TGV."

## Top names in beam-weapons defense

Culminating a year-long series of major conferences in European capitals, the Paris meeting heard many of the best known figures in the pro-beam defense community of both Western Europe and the United States. Cheminade is secretary-general of the European Labor Party of France, which has led the political fight for the new ABM systems; speaker Helga Zepp-LaRouche chairs the co-thinker European Labor Party of West Germany.

Other speakers were Dr. Jonathan Tennenbaum, editor of the German-language *Fusion* magazine; Dr. Giuseppe Filippini, director of the Italian Fusion Energy Foundation; noted American scientist Dr. Robert Budwejn; *EIR* Wiesbaden bureau chief Philip Golub; *EIR*'s director in Europe, Michael Liebig; French Gen. Etienne Copel; Colonel (ret.) Marc Geneste, vice-chairman of the Paris Center for the Study of Total Strategy, considered "the father of the French neutron bomb."

FEF Director of Research Uwe Parpart-Henke led a final roundtable discussion with French Col. Philippe Debas, Italian Colonel Magliano, a senior member of the Italian Socialist Democratic Party, and *EIR* contributing editor Christopher White, who elaborated on the economic base for a beam weapons program and for facing the Soviet challenge. West German Gen. Heinz Karst sent a written contribution to the roundtable.

## LaRouche: 'I must defend Europe'

Lyndon LaRouche, known worldwide as the first to call for a "crash program" for beam-weapons defense in early 1982, keynoted the conference. "As many of you know, I am running in the primary elections in the United States. I am like an old horse in a horse race. But I have the advantage on my opponents: I am running in the right direction and my opponents are donkeys running in the wrong direction," he began.

"If a Hart-Mondale ticket gets elected," LaRouche con-

tinued, "then we better build a spaceship and go to colonize Mars, because life is going to become impossible on this planet. And if Reagan is re-elected while remaining under the control of Kissinger and his friends, then the disaster is almost as grave."

"Our aim," LaRouche said, "is to save civilization." Some people in the United States may want to decouple Germany from the United States, as Kissinger wrote in his March 5 *Time* magazine article; but if we lose Germany, Europe will go, and, next, Asia, Africa, and the Middle East will go. And we will end up fighting on our own territory. "I am committed to defend Europe, because I am a patriot, but, even more, because, besides being a patriot, I am a member of civilization."

Replying to a question concerning delays in the development of beam weapons, LaRouche said, "Had I been elected President in 1980, we would already have some form of antiballistic-missile beam weapons, perhaps not a foolproof system, but we would be better off now than we are." The timetable for development, he stressed, is a political question; if a full crash program were begun now, something would be available in a few months. "So, the delays essentially depend on us. We must commit ourselves to a good, expensive arms race."

LaRouche, still denied the Secret Service protection he is legally due as a major U.S. Democratic presidential candidate, attended the conference in the face of physical threats. Henry Kissinger had phoned French politicians, asking them to sabotage the conference. "LaRouche and Cheminade are people that I hate. They are personalities to be shot down," Kissinger is reported to have said to a French political figure.

It took an international mobilization of citizens from many nations to ensure the necessary security protection for the LaRouches during their Paris visit. An advertisement was taken out in two major French dailies debunking the slanders that Kissinger's friends were spreading in France. One of these lies is that the Fusion Energy Foundation must be KGB-linked, since beam weapons would annihilate the credibility of "nuclear deterrence." The ad asked, "Do Kissinger's friends in Paris mean that President Reagan, who announced his 'Mutual Assured Survival' doctrine one year ago, is also a KGB agent?"

### **A Euro-American crash program**

In his introductory speech, Jacques Cheminade said, "We want to gather people who share an identical design—the conviction that Europe, that the great European classical culture can and must be defended." Dr. Jonathan Tennenbaum of the FEF reviewed the scientific developments that led to the possibility of developing beam weapons, showing how far the Soviets are ahead of the West with an effort about 10 times that of the United States. While President Reagan's speech of one year ago was a step in the right direction, a \$2 billion U.S. program for beam weapons development is far from being the crash program that we need to face the Soviet

challenge, he concluded.

U.S. scientist Robert Budwein told the audience, "The development and deployment of defensive weapon systems are essential to both the stability and deterrence of a nuclear war. The reason is that we cannot rely on deterrence by the threat of retaliation only; what if it fails?"

"Our nation must plan for this eventuality. If we do that in a realistic and serious manner, then we will greatly enhance the chances that deterrence will succeed. And, in the event that we do not succeed in avoiding a nuclear war, we will at least have a chance of surviving and 'winning' such a war." Budwein ended with a message to the Europeans present from Dr. Edward Teller, an outspoken advocate of beam weapons defense systems: There need be a closer collaboration between the United States and its European allies, as well as other Western countries, and the United States wants to share these technologies, as well as their development, with Europe.

Giuseppe Filippini, the president of the FEF in Italy, used the example of the Malvinas War, in which the British fleet turned out to be barely defensible against sea-skimmer missiles such as the Exocet or the Harpoon, to describe how conventional anti-missile systems are ineffective. The only solution for defending naval units is the use of laser and particle beam defense systems.

### **'Force de frappe' is not enough**

General Etienne Copel, former deputy chief of staff of the French Air Force, asserted that France cannot continue to rely only on its independent nuclear *force de frappe* and must prepare for a conventional and chemical attack by the Soviet forces. The only way to call any bluff by the Warsaw Pact, said Copel, is to rapidly develop and deploy the neutron bomb, a weapon that with its low blast and high radiation can break any blitzkrieg offensive. These weapons should obviously be deployed in West Germany, near the East German and Czech borders.

General Copel's name was front-page news in France in the two weeks before the conference, since he had resigned just 15 days earlier over his disagreement with some features of the French defense policy.

Jacques Cheminade detailed how the French deterrent has become obsolete, and the NATO doctrine is "one strategy too late." He, too, proposed the deployment of neutron bombs, as well as a real space policy and a modernization of the French strategic forces. Cheminade called for a national mobilization for defense, and against Kissingerian decoupling of Europe from the United States.

The tradition of the great French military engineers Vauban, Guibert, and Gribeauval, the great Lazare Carnot, the founder of the Ecole Polytechnique, and Charles de Gaulle, was a tradition of emphasis on firepower and mobility, he stressed. "Beam weapons combine these two parameters better than anything else so far." Cheminade concluded with quotes from de Gaulle: "Let the United States, Europe, and France together do their duty."

## The fight against cultural pessimism

On the second day of the meeting Helga Zepp-LaRouche called for a "fight against cultural pessimism, appeasement, and capitulationism." She warned against "the illusions about a new 'springtime' in the East-West relations," and explained that there is little time left to save Europe. "It is useful," she said, "to look at three problem areas in an interrelated way: 1) European-American relations, 2) the internal political, economic and military situation in Western Europe, and 3) the specific situation in the Federal Republic of Germany."

While "the U.S. nuclear umbrella has been the essential substance of the Western Alliance since 1949, and the sole obstacle which has prevented the Soviet Union from engaging military adventures," it is clear that the Soviet priority has been "to establish hegemony over Europe up to the Atlantic and to simultaneously wipe out any American influence from the continent." And if Europe falls into the Soviet sphere of influence, she asserted, then it is only a matter of time before the Soviet Union becomes the only superpower.

The main problem today in Euro-American relations is tendencies towards decoupling, as expressed in the Kissinger March 5 *Time* piece. Kissinger, Hart, Mondale, and Carrington are working, she said, on a "New Yalta agreement" with the Soviets, based on the decoupling advocated by State Department senior official Lawrence Eagleburger and U.S. Ambassador to Bonn Arthur Burns, who proposed reunifying Germany in the context of a "neutralized" (i.e., Soviet-controlled) *Mittleuropa*.

Within Europe, she said, the European Community has reached a deadlock and is being destroyed by Margaret Thatcher, who wants to implement Peter Lord Carrington's "New Yalta" policy. It is clearer now than ever that French President Charles de Gaulle was right in opposing Britain's entry into the Common Market. But there are also the cases of Denmark, Belgium, and the Netherlands, which have refused the stationing of the Euromissiles; there is the "March on Rome" organized by the Italian Communist Party to prepare a putsch or a coup de force; there are the incidents at the Franco-Spanish border.

As for the Federal Republic of Germany, Soviet propaganda has convinced a large section of the citizens, including most of the youth, that their country's enemy is not Moscow, but Washington. Even while opening the door to a Finlandized "reunification," the Soviet press preparing the pretext for a possible invasion by writing of new Nazi tendencies in West Germany. The Soviet Union portrays itself as the "peace-loving victim of the U.S. aggressive and provocative policy." In fact, as Mr. LaRouche had said the day before, the only provocative act of the United States was to disarm itself.

## Changing the present NATO doctrine

Michael Liebig of *EIR* spoke on the need to change the present NATO doctrine of flexible response, "which has always been strategically unsound," and has now become "un-

workable and self-defeating for the Western Alliance"; and Col. (ret.) Marc Geneste, vice-chairman of the Paris Center for the Study of Total Strategy, sketched the history of the strategic doctrines of the Western Alliance, showing how the present doctrine is bankrupt.

The final roundtable was opened by Uwe Parpart-Henke, director of research of the FEF in New York. Parpart took up Leibniz's formula for kinetic energy ( $E = mv^2$ ) to show the formidable advantage of weapons whose velocity is close to the speed of light, and Max Planck's formula ( $W = h[\nu]$ ) to show how lasers and other beams can induce negentropic effects by being "tuned" to their targets and induce resonance effects in them, thereby destroying them. On military strategy, he argued that there is no basic difference between "strategic" and "tactical" weapons, nor between "defensive" and "offensive" warfighting. Only stupid liberalism prompted countries to rename their "War Department" a "Defense Department" or defense ministry, he said.

## Chirac: 'Europe must make its own defense effort'

*From La Lettre de la Nation of March 26, 1984.*

"Europe must make its own defense effort by negotiating, in the form of a treaty, a new European defense alliance," declared Jacques Chirac on Saturday March 23 in Nogent sùr Marne, in closing remarks to the second convention of RPR-Banque (an association of banking and credit businesses).

The President of the RPR proposed that the Europeans "imagine and discuss, for example, the development of an anti-missile system in which the Federal Republic of Germany could participate."

To Jacques Chirac, it is indispensable to reactivate public opinion in the context of the European elections, especially to establish a closer political cooperation.

This cooperation should be based mainly at the structural level upon the "creation of a permanent European secretariat" and the installation of military means of intervening in the world, whenever European interests are jeopardized.

"It is indispensable," he said, "that each European, especially the Germans, have the conviction of being defended at his frontier."

The plan for a "new European defense alliance" should be launched, based on a "firming up of ties between Europe and the Atlantic alliance, and especially the Americans."

"Europe must," added Chirac, "make important sacrifices for its defense in the face of the integrated logistics of the Warsaw Pact forces." He deplored "the present inability of Europe to coordinate its efforts at the heart of NATO and with France."

# Khomeini legalizes inhuman butchery

by Judith Wyer

Just over a year ago, the dictatorship of Ruhollah Khomeini adopted a so-called Islamic legal code based on *qissass* (the Farsi word for retribution) which has increased the already barbarically high number of executions in Iran. The *qissass* system has produced over 2,500 executions, many of them against political opponents of Khomeini. According to a group of Iranian lawyers who have just exposed the *qissass* system, mutilations such as severing the left arm—to which 1,700 Iranians have been subjected—are also common forms of punishment. So inhuman is Khomeini's form of justice that his own Islamic Republican Party refused to allow the Iranian press to write about it.

## Death for 'thinking evil thoughts'

Amir Taheri of the *Sunday London Times* reports that among the crimes for which such punishment has been dealt are "insulting the leader," "reading heretical books," and "thinking evil thoughts." Prostitution, female adultery, and homosexuality are among the most harshly punished crimes. Public hangings of women are not uncommon today in Iran, including pregnant women. A murderer can go scot free, however, by paying one of the mullahs (Shi'ite Muslim priests) who act as judges about \$300.

Death-worship is the ideological underpinning of Khomeini's fundamentalism. Khomeini himself has affirmed that millions of Iranians "corrupted" by the influence of the previous regime, be eliminated. The deployment of thousands of children and adolescents as cannon fodder to the four-year-long Iran-Iraq war has proved to be Khomeini's primary means of conducting genocide.

Martyrdom has become a national cult in Khomeini's Iran. During the fifth anniversary of his takeover of Iran in February, a fountain of red-colored water representing the blood of Iran's martyrs south of Teheran was unveiled. That month, the Islamic regime announced it was expanding a cemetery outside the central Iranian city of Isfahan to hold 1 million martyrs.

Iran is spending millions of dollars to expedite the burial of its dead. Since the upsurge in fighting with Iraq two months ago, Iran has increased its imports of cloth from Turkey for funeral shrouds. A textiles factory in Izmir reported in March that it sold its entire production quota to meet Iranian orders.

Since early February, the Khomeini regime has escalated its kidnapping of young boys to send to the front. In February the legal draft age in Iran was lowered to 16 years of age. Iranian sources report that there has been an outcry from parents of young boys in Teheran who have disappeared from elementary schools only to turn up on the war front. Boys from the fourth grade of several Teheran schools were sent to "logistical training."

Taheri reports another phenomenon as grotesque as it is bestial: Since the imposition of Khomeini's *qissass* system, up to 700 of Khomeini's Islamic judges now jet around Iran holding makeshift courts, often at airports, where summary executions are sometimes conducted on the spot. Ayatollah Khalkali, who earned the title of "hanging judge" for his scores of executions just after the Khomeini takeover, holds the record for having convicted and executed 53 prisoners in one night, during a "stopover" in the Kurdish town of Sanandaj.

Recent reports from human-rights activists indicate that there are about 400 prisons and torture centers administered by the likes of Khalkali, throughout Iran. Despite efforts to expedite executions there are still an estimated 100,000 prisoners being held, including women and children. According to Iranian exile Khandran Aryan, who testified at the just concluded 40th session of the U.N. Human Rights Commission (UNHRC), there are many infants born to imprisoned Iranian women. These children later develop rickets and paralysis from malnutrition and poor sanitation.

The UNHRC session marked the first strong U.N. condemnation of Khomeini's crimes. But the human rights movement, which played a major role in ousting the Shah, only raised a voice of protest once Khomeini's crimes became so grievous that they could no longer be ignored. The silence which has predominated up to now contributed in no small measure to the deaths of as many as 500,000 Iranians under Khomeini's Dark Ages dictatorship.

## The chemical-weapons question

At the same time, the United Nations, the U.S. State Department, and other bodies have upheld Iran's claims that Iraq is using chemical weapons banned by international agreement since shortly after World War I (see *EIR*, March 27). But, according to the French magazine *VSD*, there is evidence that some of the Iranian patients reported to have been stricken by this chemical weapons may have been subject to attacks from the Iranian regime itself! Some of the patients in European hospitals, according to *VSD*, were attacked by Khomeini's forces as members of the opposition.

Moreover, in early March, the speaker of the Iranian parliament, Hashemi Rafsanjani, publicly stated that Iran had the ability to make chemical weapons, would do so, and would use them against Iraq if Iraq's alleged use of them did not stop. Thus the uproar about Iraqi weapons may have been a pretext for Iran's broad-scale use of such capabilities.

# Islamic terrorists threaten the West

by Jeffrey Steinberg

A U.S. consular official in Strasbourg, France and the French cultural attaché in Beirut were the targets of assassination attempts by Islamic terrorists on March 26 and 27. U.S. envoy Robert Homme and French attaché Sauveur Gliozzo both sustained multiple bullet wounds but survived. The Revolutionary Armed Lebanese Fraction (RALF) claimed credit for both shootings.

According to U.S. and French intelligence sources, RALF has been responsible for a half dozen assassinations of U.S., French, and Israeli diplomats in France, Italy, and the Middle East since 1981. The group, believed to be financed by the Iranian government with logistical backup from Syrian intelligence, is said to draw upon both Arab and Western European terrorist networks. One French source told *EIR* that the same networks were believed to have been behind the assassination February of Leamon Hunt, the U.S. head of the Sinai peacekeeping force and a top Middle East intelligence specialist.

The day of the hit attempt against Homme, a team of bank robbers claiming in a communiqué to be from the Italian Red Brigades, who are supplied with arms by the Libyans, robbed \$20 million from the Rome central offices of the Brinks Armored Car company.

## Damascus and its allies

This terrorist activity coincided with threats against the West by the Khomeini and Qaddafi regimes, just days after the Soviet Politburo's top "Arabist," Geydar Aliyev, completed an unusual week-long "working visit" to Syria (see Middle East Report, page 39). While Aliyev was in Damascus, U.S. embassy security officials there received warnings that Syria had dispatched a three-person hit squad composed of two Iranians and a Palestinian to Athens to assassinate the U.S. ambassador. A high-level security alert was called in the Greek capital and on Cyprus, where the terrorists were believed to be staging for the attack.

Other theatres of terrorism are being carefully monitored. On March 18, Iranian president Rafsanjani threatened to unleash chemical warfare against U.S. forces inside Lebanon. Under East German and North Korean supervision, Iran is known to be stockpiling vast amounts of deadly chemical weapons, and it is believed in U.S. and European intelligence

services that Khomeini may put these weapons in the hands of terrorist networks.

A bombing of the Intercontinental Hotel in Amman, Jordan on March 26 is seen as the trigger for a terrorist activation aimed at the "Lebanization" of Jordan. Plans to assassinate King Hussein were, according to one Middle East source, a topic of discussion during Aliyev's visit to Damascus.

The Jordan situation has been further targeted by the fanatical Sharon-Eytan wing of Israeli intelligence—the "Terror Against Terror" unit responsible for recent terrorist attacks against Arabs inside Israel and the occupied West Bank. TNT is directed by Rafi Eytan directly from the office of Prime Minister Yitzak Shamir. Ariel Sharon and others hit the ceiling in February when the Reagan administration endorsed the arming of a Jordanian Rapid Deployment Force at the same time that King Hussein continued to house the moderate PLO leadership of Yasir Arafat.

According to an unconfirmed report, Sharon representatives recently huddled with KGB-linked oil magnate Armand Hammer to wrap up an Israeli-Soviet agreement encompassing the early elimination of King Hussein and the destabilization of Cyprus through radical Palestinian terrorist actions.

## Target North America

The most tempting target of the Moscow-Teheran-Tripoli axis is North America. From May through November 1984, there will be a World's Fair in New Orleans, the Olympic Games in Los Angeles, the Democratic and Republican presidential conventions in San Francisco and Dallas, and tours of Canada by Queen Elizabeth II of Britain and Pope John Paul II.

While the U.S. Federal Bureau of Investigation and its director, William Webster, continue to publicly downplay the magnitude of the terrorist danger, the Immigration and Naturalization Service reportedly issued an internal report the third week in March acknowledging that some 7,500 Iranians are "missing" inside the United States. Many of them were smuggled in during the Carter-Mondale administration and have established a terrorist interface with U.S. radical groups.

*EIR* has learned that on Feb. 15, a meeting in Teheran of the "Islamintern" Assembly of United Islamic Movements, the umbrella for Khomeini's international terrorist operations, was devoted almost exclusively to the plan for violence in North America. Reportedly, the Iranian embassy in Nicaragua has been designated as the command center for these plans. A terrorist training center just outside of Managua housing upwards of 1,000 Iranians, Libyans, Nicaraguans, and so forth, is believed to be the staging area for terrorist penetration of the United States from both Canada and Mexico.

Meanwhile, some U.S. law-enforcement agencies are investigating whether the United Freedom Front, the group responsible for recent bombings of the U.S. Capitol and at a half-dozen corporate offices in the United States, is financed and directed by Libya.

# Egypt: an urgent test case for America's policy toward Africa

by Thierry Lalevée

Although most media coverage of Egypt treats that country as part of the "Middle East," in fact Egypt is the gateway to the African continent and the major political and economic center for Africa. Between a Middle East region torn apart by more than 30 years of conflicts and an African continent ravaged by local and regional wars and now faced with mass starvation, Egypt could become the focal point from which solutions to these ills can be discussed and implemented. It was in Cairo in 1977 that all the countries of the Middle East and Africa met for the first time.

Egypt's African dimension is uppermost in the minds of the leadership in Cairo, and this has been proven by Egyptian President Mubarak's recent African tour of Somalia, Kenya, Tanzania, Zaire, and Morocco, as well as the frequent visits of Minister of State Butros Ghali to numerous countries where Egyptian technicians are requested. Of particular importance are relations between Sudan and Egypt. Whatever happens in one country affects the other immediately, negatively or positively. Egypt's basic idea is to foster not merely local development, but regional units of development, an Egyptian specialist recently outlined to *EIR*. For example, the specialist stressed, if it weren't for Qaddafi, the best regional path of development would be to form some kind of close relationship between Libya, Sudan, and Egypt, and then Sudan, Ethiopia, Somalia, and so forth. Underlining such proposals is the complete understanding that "peace and development are closely interdependent," as was stressed recently at a seminar on Africa by the foreign ministry, because "while a better future for mankind is impossible without peace, the spread of poverty and deprivation coupled with a widening gap between the rich and the poor can only lead to mounting frustrations and world tension."

## Cairo and Washington

As such issues are raised and discussed, another one, much more bitter, comes up: the state of Egypto-American relations. With 10,000 years of history, most Egyptians know that history does not quite repeat itself; there are similarities at most. In today's Egypt there is nonetheless an uncanny feeling of *déjà vu* when it comes to Egypto-American relations. It looks to them as though Washington bureaucrats and

strategists were committed to sabotaging relations between two countries. There is a strong parallel to the early 1950s when the new President Nasser was doing his best to root out British imperialists' influence on the country, calling on U.S. President Eisenhower for help. What was asked for were not weapons, but economic aid and participation in one of Egypt's major projects, the construction of the Aswan Dam. The fact that developing good relations between Egypt and America would pave the way for an early settlement with Israel was

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*As far as the State Department is concerned, Egypt is not America's ally. This was concretely proven during President Mubarak's talks in Washington.*

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obviously not the concern of the anglophile State Department led by John Foster Dulles, which vetoed the project. In a similar way, Dulles and his friends in France, Britain, and Israel concocted the 1956 Suez crisis, unleashing 25 years of wars and instability in the region, several times bringing the entire world close to nuclear confrontation!

Dulles is not around anymore, but the same crowd remains; and Henry Kissinger, back in the political scene in Washington, is quietly pulling the strings of what Reagan believes is his own foreign policy. And Egypto-American relations will soon be on a collision course.

Officially, the United States, Egypt, and Israel are "partners in peace," according to the words written in the 1978 Camp David agreement, but these words don't have the same meaning and weight in Washington, Tel Aviv, and Cairo. Seen from Cairo, America's foreign policy seems utterly incomprehensible, and even pro-American officials within the government can find no other explanation than that the United States is fundamentally *not* interested in peace, and *not* interested in economic development, but wants "political

control over the entire African continent and the developing sector to grab the raw materials." This may sound simplistic, but little to the contrary has emerged from the United States recently.

At the same seminar of the foreign ministry quoted above, an ambassador complained loudly that "sometimes African colleagues and myself, fed up and frustrated, would, while representing our respective states at international forums, present our problems to representatives of the developed countries. . . . They did listen to us and many times assured us of their convictions that our presentations were logical and viable. . . . Alas, I can *never* recall that these verbal utterances were backed up or followed by any actions. . . ." He added that in further discussions they were told that "as long we believe that the technological progress that made it possible for orbiting space ships would be reflected also in projects to eradicate hunger, malnutrition, epidemics, and diseases in developing countries, as long as we continue to live with these dreams, illusions, and faith in humanity, then we had better shed all hopes for any substantial improvement in the lot of the developing countries."

To a large extent, U.S. policy toward the region is proving that official's point. This was also underlined during the visit of Egyptian President Mubarak to Washington in late February. No other President in the past year gave so much importance to the United States as Egypt's, travelling to Washington no less than three times. This was clearly misunderstood; for the Egyptians, it underlined the willingness to consult with a "partner in peace," for the administration it created the illusion that Egypt could be considered a mere vassal. When it came to concrete discussions, all Egyptian demands were bashed out and very undiplomatically thrown into the wastebasket. According to observers who followed Mubarak's last visit carefully, it was an entire failure on political, economic, and military issues. Egypt's request to receive treatment similar to Israel's—not with respect to the quality of military deliveries (an impossible demand anyway), but with respect to their financial side, pointing out that the United States had not hesitated to give Israel several debt moratoria on their military purchases—were met by dead silence, and there was no discussion. Mubarak's new proposals on the question of the Israeli-Arab conflict and the need for a dialogue between America and the PLO met the same fate, as did other proposals and discussions on Egypt's economic and financial relationship with the United States.

Egypt has to rely on the United States for regular wheat deliveries, as well as for financial help to buy such deliveries. While this could be a mere aspect of a broader relationship between the two countries, the American side has been systematically handling it in an arrogant way to remind Cairo, almost daily, that it is in a dependent position and should not forget it. Proposals to have such an insulting practice change have been refused: the State Department, AID, and other departments like it this way.

## Is America Egypt's ally?

It is a question worth asking in Washington these days, because, as far as the State Department is concerned, Egypt is not America's ally. This was concretely proven during Mubarak's talks in Washington, one observer said. That refers also to a particular White Paper policy statement released in early February by the State Department in cooperation with the New York Council on Foreign Relations, the American branch of the Royal Institute of International Affairs of London. The paper, which was based on several months' research by State Department officials in the United States, London, and Egypt concluded saying that Egypt and Sudan "should not be considered as reliable allies of the United States as there is no way to prevent their takeover by Islamic fundamentalist elements." This is no research paper, but a policy statement and a policy orientation. As the Washington bureaucrats know, there is a sure way of preventing the takeover of Egypt and Sudan by Islamic fundamentalists: going for the kind of economic aid and cooperation which, firstly, could transform Sudan into Africa's breadbasket, and secondly, could help Egypt win its war against the desert by speeding the process of reclaiming thousands of hectares of sand into fertile land. But that's not Washington's policy, these days.

The State department is unfortunately right, at least on one point: If the United States maintains the same level of cooperation with Egypt as it does now, if AID goes on sabotaging from the outside and from the inside the national economic development of the country, as an Egyptian official recently described it in New York, then there is little hope for Egypt. But that is not the issue; the issue is that Henry Kissinger, the State Department, and their likes are already committed to such a disaster happening.

What does the State Department really want from Egypt? Do they want to send the Egyptians back to the Soviet fold? The Egyptians, who had an unfortunate taste of the Soviet brand of "socialist" colonialism, as they say, have certainly no such wish, but what is the choice? The chosen alternative for now is to walk on a tightrope and Egyptians know it; to swallow American insults while making new openings to the Soviets or their allies—hence Mubarak's get-well telegram to Soviet-allied Syrian President Assad a few weeks ago.

They have learned from history, and it is not difficult for most to see a trap in the sudden decision in Washington to flood Sudan with weapons while for years badly needed economic aid was refused. Isn't it the case that some in Washington would be very happy to see Egypt and Sudan engulfed in a several-year war of attrition with Ethiopia and Libya, making them more dependent first, then expendable at will, just as a variant of the 1956 scenario? That will not be easy to achieve, as the present leadership is ready to use all available weapons to fight for its development and its newly achieved peace. In such a fight, the real loser may not be Egypt but the United States.



### Moscow tightens its grip on Syria

*Politburo member Aliyev's trip to Syria set up a "strategic consensus" between Moscow and Damascus.*

Within five days of the March 8 collapse of the government of Syrian President Hafez al Assad, Soviet Deputy Prime Minister Geidar Ali Reza Aliyev arrived in Damascus. The next day, a new cabinet was formed which will further Moscow's bid to markedly upgrade its military alliance with Syria.

The daily *Al Qabas* of Kuwait reported March 19 that through Aliyev the U.S.S.R. has pledged to provide Syria with advanced military technology, including the MiG 29 and MiG 31 fighter planes. According to Western diplomats quoted by the Kuwaiti daily, Moscow intends to forge a military axis with Syria like the "strategic consensus" between the United States and Israel.

Aliyev is reported not only to have influenced the composition of Assad's new cabinet, which is said to benefit the military hardliners around Defense Minister Mustafa Tlas and Chief of Staff Hikmat Shihabi, but also to have begun the process of changing Syria's command-and-control. Moscow has pledged to upgrade satellite intelligence sharing, and to increase training for the Syrian military.

Aliyev finalized an agreement with Syria to upgrade the Syrian Air Force and "shift its role from defense to attack, toward achieving strategic balance with Israel," according to *Al Qabas*. This agreement and new arms deals "heralded a new and practical phase of Soviet-Syria relationship . . .

whereby Syria's escalation of confrontation with Israel appeared an urgent Soviet objective after President Ronald Reagan decided to curtail the U.S. confrontation with Syria."

Abdul Halim Khaddam, who was upgraded from foreign minister to first vice-president in the cabinet shuffle, is to make a tour of the Persian Gulf oil-exporting states in order to expedite the process of establishing relations between them and the U.S.S.R. The foremost target is Saudi Arabia.

In the weeks before the collapse of Assad's government, a faction fight erupted to the point of military clashes in the Syrian-occupied Bekaa Valley of Lebanon and outside Damascus between military factions and the special forces of Hafez al Assad's younger brother Rifaat.

This power struggle emerged in November when the Syrian president was stricken with a heart attack, triggering a succession struggle. Despite his recovery, the infighting did not subside.

Assad himself is reported to have become suspicious of his ambitious and corrupt brother in the wake of his illness. "Poster wars" have erupted between the two brothers in Damascus, where brigades of Rifaat-supporters have plastered the city with his portrait, only to have the posters replaced the next day with pictures of a smiling Hafez al Assad. Late last year, what are politely known as "charity organizations," actually secret socie-

ties, were shut down, including one run by Rifaat al Assad.

Among the changes which Assad made in his cabinet was the appointment of three vice-presidents. After Khaddam, himself considered to be an ally of Tlas, is Rifaat al Assad, followed by Muhammed Zuhahr Mas-harqah, a long-time confidant of the Syrian president and activist in the ruling Ba'ath party. Assad who is known for his strong-man rule, has not shared power since he appointed a shortlived vice-presidential post in 1974.

The military faction, which includes the Syrian intelligence chief, Ali Duba and the influential head of the Syrian Third Army, Shefiq Fayeze, made critical gains at the expense of Rifaat al Assad, *Le Monde* reported on March 13, and that this signals the eventual dismantling of Rifaat's crack special forces, which act as a kind of palace guard for the ruling Assad clan. Moreover, it was reported that one of the Syrian president's longstanding allies, Sharif Barakat, was dismissed as the chief of the cabinet. Khaddam himself is vying for power at the expense of the Assads.

Arab sources caution that despite the apparent calm in Damascus following the appointment of the new cabinet, things are far from settled. There are reports of a new generation of leaders coming up through the ranks of the Syrian Ba'ath Party, who are firmly allied to the military.

Rifaat al Assad, well known for his ruthlessness, has jeopardized the rule of the Assad clan and more broadly the Alawite Muslim minority from which it comes. Tlas himself is from the majority Sunni Muslim community which only three years ago fought a military battle against Assad. Rumors are again rife that President Assad's health is failing, which if true would invite even more violent power struggles.

## Zia reshuffles the deck

*Army unrest and the fundamentalist establishment challenge the plan for "Islamic democracy."*

**T**he removal of two top army generals, the sacking of three cabinet ministers, and the subsequent acknowledgment of an extensive army coup plot against Zia ul-Haq have raised new questions about the general's hold on power and the prospects for his "Islamic democracy" scheme, promised to go into effect no later than March 1985. These dramatic developments, pointing to fissures within the institution that is the pillar of Zia's present and projected rule, coincide with a revolt by the student wing of the Jamaat-i-Islami, the Muslim fundamentalist establishment that has been Zia's main base of civilian political support.

The student revolt erupted in Peshawar in February at General Zia's first "election" rally. A large section of the crowd began stamping and shouting "Down with Zia!" An earlier ban on student unions was the pretext, but the complaint of Jamaat-i-Islami leader Mian Tufail Mohammad bespeaks a broader disaffection. Tufail points out that his party—the principal target of the ban, since "political" activity by the other major parties had long before been prohibited—has played a key role in keeping communist and leftist groups out of Pakistan's universities and labor unions.

"And now General Zia wants to crush us," said Tufail, a distant relative of Zia. "He is a foolish man, and the ban was an act of foolishness." For the past two months, student riots have rocked Lahore and Karachi, and hundreds of arrests have ensued. In one recent incident, students took five

army men hostage, demanding the release of detained colleagues.

Reports of the arrest of a large number of officers from the Lahore Cantonment, one of Pakistan's military facilities, and vague references from Zia to attempted foreign destabilization of his regime, came in February. But it was not until March 3 and 4—when Zia summarily dismissed Gen. Sawar Khan, his number-two man and Vice-Army chief, and Gen. Mohammad Iqbal Khan, chairman of the Joint Chiefs of Staff Committee—that it became clear something larger was at issue.

According to senior Pakistani officials quoted in the British press, a group of army officers had plotted to kill Zia while he was reviewing the Republic Day parade on March 23. The plot was reportedly foiled when Pakistani intelligence discovered an arms cache in the home of an army captain in Lahore in January. About 50 military officials were arrested at that time.

Pakistani officials, these sources say, have accused Indian intelligence of masterminding the plot and providing the sophisticated arms and ammunition—a charge New Delhi has categorically denied. U.S. officials have stated that they have no evidence of Indian involvement.

Ghulam Mustafa Khar, a wealthy Pakistani landlord, former governor of Punjab under former Prime Minister Zulfikar Ali Bhutto, and a prominent opposition figure currently a factional leader with the Pakistan People's Party (PPP), insists that the al-

legations about India are a "smoke-screen" to try to hide widespread unrest within the armed forces.

Khar, who acknowledges his close and continuing contact with Punjabi officers, was apparently involved in coordinating the coup attempt from his exile in London. Khar told the Press Trust of India on March 25 that nearly 45 officers of the armed forces and a dozen civilians have been detained in connection with the plot, and more than 400 army officers have been interrogated.

Khar revealed that this was the third coup attempt in the seven years since Zia took power, and is not likely to be the last. Many army officers believe Zia is using the army for selfish purposes, Khar reports, and fear that the Pakistani armed services are in danger of being destroyed as an institution.

Alleged brutality in the suppression of the recent rebellion in Sind province is said to be one major point of factional polarization within the army. Several months ago, at the height of the Sind stir, PPP chairman Begum Nusrat Bhutto had called on Zia to step down and hand power over to Sawar Khan, who would safeguard constitutional elections.

Sawar Khan is otherwise regarded as a soldier of great professionalism, known for his strong views about the undesirability of involving the army in day-to-day administration. He has been replaced by Lt. Gen. K. M. Arif, who aided Zia in a number of crucial negotiations, including the \$3.2 billion U.S. military and economic aid deal. Gen. Mohammad Iqbal Khan has been replaced by Lt. Gen. Rahimuddin Khan, former governor of Baluchistan and father-in-law to Zia's son. The two summarily retired generals were the last of the army commanders who supported Zia in the 1977 coup against the Bhutto government.

## Condemned to slow death?

*Andreas lost his fight with economics czar Arsenis and his bid to make a deal with President Caramanlis.*

Could it be that the time has arrived for even this columnist to display a measure of compassion toward the predicament of Prime Minister Andreas Papandreou? Consider:

In two and a half years in power, this man ruined a modest nation's economy, defenses, and educational system. He brought it to the forefront of drug use among nations. He shattered its traditional moral outlook with an outpouring of officially sanctioned pornography. He turned it into a haven for international terrorism. He used it as a lever to help collapse the NATO alliance. In the spread of all this evil, he was motivated by a deep-seated hunger for personal power.

Now he faces the following problem: The political barons of his ruling party, the PASOK, are demanding that he dissolve the Parliament and declare general elections this June 15. They consider this the most advantageous date for their party, rather than the constitutionally scheduled October 1985. Their judgment is correct; it is based on the fact that a collapse of Papandreou's electoral coalition has been in progress since January. Widespread disaffection stemming from the economic crisis has caused PASOK's popularity to decline from 42% to less than 28%. Papandreou's ruling party has lost every local election held this year in various regions and municipalities. The June European Parliament elections are widely expected to produce an embarrassing defeat.

Papandreou's party bosses, already in revolt against their chief, are arguing that this trend will be unstoppable next year. Therefore, the party's best chance is to try a general election now while the party machine has not yet crumbled and could still pull off a not-too-obvious vote fraud. They warn, correctly, that the party's local organizations are about to disintegrate under the pressure of popular derision and discontent.

Early in March, Papandreou took the position that he will not allow early elections but will try to alter the government's economic policy. He therefore launched a factional effort to undercut his Minister of National Economy, Gerassimos Arsenis, known as Mr. IMF Austerity in Greece, and an intimate friend of Robert Strange MacNamara, the world's leading advocate of genocide by economic means.

By March 26, Papandreou's fight with Arsenis ended in defeat. Instead of being curbed, Mr. Arsenis succeeded in causing the resignation of two other ministers and taking over the Ministry of Treasury, to add it to his control of the Ministry of National Economy and the central bank of Greece. Papandreou was defeated because Arsenis enjoys the active backing of the IMF and of Greece's foreign creditors. The country's foreign debt having grown from \$8 billion in 1981 to over \$24 billion under the management of Arsenis, the Greek economy

is now at the beck and call of its Euromarket creditors. Hence Papandreou's straitjacket.

According to the Greek constitution, only President Caramanlis—Greece's most substantial political personality of the post-war period and a staunch traditionalist conservative—has the right to dissolve Parliament and declare elections. President Caramanlis has made it clear to the prime minister and others that he will oppose any early elections. A stern and unforgiving sort of paternalist, Caramanlis has privately said that "since my Greeks decided to vote for a Socialist government, I shall make them drink the whole cup to the bitter dregs. Let them have their Socialist government for the whole four-year term. No elections before October 1985."

However: the Greek president is elected not by popular vote but by an election in which only the members of Parliament vote. To be elected president, one needs two-thirds of the vote. For the balloting in May 1985, Caramanlis is assured of the 119 votes of the conservative New Democracy Party's deputies. He will need the votes of at least 81 of PASOK's 166 deputies if he is to be re-elected. Therefore, Andreas has made a rather meek, reluctant offer to Caramanlis: if you allow me to hold early elections, I will give you the votes you need.

Caramanlis has remained humorously silent on the subject. According to reports, he is not impressed with Papandreou's offer because he knows what is generally known in the country: There will be no other candidate for the presidency to contest the immensely popular Caramanlis. Yet, ironically, the man is committed to "punishing" his Greek "children" with one and a half more years of Papandreou's Socialism and Arsenis' economic austerity.

## **Trapped by Dr. K.'s decoupling game**

*Lord Carrington and the West German Social Democrats are joining the push for a U.S. pullout from Western Europe.*

**T**he West Germans have reason to fear the Warsaw Pact: They live next to the Iron Curtain, and Soviet military buildups and maneuvers hint at preparations for a surgical surprise attack on the country. If the Germans were alone, decoupled from the West, they would have no choice but to surrender before the first shot was fired.

A new phase of the decoupling game launched in March by Henry Kissinger and his political collaborators in Britain and West Germany raises new uncertainties for the West Germans. Two of their "pillars of confidence," the functioning of the European Community and the reliability of the United States, were called into question.

First, the intransigence of the British government on the issue of the budget of the European Community overrode all efforts to resolve the EC crisis. Prime Minister Margaret Thatcher and Foreign Secretary Geoffrey Howe ridiculed Bonn, which had made every effort to herd the rest of the Community into "conciliation toward Britain's views."

Foreign Minister Hans-Dietrich Genscher had outdone himself in self-humiliation; a few days after Thatcher and Howe said "no" to all compromise formulas presented at the Brussels European summit, he pronounced to *Der Spiegel*, concerning more austerity in Europe, that he was "pulling the same rope together with the British."

Thatcher and Howe made no secret of their desire to exploit the stra-

tegic weakness of the United States to build the British up as the new European game-masters: They told the other nine EC governments bluntly on March 27 that if they did not accede to Mrs. Thatcher, she would pull out financially and dump them into disintegration and budgetary disarray.

That evening, the incoming secretary-general of NATO, Britain's Lord Peter Carrington, appeared on West German TV to support Henry Kissinger as "the only one around I know who has any ideas about the future of NATO."

This public alliance with Kissinger's decoupling threat (issued in *Time* magazine March 5) was the first blow; next Carrington said that he does not support "those who believe that there can be cheap defense with beam weapons." Instead, NATO should upgrade its conventional armaments.

The German Social Democrats, who were the first to support Kissinger publicly one day after his *Time* magazine article appeared, undertook a propaganda drive of a special sort in the meantime.

The party's general manager, Peter Glotz, took up Kissinger's decoupling trumpet with an essay in *Der Spiegel* March 26. He wrote that the U.S. nuclear umbrella "no longer exists" and that it required a "great deal of self-delusion" to continue to believe in official U.S. reassurances to the contrary. Glotz posed the question: "What would actually happen if the Soviet Union occupied the north-

ern part of Norway, in order to gain easier access to the Atlantic? What would NATO do in case of a new Berlin crisis?"

His answer: NATO, that is, West Germany, would have to surrender, because the Americans would not defend the country. "I shall never forget the answer a high-ranking American officer gave me in response to this question in December 1981: If, in case of a conflict in Europe, the first nuclear weapon were actually used, it would lead to complete demoralization of our GIs. Those stationed here would no longer be willing or even able to fight." Therefore, according to Glotz, West Germany should pursue "common security" with the Soviets—that is, preemptive surrender.

On March 28, Henry Kissinger himself appeared on the scene to browbeat the Germans. In an interview with the weekly *Stern*, he declared that President Reagan had not said "one negative word" about his decoupling ideas, and that because of NATO's obvious lack of a viable nuclear strategy, it "makes no sense to keep half a million Americans, their families included, in Europe."

This U.S. troop withdrawal—which would mainly affect West Germany, where most of the GIs in Europe are stationed—was termed "no threat" by Kissinger; he said that he was "just describing reality."

U.S. Secretary of Defense Caspar Weinberger recently described what would happen if Kissinger's ideas became "reality": visiting a NATO airbase in Norway, he said that "U.S. troop withdrawal from Europe would invite the Soviets to launch a surprise attack at no risk."

The "NATO-watchers" in the Kremlin will arrive at the same evaluation, if there is no prompt official protest in the West against Kissinger and his entourage.

## PAN takes up the Moscow line

*Mexico's fascist opposition party asks the U.S. ambassador to release drug lobby slanders against LaRouche.*

An official spokesman for the pro-fascist National Action Party (PAN) appealed in an open letter to the U.S. embassy in Mexico published March 9 for "immediate action against Lyndon H. LaRouche's interference in Mexican affairs." The PAN has joined up with the U.S. drug lobby and the Soviet press to denounce the American leader.

LaRouche had charged in a Jan. 21 television broadcast: "Right on our southern borders, the Soviet KGB controls the leadership of an opposition political party in Mexico called the PAN, and through the PAN circles, drug-linked circles, the Soviet KGB is deploying terrorism directly into the United States."

The PAN's complaint to the U.S. embassy appeared five days after NBC television's "First Camera" program carried a motley collection of slanders against LaRouche, concocted by "researchers" for the U.S. drug lobby like Dennis King and Chip Barlet. The two are frequent contributors to *High Times* magazine, which promotes the use and legalization of narcotic drugs.

The PAN's Gerardo Medina Valdez, in his open letter to U.S. embassy press attaché Lee Johnson published in the PAN's magazine *La Nación*, demanded that the U.S. embassy officially join the slander campaign against LaRouche: "If possible, we want you to send us, translated into Spanish so as to avoid confusion, disinformation, and high levels of speculation, the report on Mr. LaRouche that the National Broadcasting Corporation's 'First Camera' show is

preparing."

Three days after the PAN's letter appeared, the Soviet government newspaper *Izvestia* quoted the "First Camera" broadcast in a lengthy attack on LaRouche, whom the paper called "a neo-fascist, an agent of Big Capital who loyally serves the interests of the ruling classes."

Medina wrote in his letter: "The so-called 'Operation Juárez' orchestrated in the United States by citizen Lyndon LaRouche is aimed at denigrating and slandering my party. . . . Our national leadership has submitted a formal petition to the Mexican foreign ministry, denying that the PAN is trying to decouple the north of Mexico to pay the foreign debt."

Then the PAN spokesman issued a blackmail threat against U.S. Ambassador John Gavin: "The U.S. ambassador should clarify why he is being so passive in the face of the blatant interference by his compatriot in Mexican affairs. . . ."

"If Ambassador John Gavin does not reply, we in National Action will put out the word that he supports this dirty interventionist game. As a matter of fact, since the last century the United States has been working with the group which has maintained power in Mexico [the ruling Institutional Revolutionary Party, PRI] and has been in solidarity with all their actions, because this is in the interests of the United States. . . ."

"We are not blaming you for the use that the ruling PRI party and several Mexican state governors have made of those mercenaries [La-

Rouche's collaborators in the Mexican Labor Party, PLM], but for your passivity in the face of this atrocious interventionism. . . ."

The PAN's charge of U.S. "interference" raised eyebrows in Mexico, in view of the documentation circulated by the PLM showing that the PAN is being supported by factions in the U.S. FBI, CIA, and State Department who are out to destabilize Mexico. Medina demanded that Gavin distance himself from the PLM accusations on this score, but did not quarrel with LaRouche's charge that the PAN is a joint project of the Nazi International and the Soviet KGB.

The PAN's role in running Mexico's drug trade (see *EIR* March 6) is now becoming a national scandal. The marriage of the PAN in the state of Sonora with the local drug mafia was blatantly highlighted March 9, when the PAN candidate for governor, Adalberto Rosas, and the PAN mayor of Hermosillo, Casimiro Navarro, were the special guests of the 1984 graduating class of lawyers—a ceremony under the sponsorship of Agustín Antúnez, the biggest drug pusher in the northwest who has been jailed several times for his dope dealing.

Antúnez is an advocate of the payment of the foreign debt with dirty money coming from the drug trade, a proposal he made on a television show in Hermosillo recently.

The PAN's smear campaign against LaRouche has failed to stifle the influence of "Operation Juárez," a plan to reorganize the debt of Ibero-America and promote continental integration and industrial growth. Mexican President Miguel de la Madrid began a visit to four Ibero-American countries March 26 by calling for closer communication between the countries of the continent to solve the foreign debt problem and build intra-regional trade.

# International Intelligence

## **Did Sweden capture Soviet frogmen?**

Reports are circulating that the Swedish military has shot and captured two Soviet frogmen deployed from a mini-submarine trapped in the waters around the Karlskrona naval base in southeastern Sweden. The Swedes have been engaged in a hunt for Soviet intruders there since Feb. 9.

According to official Swedish Navy reports, on Feb. 29 at least one and possibly two frogmen were sighted on land, crossing one of the tiny islands encircling the Karlskrona base.

The frogmen were escaping from the heavily guarded port waters into the Baltic Sea. A third diver was sighted, but returned to the waters inside the base area. In the official version, all three escaped capture. But four independent military-related sources told *EIR* that the intruders were killed or wounded.

If these reports are true, it would mean that not only the social-democratic government of Olof Palme, but also the Swedish military, are covering up evidence that the Soviet Union has waged acts of war against Sweden.

## **European press plays up beam weapons**

The March 27 *Financial Times*, the City of London's flagship daily, carried a feature titled "A New Apollo Project: Reagan's Ambitious Target."

"The 'Star Wars' concept of a 21st-century defense against nuclear weapons . . . may never blossom into a full-scale umbrella in space for enemy missiles.

"Nevertheless, it could achieve the main U.S. political objectives—even within this century" writes science editor David Fishlock, "by seeking a more efficient coupling between the world's greatest scientific research base . . . and an industrial base. . . . Star wars is seen by some Washington officials as a way of achieving both goals. The

\$2 billion Manhattan Project during World War II . . . successfully united science and industry on a massive scale."

However, a spokesman for the Foreign Office told *EIR* on March 29: "Her Majesty's Government is committed to preventing an arms race in outer space."

Under the March 27 headline "The Debate on 'Star Wars': Nuclear Strategies Challenged," *Le Monde*, the daily of the French foreign policy establishment, grudgingly admitted the necessity of joining a now-irreversible process.

"This program is now starting to become fact—more than \$26 billion has been allocated in Pentagon budgets up to 1989—including directed-energy systems (lasers and particle beams), the most futuristic and controversial ones. The point is to study in parallel several different techniques . . . for a multi-layered system," reports Michel Tatu, the internationally known Sovietologist and former Washington correspondent for *Le Monde*.

"The Soviets have been working for years on anti-missile systems. . . . The French President has been the most 'motivated' leader, besides President Reagan. . . . Of course, France has no interest in seeing both superpowers cover themselves with defensive barriers. But since they are doing it anyway, how could she remain aloof?"

Tatu argued that if only 0.025% of enemy missiles could pierce a four-layered defense system, 250 H-bombs would hit U.S. cities. Notified by *EIR* that his arithmetic was off, he replied, "Embarrassing mistake, I must say. This changes the whole picture. Hmmm."

## **Carrington: 'Henry's the only one with ideas'**

In an interview on West German TV, Lord Peter Carrington publicly rejected "those who believe in cheap defense, as beam weapons, for example," and called for an increase in conventional defense, instead.

Asked for a comment on Henry Kissinger's recent *Time* magazine statements threatening a U.S. withdrawal from Europe,

Carrington said that he does "not agree with Mr. Kissinger on many of the conclusions he draws, but his analysis was fairly correct." He added that "one might not agree with him, but if I look around in NATO, I see that Mr. Kissinger is the only one to have any ideas about the future of the alliance."

Lord Carrington is Kissinger's business partner in Kissinger Associates, Inc., a consulting and dirty-tricks firm.

On Kissinger's plans for U.S. troop withdrawal from Western Europe, Carrington commented that "naturally, we need U.S. military presence in Europe, but I think the alliance should discuss these ideas. . . ." Carrington added that "détente is not dead, but will be continued."

## **Bonn politician: 'beams make defense human'**

Bernd Wilz, a Christian Democratic member of the West German parliament, has made the first public statement that beam weapons are being discussed in Germany.

To the Italian daily *Il Giornale*, he said: "The laser is a new concept for defensive warfare. In the end, a carbon-dioxide laser cannon will be able to destroy enemy tanks, airplanes and even missiles, but it will take 10 years until the system is perfected," says Wilz, a member of the parliamentary defense committee.

"Certainly, the debate tends to be emotional. That is why the public must be informed that the laser is a weapon fit only for defense. It will make war more human because it will hit only military targets. . . .

"In Bonn, a political decision to give laser weapons to the German forces has not yet been taken, but I expect that within this year, the inspector general, the highest military official in our country, will recommend its implementation. I have estimated that since the idea of the laser weapons emerged about 20 years ago, the Bonn government has spent about 60 million deutschmarks in this area of research alone." Wilz added that the German initiative on laser weapons was motivated by Reagan's March 23, 1983 proposal.

## Briefly

The March 24 issue of *Die Welt*, West Germany's leading conservative daily, states: "One year after Ronald Reagan's 'Star Wars' speech . . . the technological strategy with which America wants to attain the goal set by the President is unfolding for us."

### ***Soviets acknowledge MAS initiative***

*Pravda's* March 23 editorial denouncing beam weapons also explicitly rejected the Mutually Assured Survival offers made by President Reagan, Defense Secretary Weinberger, and Lyndon LaRouche last year for both superpowers to develop defensive beam-weapons systems. *Pravda* stated: "Demagogy is springing up about some 'noble goals,' about a 'peace-loving' direction of a certain project . . . that the United States will create a wide-scale system of anti-missile defense . . . which it could 'share' with the Soviet Union."

*Pravda* admits that the U.S.S.R. is pursuing beam weapons: "However, those in the U.S.A. who with bragging and self-confidence demand urgent measures to realize large-scale anti-missile defense programs explained by President Ronald Reagan have not considered the major and inevitable reaction of the Soviet Union. And, if anyone was hoping that some kind of 'superiority' in the technological sphere will allow the U.S.A. to get ahead, then he is risking strong miscalculations."

### ***Temple Mount affair collapsed Israeli coalition***

One of the pretexts used for the collapse of the ruling coalition in Israel, which results in national elections on July 23, was Tami Party leader Abu-Hatzera's allegation that Interior Minister Yosef Burg was incapable of controlling the Israeli police department.

Police officials are accused of suppressing investigation into the conspiracy by Is-

raeli terrorists last year to bomb the Al-Asqa mosque on the Temple Mount in Jerusalem.

In mid-March, the Tel Aviv commander of the elite Central Police Unit detective force, Nitzav-Mishna Assaf Hefetz, was suspended for leaking to the press evidence that the police suppressed a memo he drafted a year ago warning of plans to attack Islamic sites in Jerusalem. Hefetz has obtained a show-cause order as to why he should not be reinstated. He is supported by Israeli Police Chief of Operations Zvi Bar.

The anti-Hefetz faction claims the police have the intelligence only to catch "Arab criminals," but not Jews plotting to blow up the Temple Mount, because the police don't have enough informers among Jews. In fact, the would-be demolitionists are protected by Ariel Sharon, minister without portfolio, and Yuval Neeman, science and technology minister, among others.

### ***DOS fosters arms flow to Central America***

The State Department's sudden support for Iran's Khomeini, by way of attacks against Iraq, has immediate consequences for U.S. security in Central America. At issue is the conduiting of arms from Iran to the Central America region.

This point was underlined by Nicaragua's Sergio Ramírez, who announced March 23 that he had just returned from a 10-day tour of Libya and Iran, meeting with Colonel Qaddafi and leading Iranian mullahs. Ramírez said he had requested from both countries "weapons to face American terrorism in Central America," and both countries are reported to have agreed.

Such a deal means that the flow of American weapons to Iran, which has recently stepped up with State Department approval, will ultimately end up in Nicaragua. Such an arms flow coincides with an increase in cooperation between the Soviets and Iran. Iranian sources report that Iranians have agreed to have the Soviets build two monitoring/listening posts in Iran, one in Baluchistan and the other in northern Iran.

● **GEORGE SHULTZ** met with the mayor of Bethlehem, Elias Freij, and Rashad Shawa, the mayor of Gaza, in late March. Both mayors are strong supporters of the PLO. Freij urged Shultz to extend U.S. aid directly to Palestinians living in the occupied territories. The talks appear to have centered on attempting to renew Reagan's Peace Plan.

● **ITALY'S COMMUNIST** party led an 800,000-person "March on Rome" 60 years after Mussolini's Fascists, as the Red Brigades stole \$20 million in preparation for a mass terror offensive in Europe.

● **RED STAR**, the Soviet military daily, printed an article March 28 by Maj. Gen. A. Milovidov titled "Taking Account of the Growing Danger of War." Soviet "combat-readiness" and response times have been "radically changed," the article declares, confirming that the Soviet high command is in a pre-war showdown mode.

● **JOHN ERICKSON**, an Edinburgh University specialist on Soviet military strategy, told the Swedish press March 29 that the recent mammoth buildup of Soviet deployments around Scandinavia is aimed at cutting NATO communications lines across the Atlantic.

● **ISRAEL** has moved to strengthen its alliance with the Falange militias and Druze leader Walid Jumblatt, in preparation for the permanent partition of Lebanon. Iran and the Khomeini-allied Shi'ites are denouncing Jumblatt as a Zionist agent and threatened him with assassination. The "Islamic Jihad," which bombed the U.S. Marines on Oct. 23, 1983, have also threatened him. Syria has remained silent about the dealings with Israel by its ally Jumblatt, suggesting that Damascus sees them as part of the partition plan.

# Weinberger clears the deck for beam weapons

by Robert Gallagher

U.S. Defense Secretary Caspar W. Weinberger announced March 27 the appointment of former astronaut Lt. Gen. James A. Abrahamson as Director of Strategic Defense to carry out “a presidential directive of centralized management” for the development of “a thoroughly reliable, effective defense” for the United States and its allies against nuclear weapons.

The appointment makes final the establishment of a centralized program for beam defense spanning two executive departments—Defense and Energy. With the appointment, all authority for research and development of antiballistic-missile (ABM) systems based on directed energy-beam technologies or anti-missile missiles is removed from the hands of the cynics, the naysayers, and the occultists—like Robert Cooper, director of the Defense Advanced Research Projects Agency (DARPA)—and placed under the direction of “a space pioneer,” as Weinberger described Abrahamson, “reporting directly to me.”

In response to questions, Secretary Weinberger attacked the fundamental assumption of Henry Kissinger’s 1972 ABM Treaty—with which the United States renounced its right to self-defense—and the doctrine of Mutually Assured Destruction. “I have never believed,” he said, “in the idea that we have enhanced our security by giving up any attempt to defend ourselves.”

A few days earlier, in the final report of the Kissinger-inspired Presidential Commission on Strategic Forces, Gen. Brent Scowcroft, a business partner and co-factioneer of Kissinger’s, had attacked engineering development of an ABM system as “risky” because Soviet leaders might consider it a “breach” of the 1972 ABM Treaty. He warned the

President to proceed with “extreme caution” in pursuing his beam defense program.

## ‘A very, very high priority’

But Weinberger emphasized that the Strategic Defense Initiative program had “a very, very high priority, one of the highest priorities of the administration and of this department.” He compared it to the Apollo program of the National Aeronautics and Space Administration (NASA) to land a man on the Moon and to its program to build and fly the first Space Shuttle. By implication, Weinberger was discarding the 20-year timetable previously projected by the administration for making a decision on a beam defense system, not to mention building one. The Apollo program reached its goal in eight years and the Shuttle program in nine.

Thus it seems that the patriotic faction in the administration that supports President Reagan’s March 23, 1983 initiative to develop beam weapons is moving out of its foxholes, under the cover of fire support from Lyndon LaRouche’s presidential campaign. This might spell the beginning of the end for Kissinger’s influence in the Reagan administration.

On March 28, the present Commander of Naval Operations, Adm. James Watkins, attacked the War Powers Act as unconstitutional and called for its repeal. “This nation,” the admiral told the Baltimore Council on Foreign Affairs, “must be ready and must be seen as being ready to use military power when forced to do so by our adversaries.” Watkins put his weight behind the Reagan beam-weapons initiative in meetings of the Joint Chiefs of Staff.

Secretary of State George Shultz, however reluctantly,



joined the battle against the appeasers. On March 28, Schultz indicated before a congressional committee that a new Reagan administration just might let the SALT II Treaty expire Dec. 31, 1985—instead of dismantling Poseidon missile submarines or Minuteman II missiles to adhere to the treaty's limit of 1,200 ballistic missile launchers with multiple warheads.

Weinberger's press conference was in marked contrast to statements of Defense Undersecretary for Research and Engineering Richard DeLauer and DARPA director Cooper before Congress earlier in March. As the *New York Times* wrote March 28, "Senior technology officials in the Pentagon have told Congress *there is not now any plan to develop or deploy a defensive system against missiles*. Instead, they describe the program as a 'technology demonstration' to make possible an 'informed decision' on developing such a program sometime in the 1990s [emphasis added]." Both these persons asserted that a defense of cities was impossible.

### **'I'd like to see it next year'**

Weinberger: "The objective is to destroy all missiles coming in. . . . I'm very impatient and I'd like to see it next year. . . . We're going to proceed [with the program] as rapidly as we can. . . . we're going to bend all of our very considerable efforts and talents and energy as a nation to do it. It is as noble a goal as we could pursue. . . . The Soviets have been working on the whole concept for a very long time and I can't imagine a more dangerous world if they should get this system and be able then to hold the world in nuclear blackmail."

The Secretary announced that two presidential commissions had examined whether building a complete defense was feasible and whether or not such a defense would make the world "safer." "The answer to both these questions was 'Yes,'" he reported.

Abrahamson told the press that "we have a nation that can indeed produce miracles and can go forward." Until April 15, he will continue to serve as associate administrator of NASA, where he runs the Shuttle program.

## **Defense Secretary bent on ending the missile threat**

*The following are excerpts from Secretary of Defense Caspar Weinberger's March 27 press conference in which he announced the appointment of Lt. Gen. James A. Abrahamson as Director of Strategic Defense.*

Last Friday marked the first anniversary of the President's speech to the nation in which he called for a national effort to rid the world of the threat of nuclear-armed ballistic missiles. In the year since he made his call, we've done a great many things and made a substantial amount of progress.

Last spring, two independent teams of experts began to grapple with the President's vision of a world that would be free of ballistic missiles. We asked two central questions: Do defensive technologies provide a real promise as a means of ending the threat of ballistic missiles? And, if so, would a world in which such technologies were deployed be safer and more stable than the world we face today? After several months of intensive effort which began with a good deal of healthy skepticism, the scientific and policy experts concluded that the answer to both these questions was "yes," that defensive technologies do hold considerable promise for eliminating the effectiveness of ballistic missiles and the achievement of this goal could significantly enhance deterrence and world stability. . . .

On the basis of the studies and the consultations with Congress and our allies, the President decided, as you know, to proceed with a Strategic Defense Initiative program whose goal it would be to enable this nation to proceed to the development and deployment of an effective defense against ballistic missiles.

The Strategic Defense Initiative program which the President submitted to Congress calls for a total of \$2 billion in FY85. . . . From the beginning, it was clear that the successful completion of our program will require the cooperation of many different organizations within government and all the military services. To accomplish this, the President recently directed that the program be conducted by a centralized management office, within DOD, under a strong program manager reporting directly to the Secretary of Defense. . . .

We looked for an individual who has not only earned a reputation as a space pioneer but is totally dedicated and committed to find a way to use our knowledge of space to protect mankind from the threat of nuclear weapons.

*Weinberger then introduced General Abrahamson; excerpts follow from the Secretary's remarks:*

. . . This is a great privilege to share in the President's vision of the future. I think he's outlined a strategy of hope for all of us, and in my career as a technologist, I think it is very, very well founded. What I've seen in this country is that we have a nation that can indeed produce miracles that can go forward; if you see the shuttle fly, each time there is ample, visible evidence of those miracles, and those are not the only ones. They are also in the weapons systems and in the people that are behind that technology. So I think, sir, that we are ready to go about your task and the President's task. . . .

*Weinberger made the following remarks in answer to questions from the press.*

Ultimately, we want a thoroughly reliable system against nuclear weapons, against ballistic missiles, and against cruise missiles. We have at this point had two major studies, both of which have come in with favorable responses to the questions, can it be done, and should it be done, and we are going

to proceed from that. . . . We obviously are in the situation we were before we went to the moon with that project. We're in the situation that we were in before we had a shuttle flying with respect to that project. . . . The idea is to have a concentration on a thoroughly reliable, effective defense against these nuclear weapons. It is, I think, something that can be achieved and it's something on which we're going to spend all of our very considerable efforts, talents, and energy as a nation to do. . . .

What we're trying to do is exactly what we've described. It's to have a thoroughly reliable defense. It is to free the world of the shadow that has hung over it since these weapons were first introduced and it is, I think, as noble a goal as we could pursue. I think it is the only one, really, that offers the genuine hope of the world of improving the situation that we have. . . .

One of the reasons we have to do this is because the Soviets have been doing it, have been working on it since 1967, and they've made substantial progress. It's very important that we not have a situation in the world in which the Soviets, with all their philosophy, and all of the military might that they have amassed of an offensive nature, have this system first. If they had it first, then we would indeed be in an extremely perilous situation, so it is vital that we do all that we can to develop and get this system. We can talk about sharing it at a later time, but the goal is to have a situation in which the threat of these weapons and the effectiveness of these weapons is removed. . . .

*Does the program make the modernization of existing strategic forces and the follow-on forces that are planned any less necessary, and do you see a time when such a program as the SDI would be a total replacement for offensive nuclear weapons?*

Clearly this will not have any effect on [the modernization of existing strategic forces]. We have briefed all of our allies. . . . Should the system become totally effective, as we hope it will, then we could decide at that time what to do about other weapons.

*In response to a question on whether the administration's proposed programs violate the United States's 1972 ABM treaty with the Soviet Union:*

We don't face that at all because, at the moment, we're talking about the research and the work necessary to tell us whether we can effectively and successfully deploy such a system. The ABM treaty goes to deployment. But the Soviets have not been troubled by that in the work that they have done on this type of strategic defense, and the treaty itself provides that it should be reviewed and reexamined and either government signatory to it is perfectly capable and perfectly able to call attention to whatever necessary revisions events may prove desirable.

*In response to a question as to the timetable the administration is operating on:*

I'm very impatient and I'd like to see it next year, but I'm

also realistic enough to know we can't do that. We're going to proceed just as rapidly as we can, and it's hard to say because each year may open up new avenues which when pursued may lead us to a conclusion a lot more quickly than we thought we could do otherwise. Bear in mind that, in the past, we have managed to do a lot of the things that people said were either impossible or couldn't be done under any circumstances, in a relatively short time. I don't have any timetable on it. We have, as you know, in the budget this year a substantial amount for looking at a number of different things that are required for the total system. We obviously will push that just as hard as we can and next year we will know much more how to make up a budget for the second year of it because we'll have some of the results then.

*In response to whether the administration is terming the defensive weaponry program an "emergency program":*

No, I don't think it's an emergency program in the sense that it's something that has a deadline that has to be completed by December or anything of that kind, but it's a program of very high priority. It's one of the highest priorities of the Administration and of this Department, and the President's directive is that it be managed in the way that he said; that is, with a single manager to pull the whole program together, reporting directly to me. This is evidence of the importance that's attached to it.

*On whether it would be important for the program manager to be able to shift funds from one technology program to another, as development took place:*

. . . It's hard to do in the Congress, but it's not so hard to do in this building, particularly when you have a presidential directive of centralized management. . . . Next year's budget will probably look somewhat different than this year's because we will have a centralized place for it. But this year we're reprogramming a lot of things that were designed to support research and perhaps more of the terminal phase than the boost phase, so to speak.

*Question: "When Drs. Iklé, DeLauer, and Cooper [senior Pentagon officials] testified on the Hill, they were asked whether they imagined this system could do away with the need for an offensive retaliatory capacity. DeLauer said 'no' and the others didn't disagree. . . ."*

We're now starting . . . to try our best to develop a strategic defense initiative that is thoroughly effective and reliable. If we can do that, and I believe we can—I don't have any doubts about our ultimate ability to do that, if our commitment is strong enough—then we could face questions of the kind you've just raised. . . .

*On whether the aim is to achieve a point defense or fuller protection:*

. . . It's an attempt to destroy incoming missiles. We don't care what label is on the missiles, we don't care where they're targeted; we want to get them, preferably as they come out of their silos, with non-nuclear means. . . . The objective is to destroy all missiles coming in.

*Question: "Would you be in favor of the development of a defensive system even if it became apparent that it would not be 100% [effective] but its main purpose would be just to shift to defense?"*

We aren't going to face that kind of prospect until we're told definitely and completely that you can't do it [have a 100% effective system] and I think we can. . . .

*Question: "But do you think the effort is worthwhile alone, if you just shift the emphasis from offensive missiles to defensive?"*

I think the effort is worthwhile to develop a thoroughly reliable, effective defense. I've always thought so. I have never believed in the idea that somehow we enhanced our security by giving up any attempt to defend ourselves. I've also always thought that it was far more effective and far more moral and noble, if you like, to try to destroy weapons rather than people. And that is why I would very much hope we would have the support of the scientific and academic community as well as the total support of the Department of Defense which we now have.

*In response to a question on the alleged "tremendous cost" of the program:*

. . . I would suggest respectfully that you might want to add up the cost of all the offensive weapons since 1945, and I would think that that cost would be slightly higher, perhaps in magnitudes of 100 times, whatever the cost would be to develop a system to protect people. I don't find the cost of a system to protect people to be prohibitive.

*Question: "Senator Nunn was one of those who said that that's a lot of money to pay for something you don't know whether is going to work or not."*

Well, we've put a lot of money into things we didn't know would work or not. One of them was a venture to the moon, one of them was a shuttle; and nothing ventured, nothing gained. I think that we owe it to ourselves, our children, and to mankind to pursue this with every bit of energy at our command. I think it offers the most hope to mankind and I can't believe that the cost of it is going to exceed, or even come close to, the cost we put into offensive systems, and will have to put into offensive systems because we don't know if we can get this. But we do have to do everything we can to preserve the peace and protect our people. I, for one, have always felt that the idea that somehow you were safer if you gave up all defense was not only absurd, but dangerously absurd.

*In response to whether the defensive program might "bump against the ABM treaty":*

I don't know. It depends on how rapidly we progress, how much success we have, how soon we are able to find paths that offer the greatest promise. We think we have some idea of that now. . . . But as I say, the Soviets have been working on the whole concept for a very long time and I can't imagine a more dangerous world if they should get this system and be able then to hold the world in nuclear blackmail.

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# Why LaRouche Democrats are winning at the polls

by Warren J. Hamerman

Mid-March elections in three states—Florida, Illinois, and Massachusetts—showed impressive victories for Democratic Party positions on slates fielded by the National Democratic Policy Committee (NDPC), the multi-candidate political action committee founded by Lyndon LaRouche. All the NDPC-backed winners were “citizen candidates”—men and women who had never run for public office before, but decided to rise to the occasion of the national-security crisis facing the United States, and put forward LaRouche’s program for reversing that crisis.

In *Florida* 44 of the 62 candidates on the NDPC slate were elected. In *Illinois’ DuPage County*, 29 of the 31 LaRouche Democrats on the ballot were elected; in nearby *Will County*, 15 of 20 LaRouche candidates won; LaRouche Democrats won 15 other victories in suburban Illinois for a total of 59 victories. Over 200,000 votes were cast for the NDPC slate in the Chicago area. In *Boston, Massachusetts* 27 of the 90 candidates on the NDPC slate were elected.

The LaRouche victories in Florida, Illinois, and Massachusetts occurred on two successive Tuesdays, March 13 and March 20, when voters came to the polls to cast their votes in those states’ Democratic presidential primaries. The victories were doubly significant because presidential candidate LaRouche himself was not on the ballot in those three states as he prepared an “ambush” for his three remaining opponents for the Democratic nomination—Mondale, Hart, and Jackson—in the Pennsylvania primary on April 10.

In each of the states, Democratic voters otherwise cast their ballots massively *against* whoever had been designated the “frontrunner” by the media and anointed by the national Democratic apparatus of the corrupt Democratic National Committee chairman Charles “Chuck” Manatt, and the election “experts.”

By June, the NDPC anticipates that LaRouche Democrats will control at least 5% of the elected Democratic Party positions in *Los Angeles, California* as well as large numbers of Democratic precinct positions in *Oregon*. Overall, in 1984 elections so far, 1,863 LaRouche Democrats have officially filed or formally declared their candidacies in 29 states from coast to coast. The NDPC, the political action committee

founded by LaRouche, has a current slate of over 100 candidates for Congress and 10 for U.S. Senate, as well as hundreds of candidates for state and local offices. Hundreds of other LaRouche Democrats are running for party posts at the county, precinct, or ward level as well as for school board, mayor, and other local offices. In the last months of 1983, 27 LaRouche Democrats were elected in the states of *New York, California, New Jersey, New Hampshire, Louisiana, and Washington*.

## The voting patterns

In *Boston, Massachusetts* 27 of the 90 National Democratic Policy Committee (NDPC)-backed candidates for Democratic ward committee were elected; the ward committeemen are now party officials in 10 of the city’s 22 wards in the once uncontested stronghold of the Ted Kennedy-Tip O’Neill machine. In one ward, NDPC-backed candidates elected a slate of nine while in another, five Democratic committeemen were elected. In a third ward, two members of the NDPC slate were elected on a crowded ballot of 45 candidates.

During the election race, the state’s Democratic governor and AFL-CIO president Lane Kirkland’s cronies at the head of the state trade-union apparatus as well as all of the principal media in the area had vowed to shut down the NDPC operation in the city. Instead, voters elected the NDPC slate to 27 out of the approximately 350 ward committee posts in the city of Boston, or more than 7% of the Democratic Party seats in the city.

In *Florida*, 44 of the 62 NDPC candidates filed were elected to their County Democratic Executive Committees. Of the nine LaRouche Democrats who won in contested races, one candidate gained 73% of the vote and the next day received a telephone call from the startled county Democratic chairman, who demanded to know how he won the election; the victorious new committeeman responded: “Watch LaRouche on TV Saturday night and find out!” Three candidates elected to Democratic Committee on the NDPC slate are AFL-CIO officials who refused to follow Lane Kirkland off the edge of a political cliff. In Brevard County, which in-

cludes Cape Canaveral and the aerospace belt, the full slate of eight NDPC candidates for County Democratic Executive Committee won seats.

In *Illinois' DuPage County*, 29 of the 31 LaRouche Democrats in the race were elected Democratic county committeemen, giving them control of 20% of the elected party committee seats in the county. In nearby *Will County*, 15 of the 20 LaRouche Democrats who entered the race won, giving them 5% of the elected Democratic committee positions in that county. There were 15 other victories for Democratic committeemen in other counties in suburban Chicago, for a total of 59 victories and over 200,000 votes cast for LaRouche Democrats in the area. In addition, the 10 LaRouche Democrats who were running for Congress in the Chicago area received nearly 100,000 votes despite massive fraud against them.

In two-way congressional races, Jerry "Laser" Berg received over 38% of the vote in the 4th C.D., while Mark Adams, the NDPC candidate in the 10th C.D., won 30%. In the 1st C.D. the widely known political leader Sheila Jones was credited with only 17% of the vote in a challenge to Rep. Charlie Hayes. This prompted one congressional colleague of Hayes to remark that in his state, politicians have a saying that when they die, they want to be buried in Cook County, so they can stay active in politics forever—referring to the quaint practice of the deceased continuing to show up as voters. Other congressional candidates on the LaRouche slate had vote totals counted in the range of 12-24%, despite facing millions of dollars' worth of slander articles and dirty tricks run against their campaigns by the media, the Anti-Defamation League of the B'nai B'rith, Chuck Manatt of the Democratic Party leadership, and Lane Kirkland.

### Mutiny against Manatt

These election victories occurred in the midst of a political hurricane in which the national and prominent local media, as well as the full force of Chuck "Captain Queeg" Manatt's official party apparatus, literally ordered citizens to reject the LaRouche Democrat slates.

Manatt, for example, has been traveling around the country strong-arming party officials to "deliver" a shutout of the LaRouche citizens' candidate movement, as well as issuing official memoranda and party orders from his Washington Democratic National Committee headquarters to crush the LaRouche movement. Manatt has become notorious for opening his speeches around the country with the statement: "Everyone is welcome here except representatives of Lyndon LaRouche." Kirkland has been deploying goons against LaRouche-associated candidates and wildly ordering his vaunted machine to destroy the NDPC-backed campaigns. NBC-TV and a network of prominent regional media such as the *Chicago Tribune* and Boston press have thrown caution to the winds with a hysterical slander campaign against LaRouche and his movement.

However, since so many voters detest the "surrender-to-

Moscow" and "takedown-of-the-economy" policies of the media and Democratic officialdom, they voted for the LaRouche slate, because they know that LaRouche is in a pitched battle with Kissinger, Manatt, and Kirkland.

Millions of Americans have had their own opportunity to watch Lyndon LaRouche himself describe his policies on television in half-hour TV broadcasts on Jan. 21 (CBS), Feb. 4 (ABC), March 17 (NBC), and March 26 (ABC).

The political process underlying the rapid growth of the controversial LaRouche movement was revealed in the Chicago media after the election results. The March 22 *Chicago Sun-Times* ran a prominent article entitled "LaRouchies Score Sweep in DuPage" which began: "Members of Lyndon LaRouche's extremist political fringe group won all thirty-one DuPage County precinct committeeman posts they went after in Tuesday's election." The article reported that a counter-operation had been launched to organize a write-in campaign against the LaRouche candidates but it failed miserably. The *Sun-Times* quoted County Democratic Chairman William A. Redmon, former speaker of the Illinois House, as saying: "I refuse to say it is necessarily all that bad. If they really want to be part of the party and help build the party. . . ."

On the same day the *Chicago Tribune* also carried a prominent story, "LaRouche Party Victories Chill DuPage Democrats," which began: "Faced with the loss of 57 precinct committeeman posts, suburban Democratic Party officials on Wednesday were warily assessing the impact of primary victories by supporters of ultra-rightist [sic] presidential candidate Lyndon LaRouche." The article went on to note that while many of the victories were in uncontested races, a full quarter came in precincts with ballot opposition.

### Now it gets serious

In the April 10 Pennsylvania primary, a candidate slate of 115, headed by LaRouche, appears on the ballot. LaRouche's name is the only one appearing next to those of the much-detested media-approved candidates, Mondale, Hart, and Jackson.

Beginning with the April 10 Pennsylvania primary, Lyndon LaRouche has already been placed on the Democratic presidential ballot in nine states; his campaign organizers are petitioning to put him on three more ballots, while he has court actions on behalf of ballot status in three other states. Traditional Democratic constituencies are in ferment, looking for an opportunity to rebuild the Democratic Party along the lines of Franklin D. Roosevelt's 1939-43 policies of economic and military mobilization, and they know that Lyndon LaRouche is dedicated to that purpose.

The overall significance of the LaRouche Democrat election victories in mid-March, combined with the voters' rejection of every approved "frontrunner" they are offered, is that in the midst of a great world crisis, the population insists that neither a Kissinger-controlled Reagan second term nor a Hart/Mondale co-presidency is acceptable.

# Henry A. Kissinger: Soviet agent of influence

*The following is the text of a March 26, 1984 ABC-TV national television broadcast by Lyndon H. LaRouche, Jr., candidate for the presidential nomination of the Democratic Party.*

**ANNOUNCER:** At a three-day seminar in the nation's capital, on February 17, 18, and 19, 1982, the internationally famous economist, Lyndon LaRouche, first announced to an audience of U.S.A. and foreign officials a new strategic doctrine which would be made famous 13 months later by President Ronald Reagan.

LaRouche proposed to scrap the strategic doctrine which had ruled the United States for more than 20 years, the doctrine known as Mutual and Assured Destruction. LaRouche proposed a new strategic doctrine of strategic missile defense based on high-powered lasers and particle-beam weapons and related technologies already in the engineering phase or awaiting development in our scientific laboratories.

Perhaps only President Reagan knows who finally convinced him to announce this new strategic doctrine on March 23, 1983.

One thing is certain. It was the combined forces of the Soviet dictatorship, the Liberal Establishments, and Henry A. Kissinger who worked from immediately following the President's broadcast to attempt to discredit the President's doctrine of Mutually Assured Survival. Those same forces are attempting to eliminate this vital part of our national defense from the federal budget today.

Tonight, Democratic presidential candidate LaRouche tells you some of the reasons why Soviet agents of influence like Henry A. Kissinger are working to cut the development of our only future defense against a Russian Empire's sneak missile attack out of the Federal budget today.

**LAROUCHE:** In another nationwide television broadcast earlier this year, and in several books and published articles, I have explained why a crash program to develop a strategic ballistic-defense anti-missile system before 1988 is necessary to the physical survival of our nation. Tonight, I shall report to you why Soviet agents of influence like Henry A. Kissinger are working to sabotage President Reagan's commitments to providing the world the only possible alternative to thermonuclear war during the period immediately ahead of us.

For nearly 40 years, from 1946 until March 23, 1983, the strategic and foreign policies of the United States were steered by the influence of the most evil man of the 20th century, the late Bertrand Russell. This may seem unbelievable to those many of you who think of Russell as a leading pacifist. I am not exaggerating in the slightest degree. The documents are many, and the evidence is beyond dispute.

We shall look briefly at Russell's policies, and then we shall learn how influential figures such as McGeorge Bundy and Henry Kissinger have dedicated their lives to implementing Russell's not really very secret agreements with the Soviet dictators for nearly 30 years.

The shaping of U.S. strategic doctrines and foreign policies covers two parts of the post-war period. The first phase covers the period from about October 1946 until the end of the 1950s. Throughout that entire period, both the strategic doctrine and the foreign policy of the United States and its allies were based on a policy which Russell published in the October 1946 issue of the *Bulletin of the Atomic Scientists*.

In that article, Russell made two points.

First, Russell insisted that the nations, including the United States, must give up their national sovereignties. He demanded that a world-government agency, with a monopoly of possession and use of nuclear arsenals, be established.

Second, Russell proposed that if Russia refused to submit to the agreement to establish such a world-government agency, that the United States and Britain must conduct "preventive nuclear war" against Russia. This war should begin as soon as the Anglo-American nuclear arsenals were adequate to destroy the Soviet non-nuclear forces, and should occur before the Russians began to develop nuclear arsenals of their own.

This "preventive nuclear war" policy of Russell's was adopted by the United States and Britain, and remained in effect until the middle to late 1950s.

Russell began developing a second version of his strategic doctrine shortly after the death of Josef Stalin, at the point that the Russians were already building up an arsenal of fission weapons and had constructed a prototype of an H-bomb. Russell communicated messages to the new leaders in Moscow, offering to cooperate with Moscow in setting up a world-wide empire, of which the Eastern part would be ruled by the Russian Empire, and the Western part, some sort of



*"Kissinger and his Liberal Establishment masters and accomplices have worked consistently for approximately 25 years, to aid the Soviet Empire's achievement of the 'New Yalta' agreements worked out between Khrushchev and the circles of the evil Bertrand Russell."*

world-federalist dictatorship, ruled over by the wealthy financial families of such places as New York, Boston, London, and Switzerland.

In London, at a 1955 conference of Russell's World Association of Parliamentarians for World Government, four Soviet representatives attended, to signal Moscow's acceptance of Russell's new strategic agenda. By about 1957, Henry Kissinger's masters at the New York Council on Foreign Relations had accepted the Russell-Khrushchev package. In 1957, the book *Nuclear Weapons and Foreign Policy* was published in Kissinger's name. The conclusive event occurred a year later, in 1958, at the second Pugwash Conference, held in Quebec. At that conference, the details of the agreement between Russell and Khrushchev were presented in a keynote address by Russell's accomplice, Dr. Leo Szilard.

McGeorge Bundy, Robert McNamara, Maxwell Taylor, and Bundy's nasty-tempered National Security Council consultant, Henry Kissinger, among others, slipped Russell's agreements with Khrushchev into Kennedy administration policy. From that time until March 23, 1983, the strategic policies which Russell had negotiated with Khrushchev were the strategic doctrines of the United States and NATO.

Since the late 1950s, for more than 25 years, Henry Kissinger has been one of the leading Soviet moles working inside the policy-making processes of our government, working to help Moscow in keeping the United States in submission to those Pugwash agreements.

Szilard's 1958 keynote address at the Second Pugwash Conference was the basis for the famous film, *Dr. Strangelove*, in which the character, Dr. Strangelove, is modeled on

Szilard himself. To most of you, Dr. Szilard's proposals will sound like outright treason.

The central feature of Russell's and Szilard's agreement with Nikita Khrushchev was the agreement to divide the entire world between two world-empires, the first to be ruled by the wealthy and powerful financial families of the so-called Liberal Establishments of Britain and the United States; the second part of the world-empire, the Russian Empire, would be made much larger than Russia's division of the world negotiated during the war-time Yalta Conference. This is the so-called "New Yalta" agreement with Moscow, to which Henry Kissinger and his business partner, Britain's Lord Carrington, are dedicated today.

As Kissinger's article in the March 5 issue of *Time* magazine indicates, Kissinger is committed not only to giving the Soviet Russian Empire the Middle East, but also to the effective "Finlandization" of all of Scandinavia and Germany under Soviet regional domination. This is part of a deal for which Kissinger and his friends have been working for approximately 25 years, for which Kissinger is working today.

In order to establish long-term balance between the two proposed empires, Szilard demanded that both superpowers develop thermonuclear arsenals large enough that each could guarantee the nuclear destruction of the other in case of a general war between the two. This is the doctrine of Nuclear Deterrence, sometimes called Mutual and Assured Destruction, or MAD.

However, Szilard was no pacifist. He recommended that local wars, including limited nuclear wars, were indispensable to "letting off steam." He proposed that a set of flexible

guidelines be adopted, to permit the powers to conduct limited colonial and other limited wars, but with secret understandings adopted, to prevent local wars or limited nuclear wars from spilling over to become general thermonuclear wars. This doctrine, set forth by Szilard back in 1958, became known as Flexible Response.

These doctrines agreed upon between Bertrand Russell's crew and the Khrushchev government in Moscow, were smuggled into the Kennedy administration by McGeorge Bundy, Bundy's consultant Henry A. Kissinger, Robert S. McNamara, and Maxwell Taylor. All of this was orchestrated behind the backs of our elected officials of government—excepting a few witting scoundrels. President Kennedy talked to persons such as Gen. Douglas MacArthur, an opponent of such doctrines; suddenly, President Kennedy was assassinated.

After President Kennedy ordered McGeorge Bundy to fire Henry Kissinger, Kissinger pursued his career as participant in meetings of the Pugwash Conference back-channel to Moscow up to the point Kissinger was inserted as a mole into the Nixon White House. In every known case, including the SALT I, ABM treaty, and SALT II negotiations, Kissinger's role under Presidents Nixon and Ford was that of a Soviet agent of influence, working against the vital strategic interests of the United States, and in support of secret agreements with Moscow reached through such back-channels as the Pugwash Conference, David Rockefeller's Dartmouth Conference, and the Aspen Institute.

Kissinger and his Liberal Establishment masters and accomplices have worked consistently for approximately 25 years, to aid the Soviet Empire's achievement of the "New Yalta" agreements worked out between Khrushchev and the circles of the evil Bertrand Russell. That is the reason the world is near the brink of thermonuclear war today. Through the work of such people as McGeorge Bundy, Robert S. McNamara, Averell Harriman, and Henry Kissinger, the Soviet Empire has been enabled to develop the strategic capabilities to challenge directly the most vital interests of the United States. But for the sabotage of the interests and national defense of the United States by aid of such influential circles, there would be no danger of actual thermonuclear war today.

I read you two brief excerpts from the writings of Bertrand Russell. The first of these is a passage from a book Russell wrote back in 1923, entitled, *The Prospects of Industrial Civilization*. See if you recognize this policy as being that of an "ecologist" political faction of the United States and Europe today:

The white population of the world will soon cease to increase. The Asiatic races will be longer, and the negroes still longer, before their birth rate falls sufficiently to make their numbers stable without help of war and pestilence. . . . Until that happens, the ben-

efits aimed at by socialism can only be partially realized, and the less prolific races will have to defend themselves by methods which are disgusting even if they are necessary.

After the war, in 1951, the same satanic Russell wrote in a book named *The Impact of Science On Society*:

At present the population of the world is increasing at about 58,000 per diem. War, so far, has had no great effect on this increase, which continued through each of the world wars. . . . War . . . has hitherto been disappointing in this respect. . . . but perhaps bacteriological war may prove more effective. If a Black Death could spread through the world once in every generation, survivors could procreate freely without making the world too full. . . . The state of affairs might be somewhat unpleasant, but what of it?

The essence of Bertrand Russell's purpose, for the entire extent of his satanic adult life, was the destruction of modern civilization, and the creation of a miserable condition of feudalistic society to be ruled by the Anglo-Saxon race. Russell intended this to be a form of utopia to be established by massive genocide against the darker-skinned populations of the world, including such sections of humanity as those of Arab, Turkish, Greek, Italian, and Spanish ethnic origins.

Russell's proposal of a scheme of world-government and his back-channel "New Yalta" agreements with Moscow were, for Russell, H.G. Wells, and their co-thinkers of the Liberal Establishment, a way of bringing Russell's design for a feudalist Anglo-Saxon world-empire into being. Russell found among the hardened racialists within the ruling caste of the Russian Soviet dictatorship a partner who had similar if conflicting goals to match Russell's own. Russell, and avowed feudalists such as Henry Kissinger, allied with the Soviet dictatorship not because they like Russia, but because they hate what the United States represents.

The most crucial point is this: to be able to sell the doctrine of "post-industrial society" to the fellows in our Pentagon and Congress, Russell and his crowd had to convince those military and political leaders that a technologically progressive development of the agro-industrial base of the national economy was no longer strategically essential.

This selling-job was done by insisting that war-fighting would come to a halt at the time the thermonuclear intercontinental barrages were completed. Therefore, the argument went, there is no need for military forces of the depth which might be used to continue war-fighting after that stage of the war. In other words, under conditions of general thermonuclear war between the two superpowers, there would not be enough left alive after the opening salvos to continue war. Therefore, the argument goes, conventional military capabilities have no strategic significance for fighting a gen-



eral war. Therefore, the spokesmen for turning the U.S. economy into a post-industrial junk-heap argued, technologically progressive investment in agriculture and industry is no longer important for national defense.

Something more cruel, more criminal, was added: neo-Malthusian programs of genocide against the populations of the so-called developing nations. It happens, that the cheapest and easiest way to commit genocide is by famine and epidemic under slave-labor conditions—as the Nazis showed at Auschwitz.

Therefore, until the 1960s, even those among our military—for example—who might share the Anglo-Saxon racism of an Averell Harriman, would have defended the well-being of Latin American nations on elementary grounds of U.S. logistical interests. With the introduction of Flexible Response, this changed.

Like the Nazi regime during World War II, the world's most powerful international monetary and financial agencies today have targeted between 120 and 150 million black Africans for death through genocide: death by famine and epidemic. This mass-murder is the policy of influential institutions such as the Club of Rome, which claims that regions such as black Africa are overpopulated and that the world's population must be reduced by such methods. The evil policies of the Club of Rome are being implemented by powerful banking institutions of Switzerland, by the International Monetary Fund, by the World Bank. These are policies endorsed by high officials of our own Federal Reserve System. These are policies being put into effect in many parts of the world by Henry A. Kissinger and his friends.

This monstrous immorality practiced abroad comes home to us today, in such forms as a growing movement for genocide against our own nation's most vulnerable citizens: the seriously ill and our senior citizens. The same crime for which we condemned Nazi doctors at the Nuremberg Trials, the crime of euthanasia, is being promoted in the United States and in Western Europe today under such titles as "Death With Dignity." This growing murder of our seriously ill and senior citizens is being promoted by persons and groups who argue that such systematic murder of tens of thousands and more of our citizens is needed to keep down the average cost of health insurance premiums, or, to help balance the Social Security budgets.

Senator Harrison Williams was not murdered by the Federal Bureau of Investigation, but his case is an example of the same immorality in government we see more vividly in the form of genocide against black Africa, and in the form of Nazi-like policies of euthanasia against our invalids, and against our senior citizens.

According to the evidence presented by the U.S. Department of Justice in Federal Court, Senator Williams not only refused any offer of a bribe, but was in the process of lecturing what he believed to be a Arab guest in our country

that in our country such practices are not tolerated. Yet, the Senator was convicted. An innocent U.S. Senator sent to prison on the instruction of a Federal judge; he was convicted and sentenced on the grounds that he looked like a public official who might take a bribe at some other time!

In the city of New York, for example, one of the best ways to keep out of prison is to be arrested for murder, and one of the easiest ways to commit crime without fear of arrest is to peddle drugs openly at major intersections: The city's government has ordered the police not to interfere with drug-peddling of this sort. However, commit no offense, but to be falsely charged by some FBI "frame-up," or frame-up by the office of the District-Attorney of Manhattan, and you will almost certainly be railroaded to prison while the murderer apprehended on the same date walks the streets to kill again, virtually scot-free.

So, it must appear, that a judgment like that fallen upon the Biblical Sodom and Gomorrah looms above the fleshpots of our morally sick nation. We can escape this threatened doom if we as a people awaken in time. We must recognize where we made the wrong turn in morality and government policy-making during the post-war period. We must reverse that error, and do it quickly; time is running out.

I also proposed this new strategic doctrine as a way of destroying the rotten agreement which Bertrand Russell and others made with Moscow back during the 1950s, the rotten agreement which Henry Kissinger and others have been defending in their function as Soviet agents of influence. I did this, for many reasons, but above all, to eradicate Russell's and Kissinger's policies of Malthusian genocide, by destroying the roots of Kissinger's feudalistic neo-colonialism in the Nuclear Deterrence doctrine. It is now approximately 17 years since Easter 1967, the day back then when Pope Paul VI issued his appeal for an end to the evil genocide being practiced by Henry Kissinger and the fellow-travellers of the Club of Rome today. Although Pope Paul VI's Encyclical, *Populorum Progressio*, is a Catholic doctrine, it expresses and reflects the very essence of the natural law of Judeo-Christian western civilization.

The essence of natural law is that every human life is sacred, that the development of the creative-mental potentialities of each and all individuals is also the sacred duty of society, and that also society must afford to each and all persons the opportunity to employ the developed potentialities in some way which contributes good to present and future generations—that no man is compelled to go to his grave like a mere beast. This is the Law of Equity. That Law of Equity is an absolute, in the sense that no state and no man can deny any individual anywhere his right to equity so defined, unless that violation be to defend the very existence of those forms and institutions of society on which the fostering and protection of Equity for all persons depends.

Unfortunately, neither the Russian Empire nor feudalists

such as Henry Kissinger and his accomplices accepts those doctrines of natural law. In his notorious doctoral dissertation at Harvard University, Kissinger pledged his future diplomatic career to follow in the example of the Holy Alliance's Prince Metternich. Kissinger pledged himself to the heritage of the Persian, Roman, Byzantine, Ottoman, Austro-Hungarian, and Russian empires. He rejects absolutely the Judeo-Christian natural law of Western Civilization, and adheres to that evil misconception of man and the universe typified by the slave society of ancient Sparta and the sodomy-ridden abomination that was the empire of Rome. In its own fashion, today's rulers of the Russian Empire also trace their philosophical heritage from Lycurgus's Sparta, and from the models of empire in which one master-race rules as overlord over subjugated races.

The injustice we tolerate against the peoples of black Africa, targetted by the genocidal financial and economic policies of Kissinger and his feudalistic friends, is an act of injustice which savagely violates our own most fundamental moral values. The injustice which our government and major political parties tolerate throughout our nation, as they tolerate the FBI's Gestapo-like frame-up against an innocent U.S. senator, and tolerate murder and drug-pushing in cities like New York, are but an echo of the fact that it is our morality itself which has been shattered by tolerating Henry Kissinger and his accomplices in foreign policy.

Let us go back to being a great industrial power, an agroindustrial power flourishing in scientific and technological progress. Let us be again, what was said of us at the establishment of our independence from the feudalistic policies of Britain: a "temple of liberty" and "beacon of hope" for all mankind. Let us be again the defender of the smaller, weaker nations of the world, against colonialism and imperialism in all their manifestations. Let us build among sovereign nation states a community of principle according to natural law, as Pope Paul VI's *Populorum Progressio* beseeched us to do.

Let the President of the United States be a person who knows that his or her most essential duty is that of the chief magistrate of a great republic. Let the frightened and oppressed in our own and other nations around the earth look up with just hope from their injured circumstances, and say to themselves: "This is an injustice which the President of the United States would not tolerate, if he knew of it." Let that opinion be justified.

Let us, therefore, proceed to expend the needed \$200 billions estimated as required to emplace a first-generation ballistic-missile defense for this nation by the year 1988. That will be not only a physical defense of our republic, but will represent an act by aid of which we return to the principles on which this republic was founded.

Let us move Henry A. Kissinger, and what he represents, for once and forever, out of the policy-making processes of government.

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## Book Review

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# The Mussolini world of Gary Hart

by Kathleen Klenetsky

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### A Different Kind of Presidency

by Theodore C. Sorensen

Harper & Row, 1984

134 pages

\$11.95

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Starting in the 1970s, presidential election years have provoked criticisms of the American system of government and provided a platform for discussions of proposals to reform it. Nineteen eighty-four is no exception.

Ted Sorensen, special counsel to President John F. Kennedy and a prominent figure in liberal Democratic politics, has published a scheme for transforming the U.S. government which should be read by anyone who wants to know what lurks behind Gary Hart's blow-dried hairdo. Sorensen signed on with the "new ideas" candidate at approximately the same time his book came out, and it bears a marked resemblance to Hart's presidential platform.

Sorensen argues in his *A Different Kind of Presidency: A Proposal for Breaking the Political Deadlock* that the United States is caught in unprecedented political and economic crises which can only be resolved by "bold new initiatives" and "painful measures." Because these measures—ranging from a unilateral nuclear weapons freeze to economic austerity—will be so "vastly unpopular" with the American people, the government which comes to power through the 1984 elections must be a virtual dictatorship.

Sorensen doesn't use the word dictatorship, of course. He talks instead about "national unity" and "coalition government." "The time has arrived in this country," he writes, "for a temporary, bipartisan, 'grand coalition' of national unity" that would "go beyond anything previously attempted or seriously considered in the United States" and "could change the destiny of the country itself."

This particular "new idea" was aired by the Establishment's top Washington lawyer, Clark Clifford, back during the Watergate era of 1973-74. In fact, the "national unity" dictatorship was the purpose behind the Watergate operation to discredit, not just Richard Nixon, but the presidency itself.

Later, in 1980, Jimmy Carter's White House lawyer Lloyd

Cutler took to the pages of the Council on Foreign Relations' journal, *Foreign Affairs*, to demand that the United States adopt the British parliamentary system, because the era of economic growth was finished, and "political triage" now necessary could not be achieved under the U.S. Constitution. Cutler's proposal was seconded by "conservative" former Treasury Secretary William Simon and "liberal" former Sen. William Fulbright.

Sorensen's idea of "national unity" is that the United States relinquish its sovereignty and submit itself to a one-world dictatorship. As a model for the new system, he specifically invokes the way Third World countries are forced by the International Monetary Fund (IMF) to destroy their economies. "Many governments borrowing from the IMF, including Britain and Italy as well as scores of developing nations, have as a condition for those loans accepted temporary restrictions, some of them vastly unpopular, on their economic conduct. The United States . . . should similarly be able to accept some self-discipline for the common good."

### Brave new world

Although Hart has not publicly endorsed his campaign manager's book, there is no question that many of his "new ideas" cohere with what Sorensen proposes. The themes of Sorensen's book—the need for "economic sacrifices," "painful choices," an end to "special interests"—are indistinguishable from Hart's campaign-trail slogans.

Sorensen calls for a wage controls-incomes policy and import fees; these also form basic components of Hart's platform. Among Hart's more radical proposals are plans for a \$10-per-barrel fee on imported oil, taxing consumption, looting employee pension funds, and eliminating 45 million jobs in U.S. basic industry over the next 15 years.

It's difficult to imagine that the American population would accept this voluntarily under normal political conditions. That's where Sorensen's "national unity" dictatorship comes in.

Sorensen strenuously maintains that his proposal lies within the framework of the Constitution; in reality, it stands completely at odds with the intentions of the Founding Fathers, who crafted the American system of government specifically to encourage sustained economic and technological development.

Sorensen's scheme, on the other hand, has been designed to dismantle the U.S. economy. As he candidly notes, no political party or branch of government alone wants to be held responsible "for cutting expansion of or eligibility for the middle-class entitlement programs like Social Security and Medicare, or the funds for repairing our crumbling infrastructure, or the pay or pensions of those who serve in our armed forces" or any of the other austerity schemes which Sorensen suggests, ranging from a wage freeze to higher taxes.

To deal with this inconvenience, Sorensen's proposed

new structure simply excludes the voters. Sorensen stipulates that the Coalition Government will be based on "shared responsibility." The President would be drawn from one party, his Vice-President from the other. So that they are not swayed by accountability to the population, Sorensen specifies that both would have to forswear a second term in office.

In addition, Sorensen proposes that the parties share cabinet and sub-cabinet positions on a 50-50 basis, and that appointments to all other major posts—including Federal Reserve chairman and Joint Chiefs of Staff chairman—be agreed upon by the two parties.

The crux of Sorensen's blueprint is the establishment of two new bodies, a "National Council of Economic Cooperation and Coordination" and a "Council of Elders." They would effectively dictate U.S. government policy in the crucial areas of economic and military-strategic affairs. Both would be instituted by a presidential Executive Order, and both would be composed of *appointed*, not elected, individuals, including former secretaries of state, businessmen, and so forth.

What Sorensen proposes, in effect, is to take such "unbiased, bipartisan" groupings as the Trilateral Commission and the New York Council on Foreign Relations, through which the Establishment families now mobilize to impose their will on government, and *bring them directly into the government itself*.

The book makes it clear that the Council of Economic Cooperation would be the key economic policymaking body in the Coalition Government. According to Sorensen, its most urgent task would be to make "deep reductions" in the federal budget deficit by raising taxes and cutting expenditures. "No one's sacred cow or traditional pork barrel will be safe." The Council will have to "face the painful task of strengthening the tax base and reducing the federal tax deductions and spending programs benefiting every group represented around the table."

### Appeasement

Sorensen zeroes in on U.S. defense as a key area in which the Coalition Government could take "bold new initiatives" without having to worry about the American electorate. Forget the constitutional way to make foreign policy; instead, after discussions with Congress and "quiet and informal talks between the two superpowers," the Coalition President should declare a four-year freeze on the production, testing, and deployment of all strategic nuclear weapons, including the MX missile and the B-1 bomber, the production of plutonium, and the testing of anti-satellite and other space weapons.

This blueprint for unilateral disarmament, claims Sorensen—who was forced to withdraw as Jimmy Carter's first choice to head the CIA because he had managed to wangle out of military service during the Korean War—is exactly the kind of "good-will gesture" the United States must make in order to usher in a new era of relations with the Soviet Union.

# Elephants and Donkeys

by Kathleen Klenetsky

## Is killing elderly a 'new idea' of Hart's?

Colorado Gov. Richard Lamm, a longtime friend of Hart who endorsed him early in the presidential race, told a meeting of the Colorado Health Lawyers Association March 27 that terminally ill old people have a "duty to die and get out of the way."

Likening senior citizens who reject machines and other advanced medical technologies as a means of staying alive to "leaves falling off a tree and forming humus for the other plants to grow up," Lamm said: "You've got a duty to die and get out of the way. Let the other society, our kids, build a reasonable life."

Despite a massive public outcry, Lamm has refused to retract his remarks. At a press conference in Denver March 29, Lamm told a pro-life group which had called on him to repudiate his stand that they were "contemptible" and a "tiny minority" of the American population.

Although Hart claimed to reporters that he "totally disagrees" with Lamm's position, he advocates a series of cost-cutting measures, including expanding Health Maintenance Organizations, and substituting para-professionals for physicians, which would undermine the quality and availability of U.S. health care. In addition, Hart boasts that he sponsored legislation to enable hospices to receive Medicare funds.

Lamm, a former national president of Zero Population Growth, endorsed the cannibalism of Alfred Packer during his 1982 re-election

campaign, and earlier this year questioned the value of spending thousands of dollars to educate mentally retarded children "when after four or five years all they do is roll over."

## Moscow praises Hart—trouble on homefront

Ever since Gary Hart trounced Fritz Mondale in New Hampshire, the Soviet press has been singing the praises of the blow-dried wonder from Colorado. *Pravda*, *Izvestia*, and *Literaturnaya Gazeta* have all run stories applauding Hart for his nuclear-freeze support and his opposition to the MX, B-1, and the U.S. military presence in Central America and Lebanon.

Now the organ of the ultra-Russian-chauvinistic faction in the Soviet Union has jumped on the Hart bandwagon. The March 28 edition of *Sovietskaya Rossiya* carried a panegyric to Hart which, under the heading "The Words and Political Credo of Gary Hart," announced that "Without doubt, Hart's views on the questions of nuclear disarmament and improving Soviet-American relations arouse interest and sympathy." (Fritz Mondale is referred to rather cavalierly as a "former senior member of the discredited Carter administration.")

Though *Sovietskaya Rossiya* didn't mention it, Hart's favorite author is Fyodor Dostoevsky, the 19th-century Russian author whose "Mother Russia" fanaticism is the newspaper's governing philosophy.

Moscow's motherly embrace is causing Hart some problems at home. We reprint here a piece that appeared in the March 26 *Philadelphia Inquirer*. Under the headline "Gary Hart Gets Lyndon LaRouche'd," the *Inquirer* reports: "Some Gary Hart campaign posters around the city have had anti-Hart campaign stickers pasted to them. One of the stickers, about three inches square and placed in the lower left-hand corner of the Hart poster, is almost humorous. It says, 'His name

used to be Hartpence, until he dropped his pence.'"

"The other sticker is much more potentially harmful. It says simply: 'KGB Approved.' Now it is doubtful that presidential candidates Walter F. Mondale, Jesse Jackson, or Ronald Reagan would accuse Hart of being supported by the Soviet secret police. Then who would? Come on, you know. All right then, let's take a shot in the dark and call Lyndon LaRouche's Philadelphia campaign headquarters and ask. . . .

"When asked about the sabotage of Hart posters, Suzanne Rose, a spokeswoman for LaRouche's Philadelphia campaign headquarters, said yesterday, 'I don't know what our supporters are doing, although he [Hart] certainly is KGB-approved.' Ms. Rose cited an article in the official Soviet newspaper *Izvestia* on March 11, which she said described Hart in a favorable manner."

## 'Gays' and disco Dems

Fritz may be suffering a temporary ratings slippage at the Kremlin, but his popularity is zooming with at least one group. On March 28, his New York City headquarters hosted a press conference by "Gays and Lesbians for Mondale," at which such self-styled "openly gay activists" as Allen Roskoff, president of the New York chapter of Americans for Democratic Action, and Kenneth Sherrill, a professor and Democratic district leader, announced their backing for Mondale's candidacy.

"Mondale doesn't just offer lip service to gay civil liberties," said Sherrill with a fine turn of phrase. "He's shown intense executive leadership and a passionate commitment to our rights. . . . When we needed a notable person to legitimize our activities and attract national media attention to what we're doing, Walter Mondale came forward. He was with us in the trenches."

# Kissinger Watch

by M. T. Upharsin

## Will Henry decide to sue Lyndon LaRouche?

"Dr. Kissinger," the reporter began, "two nights ago Democratic presidential candidate LaRouche appeared on nationwide TV and stated that you are a Soviet agent of influence. Do you intend to sue Mr. LaRouche, and what will be your response to his charges?"

Kissinger dropped that air of professorial arrogance with which he usually fends off critics. Face rigid, hands gripping the podium, he stared at the reporter with a burning, murderous glare, and spoke with an emotional intensity which shocked the assembled press corps:

"Oh, Lyndon LaRouche, I treat him with contempt. He used to be called Lyn Marcus, now Lyndon LaRouche. That's a contraction of 'Leninist' and 'Marxist'. . . . I do not feel I have to respond. These charges are vile. LaRouche and his organization are beneath contempt. . . . I will decide on what I wish to do with him after the primaries. Then I will take the appropriate action. These people are contemptuous [sic]. It is a contemptuous organization!"

When Kissinger finished, there was dead silence in the room, the reporters amazed at Kissinger's unwonted outburst. The press conference broke up soon afterward.

Dr. K. was speaking in San José at a convention of the California Dental Association. The premises were mysteriously plastered with dozens of stickers bearing such slogans as "Kissinger Never Again. A distraught manager was overheard on the telephone: "We've got trouble! The whole area, all the doors, have stickers on them that read something like 'Kissin-

ger gives AIDS to boys.' Get propane or something and get them off fast!"

## 'Excess of rhetoric' in election campaign?

Too much debate on foreign policy is a dangerous thing in an election year, said Henry in a statement issued two days after Lyndon LaRouche accused him on national television of disarming the United States at the behest of the Soviet Union and the Pugwash Conference One Worldists.

The statement, drafted by the Aspen Institute's Douglass Cater following discussions with Henry in Austin, Texas, was also signed by Gerald Ford, Jimmy Carter, Dean Rusk, William P. Rogers, Cyrus Vance, Edmund Muskie, and Alexander Haig.

"We are entering the season of political contest when the contestants of both parties are sorely tempted to make utterances and urge actions which could do harm to America's standing in the world," the statement says. "While mindful that robust argument has always accompanied the choosing of the U.S. President, we caution that excess of rhetoric can have lasting impact on the conduct of foreign policy, causing risk for this nation which has been called to play the role of leader in the thermonuclear age. We urge candidates of both parties to recognize that we must work together for a foreign policy that best serves our national interest."

Our national interest, Dr. Kissinger, or that of the U.S.S.R.?

## U.S. military 'fixated' on Western Europe

Kissinger has reiterated his demand for a U.S. military pullout from Western Europe, in an interview with West Germany's *Stern* magazine dated March 28. "Our military is much too fixated on Europe," he said. "Without any military purpose [sic], you cannot

keep half a million Americans, their families included, in Europe in the long run. I say this as an old Atlanticist."

Criticizing NATO's strategy of using nuclear weapons at an early phase of a war, Kissinger said: "As long as NATO thinks of an early use of atomic weapons, our troops are, in their present strength, misplaced. What's the sense of keeping five divisions there? These are questions many more Americans than now will certainly ask themselves in the coming period."

In a March 5 essay in *Time*, Kissinger had dismissed the possibility of war in Europe as "hypothetical and esoteric," and called for a U.S. troop pullout and a transfer of the top command of NATO to European control. The article created an uproar in Western Europe. Asked about this criticism by *Stern's* reporter, Kissinger replied: "Some years from now everyone will see that I was right. . . . Have you heard any negative word from President Reagan?"

## Trilateral Commission meets in Washington

The Trilateral Commission opened a three-day plenary session April 1 in Washington, presided over by Kissinger's piggy-bank, David Rockefeller.

Topics on the agenda at press time include: "Scientific, Commercial and Military Uses of Space: Current Issues and Future Challenges," "Central America," and "Democracy Must Work: A Trilateral Agenda for the Decade."

Among those scheduled to address the meeting were Secretary of State George Shultz, International Monetary Fund Managing Director Jacques de Larosière, Mexican Finance Minister Jesús Silva Herzog, former U.S. National Security Adviser Zbigniew Brzezinski, the chairman of Britain's Social Democratic Party, David Owen, and former Japanese Foreign Minister Saburo Okita.

## Stratton: House is like 1936 British appeasers

A leading advocate of a strong U.S. defense, Rep. Sam Stratton (D-N.Y.), told an American Defense Preparedness Association luncheon in Washington on March 29 that the top target of the anti-defense crowd in the Congress is the MX missile. They are trying to "outdo even the British House of Commons in 1936" in their race for appeasement, Stratton said.

Stratton outlined the Soviet military edge over the United States in conventional, theatre, and strategic areas and noted that "all congressmen are cleared to get that type of information. But few of them seem to bother. If Americans saw the charts, their hair would curl. The Soviets are not only ahead of us in numbers but in performance as well. We must speak out frankly."

Stratton criticized the Business Council and the Grace Commission for their attacks on defense spending, and warned that an increased U.S. defense effort was crucial to prevent the "separation" of Europe from the United States, noting that "even Margaret Thatcher and Helmut Kohl" are urging arms control concessions on us because they "realize the Soviets' real military edge."

## Kissinger scored before Senate subcommittee

Henry Kissinger's role in sabotaging U.S. strategic deterrence became a point of open discussion in the Senate Defense Appropriations subcommittee on March 28. The subcommittee, hearing witnesses on the topic of Soviet violations of arms control treat-

ties, was chaired by Sen. Jim McClure (R-Idaho) who has led the Senate effort to bring Soviet violations to light, rather than by its budget-cutting chairman, Ted Stevens (R-Alaska).

At the very end of the hearing, McClure asked retired Adm. Elmo Zumwalt, "It is my understanding that there was a secret Kissinger-Brezhnev agreement added to the SALT I treaty, which gave away the U.S. right to deploy three additional submarines and a number of Titan II ICBMs. Could you elaborate on that?" Zumwalt replied, "That is true. And for the record I want to say that that information was withheld from the Joint Chiefs of Staff until after we had testified on Capitol Hill in favor of the treaty." McClure went on, "Is it not also the case that the United States is now going even further and unilaterally dismantling 54 Titan IIs, 160 Polaris SLBMs and 32 Posiedon SLBMs, and that this unilateral action along with those conceded in the Kissinger agreement has significantly reduced the U.S. deterrence?" Zumwalt answered simply, "Yes."

In powerful testimony preceding this exchange, Zumwalt had detailed not only the extent of Soviet treaty violations, but also their military implications. Zumwalt stated bluntly that the Soviets now have a first strike capability, that they are 10 years ahead of the U.S. in both offensive and defensive capabilities, and that "The Soviets may, in just another year's time, be able to defend over one-third of both their population and offensive forces from the U.S. retaliatory deterrent!" Zumwalt urged the administration to respond to the treaty violations in an escalating fashion leading up to abrogation. Throughout the hearing, Zumwalt, McClure and Pentagon spokesman Richard Perle compared

the arms-control establishment to the British pacifists of the 1930s who had allowed Hitler to rearm Germany unimpeded.

McClure reported during the hearing that he and five other senators had sent a letter to Defense Secretary Weinberger on March 1 asking him to follow up on the administration's Soviet treaty violations report with an analysis of the military implications of those violations.

## Senators to make World Bank even worse?

An effort by the international environmental lobby to impose further anti-development constraints on the Malthusian policies of the World Bank has begun to gain momentum. Representatives of the Natural Resources Defense Council (NRDC), the National Wildlife Federation, the Sierra Club, Friends of the Earth, the Izaak Walton League, the National Audubon Society, and the Environmental Defense Fund testified before the Foreign Operations Subcommittee of the Senate Appropriations Committee on March 20 and urged that "environmental considerations" and "protection of indigenous peoples" be taken into account by the World Bank when providing loans for development projects in the Third World. Congress must vote soon on renewing the U.S. contribution to the World Bank.

Environmental groups argued that large, capital-intensive development projects are damaging to the environment and disruptive of local (backward) cultures. While the World Bank has never been known to press such a development approach, what little ac-

tivity it does carry out of a capital-intensive or semi-capital intensive character is too much for the environmentalists.

International Policy Subcommittee chairman Charles Mathias (R-Md.), a leading supporter of the genocidal policies of the *Global 2000 Report* and the Global Tomorrow Coalition, is said to be amenable to including language in the committee report mandating the World Bank to take such steps, but is cautious about an actual floor amendment to the legislation. That is likely to be very controversial, and Mathias appears to be anxious to prevent the bill from being encumbered by different amendments.

Subcommittee chairman Bob Kasten (R-Wisc.), an alleged conservative Republican, told the witnesses that their concerns were justified and that they should work with his staff to come up with appropriate remedies.

## **KGB kooks demand halt to beam weapons**

Delivering on his promise to make outer space safe for intercontinental ballistic missiles, a promise delivered in a speech on the House floor on March 21, Rep. George Brown (D-Calif.) announced the formation of a Coalition for the Peaceful Uses of Space on March 28 and simultaneously introduced legislation demanding that the United States adhere to Henry Kissinger's Anti-Ballistic Missile Treaty. Brown's Coalition includes Sen. Paul Tsongas (D-Mass.) and 12 fellow congressmen. The Coalition also includes the Soviet front group, the Women's Strike for Peace, and a variety of "scientific" groups spawned by the Soviet's Pugwash Conference

back channel such as the the Union of Concerned Scientists, Physicians for Social Responsibility, the Committee for National Security, and the Institute for Security and Cooperation in Outer Space.

In a press conference on March 28, Brown said: "The public is being presented with the dangerous illusion that the escalation of the arms race into space can solve our problems here on earth. However, a careful analysis of Star Wars technologies reveals that these exotic space weapons . . . will decrease our national security." The coalition will pursue a U.S.-U.S.R.R. test moratorium on anti-satellite weapons, and a funding ceiling for the President's Strategic Defense Initiative for beam weapons.

Brown's legislation is being sponsored by 57 other congressmen. Brown charged that "this administration is threatening the only strategic arms treaty ratified between the United States and the Soviet Union with its 'Star Wars' fantasy. . . . Most disturbing about the President's Star Wars proposal is the certainty that testing and deployment of ballistic missile defense technologies would violate the 1972 Anti-Ballistic Missile Treaty." The ABM treaty does not cover weapons based on "new physical principles."

## **Senate bill targets farms for further destruction**

The Senate passed legislation making changes in the 1981 farm bill on March 22 by a vote of 78 to 10 which slashes target prices for various farm commodities. The cuts come as it is estimated that farm income could drop by 25% over 1983.

Wheat target prices are cut 37¢ a bushel over 1984 and 1985 as compared with current law; corn target prices will be frozen for 1984 and then drop 15¢ below current law. Rice drops 50¢ in target price for 1985. The secretary of agriculture is also provided with discretionary powers to impose further production acreage reductions from 5-25% if carryover supplies reach specified levels.

Senator John Melcher (D-Mont.), said the fact that the "wheat producers of this country are getting a triple whammy" including not only the 1984 and 1985 reductions but also a USDA-imposed cut in their loan rates of 35¢ per bushel. Sen. Ed Zorinsky (D-Neb.) complained bitterly that farms had planned, and bankers had lent, on the basis of the 1981 farm bill. Zorinsky pointed out that the saving to the federal budget amount to "less than \$1 billion a year."

Testifying on March 28 before the Agriculture Subcommittee of the House Appropriations Committee, the National Democratic Policy Committee slammed U.S. farm policy. The NDPC spokesman said, "The United States is in a depression, the agriculture sector is in a depression, and we've got a global food shortage on our hands that is going to mean food shortages in this nation next year unless we undertake a defense and economic mobilization like we did from 1939 to 1943." Appropriations Committee chairman Jamie Whitten (D-Miss.) told the NDPC, "I agree with you every time you come up here . . . but we appropriate the money to help farms and the administration won't spend it. . . . We gave the secretary of agriculture the power to stop foreclosures and he won't use it. I don't know what else we can do."

# National News

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## Senator Wallop: Soviets to get space laser soon

Senator Malcolm Wallop (R-Wyo.) told a meeting of the American Defense Preparedness Association in Washington March 29 that the Soviet Union will deploy "some kind of space-based laser soon" and that it "won't have to be very good to make a significant contribution to the Soviet strategic position. . . . Our best guess is between 1985 to 1987," he said.

Wallop emphasized that the United States must accelerate its own Strategic Defense Initiative (SDI). "The spectre of retaliation is worth less and less to us. Where will we be 10 years from now? If we want to maintain our security, we must change our strategy now."

Wallop had harsh words for Pentagon and administration footdragging, saying that the program so far might be better called the "laboratories full employment act of 1984." He stressed the need to deploy systems as they are developed rather than waiting for something perfect.

Dismissing objections to the program from arms-control advocates, Wallop said that there were "two communiqués to the United Nations, one from Brezhnev and one from Andropov, saying that no such [ABM] treaty restrictions exist."

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## Court to hear LaRouche Secret Service case

An April 2 hearing has been set in the federal lawsuit brought by Democratic contender Lyndon H. LaRouche, Jr. against U.S. Treasury Secretary Donald Regan demanding Secret Service protection. The hearing will concern LaRouche's motion for a preliminary injunction directing Regan to provide the same protection for LaRouche that has been provided for other major presidential candidates.

The LaRouche suit will also challenge the constitutionality of the congressional advisory committee which recommended

against his receiving protection. This delegates law enforcement powers to the legislative branch of government, LaRouche's attorneys contend, a violation of the separation of powers doctrine of the U.S. Constitution.

Prior to the hearing, Secretary Regan is being required by the court to respond to a set of pre-trial discovery requests, including written interrogatories and requests for production of documents. The discovery seeks to probe the decision-making process behind the decision to provide protection to the other eight candidates, as well as the discussions behind the decision to deny protection to LaRouche. The interrogatories also seek to discover any meetings or discussions between Regan and Henry Kissinger, and between Regan and his associates and reporters for NBC television.

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## 'No-code' death lists in New York hospitals

New York City hospitals, including the renowned Sloan Kettering cancer research hospital, have established coding systems to determine which cancer patients should be resuscitated and how much medical help they should be given. An investigation of this practice is currently under way by State Prosecutor Kuriansky, and evidence was presented at a grand jury hearing in March.

At Sloan Kettering, patients are divided into categories A, B, C, and D—where C and D get no intensive care treatment. The categories are noted on a blackboard in the physicians' lounge. The hospital's physician-in-charge, Dr. Fahey, said that he did not see the need for a more permanent record.

One Queens hospital designates those patients which are to receive no help should they go into cardiac arrest by adding a purple dot to their records, which are then removed once the patient dies.

Both hospitals denied that the non-permanent records are destroyed to save the hospital and physicians from malpractice suits.

State Prosecutor Kuriansky demanded an immediate abolition of all secret death lists and called upon State Health Commis-

sioner David Axelrod to issue orders requiring permanent written systems.

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## Senator Hatch wants to ease up on MBFR talks

Self-styled hard-line conservative Sen. Orrin Hatch (R-Utah) has written a letter to Secretary of State George Shultz arguing that President Reagan should "let the Soviets off the hook" in the dispute over troop strength in Europe.

The dispute, which involves U.S. charges that the Warsaw Pact has 160,000 more troops in Eastern Europe than it concedes, is a key feature of the ongoing MBFR (Mutual and Balanced Force Reduction) talks on conventional capabilities in Vienna. Hatch is calling for the United States to stop focusing on this issue so that the talks can proceed.

Hatch wrote in his letter: "We have to choose between on-site inspections [and] forcing Moscow to admit it was lying. Ordinarily I am all for exposing Soviet deception . . . but Moscow is hardly likely to agree to do that and the cost to us is to lose the on-site inspection." Hatch also accused the administration of making a mistake by "tightening up" demands for verification of any troop withdrawals.

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## NASA's agenda for Mars and the Moon

NASA administrator James Beggs announced at the end of March that the United States could establish a colony on the Moon about the year 2010 and a colony on Mars before 2060, using Space Shuttle and space station technology and infrastructure. Beggs was speaking at the U.S. Naval Academy.

After the first U.S. permanent manned space station is in operation in the early 1990s, Beggs said, a station could be placed in geosynchronous orbit—three-quarters of the way, in fuel terms, to the Moon. A manned lunar orbital space station could be in place by the turn of the century, with a



small lunar surface colony established by the year 2010.

By 2020 or 2030, a fully operational research station, with the use of robots, would be in place on the Moon, and a smaller station on Mars. By 2060 a "healthy and growing" Mars colony could be mining minerals and using automated technologies under development now.

## A new history of *Treason in America*

Anton Chaitkin's groundbreaking study of the creation of today's powerful Eastern Establishment, *Treason in America: from Aaron Burr to Averell Harriman*, was released March 28 by the New Benjamin Franklin House Publishing Company in an initial run of 50,000. The first copies of the book were distributed at a rally in Pittsburgh, Pennsylvania, where the author attacked the oligarchical families responsible for destroying the state's steel industry.

The book, based on a four-year study of primary sources, poses the question: How did a nation created as a model for the world's republics come to be dominated by the oligarchs who ruled the British Empire, the very people whom the American Revolution defeated?

Chaitkin exposes the gross distortion by the history textbooks of crucial events in American history. Thomas Jefferson's vice-president Aaron Burr, for example, described in all existing biographies as a "romantic" miscreant, is shown in *Treason in America* to have been a British spy, as well as the cousin and criminal partner of Jefferson's treasury secretary, the Swiss Albert Gallatin. The underworld of Swiss banking is shown in action waging war against the American Founding Fathers.

The author details:

- the ties of disloyal Boston merchants—progenitors of today's Eastern Establishment—to the British secret service, the slave trade, and the East India Company's narcotics empire;
- the creation of the Southern secession movement by Northerners and foreigners—

an early experiment in the means by which modern terrorism and insurrections are deliberately constructed;

- the design of three modern "reform" movements by British and Swiss racialists and feudalists: fascism, communism, and "free enterprise."

## Foundations pour funds into 'peace' movement

The elite American "Brahmins," through their "philanthropic" foundations, have recently begun to channel millions of dollars in new funds into the "peace movement," according to a report in the *New York Times* March 25. A key architect of this effort is McGeorge Bundy, former president of the Ford Foundation.

Among the new "peace" programs are the following:

The Rockefeller Brothers Fund is shaping a new multimillion-dollar program emphasizing security issues and arms control.

The Ford Foundation announced a \$3.7 million grant for 16 universities to research the ethics of using nuclear weapons.

The Carnegie Foundation is committing approximately \$7 million annually to "anti-war studies" and it recently approved a \$250,000 project for an analysis of weapons in space. Carnegie has set up a panel headed by McGeorge Bundy to discuss future projects in the area.

The Field Foundation of New York is giving \$500,000 annually for "peace and security projects."

The George Gund Foundation of Cleveland is helping to underwrite the International Physicians for the Prevention of Nuclear War, and is also funding a study of military spending.

The Buffet Foundation of Omaha will devote \$1 million annually for three years to the "world's two biggest problems," preventing nuclear war and limiting population growth.

The Council of Foundations is sponsoring a conference next month where members will develop a joint program for "global interdependence."

## Briefly

● **THE FEDERAL** Election Commission, in an extremely raucous meeting March 28, voted 5-0 to provide matching funds to Democratic presidential candidate Lyndon H. LaRouche, Jr., once certain obligations from LaRouche's 1980 campaign were satisfied. The LaRouche Campaign argues in a petition before the U.S. Court of Appeals that the initial denial of matching funds was illegal and unconstitutional, since Mr. LaRouche had satisfied all the legal requirements for matching funds.

● **THE LAROCHE** Campaign raised more money than Gary Hart in January and February of this year, according to figures obtained from the Federal Election Commission. LaRouche's net contributions (exclusive of loans) totaled \$534,407. Hart's total for the same period was \$466,660.

● **GARY HART'S 'NEW IDEAS'** will come from a familiar circle of advisers if he becomes President. The candidate has revealed that his kitchen cabinet would include the 91-year-old Nazi-supporter Averell Harriman; Trilateral Commissioner Cyrus Vance, Secretary of State during the Carter administration; and former President Jimmy Carter himself.

● **THE IDAHO STATE** legislature passed a resolution at the end of March calling for a crash program for defensive weaponry. The resolution was introduced by Noy Brackett, a cattle rancher and fifth-term legislator.

● **PITTSBURGH** steel workers and other citizens demonstrated in front of U.S. Steel headquarters March 28, in support of the election bid of Democratic presidential candidate Lyndon LaRouche. One hundred supporters gathered in freezing rain to demand a reopening of the steel plants, parity prices for farmers, and great projects for world development. The rally was covered by the *Pittsburgh Post-Gazette* and by local radio and television stations.

## Editorial

### *The spring 1984 crisis is here*

The world has now entered the strategic-economic crisis which Lyndon LaRouche has been warning, since October of last year, would occur at the end of March 1984. We are on the edge of a new worldwide financial collapse, comparable to the international banking collapse of 1931. Argentina is going into default on its debt, with unpredictable implications for Latin America and major U.S. banks. Western Europe is undergoing economic and social chaos as a result of the British-provoked collapse of the European Community. The Soviet Union has rejected the Kissinger-sponsored "back channel" of voluntary sellout by the West and placed its nuclear forces on the highest status of combat readiness.

The financial collapse could erupt before this issue of *EIR* reaches you; it might not begin until the middle of April, and with a great deal of luck, it could be postponed until October.

Yet, our government seems to have learned nothing from the bungling of the Coolidge and Hoover administrations. Now, as in 1931, our government is promising "prosperity just around the corner."

The reality is most starkly expressed by the resurfacing of overt Nazi policies, proposed by leading public figures in the United States. It is not a coincidence that in late March Colorado Gov. Richard Lamm, who happens to be a big supporter of one of the leading Democratic presidential candidates, Gary Hart, made a speech advocating active euthanasia for the elderly, and defended that proposal even when it was attacked as the very same crime against humanity for which Nazi doctors were tried and executed in the Nuremberg Trials.

Nor is it by chance that another prominent Democratic governor, New York's Mario Cuomo, is cynically exploiting press scandals over the "Do Not Resuscitate" orders in New York hospitals to force through "guidelines" which would effectively legalize euthanasia. Although Cuomo claims to be appalled by the practice of pulling the plug on the elderly and seriously ill, he was in the forefront of moves to cut back spending for advanced medical technologies on the grounds

that these would "increase costs."

The idea that there are "useless eaters" whom a society in the throes of depression cannot afford to support, is a Nazi idea. If this becomes accepted in the United States, what hope can there be for other countries in the advanced sector, let alone in the economies called "developing"? As *EIR* has warned repeatedly, these are the policies that will prevail unless we take urgent economic-recovery measures, like those President Franklin Roosevelt took to mobilize the U.S. economy in 1939 to be able to fight and win the war against Hitler.

- We must put the U.S. dollar back on a gold reserve basis, reversing President Nixon's 1971 actions, and pricing our monetary-reserve gold at about \$750 an ounce.

- We must suspend the powers of privately controlled central banks like the Federal Reserve to print money at their own discretion, to set interest rates, and to create credit out of thin air.

- We must hold emergency meetings with the Latin American nations' heads of state to agree on reorganizing their foreign debt, and enter into a new international gold-reserve monetary system.

- We must establish a Pacific-Indian Oceans Basin development project, covering about \$200 billion in major infrastructure-engineering projects over about a decade. Similar programs should be created for the Atlantic and Caribbean ocean-basins.

These policies will create about 8 million new jobs in industry inside the United States. They will more than pay for the medical technologies we need to prolong and enrich human life.

The program outlined here is for immediate application in the United States, but the principles upon which it is based are those which must be implemented globally if we are to get through the coming weeks and months without a worldwide economic collapse leading toward certain thermonuclear war.

As the current resurgence of Nazi euthanasia policies attests, we have no moral alternative.

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