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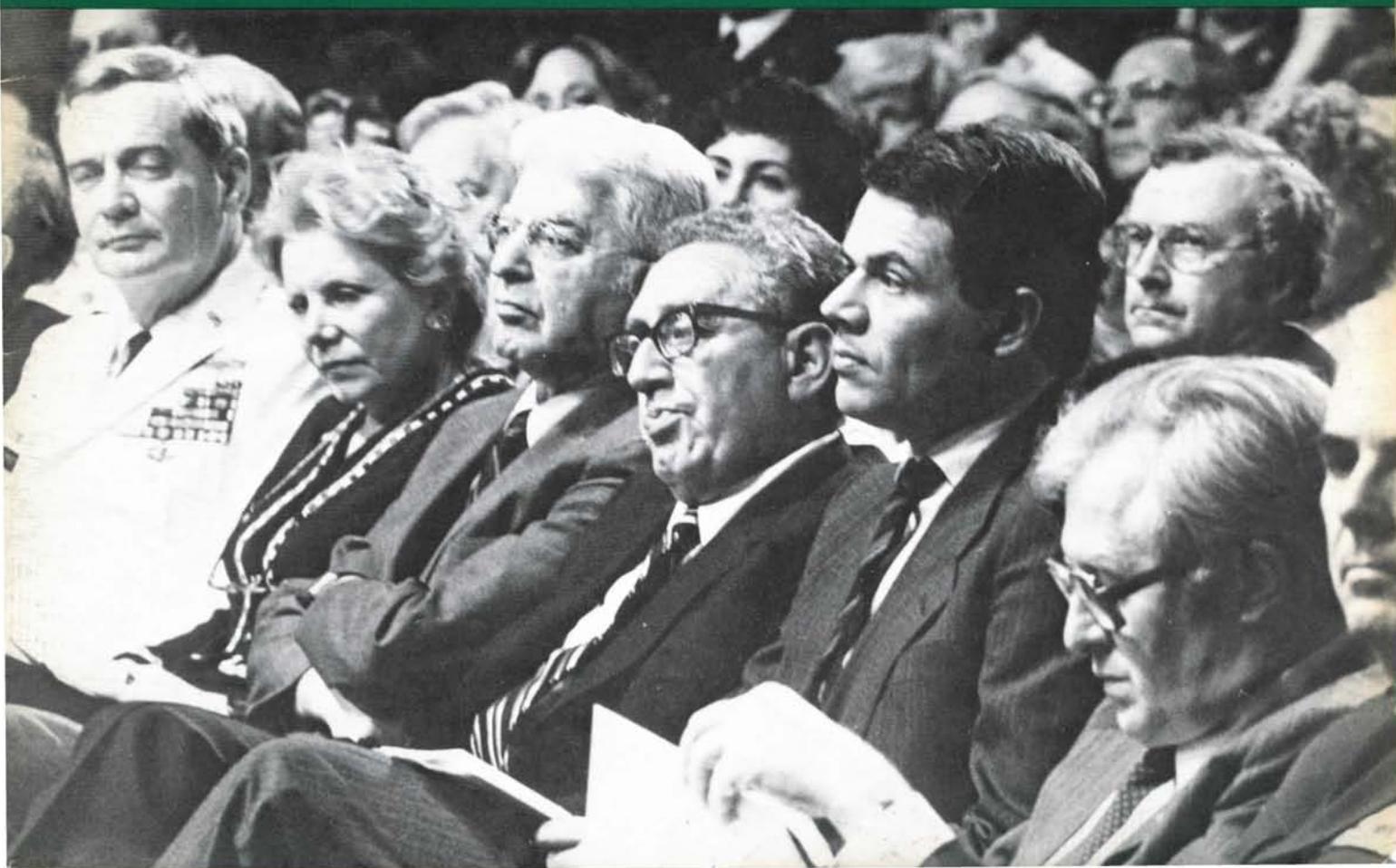
Executive Intelligence Review

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FBI does KGB's dirty work in Mexico  
Navstar: key to U.S. nuclear submarine defense  
Aspen Institute undercutting beam-weapons policy

## **The Burns-Kissinger plot to split Germany from NATO**



# EIR Special Reports

## Kissinger's Plot to Take Over the Reagan Administration

The surprise naming of Henry A. Kissinger to head the President's Bipartisan Commission on Central America was part of a larger long-term operation by the man who has been characterized as acting as Moscow's unpaid ambassador. The report includes dossiers on the top Kissinger-linked people in government, including Bud McFarlane, Brent Scowcroft, Lawrence Eagleburger, and Helmut Sonnenfeldt. Essential for understanding current battles over National Security Council, Defense, and State Department policy.

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Under conditions of an imminent international debt default crisis, the Swiss-based Bank for International Settlements, the Volcker Federal Reserve, and the New York money center banks led by Citibank, Chase Manhattan, and Morgan, have prepared emergency legislation to cartelize the U.S. banking system. Their aim is to shut down thousands of U.S. regional

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

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## Will Moscow Become the Third Rome? How the KGB Controls the Peace Movement

The Soviet government, in collaboration with the hierarchy of the Russian Orthodox Church and the World Council of Churches, is running the international peace and nuclear freeze movements to subvert the defense of the West. The report describes the transformation of Moscow into a Byzantine-modeled imperial power, and features a comprehensive eyewitness account of the proceedings of the May 25 "U.S.-Soviet Dialogue" held in Minneapolis, where 25 top KGB-connected Soviet spokesmen and leaders of the U.S. peace movement, including leading advisers of the Democratic Party, laid out their plans for building the U.S. nuclear freeze movement. Includes a list of participants and documentation of how the KGB is giving orders to prevent President Reagan's re-election and U.S. beam weapons development.

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Politics in the Gulf region from the standpoint of a "new Yalta" deal between Britain's Peter Lord Carrington and Moscow to force the United States out of the Middle East. The report details the background of the "Muslim fundamentalist card" deployed by Moscow and Lord Carrington's friends, and its relation to global oil maneuvers.

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# EIR

## From the Managing Editor

As we go to press on Jan. 14, the assassination of a U.S. Army-Reserve Major General, Robert Ownby, Jr. constitutes a signal of the terrorist threat to the United States and President Reagan, and a signal foreboding chaos in Mexico and explosions on the U.S. Mexican border.

Major-General Ownby, found hung at Fort Sam Houston in Texas on Jan. 11 with his hands tied behind his back and an "anti-imperialist" note pinned to his uniform, had an active-duty background in both presidential security and anti-terrorist U.S. Army activities. Ownby's probable killers are tied to the KGB-run Nazi-communist alliance in Mexico which we describe in this week's International section, and FBI-countenanced terrorist attachments whose underground center of strength is the U.S. Southwest.

*EIR* founder Lyndon H. LaRouche, Jr., in a statement from Washington, D.C. on Jan. 12, declared: "I have strong reasons to suspect that the terrorist murder of Major-General Ownby is probably the work of the Soviet KGB's First Directorate, and an action linked to KGB assets based in the drug-running networks linked to the PAN opposition-party circles in northern Mexico.

"Since this terrorist murder is the subject of an ongoing investigation, I shall not report publicly certain sensitive pieces of evidence made available for my personal assessment. I shall say merely that an "inside job" of the type indicated would be most easily conducted through KGB channels operating through PAN-affiliated circles in northern Mexico. . . .

"The right wing PAN opposition party in Mexico is riddled with pro-Nazi elements in its leadership, elements with historic links to both the faction of the Hapsburg Emperor Maximilian and, since approximately the 1890s, German intelligence. . . . These connections are maintained with participation of the Cuban secret intelligence service, the DGI, and intersect Lebanese family networks controlling much of the drugs-for-guns networks in Mexico and other Caribbean countries. This network operates in cooperation with a Khomeini terrorist-funding conduit through the Iranian embassy in Managua, Nicaragua, and with the terrorist groups inside the United States associated with remnants of the Weatherman gang, the Revolutionary Communist Party, and political circles intersecting Chicago's 'Chip' Berlet and New York's Dennis King of the U.S.A. marijuana lobby."

Next week, *EIR* will publish an extensive followup of these investigative leads.

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NSIPS/Carlos de Hoyos

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# Deutschemark collapse: a blow against NATO

by Kathy Burdman and David Goldman

Federal Reserve officials in the United States, as well as their former boss Arthur F. Burns, now U.S. ambassador to Bonn, are predicting that the West German mark will collapse from the present DM 2.83 to the dollar—a six-year low—to less than 3.20 during the first months of this year. This widely circulated forecast, itself an aggravating factor in the mark's continuing decline, bespeaks a judgement which Burns has issued in private discussions: that the present West German government will collapse, that financial and political warfare will erupt between Europe and the United States, and that America's most important military ally will lapse into neutrality.

Capital flight out of West Germany since early November, spurred by fear of Soviet designs against that country, has been supplemented by Soviet short sales against the mark and French franc, accumulating dollars at an estimated rate of \$1.4 billion a day during the first two weeks of December, and \$500 million a day after the new year. Net Soviet dollar purchases are estimated in excess of \$30 billion, a devastating blow against already weak European currencies.

Further financial drains out of the West German banking system will produce banking failures on the scale of 1931, Federal Reserve officials suggest, multiplying the impact of the November bankruptcy at Schroeder-Münchmeyer-Hengst, one of West Germany's largest private banks. Arthur Burns has told associates that German exchange controls—already threatened by former Chancellor Helmut Schmidt in December—will be the inevitable consequence, i.e., transatlantic financial warfare, resulting in the return of the neutralist Social Democrats to power in Bonn.

Even a partial reversal of capital flows now headed toward the United States would dynamite the American capital markets, raising American interest rates and undermining Washington's capacity to finance its budget deficit. What the Soviets and their partners in Western Europe have set in motion is a wave that will ruin West Germany on the way in, and ruin the United States (and President Reagan's re-election) on the way out).

Viennese-born Arthur F. Burns, who rose to prominence through the sponsorship of "Pan-Europe" enthusiasts at Columbia University, is pouring gasoline on the fire. The former Fed chairman put out the word in a page-two Jan. 5 interview with the *New York Times* that the mark will collapse further. Said a Fed official, "This tells the market 'Arthur's got some questions about these people [Germany] just like we do.'"

Burns is creating panic by predicting that Willy Brandt's Socialists will topple the Kohl government and pull Germany out of NATO. The U.S. ambassador has so persistently foreseen West German reunification with East Germany that "he's been sounding like *Neues Deutschland* lately," one diplomat said. (*Neues Deutschland* is the newspaper of East Germany's communist party.)

If the Social Democrats return, Fed officials said, the mark would get "the same treatment as the French franc under Mitterrand." It would collapse by 50 percent.

## **Soviet and Swiss operations**

A Fed official said Jan. 11 of the Soviet dumping of such vast quantities of marks, "If they are doing a tenth of what they are reported to be doing, then they are one of the biggest

traders in the world," he said. "You hear of them buying \$100 million or \$300 million or \$500 million in a day" and dumping marks to do it. "The reason would be political," he agreed. "Obviously the strength of the dollar is divisive in the West."

In a recent Philadelphia speech, Scott Pardee, former New York Fed foreign-exchange operations director, stated that the Soviets are dumping European currencies to inflame European sentiment against the United States and collapse NATO ally governments. "The Soviets' current mode of operation is politically inspired. The Russians were particularly active as a buyer of dollars after the Soviet Union walked out of the Geneva missile talks. . . . They want the dollar higher so as to further embarrass our allies in Europe and Japan, as could be read into the Geneva walkout. It's embarrassing to the governments of Europe to have their currencies declining against the dollar. Domestic political pressures will develop against those governments."

As *EIR* reported Dec. 27, Soviet liquid assets in the West are in excess of \$50 billion, and Soviet credit lines are in excess of \$100 billion. But the structure of Soviet financial operations, conducted through the "joint venture banks" such as Moscow Narodny and Banque pour L'Europe du Nord, reveals a system of joint enterprises with Swiss and British partners. In particular, the same financier group which founded the Bank for International Settlements in 1931, and used its offices to make liquid gold extracted from the teeth of Nazi concentration camp victims, became the principal Western partners of the Soviets during the early 1970s. This financier group, represented by such luminaries as the incoming secretary-general of NATO, Lord Peter Carrington, and Swiss National Bank president Fritz Leutwiler, has already cut its deal with the Russians.

The Chamberlainesque deal envisions a "neutral" zone in what they call "*Mittleuropa*," centered in Germany. The Swiss, who never shook their Nazi sympathies of 40 years ago, as well as their business partners in German and British banks, believe they can live on as satraps for the Russian Empire.

Asked who else beside the Russians had dumped dollars during the past weeks' slaughter, a Federal Reserve official said, "Central banks, plural. In the decade of the 1970s there was a lot of talk amongst central banks about 'reserve diversification' (i.e., diversifying out of dollars). They bought marks, yen, sterling, Swiss francs. I'm talking about the Monetary Authority of Singapore, the central bank of Sri Lanka, everybody out there who holds reserves; they diversified. Now're you're hearing the new word 'reversification.' Reserve asset holders have shifted somewhat back toward dollar-denominated assets. Where as they might have been 65 percent in dollars in 1980, they'd be back to 85 percent dollars now."

The Swiss press is quite blunt concerning Soviet military threat to West Germany to fuel panic against the mark. The Swiss paper *Neue Zürcher Zeitung* reported on Jan. 11 that

money is fleeing the mark "because of the political situation in the Federal Republic," and noted that the dollar "is more secure above all in the political sense." *NZZ* predicted that having fallen below the "psychological barrier" of 2.8 marks per dollar, the German mark could fall "considerably further."

The BIS itself deliberately contributed to the panic Jan. 9 by leaking from its Basel headquarters that there would be "no concerted intervention" support for the Germans from the Swiss, the Volcker Fed, and other central banks.

## Burns fuels panic

As *EIR* reported last issue, aides to Arthur Burns are warning of an "August 1971" for Europe—just as in that year the U.S. dollar collapsed while Burns was running the Fed.

Capital flight out of Germany, Burns's aide said, "will continue and there's no way you can staunch the flow. . . if you're getting the kinds of exchange rates you have and the interest rates you have on the dollar."

Burns is predicting that Europe, led by West Germany, will be driven into capital controls. That will mean the decoupling of Europe from the United States as in the 1930s, when trade between Europe and the United States was shut down. This is because controls would prevent Germans from obtaining dollars and Americans from obtaining marks for the first time since the end of World War II.

Said Burns's aide, "The thing he's most concerned about is that Europeans will take protective measures of their own to staunch the flow of capital out, capital controls.

"This will be blamed on the United States, Burns believes, because of the U.S. budget deficit," he said. "The deficit causes high interest rates and will continue to pull capital out of Europe and out of Germany."

Burns and the Fed are also predicting mass bankruptcies in Germany, spreading fear among investors. The Fed official predicted more bank collapses following the Schroeder Münchmeyer bank failure late last year and major bankruptcies in the steel and other heavy industrial sectors to come.

The Fed official noted that the current financial scandals about Free Democratic Economics Minister Count Otto von Lambsdorff might eventually be connected to the SMH bankruptcy. This would force Lambsdorff out of the cabinet, and collapse the Kohl government.

The Swiss daily *Neue Zürcher Zeitung* reported Jan. 9: "Central bankers fear that the result of the dollar's ascent will be an equally rapid and steep decline of the dollar in the near future." Burns's personal prediction, according to aides, is that the introduction of capital controls in West Germany will spread the European depression back to the United States—the opposite of the administration's official view that U.S. "recovery" will spread to Europe.

Internally, the Fed's outlook for the U. S. economy in 1984 are grim. Said one Fed economist, "We've got a problem on interest rates. You will start seeing more market pressure, predominantly expectational, but nevertheless very real. You're going to have a political problem [for Reagan

and the Republicans] if you have falling [Treasury] bond prices in the summer of 1984. . . . Volcker won't change his policy. If the deficit is high, and rates rise, Volcker won't loosen up. Volcker is putting Ronald Reagan in a box and he's going to have to find a way out of it, because rates will be way up in the middle of an election year."

## Fed: Soviets biggest movers in currency markets

*From an interview with a U.S. Federal Reserve official conducted on Jan. 11 by EIR's Kathy Burdman:*

**Q:** What's your explanation for the fall in the DM? The IMF says the German economy looks fine.

**A:** I wouldn't say fine. . . . There is a sense in the market that the steel industry in Germany, corporate enterprises in general, are not as healthy as they are in this country, that there is a sense based in economics, and also in political and psychological factors, that corporate and political leadership in Germany is not doing as well as elsewhere. . . . There may be some risk of further bankruptcies of major companies, perhaps in the steel industry. . . . The events in the banking sector show that the moral rectitude which Germans pride themselves on has been shaken by the SMH [Schroeder Muenchmeyer Hengst] thing. . . . How deep does the rot go in Germany, that's a rhetorical question the markets are asking. When a very highly respected institution like that shows itself to have feet of clay, and when you have political leaders, ministerial figures, involved in shady dealings, even indicted, people begin to ask how many are involved? . . . A lot of what is happening to the mark now is psychology. . . .

**Q:** What about the report yesterday that the Soviets are dumping DM?

**A:** If they are doing a tenth of what they are reported to be doing then they are one of the biggest traders in the world. You hear them reportedly doing transactions in the tens and hundreds of millions, into the billions, over fairly short periods of times. You hear of them buying a hundred or three hundred or five hundred in a day. If they're even doing a tenth, then they are the most active trader in the world. I don't see that it makes any sense from a common-sense point of view. The risks are too high for them to be trading that aggressively to make money. The other reason would be political. . . . Obviously, the strength of the dollar is divisive in the Western community.

**Q:** Who is moving money out of the mark?

**A:** Everybody. There are guys in Germany making a living

these days selling [U.S.] Treasury bills to dentists in Düsseldorf. It used to be the dentist in Des Moines who did this, now it's the dentist in Düsseldorf. German banks are selling dollar paper to housewives in Hamburg. It's very broad. It's corporations, portfolio managers, international accounts [at banks], it's central banks, it's small-denomination accounts of ordinary people in Germany.

**Q:** Central banks?

**A:** Sure. Central banks plural. In the 1970s there was a lot of talk amongst central banks about "reserve diversification." They bought marks, yen, sterling, Swiss francs. I'm talking about the Monetary Authority of Singapore, the central bank of Sri Lanka, everybody out there who holds reserves, they diversified.

Now're you're hearing the new word "reversification." Reserve asset holders have shifted somewhat back toward dollar-denominated assets. Whereas they might have been 65 percent in dollars in 1980, they'd be back to 85 percent dollars now.

**Q:** The Arabs?

**A:** Sure.

**Q:** Burns is saying the Kohl government could fall and the Social Democrats come in.

**A:** It would seem inconsistent with the last election, but who knows. . . .

**Q:** What effect will that have on the market?

**A:** Well, the mark would get weaker! . . . down the line it would depend upon what they did. Currencies weak on the election of leftist governments. Look what happened to the French franc [in 1982]. . . .

But these levels for the dollar are very, very pricey. The sense that we have is that people are buying because they think it's going to go up a while longer before it turns lower, but everyone in the market place thinks the dollar is going to come back down off these levels. It's not going to stay permanently up there.

**Q:** How bad will the DM get before the dollar starts to come off?

**A:** I think at these levels there are so many non-economic elements in the equation that it's likely a turn is precipitated by a non-economic event. . . . Predicting a non-economic event and a level that would obtain at the time it occurred is crazy. These markets are extremely risky. . . . You've got a lot of guys out there who are saying 3.00, 3.20 [marks to the dollar]. If enough people believe that, it's going to happen.

. . . You may think [the U.S. recovery] is a pack of lies but the market believes it's real. . . . the U.S. economy looks vastly better positioned for the next decade than the German economy. We have freed up our labor market better than any other country.

# Quito conference puts the question: national survival or debt repayment?

by Robyn Quijano

Several presidents and vice-presidents, along with ministers and representatives from 30 nations of Ibero-America and the Caribbean met in Quito, Ecuador on Jan. 9-14 for the Latin American Economic Conference—the culmination of over a year of debate on how to jointly solve the continent's debt crisis.

Ecuadoran President Osvaldo Hurtado appealed to the gathering for unity in solving the economic crisis which is destroying both the developing and the advanced sectors, and noted that U.S. and European unemployment is largely due to the collapse of trade with Ibero-America. "Stability and future peace in the region" depend on joint action now, he said. "This cannot be a meeting, like so many others, that remains simply a declaration of good intentions. . . . Let us be prudently audacious in the accords we reach," stated the Ecuadoran head of state.

The challenge of the meeting was precisely to stop the debates of the past and take action. Yet at the meeting itself, according to *EIR*'s correspondent on the scene, Carlos Mendez, the continent's leaders demonstrated more of the prudent than the audacious.

Some analysts believe that by the end of the first quarter the debt crisis will have reached such proportions that those leaders paralyzed by fear of retaliation will understand that the entire game is up, and act "audaciously" for the continent's survival. Continental accords which have been slowly put into place and strengthened at Quito will then provide the defensive capacity to act. But there is little time left.

At the meeting, the economic "adjustments" imposed by the International Monetary Fund were widely attacked, and statistical details were amply provided to prove what has been clear for over a year: Ibero-America has been crippled and is beginning its death agony. This process can only be reversed by nations' refusing to accept the IMF conditionalities which have shut down their economies to secure the disappearance of sovereign nations, and will eventually result in the genocide of populations, and recolonization by the oligarchic forces that have historically supported usury.

The Quito conference comes after a year of step-by-step capitulation to policies that "do the work of an armed invasion, without provoking a popular mobilization of defense." U.S. economist Lyndon H. LaRouche, Jr. warned of exactly

these consequences in his August 1982 document "Operation Juárez" if a debt solution based on large-scale infrastructural projects, rapid economic development of the region, and an Ibero-American Common Market were not imposed.

"If development is not resumed and a vigorous growth begun, Latin America will not be able to generate the resources to pay the debt," declared Sebastian Alegrett, permanent secretary of the Latin American Economic System (SELA), which presented the working document for the conference:

"What we are expecting from the conference is a crystallization of political will of the governments in the region for joint action," said Alegrett. He pointed to the dangers to political stability in the region of "levels of unemployment never before seen, chronic hunger in certain regions, misery, and increasing unemployment and impoverishment in the cities." There exists a "broad consensus" among our nations that "the payment of the debt must not strangle our possibilities for development nor mortgage the future of our nations," he declared.

## Common market on agenda

The meeting, unprecedented both for the high level of the delegations and the number of nations represented, has sparked speculation that the "adoption of a common plan of action will prove the determination of the region to act now as a Latin American community." To strengthen "bargaining power" with the IMF and the international banks, common criteria for debt payments will be discussed, including placing a ceiling on the percentage of foreign exchange earnings that can be used for the debt in order to guarantee essential imports and services. Another widely circulated proposal calls for a four-year debt moratorium with 20 years' amortization. A continental common market and a common currency are also key agenda items.

Colombian President Belisario Betancur addressed the delegations on Jan. 12. He called on the advanced sector to provide long-term credits for viable projects at low interest rates and recalled that "the United States during the 1930s had credit for 30 years at extremely low interest rates." Betancur underlined the irrationality of the current crisis of idle capacity and unemployment in Ibero-America, a region rich in

in major resources, infrastructure, and productive work force.

Continental integration and the rapid increase in trade in the region can resolve this problem, he said, calling for "new mechanisms of compensation and financing," requiring "a monetary unit of account which would permit the use of fully convertible foreign exchange to pay for goods and services not produced in our region."

"We must take advantage of our installed capacity, promoting and financing regional trade. Colombia is ready to collaborate with those who want to follow this path," stated the President.

"Survival before debt" was a common theme among the participants, and the common market approach was backed in some form by most of the delegations, and emphatically by Brazil, which has lost millions of dollars in trade as its neighbors lost the capacity to import. The large Brazilian economy would be crucial to the defensive capability of the common market.

Brazilian Foreign Minister Saraiva Guerrero called for debt relief, and warned that "sustained economic growth is the indispensable condition for the political and social stability of our nations."

### Who can pay?

SELA's Alegrett put the current situation in these terms: "It is not even a question of whether the countries want to pay their debt. Latin America has given proof of its serious and responsible attitude towards its obligations, but they simply cannot pay."

Abelardo Pachano, head of the central bank of Ecuador and president of the preparatory meetings at the conference, stated that only continental unity can advance the old battle for a new world economic order. He underlined the lack of support for such a fight in the advanced sector during 1983, and hit the irrationality of a policy which assures that the capacity to generate wealth is destroyed. Pachano emphasized a strategy of integration, regional financial institutions, programs for food security, and the self-sufficiency of the continent in energy and basic services.

The document presented to the conference by the Ecuadoran National Development Council, directed by Vice-President Leon Roldos, lays out a basic strategy for resolving the debt problem—the alternative being either simple non-payment or subjugation to IMF conditions. "It is imperative almost in terms of survival to arrive at common or similar solutions," states the document.

It proposes that the capacity of payment of each nation be calculated individually on the basis of first meeting basic import necessities, and then debt payment. The category of essential imports would include food, medicine, energy products, primary materials, and intermediate goods essential for basic production. In order not to paralyze productive activities and basic services, the essential category would also include replacement parts for industrial equipment, ag-

riculture, and transportation, and the import of capital goods to maintain the level of installed capacity for a given year before the crisis, for example, 1980.

This policy of survival before debt is seen as reasonable by most governments, but agents of banking interests like the head of the U.N. Economic Commission on Latin America, Enrique Iglesias, and Argentine special debt negotiator Raul Prebisch, both on the scene for this meeting, as well as traitors within the governments of Mexico, Brazil, and Argentina will do everything in their power to assure that the Quito conference is just another sterile debate. For them, the "debt solution" must be the step-by-step ceding of state-sector assets, national sovereignty, and the lives of the population, in return for a long-term stretchout of the debt.

The real solution to the crisis is now better understood among patriotic leaders of the continent than ever before. What is wanted is the morality and courage to act for the continent's survival.

## Ecuador's Hurtado: 'prudent audacity' is needed

*Ecuadoran president Osvaldo Hurtado opened the Quito conference on Jan. 12 with a speech excerpted below:*

How long can our peoples tolerate the consequences of present austerity conditions? The prohibition of imports, often even essential ones, cannot go on for long without further deterioration in the systems of production. . . .

Most of Latin America's problems come from external factors starting in the industrialized countries, such as high interest rates, falling export prices, the violent contraction of capital inflows, recession in the North and inadequate terms on the foreign debt. . . .

The region's unprecedented \$31.2 billion trade surplus in 1983 was achieved by drastically reducing imports—and not by increasing exports—and mostly served only to pay debts to foreign banks. Given such a negative international context, the reactivation of the U.S. economy may be positive and encouraging, but there has been no recuperation in other developed countries. . . .

If we achieve a consensus on a common program in this economic conference, we will have taken a giant step in the field of regional action. An agreement of that sort would also put us in an excellent position to begin multilateral conversations with the industrialized countries. . . . to find shared responses to a problem so big that it could undermine the future peace and stability of the region. . . .

But to the degree that our countries continue restricting their imports to correct their balance of payments deficits, they are contributing to delaying the recuperation of the developed countries and to increasing bankruptcies and unem-

ployment in the North. During the first half of 1983 in the United States, about 250,000 workers lost their jobs due to the eight biggest debtor countries in Latin America restricting their imports. In Europe, the effects must have been even greater, since half of their GNP comes from export sales. . . .

It is indispensable that we situate ourselves beyond merely national interests in an effort based on solidarity and communality to define a basic agreement and that we rulers and political leaders make the necessary decisions. This cannot be another of those many meetings which ends up with nothing more than a declaration of good intentions. The evident maturation of the continent obliges us to find practical solutions, reachable goals, and achievable programs. Let us be prudently audacious in the agreements we reach, if we want to meet the challenges posed to us by the dramatic times and the anguish suffered by our peoples.

## Conade sets the priorities: debt repayment last

*Below are excerpts from a document released by the National Development Commission (Conade) of the Ecuadoran government for circulation at the Quito economic conference, as published in the Guayaquil daily Expreso on Jan. 10.*

We are concerned that the alternatives to the crisis of non-payment of debts recommended by the IMF, godfather of refinancing with the international commercial banks, within the limited vision of the present conjuncture could aggravate structural problems. For these reasons it is imperative virtually in the name of survival to reach common or similar solutions. . . .

Due to the high cost of foreign financing for the private sector, much higher than for credits granted to the public sector, production and development have only been partially generated. [The reason is that] in the majority of the cases these credits have gone to speculative ends, given that only through such ends is it possible to service the high costs of the credits, unlike investments in agriculture, industry, or other sectors whose profitability is definitely below the cost of credit in foreign currency. . . .

### Ceiling on debt service

The capacity to pay interest, commission, and principal on the debt of Latin America and the Caribbean must be seen as a function of:

1) The foreign exchange income in the current account of each country as generated by exports of goods and services. . . . As there exists intense pressure for private sector debt service to be assumed by the public sector—and particularly by the central bank—as has already occurred in several

countries where the mandatory attachment of foreign exchange only from the exports of specific services has already been demanded, the determination [of payment] must be made on the basis of foreign exchange income to the central bank, excluding the foreign exchange income from services handled on the free or parallel market which has its own demand. . . .

5) Import necessities such as food and medicine, fuel, lubricating oils, energy products, raw materials, and essential energy and intermediate goods for production are indispensable. In addition, so that productive activities and basic services are not paralyzed, the purchase of replacement parts for industrial, agricultural, and transport machinery is also essential, as is the import of capital goods for replacement purposes, so that the installed capacity in each nation is maintained at a level at least equivalent to a certain given year, for example 1980, before the generalized crisis which befell the entire region.

6) The necessity of importing capital goods, raw materials and intermediate goods to allow the nations of the region a minimum level of growth in the gross national product above the rate of growth of the population.

The idea behind establishing a ceiling on debt service is basically to fix a percentage of foreign-exchange income from exports of goods and services to meet the interest, commissions, and principal payments on the foreign debt. . . . That is, the first priority must be to service those imports with exchange generated by the export of goods and services even when the percentage is stipulated for servicing the foreign debt.

The categories in number six above should be financed where possible with additional foreign funding, except when a surplus of foreign exchange generated by exports exists. But if it is not possible to get adequate foreign financing, treatment of category six should be the same as that in five.



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# Navstar key to U.S. nuclear sub defense

by Marsha Freeman

A new satellite navigational system currently under development, the Navstar Global Positioning System, could dramatically expand U.S. strategic war-fighting capabilities in the immediate months ahead, provided the Defense Department gives the go-ahead for accelerated production.

U.S. Trident I submarine-launched ballistic missiles do not have the accuracy to strike and destroy hardened military targets such as missile silos in the Soviet Union. U.S. land-based missiles are also limited in their ability to hit such targets, leaving the United States at a strategic disadvantage, against an adversary who probably already has the capability for a disabling first strike against the United States.

The Navstar program could be made sufficiently operational in the next few months to remedy this. It has the potential to provide 24-hour, all-weather navigational information to troops in the field, aircraft, and submarines. The system will increase the accuracy of the delivery of nuclear weapons five-fold by giving a submarine, for example, its position within an error range of only a few feet before firing.

The Navstar system was originally planned to be fully operational by 1984, but budget cuts under the Carter administration set the timetable back by four years. With some acceleration it is still possible to have a partially effective system in place this year. Since 1977, the Department of Defense has been deploying first-generation Navstar navigational satellites on a test basis. Over the next few months, the remainder of these Block I satellites could be launched, providing partial coverage, though not for the full 24-hour day. For the submarine forces, access to precision navigational data even once a week would significantly increase weapons delivery accuracy. The production schedule of the more advanced Block II satellites can also be accelerated, so that the entire system of 18 satellites could be operational earlier than the current target of 1988.

## Accurate navigation

In 1973 the Defense Department decided to design and plan a global navigational system for all of the military services to replace existing systems, which only provide for particular needs with limited coverage and accuracy.

The Navstar satellites make use of atomic clocks to provide each user—which could be a soldier in the field, an aircraft, or submarine—precise time information. For a three-

dimensional fix, the user would receive data simultaneously from four separate satellites within view at the same time. This would give him the ability to compute his latitude, longitude, and altitude.

Each satellite emits two radio signals at all times. One is a crude positional signal, and the second is a coded signal which contains the navigational information. Only users with the proper equipment will be able to access the second signal's data.

The user equipment will measure the amount of time the signals from each of the four satellites take to reach it. It will also have stored the precise orbital data for the satellites, so their exact positions can be determined.

By computing the distance from each of the four satellites, whose positions are known, the user can pinpoint his location to within a few feet. The satellites will also send the user any changes in the ionosphere, weather, or other factors that could affect the travel time for radio signals.

Navstar will allow users to compute the navigational fix in about 90 seconds. For the existing technology, such as the Navy Transit system used for submarines, it can take 30 minutes to determine a less accurate position. For submarines, which have to come closer to the surface to pick up the Navstar signal, thus exposing themselves to detection, this time reduction is crucial.

The operational Navstar system will consist of 18 satellites in six orbits and three on-orbit spares. They will be in an orbit nearly 10,000 miles above the Earth, out of range of current-generation Soviet anti-satellite systems.

The second-generation Block II satellites will also be hardened against electromagnetic pulses from nuclear explosions and limited laser attack. They will be part of the Integrated Operations Nuclear Detonation Detection System and will contain sensors to detect a nuclear blast on or near the Earth or in space.

## Using Navstar

The Block II satellites will have limited cross-link capabilities which means they will be able to "talk" to each other. They will, therefore, be able to cross-check any data on nuclear detonations and estimate the yield of the weapons.

This cross-link capability will also be important in a war-fighting situation, since the advanced satellites will be able to operate autonomously from ground control for a week at a time, if necessary. Military experts estimate that this could be the most important safeguard against the system being rendered inoperative, as the ground control centers are the most vulnerable segment in the Navstar system.

Survivability of the space segment, the satellites, is based on both their high orbits and the redundancy in the number of satellites. If a handful of Navstar satellites were knocked out, the system is designed to "degrade gracefully," that is, the on-orbit spares would become operational, and since there are multiple satellites in each orbit, total navigational capability is not lost even if the net number is reduced.

Navigational accuracy will provide an enhanced capability for many military missions. Navstar will be applicable to reconnaissance, mapping and targeting, helicopter operations, Navy mine-sweeping and mine-laying, anti-submarine warfare, and field artillery applications.

The equipment required for various uses differs in its complexity.

Military users which are moving quickly, like aircraft, or which need extremely precise information, such as submarines, use equipment which has five channels and can receive and process the signals from four satellites simultaneously. In either case, the weight of the receiver and computer equipment is inconsequential, and therefore the most complex and sophisticated equipment is used. Such a "high dynamic" set might weigh over 60 pounds.

In the case of ground forces, which are not moving quickly and where weight is a limitation, less complicated single channel equipment might be used where the weight might be under 15 pounds.

This "low dynamic" user set would consist of an antenna to receive the signals, a control display unit and could be battery powered. It could be used on a vehicle or as a manpack weighing as little as 14 pounds.

In addition to increased positional accuracy, Navstar will give each military user a precise reading on his own speed to an accuracy of .3 feet per second, and the correct time accurate to within millionths of a second. With this data, he will know where he will be in a given unit of time in the future. With this information, the user can determine more precisely where his weapons would hit, if unloaded.

It is also possible to place equipment on a missile or warhead itself which will give it its precise position as it heads toward its target. In the case of a missile or warhead, weight is clearly a factor. Therefore a partial system containing about 30 pounds of instruments, which would be able to

receive the Navstar signals and deliver that information to the missile's guidance system, is being tested.

The basic satellite positional data and changes in the satellite ephemeris would be tracked and stored by ground control, and fed into the missile system just before launch. The accuracy of the Navstar-configured warhead would transform today's "dumb" bombs into the next-generation "smart" bombs.

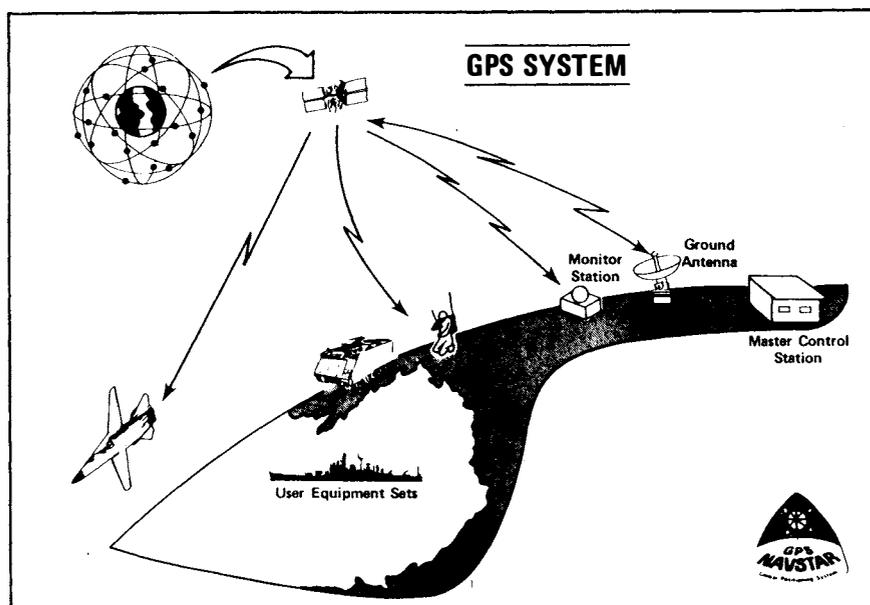
If the U.S. Minuteman III nuclear weapons were outfitted with these partial Navstar sets, it is estimated that their accuracy could be increased five-fold. Today's Minuteman II warheads fall within an approximate 600-foot circular error of probability (CEP). This means that about half of the warheads will fall within a circle having a 600 foot diameter. Military experts estimate that this would mean that over 30 percent of Soviet military targets would be "safe" from attack, since many are hardened and therefore require a much more accurate near- or direct-hit to be destroyed.

With Navstar accuracy, this CEP is reduced to 120 feet, which would place a high percentage of warheads in the range to destroy hardened targets.

Today's Trident I missiles, which are launched from submarines, have a CEP of about 1,500 feet. This poor accuracy has eliminated submarine-launched ballistic missiles (SLBMs) as weapons that could destroy hardened military targets such as missile silos in the Soviet Union.

Navstar will help solve a serious problem for submarines, that of identifying their own precise location. With Navstar, the submarines would have a more exact navigational fix, and their missiles could also be outfitted directly with the partial user sets.

A CEP of only 300 feet would be possible using the Navstar Global Positioning System. This would qualify U.S. submarine-launched missiles as part of a counterforce capability to knock out Soviet military targets.



*The Navstar Global Positioning System uses satellites that will allow submarines and other users to get a highly accurate reading of their own locations, crucial for the accuracy of submarine-launched ballistic missiles.*

## Trade deals increase flow of technologies

by Susan Maitra in New Delhi

A parade of economic delegations dominated the scene here last month, generating new trade accords which signal increasing interest among developed nations in the potentially vast Indian domestic market.

India needs trade revenue to meet immediate financial needs, having drawn an SDR \$5 billion loan from the International Monetary Fund in three installments from 1981 to 1983 to replenish its depleted foreign-exchange reserves. Repayment, starting in 1985, will place a drain on the economy, and India's Seventh Five-Year Plan, which goes into effect in 1985, will require larger domestic revenues and foreign-exchange reserves for development spending.

First to arrive were the Soviets, led by Deputy Foreign Trade Minister I. T. Grishin. The trade protocol for 1984 signed at the end of the three-day talks anticipates a record 25 percent increase in Indian exports to the Soviet Union. Overall turnover is expected to reach \$3.8 billion in 1983. A second protocol looks to increased cooperation in core sectors like power, steel, oil, coal, non-ferrous metallurgy, machine-building, and communications. The third protocol will enable Indian scientists to tap many potential sources of Soviet advances in pure science, electronics, nuclear energy, space research, meteorology, and laser physics.

Trade between the two nations has become increasingly lopsided in favor of India; last year, India's exports exceeded the Soviets' by about \$500 million. The Indians have expressed particular concern about a conspicuous decline of Soviet exports of engineering goods, which accounted for just 8 percent of total sales to India. Another bone of contention has been oil (see *EIR*, Jan. 20). India imports 60 percent of its crude requirements, and has been pressing the Soviet Union to sell more crude to India as a means of righting the trade imbalance. This would take some pressure off India's reserves and stimulate the domestic market. The Soviets, eager to continue earning hard currency selling oil on the European spot market, had resisted. Finally, they agreed to supply another 1 million tons of crude, raising the annual sale to India to 3.5 million tons.

Next came the members of the Economic and Commercial Subcommittee of the Indo-U.S. Joint Commission

headed by U.S. Undersecretary of State for Economic Affairs Allen Wallis. An agreement resulted for upwards of \$4 billion trade in fiscal year 1983-84, a 33 percent increase over the previous year's total. This will make the United States India's largest single trading partner, a position it had held for three decades until 1981, when the Soviets nosed ahead.

### Technical agreements with U.S.

Aside from the significant increase in dollar value, Indo-U.S. trade got a qualitative boost. India made it known that the United States has continued to be the major reservoir of technology which India, taking a cue from Japan, should tap as much as possible. The large number of Indo-U.S. technical agreements recently approved by the government of India were noted. It was stressed that the flow of technology can be further stimulated if a treaty to avoid double taxation for investment and trade can be signed quickly.

During the talks, however, India participants also made clear their concern about the decision to reduce the U.S. contribution to the International Development Association, the World Bank's soft-loan window. India rarely borrows from commercial banks, and IDA loans remain India's major source of foreign assistance.

In addition, talks were held with a visiting Japanese trade delegation led by Poshiro Nakajima, deputy minister of foreign affairs, and with French industry and research minister Laurent Fabius and his party.

In their sessions with Indian Commerce Secretary Abid Hussain, the 11-member Japanese delegation urged an increase in trade between the two nations that was not restricted to "an arithmetical balance." Both sides agreed that although the volume of trade between India and Japan had doubled in the last six years, great scope for new developments exists, particularly in joint-venture collaboration. Deputy Minister Nakajima took the opportunity of his visit to attend the inauguration by Indian Prime Minister Indira Gandhi of Maruti-Suzuki car production, a product of the single largest industrial venture between the two nations. The success of this Japanese private-sector collaboration with the Indian public sector is rightly viewed by Japan as its ticket to much broader, more fruitful involvement in the Indian economy.

While the United States, Soviet Union, and Japan were interested in nailing down trade agreements, French Minister Fabius was on a mission to market advanced technologies made in France. Before leaving New Delhi, he said he had offered to send a French mission on nuclear technology to India to discuss future cooperation. He also said that the four working groups have already been set up to further Indo-French cooperation in specific fields such as coal mining, alternate energy sources, electronics, and chemicals.

In addition to his talks with Prime Minister Gandhi, and with the ministers of finance, energy, and industry and mines, Fabius had meetings with prominent Indians on cooperation in fundamental sciences, health, agronomy, space research, and oceanography.

# Depression in agriculture spurs growth of number-one carcinogen

by Marjorie Hecht

The financial squeeze on American farmers has had a little-publicized though potentially devastating effect—an increase in the incidence and growth of aflatoxin, the most potent carcinogen known to man. According to agricultural scientists, this naturally occurring toxin, a substance produced by the fungus *Aspergillus flavus*, has been on the increase in grain crops as man-made improvements in crop cultivation have declined in the past 10 years.

In several areas of the United States, aflatoxin in the corn fed to chickens has affected their immune systems, drastically lowering egg production and eventually killing the affected poultry. Three years ago in Arizona, aflatoxin in cottonseed hulls fed to dairy cows caused one variety of the carcinogen, M-1, to show up in milk, and farmers were forced to dump huge quantities of milk.

The effect this aflatoxin increase has on the humans who consume animals which ingest these food products is not known. The few scientific studies that exist, however, show higher rates of esophageal cancer in certain African, Chinese, and Southeast Asian populations that consume peanut or other grain crops where there is a high aflatoxin content. In India, aflatoxin contamination of the corn supply led to widespread liver poisoning, taking thousands of lives.

The growth of this "natural" killer is directly related to the decline in capital-intensive farming as U.S. farmers have responded to the higher energy costs and the lack of cheap credit by cutting back on fertilizer and taking other shortcuts in order to stay in business.

Dr. Pat Hamilton, professor of microbiology and poultry science at North Carolina State University, an expert in mycotoxins like aflatoxin, specified in a recent interview several factors that lead to a higher aflatoxin level. The most important is the lack of proper fertilizer. The protein content in corn is directly related to the rate of fertilization, Hamilton said. In the past 10 years, corn used for animal feed has dropped from a 9 percent protein content to less than 8 percent in Midwest corn and 7.5 percent in southern and southwestern states. The higher carbohydrate, lower protein content supports the growth of fungi and mycotoxins, Hamilton said.

Other measures to cut costs also foster the growth of aflatoxin. In particular, water stress—drought and lack of irrigation—especially at pollination time and two weeks following (this is called silking time) makes corn more susceptible to aflatoxin. Animals are also more susceptible to mycotoxins when they are not well fed. When farmers don't

plow and cultivate their fields, and the weed and grass canopy is thus higher, the corn has to compete with weeds for water and nutrients. Farmers, to cut costs, also tend to leave the corn in the field longer to dry it without using energy-intensive drying methods. Both these measures support the growth of mycotoxins like aflatoxin in the crop.

The Entomological Society of America has compiled evidence to show that not using pesticides on a crop and thus allowing insect damage creates conditions that encourage the production of aflatoxin. A study carried out at the Southern Grain Insects Laboratory in 1980 showed that various corn insects enhance fungal infection and aflatoxin contamination by transporting the fungus both internally and externally and by preconditioning grain as a growth medium.

## Grain companies profit

Dr. Hamilton places much of the blame for the current problems of aflatoxin in feed grains on the big grain companies. "The unfortunate thing is that nobody regulates the grain companies," he said. "They make their money by selling water and trash." The grain companies buy up grain from farmers at a discount if its aflatoxin level is high, Hamilton reports. About 20 percent of the grain from Iowa and Illinois last year was bought at such a discount. Then the grain dealers "blend" it with other grains and sell it at the normal price! ("Blend," he said, is a euphemism for "adulterate.")

The grain companies also add water to the grain to increase its weight and therefore its price. For this reason, Hamilton advocates regulations on grain dealers to sell grain on a dry rate basis, so that there is no incentive to add water. Now, Hamilton said, U.S. #2 standard animal usage corn can have up to 15.5 percent water content, and this watered corn gets the same market price as corn with only 10 percent water content. The higher water content, of course, helps support the growth of aflatoxin.

Who buys the bad feed grain? Farmers who know about the problem avoid it, and the bad material is shunted to those who are not aware of the problem, or it is sent abroad.

The Food and Drug Administration has had a wishy-washy stand on just how much aflatoxin is permissible in animal feed grains. The FDA standard is 20 parts per billion (ppb), but when there was a particularly bad year with cottonseed meal in Arizona and California, the FDA dropped this to 300 ppb. As for human consumption, the FDA says that the level permissible in cereal grains is 20 ppb, and that

milk cannot have more than .5 ppb of aflatoxin. The Dutch government, however specifies .05 ppb, while the Swiss specify .01 ppb. As Hamilton put it, "This is the most potent carcinogen known to humans, and nobody knows what safety is."

How can the aflatoxin level be limited? "We can do it," Hamilton said, "but it costs money, and as long as the agricultural segment is expected to subsidize other segments of the society, it won't happen." Ammoniation of stored grain destroys aflatoxin, but it costs 20 cents to 80 cents per bushel. Gamma ray irradiation would also work, he said, but there is no U.S. infrastructure in place to use irradiation to purify food stocks, so this method would require large start-up costs.

What is particularly ironic in the case of aflatoxin is that the environmentalists and the Environmental Protection Agency ignore the potential risk from aflatoxin because it is "natural." However, man's intake of natural toxins and natural pesticides is perhaps 10,000 times higher than the dietary intake of man-made pesticides, according to Dr. Bruce Ames, chairman of the biochemistry department at the University of California. Yet, Ames notes: "Many, if not most, of these plant toxins may be 'new' to humans in the sense that the human diet has changed drastically with historic times. By comparison, our knowledge of the toxicological effects of new man-made pesticides is extensive, and general exposure is exceedingly low."

A study done by the state of California in 1982 showed that aflatoxin has a potency of 200 on a scale comparing cancer causing substances for humans, while the chemical EDB, recently banned by the Environmental Protection Agency as a potential carcinogen, was rated at a level of 0.8.

### More research needed

There are a few research programs ongoing to study the effects of aflatoxin on animals, but, according to Hamilton, there should be more interest in solving the problem and finding out how the carcinogen works. Agricultural research, Hamilton noted, is just one of the casualties of the U.S. Department of Agriculture's attempt to shut down American farming.

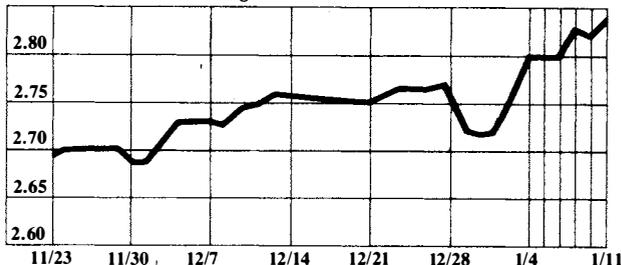
So far, the aflatoxin research has had some unexpected results, such as the finding that low amounts of the material have drastic effects on the immune system of various animals. But there are other areas left untouched. A study of how aflatoxin affects the immune system in chickens, for example, could be a model for a study of AIDS (acquired immune deficiency syndrome) in humans, but there is no work going on in this area.

In the larger sense, it is clear that a study of how aflatoxin in grains increases as austerity prevents the American farm sector from using man-made improvements in crop cultivation would provide specific data on just how quickly depression conditions move through the food chain, lower the health of the entire population, and increase the risk of death from certain types of cancer.

## Currency Rates

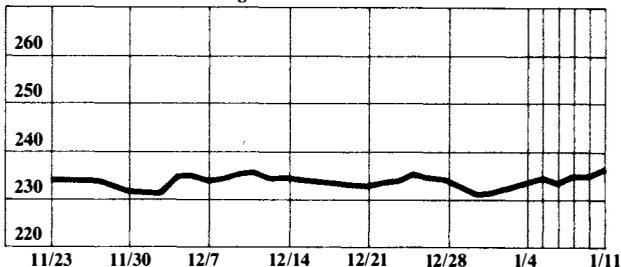
### The dollar in deutschemarks

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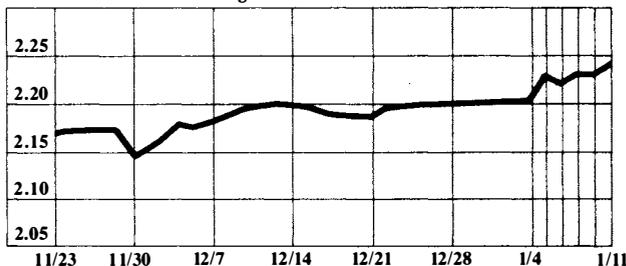
### The dollar in yen

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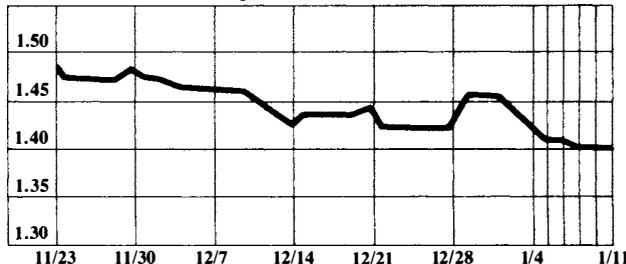
### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



## Colombia's top banker on the lam

*Bank of Colombia's Michelsen Uribe is a fugitive from the law as Betancur scores a major victory against the drug mafia.*

Colombian banker Jaime Michelsen Uribe fled to Miami on Dec. 31 after he was personally informed by President Belisario Betancur that the authorities had the goods on the country's number-one banker and that his resignation from the chairmanship of the Banco de Colombia had been accepted.

At least \$50 million had been discovered siphoned out of the Banco de Colombia's coffers and into the pockets of Michelsen and family through a practice of *autoprestamos* (self-lending), according to preliminary investigations by the Banking Superintendent's office.

As *EIR* predicted last week, criminal charges against Michelsen have been filed and an arrest warrant issued. Colombia's leading drug financier—along with his entire gaggle of Banco de Colombia cronies—is currently a fugitive from the law. Two executives of the Banco de Colombia are already in jail following a spectacular police raid on the main offices of the prestigious bank on Jan. 7.

Extradition proceedings against Michelsen are reportedly being considered by the government and, as Justice Minister Lara Bonilla pointed out in mid-January, there is little chance that such an extradition request would be denied by the United States since "this is not a question of a North American being sought for extradition."

If caught, tried, and convicted, the "David Rockefeller" of Colombia could face up to six years in jail under executive decree #2920, which was approved last year under Betancur's "economic emergency."

While the country is agog with the boldness of Betancur's strike against the most powerful financial empire, once-thought untouchable, in Colombia, there is already talk of expanding the dragnet to include other "citizens above suspicion" behind the Colombian drug trade, such as Ernesto Samper Pizano. Samper, the former head of the National Association of Financial Institutions (ANIF) who went on to become the 1983 campaign manager for former president Alfonso López Michelsen (Jaime Michelsen's cousin), is perhaps best known in Colombia as a one-man lobby for the legalization of marijuana cultivation, consumption, and export.

According to a prominent series of columns in the daily *El Espectador* early this month, Samper used his control of ANIF, "a known creature of Michelsen Uribe's," to blackmail Betancur's predecessor Turbay Ayala into calling off pending investigations into Banco de Colombia wrongdoings back in 1981. Michelsen's efforts to do the same to Betancur, including opens threats of triggering a bank collapse, did not succeed this time around.

This does not mean, of course, that Betancur has won his battle. Michelsen Uribe may be finished, but his cousin López Michelsen still runs the Liberal Party and controls a majority of the Colombian Congress. The drug trade, like the mythological hydra, has many heads.

For example, on the suggestion of Betancur's Liberal Finance Minister Gutiérrez Castro, the Banco de Colombia is now being run by international banker and former World Bank director Ignacio Copete Lizarralde,

whose dossier of involvement in the international drug and arms trade through his management of the Arab-Latin American bank based in Lima is, if anything, more impressive than Michelsen's.

Copete Lizarralde also boasts a 20-year relationship with the Banco de Colombia, and was in fact the honorary chairman of the bank when Michelsen "resigned." Indeed, cartoons have already appeared in the Colombian press showing a smiling Copete Lizarralde emerging from a deplumed eagle, the symbol of the Banco de Colombia.

Copete Lizarralde received a congratulatory call from Michelsen Uribe in Miami immediately after his appointment, and one of the new bank director's first public announcements was that there was no need for the government's planned investigation of the Banco de Colombia's offshore Panama branch, since its finances were healthy!

Betancur's move against the Michelsen clan, like his decision to support the use of paraquat against the country's marijuana and cocaine crops, have had an important and remoralizing impact on a Colombian population grown accustomed to the encroachment of the drug mafia in every institution in the country.

However, the international drug mafia is not likely to sit still and watch its lucrative Colombian empire be dismantled. Its assets—ranging from left- and right-wing terrorism to corrupt elements within the military—will be deployed to turn Betancur into a bloody lesson for like-minded heads of state elsewhere.

Betancur's survival—and that of his nation—therefore depend on a ruthless escalation in his cleanup of the "citizens above suspicion" who keep the drug trade well oiled.

# Business Briefs

## Mexico

### IMF tightens the austerity noose

The Mexican government has agreed to a hefty series of rate increases for government services, in accord with the updated 1984 letter of intent with the International Monetary Fund which it unveiled during the first week of January. Electricity rates were raised 35 percent, and other costs are expected to take off shortly.

The new hikes surpassed, in just a few weeks, the 30 percent increase in the minimum wage decreed by the government on Dec. 31, and due to hold without revision through June.

Finance Minister Jesús Silva Herzog riled up labor leaders with effusive praise for their sacrifice as the basis of the "success" of Mexico's so-called recovery program.

Labor chief Fidel Velásquez, well aware that real wages have been slashed 50 percent in little over a year, angrily retorted that the new letter of intent was "not acceptable" to labor, and that the paltry nominal rise in the minimum wage (official statistics, which understate real inflation, showed 81 percent inflation in 1983) was "unconstitutional" because it did not provide for basic needs of the workers, as guaranteed by the constitution.

## Economic Sabotage

### New power blackouts arouse the Swedes

Barely one week after a nationwide power blackout that lasted up to 24 hours in parts of Sweden, two new serious shutdowns were reported Jan. 6-7. Sabotage has been confirmed in one of the cases, and the other left the militarily sensitive area of Gotland Island, in the Baltic Sea, without power for three to four hours.

An explosion, the cause of which has not yet been determined, in a transformer station on the Swedish east coast Jan. 7 led to blackout of areas on the coast and the entire island of Gotland, which is Sweden's main defense outpost against the Soviet Union.

The night before, someone had forcibly broken into a transformer station in the Baltic coast city of Gävle north of Stockholm and cut off all power to parts of the city. The Stockholm newspaper *Aftonbladet* carried banner headlines reporting that the Gävle incident was sabotage.

Soviet-controlled terror groups called spetsnaz (special forces) are currently deployed throughout Western Europe, including the "Achilles Division" recently activated in Norway. The Swedish press had refused to inquire whether the first blackout was the result of sabotage.

## Banking

### Swiss gnomes under fire from France and Italy

A Swiss journalist told *EIR* that recent French press exposure of Swiss Nazi banker François Genoud forms part of a "series of diplomatic incidents" between Paris and Berne. French newspapers have begun to publish parts of *EIR*'s dossier on Genoud's control of Islamic fundamentalism and his ties to Klaus Barbie, the notorious Gestapo "butcher of Lyon" who is now awaiting trial in France.

"Genoud doesn't hide the fact that he is an anti-Semite and anti-American. According to the international media, you should believe that there are no Nazis any more in Germany and that the Swiss Genoud is the only one left," the journalist complained. "Genoud is being harassed, and such institutions as yours [*EIR*] have contributed to that."

The conflict between France and Switzerland began, he explained, when the French deliberately violated Swiss banking secrecy by sending a team of intelligence agents to rob the Union Bank of Switzerland's computer printout listing its bank clients. The French government proceeded to prosecute those businessmen. This was followed by continuous harassment of Swiss citizens at the Franco-Swiss border by French customs officials.

Heated messages were exchanged between French President Mitterrand and Swiss President Aubert, following statements by French Gen. Pierre Gallois denouncing Switzerland's neutralist role. Gallois, said the journalist, "was hitting at what we call

here the 'neutral corridor,' Switzerland and Austria. This corridor will indeed be used by the Soviets to invade Europe."

The source stressed that a similar crisis was developing between Berne and Rome, whose law-enforcement agencies have been intervening directly on Swiss territory in an effort to prosecute the mafia, the Propaganda-2 subversive masonic lodge, and its head, Licio Gelli. Gelli mysteriously disappeared from a Swiss prison just before he was due to be extradited to Italy for trial. The Swiss government is vigorously protesting alleged Italian interference in its internal affairs.

## Military R&D

### Soviets develop cruise missile guidance system

Soviet development of a computerized guidance system for a new generation of cruise missiles that duplicate U.S. technology "has taken the Defense Dept. and the intelligence community by surprise," according to *Aviation Week and Space Technology* magazine Jan. 2.

One Defense Department official declared that the advance in technology is showing up in a number of other areas as well—fighter aircraft and antiballistic missile defense. The first Soviet deployments of the new cruise missile are expected in 1985.

The guidance system will allow at least half the Soviet cruise missiles to hit within 150 feet of their assigned targets, after flying to the targets at the altitude of 100 feet. By comparison, advertised accuracy of the guidance system of the U.S. ground-launched cruise missile deployed in Europe would enable half of the missiles to strike within 61 feet.

Regarding the effectiveness of the missiles, *Aviation Week* writes: "With these missiles on submarines off the U.S. coastline, there would be little warning of an attack." The cruise missiles could easily "sneak through" gaps in the existing Distant Early Warning (DEW) radar line in northern Canada.

In a related story, *Aviation Week* reports that the Soviet Union may be illuminating USAF/Hughes Satellite Data System relay spacecraft and British Skynet 2 communi-

cations satellites with ground-based lasers from a test facility at Saryshagan. Evidence for this is contained in a report to President Reagan by the General Advisory Committee of the Arms Control and Disarmament Agency. The SDS satellites relay data from the chief U.S. KH-11 reconnaissance spacecraft.

### **Soviet Technology**

## **Why are Finnish firms buying up Swedish industry?**

A private Finnish company, Nokia, has purchased Sweden's biggest computer electronics firm, Luxor. This is the first time that a Swedish state company has been sold to a foreign buyer.

Luxor produces, among other things, defense equipment for the Swedish air force. Its current advertising campaign shows the new Swedish Viggen fighter, with the caption "The Swedish Air Force uses Luxor computers for analysis of target firing, films, and navigational calculations. A precise instrument in a precise activity."

During the past two years, Finnish firms have taken over Swedish companies with 12,000 employees, in a wide variety of industrial operations.

Finland has become virtually a "silent partner" in the Warsaw Pact, particularly since its air defense merged with that of the Soviet Union recently. The takeover of Swedish firms appears to be part of a Soviet bid to gain technologies as well as control of strategic economic positions in the West.

### **Fiscal Policy**

## **Democrats press for defense budget cuts**

A group of 42 prominent House Democrats Jan. 7 issued a "campaign blueprint" for the 1984 elections. The 90-page document calls for a reorganization of federal spending programs, and particularly for deep cuts in the defense budget.

The report defines three issues for the campaign: "Uncontrolled, massive budget deficits, the continued decline of public and private investment needed to spur growth and enlarge economic opportunity, and the accelerating nuclear arms race."

The blueprint calls for a top-to-bottom review of all military spending and security needs to reduce annual spending increases to 3-5 percent. The strategic justification for these cuts is found in the blueprint's endorsement of the nuclear freeze and approval of the SALT II treaty.

The House Democrats also propose the establishment of a corporatist "Economic Cooperation Council of government, private industry, labor, and academics" to plan new strategies for "economic growth."

The proposals will be submitted to the appropriate Democratic Party channels, where the group's spokesman, Rep. Gillis Long (D-La.), expects enthusiastic approval.

### **Labor Policy**

## **Koch proposes paid youth gangs for New York**

New York Mayor Ed Koch issued a proposal Jan. 7 for the creation of a paid youth brigade, whose members would perform tasks for the city in exchange for a weekly stipend below the legal minimum wage. The gangs would be modeled on the "Guardian Angels," which currently "patrol" subway cars in New York in place of the dwindling professional police force.

The Mayor wants to recruit as many as 1,000 participants—especially black and Hispanic youth—to the year-long program! They would be paid less than the minimum wage of \$3.35 an hour, but would be "compensated" by tuition vouchers and a lump-sum payment at the end of the program.

The work plan is supported by the Fund for the City of New York, a private group.

Under Koch's program, 18-year olds would clean parks, help the elderly, and "do some of the same tasks as voluntary auxiliary police officers."

Koch says his program is geared as a "model program for national service" and he is hopeful that by the end of the year the federal government will say: "My goodness, why didn't we think of that?"

## *Briefly*

● **30 MILLION PEOPLE** — 40 percent of Mexico's population—will suffer drastic food consumption cuts this year, according to a government report issued Jan. 9. The National Food Program Commission (PAN-AL) has analyzed the expected consumption for the nation in 1984, based on the impact of the economic depression. It finds that caloric intake for 30 million people will drop by 15 percent. Animal protein (meat, milk, fish and eggs) for the same population will drop by 50 percent. Per capita consumption of wheat, fish, poultry, and beans will also decline drastically.

● **LIONEL OLMER**, U.S. Undersecretary of Commerce for International Affairs, told leaders of the Japanese Federation of Economic Organizations (Keidanren) Jan. 12 that Japan's industrial policy is hindering its imports of competitive foreign products. Olmer demanded that Japan step up imports of aluminum products, and criticized Tokyo's restrictions on foreign capital participation in the Japanese economy, as well as Japan's plans to develop its own communications satellites. In a meeting with Japanese Trade and Industry Minister Hikosaburo Okonogi, U.S. Ambassador Mike Mansfield criticized the computer software protection law that the Ministry of International Trade and Industry (MITI) plans to submit to the Diet (parliament).

● **THE GRACE COMMISSION**, the President's Private Sector Survey on Cost Control, issued a report Jan. 12 calling not only for sweeping defense budget cuts, but for drastic cuts in government-supported benefit programs, from social security to milk price support programs. The survey also recommends repeal of the Davis-Bacon, Walsh-Halsey, and Service Contract acts, which set wage scales and overtime rates at near-union wages for millions of workers.

## The battle to save Germany

by Helga Zepp-LaRouche

*Helga Zepp-LaRouche, the chairman of the European Labor Party in the Federal Republic of Germany, delivered a major address on Jan. 2 in Washington, D.C. at a conference of the International Caucus of Labor Committees. Our selections from her address focus primarily on her strategic analysis and foreign policy recommendations for the United States. Mrs. LaRouche's historical analysis of the rise of fascism, quoted briefly below, was published in full in the Jan. 16 issue of the semiweekly U.S. newspaper New Solidarity.*

I want to call upon all of you to join with me in a battle to save Germany. There is an immediate danger that one of two possibilities will become actual within the next three months at most. The first is a military attack into West Germany, a surgical strike, either a conventional or a tactical-nuclear surgical strike into West Germany by the Soviet Union; or, because of the implicit threat of such a development, there is every possibility of Germany splitting out of NATO. I believe that either development would have the potential to trigger World War III.

I wish, therefore, to make this particular problem the subject of my presentation, to outline to you today why I think that saving Germany as the cornerstone of the European-U.S. alliance is an absolutely essential question for the survival of the United States itself, and therefore, of the world.

Some of you may be surprised that I choose this title, "The Battle to Save Germany," rather than "The Battle to Save Western Europe." But for many reasons I think focusing on Germany brings forward all the healthy, necessary discussion points, because it challenges in a very specific way a widespread prejudice, which you find in the United States probably more than in any country in the world. The key problem we have to fight, and what we have to change, is a growing tendency of indifferentism in the United States regarding what happens in Western Europe and the rest of the world. You find that there is right now a very strong tendency toward a neo-isolationist mood in the United States. People basically think, "Okay, if the rest of the world is in such bad condition, maybe we should really concentrate on the United States itself." And the propaganda of clearly KGB-influenced me-



*Helga Zepp-LaRouche speaking in Washington, D.C.*

dia—the TV and so forth—has brought about an attitude which says, “Look at the peace movement in West Germany and in Western Europe in general. If they don’t want us over there, why should we spend all this money, why should we have to maintain 300,000 troops in Germany alone, if the only thanks we are getting for this is that our GIs are being bombed?” . . .

People say, “Well, the Russians are very close to Germany in particular; there is a border directly dividing the two Germanies; okay, we can see that there is a big threat, much closer than to the United States. They’re all a bunch of capitulationists over there. Maybe they deserve it if the Soviets gobble them up, if they don’t have more courage to stand up.” And then there is the after thought, “Maybe the Germans are all Nazis anyway, and in a certain sense they don’t deserve any better.”

I want to point out to you the realities of Western Europe, from a military and political point of view, and an historical point of view. The reality is much more complicated and much more differentiated.

I also want to try to prove to you why, for a whole set of reasons—military, political, and especially cultural—if we do not win this battle for Germany, for Western Europe, if the Soviet Union wins this battle in the next three months, then not only will the NATO alliance break up, but I am convinced that the consequence of this will be that mankind as a whole is doomed.

The only way we can avert a clearly foreseeable disaster is to use the coming weeks to dramatically, fundamentally change U.S. foreign policy in general, but especially in re-

spect to Western Europe. If we do not manage to bring about a different attitude in Washington, the lack of U.S. policy in Western Europe will mean that, by default, West Germany probably will collapse either militarily or psychologically under the threat of a Soviet attack.

The same change has to be accomplished by us in respect to the Third World, in respect to most areas of the world. I only want to emphasize the battle for Western Europe as the crucial question right now.

The only way we can manage to change Washington’s policy, change the so-called “good guys” in the Reagan administration—what we have to do to the “bad guys,” I am going to outline a little bit later—is that this organization, the people who are in this room here today, find within themselves the internal strength to be the driving force to catalyze a change in the American population as a whole. The resources are there but have to be awakened. This cannot be done except by finding our way back to the spirit of the American Revolution. . . .

For West Germany, this means concretely that the entire post-war policy of the U.S. toward Germany since the Second World War has to be changed.

### **The sell-out of Europe**

Why is West Germany the crucial determining factor in the strategic game between East and West, and why is West Germany regarded by the Soviet Union as the key to implementing their strategy? West Germany is smaller than the state of Oregon. Nearly 60 million people live in West Germany, and about 17 million in East Germany. However,

despite the fact that from a geographical point of view it is a very small country and a very densely populated country, you have on German soil the highest military concentrations in the world directed against each other. There are more missiles in East and West Germany directed against each other than at any other point in the world. And in the strategic context, in the context of Western Europe, in the Soviet game to conquer Western Europe and in the game to cause a defeat for the United States, there is a clear geographical, military, political, historical, and cultural reason why the focus is West Germany.

The long-term Soviet policy, according to their own writings, involves one pre-programmed outcome of history to be accomplished, and that is the victory of Russia on a world scale, i.e., a Soviet world empire in which they do not necessarily occupy every country in the world, but where their hegemony, their influence, simply means that no other country in the world has any political will which could oppose itself to the Soviet Union. And since Khrushchev and Molotov and Sokolovskii in particular, it has also been very clear that even under conditions of the potential of nuclear war, that objective has not changed. An idea which was discussed in the Soviet Union for the first time in 1965 by General Lomov, is that such a victory could be brought about by the outbreak of either a conventional or nuclear war in Western Europe.

You can blame the German population and the Western European population as much as you want for capitulationism, but the reality is that because U.S. policy has been dominated by the Pugwash arms-control proposals since the end of the Second World War up to the point of President Reagan's March 23rd speech [announcing a new doctrine of Mutually Assured Survival—ed.], there has been no adequate military strategy providing any security for Western Europe. Post-war history has been one long sequence of rather horrifying experiences which left Germany, in particular, relatively traumatized.

The first big shock was when, in the middle 1950s, a NATO maneuver took place under the code name "Carte Blanche." This maneuver basically assumed a Soviet attack, Soviet tanks marching into West Germany, and then, after the occupation of West Germany by Soviet forces, a reconquering of Germany through the use of nuclear weapons. In other words, the second strike by NATO would hit Soviet-occupied West Germany. Such a small percentage of the German population survived the counterattack, under this scenario, that there was an uproar among the entire German military. They had to ask: What is a military strategy worth if the outcome is that you do not survive the war? People were absolutely terrified, and this shock was in everybody's mind for years.

The next major development was the Berlin crisis. In 1961, the famous meeting between Khrushchev and Kennedy in Vienna occurred, and, according to the best information, Khrushchev actually threw Kennedy against a wall, which

left Kennedy pretty scared. . . . This may very well have influenced what later happened in the Berlin crisis, because when in 1961 the Soviet Union started overnight to build the Berlin wall, there was absolutely no reaction from the United States or the French or anybody else. This again left the West German population in a state of absolute terror, because they figured: If the Soviets can do this, what can't they do? Psychologically, you have to imagine that somebody one night starts to build a wall across Washington, dividing the East Coast and the West Coast, and then mounting a very heavy military concentration on the Eastern side.

The next crucial step was the Cuban Missile Crisis, in which the only thing truly sold out was Western Europe, because immediately afterwards it became clear to everybody in Europe that in the United States, the security interests of Western Europe would not be taken into account. Immediately following the Cuban Missile Crisis, the U.S. started to withdraw the Jupiter and Thor IRBMs from Western Europe. The U.S. promised that in case of an attack, they would use Minuteman ICBMs, which de facto added 12 to 15 minutes' ballistic flight time.

This sell-out of Europe was quite open. During the Berlin crisis, for example, people openly told the Germans, "Look, Berlin is 2 million people. You cannot expect that we would sacrifice 220 million Americans for 2 million people from Berlin." This obviously was not precisely meant to increase the sense of security among the Europeans.

So virtually everybody in Europe doubted the security commitment of the United States in case of a Soviet attack. De Gaulle was the first person to draw the obvious conclusion; he left NATO following the Cuban Missile Crisis, saying that if the United States is so flip-floppy, we will have to build our own nuclear deterrent. Look at the Kennedy administration from de Gaulle's standpoint. McNamara was the defense secretary, you still had Allen Dulles, McCloy and so forth—the entire Pugwash crowd. So de Gaulle said, if you do not by free will defend us, I will build the *force de frappe* to force you to defend us. In case there is an attack, the *force de frappe* will be sufficient to defend or at least protect France, and therefore entangle the United States in a war should it occur.

Then along came SALT I. This led to the big illusion of congruence of the military strategies of the two superpowers. Even then, however, everybody could see clearly that the Soviets did not agree to any kind of parity, but wanted to have superiority in all areas.

Immediately after SALT I, the Soviets started the most far-reaching and expensive armaments program, especially in strategic nuclear arms, but also in all categories. The 1970s were characterized by the typical Soviet two-track policy: on the one side, offering détente, and on the other side, going for the most massive buildup. And it should have been obvious to anybody who was not totally blind, that the détente process and the disarmament process would be total failures; they did not yield any significant disarmament whatever.

## Soviet war-fighting doctrine

Looking only at the equipment, training, and maneuvers of the Soviet armed forces, it was very clear, and the entire Soviet literature made it clear, that the Soviets were working on a maximal-impact blitzkrieg in Europe. According to their own literature, the Soviet Union does not regard it as possible to limit a military conflict in Western Europe through a compromise at any point. In other words, the assumption of flexible response—that a conventional response is possible to some conventional fighting, followed by negotiations on the telephone hotline—was, according to Soviet literature, absolutely ruled out. According to the Soviet “order of battle,” such a war in Europe would be immediately part of a global nuclear war. An attack in whatever form in Western Europe would be combined with a first-strike policy against the United States. Such a war would be fought without compromise until the total victory of the Russians.

This view leads to a Soviet military strategy which has an offensive character; so says Soviet literature in this period. It is very crucial that a couple of days ago, Marshal Akhromeyev, who is the first deputy chief of the general staff of the Soviet Union, said at a conference of the Soviet Military Academy that going on the offensive was the crucial factor that decided World War II; from there he drew the obvious conclusion respecting World War III. At no point has the Soviet Union actually given up the idea that war is a legitimate extension of politics, quite the contrary to what NATO policy has been.

The Soviets, therefore, have shown an absolute determination to fight and win a nuclear war. This goal has been the basis for the entire organization and armament of the armed forces and their training to fight a combined nuclear

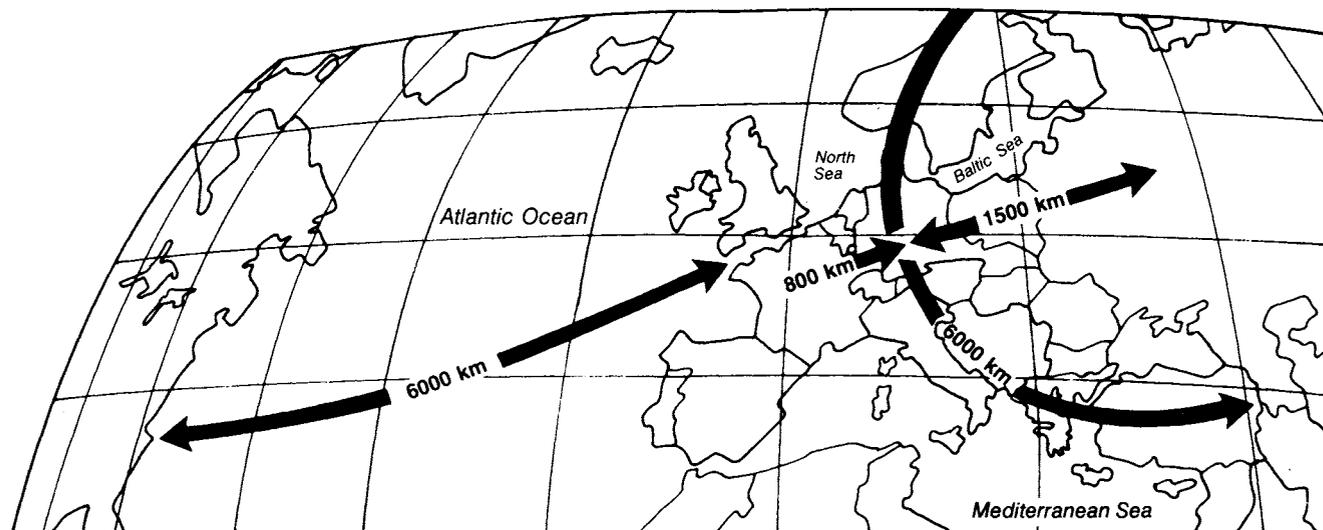
and conventional war, in which the nuclear weapons are regarded as the war-deciding elements. Nuclear weapons would be used to eliminate the opponent’s nuclear weapons, and to cut breaches into the defense of the enemy, after which in a coordinated fashion conventional forces would attack, occupy the enemy’s territory, and fight toward a total victory.

In recent years, especially since approximately the middle of the 1970s, the Soviet leadership has established the military flexibility to conduct a war in Western Europe with or without nuclear weapons; this includes the possibility of starting a conventional surgical strike, for example, against Bundeswehr installations, instantly switching to a nuclear attack, having prepared conventional troops to fight under atomic-biological-chemical conditions.

What Sokolovskii’s military text describes is a total synchronization of global attack. Total synchronization means, for example, the split-second timing of ICBMs, middle-range missiles, and submarine attacks; deployment of elite commando forces, the spetznaz, in the very few moments before the outbreak of such a war; and at the same time maintaining a relative autonomy of the various theater-attack groups.

One of the key British Soviet military experts, John Erickson, recently said that since the middle of the 1970s the Soviets have totally reorganized their strategic air command, which they have divided into five different subunits, and that it is generally expected that they will have completed such a reorganization by 1985; A global confrontation has to be expected by that time. But we know for various reasons that this estimated time-table is totally inadequate, that from the Soviets’ point of view, Reagan’s re-election, or the danger of Reagan’s re-election, will cause them to move in the early part of 1984, one of the reasons being not only the crash beam

**Figure 1**  
**The strategic imbalance between West and East**



program which they fear, but also that the rapid installation of the Pershing and cruise missiles will eliminate the middle-range missile superiority they have been accumulating since approximately 1976. When more than 500 Euromissiles have been deployed, they will constitute a certain counterbalance to the SS-20 and other medium-range missiles. It is very clear that we are going towards a much more immediate confrontation.

### Soviet advantages in Europe

If you look at the geography of Western Europe, it is clear that the Soviet Union has the advantage. The Western European NATO defense line goes from the north in Scandinavia to the Balkans, to the eastern border of Turkey (Fig. 1). But from the Soviets' central position they can actually attack all Western European countries from a base on their own soil; they can also attack Western Europe from the sea, cutting all sea access of Western Europe. Especially since the modernization of the Soviet Union's various weapons systems, especially the SS-20 middle-range missiles, which are all equipped with three warheads, the strategic situation has undergone a dramatic shift; the balance of power gives the Soviet Union an overwhelming superiority.

The NATO defense line, which you have to imagine from the northern part of Scandinavia down to the Turkish borders, is 6,000 kilometers long. It has extremely little depth, which from a military defense standpoint is a very difficult situation. In no sector—the northern flank, the middle sector, or the southern flank—has Western Europe enough depth to have strategic reserves deployed. The northern and the southern flank, even though they constitute two-thirds of the entire territory, have only two-fifths of the population and one-fifth of the GNP of all NATO countries. The north flank is 2,000 kilometers long, with very little depth. The south flank is 3,000 kilometers long, with extremely difficult geographical and political conditions—on the one side the Balkans, and the other Greece. It also lacks depth.

The main focus of any attack would be the middle sector, with flanking operations in the north and the south. The Warsaw Pact, unlike NATO, would be able to bring in strategic reserves from its interior; it could have strategic reserves ready to shift to any point in the context of battle. While within Western Europe you have a heavy population and industrial concentration, the population and industry in the Warsaw Pact are much more dispersed, and therefore, in case of a confrontation, Western Europe is far more vulnerable than Eastern Europe or the Soviet Union.

Because of this situation, strategic reserves would have to come from across the Atlantic; Western Europe absolutely cannot be defended by itself. In any major military attack, Western Europe alone would be lost.

From the standpoint of the Soviet Union, Western Europe is part of the Eurasian continent, only the bridgehead of the United States. To drive the United States out of Western Europe is thus for them the key to world victory.

### Soviet technical superiority

The Soviet Union has 253 divisions all together, 173 of which are directed against Western Europe. Here again, the main focus is West Germany. Even though the Middle East is very important to the Soviets, only 12 divisions are oriented toward the Middle East; only 53 toward China and Southeast Asia in general. Why would the Soviet Union have that distribution of force?

In central Europe (Figs. 2-3), you have 35 divisions of NATO and 95 divisions of the Warsaw Pact. You have 7,600 tanks on the NATO side, 25,500 tanks for the Warsaw Pact. NATO has 19,359 armored vehicles—43,500 for the Warsaw Pact. NATO has 4,050 artillery pieces—17,500 for the Warsaw Pact; 1,906 strategic bombers for NATO—3,990 on the side of the Warsaw Pact.

If you look at the northern flank (Fig. 4), you have 13 brigades for NATO—in "neutral" Finland, Sweden, in Norway, Denmark, and so forth. You have 13 brigades against 9 divisions, 100 tanks against 1,700, 150 armored vehicles against 4,700; 500 artillery against 2,000; 85 tactical fighter planes against 600. If the Soviets move on the northern flank, very little resistance is to be expected.

The balance of power in southern Europe looks like this (Fig. 5): NATO divisions—45 against 69; tanks—5,150 against 15,300; armored vehicles—10,000 approximately against 30,000; artillery—6,000 against 12,000; tactical fighting planes—900 against 2,300.

Overall NATO has 13,000 tanks against 42,000. I think that speaks for itself. In artillery NATO declined from 1970 to 1983 from 14,000 to 10,750, while the Warsaw Pact increased from 23,000 to 31,500 (Figs. 6-9).

Finally, there are the SS-20s (Figs. 10-11). We know that if you have only one warhead on an SS-20 missile, the range is up to 10,000 kilometers and therefore places the United States within range. Under the assumption that they are equipped with three warheads, they cover all of Western Europe easily. All of Western Europe can easily be wiped

**Figure 2**  
**Evolution of land and air forces in Central Europe**

	NATO		Warsaw Pact	
	1970	1983	1970	1983
Divisions . . . . .	29	35 (15)*	90**	95
Tanks . . . . .	6,300	7,600 (1,000)	20,300	25,500
Artillery/mortars . . . . .	5,800	4,050	11,800	17,500
Anti-tank defenses . . . . .	3,800	5,700	2,900	15,700
Tactical fighter planes . . . . .	1,800	1,900 (480)	3,750	3,990

\*Numbers in parentheses are additional forces France could put into Central Europe.

\*\*Includes divisions stationed in the western military districts of the U.S.S.R.

Source: Defense White Book, 1983, West German Defense Ministry.

**Figure 3**  
**Balance of forces in Central Europe**

NATO		Warsaw Pact	
35 divisions		95 divisions	
7,600	 1	25,500	
19,350	 2	43,600	
4,050	 3	17,500	
1,900	 4	3,990	

1) tanks  
2) armored vehicles  
3) artillery  
4) tactical fighter planes

Source: Defense White Book, 1983, West German Defense Ministry.

**Figure 4**  
**Balance of forces in Northern Europe**

NATO		Warsaw Pact	
13 brigades		9 divisions	
100	 1	1,700	
150	 2	4,700	
500	 3	2,000	
85	 4	600	

1) tanks  
2) armored vehicles  
3) artillery  
4) tactical fighter planes

Source: Defense White Book, 1983, West German Defense Ministry.

**Figure 5**  
**Balance of forces in Southern Europe**

NATO		Warsaw Pact	
45 divisions		69 divisions	
5,150	 1	15,300	
10,500	 2	30,500	
6,200	 3	12,000	
900	 4	2,300	

1) tanks  
2) armored vehicles  
3) artillery  
4) tactical fighter planes

Source: Defense White Book, 1983, West German Defense Ministry.

out. This only includes the SS-20; it does not include the SS-21, 22, 23, which are being installed right now in East Germany, Czechoslovakia, and so forth. Yesterday, the first Pershing II was made operational against well above 500 SS-20s aimed at Europe.

If you assume that you can reload an SS-20 once, then you have 2,354 warheads directed against Western Europe. And in terms of throw-weight, this would basically wipe out Europe.

Then there are the short-range systems, having a range of up to 200 kilometers (Fig. 12). Comparing NATO's decline to the Soviet increase, you had 200 for NATO in 1970 and 100 in 1983, against a 1970 total of 450 for the Warsaw Pact, by 1983, 650.

Skipping over the Backfire bomber and other systems (Fig. 13), the Soviets have had an enormous build-up of helicopters, of which 1,800 are stationed in East Germany. They are of the MI-24 type. Their numbers are being increased with extreme rapidity, they would be used in a surgical strike on West Germany by the GSFG, which are the elite Soviet troops deployed in East Germany, generally known to be the best-trained Soviet troops.

This is the military situation, the geographically difficult situation, the conventional superiority of the Warsaw Pact, the nuclear superiority of the Warsaw Pact, a total imbalance.

### Combating capitulationism in Europe

I now want to present the political side. But I want you

to keep in mind that whatever happens on the political side cannot be seen without having this military reality in mind, because this is the question of capitulationism; and the question is, can we do something effective against this?

Turning to the political outcome of this military situation, look at what has happened in the last four weeks, since the decision of the West German parliament on Nov. 22 to install the Pershings. The 1979 decision to install them was part of the wrong strategy for NATO; however, at this point, if Germany had capitulated and not installed the missiles, it would have led to a split of NATO. Now look at what the deployment was, and how Europe has changed in the last four weeks.

**Figure 6**  
**Conventional weapons systems**

	NATO		Warsaw Pact	
	1970	1983	1970	1983
Tanks	10,300	13,000	32,000	42,500
Anti-tank guided-rocket systems	1,250	8,100	4,700	24,300
Artillery/mortars of more than 100 mm., including multiple rocket launchers	14,000	10,750	23,000	31,500
Armored combat vehicles	23,000	30,000	40,100	78,800

Sources: Defense White Book, 1983, West German Defense Ministry.

Start with the northern flank: Finland was neutral, or claimed to be. This collapsed totally; following the visit of the Finnish foreign minister to the Soviet Union, the Finnish air force was put on alert and a statement was made that from now on the the Finnish air force would shoot down any cruise missiles and Pershings flying over Finnish territory. The Finns furthermore are pressuring the Swedes via Prime Minister Olof Palme, who naturally is a very good target for this, to do the same thing, so that if Pershings and cruise missiles fly over Sweden, Sweden would be the first line of defense for the Soviets, and Finland would be the second line, hitting whatever came through.

Then there was in the last week a two-day power-blackout throughout Sweden. The Swedish military is in an uproar; even though it's not said publicly, we know from our discussions that what they are afraid of is that this was the first testing of a spetsnaz operation—the sabotage units which have been discovered recently to have Sweden as one of their main deployment points. To knock out a country for two days: this was muscle-flexing, and it wiped out everything, including communications, transport, and so forth. It comes hot on the heels of a continuous deployment of Soviet mini-subs and submarines in Swedish waters. The Swedish military is also very worried because they know that Olof Palme could sell out Sweden at any time in the name of a Scandinavian nuclear-free zone, should the Soviets attempt to push this through.

Denmark: It's part of NATO, but the parliament voted that Denmark is supposed to be a nuclear-free zone. There

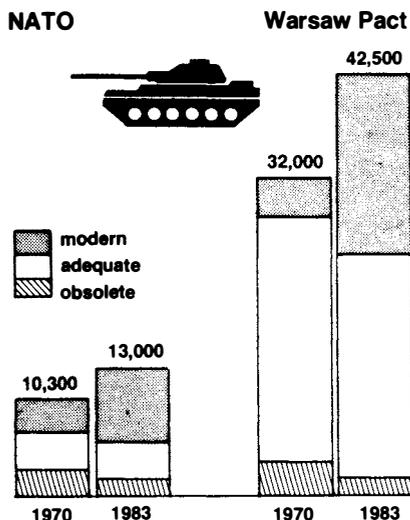
will be elections on Jan. 10, and it could be that Denmark will leave NATO immediately thereafter.

In Norway, which is a very thinly populated area, there was a vote with a margin of only one in favor of the Pershing deployment in West Germany. So, basically, it is estimated by all military experts, that if the Soviet Union decided to move into Scandinavia, into Norway, for example, there would be almost no resistance; not only would it be relatively impossible physically, but also politically—the will to fight is entirely undermined.

Now look at the southern flank. Turkey basically capitulated when the Soviets said that they would not tolerate the installation of Pershings there. The situation in Greece, with Prime Minister Papandreou, is such that he is praised as the model of the new Nazi-Communist alliance in Western Europe. He wants a Balkan nuclear-free zone. With Papandreou in office, Greece is a security threat to NATO rather than a part of it.

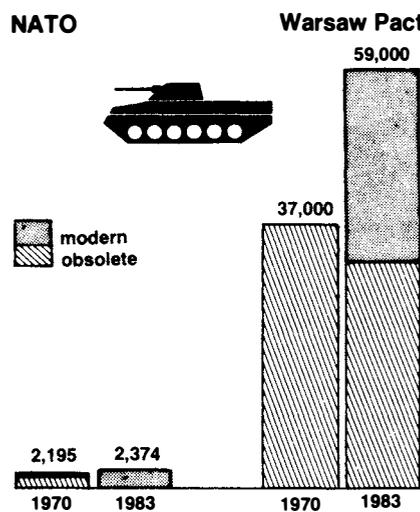
In Italy, the situation is more interesting. You have a big problem with the Vatican, the Christian Democracy, and the Communist Party all joining the peace movement, but fortunately we have a POE—European Labor Party—in Italy, and we have organized a very strong pro-beam faction there. The military industrialists absolutely understand that Italy can only be saved as part of the new Mutually Assured Survival doctrine of the United States. In November we [EIR] had an extremely successful conference, with 40 generals and 80 other high-ranking officers, so that the following issue of *Literaturnaya Gazeta* accused us of being barbarians and

**Figure 7**  
**Tanks in Europe**



Source: Defense White Book, 1983, West German Defense Ministry.

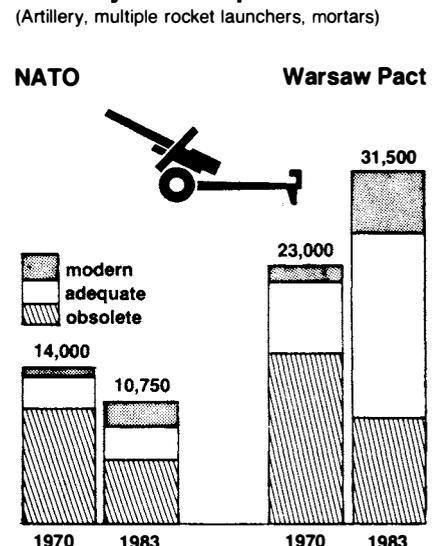
**Figure 8**  
**Armored personnel carriers in Europe**



Note: This includes only armored vehicles capable of accompanying tanks in battle.

Source: Defense White Book, 1983, West German Defense Ministry.

**Figure 9**  
**Artillery in Europe**



Source: Defense White Book, 1983, West German Defense Ministry.

cavemen (perhaps because if you have so many generals in one spot, this gives you the possibility of making a coup shortly afterward).

Spain recently refused to let U.S. planes fly over it on deployments to Lebanon; Portugal is also very shaky. Belgium and Holland in the last two weeks decided unilaterally to withdraw their air defense from West Germany, which means that a certain air corridor, in case of a Soviet surgical strike into West Germany, is immediately vulnerable.

In France we have created a beam-weapon faction which is right now the strongest in Western Europe. Immediately following President Reagan's speech in March, several of our representatives went to France and told them, especially the military, that the *force de frappe* is obsolete. When both superpowers are developing beam weapons, obviously the *force de frappe* is technologically outdated. The French at first did not like this a bit, but then it occurred to some of the Gaullists within the military that de Gaulle would be the first, were he alive today, to replace an outdated technology with a modern technology. So you now have a crash R&D program for beam weapons in France. The French know very well that if West Germany were attacked, France alone could not be defended. It's simply a geographical and military impossibility to do that.

Considering that approximately two-thirds of Soviet military potential is directed against Western Europe, the majority against West Germany, you can understand that in this configuration, an attack on West Germany is the crucial question for the Soviets if they are going for any expansion (Fig. 14). And there is overwhelming evidence that what is being planned right now is a surgical strike into West Germany, possibly an air attack against Bundeswehr installations, and possibly a subsequent, symbolic occupation of one crucial German city, like Hamburg, for example, which is only 50 kilometers from the East German border—or Nuremberg, 60 kilometers away.

Were such an attack followed by further conventional operations, it would take approximately 24 hours to occupy all of West Germany, even if the entire Bundeswehr and NATO forces fought back fiercely. Such is the superiority of the Warsaw Pact forces that it is estimated that they would progress 50 kilometers per day. In at most four to five days, they would be at the French border.

We have evidence dating from 1977 that such a plan was being prepared. In 1977, there was a Warsaw Pact maneuver under the name "Polarka," a maneuver which assumed a neo-Nazi revival in West Germany—this as a pretext for a surgical strike. Since 1980, East German troops have been trained almost exclusively for a surgical strike into West Germany. Furthermore, there has been discussion recently about the U.N. clause, which the Soviet Union insisted on having inserted in this way, that the Warsaw Pact has the right to attack its former World War II enemies if there were a Nazi revival. So we are faced with the immediate possibility of a move on the southern or northern flank—Norway is the most

**Figure 10**  
**Total number of warheads on Soviet land-based intermediate-range missiles**

	1976	1977	1978	1979	1980	1981	1982	1983
SS-20,	640	600	827	870	1,000	1,100	1,269	1,301
SS-4/5								

**Total number of warheads assuming a one re-load capacity per SS-20**

SS-20,	670	630	1,151	1,290	1,600	1,800	2,268	2,354
SS-4/5								

Note: Dates refer to the end of the cited year, except 1983, which refers to total as of September 1983.

Source: Defense White Book, 1983, West German Defense Ministry.

likely possibility—combined with a surgical strike into Germany.

For this purpose there are six special air attack brigades. Three of these belonging to the Soviet Union were moved into East Germany in the spring of 1983; the National Volkarmee—the NVA—has three similar elite troop-units; they are all equipped with the uniforms of the Bundeswehr, and would be deployed via helicopters, parachuting in. They are thus comparable to U.S. special forces.

I would not have believed only six months ago that I would be saying what I am saying here today. The world has changed so dramatically that half a year ago I would have said, no, this is impossible, it's politically not realistic. But right now, I am unfortunately coming to the conclusion that this is possible tomorrow, it's possible in February, it's possible in March. Remember that there was uncertainty about what the United States would do in the case of a Berlin crisis or any move on Germany throughout the entire post-war period, and that the only statement of renunciation of the flexible response doctrine was by Defense Secretary Weinberger only two weeks ago; he said that the Soviet Union has to be told without qualification that any attack on Western Europe would be answered with the total devastation of the Soviet Union. But with the exception of this one statement, there has been no denunciation of flexible response. Therefore, since the aim of the Soviets is to undermine the credibility of Reagan, to eliminate the possibility of his re-election, if such a move, like a limited conventional move on Germany, resulted in a United States back down, the immediate effect would be the loss of Germany, the loss of Western Europe. It would then be only a question of time before the United States would be finished as a superpower of any credibility in the world.

**The Soviet game**

Now it is not difficult for you to understand the psychological situation of the German population under these con-

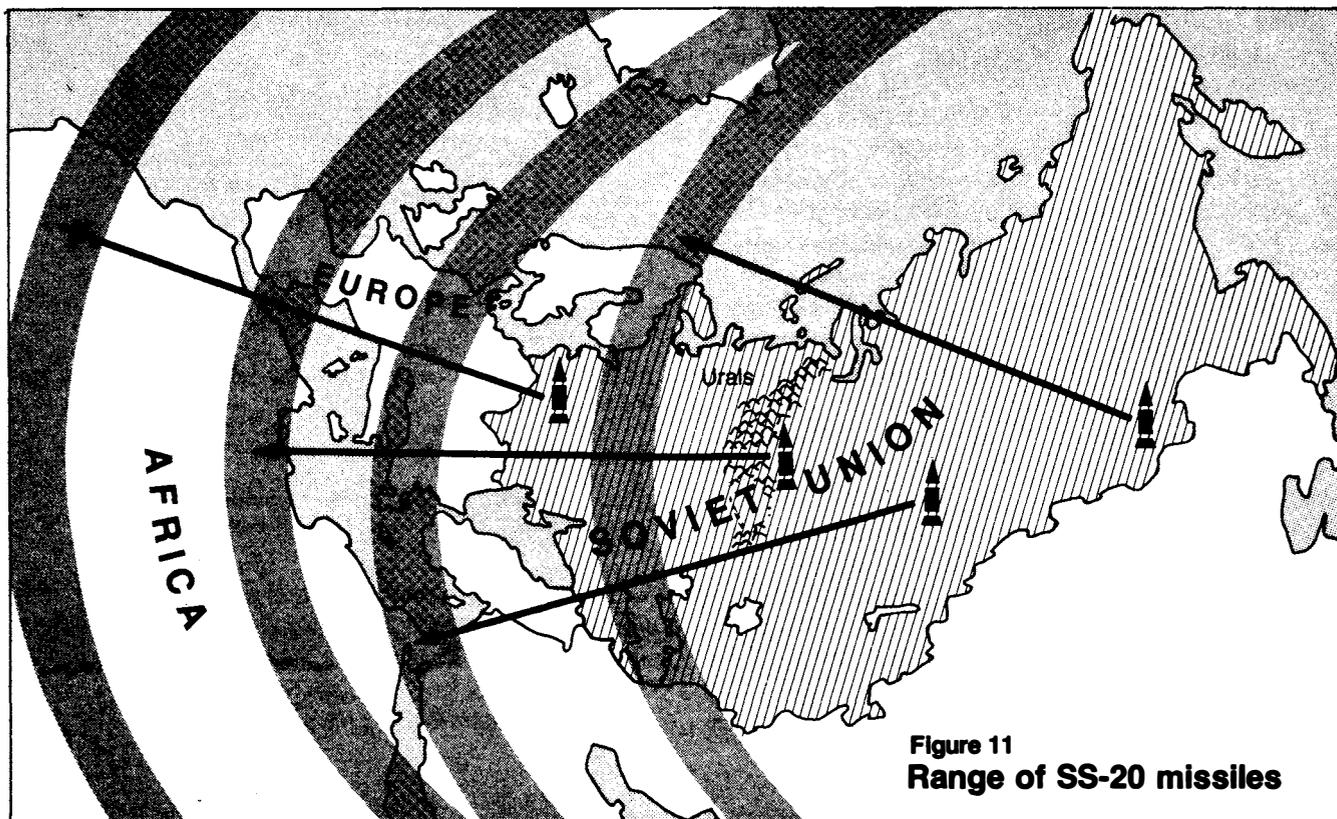


Figure 11  
Range of SS-20 missiles

ditions. It is easy to call them capitulationists, but the military facts are clear, and everybody in Germany knows it. Everybody knows that Bundeswehr military maneuvers stop at the moment of use of nuclear weapons. Everybody knows that at that point Germany ceases to exist.

So the Soviet Union is playing a very tricky game. It is the same two-track approach, the soft-cop, hard-cop approach, which we have been seeing in Soviet strategy all along. On the one side they make many, many moves to offer reunification of a Germany that would agree to become neutral. And on the other side, after the Pershing decision, they have been threatening Germany with propaganda about a Nazi revival threat.

There are some Nazis, old Nazis and new Nazis, but they have nothing to do with the people being targeted by the Soviet literature. The people who are being called representative of a revival of Prussian, Hitlerian, revanchist, and militarist policies in West Germany are the very people who are supporting President Reagan in the beam policy! There was an article in *Red Star* in which it was stated that there is a revival of Hitlerian militarist policy in the Bundeswehr, naming Gen. Schnitz, Gen. Klaus, and so forth. These were the people who were with us at the beam conferences in Bonn, in Italy, in Oslo. These are not Nazis, but are the people who are the firmest allies of the United States right now.

Therefore, when you read Soviet statements that President Reagan is like Hitler, that the Bundeswehr is like Hitler,

then you must understand what the Soviets are doing. What an absurdity! The Soviets know that the Nazis were something quite different from President Reagan. For them to make such an accusation at the same time that they are saying there is a German Nazi revival has only one meaning: to create a pretext for a military operation against West Germany.

This threat either will become real or, what is quite conceivable, the Soviets will have the conditions under which they terrify the German population into breaking with the United States. We are organizing among the German population every day, for President Reagan's beam-weapon policy, at booktables where we display the American flag. Our organizers get beaten over the head by the Greenies because of this every day. From everyday experience, we know that in Germany the majority of the population is not anti-American. If the television networks here say they are, it is just part of the Pugwash process of trying to accomplish such a German-American split. Germans are definitely not pro-East. But they are frightened. They have fear, which in part is quite realistic and in part is being steered by the peace movement in an irrational fashion. It is quite possible that Germany would break out of NATO under conditions of the *immediate danger of war*, and the Soviets are quite clear about it. Under that condition, given that under the U.S. "flexible response" doctrine there is no chance of Germany surviving, it is quite possible that Germany would crack under this threat.

## NATO countermeasures

What do we do in this situation? On the simplest level, we have to launch a crash program of clearly defined military steps which can stop the threat. Contrary to the myth created by people like Kissinger, who says that in the age of nuclear weapons Europe may be expendable, Europe must and can be defended by certain immediate steps that will raise the price to the Soviet Union for an attack too high for them to carry it out.

First, President Reagan and Defense Secretary Weinberger would have to make a total, uncompromising denunciation of the "flexible response" doctrine. They must say clearly that this is out, that as long as there is no full beam ABM system installed, there is a total nuclear umbrella over Western Europe. Weinberger has said this. It must be repeated again and again.

Second, there has to be full cooperation and integration of Western Europe into the beam program, and even though this was started by Weinberger at the NATO defense ministers' meeting, it has to be made very concrete that Europe would be involved in beams at the technical level because this is of immediate security concern to them.

Third, the air defense of West Germany in particular must be beefed up. There are programs under way, namely the Roland and Patriot missiles, but they are not to be on line for four years. We have talked to people in the military-defense industries who said that under a crash program these missiles could be installed in three weeks! I think that is what we need. They are being produced in the United States. They must be produced and deployed immediately.

Fourth, Germany needs the neutron bomb right now. The neutron bomb is the only way you could stop a so-called conventional attack of Soviet tanks coming into West Germany. What the neutron bomb can do is saturate a certain corridor of defense along the West German-East German border with radiation, stopping Soviet tanks dead. We must include civil defense, since merely 50 centimeters of dirt will protect our own civilian population from radiation.

These are an absolute minimum if you want to defend Europe in any military sense.

## The real meaning of fascism

There are other aspects to consider. What is the danger of a fascist revival in Germany, for example? There is a danger of a new Nazism. But it absolutely is not what you would assume if you listen to the Zionist lobby in the United States, and certainly not what the Soviet Union is now claiming.

Fascism and Nazism are notions which have been falsified more than any other notions I know of. A clarification of what Nazism really is and what it means today must be introduced into public discussion in the United States.

If the tendencies which are driving for a split in the Western alliance from the European side are defined accurately, you will have defined a Nazi-Communist alliance. What kind

**Figure 12**  
**Land-based short-range ballistic missiles**

	NATO		Warsaw Pact		
	1970	1983	1970	1983	
Pershing 1A	30	180	350	650	Scud/SS-23, Scaleboard/SS-22
Lance, Honest John	200	100	450	650	Frog-7/SS-21
Artillery, mortars	500	1,000	0	300*	203 mm, 240 mm (mortars)
155 mm, 203 mm					

\*There is evidence that the Warsaw Pact has also developed 152-mm nuclear artillery capabilities.

Source: Defense White Book, 1983, West German Defense Ministry.

Missile ranges: Pershing 1A, 120-720 km.; Lance, 110 km.; Honest John, 30 km.; Scud, 150-300 km.; SS-23, 500 km.; Scaleboard, 490-900 km.; SS-22, 900 km.; Frog, 70 km.; SS-21, 120 km.

(Sources: International Institute for Strategic Studies, U.S. Library of Congress.)

of transformation is going on in the Soviet Union? They are no longer even pretending to be a Marxist-Leninist state; they no longer pretend to support "progressive forces" in the West. If you look at the allies the Soviet Union has chosen internationally, they are the worst, most reactionary fascist forces that exist, ranging from the mullahs of Khomeini to Libya's crazies, to the Greenies, the Swiss Nazi bankers, and so forth. To understand the dynamic driving a certain portion of the West German population in the direction of preferring to live under the auspices of the Soviet Union, knowing full well that neutralism in their position is not possible, one must understand what the conditions were both in the Weimar period leading into Hitler, and the conditions now.

The key is cultural pessimism and cynicism, the idea of hopelessness in a situation; this has everything to do with accepting Nazism.

Let me go back 200 years to understand this phenomenon. How could it be that a nation like Germany, which 200 years ago was such a pearl in terms of culture, literature, music,

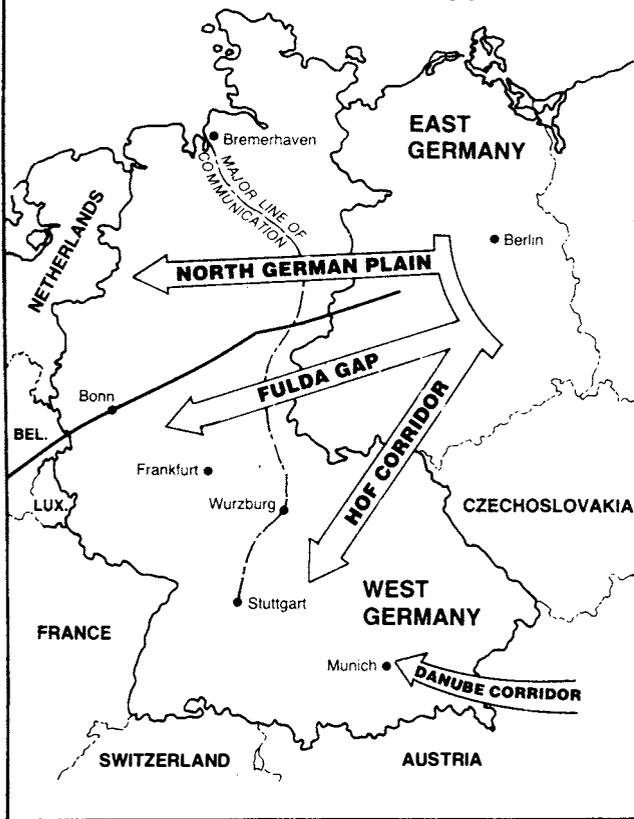
**Figure 13**  
**Combat planes in Europe**

	NATO		Warsaw Pact	
	1970	1983	1970	1983
Total . . . . .	2,800	2,975 (500)*	6,900	6,890
Fighter-bombers . . . . .	1,700	1,950 (295)	1,500	1,920
Interceptors . . . . .	650	740 (135)	4,800	4,370
Reconnaissance planes . . . . .	450	285 (50)	600	600

\*Numbers in parentheses are French planes.

Source: Defense White Book, 1983, West German Defense Ministry.

**Figure 14**  
**Warsaw Pact avenues of approach**



science—how could a nation like that plunge into the depths of Nazism? Do not look at Germany as a nation that is the enemy. The enemy is not nations, not peoples, but the oligarchical factions pitting nations against each other.

Germany was chosen by the international oligarchical faction for Nazism precisely *because* 200 years ago it represented the most recent, true classical period. It represented the first true Renaissance following the Greek and Italian Renaissances. Precisely because it represented the highest point of culture, it was targeted in the most vicious fashion.

Knowing Germany from the inside, I think that the German people have been the most seriously injured victims of Nazism; not only the Jewish people, the Slavs, and others hit by World War II, but indeed, the German people were crushed and suffered the most.

You cannot understand either Nazism or what we are faced with today if you do not look back 200 years. The American Revolution was the watershed from which everything afterward is understood. The American Revolution was a joint, international project of all republican forces, and represented the victory of the republican forces historically associated with Solon's Athens against the bestiality of the Sparta of Lycurgus. *It was the first time that a true republic was founded.* For the oligarchs, this was absolutely inconceivable, and they had to reverse and destroy it. You will not

understand what happened in Nazi Germany if you do not understand the coordinated, hateful deployment of the international oligarchs to reverse everything they associated with the "ideas of 1789." . . .

After the American Revolution, there occurred what, retrospectively viewed, would become universal fascism, or the notion of the "conservative revolution." From the oligarchs' standpoint, to reverse the German Weimar classical period was critical. Even though Germany did not itself have a revolution, you had the Weimar classic period in which the greater part of the German population was steeped in the works of the great Friedrich Schiller. There were storms of excitement about Schiller's dramas in front of theaters. You had more people involved in musical activities than at any other point in history. The classical figures we celebrate today were the most popular figures of their time. They were beloved composers, poets, and so forth.

The period between 1812 and 1815, the liberation wars against Napoleon, involved a mass movement which was not actually anti-French—because there was collaboration between the Scharnhorst, von Humboldt, and vom Stein faction in Germany and the Lazare Carnot faction of France's Ecole Polytechnique, exemplified by the networks of Alexander von Humboldt. Humboldt organized these Frenchmen to go into exile in Berlin when political conditions in France would not permit their staying.

This period had the highest morality and culture ever achieved in Germany. You had not an anti-French movement. Napoleon, having declared himself emperor, turned into a vicious tyrant. It was legitimate to fight to destroy this conqueror. But the movement was a constitutional republican movement of a strength comparable to the forces which made the American Revolution possible. It was the firmest belief of these republicans—read the letters and correspondence of this period—that it would be possible to create as an outcome of the Napoleonic Wars a German republican nation. To a certain extent, vom Stein still believed this when he was the chief negotiator at the Congress of Vienna.

To understand Germany, therefore, one must understand that, even though you had this mass republican movement, because of the strategic combination of forces at the Congress of Vienna, this revolutionary republican movement was unable to create a nation-state. People in Germany could not understand this. . . .

You had Prince Metternich—much admired by Henry Kissinger—a Venetian-British agent, and you had a Swiss-Venetian faction, and you had the British, and finally the French, none of whom wanted a German nation-state. The outcome was that the Holy Alliance plunged Europe into a totally backward, fundamentalist situation. The reading of Schiller's works was forbidden. Pupils had to distribute Schiller's books under the table (which made him all the more popular). It was the most reactionary period.

In the next four, five, ten years, the German population underwent a transformation from being absolutely republi-

can-oriented into demoralized subjects of the Holy Alliance. This transformation cannot be underestimated in terms of what happened to the population philosophically, starting with Schopenhauer, continued by Nietzsche.

Retrospectively, there were two figures in the 19th century who are the biggest criminals, and must be campaigned against today internationally as the worst influences on civilization of the 19th and 20th centuries. These are Nietzsche and Dostoevsky. The combined influence of these two, both part of the "conservative revolution," laid the groundwork for everything evil to come. In this already-becoming-demoralized population, with Romanticism growing, Nietzsche, in turn influenced by Thomas Carlyle of Britain, who hated Schiller, wrote his books to wipe out the ideas of the German classical period. This was the idea of the divine spark, the creative spark in the individual. Nietzsche replaced this with Dionysian ecstasy, the idea that God is dead, that there is no reason, but only the irrational will, and the right to impose your evil visions by mere power, cultural pessimism, the re-evaluation of all values. On the other side was Dostoevsky, basically saying the same thing for the blood and soil and holy race of Russia. With the influence of these two figures, the world began plunging toward Nazism.

There was a brief reversal of this with the period of collaboration between Lincoln and Alexander II, and later, a brief-lived opportunity for republicanism with the collaboration of Hanotaux in France, progressive industrialists in Germany, Count Witte in Russia. They were crushed.

## Who caused World I?

Let me take up another point. It is always stated that Germany started World War I. The Soviets have repeated this in every article they have published on the subject recently. This assumption is totally false. World War I was created by the British oligarchy and, more generally, a combination of international oligarchical plots. The Nazis started World War II, but Germany was not the sole responsible party for World War I, and as long as that lie remains, Germany cannot be saved today.

First of all, the United States should never have entered World War I on the side of the British. That was the most stupid blunder. It helped to destroy in the United States the remnants of German culture that had been present throughout the 19th century. The fact that the United States went on Britain's side against Germany not only was devastatingly wrong concerning Europe, but had very evil consequences in the United States, anti-German feeling opening the door to pragmatism, Deweyism, and other destructive forces against American culture.

Furthermore, since the assumption was, wrongly, that Germany was the culprit of World War I, the Versailles Treaty imposed the reparations which destroyed the German economy. Nazism would not have occurred without the Versailles Treaty, which was like the International Monetary Fund today. Out of pure bestial oligarchical desire, it was to



*After the American Revolution, the German population was steeped in the works of the playwright Friedrich Schiller. Germany's scientific and cultural achievements made it the target for destruction by the international oligarchical faction.*

force a nation to pay debt for which they were not guilty. The effect was that the Nazis could capitalize on the justified sentiment against unjustified payments, and the inability of Germany to recover from the war.

I want you to focus your minds on this part of history—something the Soviets understand extremely well. They are manipulating the German population right now on the basis of this part of history. *The problem is that the American population does not understand it, and cannot counter the Soviet manipulation in the right way.* . . .

What happens to a population if it has the wrong leadership? Think about what happened to the American people under Carter. You still had the same people, but under certain conditions, a nation can go entirely in the wrong direction.

The cultural pessimism instilled by the Versailles Treaty made the Weimar Republic an entirely lost cause. On top of this, the same international oligarchs actually groomed Hitler for power, steeped him in the mythologies of the Nordic gods and so forth through the Thule Society. Take the Dulles brothers, who became friends with Hjalmar Schacht at Versailles. Throughout the Second World War they kept contact with the Nazis through Switzerland, Allen Dulles directly with the Thyssen family, one of Hitler's principal financial supporters. Allen Dulles picked up the entire Nazi foreign intelligence networks, and prevented the Nuremberg Trials

from cleaning out the Nazi networks. In the beginning the trials were a just cause, but didn't turn out justly.

On the one hand, MacArthur had a very good policy toward Japan. He said, "I have to help totally reorganize Japan, and I will integrate the Japanese into the reorganization policy, the chance of the constitution, the political reforms, the trade union movement," and so forth. Japan managed relatively well.

But if you look at the Americans who were responsible for Europe's occupation, Allen Dulles, John Foster Dulles, McCloy, Clay, and so forth, the worst part of the Eastern Establishment, of the McGeorge Bundy faction. Not only did they help bring Hitler to power in the first place, and conduct the strategic bombardment of the German population—which had no military purpose whatsoever but to study the psychological reactions of a population if you bombard their cities—but these same people picked up the Nazi networks after World War II and made sure that the Nazi networks were not cleaned out, because they wanted to keep them in their intelligence apparatus. The Klaus Barbie case is just one example of many. . . .

### **A foreign policy for the United States**

The United States never had a German policy, only a U.S. policy in Germany. You had 12,000 German officials brainwashed at England's Wilton Park program. According to well-documented materials, they preferred that Nazis be "re-educated" to assume positions of power, above people without a Nazi past, because they found it easier to control ex-Nazis because they had a blackmail dossier on each of them. The effect this had on the people who had viewed the Americans as liberators was terrible. Through the Anglo-American occupation—which anti-Nazis had so desperately hoped for—Nazis were put back in positions of power. The West German judicial system is typical of what took place. As a result of that policy, there is not one decent judge in Germany today.

Twelve million members of the army who were prisoners of war were put through "re-education" programs. The "re-education" programs were basically an attack on German classical culture. You have to believe in American pragmatism. You have to reject the power of ideas and reason.

The German "economic miracle" only occurred because the Pugwash circles decided that Germany was required as a bastion against the East. *But Germany never was permitted to be a sovereign nation.* When the depression hit, the economic miracle fell apart—and there was nothing.

The only way to save West Germany and Western Europe, is to change the cultural pessimism which has gripped the the population, coming out of the mistakes of the post-war period, having no true republican institutions, having rotten institutions on the top, coming out of a militarily hopeless situation, out of an economically catastrophic situation. We must change the cultural pessimism to cultural optimism.

*You Americans are the only ones who can accomplish that.*

Most immediately, this means the United States has to change policy toward Germany. Certain steps have to be taken militarily. But more importantly, we must fight against any American neo-isolationist tendencies, because they mean that America doesn't care about the world, and by default the world will fall into the lap of the Soviet Union. That is an absolute certainty. Not becoming neo-isolationist means transforming a relatively "small" people that spends its time watching soap operas. The "small people" must be changed by invoking the spirit of the American Revolution, by bringing them to realize that the interests of Europe and the developing sector are the true self-interests of the United States.

How do people judge their self-interests? They judge according to the methods by which they think, and that is defined by the culture they have. It is no longer enough for the United States to go out in bully fashion to dictate terms.

True U.S. self-interest must be referenced to the American Revolution and the philosophy of the Founding Fathers. They did not go around in Europe or elsewhere and say, "look, you do what we tell you." They believed what Thomas Paine wrote, the idea of sovereign republics based on a community of principle. They believed in a philosophy expressed in Cusa's *Concordantia*, namely, how to relate to other nations. Cusa said world harmony and world peace cannot be based on some strange balance of powers, in which the shortcomings and flaws of each nation are somehow balanced out, this cannot be the philosophy on which foreign relations are based. Foreign relations must be based on the higher principle that each nation respects and supports that which is the best of another nation.

United States foreign policy must change dramatically such that the United States relates to Ibero-America on the basis of the philosophy of Charles III, of Benito Juárez, of Alexander von Humboldt. U.S. policy toward Japan must not be "Jap-bashing," but of supporting the tradition of the Meiji Restoration, encouraging the Japanese to develop the Pacific Basin—because the United States is in no condition to do what the Japanese could do. We should encourage and help them.

U.S. foreign policy toward India should be to support the tradition of Tilak, of Nehru.

Don't you think, given that we all know that the Vietnam War was an unjust one, that it is about time the United States help Vietnam to develop, give them economic aid to develop, and is that not the only way one can keep them from becoming a Soviet puppet? Don't you think that the reason Africa is in such a miserable condition right now—and 150 million people are about to die on short notice—is that the Eastern Establishment slave-trade ripped out the population? Should we not help Africa to develop?

U.S. foreign policy toward Italy, which has contributed so much to America, should emphasize Dante, the Renais-



Willy Brandt (left) and John J. McCloy (right), leaders of the drive to decouple Germany from its alliance with the United States. McCloy, the U.S. High Commissioner for Germany after World War II, oversaw the postwar destruction of a positive sense of German nationhood.

sance, da Vinci, and so forth.

If the United States is ever going to have a decent foreign policy toward Britain, it cannot be based on an imperial alliance, where U.S. muscle backs British colonialist brains, but it must emphasize that the U.S. partner in Britain lies in those currents in the tradition of Tudor England and John Milton's Commonwealth. For France, U.S. policy should emphasize Colbert and the Ecole Polytechnique.

And if there is ever to be peace with the Soviet Union, in the context of the Erice agreements on beam weapons, it must be based on the traditions of Peter the Great and the alliance of Alexander II and Abraham Lincoln. The Soviets must be invited to immediately respond to cooperation on such a conceptual basis.

It is one of the unfortunate developments of history that the very strong German cultural influence in America up through the First World War was cut off by the international oligarchy. German immigrants were among the strongest components of what came to constitute America. We must respect in Germany what was great in Germany in the past—the tradition of the Weimar classical period, and the German 19th century contributions to science.

To fight neo-isolationist tendencies in the United States, we must develop an emotional maturity in the population. When you regard foreigners as threatening, that is a form of infantilism. I want you to become like parents. The reality is that right now the entirety of world politics is focused around two superpowers. Go to Asia, go to Europe, it is the United States or the Soviet Union, nothing in the middle. Those who want to be what Western civilization stands for, necessarily are oriented to the United States and need the United States,

but need the U.S. to take a different attitude emotionally to them and the rest of the world.

When we traveled in the last few years to developing nations, we somehow started to like them, and we "adopted" a couple of them. In a quite literal sense. You must take this attitude, that since the U.S.A. is a superpower, and the battle for civilization—which culture will dominate the world—will be decided here, in what the United States does in the next period, you should "adopt" the rest of the world as if they were children. You should look at certain nations in Africa, Asia, and Latin America as if they were your children, you are concerned that they become strong, that they eat well, that they grow. Be concerned with their well-being as if they were your children.

The more you are patriots, the better it is, but as Schiller stated, there is absolutely no contradiction between patriotism and world citizenry. You must have the same compassion for the well-being of other nations as that of the United States. Since America is one of the last nations where you have a strong patriotic tendency in the population, all you must do is enlarge it, make your heart a little bit wider, take in some more people—you have to be able to cry about what happens to Africa, or the idea that Germany may be lost. You must be able to think of all the generations in 2,500 years of European civilization, which has been the birth place for all the good in the world, and realize that this Europe and Germany may be lost.

You people must join me in a campaign for the next few weeks, in which the battle for Western Europe will be decided. We must not only mobilize the American population around this issue, against the de-coupling of Europe, against neo-isolationism. We must set certain concrete goals without which our battle will not work.

First, we have to get Arthur Burns out of the U.S. embassy in Bonn. Not only is he collaborating with the real Nazis, Petra Kelly and the Greenies, but he is part of the decoupling faction, working with the Carrington-Genscher-Kissinger crowd, and is the main person organizing against Reagan's beam-weapon policy. Burns and the State Department generally are circulating slanders against us and are poisoning the well in regard to collaboration between the United States and the good forces of Europe.

Second, we have to get Foreign Minister Hans-Dietrich Genscher out of the West German government. This guy is a snake. Whatever one might say about McGeorge Bundy and Kissinger, what I can say about this disgusting, pitiful snake tops it by one order of magnitude.

If we can change U.S. foreign policy in this way, and make Americans a great people in the world, then we can enable mankind to avoid the present crisis because, as Schiller said, man is greater than his destiny. If we wage this battle, despite the immediate threat of World War III, and manage to make the American people something like the force of the American Revolution, we can win.

## Aspen's New Yalta Project targets beam weaponry

by Kathleen Klenetsky

During the last two weeks of January, a group—including Henry Kissinger and his business partner, incoming NATO Secretary-General Lord Peter Carrington—plans to hold a series of closed-door meetings in Paris, London, and West Berlin. Their aim: to work out the final details of a deal that will effectively deliver West Germany into the Soviet orbit, and destroy what remains of the post-World War II Atlantic Alliance.

Should these meetings be allowed to proceed as scheduled, they will further convince the Kremlin leadership that the West is overripe for strategic capitulation, and may well speed up the timetable of the East bloc's contingency plan to invade West Germany.

The January conferences—which have reportedly received the blessings of Arthur Burns, the U.S. ambassador to Bonn who has been quietly spreading the word throughout Europe that a West German decoupling from NATO is “inevitable” and that the United States is not committed to defending Europe from a Soviet attack—are part of a project inaugurated by the Aspen Institute in early 1983, in response to President Reagan's increasing disinclination to try to conciliate the Soviet leadership.

### What is Aspen?

Since its founding in the late 1940s by Robert Hutchins of the University of Chicago, the Aspen Institute has sponsored environmentalism, population reduction, anti-nuclear movements, and the spread of Islamic fundamentalism—all against the national interests of the United States, but in the perceived interests of the West's “resource-control” oligarchy, and in the long-term interests of the Soviet Union.

During World War II, as Hutchins, Joseph Paepcke, Elisabeth Mann Borghese, and others gathered to create the Aspen Institute, they insisted that the torments being inflicted on the world were due to overpopulation and excess technology. Aspen founder Hutchins, a former director of the London School of Economics, was closely associated with Bertrand Russell, the advocate of extermination of darker-skinned peoples, and brought Russell to the University of Chicago.

In the 1960s and 1970s, Aspen chairman Robert O. Anderson of Atlantic Richfield helped set up the Union of Concerned Scientists, the Natural Resources Defense Council, and the Friends of the Earth; his vast oil, coal, and gas holdings have been enhanced in value by the environmentalists' successes in locking up resource-rich Alaskan lands and shutting down nuclear energy projects. Anderson, who is hailed in the GOP as an entrepreneur, fundraiser, and former Republican National Committee member, also participated in the establishment of the U.S. Association for the Club of Rome, a propaganda force on behalf of the Global 2000 advocates of reducing the world's population by billions.

Trustees of the institute include, along with various Seven Sisters oil executives, Robert S. McNamara, the former Defense Secretary and World Bank president who advocates “no retaliation” against a Soviet first strike; Cyrus R. Vance, who as Secretary of State helped turn Iran over to the Khomeini forces; Frank Cary of IBM; and Howard W. Johnson of MIT. Arms-controller Paul Nitze is a trustee emeritus, and Henry Kissinger is a senior fellow. Two “special advisers” are former Mexican Ambassador to the Soviet Union Antonio Carrillo Flores, a former employee of Nelson Rockefeller and a United Nations operative on behalf of population re-



*Britain's Peter Lord Carrington*

duction, and U.S. Senator Charles Mathias, an opponent of Reagan's beam-weapons policy.

### **Redrawing the imperial map**

Entitled "East-West Relations: Past, Present and Future," the latest Aspen project has brought together influential individuals from Japan, Western Europe and America, who share the delusion that the Soviets are not interested in global domination, but want a more equitable division of the world, one that enlarges their sphere of influence through the addition of a "reunified" Germany and other territories such as the Mideast. According to Aspen sources, the project is being coordinated with several other strategic policy initiatives being undertaken by various think tanks, including an in-house review of U.S.-European relations now proceeding at the New York Council on Foreign Relations under the direction of Andrew Pierre.

Robert McNamara, Cyrus Vance, former British ambassador to the United States Nicholas Henderson, former Austrian Chancellor Bruno Kreisky, former Chancellor Helmut Schmidt of West Germany, and other participants in the Aspen "East-West Relations" program have been working since last spring to come up with a specific package proposal for this "New Yalta," which they intend to wrap up with the Soviets as soon as possible. Project spokesmen say that they will soon be contacting "people in the Gromyko circle" in the Soviet Union to "get their input into our proceedings." An Aspen official confided that while the project is cultivating a nonpartisan veneer, "You can be sure that Walter Mondale's advisers are being kept well informed of what we're doing."

An indication of the mentality pervading the Aspen proj-

ect can be found in its executive summary, which cautions against "unreasonable fears" about the Soviets on the part of the Western powers!

According to secret planning papers obtained by this news service, the Aspen group is considering such recommendations for "improving East-West relations" as a total integration of East-West monetary, trade, and credit structures; greater ideological and cultural convergence; various arms control schemes; elimination of existing constraints on the transfer of sophisticated Western technology to the Soviet bloc; and "constructive steps toward curbing the technological impulses that drive the arms race."

### **The ABM question**

Sources at the project's Washington headquarters reveal that their immediate objective is to defeat President Reagan's attempts to beef up U.S. defenses, and especially his commitment to give the United States an advanced beam-weapon defense against nuclear attack. That plan has been the target of an alliance between the Soviet leadership and the "New Yalta" circles in the West since the President unveiled the plan in his March 23 speech to the nation.

Martin McCusker, top aide to former U.S. ambassador and arms-control negotiator James Leonard who is overseeing the day-to-day functions of the project, told reporters this month that sabotaging Reagan's beam-weapons program is one of the project's top priorities. Denouncing the proposal as "folly," "inherently destabilizing," and "typical of the American attitude that there are solutions to everything," McCusker stressed that "some of us in the project think this is the major obstacle to improved East-West relations." Demanding that the U.S. media produce a steady stream of anti-beam propaganda, McCusker declared that "it is the responsibility of intelligent and rational Americans, scientists and others, to convince the people in the Administration [who favor the program] that it would be destabilizing."

### **German 'decoupling'**

The idea is to convey the message that Reagan's "intransigence" in dealing with the Soviets has caused such unease in Europe that unless he makes significant concessions—above all, by backtracking on the beam-weapons commitment—Europe, led by West Germany, will split from NATO.

"The split between Europe and the U.S. is happening now," McCusker said with satisfaction. "Reagan isn't interested in making arms control proposals. . . . He's going around insisting that the Russians are the source of all evil and this is causing tremendous unease in Europe. Even the elites in Europe have a different conception of how to deal with the Soviet Union." Outlining a scenario predicated on a "growing disenchantment" between Americans and Europeans leading to an eventual withdrawal of U.S. troops in Europe, McCusker concluded that a German pullout from NATO, leading to reunification, is definitely in the works.

Although McCusker, presumably expressing the Aspen

consensus, indicated that he wants "anybody but Reagan," and preferably Walter Mondale, to win the Presidency in November, it is evident that the Aspen group is not counting on a Reagan defeat but intends to use the upcoming presidential campaign to exert maximum political pressure on the President to capitulate to the "New Yalta" gameplan.

The project's timetable is precise. Project spokesmen have told investigators that, while they "want absolutely no public attention at this time," they intend to get "a tremendous amount of publicity" when they go public with their recommendations later this year. A first draft of the project's proposals, which will be hammered out at a wind-up conference scheduled for late March at Aspen's Wye Plantation center in Maryland, will be publicly released in June. A final version will follow some time in late summer or early fall, just in time for the final weeks of the election campaign. All indications are that these will be packaged to make Reagan look like an incompetent, irresponsible Neanderthal, whose outdated hardline ideology and profligate defense spending has alienated Europe, bankrupted the United States, and brought the country to the brink of a thermonuclear war with the peace-loving Soviets.

## 'The Soviets must not think we're frightening'

*Excerpts from the confidential Executive Summary of the Aspen Institute's project on "East-West Relations; Past, Present and Future":*

... The Aspen Institute has established the Preparatory Group on East-West Relations: Past, Present and Future to attempt to develop a basic concept and to identify practical steps to reduce significantly the military dangers and social and economic costs of confrontation. . . .

The Project. . . proposes to develop answers to the following overarching question: "What do experienced leaders (and those of the newer generation) believe should be the guiding concepts to achieve peace and security with the Soviet Union and its allies in the mid- and long-term, and what are the practical steps that might be taken to that end?" . . .

Our vision of a "better case" [view of the future] is also based on effective management of the Western and Japanese side of the relationship. One of our major objectives in the project is to develop guidelines and criteria for this effective management. . . .

[There follows a list of guideline questions:]

1) What can be done about the overall tone of our relations with the Soviet Union? Can there be significant contributions to an improved tone from increased commercial exchanges,

from scientific and cultural exchanges, from improvements in both the gathering and the dissemination of news, from increased Eastern participation in international life? . . . Need we worry about Soviet subversion of our democratic political systems? How can we ensure that they do not perceive the West as organized to undermine their institutions?

2) What sort of a structure of trade and commercial relations should exist between the Soviet Union and its allies and the industrial democracies?

3) What pattern and structure of credits would be appropriate to the trade arrangements we envision?

4) What sort of attitude and involvement should the West seek to elicit from the East regarding the international trade and monetary institutions which we have in place (e.g., GATT and IMF) or may evolve over coming decades. . . ? Do we want to encourage the U.S.S.R. to move toward [currency] convertibility and to participate in the institutions it has previously rejected?

5) What sort of long-term constraints should we impose on our economic relations out of military security considerations? . . .

6) What sort of . . . security arrangements can we envision developing with the Soviets 10 or 20 years hence? How far can arms control contribute to reducing tensions and costs? What political and ideological developments must we work for in the East, in the West, and between East and West in order to make possible more far-reaching security arrangements? What constructive steps can be taken towards curbing the technological impulses that drive the arms race? How do we best configure our force structures in the future, and influence the Soviet Union to do likewise, so as to mitigate the temptation to pre-empt in times of great crisis?

7) What can we do when we must "do something" in response to Soviet actions in the Third World, Eastern Europe, the Soviet Union itself?

8) How do we respond to inevitable developmental change in the Third World while at the same time seeking to minimize the potential for superpower confrontation?

9) What kind of cultural, scientific and educational relationships can we look to develop with the East? . . .

10) . . . Will more frequent, even routine meetings of political leaders [from East and West] help? Can commercial, cultural, political and other contacts serve to diminish unreasonable Soviet fears? Unreasonable fears on our side?

### Project membership

Participants in the Aspen project are divided into two groups:

#### Preparatory Group:

Austria: **Bruno Kreisky**, former chancellor.

Belgium: **Leo Tindemans**, foreign minister.

Canada: **Mitchell Sharp**, former foreign minister.

Federal Republic of Germany: **Helmut Schmidt**, former chancellor; **Berndt von Staden**, state secretary, foreign ministry; **Richard von Weizsäcker**, mayor of West Berlin.

France: **François de Rose**, former ambassador; **Edgar Faure**, former prime minister; **Jean François-Poncet**, former foreign minister.

Great Britain: **James Callaghan**, former prime minister; **Lord Carrington**, former foreign minister; **Lord Weinstock**, managing director, General Electric Company; **Shirley Williams**, president, Social Democratic Party.

Italy: **Emilio Colombo**, former foreign minister; **Umberto Colombo**, president, ENEA; **Gianni De Michelis**, minister for labor and social welfare; **Giorgio La Malfa**, chairman of parliamentary committee on foreign affairs.

Japan: **Yoshizo Ikeda**, chairman, Mitsui; **Kiichi Miyazawa**, former foreign minister; **Saburo Okita**, former foreign minister.

Sweden: **Pehr Gyllenhammar**, chairman, Volvo.

United States: **Robert O. Anderson**, chairman, Arco; **Donald M. Kendall**, chairman, PepsiCo; **Henry A. Kissinger**, former Secretary of State; **John J. McCloy**, former chairman, Chase Manhattan bank; **Robert McNamara**, former Secretary of Defense; **Elliot Richardson**, former Secretary of Defense; **Cyrus Vance**, former Secretary of State.

#### Advisory Council members:

Canada: **Ivan Head**, President, International Development Research Centre.

Great Britain: **Sir Nicholas Henderson**, former Ambassador to the United States.

Federal Republic of Germany: **Countess Marion Dönhoff**, publisher, *Die Zeit*; **Jürgen W. Moellemann**, member of parliament and minister of state, foreign ministry.

Italy: **Sergio Berlinguer**, Minister at the Foreign Office.

Japan: **Masamichi Inoki**, president, Research Institute for Peace and Security; **Hisahiko Okazaki**, Director of Planning, Foreign Office; **Seizaburo Sato**, Professor, University of Tokyo.

Korea: **Lee Hahn-Been**, professor, Yonsei University.

Sweden: **Sverker Astrom**, former ambassador.

United States: **Fr. Theodore Hesburgh**, president, Notre Dame; **George Kennan**, former ambassador to U.S.S.R.

## 'Western ABM systems in space would be folly'

*Martin McCusker, a senior aide to Aspen East-West project's director, described the decoupling of West Germany from the United States as inevitable and attacked President Reagan's beam program in a discussion this month with a West German journalist:*

**Q:** What is your perception of U.S.-European relations?

**A:** Things are getting worse. Over the last 8 to 10 years, the U.S. and Western Europe have been diverging. . . the elites

in Western Europe have a different conception of how to deal with the Soviets. That has profound implications. . . . You are going to get simultaneous disenchantment—Europeans who are very upset with the U.S. military attitude and Americans who see Europeans as appeasers. Some Americans will start calling for the U.S. troops to be brought home from Europe. . . . It's rather sad what has been happening in the INF and START negotiations, partly because there are elements in the Reagan administration interested in arms control. Shultz is interested in easing the situation with the Soviet Union, but I don't think that the secretary is totally in command of the subject matter. There are a few very powerful individuals who will effectively determine what U.S. arms-control policy will be, including Richard Burt at State and Richard Perle in the Pentagon.

**Q:** Is the Aspen group in discussions with these people?

**A:** I know some of these people. . . . I think the deployment of cruise and Pershings is exacting a terrible toll on the alliance. . . . With the correct political will it is conceivable that a deal could be struck with the Soviet Union, such as the "walk in the woods" proposal [of July 1982], but I don't think it will happen in an election year. . . . Reagan is as popular now as he has ever been. Reagan is blaming the Soviets for every evil in the world. And in that sort of atmosphere, there is unease in Europe. I don't think there'll be war in Europe, but I think that there will be a profoundly unstable situation. . . .

**Q:** In this context, what do you think about Schmidt's and Lord Carrington's statements about the need for a New Yalta?

**A:** I think it's all symptomatic of this deterioration in U.S.-Soviet and U.S.-European relations. The NATO structure, which has been in place 35 years, is now being questioned by new generations. . . .

**Q:** What do you think about calls for German "neutralization" and "reunification"?

**A:** There has to be dialogue between the superpowers before such a thing can be realized. The structures which exist now cannot be dismantled overnight, much though they might have outlived their usefulness. The management of this issue has to be done by the Europeans as a whole, together with the Americans and Russians. It cannot be done by Europeans alone, certainly not by Germany alone.

**Q:** What about Reagan's beam-weapons strategy?

**A:** I'm extremely anxious about that. It is the responsibility of intelligent and rational Americans, scientists and others, to convince the people in the administration who believe that the U.S. can build a space-based system, that this would be very destabilizing. Even thinking along these lines is destabilizing because it reconfirms to the Soviets that the U.S. is seeking superiority. It confirms to the Kremlin that the U.S. is destined to try to destroy the revolution through pre-emptive nuclear strikes.

**Q:** What can be done to stop it?

**A:** If you are an American, you vote against Reagan. . . . Experts know that you should not say such ridiculous nonsense—that you can build an antiballistic-missile system in space capable of making the U.S. immune from nuclear attack. Everybody knows that you can have the cruise missiles on submarines or in the air which can hit the United States. In every way it is folly, folly. It could only come from the U.S., the kind of thinking that there are solutions to everything. There has to be great pressure on Reagan from Europe to sit down with the Soviets and talk about areas of common interest, such as reducing arms and confidence-building in central Europe. Germany is a crucial country in this respect.

**Q:** Who are your favorite U.S. presidential candidates?

**A:** I prefer anybody but Reagan. It would be so much easier for the Democrats to deliver arms-control agreements. . . .

**Q:** Does Mondale have a chance?

**A:** I don't think he can win, but he is the best in the Democratic camp. . . . The only way you can beat Reagan is to stand up and tell him the truth—that he is disastrous for peace and security, that his policy is likely to lead to more confrontation. . . . Reagan might decide on the 29th of January that he is not running again. Then you might get a compromise candidate, like Sen. Howard Baker, who would probably be a good President and engage in a dialogue with the Soviets.

**Q:** What about a potential new Berlin crisis?

**A:** I think the Russians will do their best to intimidate the Europeans. The only way they can do that is in West Germany. The only way they can respond to what they perceive as a Western offensive against them is to strike back, and to strike back means to run into West Berlin. There would be great appeals from Europe to the Americans to cool down.

**Q:** Which people are capable of realizing your perspective in Germany?

**A:** That's half the problem. You have had men of such stature like the last three chancellors, who understood how the world worked. Today, you have a younger generation like Carsten Voigt and Iris Steiger of the SPD who are very able. . . . I know who is *not* capable of leading Germany—the present chancellor!

**Q:** What about the possibility that the Kohl government will fall?

**A:** It seems to me that the economy is not showing any signs of improvement, and it is possible that you have to go back to a grand coalition [between the CDU and SPD].

**Q:** On the CDU side, who would join the grand coalition?

**A:** I know who I would like to see—our next [Aspen] president, Richard von Weizsäcker. He knows what needs to be done, he is smart, and he is in the right wing.

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## Socialist International

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# Willy Brandt exposed as

by Umberto Pascali

Only a few weeks before a joint meeting in Rome of the Brandt Commission on "North-South Issues," and the Palme Commission on "East-West issues," scandals have exploded into the Italian press exposing the chief protagonist of the upcoming meeting, Willy Brandt, as an asset of the Soviet intelligence services. The joint meeting, to open on Jan. 20 in the Italian capital, will be attended by the director of the U.S.A.-Canada Institute in Moscow, Henry Kissinger's well known friend Georgii Arbatov; former Secretary of State Cyrus Vance (of Iranian hostage infamy); and the queen of the pro-KGB U.S. establishment media, *Washington Post* publisher Katharine Graham.

But things have gotten so hot for Willy Brandt that, as of ten days before the meeting, no location in Rome has been announced for it.

The charges against Brandt have come from a number of sources, including a large faction in the London-headquartered Socialist International of which Brandt is the chairman. They come at the same time as a Europeanwide press blitz portraying the 70-year-old Brandt—recently remarried to a young leftist in the German Social Democratic Party (SPD), which he also chairs—as the "symbol of East-West dialogue," the leader who could re-create the conditions for a West German ruling coalition between the SPD and the Free Democratic Party of Hans-Dietrich Genscher. The revival of the SPD-FDP coalition, toppled in 1982 when Genscher pulled his Free Democrats out to continue as foreign minister in partnership with the Christian Union parties, would almost automatically mean abandonment of NATO by West Germany for a Soviet-dominated "neutrality."

### Brandt, the 'Nazi-Communist'

On Jan. 2 the Italian weekly *Il Borghese* published a long story on Brandt, "The Soviet Agent Inside the Socialist International," citing documents compiled by the wartime American intelligence service, the OSS, which proved close links between Brandt and the Soviets in Stockholm during the secret separate-peace negotiations between the Nazis and the U.S.S.R. Among the Soviet delegation there during the war was the current ambassador to Bonn, Vladimir Semyonov. The OSS documents partially came to light in the 1974 "Guillaume Affair," when Brandt's personal secretary was arrested as an East German spy, and Brandt was ousted as chancellor.

In the archives of the U.S. State Department, a document

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# Nazi-communist agent

marked with the number 862-01/639 contains a report sent by U.S. envoy Hershell Johnson in Stockholm to Secretary of State Cordell Hull. Johnson accompanied the material on Brandt with a note: "Brandt is a Soviet agent. His escape from the prison camp has been facilitated by the communist clandestine network. He is in contact with the Rote Kapelle, the Soviet espionage organization. . . ." Throughout his career, Brandt's ties to the Soviet Union have resurfaced again and again.

The better kept secret is the Nazi side of Willy Brandt. But, as shown by the documentation in *Il Borghese*, Brandt has been an admirer of Nazism, and in particular the Nazi labor policy, all along. He wrote at the end of the war: "It will be necessary to confiscate everything, typewriters, furniture, bank accounts, and to transform the Arbeiterfront (Nazi Work Front) into an integrated Socialist trade union. It will be the easiest thing to do. It will be enough to change the name." Brandt was also known for his advice not to permit the Jews to return to Germany.

## A secret caucus

The more damaging scandal, however, concerns Brandt's current activities on behalf of the resurgent Nazi-Communist alliance. An article in the Milan daily *Il Giornale* Dec. 12 by London correspondent Gino Bianco first revealed that the Brandt wing of the London-based Socialist International tried to cover up a secret meeting of Latin American Socialist parties that schemed in January 1983 to drive the United States out of the Caribbean.

The article was based on documents reportedly found in Grenada during the U.S. intervention there. *EIR* has reconstructed the whole story.

On Jan. 6 and 7, 1983, a secret meeting took place in Managua, Nicaragua with the participation of several Latin American delegations, which formed what they called a "Secret Regional Caucus of the Progressive Socialist International Parties." The whole operation had been organized by the Soviets, the Cubans, and the Grenada government. The parties represented were: The FSLN of Nicaragua, the MNR of El Salvador, the RP of Chile, the PNP of Jamaica, the PCC of Cuba, and the NJM of Grenada. Their declared aim was to deploy their forces in order to influence the Sidney, Australia Congress of the Socialist International in a pro-Soviet direction.

The minutes of this meeting, found in Grenada, read in

part: "There is a split inside the European [Socialist] parties on how they look at Latin America. Our friends are ready to accept a revolutionary process in Latin America. . . . Our allies in Europe are the northern Socialist International parties and the Dutch party. There is also a strong potential in the Canadian UDP."

The "northern parties" are the parties of Brandt, Palme, and Austria's Bruno Kreisky, a friend of Col. Muammar Qaddafi. According to leaders of the Socialist International, it has been these three individuals who have pushed for intense activity by the Socialist International in Latin America in collaboration with the Cubans. Brandt in particular has been recognized as the godfather of this Latin American strategy.

The secret caucus also planned a series of visits by representatives to Europe, in order "to strengthen our friends and to confuse our enemies." In short, the whole strategy was arranged with Brandt to get control of the Socialist International and lead it in a "neutral," anti-American direction. The caucus declared its crucial objective to be destroying the "CIA influence" in the International, exemplified by the U.S. social democracy. To create the necessary "financial muscle," the plotters agreed "to establish a regional institute for political and economic research with Jamaica's Paul Miller as director, plus an open bank account in the Bahamas, with the signatures of Miller and Ector Oqueli of El Salvador. . . ."

The minutes of the secret meeting were made available to the Socialist International office in London by the U.S. social democracy, but nothing was done. Later, the Barbados Socialist Party issued a denunciation of the caucus. At this point, the bureau of the International, despite Brandt, had to convene.

The bureau meeting occurred in Brussels Nov. 24-25, but due to heavy pressures from Brandt and others, nothing of what was discussed there was made public. Finally, however, on Dec. 12, the minutes were published.

Leaders in both of Italy's Socialist International affiliated-parties have denounced the Brandt cover-up to the press. Carlo Ripa di Meana, Italian Socialist (PSI) member of the European Parliament, said: "The news on the Soviet-Cuban infiltration of the Socialist International, published by *Il Giornale* is, unfortunately, true. Jan. 6 and 7 there was a meeting in Managua. . . . The participants decided upon several initiatives of pressure and subversion. . . . In November in Brussels during a meeting of the Socialist International bureau, where I was present, Oqueli [of El Salvador] was forced to admit it. The battle to free the International from men and parties working for the international communist movement will be long and difficult and will require political determination and clear ideas."

In another statement, Ripa said: "If we don't succeed in getting rid of the Soviet influence, we might be pushed, after the June 17 European elections, to create a separate group [of socialists] in the European Parliament including Italians, French, and maybe Belgians. The idea of a split emerged

following the Soviet-Cuban infiltration and the wavering of the German SPD and its charismatic leader, Willy Brandt.”

The former vice-secretary of the Italian Social Democratic Party (PSDI), Antonio Cariglia, commented: “The only point on which I disagree with Ripa is: Why did he take this initiative so late?” The organ of the PSDI, *L'Umanità*, wrote: “Inside the Socialist International two opposite positions are emerging; one is the neutralist one that, on behalf of an unarmed pacifism, pushes in a direction incompatible with Western security.”

The International Secretary of the SPD, Hans Eberhard Dingels, declared that the SPD was not going to deny anything, because “that meeting was not secret and there is nothing to deny.” Ripa di Meana said: “Nobody can deny these facts, and in fact, nobody did.”

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## INTERVIEW: Antonio Cariglia

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# ‘Brandt neutralism is helping Soviets’

*The Honorable Antonio Cariglia has been a deputy in the lower house of the Italian parliament since 1963, where he formerly chaired the foreign affairs committee and the parliamentary caucus of the Italian Social Democratic Party (PSDI). He is currently a deputy in the European Parliament in Strasbourg. He is a former vice-secretary of the PSDI and a member of the party's executive committee. For 20 years he has been a permanent member of the bureau of the Socialist International. He was interviewed in Rome Jan. 5 by EIR correspondents Maria Cristina Fiocchi and Umberto Pascali.*

**EIR:** American Defense Secretary Weinberger at the last NATO meeting in Brussels definitively clarified that the defense of the United States from a possible Soviet attack is indivisible from the defense of the Atlantic Alliance, and he asked for an active commitment of Europe to the new defense program announced by President Reagan last March, of which Lyndon H. LaRouche, Jr. has been one of the principal authors and supporters. What is your view of this?

**Cariglia:** I think that Weinberger is right to pose the problem of how to shore up this alliance between the United States and Europe. Here I believe that we may remind the Americans that the concept of defense is insufficient; we must go back to the moment when the North Atlantic Treaty was

signed to rediscover those ties which are not only of a military nature, but of an economic, as well as cultural nature, so that this defense of the West would not pass as a kind of Holy Alliance of capitalist powers counterposed to the communist world, but would be above all the defense of a common civilization, the matrix of the values we all believe in. . . . We do not sufficiently emphasize the fact that the Atlantic Alliance is a defensive alliance created in a definite historical moment when the fate of Europe was in danger. Europe had just emerged from the war against Nazism and fascism and was then exposed to the peril of Soviet domination. There was no other way to defend ourselves but to ally with the United States, with which there was, besides, a common civilization. The second point is *how* we should defend. I am not very familiar with beam weapons, but intuitively, this is a weapon whose deployment will resolve things much more decisively than others. . . . If the common decision is that we defend ourselves, then whatever weapons the community has available, we should use for defense.

**EIR:** There is talk of Finlandization of the European continent, the danger of a split between Europe and the United States.

**Cariglia:** I maintain that the danger of Finlandization in Europe is an objective peril due to the disproportion in defense capacity of Europe vis-à-vis the Soviet power and above all due to the enormous pressure that the U.S.S.R. exerts on the countries of Western Europe. They leave no stone unturned in their effort to weaken Western Europe even though no danger for their security and political regime comes from Europe. Europe has never considered calling into question what are called the conquests of the Soviet system. This ought to give pause to European public opinion, which all too simply latches onto the easy equation that the United States equals U.S.S.R., because both are superpowers, both have opposing interests, and the two alignments obey only these conflicting interests. This is wrong, because Europe must affirm the principle of democratic values in which we believe, which can be summed up in the right of every country to assert its free opinion. . . . In the communist bloc countries, there is no hindrance to governments' actions because there is no public opinion capable of making itself heard. If we kept this feature of our situation clearly in mind, we would have more polemical force to contrast the behavior of the Soviet Union and challenge it. . . . In the immense Soviet empire there is nothing that allows millions and millions of youth to come to Europe, to America; it is practically an impenetrable field where generations and generations grow up without having any terms of comparison between their experience and the rest of the world's. All this should worry us, because it means that those who govern those countries do not prepare their people for peace. They are preparing for war, because only in that way could one explain the total impenetrability of the Soviet world by the Western one, whereas we know that the Western world is largely penetrable by the communist world.

**EIR:** Speaking of the penetrability of the Western world, in December various Italian spokesmen of the Socialist International denounced the infiltration of the KGB into the Socialist International.

**Cariglia:** I cannot know if the KGB has penetrated the Socialist International, but I can affirm that the Socialist International no longer corresponds to what its original task was. The Socialist International has become a kind of permanent conference of movements whose democratic and socialist nature is not always demonstrable. . . . Someone has wanted to change the International's nature, so that political parties which should have had the right to be members, like the Argentine Radical Party, are not there, and some African and Central American countries that seem to prefer the sound of machine guns to political debate, are there. In my view this is a mistake because the Socialist International's job is to make an important contribution to a peaceful solution to the problems exploding in the world. Hence that moral tension which used to characterize the Socialist International has drifted away from the role of mediation. Sometimes it gets involved, without wanting to, in schemes having nothing to do with freedom.

**EIR:** In public statements Hon. Carlo Ripa di Meana referred to the secret meeting in Managua of the Socialist International, where there was an attempt to shift the axis of the International toward Cuba. There was talk of the role of Brandt, Kreisky, and Palme in the appeasement policy toward the U.S.S.R. What do you think about these statements?

**Cariglia:** The secret meeting, which was discussed during the Brussels meeting of the Socialist International where I was present, was a meeting alleged to have taken place at the initiative of some Central American parties belonging to the Socialist International. At the International meeting a document was read which was obtained after the American intervention in Grenada, and the document was not substantially denied. The only thing that was said is that the nature of the deal was not to infiltrate the Socialist International but to aid the movement which had arisen in Grenada. Naturally as far as I am concerned—and I think also for others like Ripa di Meana—the Socialist International has been tainted with presences having nothing to do with its tradition and statutes. As for the role of such important men as Willy Brandt, Kreisky, and Palme in the Socialist International: Theirs is not a secondary role, and for various reasons they have been pushing the neutralization of Europe for some time. For those of us who have a precise idea about this proposal, neutralization amounts to subjecting Europe to the hegemonic power, in this case the Soviet Union. It seems to me that the split already exists and is well known, and that on this point there is absolutely no mutual understanding. That these positions end up helping the Soviet Union in its propaganda effort against the West, is also an objective fact. I believe that the protagonists themselves are aware of this. We are trying to beat our own path and have no intention of giving up our position. For years the Italian Social Democrats, the French Socialists, and

other parties have been convinced that the problem of neutrality is against our interests, because neutrality puts us at the mercy of the hegemonic continental power, i.e., the Soviet Union.

**EIR:** Germany is the weak point of Europe. Don't you think that the present policy of the Foreign Minister Genscher is taking Germany out of the Atlantic Alliance?

**Cariglia:** I rule out Genscher being able to impose his own line of foreign policy. His position must match that of the coalition parties in the government. I must maintain that whatever his personal intentions may be, it is difficult to foresee a change in the present German foreign policy, well known to us all. I see Genscher's attitude as an alarming symptom of the German reality, alarming for the future of a Germany caught between several fires. In Germany there are those who cherish the hope of reunification through neutrality, and those who instead think that the path to attaining reunification is that of having a Germany economically strong and guaranteed in its security. Hence a Germany as a political subject. I am convinced that in German public opinion the idea of maintaining of all those bulwarks of security prevails, and the Atlantic Alliance is Germany's fundamental bulwark. If Germany should succumb to the idea that there is some shortcut to reunification, then I strongly fear that the objective will not be reached, or if it were, it would be under enslavement.

**EIR:** How do you see the Italian situation in the light of this strategic situation?

**Cariglia:** I think that it is positive that we are finally beginning to talk about foreign policy again. There was a long period, coinciding with the so-called policy of national unity, when foreign policy was banned from Italian political discussions, as if it did not exist. Today, the policies of the Atlantic Alliance, the Pershing missiles, and SS-20s, have brought about a rediscovery of foreign policy. I, however, am not sure about the total commitment of our country, not so much because I don't trust the leaders, but because I think Italy is a country where commitments are often undertaken much too lightly. People are also happy when certain commitments, once undertaken, find a way of being delayed in their implementation—the fact, for example, of having put off for four months the stationing of the missiles at Comiso was cause for relief for some sectors of the Italian political class. We should convince ourselves that we must build in Europe, together with the Americans and the other national communities, a common defense of our common heritage. For this, the ritual of discussing foreign policy at the level of international institutions is not enough. The debate has to get down to the depth of public opinion, pulling it off the false track of one-way pacifism, and instead bringing out the problems of security intimately connected to the values of freedom and democracy which we hope to be able, one day, to find also widely accepted in the countries we confront today, in this case the countries of the communist system.

# FBI implicated in alliance between PAN fascists and the Soviets' PSUM

by Timothy Rush

In the midst of the IMF-supervised economic devastation of Mexico, the Mexican equivalent of the German Nazi Party, the Partido de Acción Nacional (PAN), is preparing the conditions for a military coup against the constitutional republic.

This evaluation, until now shared privately among a growing circle of top Mexican officials, was made public by Xicotencatl Leyva, the governor of Baja California Norte, in a speech Jan. 10. The PAN party is forming a "parallel municipal government" in the Baja capital of Mexicali, he warned. This represents "political terrorism," which must be stopped; "Coups d'état and betrayals of the nation are based, politically and philosophically, on these attitudes."

Leyva is a protégé of President Miguel de la Madrid. That the message comes from the President himself is more than likely, in view of an extraordinary summit of the entirety of the Mexican cabinet and all 31 governors convened by de la Madrid on Jan. 11. Though the principal announced purpose of the summit was to implement more active population-control programs, it is known that there was a thorough review of the current political and economic fortunes of the nation, and that de la Madrid emphasized that the PAN and its backers represented a threat to the basic institutions of the country.

Over recent weeks, PAN leaders have publicly ratified what previously had been kept under wraps, except for exposés in the *EIR* and related publications: that such a coup would be carried out on behalf of a Nazi-communist alliance of the PAN and the leading KGB-directed control point in the country, the Partido Socialista Unificado de Mexico (PSUM, formerly the Mexican Communist Party).

Active FBI promotion of this Nazi-KGB menace on the U.S. border (see *EIR*, Sept. 6, 1983) is underscored by new information indicating that the FBI has consciously undermined U.S. narcotics-interdiction capabilities along the western sections of the U.S.-Mexico border over the past year in order to facilitate the rise of PAN-coordinated drug-trafficking through Mexico's Northwest Corridor. At the same time high-level intelligence sources in the United States stress

that East German intelligence, even more than the KGB, may be the most active "on-the-ground" controller of the "communist" side of the alliance.

## Operation unity

The alliance between the Nazis of the National Action Party (PAN) and the communists of the Unified Socialist Party of Mexico (PSUM) became an issue of national scope and full public knowledge beginning Jan. 9, when the leftist daily *Unomasuno* began a series of front page interviews with the four candidates for the PAN party presidency, to be held in February.

Jesús González Schmall, president of the Political Commission of the PAN and a strong contender for the party presidency, declared that the PAN will henceforth champion not only its own claims of "human rights" violations in states such as Puebla and Tamaulipas, but also the PSUM's, in such cases as Juchitán and the Pascual labor dispute (see *EIR*, Jan. 17). The announcement was the equivalent in the United States of announcing that Bill Buckley and Roy M. Cohn have joined their forces with CPUSA boss Gus Hall.

Juchitán, in the southern state of Oaxaca, is a deployment center for international terrorists, many of them coming from Central America and West Germany. It was wrested from the hands of a PSUM-directed coalition only last month, and armed PSUM gangs continue to threaten the peace. The Pascual labor dispute, where a communist lawyer was recently kidnapped (and then released) by unknown parties, is the latest communist cause célèbre.

Edmundo Gurza, another of the PAN candidates for party president, demanded in his interview two days later that "a real multi-party system" must be created in Mexico, in which other "parties as serious as the PAN, such as the PSUM and the PRT [Revolutionary Party of the Workers, a Trotskyist, pro-terrorist grouplet]" work together to break the control of Mexico's hegemonic Institutional Revolutionary Party (PRI).

The secretary-general of the PAN, Bernardo Batiz, declared to *Unomasuno*, "What we want is that the struggles of

Mexico be well known outside the country, struggles by serious groups as important as the PSUM . . . which seek, like the PAN, to democratize the country."

Batiz and other PAN leaders singled out the Mexican Labor Party (PLM), led by Mexican associates of Lyndon LaRouche, as the enemy the PAN most fears as it intensifies this alliance. Two weeks ago, a leader of the Mexican Labor Party in the town of Navojoa, Sinaloa was stabbed and seriously wounded by a PAN-deployed drugrunner.

In his Jan. 9 interview González Schmall declared that "the moment for action has come, [the moment] to take power. To defend the vote, we must use non-conventional political resources, legal violence, in order to exercise legitimate self-defense." Gurza stated that the PAN "is not afraid that violence might result" from its tactics, since the responsibility "will lie with the PRI."

In the same insurrectionary tones, PAN federal deputy from Sinaloa, Rodolfo Peña Farber, called for "turning our backs on the government. . . . No longer will we accept government programs. . . . With this the government will be broken."

### Reciprocated warmth

The public Nazi infatuation with the communists is reciprocal. *Unomasuno*, long an outlet of PSUM-oriented propaganda, editorialized the first day of its splashing series of interviews that though the paper did not favor the PAN, it must be recognized that the party was making "positive contributions" to the country at this time. The editorial singled out for praise the role of the founder of the PAN in 1939,

Manuel Gómez Morín—the man who gutted Mexico's efforts to develop a Hamiltonian banking system from the inside during the 1920s and early 1930s, and who established the PAN as an extension of Nazi/fascist networks on the eve of World War II. It was in September 1939, that the PAN was founded—the month Germany and the Soviet Union jointly moved into Poland to divide up the first spoils of the Hitler-Stalin pact.

The left-terrorist PRT party first established joint operations with the PAN in July 1982, ostensibly to "defend the vote." The first public joint PAN-PSUM deployment was a famous march of PAN and PSUM activists, arm in arm, down the main street of Culiacán, Sinaloa, after local elections in early November, 1983.

Just as the PAN has its "alternate city government" now establishing offices and beginning to dispatch business in Mexicali and Mazatlán, so the PSUM has established a "second city hall" in its southern stronghold, Juchitán.

### PAN: 'Hitler was right'

There is nothing hyperbolic in the statement that the PAN leadership is Nazi, although many members of the party's growing mass following are simply expressing rage at the consequences of the government-backed IMF austerity program. Among the latest illustrations:

In Chihuahua, the state in which the PAN has its most complete control of the local level after sweeping municipal elections in mid-1983, carefully lettered wall slogans are sprouting in the major cities proclaiming that "Hitler Was Right." Chihuahua shares borders with Texas and New



The PAN and the Mexican left intend to exploit the unrest among the peasantry generated by IMF austerity.

NSIPS Carlos de Hoyos

Mexico.

Humberto Rice García, the PAN candidate who lost recent elections in Mazatlán and who is now heading up the "alternate city government" which the PAN has installed in the Sinaloa port city with so much fanfare, is a member of one of the nastiest Hitler cult formations to arrive on the Mexican scene in the past two years, Integral Human Development, Inc. (DHIAC). DHIAC's hard core includes the controllers of Nazi paramilitary gangs, the GUIA and the TECOS, based in Puebla and Mexico City.

The PAN federal congresswomen from Chihuahua, Peraza Ortuño, is directing preparations for the first national congress of the Women's Civil Organization (Organización Civil Feminina), the women's auxiliary of DHIAC.

Though the public side of the Nazi-communist alliance has only surfaced in the past two months, the two forces have collaborated for several years.

The PAN is consciously representing the tradition of the bloody rebellion of backward peasants organized by Jesuit priests against the Mexican state in the late 1920s, the Cristero Wars. In 1980, the PSUM joined the PAN in demanding that the clergy, banned by the Mexican constitution from participating in politics, be given rights not only to make political statements but to run for political office. It was a political bombshell—but perhaps not that surprising, given the fact that the "red" bishop of Cuernavaca, Sergio Méndez Arceo, had started out his career as a Cristero in the 1930s.

The two parties similarly share a "greenie" hatred of advanced technology and industry. In April, 1981, when East German anti-technology and peace movement guru Rudolf Bahro visited Mexico, he was jointly hosted by the terrorist-ecologist PRT party and prominent factions of the PAN. The PAN's leading ideologue and former party president, José Angel Conchello, attended the Fourth World Futurists Conference in Washington, 1982, and sang the praises of E. Schumacher ("Small Is Beautiful") as his greatest model next to Milton Friedman. It was Conchello who, in the mid-1970s, began to popularize the "successful economic policies" of Hitler's Finance Minister, Hjalmar Schacht, as the correct road for Mexico.

Perhaps most serious from a security standpoint is that these areas of ideological convergence map onto "on the ground" alliances of terrorist-linked forces on the U.S.-Mexico border. The paradigm is the "left" terrorist squatters movement called the Committee for Popular Defense (CDP) in Ciudad Juárez, across the river from El Paso, Texas. The CDP, which maintains active liaison with both the FALN and the Revolutionary Communist Party in the United States, was instrumental in the election of the first PAN mayor of Ciudad Juárez in July, 1983. The PAN, for its part, has in the past turned out its members to join the funeral procession of a terrorist deployed jointly by the CDP and the Communist 23rd of September League, responsible for repeated acts of violence against U.S. diplomatic personnel in the early 1970s.

## French press pursues Genoud connection

by Thierry Lalevée

Following the Dec. 31 terrorist bombings in Southern France and Tripoli, Lebanon French press outlets, for the fifth time in a week, have exposed the connections between the terrorist network of "Carlos," the Swiss-based Nazi International banker François Genoud, and the Soviet and East German intelligence services who are directing the Carlos-Genoud terrorism against French and other targets from East Berlin. In the *Le Figaro* of Jan. 4, counter-terrorist specialist J. C. Reix denounced the "Genoud networks" as behind Action Directe terrorists Bruno Breguet and Baader-Meinhof member Magdalena Kaupp, both associated with Carlos. The French exposés have been followed by a similar exposé from an unlikely source, West Germany's *Stern* magazine, whose editor, Henri Nannen, was part of Josef Goebbels's Nazi propaganda operation.

If the Soviets are directing terrorism against the French from bases in East and West Berlin (Carlos is proven to have moved back and forth freely), exposés of this fact begin to make things extremely uncomfortable for such "neutralist" politicians as West Germany's Foreign Minister Hans-Dietrich Genscher and French Foreign Minister Claude Cheysson. The exposés, based on material originally developed by *EIR*, amount to a concerted political counterattack against those in Europe who intend to decouple from the United States in favor of a deal with Moscow. For example, Cheysson was scheduled to go to East Berlin this month to inaugurate a French cultural center. How can he do so when East Germany has been shown responsible for terrorism in France? France's only cultural center in West Berlin was blown up by Carlos last August, killing two persons. Investigations by the French DST and DGSE have now ascertained:

1) The international terrorist group associated with Ilich Ramírez Sánchez, a.k.a. Carlos, was responsible for the Dec. 31 operations. As revealed in *Le Figaro* and other French media, French counterterrorist agencies know that a week before the bombings an eight-man team travelling with Pakistani, Tunisian, Turkish, and Greek passports entered France, then reached Marseilles on Dec. 31 (see *EIR*, Jan. 17).

2) The entire operation was guided by remote control under the personal control of Carlos from his base in West Berlin. Carlos only left West Berlin on Jan. 3 to reach East

Berlin, where French intelligence, report the French media, has been able to locate him precisely. Upon confirmation of Carlos's presence in West Berlin Jan. 3, French teams moved in—too late.

As investigations revealed, Carlos resides often in West Berlin; his primary residence is East Berlin, where, according to the Jan. 7 issue of the French daily *Le Matin*, he lives under the personal protection of East Germany's intelligence chief, Gen. Markus "Misha" Wolff.

It appears, however, that he is also under the protection of West Germany's Hans-Dietrich Genscher, whose foreign ministry surely knows of his movements into West Berlin. A new aspect of this came to light when Agence France Presse reported Jan. 10 that the West German government is about to postpone the trial of Baader-Meinhof terrorist Gabrielle Tiedemann, presently in Swiss jails awaiting extradition to West Germany, because Carlos has threatened terrorist action against the trial. Other reports are that Genscher's office "forgot" to send Swiss authorities the extradition request on time.

More is involved than postponing a trial: this is a major backdown to Carlos and Soviet-backed terrorism, and an invitation for them to proceed with their terrorist wave. Genscher is endangering the security of NATO allies and U.S. personnel on European soil.

According to *Le Figaro* of Jan. 9, Carlos maintains close ties with the new generation of the Baader-Meinhof gang, the "Revolutionary Cells." RC members are reported by *Le Figaro* to have helped Carlos in the operation in Marseilles. The RC are part of the terrorist clandestine branches of the peace movement; they announced Jan. 5 in a 28-page report released by the pro-terrorist West German daily *Tageszeitung* that they would now lead the "peace movement" toward more radical directions, including terrorist actions against the United States. The RC are suspected of being behind eight thefts of U.S. army trucks in the recent past, trucks authorities fear could be used for Beirut-style kamikaze attacks.

On Jan. 10, *Le Monde* ran a lengthy exposé of François Genoud as the friend of Carlos and the financier behind Nazi Klaus Barbie's war-crimes trial lawyer Jacques Verges. The Jan. 5 issue of *Stern* magazine ran a four-page article exposing for the first time in West Germany the relationship between SS officer Klaus Barbie, Verges, and Genoud.

Genoud is reportedly frantic over the public linkage of his name with Carlos; indeed, according to French sources, the entire Swiss establishment is up in arms—after all, that establishment is linked to the Nazi International Genoud runs, and has some very deep political deals with Moscow. Exposés of Genoud may be only the first signal of operations aimed at unveiling the Fourth Reich character of Switzerland.

The Swiss government has let it be known that it will wholly back Genoud. Swiss magistrates handling Genoud's complaints against several journalists have received orders to "teach the French a lesson."

## Soviets and CFR pressure Mitterrand

by Joëlle Leconte

French President François Mitterrand announced in mid-December, during a state visit to Yugoslavia, that he would soon issue an "original proposal" to resume the United States' arms-control negotiations with the Soviet Union. To this he added some words of praise for the U. S. S. R.'s participation in the victory over Nazism, and emphasized that "European harmony progresses through the French-Soviet dialogue."

What kind of initiative will the French government make? Reading the Soviet government daily *Izvestiya* of Dec. 30, one discovers that during the Soviet-French talks at the Moscow foreign ministry on Dec. 28-29, the January Stockholm session of the Conference on Security and Cooperation in Europe and disarmament was discussed—"in particular preventing the arms race in space."

The hostility of President Mitterrand and especially of the foreign ministry to a beam-weapons defense is not new. During his United Nations speech last September, Mitterrand emphasized the need for disarmament talks and said that he might accept an accord among the five nuclear powers which would limit modernization of the French strategic nuclear forces, if it would involve an agreement on three points, among them the establishment of a treaty banning any arms race in space.

Clearly, Mitterrand still does not understand the strategic importance of President Reagan's new doctrine, which would open an era of Mutually Assured Survival (MAS), offering true disarmament for the first time by making nuclear missiles obsolete.

The Elysée has been put under strong Soviet pressure as there are at least three elements of Mitterrand's defense policy the Soviets would like to wipe out: 1) his relatively strong commitment to the Atlantic Alliance (such as his support for the deployment of the Euromissiles in West Germany, and his general opposition to decoupling Europe from the alliance with the United States); 2) the program of modernization of the French strategic nuclear forces (the number of submarine-launched warheads is planned to rise from 98 to 500), and 3) the French potential to carry out the production and deployment of the neutron bomb.

For the past year, the U.S.S.R. has not only launched a propaganda effort against the French neutron bomb, but has threatened to include the French and British strategic forces

in the two superpowers' arms-reduction tallies which might cripple the warhead modernization program. The Warsaw Pact also made it known that about 200 SS-22 missiles (with a range of 1,000-1,300 kilometers and one-megaton warheads) have already been deployed in East Germany and Czechoslovakia, obviously assigned to French military targets.

What kind of assurances did Mitterrand receive from his U.S. partner? Secretary of State George Shultz's declaration last summer that the administration would not rule out the inclusion of the French and British strategic forces in the Intermediate Nuclear Force arms-control talks, though quickly denied by the State Department, has inflicted serious political damage. And the numerous visits by Shultz and Henry Kissinger to Paris during 1983 only confirmed the belief of French leaders that, whatever President Reagan said on March 23, military security has to be thought of in terms of MAD (Mutually Assured Destruction).

During the last half of 1983 the Soviet pressure on France increased in scope and brutality: this includes the Islamic terrorist attacks in Marseilles; direct threats to the President's life; social and political destabilization by the Communist Party (PCF) and the Communist-led CGT labor federation; and scandals to demoralize the population, such as the attempt by Soviet asset Jacques Verges, the defense lawyer for Nazi butcher Klaus Barbie, to use the trial to discredit French Resistance figures.

François Mitterrand is weakened not only by his governmental alliance with the PCF, but by the kind of alliance he has struck inside his cabinet with all kinds of KGB/Pugwash operatives, like the pro-terrorist Régis Debray, one-worldist Foreign Minister Claude Cheysson, and the Malthusian freak Jacques Attali. But the main reason he is trying to appease the Soviets by offering them a move to ban beam weapons, is that he was told to do so, through various channels, by the U.S. State Department and the Eastern Establishment.

Who has developed a campaign against beam weapons in the entourage of President Mitterrand? On May 27, the Socialist Party (PSF) weekly *L'Unité* published a prominent attack against President Reagan's "Star Wars" as leading to "a dangerous arms race." The author, Hugo Sada, had recently returned from a trip to the United States with former Cooperation Minister Jean-Pierre Cot, one of the favorite French Socialists of the New York Council on Foreign Relations circles. This followed a slanderous article against the Parti Ouvrier Européen (POE), depicted as a fascist organization in *L'Unité* of the week before. The POE, which has links to *EIR* founder Lyndon H. LaRouche, Jr., is a leading spokesman for the beam-weapons policy in France. The chief editor of *L'Unité*, Claude Estier, had also returned from a tour in the United States with a parliamentary delegation which met with Deputy Secretary of State Kenneth Dam, Kissinger protégé Robert McFarlane of the National Security Council, *Washington Post* editors, and others.

## A turning point for

by Susan Maitra

The plenary session of the Indian National Congress—the first in nearly 10 years—gives every evidence of opening a new chapter in the history of the political party and mass movement that won India's independence and has shaped its remarkable development.

Events leading into the three-day session, which began Dec. 27 in Calcutta, underscore that conclusion. The Dec. 24 announcement of the government's plan to establish 2000-MWe nuclear-power stations in each of the four main regions of the country, including the coal-dominated eastern region, marked both an advance in India's self-reliant nuclear program (see *EIR*, Jan. 17) and an indication of the quality of approach that will be increasingly reflected in economic planning decisions.

Moreover, by-election victories in different parts of the country on Dec. 23 increased the certainty that the National Congress will retain the mandate to push forward India's development in the upcoming 1985 general election. The Congress's decisive victories in 8 of the 11 elections held in the states of Rajasthan, Uttar Pradesh, Bihar, and West Bengal, are demoralizing the spectrum of opposition groups, from the right-wing Hindu fanatics of the Bharatiya Janata Party (BJP) to the left-of-Moscow Communist Party of India (Marxist), the CPI(M).

Since the BJP is the only one of the lot that even pretends to be a national party, its inability to win in any of the seats it contested, or even pose a serious threat, was most damaging. These defeats certified the BJP's declining appeal among the electorate of North India, first manifested in the party's miserable performance in the June elections in the state of Jammu and Kashmir. The BJP took the entire gamut of rightist politicians down with it, notably the leaders of the rich-peasant-based Lok Dal, which has been forced to reconsider its electoral alliance with the BJP. The prognosis: the fracture of any hope of a viable right opposition front.

At the other end of the spectrum was the Congress's stunning victory over the ruling CPI(M) in West Bengal in two electoral contests. Besides the explicit repudiation of the ruling CPI(M), it is significant that the voters turned to the Congress and not one of the other left parties, even though petty squabbling in the state Congress organization had kept

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it from any active role in the campaign. Jyoti Basu, the CPI(M) front man and West Bengal chief minister who maintains personal contacts with British Prime Minister Margaret Thatcher, has recently accused Mrs. Gandhi of becoming increasingly pro-United States in her foreign policy. Reportedly stunned by the surge of Congress sentiment on their own turf, the leftist leaders were then confronted with a resurgent Indian National Congress—no longer the sectarian-tinged “Congress(I),” as Mrs. Gandhi has recently insisted—at the Calcutta session.

In her direction of the plenary session, in her speeches to the 26,000 party workers in attendance, in her press conferences and presidential address, Indian Prime Minister and Congress Party President Mrs. Indira Gandhi's firm leadership of the party was reaffirmed. At the same time, Rajiv Gandhi, who has been patiently and persistently rebuilding the Congress Party grass-roots organization over the past year, emerged as a tough and effective leader.

The political, economic, and international resolutions Mrs. Gandhi motivated for passage were sharp and uncompromising on basic policy. Provoking “shades of Castro!” editorials in at least one section of the Indian press, the international resolution spelled out the threats to the integrity of India on both the regional and global planes and reviewed India's basic foreign policy planks—including the Non-Aligned initiative for world economic reform, and an appeal to the superpowers to quickly take up their responsibility to resume negotiations. The economic resolution, passed unanimously after seven hours of debate, re-emphasized the objectives of faster growth and social justice in an economy increasingly recognized to be ready for new qualitative strides. The political resolution, particularly scathing on the issue of unholy opposition alliances, with the emphasis on those right-wing forces promoting communalism and regionalism, was widely viewed as an implicit opening to the left.

Yet just as pundits were identifying the prime minister's new “left turn,” Rajiv Gandhi, the prime minister's son, delivered a blistering attack on the CPI(M) government in West Bengal for economic incompetence and duplicity. And the following day, in her presidential address, the prime minister made a point of exposing the fraud of the left parties

who declared their allegiance on foreign policy and their opposition on domestic policy, and who “make no secret of their determination to remove us from power,” she added, including “actual eagerness to ally with groups whom, at other times, they themselves castigated as rightist, reactionary, and communal. . . .”

“It does not need much thought to perceive that foreign policy is but a projection and extension of domestic policy,” Mrs. Gandhi stated. The point was not likely to have been lost either on the visiting Soviet delegation, one of a half-dozen fraternal delegations from East bloc nations and France. The Soviet delegation had arrived with a fresh resolution reaffirming Soviet political, economic, and defense support to India from no less than the Politburo, and the delegation leader had just delivered a speech lauding Mrs. Gandhi's foreign policy.

Political pundits have still not figured out what to make of such apparently contradictory goings-on. At Mrs. Gandhi's concluding press conference, one miffed commentator asked her to comment on the discrepancies between the “conciliatory” reference to the left in the political resolution and the harsh tone of the speeches. “It was not a question of being conciliatory or otherwise,” Mrs. Gandhi said. “We are not pro- or anti- anybody. It is a question of policies—wherever the policies are wrong, either in West Bengal or elsewhere, and whenever secularism is threatened, we have to oppose. A party by itself is not the evil, but its actions and policies make it so. Those creating communal disharmony have to be countered.”

While the pundits continue debating, whether she is heading to the “right” or “left,” Mrs. Gandhi most likely means just what she says. As she emphasized in her presidential speech—where she reviewed the political and economic history of independent India from the 1883 Calcutta meeting that founded the Congress, and discussed the challenges confronting the nation—the Congress is not merely a political party. The Congress is a mass movement, the same one that won freedom and built up independent India and whose members identify themselves as Congress men or women by, as she put it, “a sense of dedication, a willing identification with a cause higher than oneself.”

It was the broadest and most urgent issues, namely, advancing national integration and speeding economic development, which Mrs. Gandhi sought to put forth in Calcutta as the rallying cry, not only for the Congress Party in the next election, but for the nation. As she put it in her presidential address: “The very freedom and the integrity of the nation are in double jeopardy—from outside threats, and from those who are focusing on small questions diverting attention from the larger issues on which the solution of the smaller and specific depends.” Indira Gandhi's determination and manifest capability to rekindle the spirit and drive of the national movement in India will mark the 77th plenary session of the Indian National Congress as a turning point.

# How Mutually Assured Survival can reinforce the Western Alliance

*Gerald Frost, director of the Institute for European Defense and Strategic Studies in London, gave an exclusive interview to EIR's Mark Burdman from his office in London on Jan. 6. Frost had written the first article to appear in a British daily calling on the nations of Europe to support President Reagan's commitment to develop directed-energy-beam antibalistic-missile defense systems, as an alternative to the disintegration of the Western alliance and as the most effective means of countering the strategic threat from Moscow. The article appeared in the Times of London on Dec. 28 under the title, "Why a Star Wars Strategy Could Help Keep the Peace" and was excerpted in last week's issue of Executive Intelligence Review.*

*Frost's writings on strategic questions have appeared in the past in the magazine Survey and other publications. His statements to EIR reflect his own views and are not meant to express those of his institute.*

**EIR:** In your London *Times* piece you have harsh words to say about "flexible response" as a doctrine. Could you specify here your objections to this idea?

**Frost:** What I would say is that the weakness of flexible response—which is all we have right now—is that it rests on the idea of America placing its cities at risk to nuclear attack to defend European cities. That is a doubtful proposition. It's not that we need 100 percent deterrence against nuclear attack, that's not the point, but the current arrangements lack credibility.

We are faced with a possible American unwillingness to defend a recalcitrant, reluctant, and sometimes disloyal Europe. The alternative that is most worthwhile of consideration is one that has been unknown but which compensates for the deficiency, which is what has come to be known as "Star Wars." This would increase the defense of American cities and also of European cities. The risk to the United States would be diminished, so U.S. credibility to defend Europe would be greater. I regret that the idea has not been more sympathetically received in circles in the United States and in Europe. There has been a knee-jerk response, claiming it is a "Fortress America" policy, whereas it is just the reverse. All the statements that the policy is fantastic, expensive,

escalatory, and so on, are poorly based. I want to see a discussion of the advantages of Mutually Assured Survival [President Reagan's offer to the U.S.S.R. of parallel development and deployment of advanced ABM systems]. This might generate greater public support.

**EIR:** Would you say that an honest discussion of what President Reagan has advocated might defuse the arguments of the so-called peace movement?

**Frost:** What has been proposed is not offensive; it is purely defensive. It is non-nuclear. The peace movement might find it harder to oppose such a system compared to the Pershing and the cruise. However sincere some people in the peace movement may be, there may be obvious advantages in this doctrine in countering their arguments.

**EIR:** There has been a lot of talk, in the *Financial Times* this week, in statements by Lord Carrington and others, about the "decoupling" of Europe from the United States. Where does it come from, how might it be countered, and how does this affect Soviet strategic considerations?

**Frost:** This is an immensely complex question. It has much to do with the European dependency on America. Perhaps the way this works is unhealthy for both partners. There was a sense after the war that Europe was recovering from a devastating war, and so needed this dependence. But we have allowed ourselves to become so dependent that it has caused resentment. Americans tend to see us as freeloaders, and there is in Europe a reluctance to provide for our defenses. But there is not much incentive to "do it yourself" when the American nuclear arsenal exists to protect us; we are not maintaining our conventional forces with sufficient strength. With our withdrawal from overseas possessions, our general worldview diminished. We don't think globally as much, even though the threat is a global one. We have permitted America to have too large a part in the formulation of nuclear policy and doctrine.

The situation with the Pershings and cruises is different. This came from the fear of Helmut Schmidt and [former Labour Prime Minister] James Callaghan and others that in fact there would be a decoupling. But the problem is that no

one for a long time thought of the defenses we need in a coherent way. We have developed no notion of defense, but have been guided by domestic political factors.

**EIR:** In this context, how would you estimate the effects of the doctrine of MAD, the doctrine that was developed out of the Pugwash group? It has amazed us how this doctrine has left the West with no doctrine of defense and no doctrine of offense while the Russians—Sokolovskii and so on—have both.

**Frost:** It is unsatisfactory to have a defense based on offensive weapons! We have wondered: Can MAD protect third parties? It's one thing to say, "If you destroy me, I'll destroy you." But the statement "I'll destroy you if you destroy my friend" is not credible. I agree with the thrust of your question.

MAD became inadequate once the Soviets achieved strategic parity. Flexible response was only a means of attempting to deal with that, but without major changes in doctrine. This has led to a general lowering of our guard, both in the ideological sense and in the military sense. Many in America say, for some reason, that it would be *easier* to deal with the Soviets if America had *fewer* missiles, because the Soviets would be less afraid of the West. The experience of détente is based on this. It reflects a philosophical worldview which has been shown to be incredible.

**EIR:** How, specifically, do you evaluate the strategic danger from the Soviets now? Where do you expect major Soviet moves and on what level of escalation?

Our journal has been warning of Soviet intentions to use the bogus pretext of a "resurgence of Nazism" in West Germany to justify a surgical strike into the Federal Republic, while at the same time offering "carrots" to entice the West Germans out of NATO. In response to this, we have advocated emergency pre-emptive measures signaling a readiness to fight war if need be, including a crash ABM program, neutron bombs in Europe, and placing strategic and relevant forces on alert, which could apply to the British case as well in terms of submarine capabilities and so on. How are you viewing the situation in Germany from this standpoint?

**Frost:** We can't say the Soviets are infallible, but they have a great consistency of purpose. One of their main thrusts is the decoupling of America and Europe. All their statements during the arms talks are oriented toward this. In any case, the Soviets rarely reach an agreement which is meant to be mutually beneficial, but in the case of public diplomacy, their aim is to divide Europe from America. They mobilize the peace movement, increase anxieties, and raise the fears of imminent war, and, here, I must say, I find disagreement with your specific idea of the surgical strike in the next weeks.

When they talk of Central America or Grenada, splitting Europe from America is always in the back of their mind. Their strategy is to Finlandize Western Europe, and they have not been wholly unsuccessful in the last 25 years. In terms of Germany, you identify their objectives very well: They offer

the carrot and the stick element. But what I see is that, given that the peace movement is gathering in strength, they will go on using their military might as a means for threatening, cajoling, psychological pressure. There are signs that this is successful. But I am not worried at the moment about a surgical strike. I agree, they think coherently about fighting a nuclear war—they are better than we are in this. And, I agree, they are expansionist. But I think they are cautiously expansionist. The main purpose of their weaponry is pressure, to dominate by political means. Of course, if they decide they have to go to war, they are more ready to use their weapons than we are in the West. They have a better idea of strategy and tactics. But I don't see them *seeking* war.

**EIR:** What of the window of opportunity factor for them, our window of vulnerability—their perception that if the West has a technological-military renaissance around these new systems, their calculations for imperial rule will be destroyed?

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*We need a proper discussion about what Mutually Assured Survival would involve. I doubt whether even two or three Members of Parliament know about it. This doctrine makes the American guarantee for Europe more credible. It means more direct defense for Europe itself.*

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**Frost:** The window of opportunity has not been closed yet. There is no rock-like solidarity as a result of more defense spending, and the systems we have are not deployed. But if the Soviets are thinking seriously, I don't see them mounting drastic action for another year. They want to see who's going to win in the U.S. elections before doing anything drastic. And they are wondering what success they can derive in Europe from their moves.

One thing we must consider: It is too early for NATO to congratulate ourselves over the Euromissiles' deployment. We have one to two missile parts [i.e., batteries] in, and they are not deployed. In the case of Greenham Commons, it may be impossible to disperse the weapons because of the peace movement. If they can't move around, they lose their deterrent value.

I see the Soviets waiting for six months, a year, maybe 18 months. Although what Reagan has done is commendable, few things have been brought to fruition. So the Soviets won't declare war, or seek something on the central [Euro-

pean] front. They will play on the mounting uncertainties.

**EIR:** What arises here are the parallels between now and 1939, the Soviets challenging us as Hitler did. . . .

**Frost:** In the opinion-forming elite, there is a reluctance to think about the Soviet menace. We don't have the eulogies to the U.S.S.R. that we had [to the Nazis] in the 1930s, but there is a reluctance to think about the accumulation of weapons by the Soviets over the past decades.

Many people, because of this reluctance, start to think of America as a greater threat than the U.S.S.R., because of the concrete worries around the Pershings and cruises. But the SS-20s are moving in, at the rate of one more a week, and there is no reaction. It is very disconcerting. If there is a *tide*, it is toward listening more to those warning about the consequences to European sovereignty of the Soviet threat, although this is not true of Germany. There has been a reluctant awareness of the Soviet predominance in Europe. Unlike America, people say, the Russians will never go away, they are a European power, not just an Asian power.

The fear of the Soviets, ironically, is reflected in the growth of the peace movement. Contrary to what should seem to be the case, when the Soviets behave decisively, the peace movement gains strength, rather than weakens, and hostility to America goes up. This makes a valid comparison between now and 1939: When the Nazis showed aggression, the reaction was contrary to what would have been imagined, and people tried harder to appease. I see the parallels. There is a strong appeasement current now. Probably *détente* is part of that.

**EIR:** You recently wrote an article in *The Spectator* attacking Lord Carrington's appointment as secretary-general of NATO.

**Frost:** . . . He's a highly accomplished diplomat, and he has diplomatic answers, but he confuses the diplomatic with the strategic. His support for *détente* has been consistent, and this doesn't really cohere with NATO strategy. It doesn't cohere with Luns, who doesn't believe in *détente*. Carrington is a nice man, but he believes in *détente*. He thinks one can complain to the Soviets about Afghanistan, but he is very much in favor of trade and doubtful about sanctions.

It is a bad appointment. His relations with America are not the best. His support for a more independent European policy is well-known. His appointment won't necessarily lead to a more coherent response. International politics is in large part signals and symbols, and his appointment is the wrong signal. And he's likely to send many more wrong signals now. The only hope is that he is dependent on his staff, and some are more realistic than he. Maybe this will mean our worst fears won't be realized. It's the best one can hope for under the circumstances.

**EIR:** On the question of the role of Britain in the worsening strategic situation, we have been working to strengthen the

potentials for a "Churchill/'39 reflex" against the appeasers. How would you see the role of Britain in respect to this potential at this late moment?

**Frost:** It is important for Britain not to underestimate nor to overestimate its influence. Our advantage is relative stability politically and good relations with America; so we have a part to play, in terms of countering the divorce of the Western alliance which is now threatened.

Our most valuable role is to remind the Europeans of the dangers to the alliance posed by the threats to our internal coherence. We need increased spending on conventional forces. We need a greater recognition of American initiatives to curb Soviet expansionist tendencies. Certain proposals from the United States, like the pipeline embargo, have been either dismissed contemptuously or met with vapid rhetoric. . . . Britain should spell it out: *There are no alternatives to the present alliance*. We cannot defend ourselves without America. We need new forms, new structures, new initiatives, to keep together the alliance that has kept the peace and made democratic values possible for the last 38 years. This is a fairly herculean task, and there are not many hopeful signs at the moment.

**EIR:** That brings us back to the question of Mutually Assured Survival as providing such new forms, initiatives, and so on.

**Frost:** We need a proper discussion about what Mutually Assured Survival would involve. I doubt whether even two or three Members of Parliament know about it. This doctrine makes the American guarantee for Europe more credible. It means more direct defense for Europe itself.

Some people say the Soviets would only produce missiles with shorter times, to achieve greater invulnerability, but I think that would only mean we would have to have more sophisticated ABM systems to match these. We need an objective analysis of the whole doctrine, so people can decide; and we need to discuss the role Europe could play if we don't want a continuation of the resentment about America that has developed.

What I think, for example, is that British, French, and West German technology could make a valuable contribution to the schemes we are discussing, and it would make it easier to argue for the new doctrine. It could provide jobs in the growth area in Europe. This would enable the proposal to be more readily sold in political terms.

**EIR:** This last point is very interesting. Could you elaborate how European technological contribution to the ABM development could work?

**Frost:** I am not an expert on the technological side of ABM systems, but my sense is that West German technology is of a very high order for these systems, as is much of French technology, and even some of the British. We have to discuss to see what inputs could be made. . . . It's important in the sense of making the burden-sharing more meaningful.

## The Canada-Grenada connections

*The Dope, Inc. corporate and banking network in Canada, now being reorganized under pressure, has vast Caribbean operations.*

**W**hile the Bank of Nova Scotia, Canada's leading dirty-money bank, still faces more than a dozen subpoenas from a Florida grand jury for laundering drug money in the Cayman Islands, new evidence is emerging that a shakeout may be under way in Canada to clean up part of the old Anglo-Canadian intelligence operations involved in such operations in North America and the Caribbean.

Investigators in Canada and the United States are putting the major Canadian banks and a number of top corporate entities and government officials under close scrutiny to locate their precise involvement in drug- and gun-running operations which interface with KGB-controlled insurgencies in Grenada and other Central American countries. This includes the Royal Bank of Canada, the Bronfmans' Seagram, Bombardier Inc., and the law firm Phillips and Vineberg.

On Jan. 4, the *Montreal Gazette* reported unprecedented revelations linking these key Dope, Inc. connections with the recent seizure of \$30 million in assets of the reputed "mad sheikh" of North Hatley, Québec, Saad Gabr, a notorious Nazi-Communist gun-runner for the international drug mafia.

The *Gazette* not only reveals that the above-mentioned entities have also been served "seizure notices to list property they hold belonging to Gabr," but that "Department of National Defense documents show that Gabr is Bombardier's sales agent to Pakistan." Both Bombardier and Gabr's

Space Technology were identified two years ago by *EIR* (see *EIR* June 15, 1982) as the continuation of Space Research drugs-for-guns operations it ran through the Caribbean in the early 1970s. Space Research folded in 1972 after it was caught selling arms to South Africa and Cuba. Gabr's Space Technology was initially created by the Bronfmans as a front to channel arms, including nuclear-related technology, to Israel.

Gabr's revamped Space Research is to this day using Grenada, Barbados, and other Caribbean islands as testing grounds for high-grade ballistic systems and as transshipment points for gun-running to Cuba and insurgencies in Latin America, and Africa.

Bombardier Inc., which came into the limelight last year when it successfully bid for the construction of subway trains for the New York Transit Authority, has a license from the Canadian government for producing military, logistical, and aeronautical products. Gabr and Bombardier now own the former Space Research's 7,000 prime acres in Highwater-North Troy, grounds that straddle the border between Québec Province and Vermont without being subject to cumbersome law-enforcement supervision or customs duties.

These two outfits, like the scientific core of Space Research, overlaps with the National Research Center (NRC), a Canadian federal research group that grew out of the Special Operations Executive during World War II. Paul Redhead is the director of

physics research at NRC. In 1980, his cousin Sir Francis Redhead had been involved in preparing a coup against the government of Grenada. Formerly a U.N. representative for the Gairy government, Redhead had been a key figure in bringing Space Research's operations to that island.

After the invasion of Grenada, a *Toronto Sun* reporter revealed on Nov. 18 that one of the key subversive elements in Grenada for the past four years had been the Canadian University Services Overseas (CUSO), a so-called aid group involved in establishing agencies such as the Grenada Food and Nutrition Council, a Club of Rome outpost. CUSO has for years been in an excellent position to provide arms to revolutionaries throughout Central America and Africa. In 1979, Zambian head of CUSO, David Bier, provided \$100,000 for the Patriotic Front.

CUSO's corporate control apparatus is the Canadian Executive Service Overseas (CESO), whose staff is made up of retired Canadian corporate executives who have been running "aid cooperation" throughout the Caribbean since 1967. Bombardier's Claude Herbert, Seagram's Charles Bronfman, C. E. Ritchie of Scotiabank, Earle McLaughlin of the Royal Bank, and Canada's top Malthusian, Maurice Strong of the Canadian Development Investment Corporation, have served on CESO's corporate board. CUSO and CESO are funded by a Trudeau government Crown Corporation, the Canadian International Development Agency (CIDA).

In early November, Conservative M.P. Otto Jelinek sent a message to Grenadan Governor-General Sir Paul Scoon, warning him against allowing CUSO to "re-establish and entrench themselves, possibly to the detriment of Grenada." But CUSO is already back in Grenada.

## Terrorism is returning in Italy

*Serious acts of terrorism could happen in Italy at any moment, as terrorist groups are being re-organized and re-armed.*

The possibility of a renewed terror wave in Italy was discussed in Rome during a summit on Jan. 5 involving Interior Minister Scalfaro and representatives of Police, Carabinieri, and the Secret Services. Very little was revealed of this summit, but it is known that the following considerations led to the conclusion of an imminent terrorist renewal:

- 1) New links between Italian and foreign terrorism;
- 2) Red Brigades recruitment of goons from the Mafia and the Camorra, and close collaboration between the Mafia and Red Brigades;
- 3) Increasing reactivation of the "Roman column" of the Red Brigades;
- 4) Attempted weapons theft in a deposit belonging to the air force.

Added to this picture should be the strengthened collaboration which took place some time ago between terrorism, separatism, and Sardinian crime networks, the latter typically represented by MAS (Movimento Armato Sardo) which was involved in the kidnapping of the Rome jeweller Bulgari.

Given this situation, the following are the obvious problems which the new terrorist groups will have to solve: recruitment, weapons, and money.

On recruitment, advice was given by Padre Federico Lombardi, assistant editor of the official Jesuits' magazine *Civiltà Cattolica*. Lombardi wrote: "... We should note with attention the bill of the Italian Socialist Party on the renunciation from terrorism. . . . We should consider renunciation as a way out from the too rigid alternative between 'hardened' and

'reformed'. . . . In prison there are groups of people with a remarkable cultural preparation who are practicing self-criticism. . . ."

In other words, Padre Lombardi suggests releasing individuals of *Autonomia Operaia* without having them answer any questions on terrorist networks and members. All they must do is promise never to use terrorism again. When these "little angels" are free, they will probably march on Comiso, protest against U.S. missile deployments, have clashes with the police, and worse.

Weapons and money are not a serious problem for new terrorism: Qaddafi and the Islamic fanatics are supplying both.

The Islamic threat is not a religious war, as Qaddafi said in his year-end speech. Very simply, the KGB is working with the Muslim Brotherhood networks that are under control of the Swiss Banker François Genoud and the Nazi International. The target is Europe, or rather, the decoupling of Europe from the United States. The collaboration between the KGB and the Nazis is not astonishing.

The Italian magazine *Interarma* has revealed a Mossad report that circulated among European secret services concerning the formation by Iran, Syria, and Libya of a team of 200 Islamic terrorists ready for deployment in Europe. The report indicates that possible targets are the cruise and Pershing missile bases. Some observers say that every building or symbol of American policy could be hit, even the POE (Partito Operaio Europeo),

the POE (Partito Operaio Europeo), the Italian co-thinker organization of *EIR*-founder Lyndon LaRouche.

It should be noted that even if the Carabinieri stop the Red Brigades from reorganizing, there is a danger from right-wing groups that have long been linked ideologically to Islam. The connections between Jerusalem's Grand Mufti, Mussolini, and Hitler should be remembered.

In France, the Nazi groups FANE and Occident have gone underground, and in Italy it is difficult to say what fascist groups like *Terza Posizione*, *Avanguardia Nazionale*, or the Stefano Delle Chiaie group are doing. Claudio Mutti—the fascist leader of an Italy-Libya friendship association who also goes under the name Umar Amin—has translated writings of Khomeini and regularly writes on *Jihad* (Holy War), a magazine run by the former MSI (Movimento Sociale Italiano) member Giovanni Oggero. It is said that *Terza Posizione* now is totally Islamic, which would warrant investigation, except for the fact that the Italian Secret Services, well known for weapons smuggling, corruption, and inefficiency, seems too busy with in-fighting over the nomination of its new leaders.

On the other hand, the Italian government is deceiving itself with the hope that Italy will be spared the Shi'ite terrorist attacks. The religious leader of the Amal Shi'ites, Sheikh Mohammed Mahdi Chammseddin, met with Minister Spadolini after Christmas and promised him that Italian soldiers will be never attacked in Lebanon. In Rome, there is the illusion that this holds for Italy itself, which ignores the reality that the Islamic fanatics are out of control and that Soviet strategy is to hit Europe with acts of terrorism to force decoupling from the United States.

## How far will U.S.-Iraq ties go?

*Reagan and Weinberger want a strong Iraq, but friends of Khomeini stand in the way.*

Deputy Secretary of State Kenneth Dam, during a nationwide television appearance Jan. 8, threw into question the emerging U.S. support for Iraq in its war with Iran. Dam reiterated the longstanding State Department formula of neutrality toward the antagonists.

There is reported to be a fierce fight within the administration over how far U.S. overtures to Iraq, which broke relations with Washington just after the 1967 Mideast war, should go. Iraq White House Special Mideast Envoy Donald Rumsfeld made a sudden visit to Baghdad on Dec. 19 to discuss with Iraqi President Saddam Hussein re-establishing relations. Over the past two years the Reagan White House has quietly strengthened its links to Iraq, whose trade with the United States reached a record \$1 billion in 1983.

Reagan is said to back increased French military support for Iraq to destroy Iran's economic installations, if necessary, and force Khomeini to stop the fighting.

But the State Department and other circles associated with Henry A. Kissinger want only "limited ties" with Iraq. A source at Bechtel reports that such ties could be used to "neutralize" Saddam Hussein's stated intention of using his arsenal of Super-Etendard bombers and Exocet missiles to cripple Iran's economy. These circles are working to increase Iraq's oil income by pushing Syria to reopen the pipeline to the Mediterranean that Iraq used until Syria, a close ally of Iran, closed

it shortly after the war began. The source reports that if economically strapped Iraq receives more oil income, it will refrain from using all its force to end the war out of financial desperation.

On Dec. 6, a joint State and Defense Department team headed by Major-General Edwin Tixier and Deputy Assistant Secretary of State James Placke toured the Persian Gulf states. European sources say that they made a series of proposals to end the Gulf war, including U.S. arms aid to Iraq and limited intelligence-sharing. The oil-exporting Gulf sheikhdoms would sign military pacts with the United States in defense against future Khomeini attacks, and reduce their nearly \$1 billion in aid to Syria.

The Gulf states are said to have reacted coolly to the proposals, arguing that they do not want to provoke Khomeini by overt military ties to the United States. Rather, Saudi Arabia and its neighbors demanded that all U.S. illegal shipment of arms and spare parts to Khomeini be immediately halted.

Last month the London *Daily Telegraph* reported that Britain refused to cooperate with Washington on halting arms flows to Iran.

Two days after Dam's television appearance, the *New York Times* leaked that the National Security Council had completed a study in early November on U.S. relations with Iraq. The study is reported to claim that the United States could do very

little to directly help Iraq in the war.

From all indications Khomeini is quickly moving to take advantage of U.S. backtracking on support for Iraq. Over the past month, Iran is said to have increased purchases of sophisticated arms from Sweden, Switzerland, and Italy. Some of this equipment is reportedly transhipped via Soviet overland rail routes. Imports via Iran's major route, Turkey, have recently been slowed, causing a flap between Turkey and Iran.

Khomeini is said to be building up military positions at the mouth of the Persian Gulf, the Straits of Hormuz's Larak Island. In so doing, Iran is bolstering its threat of an attack either on oil tankers moving through the straits or directly on the oil installations of the Gulf Arab oil exporters which have been financially supporting Iraq's war effort. Khomeini hopes to blackmail these relatively defenseless states, Saudi Arabia included, into cutting aid for Iraq, further weakening the Iraqi economy and President Saddam Hussein.

In late November the Baghdad government severed its 10-year link to Arab terrorist Abu Nidal, a move the United States had requested as a precondition for closer ties. The same week, Iraqi Foreign Minister Tariq Aziz arrived in Moscow to strengthen relations, which have been cool. After Aziz's return Hussein declared that Baghdad-Moscow ties were improving. An interview with Aziz in the Jan. 6 edition of *Al Majallah* makes clear that Baghdad is far from convinced that the United States will break its support for Khomeini. Aziz urged that U.S. statements suggesting such a break be translated into "effective policies." He affirmed that for the time being Washington's intentions are being tested. For now Iraq intends to keep its options open with Moscow.

# International Intelligence

## ***Soviets adopt Spartan reform of education***

The Soviet Union is moving closer to the form of education pioneered by the warrior city-state of Sparta, and which is also popular among "practical, work-oriented" Americans.

*Pravda* announced Jan. 4 a reform of the Soviet education system, aimed at doubling the number of students who leave school after 11 years and take up a job, while substantially reducing the number of university applicants. A writer for *Literaturnaya Gazeta* recently complained that the Soviet education system still has too many features of the "German Gymnasium," meaning "useless knowledge."

The new curriculum will include one or two days of factory work per week. The ban on child labor below the age of 16 has been lifted for "light occupations," so that students leaving school can immediately enter factory life.

At the same time, compulsory Russian-language training will be increased in the non-Slavic republics of the Soviet Union. This is a result of pressure from the military, which has a growing number of Muslim recruits from the Central Asian Soviet republics.

Ethnic Soviet Muslims at present are usually assigned to non-combat units and menial tasks. Now, because of shortages of "real Russians," the army leadership—80 percent of the officer corps are "pure Russians," 15 percent Ukrainians and other Slavs—has become worried.

## ***Politburo's Romanov threatens West Germany***

Soviet Politburo member Grigori Romanov brought threats against both the United States and West Germany to the West German City of Nuremberg Jan. 6, where he delivered the "guest" speech at the West German Communist Party (DKP) congress. All pretense of diplomacy was cast aside as Romanov refused to use the occasion of his visit to meet with anyone in the government or even in the Social Democratic Party (SPD) opposition.

Romanov accused President Reagan of pursuing a policy of "pressure," "blackmail," "crusade against socialism," and "unimpeded rearmament" to try to escape from the "deepening general crisis of capitalism."

Then Romanov came to the point: "The name of this city reminds one of the tragedy of the Second World War. The stones of Nuremberg [where Nazis were tried for crimes against humanity] call out to us to draw the necessary lessons from history; but these have not been drawn everywhere . . . including here in the Federal Republic. The stationing creates the real possibility that here once again a war can begin on German soil. . . ."

"The stationing of new U.S. missiles in West Germany in no way enhances the security of your country . . . it undermines it."

Romanov was promoted to the party Central Committee Secretariat last year. The East German emissary to the congress was Egon Krenz, who was recently made Politburo member in charge of security. The tiny DKP has never merited such important guests in the past. It is now an important channel of Soviet funds to radical terrorist groups that are part of the "peace" movement.

It was left to DKP boss Herbert Mies to praise the SPD, and its decision against the Pershing missile stationing, and the Green Party, which entered parliament last year.

## ***Syrians say Lebanon is theirs***

Syrian Defense Minister Mustafa Tlas affirmed his country's longstanding claim to conquer Lebanon in early January when he told Radio Monte Carlo, "Syria and Lebanon are one nation." The so-called Greater Syria of the 19th century, based on Syria's status under the Ottoman Empire, included Lebanon, Jordan, Iraq—and Palestine.

Tlas, known for his close ties to the Soviet Union, reminisced that "during the French mandate, we were one country with one currency. There were no borders between us throughout the 25 years of the French mandate."

Since Henry Kissinger invited Syrian troops into Lebanon as "peacekeepers" in 1976, the Assad government in Damascus

has moved bit by bit to annex Lebanon's north and the Bekaa Valley. Today New York financial sources say that in the Bekaa Valley the Lebanese currency has been replaced by the Syrian pound. Exports from the Syrian-occupied region, including the Bekaa Valley's hashish and opium crops, are no longer shipped through Lebanese ports but must be moved through Syria.

Certain U.S. policymaking circles associated with Henry Kissinger and former State Department Undersecretary George Ball are quiet supporters of the idea of recreating a Syrian-administered satrapy carved out of Syria's neighbors.

## ***Philippines: BBC up to its old dirty tricks***

Question: Why does New York's public TV station dig out for airing a two-year-old British Broadcasting Company documentary on the Philippines? Answer: Both stations are part of an intelligence network which helps destroy—as the BBC did in Iran—pro-American governments.

The BBC production broadcast by New York City's Channel 13 Jan. 10 wholeheartedly backs efforts to kick strategically essential U.S. bases out of the Philippines, and paints the growing Jesuit-allied communist insurgency as the most credible alternative to President Ferdinand Marcos.

Release of the canned Philippines story coincided with a national conference of the major Filipino opposition parties Jan. 7-8. That congress set the conditions for making the Philippines ungovernable through the May legislative elections.

The star of the BBC production was former senator Jose Diokno, a close collaborator of Princeton Professor Richard Falk, the West German Green Party, and the American Indian Movement in creating a Southeast Asian peace movement. Diokno's coalition guided two-thirds of the assembled 2,500 delegates to adopt a resolution that makes opposition participation in the May elections conditional on repeal of the constitutional amendments granting the president emergency powers. Under current crisis conditions, it is unlikely Marcos will comply.

Diokno was joined by Lorenzo Tanada

and former Philippines President Diosdado Macapagal in proposing a transitional government and new constitution that will make the Philippines a "neutral" country. The Catholic Bishops Conference of the Philippines appears to be backing the Diokno faction.

### ***Qaddafi, Kissinger squeeze Tunisia***

A sabotage team entered Tunisia from Libya Jan. 7, according to a Tunisian Defense Department statement, and blew up an oil pipeline that carried Algerian and Tunisian oil to the Tunisian coast. This action followed a week of well-organized riots throughout Tunisia which singled out symbols of Western society for attack.

The riots were instigated by Islamic fundamentalists after the elimination of government food subsidies. The pipeline sabotage is meant by Qaddafi's Russian and Nazi controllers to terrorize Algeria and Tunisia, both under tremendous economic pressure, into subjection to the Qaddafi apparatus in northern Africa. Qaddafi is aiming for a Saharan Empire satrapy of the Soviet Union.

Kissinger and his assets have befriended the anti-Qaddafi forces in Tunisia, and the fight being manipulated in Tunisia between these forces and the Islamic fundamentalist forces are intended to polarize the situation and lead to the consolidation of power by the Qaddafi apparatus, as occurred before the Khomeini takeover in Iran.

The situation in Tunisia is complicated by the succession struggle around ailing 83-year-old president Habib Bourguiba. Both Bourguiba's wife, a significant force in Tunisian politics, and the present prime minister, Mzali, the successor-designate, are said to favor making a pragmatic deal with Qaddafi that would allow Tunisian workers to go to Libya, to alleviate economic pressure on Tunisia.

### ***Soviets increase pressure on Japan***

Ranking Japanese Defense Agency officials met with Prime Minister Yasuhiro Naka-

son on Jan. 6, warning him of the growing Soviet military threat in the Far East and of the urgent need for Japan to step up its self-defense expenditures. The same day the head of the Defense Agency, Yuko Kurihara, met with U.S. Ambassador Mike Mansfield to reassure him of Japan's commitment to assuming greater responsibility for its own defense.

In the meeting with the prime minister, the agency officials pointed to Soviet deployment of Soviet "Badger" bombers to their base at Cam Ranh Bay, Vietnam since late November, as well as the redeployment in December of the Kiev-class aircraft carrier *Novorossisk* from the Indian Ocean into the Pacific.

Almost every day recently, Soviet Backfire bombers, loaded with nuclear bombs, have been flying up to Japanese air space, skirting along its edges, and sometimes violating it, according to a knowledgeable Japanese source.

The Soviet Union is also training spetsnaz commandos for sabotage, assassination, etc. in Korea and Japan, at two bases in Asian Russia, in addition to their spetsnaz troops in Europe, according to a report in the Tokyo newspaper *Sankei Shimbun*.

### ***Carrington welcomed to NATO by Izvestiya***

On Christmas Day, the Soviet government newspaper *Izvestiya* published a short biography welcoming Lord Peter Carrington as the new head of NATO.

*Izvestiya* introduces the description approvingly by quoting outgoing NATO Secretary-General Joseph Luns on Carrington: "He is not a child who gets getting lost in the forest. The problems are very well known to him."

The paper cites some of the former and present positions of Carrington in major banks and companies.

Although Carrington would attribute nasty things to the Soviet Union, like the striving "to establish control over Europe," said *Izvestiya*, he recognizes that "the American commitments in Europe are linked more to the interests and security of America, than to the interests and security of Europe."

## ***Briefly***

● **ANTONIO** Diaz Martinez, the leader of the Sendero Luminoso terrorists, has been captured by police, Peruvian interior minister Percovich announced. Díaz Martínez is an agronomist who spent three years in China, and taught at the Huamanga University where the guerrillas were founded. Percovich said Díaz had corresponded with Baader-Meinhof terrorist Renata Herrenk, who has been in Peruvian jails for the past year.

● **ENOCH POWELL**, the "extreme right-wing" British politician, has joined hands with the "left-wing pacifist" Campaign for Nuclear Disarmament to accuse the American CIA of having murdered Lord Mountbatten, uncle of Prince Philip. Mountbatten was killed in a terrorist bombing off the coast of Ireland in 1979. The joint campaign was reported Jan. 9 in the London *Guardian*.

● **GENERAL YURI LEBEDEV**, asked to comment about President Reagan's statement that the Soviet military has become an "independent power," told the French Communist Party daily *L'Humanité* that the Soviet military is not running the U.S.S.R., would never dream of such insubordination, and would be subject to the worst of punishments if the marshals ever did anything on their own. Lebedev is one of the officers assigned in recent weeks to issue gory descriptions of Soviet military "countermeasures" against Western Europe and the United States after the deployment of Pershing missiles in Europe.

● **THE SPITZBERGEN** Islands must have their history rewritten, according to a Soviet archaeologist in *Pravda* Jan. 10. The claim is that at least 50 years before Dutch navigator W. Barents got there, a Russian tribe called the Pomors had settled on the Arctic Ocean located islands. Demilitarized by treaty, Spitzbergen is generally recognized as Norwegian, and overlooks (on a polar projection) the Soviet naval complex at Murmansk—the home base of 70 percent of their nuclear submarine fleet.

## Reagan administration stiffens its resolve

by Lonnie Wolfe

The Reagan White House is full of surprises. Just when the Eastern Establishment enemies of President Reagan thought they were gaining the upper hand, the White House has stiffened its backbone on some crucial policy questions. Our sources report that the President and his advisers have drawn up a list of three priority policies on which they are not willing to compromise:

- the ongoing strategic rearmament program;
- the development of a beam-weapon defense against nuclear missiles;
- the military defense of Europe with U.S. strategic forces against any Soviet threat.

The President affirmed these commitments in several recent public statements; particularly significant was the President's interview with the French *Le Figaro Magazine*, which was scarcely reported by the U.S. news media. In it he vowed that America's commitment to the defense of Europe was unshakable, and he reaffirmed the importance of his anti-ballistic-missile defense policy to maintain world peace.

At the same time, the White House appears to have forced a political consensus that will, for the time being, prevent any change in the deployment of U.S. forces in Lebanon and a collapse of policy there. Statements by Sens. John Tower (R-Tex.) and John Warner (R-Va.), terming a congressionally forced U.S. pullout from Lebanon a strategic disaster, buttressed this effort.

While the commitments in these areas are "non-negotiable," the White House appears ready to make pragmatic compromises with the crowd around Henry Kissinger on a number of other issues. Most importantly, the President grants

Kissinger and company maneuvering room for back-channel dealing with their Soviet counterparts. This threatens to undermine *all* Reagan policy initiatives.

### Strategic rearmament

Following meetings with his advisers, President Reagan has reaffirmed his total commitment to the strategic rearmament program proposed by Secretary of Defense Caspar Weinberger. A strong feature of that program is that the United States must be prepared to fight and win a nuclear war, as Weinberger has stated several times over the past three years—and for which he has been assaulted by the various media mouthpieces of the Eastern Establishment.

Weinberger's people know that the United States remains strategically vulnerable to superior Soviet forces, though they underestimate the immediacy of the Soviet threat. Sources close to the White House say that the President is therefore unwilling to make any significant compromises on the spending recommendations proposed by Weinberger, no matter how many times various bipartisan phony coalitions demand that the defense budget be slashed.

The White House has told anyone who will listen that it is not going to back down on the spending program, privately repeating that message to congressional allies. The President has thus rejected the advice of White House chief of Staff James Baker III, a Kissinger ally, that he "soften" his defense posture to avoid "unnecessary fights" with Congress during an election year. The fight is necessary, Reagan is reported to have told Baker.

According to leaks from the Defense Department, the



President Reagan has announced that the American military commitment to Europe and to strategic defense is unshakeable.

latest Strategic Guidance issued by Secretary Weinberger, and fully endorsed by the Joint Chiefs of Staff and the President, makes it clear that the United States is preparing to develop extended in-depth war-fighting capabilities. The Jan. 11 *Philadelphia Inquirer* sarcastically referred to this as "planning for World War IV." But the message gets out for anyone who cares to notice it: this is a dramatic change in U.S. defense planning, which was previously characterized by Robert McNamara's senseless doctrine of Mutually Assured Destruction—the refusal to think about strategic war fighting.

The Guidance calls for preparing and protecting reserves of nuclear weapons and delivery systems. Missile-launching submarines, bombers, and land-based missiles are to be held in secret reserve while communications are being hardened to enable them to survive nuclear strikes. Such measures are necessary steps to prevent the Soviets from moving toward a pre-emptive strike against the United States.

Weinberger, in tough statements to supposed factional allies at a National Conservative Foundation luncheon Jan. 11, argued that the United States must make itself ready to defend against a growing Soviet strategic threat. He pointed out that it was not only the self-described liberals who attack essential defense measures, but also the conservatives who contrive arguments in a vacuum and mobilize against needed programs. The administration doesn't need such "friends," Weinberger bluntly told his audience.

### **Beam-weapon defense**

The President remains totally committed to U.S. devel-

opment of beam-weapons defense systems against nuclear missile attack. This program, first discussed publicly by the White House in the President's dramatic March 23 address to the nation, is not viewed as a secondary feature of the nation's defense posture, but as a primary component to be developed as rapidly as possible.

Reagan's aides are prepared to spend \$30-\$50 billion on the initial stages of beam weapon development, though the totality of this commitment may not be publicly announced soon. Yet sources close to the White House report that a scientific task force has been put together within the White House Science Adviser's office to coordinate beam-weapon research programs that are already far advanced.

The President and his top aides have been quiet about the program for months, as if they thought that by doing so they might dampen potential opposition. But the opposition has scarcely died down—from the hysterical defenders of Mutually Assured Destruction around McGeorge Bundy and Robert McNamara or from their friends in the Soviet leadership.

Now, in the space of three weeks, President Reagan himself, Science Adviser George Keyworth and Defense Secretary Weinberger have prominently declared that the building of a defense against nuclear missiles is Reagan administration policy. The President, in his interview in *Le Figaro Magazine*, repeated his offer to the Soviets to accept this as fact and negotiate a new strategic doctrine not based on the nuclear balance of terror.

### **The defense of Europe**

The Soviets, their assets in Western Europe, and Henry Kissinger all argue that the United States will never risk the nuclear destruction of the U.S. mainland to defend Europe from attack. President Reagan sent Weinberger to Europe in December in part with orders to dispel that lie. Weinberger stated emphatically in an interview in the West German newspaper *Neue Osnabrücker Zeitung* at that time that the United States was unconditionally committed to the defense of Europe, by whatever means necessary.

Now President Reagan himself has spoken out in that same interview with *Le Figaro Magazine*. The United States will treat any attack on its European allies as an attack on itself, the President stated. This is the "cornerstone" of U.S. foreign policy and must not be misunderstood.

But Reagan and his advisers have left the barnyard wide open, and that old fox of foreign policy Henry Kissinger is prepared to move back inside.

The problem is pragmatism. Having defined the above three points as clear objectives, the Reagan people feel that they can make deals on other "less essential" areas of foreign policy with their worst enemies, the Kissinger crowd of the Eastern Establishment. In that way, the Reagan team thinks that it can keep them quiet during the election campaign or—in a wilder fantasy—turn Kissinger into an asset.

## LaRouche declares a national emergency

*EIR founder Lyndon H. LaRouche, Jr. has announced that his campaign organization for the Democratic presidential nomination will purchase a half-hour of prime national network television time on Jan. 21, which the candidate will use to inform the American population of the growing danger of a pre-emptive nuclear strike from the Soviet Union. LaRouche's announcement of the Jan. 21 television address is being mass-distributed in all 50 states. It reads as follows:*

Democratic presidential candidate Lyndon H. LaRouche, Jr. will use a half hour of nationwide television time to inform you of what any President of the United States should be telling you right now.

Since Soviet President Yuri Andropov dropped from sight, nearly five months ago, a military junta has taken full charge in Moscow. They are using their growing military superiority over the United States to take control of large chunks of Western Europe and the Middle East. They are moving rapidly toward a nuclear showdown with President Reagan—bigger and far worse than 1962. Moscow is confident that President Reagan, under pressure from “Neville Chamberlains” like Averell Harriman, Walter Mondale, and the *New York Times*, will be forced to back down to Soviet demands.

You and your grandchildren do not necessarily have to be slaves of a Russian Empire. We can defend ourselves, prevent our allies from being gobbled up, and probably force Moscow to negotiate on the basis of President Reagan's March 1983 anti-missile defense doctrine, if Democrats would rise up now and shout loud and clear, “Democrats are patriots, too!”

If we mobilize our sick economy as President Roosevelt began to do in 1939, and unleash an “Apollo”-style buildup of weapons to destroy missiles fired against the United States, we have a very good chance of surviving. Hear Democratic statesman LaRouche. If you agree with what he says, then call the White House and your congressman and tell them so.

Kissinger's crowd has taken advantage of this stupidity to move to reestablish themselves at the center of “back channels” maneuvering with the East. The Kissinger networks arranged, through their private channels, the upcoming meeting between Secretary of State George Shultz and Soviet Foreign Minister Andrei Gromyko at the Stockholm conference on European security. The idea was sold to the White House as “good politics”—it would quell fears of a new cold war developing out of the cutoff of all arms control negotiations.

Similarly Shultz, Baker, and indirectly Kissinger have convinced Reagan to make a “conciliatory” speech on Soviet relations prior to the Jan. 18 Shultz-Gromyko meeting. Reagan is not expected to change any significant policy or make any Kissingerian offers—no matter what *The New York Times* says. He hasn't changed his views on the Soviet Union. Just say it a different way, say Shultz and Baker, drop the “evil empire” descriptions of the Soviets, treat them as “counterparts.”

To the extent that Reagan is convinced to do such things—even if the substance of his policy doesn't change—a signal will be sent to the Soviets that Kissinger has some clout within the administration, and his “back channel” to the White House will tend to become the preferred route of communication from Moscow. By Reagan giving a very little, Kissinger will get an awful lot.

But an even worse error is the ceding of political ground to Kissinger and the Pugwash arms control crowd in West Germany. The United States, recognizing the vulnerability of Germany to Soviet attack, earlier this year offered to place neutron weapons on German soil to reduce the chances of the Soviets overwhelming NATO's defenses. The Kohl government refused the offer.

Now the attitude in circles close to Weinberger is that the political situation in the Federal Republic is bordering on hopeless. Having no idea of what to do, they rely on Ambassador Arthur Burns, who, as we document elsewhere in this issue (see articles, page 4 and 31) is a key controller of the operation to decouple Europe from the United States.

Kissinger, Burns's good friend, delivered the keynote speech Jan. 13 at a meeting on “the future of NATO” held near the Brussels NATO headquarters under the auspices of Georgetown University's Center for Strategic and International Studies. Kissinger, who is using his Commission on Central America as the stepping stone toward gaining control over U.S. foreign policy, attempted to present himself in Brussels as a virtual spokesman for the Reagan administration. He recommended the formation of a high-level international arms control group, to be headed by his business partner, Britain's Peter Lord Carrington.

### **Moscow's ‘Kissinger card’**

If the Soviets are angered by Reagan's commitment to defend the United States and its allies, they are amused by

Kissinger's persistence as a "back channel." They will no doubt offer a few carrots here and there to strengthen Kissinger's hand. There is talk around Washington about a "warming trend" in U.S.-Soviet relations, based mostly on things of lesser diplomatic consequence—improvements of the "hot line," oil drilling rights in the Bering Sea. The Soviets will also restrain the Syrians in the Middle East, provided they are cut in on any settlement.

But these are atmospherics. The Soviets continue on their track towards a nuclear confrontation with the United States—a showdown that they feel confident that they can win, with the help of Kissinger. So far, the measures that President Reagan and his advisers have taken are inadequate to force the Soviets to back off and negotiate on matters of real substance, like the beam weapon offer.

If President Reagan is to win the fight for the survival of his administration and the nation, he will have to shut down the Kissinger-Pugwash operations. That would give real substance to his three non-negotiable policy imperatives because it would make the Soviets believe that he is serious about carrying them out.

## Reagan reaffirms ABM offer to the Soviet Union

*President Reagan's interview with Robert Lacontre of Le Figaro Magazine, excerpted here, was conducted on Dec. 22 and released by the White House on Jan. 7.*

**Q:** The Romans used to say: "If you want peace, prepare for war." How do you explain the fact that the U.S.S.R., a poor country, has such great military powers, whereas the wealthy United States remains so far back?

**President Reagan:** No one is more conscious than I that the Soviet Union devotes more than twice as much of its economic resources to the military as the U.S. does, and has been doing so over the past two decades, despite relative restraint on the part of the West. Other sectors of the Soviet economy, particularly those devoted to consumer production, suffer as a result. If the Soviet people had a voice in the matter, the Soviet defense budget would probably be a lot smaller. But the people have no voice in the allocation of national resources. We in the West face the more demanding task of maintaining adequate military strength with the consent of our free peoples.

I would add that, while the continuing Soviet military buildup is of course a concern and requires a substantial U.S. and Allied response, talk of the United States being "far back" suggests an alarming state of military weakness in the West that the facts do not warrant. While more still needs to

be done, we and our Allies have made important strides in the last few years toward restoring the military balance.

**Q:** For example, Gen. Rogers told me recently that NATO had acquired 400 of the latest tanks whereas the Russian Army had got 1,000 that very same year. Is the free world incapable of arming itself?

**President Reagan:** I am confident that the Atlantic Alliance has the resources necessary to maintain an effective deterrent if they wish. The Warsaw Pact's continuing buildup of both nuclear and conventional forces is of major concern to the Alliance. We are responding. The deployment of INF missiles is part of our coordinated response to that threat. The modernization of America's strategic deterrent is another element of our response.

The improvement of NATO's conventional forces is extremely important. In the face of the Soviet Union's relentless military buildup all of us must do more to strengthen our conventional forces. America's conventional force modernization program is in high gear, and involves equipment modernization and improvements in organization and training. America cannot do the job alone, and it is very important for each Alliance partner to make every effort to strengthen their own forces.

**Q:** You have begun construction of MX super powerful rockets but the Russians are also coming out with rockets as powerful. How are you planning to catch up with the USSR's military power or even talking of leaving them behind?

**President Reagan:** Our policy is to create a more stable international balance and, through negotiations with the Soviets, reduce the numbers of arms—especially nuclear weapons—on both sides. Now for many years, throughout the 1970s, the Soviets pursued a massive arms buildup at a time when the United States was exercising restraint. It became clear that the only way to get the Soviets to exercise restraint was to demonstrate that we would restore the balance. The increases in military procurement which this Administration has undertaken are meant to restore and preserve an East-West arms balance as we pursue the other half of our policy—to seek deep reductions of arms on both sides through negotiations.

**Q:** Can you comment on the ultra-secret project known as High Frontier, that is, your preparation for a future space war?

**President Reagan:** Well, without restricting myself to that particular approach, I have asked for a complete study and for research into trying to develop a defense weapon against nuclear weapons. But again, I am proposing that in the interest of hopefully being able to eliminate those weapons. If we could succeed and bring about a realistic defensive weapon against them, then my next step would be to inform the Soviet Union that we have this, and now we were prepared to join them in eliminating all such weapons in the world.

**Q:** In February 1981, you declared to *Le Figaro Magazine* that the American people would consider any attack on Europe as an attack on the United States. But since [then] we have often heard from across the Atlantic statements that America would not risk in any way its survival in a war against Russia just to help European troublemakers. What is your opinion on this today?

**President Reagan:** My opinion remains completely unchanged. The United States would consider any attack on its NATO allies as an attack on itself. This is a commitment enshrined in the North Atlantic Treaty. It is a commitment which the United States has reiterated many times and enjoys broad support in the Congress and among the American people. We share common values, a common heritage, and parallel dreams. Europe's security is indivisible from our own. I can hardly think of another aspect of U.S. foreign policy on which there is broader consensus than our commitment to defend our NATO allies against attack.

**Q:** I will insist if I may that Europe is becoming more and more "pinkish," i.e., more and more socialist or more and more socialo-communist; don't you think that a new American President would be inclined to leave Europeans to themselves in order to look toward more promising areas such as Asia, Latin America, and let Russia paddle in Europe?

**President Reagan:** I can only speak for myself. But in my view, there is no possibility of America's reducing its ties to Western Europe or its commitment to its NATO allies, let alone abandoning its European friends. We know that our security and that of Europe are bound together. Our friendships and alliances in other parts of the world are also very important—to our European friends as well as to ourselves. These ties are not in any way incompatible with our relationship with Europe. . . .

**Q:** How are you going to deal with the Middle East question? Don't you consider it "immoral" to allow tiny Lebanon to be destroyed by foreign forces with impunity at the same time GIs and French paratroopers get killed, apparently for nothing?

**President Reagan:** The policy objectives of this administration have remained consistent. It is a policy we share with the Government of Lebanon. We seek the re-establishment of a stable, representative and fully sovereign Lebanese government, committed to national reconciliation, which can control all Lebanese territory. We also seek arrangements that will assure the security of Israel's northern border. If Lebanon is to have a chance, all external forces must leave.

The Multinational Force is in Lebanon because its presence has been requested by the Lebanese Government to support that government's efforts to consolidate that authority. The MNF helps provide the support and confidence the Government of Lebanon needs in moving forward to strengthen the fragile cease fire, to achieve political reconciliation, and to secure the withdrawal of foreign forces. . . .

## Weinberger calls beam defense a vital American goal

U.S. Secretary of Defense Caspar Weinberger stated in Washington, D.C. on Jan. 11 that a "working ability to defend against ballistic missiles" is one of the "most important" components of the United States defense program. Weinberger was addressing a meeting of the National Conservative Foundation. "Defense against ballistic missiles is a vital goal of the United States," Weinberger said. "The Soviets are working hard in this area and have for a long time. One can imagine the consequences if the Soviet Union developed this capability and other nations have not."

Weinberger added that he expected this to be a "long, expensive, and difficult task but we can do it with the resolve to spend the money and spend the time to accomplish it."

"It is not only the liberals who want to cut the defense budget," Weinberger said. "It is also conservatives who are unwilling to face the cost, who use one example of wasteful spending as an excuse to justify cutting the entire defense budget. . . . You will be tempted many times with arguments that you don't need to spend all this money on defense, that we're too technologically sophisticated, that we could use cheaper equipment . . . but these arguments are in a vacuum. They don't look at the Soviet threat. Soviet equipment is not unsophisticated. Soviet equipment is not inexpensive . . . there must be discussion of things gone wrong, and it will require enormous efforts on our part to correct them."

Weinberger said that these conservative critics have yet to "reconcile their belief in the need for [budget] cuts with the need for increased defense spending in the face of an extremely ominous Soviet military buildup and their clear willingness to use that force." The major problem facing the United States, he stated, is "the enormous growth of Soviet military power" since 1960, to which the United States failed to respond. "This gave the Soviets new opportunities for blackmail."

Weinberger singled out the 1970s, when "We cut our defense spending and hoped détente would cover the balance. . . . When this administration came in we had to double duty . . . with a major need for strategic modernization . . . and conventionally where we had planes that couldn't fly, lack of spare parts, fuel, not enough money for adequate training, and many talking about the need for the draft again because of manpower problems. . . . We had to replace equipment that was built in the 1960s. . . . For example,

we've brought in the M-1 tank. I just think what it would be like sending men into combat with equipment that we know will be inferior to what the other side has. . . .

"Some suggest that there is a discrepancy between our strategy and the resources that we have to carry it out," Weinberger said. "But I ask them, what do you want us to give up? NATO? Japan and Korea? The Caribbean? Continental defense of the United States? Yet some keep looking at the cost rather than the threat."

## Keyworth upholds policy against press distortions

*Dr. George Keyworth II, President Reagan's science adviser, attacked the media and the arms-control apparatus in the United States on Jan. 10 for their attempt to sabotage the President's March 23 strategic defense initiative. Keyworth was speaking to the Hoover Institute Board of Overseers.*

The 1970s were years in which we downplayed the importance of national defense. . . . When President Reagan took office he found a situation in which the Soviet Union had made startling progress—let me repeat, *startling* progress—through the 1980s, while we had very much sat on our hands. I think it's true that we did enter the 1970s far in front militarily because of our superior technology. But we emerged from the 1970s with the military technologies of the two countries much closer to even—and we were generally far outnumbered to boot. . . . You don't have to be an expert in defense issues to sense the bleak future of relying indefinitely on a doctrine of massive retaliation to deter your enemy from attacking you with nuclear weapons. I believe the millions of Americans who are attracted to the nuclear freeze movement are responding in large part to that perception. . . .

As you remember, [President Reagan's March 23 speech] caused an almost-apoplectic reaction in some quarters. The unfortunate result was that what was an extremely clear and logical message was obscured in the noise that followed. . . . When the President's announcement was first made, we heard vehement reactions from some of the traditional arms-control activists. I watched with some amazement while a few dozen of them marshalled largely irrelevant technical arguments against the President's proposal for strategic defense. At the same time, they embraced as the preferred alternative the strategy of deterrence through massive retaliation—the nuclear balance of terror that I thought they had abhorred up until March 23. . . .

[Among the broader scientific community the attitude initially was skeptical.] Now, 10 months later, their attitudes have changed. In a totally different technology, we've also seen *very* recent advances that permit us to compensate for atmospheric break-up of laser beams; that's been a major obstacle to the possible use of long-range laser weapons. . . .

The Fletcher panel concluded that we can now project the technology—even though it hasn't been demonstrated yet—to develop a defense system that could drastically reduce the threat of attack by ballistic missiles. . . .

My feeling is that it's likely to take five or six years of research and development to bring us to the point where we can *make* the critical decisions about developing and deploying actual systems. . . . My own preference is to plan for a number of demonstrations of the evolving technology—some periodic visible proof of progress. . . . Such a demonstration would pressure the Soviets to take our arms reduction proposals much more seriously than they do now. . . .

## Warner, Tower warn against a U.S. pullout from Lebanon

*Following a seven-day tour of Lebanon, Israel, Syria, Jordan, and Egypt, Senate Foreign Relations Committee chairman John Tower and Sen. John Warner issued a statement Jan. 11, warning of the "disastrous" consequences of a U.S. troop pullout from Lebanon.*

Based on our meetings with officials in the region, it is absolutely clear that a withdrawal of the U.S. forces from Lebanon, particularly a Congressionally mandated withdrawal, without substantial evidence of diplomatic success, would have a disastrous effect upon continued U.S. influence throughout the vitally important Middle East and perhaps elsewhere. This judgment was stressed by every official with whom we met, with the exception of officials of the Syrian government. One senior official with whom we visited put it this way, "The U.S. would be seen as a 'paper tiger' were it to withdraw in the face of domestic political pressure resulting from sporadic terrorist activity." In addition, Middle East leaders believe that Syria's position of influence in the region will be greatly enhanced by a precipitous withdrawal of U.S. Marines, as she will be perceived to have successfully resisted the United States, while moderate Arab states friendly to the United States will be weakened.

In our view, a U.S. withdrawal would almost certainly lead to the withdrawal of the other MNF [multi-national force] contingents. Regardless, there is no substitute for the presence of the U.S. force in Lebanon. Most officials warned that the withdrawal of the MNF could undermine the Gemayel government and any prospects for achieving what all parties hope to achieve—namely, political reconciliation in Lebanon. . . . Moreover, officials in the region believe that there is no real difference between setting a time limit of six months on the U.S. military presence in Lebanon, and an immediate withdrawal; in their view, the effects will be the same, in that Syria and other opposing forces will patiently await their departure and refuse to negotiate seriously on political and security issues.

## Making Central America a 'geopolitical' issue

Whatever else it's designed for, the "National Bipartisan Commission on Central America," which released its 132-page report to the President and the press the second week in January, appears to be implementing its principal purpose: the elevation of Commission chairman Henry A. Kissinger to the status of adviser to the President and (some say) secretary of state. Even before its release, speculation and leaks of the contents had dominated the headlines for days.

The draft of the Commission's recommendations, under the guise of countering a Soviet-Cuban threat in the region, proposes a massive arms buildup in a region riddled with Jesuits, Moonies and other cults.

Kissinger focuses much of his report on warning against the threat of "a strategic coup of major proportions" by the Soviets in Central America if the United States does not boost the Honduran, Guatemalan, and Salvadoran militaries with infusions of funds, training, and war materiel.

The *New York Times* and *Washington Post* played up the so-called objections to Kissinger's "militarist" hard line from liberal Commission participants Robert Strauss, Henry Cisneros, and Carlos Diaz Alejandro, the better to sell the Henry the "conservative" to President Reagan.

The President would do well to draw some conclusions from the close resemblance of Kissinger's geopoliti-

cal analysis to that of his "New Yalta" partner Yuri Andropov. Defining Central America as the United States' "strategic rear," the Kissinger report declares, "A critical factor in the ability of the United States to sustain a tolerable balance of power on the global scene at a manageable cost has been the inherent security of its land borders. . . . The advance of Soviet and Cuban power on the American mainland threatens this balance."

In April 1983, Soviet President Yuri Andropov told the German magazine *Der Spiegel*, "We have a long common border and it does make a difference to us what kind of Afghanistan it will be. To make this better understood, let us put it this way, for example: as if it would not make any difference to the United States what kind of government Nicaragua would have."

Strip the doublespeak away from both Kissinger's and Andropov's statements and the message is clear: You carry out genocide in your part of the world and we'll do it in ours!

As a "Democratic member of the Commission" cited by the *New York Times* notes in speaking of President Reagan, "You give him the [anti-Soviet] garbage and we change the policy." The "policy change" referred to is the Commission's effort to force a return to Carter's "human rights" linkage to financial aid, specifically the use of food-warfare and population-control conditionalities, while continuing the arms buildup. According to the Kissinger report, a new international body—a Central American Development Organization (CADO)—should be created to oversee doling out aid to Central America based on such linkages.

To be blunt, under all the anti-Soviet wrappings, this is an escalation of the plan to sink Central America into a dragged-out, fratricidal war. Such a war, State Department functionaries in the Kissinger-created Office of

Population Affairs have admitted, is designed to cut population—by killing not only soldiers but civilian women of child-bearing age.

## Sabotaging Contadora

Moreover, in the orchestrated controversy around the Kissinger document in the Washington "Pravda" and New York "Tass," hardly anyone took note of the peacemaking efforts of the Contadora group of nations—Colombia, Venezuela, Mexico, and Panama—whose foreign ministers were meeting in Panama City the weekend before the Kissinger report came out. Those regional powers are trying to formulate a positive counterproposal to the U.S. State Department's "Thirty Years War" scenario.

According to Mexican press reports on the deliberations, all the Central American nations have apparently signed a new Contadora-formulated declaration which: 1) supports making an inventory of all existing arsenals and military personnel, 2) reiterates the goal of withdrawing all foreign advisers, 3) denounces and rejects official support for death squads and other paramilitary formations, 4) calls for elections in which "all political currents" are allowed to participate, 5) emphasizes "full cooperation with Cadesca," the Central American economic entity set up under the aegis of the Latin American Economic System (SELA) now meeting in Quito.

But the Kissinger Commission, by drawing all attention to itself through a series of staged "differences" and "reconciliations," succeeded in minimizing Contadora's own quite distinct policy considerations. In short, the report's claim that "The United States has a strong interest in encouraging the nations of Central America to assume greater responsibility for regional arrangements," is one of those egregiously blatant lies that Henry thinks only he can get away with.

### 'Hey, we were never a juggernaut'

Walter Mondale's well-publicized campaign steamroller is beginning to show signs of turning into a rickety piece of junk.

The news media decline to focus on the obvious—that Mondale is a sure loser and a treacherous snake to boot—but press reports of trouble and trepidation in his campaign organization are coming from all sides.

Mondale has fired his campaign coordinator in Iowa, a little less than one month before the nation's first caucus. The reason: The Mondale campaign has been a non-starter, despite the press hype. His aides say that reports of a big win in Iowa are overblown. "Hey, we were never the juggernaut that people thought we were," said one aide.

Aides are now openly worried that all the propaganda about Mondale's invincibility may have blown his balloon up too far; if he fails to live up to the media-created perceptions, Mondale suddenly looks like a loser—even if he wins the Feb. 20 caucus. And once the loser tag is on Mondale, it will be hard for him to shake it.

Iowa is known for rigged, stage-managed caucus results. The last two elections have featured major surprises—unknown Trilateral zombie Jimmy Carter winning the 1976 Democratic caucus and George Bush upsetting Ronald Reagan in the GOP 1980 caucus. Is somebody orchestrating a surprise for Mondale?

The key component of Mondale's vote-delivery machine, the AFL-CIO, is having trouble delivering. Labor is

way behind in setting up its Mondale-for-President phone banks in Iowa and in recruiting local coordinators. Nationally, AFL-CIO head Lane Kirkland's ability to deliver labor anywhere is questionable at best and Mondale is counting on Kirkland. These failures have produced some friction between Mondale and his labor "backers." The position of Iowa labor liaison to the campaign is now vacant.

Mondale's new campaign director in the state, Joe Trippi, trying to hold down expectations for the caucus balloting, stated, "If you ask me today which campaign is best equipped to turn out the vote, I'd say it is Alan Cranston's."

Our labor-union sources suggest that Mondale might be in even bigger trouble in Iowa than his aides will admit. For example, key leaders of the Iowa building trades are not only not doing anything to help the campaign, they are telling other people to stay away.

### Traps for Mondale in New Hampshire and New York

In New Hampshire, the biggest event of the primary season so far will be an all-major-candidate debate on Jan. 15 which now appears to be "everybody against Mondale." The three-hour debate will be broadcast live nationally.

Mondale originally planned to duck the debate, but had second thoughts, remembering the disaster that befell George Bush when he refused to appear at a similar event in 1980. Mondale generally does from poor to awful in such settings and his aides know it. His aides are telling the press that they fear everybody will gang up on poor Walter. Private meetings among the candidates to arrange such a Mondale trap are said to already have taken place.

Strange things may also be in preparation for Mondale in New York. To do well in the state, he must do well among three constituencies—labor, minorities, and Jewish voters. His delivery apparatus in all these areas is weak at best.

Labor is in worst shape. The head of the state AFL-CIO, Ray Corbett, has been eased out at the behest of Mondale loyalist, the unpopular Victor Gotbaum of AFSCME District 37. The fear was that Corbett would organize a sit-down strike against the AFL-CIO-endorsed Mondale, as he did to Jimmy Carter in 1980. Meanwhile, Gotbaum and AFSCME will come under "raiding attack" by the pro-Reagan Teamsters. One labor source predicts "bloody warfare" and few votes for Mondale.

Mondale's New York campaign chairman, Gov. Mario Cuomo, has let his lack of enthusiasm for the candidate be known in several ways. Cuomo gave several interviews late last year saying that unless things change dramatically, Reagan is a favorite for reelection. He criticized the Democrats for misestimating the mood of the country. Fear grows that Cuomo may be a "submarine" for Glenn.

Meanwhile, New York Mayor Ed Koch has also been decidedly unenthusiastic about the Democratic front-runner, and has shown some friendliness toward John Glenn's campaign. No one is predicting a setback for Mondale in New York, yet. But neither is anyone talking about a great victory. Again, if the right strings are pulled, Mondale is in trouble.

Mondale insiders are worried about candidates like George McGovern and Jesse Jackson. They have no chance of winning the nomination, yet appear content to wreck Mondale and promote maximum chaos.

"Nothing is decided yet," said one Democratic insider. "If and when Mondale starts to fall, it will be a long sudden drop."

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## First signs of in-depth U.S. warfighting plan

The latest Defense Guidance of the Department of Defense calls for preparing for extended, in-depth warfighting capabilities, referred to as "planning for World War IV," according to a Jan. 11 *Philadelphia Inquirer* article by Frank Greve. This represents a significant change in U.S. defense planning, which has previously been more characterized by approaching thermonuclear war as "unthinkable."

The article points out that the guidance calls for preparing and protecting reserves of nuclear weapons and delivery systems. These would include submarines, "bombers and land-based ballistic missiles likewise held in secret reserve." Also included are plans for ensuring that a "war-waging National Command Authority—with a line of succession that runs from the president to the vice president, then to the secretary of defense and his civilian deputies—is able to communicate with and command the nation's surviving military resources.

"New communications systems, 'hardened' to endure nuclear attacks, will receive \$18 billion under the plan and will enjoy 'top priority' in Pentagon funding."

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## Garwin takes another spin around Red Square

One of the Soviet Union's favorite American defense scientists has teamed up with the Soviets' favorite West German mass-media outlet for another propaganda-attack on the U.S. President's beam-weapons policy.

*Der Spiegel* magazine, known to be preparing a major slander of Lyndon and Helga LaRouche, published a seven-page interview in early January with Richard Garwin, for whom the Soviets had so many good words for at the Erice East-West scientists' conference last summer.

*Spiegel* is the magazine of hashish con-

sumer Rudolf Augstein, a close Free Democratic Party associate of FDP chairman and West German Foreign Minister Hans-Dietrich Genscher, the top German link to both Khomeini's terrorists and the beam-weapons opponents in NATO.

The interview is a good study in the logic of appeasement: Although, says Garwin, only an inadequate and very expensive anti-missile defense system could be built, if an effective system were possible it would be a cause for war: "It can threaten total disarmament of the enemy, and the enemy of course is forced to strike back; that means, that in a time without conflicts there would suddenly be war—preventive war."

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## Lehman wants officers punished for Beirut

Jet-setter and U.S. Navy Secretary John Lehman, in opposition to the policy of President Reagan and his own staff officers, recommended that military officers be reprimanded for command failures associated with last year's bombing of the U.S. Marine compound in Beirut that killed 239 Marines.

Lehman submitted his recommendations, which were leaked in substance to the *New York Times*, as part of a Pentagon review of the bombing which has included the Long Commission investigation.

President Reagan stated after the release of the Long Commission report that no officers would be blamed directly for the bombing. While not ruling out reprimands, the White House had reportedly desired that the issue be resolved through improved security measures and otherwise allowed to quiet down. Lehman, also reportedly an opponent of the President's program for beam-weapon defense against strategic missiles, is suspected of leaking his recommendations to the *Times* to embarrass Weinberger and the President.

Chief of Naval Operations Admiral Watkins has repeatedly clashed with Lehman on policy matters. The *Times'* purpose in reporting the current clash is to politically embarrass Watkins, a strong supporter of the beam-weapons program, and allied officers.

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## Bundy calls for future backdowns to Soviets

"Eastern Establishment" chief McGeorge Bundy makes a rather subtle argument on Moscow's behalf, in an op-ed in the Jan. 6 *New York Times*. Disguised as a warning against Kissingerian threats of a U.S. invasion of Nicaragua, Bundy answers the demands of Lyndon LaRouche, Idaho Senator Steve Symms, and others that the secret protocols arrived at by Kennedy and Khrushchev during the 1962 Cuban missile crisis be revealed.

Bundy argues that the assurances given by Kennedy to Khrushchev were proper and necessary. Though he claims falsely that no written agreements exist, and pretends that the crux of Kennedy's concession was simply to pledge not to launch an invasion of Cuba he did not seek in any case—not the mammoth concession of a pullout of U.S. missiles from Turkey, Italy, and elsewhere in Europe, following the crisis—Bundy's message is clear when he accurately denies that the "understanding" between Kennedy and Khrushchev was "a great American victory," and proceeds to call for the same sort of response in future crises.

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## New York Times attacks Kramer-Armstrong bill

That creature which can do great harm to men but which itself has little brain, has been known at least since Biblical times as the viper. Flora Lewis, one of the *New York Times'* most senior vipers, was released on Jan. 6 against Rep. Ken Kramer's "People Protection Act," a bill she describes as offered "in support of President Reagan's call to develop a space-based defense against missiles as the magic formula to end the nuclear menace." The legislation is co-sponsored by Kramer's fellow Colorado Republican, Sen. William Armstrong.

"A little-noticed bill before Congress holds the seeds of a military commitment that could be as momentous for the fate of

the United States and the world as creation of the vast nuclear arsenals," writes Lewis.

"Air Force Space Command . . . seeks a panoply of arms in space. It believes war in space is inevitable, that fighting in space will be the 'decisive form of military power,' and that the U.S. will win if it hurries. This argument is not about defense but offense. . . ."

"But to begin with, there are the gravest scientific doubts that 20 years and astronomical sums could achieve such a defense system. If it could, no reputable scientist, even among those who want to try, claims it would be really complete. . . . It would be 10 times easier and many more times cheaper to foil the defense system. Meanwhile, there would surely be another spurt in the missile race to overwhelm the possibility of defenses.

"Nor is there the slightest sign that the goal of 'mutually assured protection' means what it says. . . . It is cruel to create the illusion that this way lies deliverance from nuclear terror. And it is harmful to the cohesion of American society, for already some people are beginning to charge disloyalty and even treason against scientists expressing honest, reasoned opposition to Mr. Reagan's mesmerizing promise of pie-in-the-sky."

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## Long Commission Attacks President

The Harrimanite Democrats that ran the Carter administration are behind the recent Long Commission report on Lebanon which attacks President Reagan's policy as "indefensible."

According to Washington correspondent Niles Latham in the Jan. 8 New York Post, five of the commission members "saw their careers peak during the Carter administration and then diminish after 1981."

● Commission chairman Adm. Robert Long was the likely chairman of the Joint Chiefs of Staff had Carter won re-election; he retired after being passed over by President Reagan. Long is also a longtime friend of House Speaker Tip O'Neill, who is a vociferous supporter of its recommendation.

● Commissioner Robert J. Murray is

reported to be personally close to Carter and held several posts during the Carter presidency, including Undersecretary of the Navy and Deputy Assistant Secretary of Defense.

Senior White House officials are reportedly furious over the blatant anti-Reagan political character of the Commission's report. "It is one thing to deal with security arrangements, intelligence reporting and rules of engagement. But it is entirely another thing for an independent military commission to give political recommendations like that," Latham quotes an unnamed senior Mideast expert as saying.

Meanwhile, Jimmy Carter himself has backed up the Commission's findings and called for an immediate withdrawal of U.S. forces. In an interview with the Beirut English language weekly *Monday Morning*, Carter, who supervised the U.S. loss of Iran to Khomeini and the Soviets, says the Marines must go, because as the Commission found, they had lost their neutral role as peacekeeping forces. Carter further urged Reagan not to underestimate the importance of Syria to a Middle East settlement and to hold direct talks with Syrian President Assad.

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## Soviets blast 'secret' U.S.-Norway defense ties

Documents have been leaked by the Norwegian Defense Ministry revealing a 1973 U.S.-Norwegian "secret agreement" which discloses that "in times of crisis" the United States combat, reconnaissance, and transport aircraft can use seven airfields in Norway, according to *Izvestiya* Jan. 7.

The leaking of the documents will feed the ongoing Soviet campaign to "Finlandize" Scandinavia. *Izvestiya* cited the "uproar" in Norway caused by the publication of the secret documents by the Defense Ministry, claiming that this is "one of the biggest political scandals in the postwar years." The Swedish daily *Svenska Dagbladet* said that the publication of these documents "has activated anti-NATO and anti-missile sentiments in Norway."

The Soviet Union, according to *Izvestiya*, knows of 238 U.S.-Norwegian "secret," never-published agreements.

## Briefly

● **RICHARD PERLE** is heading up a special Defense Department task force which will file by March 1 its draft report to Congress on strengthening conventional forces in Europe. This operation is an outgrowth of the Carrington-McGeorge Bundy Club of Rome "European Security Study (ESECS)," whose "conventional deterrence" nonsense infects the NATO command. Perle and his fellow Kissingerians expect the report, like the ESECS study itself, to help draw the military policy debate away from strategic nuclear forces and strategic beam weapons defense.

● **A STUDY** by the Brookings Institution and MIT, under the name "Ballistic Missile Defense," was released Jan. 11. It concludes, "It is highly unlikely—indeed, the prospect is so remote that it is of no practical interest—that BMD will alter the mutual hostage relationship of the U.S. and the Soviet Union, in which each is vulnerable to mortal damage by the other."

● **THE VATICAN** and the United States have established full diplomatic relations for the first time since 1867. California industrialist William A. Wilson, a close friend of President Reagan, was nominated as ambassador. The *New York Times* suspects a plot between Reagan and the Vatican to counter the influence of the pro-nuclear-freeze American bishops, but there are also elements within the Vatican favoring "a new Yalta" with the Soviets.

● **JUST TO PROVE** to you how clever Henry A. Kissinger can be when he tries, did you ever realize that he doesn't actually look like Prime Minister Neville Chamberlain? But, he is extremely tasteless. . . . he could walk throughout a starving mob of hungry cannibals without being scratched by a knife or fork. Bloodhounds set to track Henry Kissinger fall into a dead faint after sniffing his footsteps. All in all, you'd have to call him a queer duck—if he were a duck.

### *Lebanon policy: Mondale vs. LaRouche*

Walter Mondale, in a Jan. 3 speech to the National Press Club in Washington, delivered a typically "Kissingerian" attack on the conduct of foreign policy by President Ronald Reagan, whom he hopes to challenge next fall as the Democratic Party's presidential nominee. The drift of "Fritz's" remarks was that Reagan has been amateurish, and that Mr. Mondale's first concern, were he President, would be to set up annual summits with the Soviets and unilaterally disarm the United States by proclaiming the so-called nuclear "freeze."

Mr. Mondale then worked himself into a froth about the constant changes in U.S. policy in the Middle East under Reagan, stating that "we've had as many Middle East policies as we've had staff turnovers." Finally, "A President cannot ask Americans to risk their lives for a policy no one's in charge of, and no one understands. And for that and other reasons, I've called for a withdrawal of our Marines from Beirut," he said.

Interesting: Mr. Mondale's demand (and there's not a nickel's worth of difference between his stand on this issue and the other seven Democratic contenders enjoying major media attention) coincides with the "political solution" to the Lebanese crisis which Kissinger and his friends are telling the President he should adopt, so as not to lose the 1984 "peace vote" to Mr. Mondale. Kissinger and Mondale not only both came out of the Trilateral Commission that spawned the Carter-Mondale administration, but Kissinger is currently repeating the treachery by which he helped bring Carter to office while nominally part of the Ford administration in 1976.

The "political solution" is a misleading name for seeking to obtain the conditions for withdrawal of the U.S. military presence in Lebanon through the triple partition of that nation. The contradiction between this and Reagan's commitment to Lebanese sovereignty is the source of the policy-shifts of which Mr. Mondale so hypocritically complains.

*EIR* endorses the principles of a U.S. Lebanon policy enunciated Dec. 30 by Lyndon LaRouche, the only

major Democratic presidential candidate who dissents from the Kissinger "political solution":

"... I have been and remain committed absolutely to the restoration of the pre-April-1975 state of Lebanon, its constitution, and its sovereign borders. It is the sovereign right of the people of Lebanon—but not foreigners—to modify its constitution. The sovereign borders of Lebanon, at the point of outbreak of civil war in April 1975, according to international law and treaty-agreements existing as of that time, must not be diluted an iota. This matter is non-negotiable.

"The moral principles and other considerations requiring this policy of the United States are chiefly as follows:

(1) *The principle of sovereignty of states is the rock of the domestic and foreign policies of the United States. We must never be a party to its infringement; no existing precedent in our own or other nation's previous practice justifies any fresh violation of that principle.*

(2) *Under President Eisenhower, and more recently, the United States has committed itself to the efficient defense of the sovereignty of Lebanon. To abandon that commitment, insofar as we have means to honor it, puts a question mark on the honor and credibility of U.S. foreign-policy toward all nations.*

In practice:

(3) *The general condition of the Middle East and the role of Middle-East petroleum output is such, that the chain-reaction effects of a dissolution of Lebanon, by means of a so-called 'political solution,' or otherwise, would be a global disaster for the Middle East, and for the United States and its allies otherwise. If Lebanon is carved up, as the projected 'political solution' must accomplish this, the resulting added chaos within the Middle East must almost assuredly lead to destruction of every nation of the region, from Sudan and Egypt, into Turkey, into Pakistan and India. The reduction in petroleum-supplies to Western Europe, Japan, and developing nations widely, would be a global economic and strategic catastrophe."*

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