

EIR

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Western Europe: a new 1931 Kreditanstalt collapse?
How Reagan can break the arms-control blackmail
Judge Pinto Kramer tells EIR: Yes, I lit the debt bomb

**Are U.S. nuclear submarines
safe from the Soviet SS-20s?**



THE RECOVERY IS A HOAX

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- I. Executive Summary
- II. General Statistical Forecast
 - a) U.S. Economy as a Whole
 - b) Standard Industrial Category Sectors
- III. Status of Basic Economic Infrastructure
- IV. Status of Selected Sectors of Production
- V. Status of Monetary Crisis
 - a) General Financial Collapse
 - b) OECD Debt/Equity Ratios' Movement
 - i) U.S.A. Debt Crisis
 - ii) European Debt Crisis Skyrockets
- VI. Fraud in U.S. Government Statistical Reporting
- VII. Policy Options Available to the President
- VIII. Improvements in LaRouche-Riemann Forecasting Policy

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From the Managing Editor

The International Monetary Fund and its enforcer Henry Kissinger, having pulled off what has all the earmarks of a cold coup in Washington with the ouster of Judge William Clark from the National Security Council, are moving further. Sources say the Kissinger coup in foreign and security policy has a companion aspect in economic policy: Federal Reserve chairman Paul Volcker is now in overall control.

According to these sources, any institutional opposition to Volcker within the administration has been removed. Volcker will go out front on policy matters, as he did this month in speeches demanding a clamp on wage demands. President Reagan was apparently told this would assure "continuity in economic policy in the election year" and "keep the recovery on track"; otherwise "the business community will lose confidence," sabotaging the purported recovery.

"Frankly," said one Washingtonian, "I think people should worry about the prospect of Volcker becoming an economic dictator in the weeks and months ahead as the international monetary crisis heats up."

We specifically want to alert our readers that a deal may have been made under Volcker's auspices to pass the stalled International Monetary Fund quota bill. The administration has promised to move the housing legislation demanded by House Banking Committee chairman Fernand St. Germain, in exchange for which the committee will put the bill on the House floor between Oct. 23 and Nov. 15, quickly and with little fanfare.

Next week, we will bring you a full analysis of these breaking developments, along with a report on *EIR* founder Lyndon H. LaRouche, Jr.'s recent publication of a set of detailed emergency proposals for dealing with a financial crisis whose imminence is documented in this week's Economics section.

Our Special Report this week speaks for itself. We expect this evidence of the danger to the republic—a danger Henry Kissinger, among others, created—to receive the most urgent international circulation.

Susan Johnson

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EIR Contents

Interviews

12 Argentine Federal Judge Federico Pinto Kramer

The judge who ordered the detention of Argentine central bank president Julio González del Solar on suspicion of treason for violating Argentina's national sovereignty to guarantee debt repayments, describes how the debt agreements, making the entire nation of Argentina responsible for a debt whose total amount has not even been determined, violate the national constitution, and national interest.

Departments

64 Editorial

Argentina: strategic flank of the U.S.A.

Economics

4 Western Europe: a new 1931 Kreditanstalt collapse?

8 Argentina and Brazil—will they stop playing the debt game by the old rules?

Documentation: Excerpts from the Ibero-American press which put the policies of Lyndon LaRouche and *EIR* at the center of the debt debate.

15 Agriculture

Will USDA turn off the milk supply?

16 Foreign Exchange

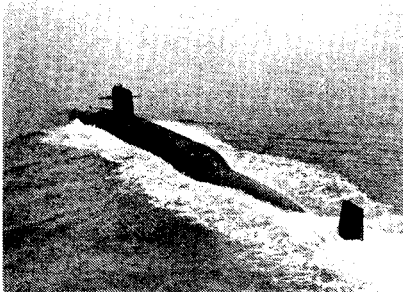
Dumping the dollar.

17 Gold

South Africa: monetary outlaw.

18 Business Briefs

Special Report



The U.S. nuclear submarine N Greene SSBN 636.
Naval Photographic Center

20 Why U.S. forces are open to a Soviet first strike

The U.S. command is appallingly ignorant of the U.S.S.R.'s order of battle.

24 U.S. nuclear sub vulnerability

Documentation: How Kissinger's 'build-down' will unilaterally disarm the United States.

27 Fletcher Report calls for near-term ABM development program

28 NATO Assembly report endorses ABM defense policy

29 The Pentagon backs manned space stations

30 A crash program for developing beam-weapon defense systems

International

34 Dr. Kissinger's global appeasement game

36 The *New York Times* lies on the KAL 7 atrocity

38 Soviet-backed separatists begin shattering the national integrity of India and Pakistan

39 Lyndon LaRouche on Pakistan: 'I told you so'

40 The 'New Yalta' agreement and the coming third great oil hoax

42 Beam weapons mean a return to the Carnot-Scharnhorst tradition

Lyndon LaRouche's presentation at the Oct. 5 *EIR* conference in Bonn on the implications of beam-weapon development for Western Europe.

46 West Germany: from U.S. ally to pawn on the Soviet chessboard?

47 Soviet propaganda: a return to anti-Semitism

49 How linguistics is used to control ethnic separatists and terrorists

53 Dateline Mexico Operation Bloodless Coup.

54 International Intelligence

National

56 How Reagan can break the arms-control blackmail

59 FBI frameups at issue in DeLorean case

60 Eye on Democrats Bread and circuses in Iowa straw poll.

61 Kissinger Watch Fact-finding mission south of the border.

62 National News

Western Europe: a new 1931 Kreditanstalt collapse?

by David Goldman and George Gregory

Western Europe's debt position has reached a breaking point identical to 1931, when the collapse of the German and Austrian banks brought down the entire world trading and financial system. The only difference is that Europe's debt is relatively much larger, and its vulnerability is much greater.

Europe has been in danger of bankruptcy since the First Great Oil Hoax of December 1973, and entirely bankrupt since the Second Great Oil Hoax of April 1979, during which time oil prices increased 16 times over. As we will show, Europe first avoided bankruptcy by running up public foreign debts of \$330 billion, then by borrowing an additional \$100 billion net from the interbank market. When the Mexico crisis of September 1982 shut off interbank lines, the West German central bank stepped in to support its trading partners. The end of this support signals the detonation of Europe's worst crisis in half a century.

In a limited sense the foreign debt crisis of the Scandinavians, Portugal, Spain, Belgium, Italy, and France is comparable to the developing-sector crisis. But the issue at stake is fundamentally different. The combined public and private debt, domestic and foreign, of the OECD nations is about \$10 trillion. Of this, about \$750 billion, as noted above, represents a potential detonator. Under conditions of relative economic and financial health, the three-quarter trillion of bad debt would not bring down the world credit structure. But the central-banking nations for the world—the United States, West Germany, and the special case of Switzerland—are themselves so overextended in domestic problems that the “foreign” trigger is sufficient to bring them down.

Let us take a bird's-eye view of the main categories of

debt over the recent period (see **Figure 1**).

In themselves, the statistics in Figure 1 could be misleading. It is not the magnitudes per se that matter, but their reciprocal correlations: France's or Spain's domestic debts are fairly small, yet the counterpart is massive foreign indebtedness. Corporations in both countries have tapped the Euromarkets in huge proportions to escape credit controls. Similarly, the rate of growth of German or British state indebtedness appears to have been kept within reasonable bounds—but it started from very high levels. And, in all cases, the 1978-80 period witnessed an extraordinary acceleration of all debt ratios for all nations concerned, an acceleration which has essentially abolished differences in historical patterns.

On paper, the debt of Western Europe is \$331.8 billion, just over that of Ibero-America's. That estimate is deceptive; the \$390 billion foreign borrowings of Europe's banking system (almost entirely from the Eurodollar market) exceed its \$317 billion foreign holdings by another \$73 billion, putting the total debt at \$404 billion.

For two reasons, even this staggering sum represents a wild understatement. First, the numbers are misreported in the International Monetary Fund's data; the foreign liabilities of French banks, in particular, garnered through their branches in offshore banking centers, are much larger than reported. The actual sum is probably over \$100 billion, bringing the actual indebtedness to over \$420 billion.

Much more important is the fact that the \$390 billion total liabilities of the European banking system—its borrowings from the \$2 trillion Eurodollar market—represent short-term

debts with an average repayment period of 30 days. In a liquidity crunch, it does not matter, for example, if a French bank has dollar assets in the form of loans to Brazil, Poland, or French exporting companies; its liabilities are payable in days or weeks, and its assets cannot be turned into cash quickly, if ever.

Europe's real foreign exposure, therefore, is more than \$700 billion (\$331 billion of sovereign debt plus \$390 billion of foreign liabilities), against only \$300 billion for Ibero-America. More devastating is the short-term trigger in the form of about \$400 billion of short-term banking system obligations. European nations have done precisely what Germany and Austria did in the late 1920s, after the weight of war debt put them into unofficial bankruptcy. They raised their interest rates and sought short-term money from all over the world.

Figure 2 shows the increase of internal government debt between 1975 and 1982, as well as the increase of foreign debt. In the most indebted countries, government debt has trebled, quadrupled, or quintupled, reflecting the erosion of economic growth and thus of the governments' revenue base.

West Germany's reversion to monetary austerity may be the blunder that brings the rest of Europe down.

While other nations cut back brutally, West Germany's central bank printed money during the past year, at an 11 percent annual rate by the August year-on-year measure, in order to support the rest of Europe. By importing more goods and making funds available for Germany's trading partners, West Germany kept the rest of the continent afloat. This pattern continued through the May-July 1983 period.

Figure 1
Sovereign debt, and banking system foreign assets, liabilities, and net liabilities of OECD nations

(in billions of U.S. dollars)

Country	Sovereign debt	Foreign liabilities	Foreign assets	Net foreign liabilities
France	70	110.7	113.0	-2.3
Canada	53.6	55.8	35.5	22.3
Italy	51	41.3	32.4	8.9
Spain	30	28.5	16.7	11.8
Sweden	27.4	14.3	7.0	7.3
Denmark	15.5	6.1	6.0	0.1
Portugal	14.2	5.6	1.4	4.2
Austria	14.0	25.8	25.2	0.6
Belgium	13.8	80.6	67.1	13.5
Norway	11.2	3.7	1.9	1.8
Finland	10.0	5.7	3.6	2.1
U.K.	7.3	n.a.	n.a.	n.a.
Ireland	7.3	7.1	6.3	0.3
Greece	6.0	4.3	1.3	3.0
Total	331.8	389.5	317.9	73.6

Figure 2

Debt expansion in European Community nations

	Increase of public debt 1975-82 in %	Increase of foreign debt in national currency in % 1975-82	Government debt per capita in 1982 dollars	Debt to GNP in %
West				
Germany	119	189	4,048	39
France	450	7,900	1,210	13
Italy	353	219	4,263	61
Spain	253	240	588	23.9
Holland	168	0	6,808	73
Belgium	245	9,560	10,204	107
Sweden	413	802	6,385	61
Denmark	300	900	6,078	47
U.K.	113	n.a.	10,357	111

Thus, exports to France declined in real terms 4 percent, to Italy 3.5 percent, to Denmark 1 percent, to Sweden 7 percent, to Norway 13 percent, while imports from these countries increased in real terms 5 percent.

Now, the West German central bank has announced that it is letting the rest of Europe go. Its most recent monthly report, published in September, makes two points.

First, it argues that there is too much international liquidity. Second, it says that it will stop "excessive" growth of German credit, and sets targets which amount to shutting down all credit growth during the fourth quarter of this year.

This marks the virtual merger of the West German central bank with the Swiss National Bank, its mugging-mate in most financial negotiations during the last six months. What may detonate the actual collapse is hard to tell; the Austrian Kreditanstalt failed in 1931 at the moment when one of its directors refused to certify the failing bank's balance sheet. Brazil's failure to pay its creditors, leading to a pullback of American banks' loans internationally, might blow up the European situation, just as a major European bank failure anywhere in the world might topple the structure, bringing down Ibero-America's debt as well.

The 1931 parallel

After the stock-market crash of 1929, American banks began to pull their funds out of Germany and Central Europe; the result, in the spring of 1931, was the collapse of the Austrian and German banking system, triggered by the Austrian Kreditanstalt institution's failure.

Germany declared a moratorium on its foreign payments. The Bank for International Settlements agreed, on condition that Nazi economic-czar-to-be Hjalmar Schacht was installed as central bank chief. The great French economist Jacques

Rueff, who was present at the negotiations, wrote, "When Hitler assumed power he found already established the system that would enable his regime to function and endure."

Europe has already suffered the equivalent of German Chancellor Heinrich Brüning's vicious austerity program in the Germany of 1929. In Italy, there has just been a radical cutback in the state-sector industries, costing over 150,000 jobs over the short term in steel and chemicals. In France, tax increases and fiscal cutbacks are going to be applied in the attempt to get the French balance-of-payment account into equilibrium. In England, the Thatcher government is shutting down military expenditures and selling off public-sector companies to raise money; and in West Germany, the Kohl government has introduced a new austerity budget.

How big was the debt that brought down central Europe in 1931? The totality of war debt was a mere \$11 billion, and Europe's short-term obligations were under \$3 billion—less than 1 percent of the short-term debt of the European continent! Even with the change in prices, real output, and world trade since then, the short-term debt burden of the European continent is *10 times worse than it was in 1931*.

The internal economies of Western Europe are not much better off than they were in 1931. Unemployment officially measured at 10 percent is not as grim as the one-third unemployment in Germany in 1931; but the capital structure and indebtedness of the continent have deteriorated drastically since 1974.

The German motor shuts off

The West German economy has functioned as a "motor" for the most vulnerable and highly indebted European partners via imports, financed primarily through recycling funds which flowed into Germany as a result of speculation around the European Monetary System currency realignments. As funds flowed into West Germany from other European nations, German banks relent these funds to the other EMS members, or West German consumers used them to buy goods from these countries. The combination of the West German import shift and the intentional weakening of the *deutschemark* on the part of the Bundesbank made possible the apparent success of austerity maneuvers throughout the rest of the continent through September 1983.

The Bundesbank itself explains that one of the reasons its "money volume" target of 4-7 percent per annum growth ran out of control (to 11 percent on a year-to-year comparison as of August) was this inflow, related to speculation on currency realignments. On the monetary side, the last drop in the Lombard rate (and discount rate) by a full percentage point to 5 percent on March 17 brought the Lombard down to half of what it had been in mid-1982, and served to fuel the housing/consumer goods boom.

We will show how artificially Europe's debt crisis was postponed, in terms of:

- 1) the dramatic changes in the import-export picture vis-à-vis Germany and its European partners;
- 2) the internal financial situation, which shows the unten-

ability of maintaining the "import motor" function.

On an overall, non-adjusted basis, Germany ran a decline of exports by 2.2 percent and a decline of imports by 0.7 percent over the January-July 1983 period (for which the data is most precise). However, as **Figure 3** demonstrates, exports to France declined in real terms 4 percent, to Italy 3.5 percent, to Denmark 1 percent, to Sweden 7 percent, to Norway 13 percent, while real imports from these countries increased in real terms 5 percent. Needless to say, when Germany does not or cannot import like that any more, a lot of countries are going to be in trouble. The overall pattern accelerated in May-July 1983.

West Germany's credit picture

What the Kohl government has been doing is a "non-government" version of Helmut Schmidt's policy after the Bonn summit of 1978, when he agreed to balloon German imports. The internal "boom" has been led by housing and non-durable consumer goods, and is just as tenuous as in the United States. The housing/consumer goods bubble is the impetus for imports as well. The housing "boom," moreover, still leaves housing employment 4.5 percent below the level of last year, even with a 21.5 percent increase of housing construction, and a 41 percent increase of commercial construction.

In the first quarter of 1983, domestic credit to the private sector expanded over the stock of outstanding credit at the end of 1982 by DM 3.6 billion, which was a-de facto standstill. It expanded, however, in the second quarter of 1983 by DM 32.7 billion, reflecting primarily housing and consumer credit. The German savings ratio dropped for the first time in postwar history! Two-thirds of the new credit went into hous-

Figure 3
Changes in West German trading profile
(in percent)

Country	Imports	Exports
Belgium/Luxembourg	+ 8.9%	- 0.5%
Denmark	+ 13.4	- 1.7
Ireland	+ 18.6	- 1.6
Sweden	+ 1.4	- 6.9
Spain	+ 10.1	- 1.3
United States	- 6.8	+ 2.4
USSR	- 7.8	+ 24.4
Asia	- 22.6	- 1.8
Latin America	+ 14.0	- 12.3
Iran	+ 76.0	+ 144.9
Saudi Arabia	- 68.4	- 10.8
Non-oil developing countries	- 4.6	+ 0.8
Italy	+ 9.7	- 3.4
France	- 1.7	- 8.8

ing, including modernization, new heating systems, and so forth. Consumer credit expansion in the first half of 1983 at DM 5.8 billion was already 75 percent of the total consumer credit of 1982.

In contrast, there was an expansion of long-term credit to the corporate sector in the first half by DM 6.1 billion, but some 70 percent of that was used to consolidate short-term credits, so that net credit expansion was only DM 3.1 billion. In 1978-82, the average first-half year rate of corporate credit expansion had been DM 12.3 billion, so that the German corporate sector was running on one-quarter of its "normal" credit flow. At the same time, foreign debt incurred by the corporate sector in the first half was DM 3 billion, compared to DM 17 billion for the first half of both 1980 and 1981.

Consumer credit is now flattening out, however, and so is the commercial building boom. Import demand is thus drying up, just at the time that the emergency conditions prevailing in steel, ship-building, and mining topple the industrial workforce. The wage total paid to operatives in mining and manufacturing in July was 4.8 percent below the level of July 1982; the number of hours worked was 5.9 percent lower. The workforce in mining was 3 percent lower, in investment goods 4.5 percent lower, even in consumer goods 5.7 percent lower. All of this is a function of cost-cutting against the labor force, while dishing out credit for consumers to buy at cutthroat prices.

The Bonn budget

The budget presented by Finance Minister Gerhard Stoltenberg on Aug. 23 is totally devoted to debt management à la Sisypus (see Figure 4). The document is based on additional untenable projections:

1) It is assumed that the Federal Republic will have 11-13 percent growth over the five-year period 1982-87 compared to 8.2 percent growth over 1977-82. That means a 1982-87 average of 2-2.5 percent in real terms versus a 1.6 percent annual average for 1977-82.

2) Investments over the same period are projected to increase in current prices by 52.5 percent compared to 32.6 percent for the 1977-82 period, or 9 percent per year as opposed to 5.8 percent per year for 1977-82.

3) Private consumption is projected to decline to a growth rate in current terms of 27 percent during 1982-87, compared to 32.1 percent during 1977-82, or 5 percent growth per year, versus 5.7 percent.

4) Exports are expected to increase.

5) Employment is projected to grow, if only by 1 percent over 1982-87 as a whole, compared with 1977-82 growth of 1.9 percent.

In addition, emergency measures foreseen already include DM 500 million for "community tasks," which are always make-work projects; DM 400 million for city-renovation, also always make-work; DM 170 million for youth job training; DM 300 million for direct "job creation," such as cleaning up cemeteries; and DM 70 million for shipbuilding.

Cuts include a total of DM 2.6 billion from the budget of

the labor office, which means making "job creation" schemes cheaper, and lowering the unemployment payments from 58 percent to 56 percent of previous wage rates. A billion marks will be cut from child-support funding, i.e., money paid to mothers ineligible for unemployment benefits but out of work because of pregnancy or related reasons. DM 0.7 billion will be cut from public service administration, and DM 1.7 billion in subsidies to industry. Areas not yet included in the official budget are:

- Reform of the pension system. Here Lambsdorff has laid out the following squeeze: by 2030 the proportion of pensioners to the total population will have doubled. Thus, if the level of pension contributions remains the same, pensions paid out would have to be cut in half; or, if the level of pensions remained the same, contributions, currently 18.5 percent of wage, would have to be doubled. A compromise is sought.

- How to distribute the cost of permanently laying off the workforces of the shipbuilding, steel, and mining industries. The difference between a worker's pension claims at 65 and forced retirement at 55 has to be made up somehow, shared between the government and the firm. "Social plans" for workers nowhere near retirement age, but foreseeably unable to find jobs in the collapsing basic industry, have to be financed somehow.

Here government medium-term projections claim to be cautious—they are planning on a temporary unemployed rate of 2.5 million, which is even more pessimistic than what Lambsdorff told the finance ministry to plan for.

As in Great Britain, where the Thatcher government is selling off large portions of private industry, a privatization wave appears to be coming. A number of government-linked firms are running huge losses, with no end in sight. Salzgitter alone DM 630 million in FY 82/83, the HDW ship-building operation ditto. So, federal participation in other firms not running losses will be cut down. Bonn will bow out of taking a cut when Lufthansa increases its capitalization by DM 300 million, and will also sell off shares in Veba, the state-controlled oil company. The Bundesbahn (national railroad) is ripe for a wave or partial privatization moves, as is Ruhrkohle AG, but nothing has been announced yet because Bonn is not prepared to weather a political explosion.

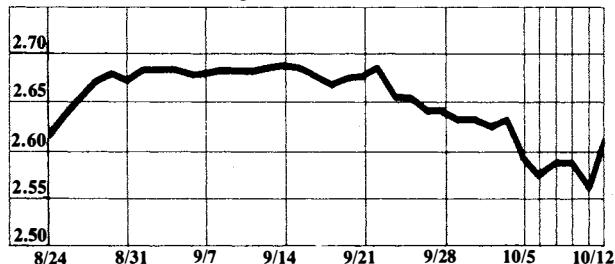
Figure 4
The West German federal budget
(in billions of deutschemarks)

	Debt service projection	New debt	Debt service/total expenditures
1983	27.8	40.9	10.9%
1984	29.2	37.3	11.6
1985	31.5	32.9	11.9
1986	34.2	27.6	12.5
1987	36.9	22.5	13.1

Currency Rates

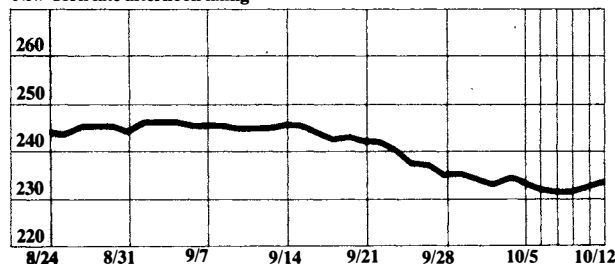
The dollar in deutschemarks

New York late afternoon fixing



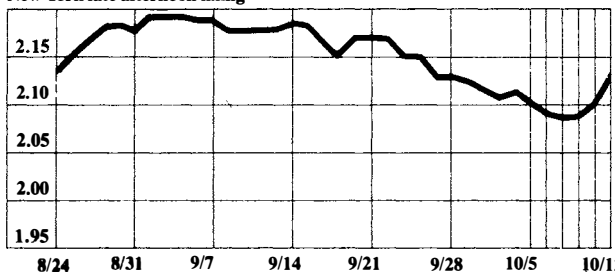
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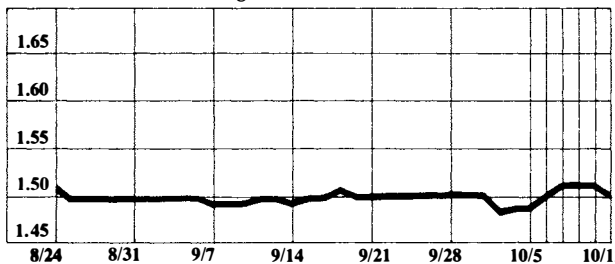
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Argentina and Brazil— playing debt game by the

by Valerie Rush

In the wake of the arrest of Argentina's central bank chief Julio González del Solar, developments in Brazil suggest that the precedent of holding government officials legally responsible for signing debt renegotiation agreements that violate national sovereignty has been well noted elsewhere in Ibero-America.

Brazilian Planning Minister Antonio Delfim Netto, the finance-policy czar of that immense country, is currently the subject of a congressional investigation being conducted into the country's \$90 billion foreign debt. The investigation has begun to focus in on a military dossier reportedly documenting kickbacks that Delfim received on loans he negotiated while ambassador to Paris. Even before the investigation, Delfim had acquired the nickname of "Mr. Five Percent" in diplomatic circles for his skimming practices. Now, both Delfim's future and the entire house of cards known as the Brazilian debt could fall under scrutiny.

In addition, *EIR* has learned that the legal staff of the Brazilian finance ministry is currently reviewing any and all foreign loans contracted by the government in search of potential violations of the constitution. In particular, "Project 2" (new money) of the International Monetary Fund's 1982 four-level rescue scheme for Brazil, has come up for special attention in light of a "newly discovered" clause which puts arbitration in the event of a default under New York state law. High-level military sources in Buenos Aires had informed *EIR* in the aftermath of the González del Solar case that "Every country is now poring over their loan books to see just what in hell they signed . . . and if it's legal."

As Argentine federal judge Pinto Kramer, the judge whose detention of González del Solar for violation of national sovereignty nearly brought down the international debt mountain, told *EIR* (see interview, page 12): "Yes, I think I have lit the fuse of an atomic bomb in Latin America. . . . I sincerely believe that it's time for Latin America to stand up; to establish its importance in the eyes of the international community. You cannot strangle the debtor and [force him] to pay at any price. . . ."

The dossier allegedly implicating the Brazilian planning minister in corrupt practices related to the nation's foreign debt had been placed under tight security classification by

will they stop old rules?

Delfim Netto's allies in the Brazilian intelligence service (SNI), but it began to come to light when retired general Leo Etchegoyen threatened to "tell all." Etchegoyen's action was reportedly sponsored by elements in the military determined to dump Delfim from his long-held position of power.

Delfim quickly retaliated. An ally of his, the head of the Brasilia Army region, Gen. Newton Cruz, declared before 200 officers from his command that any military personnel cooperating with the congressional hearings were to be considered "incompetents and misfits."

One of the officers, Etchegoyen's son, rose to defend his father's honor and was promptly jailed by Cruz for "indiscipline." The senior Etchegoyen was also put under arrest, but Delfim's crude repression backfired when manifestos in defense of the Etchegoyens began to circulate in the barracks of junior officers, and Army commander Walter Pires personally called General Cruz on the carpet for his "loss of temper."

The investigation is far from ended, and how it will be resolved remains to be seen, but Delfim Netto could well find himself following in González del Solar's footsteps.

'The banks' package won't go through'

Meanwhile, Fabio Monteiro de Barros, one of São Paulo's most prominent international business lawyers, reported to a conference of the National Foreign Trade Council in New York on Oct. 11 that Brazil is not only in a fencing match with the IMF, but under pressure from U.S. government circles to roll back Brazil's measures of continental solidarity, taken during the Malvinas crisis last year.

De Barros charged that a U.S. mission headed for Brazil is attempting to get Brazil to re-subscribe to the bilateral military agreements with the U.S. which were suspended during the Malvinas war. This demand is linked to U.S. military preparations for Central America, he said, and "nobody in Brazil is very happy about this."

De Barros also noted strong U.S. pressure for Brazil to sign the Non-Proliferation Treaty affecting civilian nuclear technologies, and to give up any aspirations to produce micro-elements and other advanced computer electronics.

The lawyer demonstrated that, taking 1972-1982 as a whole, the outflow of capital and other payments from Brazil had been \$246 billion, compared to a total inflow of new loans of just \$109 billion during the same period. That is, Brazil has been subsidizing the international financial system, not the reverse, for the past decade.

He also demonstrated that the current IMF letter of intent, by demanding the elimination of government subsidies at the same time it insisted on a drastic lowering of inflation rates, was absurdly inconsistent and "shows that the IMF is not knowledgeable about realities inside the country."

At the conference luncheon, a senior official of a major New York bank for the first time indicated publicly that pulling together the vaunted \$6.5 billion commercial bank component of the new Brazil "package" was a hopeless task.

The vice-president of the economic research department of Irving Trust, John Treanor, stated that Brazil "had better be realistic" and acknowledge that the banks were not going to come up with the sum they are promising.

De Barros, one of six speakers from prestigious law firms in Ibero-America, cited the major impact recent *EIR* articles on Brazil have had on the country. When an *EIR* representative present summarized why IMF policy is based more on geopolitical considerations than sound debt recovery approaches, de Barros simply nodded and said, "Some in Brazil feel as you do."

Argentina paves the way

In Argentina, the crisis provoked by Judge Pinto Kramer's courageous ruling is far from ended. The nationalist forces behind him achieved an important victory the second week in October when Argentina's commercial creditors agreed to suspend further negotiations on refinancing the foreign debt until after the Oct. 30 presidential elections are held.

This means that the Aerolineas Argentina refinancing deal which Pinto Kramer had suspended for violating the national interest will *not* serve as the pilot agreement for the rest of Argentina's state sector—and all Ibero-America—as the banks had intended.

Pinto Kramer himself was adamant on the question of timing, aware that Argentine creditors hoped to present the new government with a newly signed, sealed and delivered debt agreement—a *fait accompli*.

"[My ruling] will serve as a warning to any future authorities of the country, who should know that nothing can be signed that should not be signed and that the country cannot be mortgaged or offered as guarantee for the foreign debt of the entire Argentine nation."

The extensive coverage of *EIR*'s analysis in, especially, the Brazilian and Argentine press in recent weeks suggests that forces in those countries are ready to consider new options in resolving, as one Brazilian publication described it, "the tragic dilemma" of choosing between national sovereignty and starvation.

LaRouche and *EIR* at the center of the Ibero-American debate

The choice between economic catastrophe under the IMF or defense of national sovereignty has become most acute in Brazil, Argentina, Venezuela, and Peru. It is there that *EIR*'s exposés and analyses of the debt crisis have received widespread coverage and commentary, reaching into congressional debates.

Provoking commentary was *EIR*'s report on a semi-secret meeting held in late August by Henry Kissinger, Morgan Guaranty's Alan Greenspan, and others in Vail, Colorado, at which a plan to convert creditors' uncollectable loans into asset holdings within debtor countries was discussed.

Also drawing attention was *EIR*'s report on the statements of an intimate friend of Henry Kissinger who serves as a prominent member of David Rockefeller's Latin American Debt Commission, who said: "Latin America's laws on foreign investment must change, and that is a problem of national sovereignty. . . . We must use austerity and social chaos to break the institutions of those countries and change their laws."

Exemplifying the coverage that has appeared in Brazil is the commentary entitled "A Tragic Dilemma" by the well-known syndicated columnist Barbosa Lima Sobrinho. The commentary appeared in the Rio daily *Jornal do Brasil* on Oct. 9, 1983.

. . . The hypothesis [that some banks planned to take advantage of a debt crisis for their own benefit, and to undermine Brazilian growth deemed "too fast"] is far from gratuitous, and could even constitute the other horn of the dilemma. An American magazine was the first to take up the issue. . . . It is called *EIR*, initials which translates *Executive and Intelligence Review* [sic]. It is certainly true that it doesn't mince words, opting for the fearlessness of its information. For it was this magazine which said that "for decades, military and civilian planners" (why not civilian and military?) "have taken great pains to build up and protect the kind of industrial base which would make Brazil one of the most prosperous and powerful nations on earth during the 21st century. It is precisely Brazil's capacity to become a world leader, to become 'the

United States of the Southern hemisphere,' which the forces behind the IMF want to eliminate."

The commentary is found in the March 15 issue of this magazine. And, in a certain sense, it is repeated in [the issue] of last Sept. 13, which reveals that the IMF programs are being put forward as a means of forcing Brazil to choose between an affirmation of national sovereignty or dying of hunger or of misery. Look at the text in English: "The choice facing Brazil: National Sovereignty or Starvation." This is the tragic dilemma confronting our country, in the view of a publication designed for American executives.

Articles have also appeared in the Brazilian press on the debt crisis in neighboring Argentina, and on *EIR*'s analysis of that country's problems. The following commentary appeared in the Rio daily *O Globo* on Sunday, Oct. 10, 1983, entitled "Charges and Plots Unsettle Argentina On the Eve of the Election," by Paulo Torre in Buenos Aires.

In this context [of efforts to reassert Argentine sovereignty over debt contracts], symptomatically, several newspapers and magazines published a study attributed to the magazine *Executive Intelligence* [sic], according to which the refinancing of Argentina's foreign debt is part of an international bankers' plan to take control of natural resources of debtor nations. According to the magazine, the ruin of the debtors would be convenient for the banks, because this would allow them to make agreements mortgaging the natural resources and the assets of the state sector companies of these countries.

In Argentina itself, a new Perónist daily, *La Epoca*, printed in full on Oct. 10 a press release containing *EIR* founding editor Lyndon LaRouche's recent declaration, "Argentina, Strategic Flank of the U.S." *Tiempo Argentino* of Oct. 9 published an article by columnist Sergio Cerón detailing at length LaRouche's "Operation Juárez" proposals for collective debt renegotiation and the formation of an Ibero-American Common Market. That article was later presented on two different radio talk shows, including that of Bernardo Neustadt, whose show is the most popular in Argentina.

The widely read Argentinian weekly magazine *La Semana* has repeatedly devoted space to coverage of *EIR*'s assessments. Its Sept. 29 issue carries an article entitled "The Secrets of the Swiss Connection":

The refinancing of the debt of Aerolineas Argentina could form part of a plan by certain sectors of the international banking community to seize the natural resources of the debtor nations. In a report released the 15th of this month, a magazine specializing in economic affairs—*Executive Intelligence Review*—reveals details of a meeting on economic strategies carried out in Geneva last May. At it, the leading



Ibero-American newspapers are publishing EIR's exposés in order to oust IMF agents like Brazil's Planning Minister Delfim Netto.

Swiss banks agreed that the eventual ruin of the finances of the developing sector and Third World debtor nations would allow them to pick up the pieces through agreements that would permit the mortgaging of the natural resources of those countries, along with those of its important state enterprises suffering severe deficits. . . .

One point to note: when Venezuela in the year 1903 could not meet its obligations with the foreign banks, ships of war of the lending nations established a virtual blockage around that country. That act led to the Drago Doctrine formulated by our foreign minister of the same name. It was the beginning of the century, and Teddy Roosevelt held power in the White House.

Again, in its Oct. 6 issue, *La Semana* interviews, among others, *Wall Street Journal* columnist George Malone on Argentina's debt problems. He replies:

I agree with what you published from *Executive Intelli-*

gence Review about the strategy of the banks regarding the underdeveloped or developing sector debtor countries. That the creditors want to appropriate the natural resources of the debtors is possible—this is not a far-fetched idea. . . . The bankers must answer to their stockholders, and it is in this sense that they advance such operations as those published by the *Intelligence Review*.

In Venezuela, the Caracas daily *El Mundo* has devoted extensive coverage to EIR's exposé of the "resource grab" plans elaborated at the Vail, Colorado meeting. On Sept. 19, 26, and 28, columns appeared in that newspaper citing the EIR story at length.

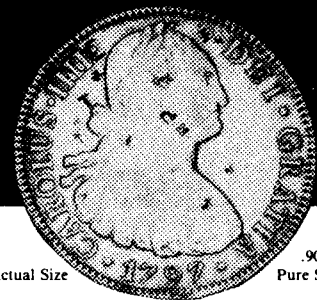
In Peru, the national congress was the scene of a heated debate last month based on EIR's revelations that the World Bank and Wells Fargo Bank, three of whose former employees now run economic and financial policy in Peru, were exerting pressure for the dismantling of Peru's state sector. Reported Peru's *El Observador* of Sept. 16:

[Senator] Carlos Malpica read aloud the special report of *Executive Intelligence Review* on the restructuring of the Third World Debt during the debate on article seven of the law on public companies. According to this report, the World Bank, on the one hand, objects to the Third World's use of export earnings to subsidize public companies instead of paying the debt to the foreign banks. On the other hand, the public companies serve as a convergence point of the nationalist political forces for the purpose of using them as vehicles for their own development in spite of the conditionalities of international credit.

The debate provoked by Senator Malpica in the Peruvian Congress received extensive publicity in all major dailies and magazines, including *Observador*, *Ojo*, *La Prensa*, and *Gente*.

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'I dropped an atomic bomb on behalf of sovereignty'

Argentine federal judge Federico Pinto Kramer of Rio Gallegos outraged the international banking community when he ordered the arrest of central bank president Julio González del Solar on Oct. 3 as the president arrived in Buenos Aires from the International Monetary Fund's annual meeting in Washington. González del Solar was then flown the 1,400 miles to Rio Gallegos and interrogated by Pinto Kramer on his role in refinancing the foreign debt of Argentina's state sector on terms that violated national sovereignty.

Specifically, the judge was acting on a complaint filed by a local attorney accusing González del Solar of treason for having guaranteed a contract for refinancing the debt of the state airline Aerolíneas Argentinas granting jurisdiction over the agreement to New York state courts.

On Oct. 6, an appeals court in Comodoro Rivadavia overturned Pinto Kramer's ban on all further negotiation talks, and the González del Solar case has been remanded to a court in Buenos Aires. The following is an interview with Judge Pinto Kramer conducted by Cynthia Rush from New York on Oct. 10.

EIR: Can you give us any further information on the González del Solar case. Where does it stand legally at this point?

Judge Pinto Kramer: The judicial motivation first arose from this court. I have not yet received any official notification from the federal court telling me what has happened. I only know what the newspapers tell me. Officially, I know nothing.

EIR: But is jurisdiction over the case now out of your hands?

Judge Pinto Kramer: Again, I have no official notification. Technically, the case is in the Comodoro Rivadavia appeals court. Unofficially, based on what the papers say, the case should be in the hands of the Buenos Aires judge. I just don't know.

EIR: I was interested in your comments reported in the press where you discuss the sovereignty question, and the guaran-

tees given for the Aerolíneas Argentinas contract. Can you elaborate on this?

Judge Pinto Kramer: First of all, you can't renegotiate a debt whose amount you don't know. There is a judicial investigation under the direction of a federal judge in Buenos Aires, Judge Anzoátegui, who is investigating the true amount of Argentina's foreign debt. So, how can you renegotiate a debt when you don't know what that debt really is?

Second, I objected to the clauses [renouncing] sovereign immunity. The entire nation of Argentina cannot be responsible for the whole package of the 32 firms that were going to sign the refinancing contract. That is, it is a contract of assent, with an unconditional guarantee, whose guarantor is the nation of Argentina; there are cross-default clauses stipulating that if one company fails to pay, all the rest default; that would leave the country just about bankrupt.

The international banks at no time are going to declare the Argentine Republic in default, because there is no creditor in the world who has the possibility of collecting from the debtor during an electoral contest such as is occurring in Argentina right now. We see that in the 60- to 90-day delay given [by the banks] to allow them to negotiate with the new authorities.

I am not a politician, nor am I an economist. I am simply a man of law who says that there are clauses in that contract [the Aerolíneas Argentinas contract] that favor no one—that do not favor the Republic of Argentina.

EIR: What are the clauses or articles of the Argentine Constitution that you refer to in explaining your decision?

Judge Pinto Kramer: According to my prosecutor, Article 29 of the national constitution has been violated. Article 29 says that any government official who delegates authority [to foreigners] shall be accused as a vile traitor to the fatherland. . . . It is the understanding of the prosecutor that . . . the Budget Law does not authorize the Executive Power to relegate this authority, as was done in the case of the Aerolíneas agreement.

EIR: There are individuals who have said that they intend to prosecute you, for activities “inappropriate” to a federal judge.

Judge Pinto Kramer: Well that’s the problem of the people who have made the denunciations. Every citizen has the right to denounce whomever he feels has not fulfilled his duty. There are citizens who have denounced me, for example. But the Supreme Court of Justice will have to decide whether a political trial is appropriate in this case.

EIR: Were you acting only as a judge, or also as a private citizen?

Judge Pinto Kramer: No, only as a judge. I was presented with an individual complaint which was ratified by a federal prosecutor and broadened by a federal judge. There has been no mistake here. I consider this to be an entirely judicial measure.

EIR: Has the appeals court of Comodoro Rivadavia made its decision?

Judge Pinto Kramer: Apparently, they have taken a decision contrary to the one I made. But I don’t know the basis for it.

EIR: Nonetheless, if these contracts violate an article of the national constitution, and if González del Solar signed the contract or acted as guarantor, the case against him is not closed?

Judge Pinto Kramer: No, not at all. He is the defendant. The judge will now decide, and I don’t know what the results will be. If someone appeals, it will go to the court. There are people who could appeal. In any case González del Solar is the defendant; he is free, but subject to the proceedings of the court.

EIR: One of the arguments constantly cited in the press here and among the banking community is that the clauses referring to foreign jurisdiction were nothing new—that they were standard, always included in previous contracts.

Judge Pinto Kramer: Well, just because everyone smokes marijuana doesn’t mean that one day we can’t say that people should stop smoking marijuana. You may have been smoking marijuana for a long time, but it doesn’t mean that it’s good for you. . . .

EIR: Do you think that your rulings have established a legal precedent for other judges, or other countries?

Judge Pinto Kramer: I sincerely believe that it’s time for Latin America to stand up, to establish its importance in the eyes of the international community. You cannot strangle the debtor, and [force him] to pay at any price . . . especially when you don’t know the real amount of that debt.

My whole argument is that we don’t know what that amount really is, and that’s why a judicial investigation was

begun. How can you estimate the debt, or take on new debt? I can’t ask a judge to annul what was begun as a legitimate action, or suggest that perhaps he was mistaken, if in this country we can’t even determine if our foreign debt is what it is said to be, or if it is less.

There are reports that the official foreign debt [\$40 billion] is actually \$15 billion less than that. Now, watch out, because we are not saying that the foreign debt should not be paid. I never said that. My opinions were interpreted that way because it was convenient for certain people to do that. But I never said that. What I *did* say is that *certain clauses* should be stricken. But we should know what the real amount [of our debt] is, even if the discrepancy is only \$1 billion, even if it’s only \$5.00.

It’s time for Latin America to stand up; to establish its importance in the eyes of the international community. You cannot strangle the debtor and force him to pay at any price, especially when you don’t know the real amount of the debt.

EIR: In the event that certain individuals decide to take legal action against you, you have said that you have González del Solar’s testimony and that you have it on tape.

Judge Pinto Kramer: Yes. If I have to defend myself, yes I have it. I am going to demonstrate that I was not mistaken. I am totally convinced that I was not mistaken.

EIR: So you would take the same action again if you had to?

Judge Pinto Kramer: Yes. I should add that I had never met González del Solar. . . . Now he feels offended because he said I detained him improperly. But he has no right to special privileges of any kind. He is not the president of a country. He is not even a minister. He’s just the president of a bank. True, it is the central bank of the Argentine Republic, but he could be the president of any bank. It could have been the New York branch of Banco de la Nacion, or the New York branch of Banco de la Provincia de Buenos Aires. They are not creditors of the Republic of Argentina.

EIR: Last Saturday, the mayor of the city of Rio de Janeiro said that a \$150 million loan was illegal because the loan was

not used for productive purposes. According to their legal code, any loan contracted abroad must be used for productive purposes, for projects. And the mayor says that since there is no evidence that the money was invested productively, unfortunately it will not be paid.

Judge Pinto Kramer: Do you know what I think? You asked me if I thought that with these actions I had lit the fuse of an 'atomic bomb'

EIR: Well what do you think?

Judge Pinto Kramer: I think I have. Yes. And that's where we see the fear of the foreign banks; because the problem of default is not an Argentine problem. It's the creditors' problem. It's not the same to go bankrupt in the United States and go bankrupt in the Republic of Argentina. No one is going to declare a country in default, because it's not to their advantage.

What's happening is that [the creditors] are trying to convince everyone that they should renegotiate no matter what the price, when there are exactly 29 days left until the change of government. And, you just cannot impose conditionalities. There are conditions in the contract that violate the very condition of a sovereign state.

The creditors are trying to convince everyone that they should renegotiate no matter what the price, when there are just 29 days left until the change of government. You cannot just impose conditionalities. There are conditions in the contract that violate the very condition of a sovereign state.

Let me add something else. I am not a nationalist with a "z," a "nacionalista." I am not a Nazi-fascist. I am not a Nazi, nor am I a communist, even though the entirety of the left is supporting me. I am simply an Argentine.

EIR: Our magazine has warned about the banking and IMF strategy that calls for destroying the national sovereignty of each debtor, one by one.

Judge Pinto Kramer: Well, I read something by I don't know who in the U.S. that said that it would not be a violation of sovereignty to, instead of handing over goods, deliver our lands to the creditors. Then they would share our lands. So then, what is sovereignty?

EIR: According to the bankers, sovereignty should not exist.

Judge Pinto Kramer: But then, now we are talking about something entirely different. We are talking about an entirely different international juridical order. And if behind that are hidden other intentions, then we should call things by their right name; call things as they are. . . .

EIR: The creditors' strategy is to crush sovereignty, and to take control of whole sectors of these nations' economies: buy up shares in state companies, sell off the companies to private interests, and so forth. And they propose to eliminate whatever obstacles, constitutional or legal, such as changing Argentina's bankruptcy code for example.

Judge Pinto Kramer: That's why they changed the procedure for bankruptcies here. But I will add something here, because I think that the Argentines have already made their judgment. It doesn't really matter whether I go through a political trial. The people have judged who they think is right, and who isn't. So it is not appropriate for a judge to make political statements. I should not say more than I should say. . . .

This González del Solar case has annoyed me. I treated him with every possible courtesy but he attacked my children, and my children felt very badly.

EIR: He attacked your children?

Judge Pinto Kramer: Yes, because he said that my children were fighting on the patio, and that they shouted. My children are not here at the moment. . . . I have sent them elsewhere.

EIR: You have undoubtedly been under a great deal of pressure during this period.

Judge Pinto Kramer: What do you think?

EIR: Here the press has described the situation as simply the acts of one judge, a country judge far from Buenos Aires who didn't know what he was doing.

Judge Pinto Kramer: Did you know that I am from Buenos Aires?

EIR: But it is clear that your actions have important implications for the rest of the continent—for Brazil, Venezuela, Colombia.

Judge Pinto Kramer: And for Chile also. I'll tell you something. The Chileans have no great love for me, because all the things that have happened recently have gone through my court. The Chileans say that I am a nationalist with a "z." But I am not a "nacionalista"; I am an Argentine. I have no intention of changing my way of thinking. On the contrary, every day I say more and study this question more. And if they want to portray me as a nut, as a fascist. . . .

What's happened is that now everyone has shown their colors . . . and now we can see who is who. Three months ago, nobody spoke about sovereignty. So in a certain way you could say that I've become a kind of symbol . . . a teacher of sorts.

Will USDA turn off the milk supply?

Following its "production levy," the Senate wants to start paying dairy farmers to cut output even more.

As if the Payment In Kind program for grain were not disastrous enough for U.S. agriculture—reducing planted acres during a severe drought and adding unnecessarily to the government deficit—a program has passed the Senate that would authorize the USDA for the first time to pay dairy farmers *not* to produce.

This bill comes in the wake of the implementation Sept. 1 of the \$1 levy every dairy farmer must pay to the government for each 100 pounds of milk—approximately 12 gallons—he produces.

The levy is supposed to help defray the storage costs of the government-owned surplus dairy products—milk powder, cheese, and butter. This "production tax," which will start cutting into farmers' cash flow in October, could well be the breaking point for many milk producers already threatened by high interest rates and increasing prices for feed and other necessary supplies.

The only relief will be offered to farmers who can demonstrate that they have reduced milk output by at least 8.4 percent, a figure set by the Agriculture Department based on their exaggerated statistics on national food surpluses; farmers who cut production this much will receive a refund of 50 cents off the levy.

The Senate passed S.1529, "The Dairy and Tobacco Adjustment Act," on Oct. 7. Dairy farmers are to sign up with the USDA and agree to reduce their milk output by 5 to 30 percent of

a base amount, the average of their 1981-82 production. In exchange, the government will pay \$10 for every hundred pounds of this milk not produced each month, during the 15-month life of the legislation.

The bill will come up for House action after Congress resumes in mid-October. Observers think it will pass, and that the President will probably sign it.

The effects will be extreme. Good dairy herds take years to develop, and cannot be put "in and out" of production. The scale of slaughter of dairy cows is expected to be so great that the National Cattlemen's Association and the National Pork Producers Council are projecting big financial losses in meatsales, when an expected 500,000 to 1 million additional dairy cows will go to market because of the new law.

Culling of herds is already under way. Experts at the universities of Wisconsin and Minnesota are predicting a minimal loss of 15 to 20 percent of dairy farmers in those two top milk-producing states in the next five years.

The dairy farm organizations backed the bill as the only way to keep up their cash flow—and in deference to the myth that "supply must be brought in line with demand." Sen. Bob Dole of Kansas told dairy and other farmers that they must find ways to reduce their "surplus production" or urban congressmen will take care of it for them.

In the new bill, the dairy farmers also agreed to take a price-support cut

in the \$13.10 they now get for every 100 pounds of milk they do produce, down to \$12.60; they agreed to new levies of 50 cents a 100 pounds of production if the government storage stocks continue to rise.

In fact, the USDA is lying when it terms the buildup of stocks a "surplus." Block's department and the Bureau of Labor Statistics are deliberately understating the loss of food-purchasing power of the average American, and the inability to afford meat and milk.

The actual amount of milk product in storage (440 million pounds of butter, 1.01 billion pounds of cheese, and 1.4 billion pounds of milk powder) is the milk equivalent of about 14 percent of current annual production. This has built up over a period of years, during which time per capita consumption of milk in the United States has dropped and U.S. dairy exports have been suppressed by the action of the world dairy cartel companies—Nestlé's, Unilever, and the New Zealand Dairy Board (interlocked with British trading companies). A New Zealand Dairy Board official said of the new U.S. dairy reduction policies, "Our colony is very much dependent on agricultural production. . . . We've been preaching a gospel of containment of production in the United States."

This international cartel is also pushing for drastic cutbacks in the milk output of the European Community, which represents about 28 percent of world production. The United States now accounts for about 15 percent of world output. Their policy is for "strategic reserves" and scarcity. In fact, the total U.S. "milk powder mountain" would supply only one year of the current world export market, because world trade in dairy products is kept so small.

Dumping the dollar

The Bank for International Settlements (BIS) is assigned to help push the European Currency Unit as a reserve currency.

In background discussions with *EIR*, senior Swiss National Bank officials have argued that the apparent strength of the American dollar is illusory, and that the mass of outstanding dollar debt claims will bring the dollar down to the point at which European plans to eliminate the dollar as a reserve currency will be activated, as early as the beginning of next year.

In this light, the following article in the Swiss daily *Neue Zürcher Zeitung* of Oct. 9-10 is of interest; it argues that a European "parallel currency" is being formed prior to, and apart from, any official discussions on the subject, which is in any event the preferred Swiss method of doing such things. The article is entitled, "A Parallel European Currency In Sight: Rising Private-Market Interest in the ECU."

"The expansion of the European Monetary System (EMS) will have to wait for a while, but private use of the European Currency Unit (ECU) in the past three years has shown an almost frantic development. Not only does the basket currency enjoy an increasing status in the currency and capital markets, in certain European Community countries an ever-larger portion of foreign trade is factored in ECUs. In Italy the share is already reportedly 10-15 percent.

"Although their definition and composition are identical, there is a clear difference between the 'private' and 'official' ECU. The latter constitutes the basis of the EMS and serves, first, as the numeraire for targeting

currency parities; second, to determine the so-called deviation indicator; third, as the accounting unit for payments among the EC central banks; and fourth, as the 'payments medium' for the central banks in settling balances arising from currency market intervention.

"Alongside this system, and totally outside the central banks' control, there has sprung up a private EC circuit. Today there already exists a well-developed ECU currency market and an ECU capital market, where bond issues have occurred almost weekly for quite a while. In 1981, ECU issues were \$236.1 million, a year later \$823.4 million, and in the first five months of 1983 already \$823 million. According to John van Schil, treasurer of the EC's European Investment Bank (EIB) in Luxembourg, there are no limits to the use of the basket currency in the private markets. The principal-ity already offers savings accounts in ECU, and ECU travelers' checks are only a matter of time."

The article notes that since the EMS was formed in 1979, the EC and the EIB have promoted the use of the ECU, "more for political than economic reasons": to "advance European integration." The commercial banks who joined in the effort include Belgium's Kredietbank, France's Crédit Lyonnais, Lloyds Bank of London, and the Istituto Bancario San Paolo di Torino (which last year bought up the California bank of Democratic Party chairman Charles Manatt).

Kredietbank made the first bond

issue in ECU for the Italian telecommunications firm Softe in March 1981, and the EIB itself followed suit; it is now the bank's third most important operating currency, next to the dollar and deutschemark.

At this point, continues the *NZZ*, the volume of banking in ECUs makes it appropriate to create an official ECU clearing institution. Kredietbank and others are de facto playing this role to some extent, but they would prefer a supranational bank to do so, and there is discussion of the Bank for International Settlements taking on the clearing job. Almost two years ago a working group was formed which now includes 18 banks, and aims to have an official BIS clearing operation in place by 1984.

Meanwhile Brussels is promoting a stronger integration of the EC financial markets and a privileged status for the ECU. What if the EMS should fall apart? Van Schil thinks private ECU use would continue. Then there is the question of adjusting the composition of the basket, but Brussels insists that this involves no big risks, since the external value of the ECU will remain the same.

The vice-president of the European Commission, François Xavier Ortoli of France, in 1982 demanded an expanded ECU role in EC transactions, an end to national regulations discriminating against it. A year later, the Commission accepted this policy, and the EC ministerial council issued a resolution bidding members to give the ECU the juridical status of a currency. This was mainly aimed at the West Germans, who have been diffident toward the ECU.

There is new pressure on Bonn and Frankfurt in the current talks on an extensive reform of the EC to "improve its economic competitiveness," and, the *NZZ* concludes, Germany should not obstruct the rise of the ECU.

South Africa: monetary outlaw

Chaos is preferred to the restoration of an official international gold standard for nation-states.

You must read the most recent report of the International Gold Corporation," said the South African representative between mouthfuls of melon balls and cream. It was at one of the innumerable bankers' receptions during the late meeting of the International Monetary Fund in Washington, on an upper floor of an art gallery stocked with exemplary bad taste.

"No, I am serious," persisted the South African. "It will surprise you. We say that gold will never return to an official role in the monetary system. Isn't it interesting, that South Africa argues against this? You must admit that this is something new."

It is not really new, one must conclude upon reviewing the report entitled "Gold in the International Monetary System," by a promotional arm of the Pretoria government. Since the murder of the farsighted West German banker Jürgen Ponto in July 1977, a dialogue between European financiers and the less *verkramp* (tense) members of the South African leadership weakened and, finally, dissolved. Ponto envisioned a new monetary system based on gold as a vehicle for expansion of industry in the developing sector, and Africa in particular. In the context of such discussions, the South African view of gold rose, for the first time, above mere greed or worse, a doctrinaire 19th-century gold standardism.

The present document merely confirms what many of us have known, especially since the Soviet media cried

"Goebbels" at publications that commented upon the tight cooperation between South African and Soviet gold marketers, and even more so since the unraveling of the Marc Rich affair exposed Soviet-South African collaboration on the oil market: South Africa has chosen outlaw status. Considering the indelicate financial condition of Israel and Hong Kong, two other refugees from the international community, some South Africans may have cause to regret this attitude before the day is done.

The conclusion of the report reads, "Political, technical and economic factors preclude reactivating gold as the international monetary standard of value. Yet, its active role will not end. Increasing investment demand along with expanding markets across the world in physical gold, gold futures, and options further legitimize gold as an international asset."

International Gold Corporation describes the sort of gold transactions it admires:

"Activities such as swapping and leasing, rather than outright purchases or sales, have become much more popular as a means of practically mobilizing previously frozen gold reserves. They represent, along with trading activities, the 'new wave' of central bank gold operations. Swaps enable countries to overcome short-term balance of payments difficulties without having to give up gold reserves. Several central banks have arranged swaps with leading interna-

tional banks. Portugal has borrowed from the BIS using gold collateral (a portion of which was eventually sold to meet loan payments), and the Brazilians, Chileans, and Venezuelans have used gold reserves as collateral to borrow to alleviate debt payment difficulties. The South Africans and Soviets also conduct swap activities."

It continues, "Central banks and other holders of gold also lease gold to the market for a small rate of interest. These leasing activities attempt to earn interest on a reserve asset that would otherwise produce no income. The rate of interest is usually very low and can vary with the need from bullion dealers and industrial users and supply from central banks."

Central banks, as often reported in this space, are surrendering increasing portions of their gold to the freebooters of the financial system, and the great private hoards of Western Europe are accumulating gold at the expense of national governments. Diplomatically isolated, South Africa clearly prefers the freebooters to the national governments, and exults in the devolution of the world monetary system.

There is, of course, something of an official referee in this business, the report adds: "The Bank for International Settlements is without doubt the most active international institution in the gold market due to its gold swapping activities. The Portuguese swap noted above is just one example. Moreover, the reliance on gold as a convenient denominator is seen on a typical BIS balance sheet. Assets and liabilities are valued in terms of gold francs."

The arbiter of the chaos which South Africa praises is the institution so above national controls that it sold the gold from the teeth of Hitler's victims, and transmitted SS General Karl Wolff's peace terms to Allen Dulles.

Business Briefs

Israel

Who benefits from the financial havoc?

The Israeli economy was thrown into turmoil in mid-October by a combined financial panic on the stock market and the new Shamir government's 23 percent devaluation of the Israeli shekel and cuts in subsidies for basic commodities that have led to 50-percent-plus percent increases in the price of food, electricity, and gasoline.

Leading up to the financial measures was massive selling of bank shares and buying of dollars by large foreign shareholders and Israelis.

It is estimated in Europe that the run of bankshares was engineered by the faction around Finance Minister Yoram Aridor, a devotee of Milton Friedman, to create a shock that would help force through the IMF's recent austerity demands.

Large-scale buyers of dollars from the past week will make a financial killing from the devaluation of the Israeli shekel.

In an Oct. 12 editorial, the London *Financial Times* pronounced: "The IMF subjected Israel's economy to cool scrutiny and concluded that there was a pressing need for public spending cuts, for devaluation, and for the sort of austerity measures which the government has now been driven to."

Because of Israel's drastic foreign, especially short-term, debt situation, the *Times* declares that Shamir "will have to impose austerity without driving the best and the brightest out of the country"—he will have to force through the de-indexing of wages from price rises and inflation. Indexing had somewhat shielded Israeli workers from inflation rates of over 150 percent.

Industrialist Yekutiel Federmann told the *Jerusalem Post* that "there should be a state commission of inquiry into the formation, and the present bursting, of the bank shares bubble. . . . Industry, the vital core of the economy, is on the brink of collapse. . . . This government has managed to destroy in a short while what it took 29 years of hard work and sacrifice to build up."

Federmann warned that Israel's financial weakness could gravely affect national security.

Agriculture

EPA gives Larvadex the DDT treatment

The Environmental Protection Agency surprised poultrymen and poultry scientists in late August when they announced the suspension of the use of Larvadex as a feed-through lavacide for laying hens. The decision was made even before EPA had completed its risk assessment.

Calling the suspension a "normal procedure," EPA claims that the chemical melamine, a Larvadex metabolite found in many household products, such as dinnerware and food wrappings, was a potential carcinogen.

Having examined the data from the tests in which melamine was fed to rats and mice, a toxicologist with the manufacturer said the chance of a human being developing a tumor as a result of eating eggs produced by hens consuming Larvadex-treated feed would be less than one in 10 billion over a lifetime. A person, he said, would have to eat 1.5 million eggs daily during his life to reach the tumor response level.

EPA director William Ruckelshaus was responsible for the destructive and unnecessary banning of DDT, which, he himself has bragged, had no scientific basis.

West Germany

Industry in crisis, 'class war' mooted

"This is the last ship I've built—it is the saddest day in more than 25 years I've been working here," said a worker at the A. G. Weser shipyard in Bremen on an Oct. 5 television program covering the delivery of the

last large ship to be built at the huge West German shipyard.

In the steel sector, the agreement among the 15 biggest producers in Europe broke down Oct. 6 when 7 of the 15 cancelled their participation in the Eurofer agreement. And the Luxembourg-based Arbed steel company has announced the final withdrawal from its 17,000-job subsidiary in the Saar.

The Public Services and Transport Workers Union, Germany's second largest, is threatening to paralyze truck transport with a strike by its 29,000 drivers. The metalworkers' union wants its 2.6 million members to "strike for the 35-hour week, rather than for wage increases."

The 35-hour-week policy is supported by the Social Democratic Party, whose chairman, Socialist International chief Willy Brandt, termed the mobilization for reduced hours a "show of force between capital and labor, the outcome of which will determine the face of this republic by next spring."

Heinz-Oskar Vetter, a Trilateral Commission member and former chairman of the national union federation, asserted that there will be "social unrest" by workers due to unemployment and depression.

The chairman of the left-wing German printers' union, Leonhard Mahlein, stated recently: "It is about time that the class war from above is answered by the class war from below."

Philippines

IMF is creating 'outright desperation'

A European banking source confirmed Oct. 12 that the European banks had decided three years ago to cut off lending to the Philippines because it was "badly managed."

European bankers are hoping, he told *EIR*, that Marcos will fall and the Philippines will be "reorganized." At that point lending might resume. He said that after European banks abandoned consortia for the

Philippines, all lending was left up to the American and Japanese banks, but now "the Japanese are being left alone, since the Americans are pulling out."

The banking source noted, "The IMF is demanding that the Philippines cut imports from Japan, and that will hurt the Japanese." Japan relies on the Philippines for various raw materials and other vital factors.

The Swiss daily *Neue Zürcher Zeitung* reported Oct. 12 that the situation in the Philippines has reached the point of "outright desperation" following the decision by the IMF to turn down a request from the government of Ferdinand Marcos in Manila for new credits.

According to *NZZ*, large-scale capital flight is accelerating, and the loan consortia for the Philippines organized by Wells Fargo International and the Bank of America are falling apart.

Energy Policy

U.S. scientists support nuclear power

The overwhelming majority of American scientists—89 percent—support continued development of nuclear power, according to a recent survey, and the more they know about energy, the more they support such development.

Only a year after the Three Mile Island incident, S. Robert Lichter of George Washington University and Stanley Rothman of Smith College took a random sample of 741 scientists in all disciplines and a group of 358 scientists in energy-related fields.

The authors, who published their results in a Sept. 15 article in the British magazine *Nature*, say that scientists are "relatively pessimistic about the short-term potential of 'alternative' energy sources such as solar power and biomass."

When asked which groups should have a "great deal of influence over nuclear development," both groups overwhelmingly favored a leading role for energy scientists and engineers. Only 2 percent of the random

sample and 3 percent of the energy sample favored media influence over the issue.

Labor

Union-busting pattern: the Nebraska case

Federal Reserve Chairman Paul Volcker's policy of breaking American unions is well under way.

In Nebraska, unions are being shut down by a combination of "right to work" laws and company attacks. The building trades have 200 out of 300 members in Omaha, the state capital, out of work, and they are only doing 35 percent of the low level of current construction.

Omaha is "going back to the 1930s," one unionist reported. "The companies are hiring so much non-union labor at half our wage levels that we're going back to the time when a man used to carry a brickbat around and beat the scabs. And there are so many men unemployed in the area that scabs are filling every job."

Meatpacking and general construction are the only industries left in the Omaha area, he said. He reported that the meatpackers' union has been the worst hit, followed by the sheetmetal workers who do the maintenance on meatpacking plants.

"The worst union-busting is being done by the packing houses. First they demand the unions take a 50 percent wage cut, or they will lay every union man off. Then if the men strike, or they wait till the contract runs out and then let them strike, they just forget about the union entirely and hire strikebreakers. And the men that break the strikes have been out of work so long that they don't fear for their lives.

"The unions are going to be made into the villains and shut down," he warned. What he might have added is that America became the world's greatest economic power by attaining both high wages and high profits through technological progress, and that "labor-management" strife is unnecessary in periods of industrial expansion.

Briefly

● **OSVALDO HURTADO**, president of Ecuador, has issued invitations to Latin American heads of state to convene a summit on the economic crisis on Jan. 9 in Quito, Ecuador. A meeting to prepare the agenda for the conference will be held in November in San José, Costa Rica. It will focus on Latin American nation's vulnerability in energy, food, and other vital economic sectors—the issues discussed in documents released by the Latin American Economic System (SELA) and the United Nations Economic Commission on Latin America (ECLA) in Caracas last month.

● **SLIDE SHOWS** on the economic effects of a Western Alliance beam-weapon defense mobilization and on *EIR*'s proposal for Great Projects transforming the infrastructure of the underdeveloped sector are available for a fee from *EIR*'s Special Services Department.

● *EIR* sponsored a conference on the world debt crisis Oct. 11 in Milan. In attendance were representatives of every major Italian bank.

● **THE U.S. WORKFORCE** seems to have shrunk to new lows of blue-collar participation. According to the best government figures available, the non-agricultural industrial labor force was 19.7 million in 1982; it fell by 4.5 percent to 18.8 million in 1983. With the addition of highly overstated figures for the agricultural workforce, this indicates that the total level of productive workers is only 22.6 million, a pitiful 20 percent of the entire workforce of 110 million. In coming issues, *EIR* will fill out the picture.

● **CITIBANK** bankrolled the recent legislation in South Dakota prohibiting labor union members from receiving more than 10 weeks' unemployment unless they agree to take jobs below union-scale wage levels. South Dakota is the site of Citibank's "runaway" credit card processing operations.

Why U.S. forces are open to a Soviet first strike

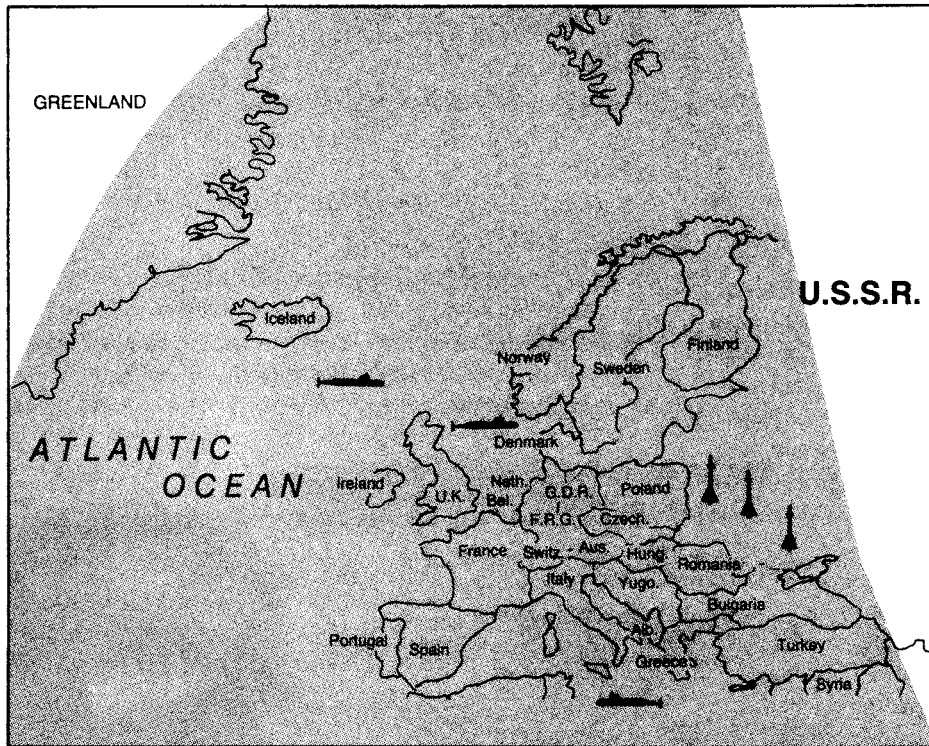
by Criton Zoakos

During 1980, the U.S. government, in a statement contained in then-Defense Secretary Harold Brown's Defense Guidance report, publicly admitted that this nation is no longer in possession of a land-based ICBM deterrent force. This conclusion was reached as a result of the fact that the Soviet Union by that time was in possession of a sufficient number of highly powerful and accurate land-based nuclear warheads (over 5,000), a mere fraction of which could destroy either all or 90 percent or more of America's 1,052 ICBMs in a first strike attack. After such a successfully executed Soviet first-strike, the Soviets would still be in possession of a strategic reserve of over 3,000 land-based nuclear warheads.

This is an officially acknowledged fact of life. We are not in possession of a land-based strategic deterrent. Under the direction of McGeorge Bundy and W. Averell Harriman, the entire crew of socially upwardly mobile arms control bureaucrats both inside and outside the government, from Henry A. Kissinger on down, counseled: "Not to worry. We still have our marvelous nuclear submarine-based deterrent, our fabulous SLBMs, which could destroy the Soviet Union many times over."

This is a stupid, fatuous, and self-serving argument of the arms-control crowd. It is more likely than not that as of now, the United States either no longer has an SLBM deterrent force or is about to lose it in the same way it lost its land-based ICBM deterrent. The characteristics of our meager nuclear submarine force are such that they can fire at Soviet targets only from certain very specific locations, all of which are covered by the effective range of the SS-20 missiles as they are currently deployed (see article, page 24, for the possible relationship between the American Submersible Ballistic Nuclear (SSBN) submarines and Russian SS-20s).

American military and intelligence specialists had in the past discussed the question of what the assigned combat mission of the Russian SS-20s might be. The hypothesis had been raised that the SS-20 might be given an anti-submarine warfare (ASW) mission against American SSBN submarines operating in those areas of the North Atlantic, North Sea, Baltic Sea, Mediterranean Sea, Red Sea,



Range of Soviet SS-20s

 U.S. submarine deployments
 Soviet SS-20s

shaded area shows range of the SS-20s

and Persian Gulf, the only locations from which American submarine-launched ballistic missiles can possibly strike at Soviet targets. The hypothesis was later dropped for no good reason. Meanwhile, the number of deployed SS-20s has kept piling up, and Soviet propaganda has been grinding out stories to convince Western European housewives that the SS-20s are aimed at them. In truth, there are no more than 30 military targets in Western Europe which would merit an attack by SS-20 warheads. And there exist no military commanders who would waste their cherished nuclear warheads against housewives. And there exist now at least 2,100 SS-20 nuclear warheads. The obvious assumption to make is that those warheads are aimed at the only remaining strategic headache of the Soviet military command: the nuclear submarine deterrent of the United States, the only deterrent this country has.

What is the Soviet order of battle?

Our intelligence and national security community is too scared to look into this matter because if they look into it, they must revise, in a fundamental way, their entire estimate of what the Soviet order of battle looks like. If our intelligence community, the office of the Director of National Intelligence (DNI), the Central Intelligence Agency, Defense Intelligence Agency, National Security Agency, the State Department's Intelligence and Research Section, and so forth, reopened the file on the subject of the possible ASW combat mission of the Soviet SS-20s, then automatically, the entire matter of reviewing the status of the Soviet order of battle will come up for discussion. If this latter subject comes up

for discussion, then the currently ongoing clamor over Soviet violations of the SALT I and SALT II treaties is placed in an entirely different context. Then Congress will not have to deal with the mere legalistic problem of Soviet treaty violations but rather with the substantive problem of what all these scores of massive violations have produced by way of total Soviet strategic capabilities. What is the true nature of the military beast?

EIR and in particular its founder, Democratic presidential contender Lyndon H. LaRouche, Jr., have raised with great persistence the subject of the Soviet armed forces' strategic doctrine which determines Soviet deployments, research and development programs, and order of battle. For this, we have been hounded and reviled. The principal objection to the issue we have been raising boils down to: "Look, you are wrong; what is known to be the Soviet order of battle does not bear out what you say about the subject of Soviet strategic doctrine"—not in so many words, but essentially in this spirit.

But, fellow, you've got the Soviet order of battle wrong.

We have substantiated reasons to believe that the final product which the intelligence community has placed before the desks of policymakers under the heading "Soviet order of battle" is a bunch of self-deluded baloney. Here are our reasons:

First, if you count the total number of facts known (or treated by our intelligence services as known) about the deployment of Soviet strategic forces and compare this with the total number of factually proven Soviet violations of the SALT I and SALT II agreements, you will conclude that the number of proven Soviet deceptions in this area is greater

than the number of "proven facts" cited by our critics.

Second, the Soviet military official who negotiated the SALT I agreement with Kissinger was Marshal Nikolai Ogarkov, who, at the time of those negotiations from 1969 to 1972, was also the chief of the Soviet General Staff's Chief Directorate of Strategic Deception, an institution founded by Ogarkov himself, who is now, of course, the chief of staff of his country's armed forces.

Third, on the basis of the above arrangement, the American intelligence community normally would have been obliged to regard any item of information pertaining to any Soviet deployment, both of the kind verified as deception and of the kind authentically verified as truth, as part of the pattern of Soviet strategic concealment policy. In other words, even those true facts about Soviet strategic deployments, known to the Soviets to be known to us, must be assumed by us to belong to that category of true facts which the Soviets wish us to possess, or do not object to us possessing, as an included necessary part of their Strategic Deception policy. As is known, the best form of deception is founded not merely on lies, nor on evasions, but on partial truths. We must therefore ask, concerning the partial truth of Soviet deployments we have been allowed to obtain, what is it designed to conceal?

Fourth, the nature of those items which have been jealously concealed by the Soviets: These primarily include telemetric data on certain Soviet weapons, data of utmost analytical value for the United States which the Soviets have encrypted in violation of standing agreements. What are the flight and combat characteristics of the SS-20, of the SS-16? What are the flight and combat characteristics of the SS-X-24 (PL-4) and the SS-X-25 (PL-5)? What is going on in those portions of the 80 percent of the Soviet Union's territory off limits to travelers which are not under our satellite scrutiny?

Fifth, and most important, the nature of known Soviet violations of SALT I and SALT II. The most important known such violations are: the development and deployment of the SS-19 MIRVed ICBM—prohibited by the SALT I treaty; the development and deployment of the SS-16, a mobile, MIRVed ICBM—prohibited by the SALT II treaty; the testing and development of the PL-5—prohibited by SALT II; the encryption of telemetry data of the test flights of the SS-20, the PL-4 and the PL-5—all prohibited generally; the emplacement of an EBM radar system in Kamchatka in 1974—in violation of SALT I; the emplacement of the Ablakovo ABM radar system which protects three Soviet SS-18 missile sites housing 50 percent of their SS-18 missiles—in violation of the 1972 ABM treaty; the combination of at least another five ABM-range radar systems with anti-aircraft missile installations which have the range characteristics to function as ABM units—in violation of the ABM treaty. And so forth.

Sixth, the issue has been raised that the targets assigned to America's strategic nuclear forces by the nation's Strategic Integrated Operational Plan (SIOP), may be worthless, and that the work of America's targeters may have already fallen

victim to Soviet Strategic Deception operations. This point was made in the September 1983 issue of the *Armed Forces Journal*, in an article titled "Selective Targeting and Soviet Deception," written by Samuel T. Cohen and Joseph D. Douglass, Jr.

The article was placed in the *Congressional Record* of Oct. 8, 1983 by Sen. Jesse Helms.

The apparent Soviet order of battle

From the verified data, not contested by any source or agency, the Soviet Union's arrangement of its strategic weapons into an order of battle is based on the following weapons systems/force comparisons:

Soviet Union:

Nuclear submarines: 83 (as opposed to 62 allowed by SALT).
SLBMs: 989 with a range capable of reaching the United States from home ports.

Nuclear warheads on SLBMs: over 2,300.

ICBMs: 1,398.

Nuclear warheads on ICBMs: nearly 6,300.

Bombers: 150.

Total throw-weight of ballistic missiles: 12.0 million pounds.

United States:

Nuclear submarines: 32.

SLBMs: 520.

Nuclear warheads on SLBMs: nearly 5,000.

ICBMs: 1,042.

Nuclear warheads on ICBMs: 2,142.

Bombers: 297.

Total throw-weight of ballistic missiles: 3.3 million pounds.

On the basis of these numerical assumptions—and for the case of the Soviet numbers, they are pure assumptions since the Soviets have never admitted, at the SALT negotiations or anywhere else, what the true numbers of their weapons are—everyone agrees that these assumed deployments have the following effect:

If the Soviet Union executed a first strike against the United States, it would wipe out almost all our land-based force, assuming that the U.S. land-based force was used as a deterrent and not launched. If then the United States wished to retaliate, it could only do so with its nuclear submarines. Those submarines, because of the range of their missiles, must get close to the U.S.S.R. before they fire. If the Soviets wish to eliminate this retaliatory ability of the United States, they must focus on locating and destroying a total of 15 American submarines near their homeland in the first 60 minutes after launch, and 17 other subs later. Nobody is assuming the bomber force of either side to be anything more than flying junk.

If the United States executed a first strike, it would spend its entire land-based ICBM force to destroy only a portion of the Soviet land force. The Soviet Union would be able to retaliate with its deployed surviving land missiles, with its

submarines firing from home waters and bring forward its strategic reserves.

Conclusion: As of today, the U.S.S.R. is capable, and the U.S.A. is not capable, of executing a successful first strike. An investigation of the possible anti-submarine warfare role of the SS-20 will tell us if the Soviet Union can execute not merely a successful first strike, but a first strike with total impunity. This may already be the case.

Beyond this, no more can be said on the subject of Soviet order of battle based on the assumptions of official force data.

Now assume that the official force data are also a bunch of baloney. The thought which follows is: If the fake order of battle has been able to emasculate the United States' land deterrent and is about to do the same to the sea-based deterrent, what must be the main feature of the real order of battle, based on real data available to the Soviet General Staff? Your answer of course is: *We don't know*. "We don't know" is the best possible starting point for successful intelligence work. Therefore you then ask yourself: Based on what I do know, how do I put myself in the shoes of the Soviet General Staff?

In the following way:

Having accomplished the task of creating the option of a successful first strike against the adversary, does not mean that you will exercise this option. Instead you shall focus on accomplishing the following tasks: 1) Perfect your advantage by emasculating the remnant of American sea-based retaliation. 2) Now that you can merely survive a hypothetical American first strike, create a situation in which you will be able to totally neutralize the potential of such a first strike by means of anti-ballistic missile defenses of all types. 3) Having accomplished these superior capabilities with respect to the existing generation of American weapons, start working to accomplish the same with respect to the future generation of American weapons, the MX missile and the Trident II D-5 SLBM in particular.

These tasks will determine what the Soviet order of battle will look like. To reiterate: If, by the year 1986, in which the SALT II treaty expires, the Soviets have succeeded in surpassing their present ability to launch a first strike against us, through a combination of ABM systems (anti-missile missiles, EMP, and crude point-defense lasers for now), then their further current task is to preserve both of these advantages (first strike for them and denial of first strike for us), when the next generation of American strategic weapons comes along.

With these tasks in mind, the Soviet command has probably already evolved an order of battle whose current deployment is already beginning to meet the needs of the 1990s. We don't know for sure.

The intelligence community's laundry

During September, the U.S. Senate voted 93-0 for a resolution demanding that President Reagan make public all Soviet SALT violations. In the five weeks from early Sep-

tember to the second week of October, an intelligence community report has been sitting on the President's desk listing all of those Soviet violations which are known. Sen. Helms and others have requested that "President Reagan report to the Congress openly, in unclassified form, absolutely before and no later than Oct. 31, 1983." The President, instead, remained silent on the violations so far and has proposed to the Soviets a set of suicidal measures under the Kissingerian rubric of "build-down." The rationale for the refusal to disclose Soviet violations is that if this is done, the Soviets will break off arms-control negotiations and that would have a deadly impact on the President's re-election chances.

The President is tailoring his national defense strategy to the needs of his election campaign strategy. He would not have been doing so had the intelligence community had the guts to look into the real military situation of the U.S.S.R. and thereby discovered what the current status of the Soviet order of battle is. Had this occurred, more people in Washington would be aware of the fact that there may well not be presidential elections in November 1984! The President would have been acting differently if he had been counseled better.

But the intelligence community of the country is acting with gutlessness. In some respects, we have reasons to suspect that the situation is not unlike that obtaining in November and December of 1967, just before the January 1968 Tet Offensive in Vietnam.

Since the summer of 1966, the chief CIA nam analyst in Washington was arguing that the total strength of Viet Cong effectives inside South Vietnam was over 600,000. The Defense Intelligence Agency (DIA), General Westmoreland, National Security Council chief Walt Rostow, Col. Danny O. Graham, Robert McNamara, et al. were all telling the CIA to shut up and keep the estimates down to the "official" 245,000 Viet Cong effectives (see *EIR*, Oct. 18). CIA Director Richard Helms was browbeaten into bureaucratic discipline to accept the fake force strength and order of battle presented by the likes of Danny Graham. In late November and again in December 1967, the CIA's field team in Vietnam sent in a report predicting that a massive offensive of extraordinary proportions was underway for the period of the Tet holidays. The entire U.S. Army command in Saigon, the entire DIA, and so forth heaped ridicule on the report on the grounds that neither the force-strength estimates nor the estimated order of battle of the Viet Cong were such as to make such a fabulous offensive possible. However, promptly on Jan. 30, 1968, the Tet offensive materialized, carried out by over 650,000 Viet Cong effectives, organized in more than twice the number of units reported to be in existence by official U.S. Intelligence estimates.

At the very top of the U.S. government, officials did not know because they did not wish to know. Had they accepted the higher, accurate estimates of individual CIA officers, they would have had to admit that the kind of war they were fighting against Vietnam was a total failure. They therefore

ignored painful truths. Something similar is now occurring with respect to the Soviet order of battle: A full generation of policy and intelligence officials has been raised into careers ranging from the merely admirable to the fabulous in the pursuit, for 25 years now, of the Pugwashian delusion of deterrence, MAD, and arms control, concepts for which our negotiating partners, the Soviets, never had any respect. Our intelligence estimates of Soviet force strength and order of battle are the result of our intelligence agencies' and politicians' efforts to fit Soviet military realities into the straight-jacket of what our Pugwashed establishment considers "deterrence."

The point is: Yes, Soviet forces are deployed for "deterrence." But the Soviet diplomatic and military community employs two distinct words of the Russian language to convey the meaning of "deterrence." One, word, used in Russian to denote American deterrence, is *ustrasheniya* which translates as "intimidation." The other, employed to denote Russian deterrence, is *sderzhivaniye* meaning "constraint." It is fair. Our Pugwashed crowd wishes to deter them by threatening a "big bang," a mutual suicide pact. They don't go for this mutual suicide stuff. Instead, they intend to "deter" us, by emasculating our possibilities to either conduct a first strike or to retaliate against their first strike. They are doing so by the way in which they are deploying their strategic forces and by the type of forces they are developing.

U.S. nuclear sub vulnerability

by Robert Gallagher

Nearly every argument of the advocates of Mutually Assured Destruction (MAD) is based on the assertion that the U.S. ballistic missile submarine force is virtually invulnerable and will therefore reliably deter a Soviet attack. But the evidence shows the contrary: U.S. submarines are highly vulnerable on a number of counts.

Communication between command center and the U.S. submarine force is vulnerable to Soviet anti-submarine warfare (ASW). Secondly, there is reason to believe that the purpose of a sizeable portion of Soviet SS-20 missile forces is to strike U.S. ballistic missile submarines.

For the U.S. submarine force to be a truly invulnerable and reliable retaliatory force, it must be able 1) to survive a Soviet preemptive strike, 2) to receive information that such a strike has occurred and its orders to retaliate, and 3) to

retaliate against the Soviet Union through launch of its ballistic missiles before undergoing destruction by Soviet ASW forces.

Although arms control treaties with the Soviet Union permit the United States to deploy 41 ballistic missile submarines, obsolescence and the slow rate of Trident submarine deployment have yielded only 31 presently operational vessels. A third of these are in port undergoing maintenance at any given time. Others are in transit between port and stations. It is assumed that this approximately one-half of the force would be destroyed in a Soviet attack, leaving at most 15 to 20 U.S. ballistic missile submarines. Some of these subs on station could also be destroyed by Soviet ASW.

Communications: an 'Achilles Heel'

Communications with submarines is a much more serious problem than generally supposed. John M. Collins of the Library of Congress writes in *U.S.-Soviet Military Balance*:

The Navy currently relies on satellites, shore installations, and 12 EC-130Q TACOMO aircraft to make emergency contact via Very Low Frequency (VLF) radio. VLF, however, leaves a lot to be desired because it "is not effective beyond (submarine) antenna depths of 25 to 30 feet below the ocean surface." Risks of detection and destruction increase when captains receive instructions under those circumstances. Response times could be considerable, because radio contacts, which cannot be constant, are separated by several hours. Some U.S. strategists consider that shortcoming an Achilles Heel.

Louis Gerken, president of American Scientific Corp., reported recently at a Washington conference that submarines receive these transmissions for six hours in the course of a day. It appears to be a reasonable assumption that only 25 percent, or five of the U.S. ballistic missile submarines on station during a hypothetical surprise Soviet attack would receive immediate notification, the remainder being at depths too great to receive radio transmissions. These submarines would be vulnerable to detection and destruction.

The retaliatory force is only as invulnerable as its communications, and all the communications systems are more vulnerable than the submarines. The land-based systems are not hardened. No one expects satellites to function following the first few minutes of a Soviet attack. And the TACOMO radio relay aircraft are aging propeller planes that trail a five and a half mile antenna to generate the radio signals for the submarines. Only one of these is on patrol at a given time.

Thus only the half-dozen vessels in range of radio transmission at the time of a surprise attack would receive their orders. If the attack occurred during a crisis when the force was on alert and a larger proportion of vessels received immediate notification, that larger percentage would also be

detectable.

Extremely low frequency (ELF) radio can be used to communicate with submarines at depths of several hundred meters. But the environmentalist movement prevented the construction of an ELF system in the 1970s. The Reagan Administration is building a considerably scaled-down system that will not be operational for about two years and that will be above ground and vulnerable to Soviet attack or sabotage. Even if made operational, it would only survive long enough to give the submarines warning of a Soviet attack based on satellite data.

The fate of the submarines out of radio contact in the event of a surprise attack is unclear. We would have to assume that they would be vulnerable, might not receive their orders and that their missile deployment would be at the discretion of their commander.

ASW role for SS-20s?

Very few of the Soviet SS-20s presumed to be targeted on Western Europe are required to destroy military targets there. Two defense analysts, Samuel Cohen and Joseph Douglass, writing in the September issue of *Armed Forces Journal International*, argue that

there is no target base in Europe that comes even close to justifying the SS-20 system in its most advertised form, which equates to between 2000 and 5000 150-kiloton warheads. There are fewer than 30 so-called nuclear hardened targets (none of which are even hardened to withstand 150-kilotons delivered with SS-20 accuracies). . . .

What is the mission of the hundreds of "excess" missiles? Anti-submarine warfare is one possibility, to knock out the heart of the U.S. "deterrent."

U.S. ballistic missile submarines must fire from the Mediterranean, the North or Baltic seas, or the North Pacific to reach targets deep inside the Soviet Union. Submarines stationed in the North Atlantic can only reach targets in western Russia. As the map shows (page 26), these staging areas are well within the reach of single-warhead SS-20s stationed in Europe or eastern Russia. According to naval intelligence, if a nuclear warhead detonates in the ocean at a depth of 1,500 feet within two miles of a submarine, the vessel will be destroyed or disarmed even if it is surrounded by sea mounts. (The SS-20 has an accuracy of about 100 meters.)

The Soviet Union clearly has the arsenal in place to destroy 15 U.S. submarines. Its only problem—and not an insignificant one—is the position of these submarines within the circumscribed sea areas in which they must operate. The Soviet "hunter-killer" attack submarines are the only known means of tracking the U.S. subs at great depths. As of 1979, there were a total of 94 Soviet nuclear attack submarines, of which the 30 of the Alfa and Victor classes were faster than U.S. ballistic missile submarines.

Build-down and U.S./U.S.S.R. ICBMs

Deployed today	U.S.	U.S.S.R.	Soviet lead
Number launchers	1052	1398	33 percent:
Number warheads	2152	6000	almost 6 warheads for each U.S. ICBM

Scenario I: Each side deploys 100 "MX" missiles with 10 warheads each.

	U.S.	U.S.S.R.	Soviet lead
Number launchers	150	550	almost 4 to 1:
Number warheads	1150	5000	33 warheads for each U.S. ICBM

Scenario II: Each side deploys 1000 single warhead "Midgetmen."

	U.S.	U.S.S.R.	Soviet lead
Number launchers	1050	1450	40 percent:
Number warheads	1150	5000	almost 5 warheads for each U.S. ICBM

Scenario III: Each side deploys 1000 "Midget men." U.S. missiles have one warhead; Soviet missiles have four.

	U.S.	U.S.S.R.	Soviet lead
Number launchers	1050	1450	40 percent
Number warheads	1150	8000	almost 8 warheads for each U.S. ICBM

The table shows alternative scenarios for the "build-down" of U.S. strategic defenses through retiring old warheads as new mobile, single-warhead ICBMs are deployed. If two ICBM warheads are retired for each new one and both the U.S.A. and U.S.S.R. deploy 100 new missiles with 10 warheads each, the U.S. arsenal would be reduced to the size shown for Scenario I. Scenario II shows that if both sides deploy 1,000 single-warhead missiles and retire 2,000 old warheads and their launchers, the current Soviet advantage would remain unchanged. Scenario III shows the result of build-down if the United States deploys 1,000 single-warhead "Midgetmen" and the Soviets 1,000 four-warhead PL-5s. This would significantly increase the Soviet lead.

The build-down scheme was originally proposed by Alton Frye, director of the Washington, D.C. office of the Council on Foreign Relations. Sen. William Cohen (R-Maine) picked it up and developed it, in behind-the-scenes consultation with Gen. (ret.) Brent Scowcroft. Sen. Sam Nunn (D-Ga.) and Sen. Charles Percy (R-Ill.) supported Cohen's initiative, and this core group drew support from Sen. Gary Hart (D-Colo.) and Representatives Les Aspin (D-Wis.), Norman Dicks (D-Wash.), Albert Gore (D-Tenn.).

Note: Retirement of missiles and warheads is assumed in the table to be on the basis of oldest first. Although certain advocates look toward retirement of multiple-warhead missiles first, it is unlikely the Soviets would retire their new multiple warhead SS-18s and SS-19s first. The numbers given for Soviet ICBMs and their warheads are approximate and do not include the 100 to 200 SS-16s deployed under cover at test sites, nor inventories of missiles not in launchers.

Dr. K's 'build-down' to U.S. unilateral disarmament

Henry Kissinger published a call for a "build-down" of U.S. military forces in the March 21 issue of Time magazine. Titled "A New Approach to Arms Control," the article appeared two days before President Reagan's announcement of a new military doctrine based on the development of anti-ballistic missile defense systems. We publish here excerpts from Kissinger's contrary proposals.

. . . The principal cause of instability with current weapons systems is the disproportion between warheads and launchers. All the remedies that have been tried are vulnerable to technology: hardening to accuracy, sea-based systems to advances in antisubmarine technology. There is no effective or intellectually adequate solution to this problem except to seek to eliminate multiple warheads within a fixed time, say ten years.

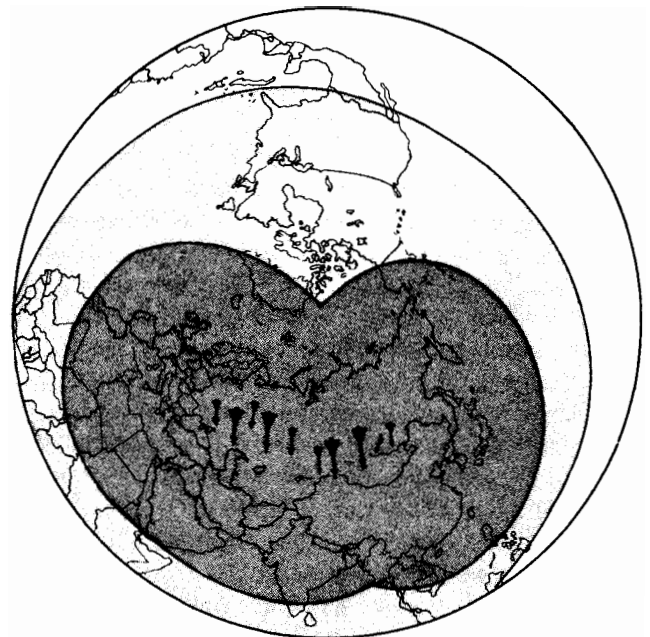
Fortunately technology, which creates the problem, can offer a solution. According to published literature, it is possible to develop a mobile missile that could be protected in a heavily armored canister. Its mobility alone could complicate the task of the attacker. Moreover, the new missile could—and should—be equipped with a single warhead. With strategic forces of such design, numerical limits would be both simple to establish and far more significant than under SALT II or START.

Once we decided on such an approach, we could proceed with it either as part of an arms control agreement or unilaterally as part of our defense policy. For example, we could propose to reduce and transform the strategic arsenals of both sides to a low number of single-warhead missiles over a ten-year period. The totals should be set at the lowest number that could be monitored; that is, at a level where a violation significant enough to overturn it could not be hidden. The permitted number of missiles may be as low as 500; at any rate, the number of warheads in this scheme would be only a small fraction of current totals. . . . Each side would be free to choose whether the permitted missiles would be mobile or in silos. Mobility would reduce the incentive of surprise attack, but equivalence at low numbers of single-warhead

missiles would, in any event, assure considerable stability.

This course does not depend on Soviet agreement. It should be pursued whatever the Soviet reaction. If they refused our proposal—this one or another embodying the same concept—the U.S. could announce that after a certain date, say 1990 (or before then if the new missile could be developed earlier), it would deploy no more MIRVed land-based intercontinental missiles but would emphasize single-warhead launchers, the majority mobile. The size of that force would be geared to the number of warheads deployed by the Soviets; we would reserve the right to match each Soviet warhead with single-warhead missiles of our own. In practice, we would almost certainly choose a lower number that we calculate could survive the maximum Soviet attack capable of being launched. The purpose would be to increase the number of targets the Soviets would have to hit but without increasing our capacity for surprise attack. We would gradually phase out our MIRVed missiles. If the Soviets agreed to a formal proposal, schedules for the mutual destruction of MIRVs would be negotiated. If they refused, we would build up single-warhead missiles to a level consonant with our security. The Soviets could always put a ceiling on our deployment by cutting the number of their warheads. . . .

Deployment of Soviet ICBMs and IRBMs



■ ICBM concentration and range
□ IRBM concentrations and range

Fletcher Report calls for near-term ABM development program

by Paul Gallagher

On the Columbus Day weekend, after ten days of stalling, the first revelations of the anti-ballistic missile (ABM) defense study completed on Oct. 1 by a top scientific panel began to hit the press, in the form of interviews with unnamed Pentagon officials. Defense Department sources said that the Fletcher Commission report called for a major acceleration of U.S. beam-weapons programs, and that a decision by Defense Secretary Caspar Weinberger was imminent.

The Pentagon "leaks," which began in the Oct. 9 *Washington Post* and then hit the *New York Post* and Associated Press wires the next day, were the first open signs of the internal battle through which military and national security officials are trying to bring President Reagan's ABM program back into prominence politically.

The program, a major shift in U.S. military doctrine announced by the President on national television on March 23, has been downplayed during the past month especially, sacrificed to a new administration arms control campaign. Defense Department officials had lost a battle with the State Department against Henry Kissinger's "build-down" arms control farce, and they also lost the battle to expose Soviet violations of SALT I and SALT II.

Reporting on the conclusions reached by the Fletcher Commission, Walter Pincus wrote in the Oct. 9 *Washington Post* that "an advisory panel has urged . . . Weinberger to step up research on new space weapons next fiscal year, including work on lasers for use against enemy missiles. . . . Weinberger is expected to make his decision this week or next on the recommendations of the commission."

Pincus quoted Pentagon officials insisting that continued Soviet improvements in space capabilities—particularly launching heavy objects into space quickly and tracking U.S. ships for missile targeting by aircraft—required a much bigger U.S. beam weapons program. (The House Appropriations Subcommittee on Defense has just declassified testimony by Defense Advanced Research Projects Agency head Richard Cooper, who says that the Soviets could quickly put a laser in space on board a "300 or 400,000-pound object.") The Defense officials told the *Washington Post* what has been privately known since early September—that the Fletcher Commission report calls for continuing the existing anti-missile laser program known as TRIAD, but adding higher priority emphasis on "other, more promising laser approach-

es, such as short-wave and nuclear explosion-created x-rays."

The *New York Post's* Niles Lathem quoted Pentagon sources on Oct. 10 that the Fletcher Commission report contains "a list of projects that could begin as early as next year," and that "currently, the thinking is to launch hundreds of mirrors in space that would direct laser beams fired from the ground against Soviet missile targets."

Such hybrid systems are in fact only one of a number of near-term deployment options now under intense discussion among National Security Council, Defense Department, the military services, and Presidential science advisory officials. Lathem quoted anti-beam-weapon Congressman Joseph Adabbo (D-N.Y.) about the Pentagon plans about to emerge from the Fletcher study: "You're talking about big bucks."

Weinberger is "under heavy pressure for a big expansion" in the beam weapons program and "about to make a decision," according to an Associated Press wire of Oct. 10. It is likely that the Secretary of Defense wants clearance to make a high-profile announcement of such an expansion and a real anti-missile deployment mission, for the beam weapons development efforts which are now making rapid progress in the national laboratories.

Aviation Week magazine reported on Oct. 10 that a meeting has been set between the Defense Department and the House Armed Services Committee "to iron out differences and ascertain that the DOD is . . . developing short-wavelength laser hardware, not merely continuing technology studies." The source of this information was House Armed Services Committee staff leader Anthony Battista, a member of Dr. Edward Teller's delegation to the recent Erice, Italy conference on "The Technological Basis for Peace."

EIR readers know from our report of that Erice conference that Teller and other top Reagan science advisers consider deployed beam-weapon anti-missile defenses possible during the 1980s. They consider it easiest immediately to develop defense of areas of U.S. and European territory against the threat of intermediate-range and submarine launched ballistic missiles, which are slower and more vulnerable than ICBMs. Defense against air- and sea-launched cruise-type missiles is easier still, for the same reasons. These advisers feel that these simpler tasks for anti-missile defenses should be tackled immediately in a large, broad-based effort which will aim toward eventual defense capabilities against ICBMs.

NATO Assembly report endorses ABM defense policy

by Pierre Beaudry

A report supporting ballistic missile defense (BMD) systems was endorsed Oct. 7 by the Scientific and Technical Committee of the North Atlantic Assembly in The Hague. In large part, the section of the report dealing with BMD systems reflects proposals made by Lyndon H. LaRouche and the Fusion Energy Foundation.

The document, titled "Draft General Report on Ballistic Missile Defense and East-West Technology Transfer," was submitted by Thomas-Henry Lefèbre, a Canadian Liberal Member of Parliament who is currently the general rapporteur for the NATO parliamentary grouping. The significance of the BMD section of this document is that it alters a proposal issued last June which condemned President Reagan's March 23 proposal for ABM defense systems.

Last June the North Atlantic Assembly office in Brussels, headed by David Hobbs, issued a first draft report aimed at discrediting President Reagan's new strategic defense policy. The arguments were as follows: BMD systems are undesirable because they would escalate the strategic arms race; they "would reduce predicted survivability of satellites, since any system capable of destroying ICBMs in flight is by definition even more effective against relatively fragile satellites"; they would necessitate the abrogation of the ABM Treaty; this would lead to potential war in space, involving anti-satellite devices, space mines, etc.; BMD systems would "create the illusion of a 'technological fix' which reduces the risks, dangers and consequences of a superpower confrontation; this would involve massive defense expenditures, create dangerous and divisive current within the Alliance, and eliminate the deterrent effect of the other Alliance nuclear forces."

This list of arguments against BMD systems, reported back to Canada by Lefèbre, was submitted to a Canadian team which proceeded to answer back, point by point, to demonstrate the overwhelming advantages of BMD systems. The new version of the report reads:

"Technological progress has changed these perceptions, and we cannot, and should not, turn back the clock. New technology holds the promise of releasing humanity from the threat of annihilation implicit in the irrational MAD doctrine

of reciprocal suicide. MAD could be replaced by a rational doctrine aimed at the development of *defensive* systems to counter the weapons of mass destruction.

"a) . . . Even though BMD would not be totally impenetrable, it would make the prospect of a *disarming* first strike much less certain. . . . b) . . . ASAT [anti-satellite] systems already exist; the Soviet co-orbital killer satellite system is operational. . . . Any attack against satellites, however conducted, would be viewed as an act of war. c) . . . From the U.S. standpoint, the ABM Treaty was an attempt to impose universal acceptance of the MAD doctrine as a means of stabilizing the nuclear 'balance of terror'; from the Soviet standpoint, it afforded a means of avoiding a technological race in BMD which the Soviet Union would probably have lost. . . . d) Space will probably become a theatre of operations by the 1990s simply because space systems are the force multipliers of terrestrial military effectiveness. But war in space would be an extension of war on earth, and not an isolated, independent event. . . . e) The illusion of a 'technological fix' is no more dangerous than the delusion of controlled nuclear war. f) With or without space-based BMD deployment, work will continue on High Energy lasers for terrestrial application . . . and even if military spending increases, the impact on society may not be totally adverse (for example, U.S. spinoffs from the Apollo program have been estimated at 14:1. . . .). g) There are no reasons, either political or technical, which would preclude the employment of space-based BMD systems against the SS-20. . . . h) Whether or not the U.S. deploys BMD, the Soviets may proceed to do so. The ABM system around Moscow is operational, and currently being upgraded. The Soviets are far advanced in Directed Energy Weapons technology and their effort is three to five times larger than that of the U.S. The British and French nuclear deterrent forces will, in any event, probably have to contend with the prospects of Soviet space-based BMD deployment. . . .

"Whatever the arguments for or against BMD, this much is clear: the Soviet Union's BMD effort is substantial and probably much larger than its American counterpart. Consequently, the possibility of the Soviet Union deploying BMD systems outside the scope of the ABM Treaty cannot be overlooked. If the Soviet Union were to proceed with such deployment and the United States could not follow suit, that would be an alarming development. However undesirable some feel an American BMD system would be—or indeed Soviet and American BMDs—the presence of solely a Soviet system would still be less desirable. Thus, while Soviet BMD research continues, there is every reason for American research to continue also."

Thomas Lefèbre told *EIR* on Oct. 11 that the plenary session of the North Atlantic Assembly adopted a resolution Oct. 7 "urging member governments of NATO to continue to determine as accurately as possible the nature and scale of Soviet ABM systems in order to ensure that there will be no disparity in Soviet and U.S. BMD defense capabilities."

The Pentagon backs manned space stations

by Marsha Freeman

In a shift in policy, the military services in the Department of Defense have apparently come to the conclusion over the past few weeks that developing a permanent manned presence in space will be necessary to implement President Reagan's space-based beam weapon defense program. A new joint-services study concludes that new military missions and technologies "justify Defense Department participation in a manned national space station as a user interested in exploiting technical opportunities and minimizing technological surprise."

The report, prepared by the Air Force Scientific Advisory Board, the Naval Research Board, and the Army Science Board, recommends that the Defense Department sponsor more detailed studies on the military value of a space station.

Last April 11 the President had requested that the Senior Interagency Group for Space conduct a study to see whether the National Aeronautics and Space Administration (NASA) should proceed with space station development. The head of that interagency group has been National Security Adviser William P. Clark, and the national security implications of station development were considered an important element of the study. The Pentagon is currently contributing 5 percent of the cost of the space station studies that NASA is conducting.

Until recently Defense officials had denied that there was any military justification for supporting the NASA space station effort. Speaking at a joint NASA/American Institute of Aeronautics and Astronautics conference in July, Undersecretary for Defense Development, Research, and Engineering Dr. Richard DeLauer stated that the military had not identified any military function for a U.S. manned space station that could not be better carried out at present by unmanned spacecraft. He said that the beam program "would have a space element. Whether it will be to the degree that some advocates for tremendous things in space, like ballistic missile defense, might want, we will have to wait and see."

Many of the military uses of a space station are identical to those in the civilian sphere of activity. Man in space can repair expensive and vital communications satellites and oth-

er satellites whose continuous functioning is crucial, rather than bringing them back to Earth for repair.

According to the tri-service report, the station will serve as a laboratory for "conducting experiments relative to military operational functions, facilitating space systems development, collecting critical data, conducting basic research in a space environment and exploring the value of man in space, particularly expert observers."

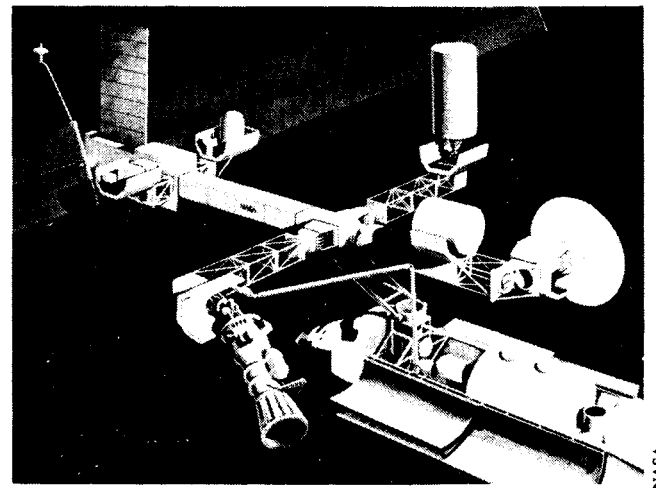
The manned space station's military uses may include verification of missile early warning systems by humans, rather than relying 100 percent on hardware, *Aviation Week* reports.

New technologies for every part of beam weapon development, including sensing, pointing, and tracking, and for the beams themselves, can be tested by a crew on board a station for longer periods of time than the one week the Shuttle is in orbit. This will cut drastically the development time and cost of new generations of technology.

Large space structures, such as antennas for communications, mirrors, and other beam weapon components, will be able to be constructed in space, without the size and weight limitation of a single Shuttle flight. Components can be stored attached to the space station or in orbit nearby, then assembled and deployed when they are needed.

The station will also be a transportation node for delivering and retrieving satellites and other spacecraft at the geosynchronous altitude of 23,000 miles. Though the station will be in low-Earth orbit, manned and unmanned Orbital Transfer Vehicles parked at the station will be able to visit our space assets in a higher orbit.

The Defense Department has apparently begun to realize that its objections to the NASA space station program—mainly that as a civilian facility, it would not be defensible against attack in wartime—are counterproductive, since the experience of designing and building the first NASA station will lay the groundwork for dedicated military stations later on.



An artist's conception of a Space Shuttle servicing a space station.

NASA

A crash program for developing beam-weapons defense systems

by Steven Bardwell and Charles B. Stevens

Within the next few years a technology could be developed which would, in the words of President Reagan, "render nuclear weapons impotent and obsolete." Most experts now agree that by using the most advanced beam and laser technologies combined with "conventional" anti-ballistic missile (ABM) designs based on anti-missile missiles, an effective ABM system could have its first military applications in two to three years and be fully deployed for defense against ballistic missiles in five years. *These experts emphasize that the present ABM research program in the United States is limited by funding and not by technical or scientific difficulties.*

The remaining problems in beam weapon development fall into three areas, all of which are immediately amenable to a crash engineering effort:

1) **The development of high-power lasers.** There are two most promising types of laser under development, both of which are far enough advanced to be rapidly accelerated with large amounts of funds and manpower. The first of these, the chemical gas dynamic laser (hydrogen-fluoride, krypton-fluoride, or carbon dioxide) has already produced large power outputs in prototype devices and must now address problems of repetition rates, reliability, and lifetimes. The second, a much newer and more advanced device called an x-ray laser, is for technical reasons well-suited to a large-scale engineering program.

2) **The perfection of guidance, optical, and space technologies.** The tolerances in pointing, tracking, resolution, target acquisition, and battle management required for ballistic missile defense have been realized in current scientific and military systems. The completion of these technologies and their integration into a functioning command and control system for an ABM system is entirely dependent on funding and manpower levels.

3) **The implementation of launching and maintenance capabilities.** The large increase in space-engineering capabilities demanded by deployment of a spaced-based beam component of an ABM system is a formidable task, but one entirely solvable by an Apollo-style space engineering effort.

With the solution of these three engineering problems, a first-generation ABM system could be fielded in prototype form in the next two to three years, with full deployment in the next five.

The structure of a crash program

The efficient achievement of this goal requires the Department of Defense at the level of the Joint Chiefs of Staff to establish an aggressive research, development, and demonstration program for perfection of anti-ballistic missile systems. The objectives of the program are:

- to begin deployment of all available conventional ABM technologies for near-term protection against nuclear bombardment;

- to proceed immediately with the work necessary to deploy high-energy beam systems within the next five years based on x-ray/EMP (electro-magnetic pulse) and microwave technologies, complementary with the conventional ABM system, that could provide a defensive capability against a small number of nuclear armed intercontinental ballistic missiles;

- to accelerate research and development of short-wavelength laser and particle-beam programs, with the goal of determining the optimum research and development path for succeeding generations of beam weapons designed to provide complete protection of the United States in case of nuclear war, and of putting this system in place within a decade;

- to coordinate with the National Aeronautics and Space Administration (NASA) the construction of a large, near-Earth-orbit space station and the space engineering capabilities required for such a station;

- to provide for the rapid civilian industrial proliferation and implementation of as many of the advanced plasma, laser and automation technologies as possible, as they arise in the development of beam weapons;

- to take appropriate measures, modeled on the National Defense Education Act as originally adopted, to ensure the provision of adequate scientific and engineering manpower for the development of these weapons systems and their civilian applications.

We concentrate here on the first two of these tasks.

The status of ABM technologies

Two types of currently available technologies can be used for near-term ABM system development. "Conventional" technologies (anti-ballistic missile missiles, for example) can be immediately developed for ABM missions. Second, the first generation of directed-energy beam systems (using

chemical lasers, EMP bursts, and high-intensity microwaves) can be developed and deployed on approximately the same time scale. This second type of system provides not only near-term defense capabilities, but also a natural continuum to the most advanced x-ray laser and free-electron laser capabilities.

Conventional Systems: The United States is currently capable of accelerated development and deployment of three conventional (non-beam) ABM systems:

1) **The F-15 fired anti-satellite (ASAT) missile.** This missile is currently being flight tested. The system utilizes simple vehicle collision intercept to destroy low orbit satellites. With a slight upgrading, such as the addition of a very small nuclear warhead, this system would make a deployable terminal point defense against incoming warheads. Current public projections state that only a few score of these ASAT missiles will be deployed by 1985. A slightly increased program realizes hundreds by sometime in 1984. The system would only provide a limited ballistic missile defense (BMD) capability, but could prove crucial in the near future in defending hard military targets such as missile fields.

2) **Low Altitude Defense System (LOads).** LOads consists of a series of conventional terminal point BMD systems. These range from environmental defense—where buried nuclear bombs explode when incoming warheads approach hardened targets, throwing dirt and rocks in their path and thus destroying them before they can detonate near their targets—to conventional short-range intercept with missiles, and defensive basing modes for offensive weapons themselves. Many of these systems could be deployed to provide point defense for hardened military targets within one to two years.

3) **Homing Overlay Experiment (HOE).** HOE is based on matching conventional ABM intercept with advanced infrared target diagnostics and compact computer chip control. HOE consists of a multi-stage rocket which pops into space an interceptor which is guided by long wavelength infrared telescopes and other diagnostics to collide with an ICBM or its bus or warhead. Before colliding with the target, HOE deploys as a large net. The high relative velocities, tens of kilometers per second, lead to certain destruction once a collision course is achieved. HOE is capable of both point and area defense roles. Because of its long range and rapid pop-up deployment mode, HOE is particularly useful against accidental or third party launches in the near future. A crash program could realize the deployment of hundreds of HOE units over the next two years.

First-generation beam-based systems: There are three bands of the electromagnetic spectrum usable—with present technologies—for ABM systems.

1) **The chemical laser.** Producing energy in the infrared band chemical lasers can be used to burn up ballistic missiles as they are launched. The power density of the infrared light

is low enough that these lasers would not be effective against re-entry vehicles but would be very effective against missiles in the boost phase, satellites, and other soft targets.

2) **X-ray/EMP devices.** Using high-intensity, bomb-produced bursts of x-rays, this precursor to the more advanced x-ray laser can be used to generate electromagnetic pulses to destroy missiles and reentry vehicles.

3) **Microwaves.** High-intensity relativistic electron beams can be used to generate microwave beams of sufficient intensity to destroy missiles after the last (“bus”) stage is released, or to attack the warheads themselves after they are ejected from the bus.

The use of chemical lasers for beam defense is the basis of the existing U.S. research and development program. The so-called Triad program, involving experiments on laser development, large optics for control of the laser beam, and point and tracking, has been limited in funding since its inception. A crash program for ABM development must upgrade this program significantly. Projections are that a space-based demonstration of these chemical laser technologies could be made in the next three years in a “hybrid” basing mode in which the laser itself is on the Earth and the large mirror and control systems in orbit around the Earth.

These chemical laser systems are, according to most estimates, too large and vulnerable to function as a defensive system in real wartime conditions. However, they are a critical part of a crash program for two reasons: First, they provide a near-term, long-range capability for destruction of a small number of missiles that might be launched by accident or by a third power. Second, the very stringent pointing and tracking requirements of such a device provide an engineering test laboratory for similar requirements for accurate target acquisition and aiming demanded by second and third generation, short-wavelength systems.

Less well-known than the chemical laser beam system is a device that generates high-power pulses of electromagnetic radiation in the x-ray band and then uses this radiation either in a form which directly interacts with the target (called system-generated EMP) or with the environment around the target (usually called EMP).

System generated-electromagnetic pulse occurs as the result of generation of large, non-uniform current pulses in the exterior of the target due to x-ray deposition. This leads to the irradiation of the interior of the target with a large EMP generated by these currents.

The generation of electromagnetic wave pulses over large areas can be directly accomplished from high-altitude nuclear explosions, generating an EMP which covers millions of square miles. Through a complex plasma process the small fraction of one percent of the bomb energy, released in the form of high-energy gamma rays, ionizes and energizes the resulting free electrons through Compton scattering. The Earth's magnetic field traps these high-energy Compton electrons, creating a time-varying current flow, which in turn leads to the generation of EMP perpendicular to the direction

of the current flow.

These intense currents can be used to provide a lethal means of intercepting launch boosters, jets, cruise missiles, buses, and even reentry vehicles. By making use of shaped charges using nuclear explosives and the deployment of materials for ionosphere modification, it is possible to greatly concentrate and amplify EMP pulse generation. This would provide the means for destroying even hardened targets. EMP offers a near-term, wide-area—albeit leaky—missile defense system.

Intense microwave beams can also be used to destroy incoming nuclear-armed missiles. Microwave technologies, at the opposite, long-wavelength end of the electromagnetic spectrum from x-rays, have in the past several years made major advances in the production of very high-intensity sources using plasma and electron beam processes rather than the conventional vacuum tube processes.

In the earliest of these devices, called plasma masers (microwave amplification through spontaneous emission of radiation), a plasma medium is used to create the same kind of coherent, monochromatic radiation that a laser does at shorter wavelengths. Utilizing lower energy electron orbitals for achieving inverted populations in atoms and molecules, new plasma masers are under development which can convert several percent of a thermonuclear explosive's energy into a coherent beam of microwaves.

Other possibilities exist in which plasma jets are utilized to generate, through explosive flux compression or magnetohydrodynamics (MHD), large electrical currents which in turn can be utilized to generate large relativistic electron beams. These beams can then be used to generate microwaves.

The power densities achieved in laboratory devices are already enormous. Reports of power densities exceeding one gigawatt per square centimeter are published in the open literature. These devices can in many cases be scaled up several million-fold to energies that would be provided by a nuclear energy source (pump). For example a laboratory megajoule pulsed power system will generate 100,000-joule microwave bursts. A kiloton nuclear detonation will generate 100-billion-joule bursts.

Microwaves only interact with conductors and specific molecular vibrational modes, in particular those found with oxygen-hydrogen bonds in water and organic molecules. Because of this, microwaves propagate with little loss through the atmosphere at fairly large power densities. While assured kills with microwaves will only be achieved with soft targets, it is quite possible that system-generated electromagnetic pulses could lead to killing of hard targets. Microwave beam weapons provide a very cost effective, easily deployed, and efficient extensive defensive screen for the full range of targets.

Second generation beam systems: As these three first-generation beam systems are developed and deployed, a crash program must be pursued in parallel research on more ad-

vanced systems. The most important of these are the eximer laser (closely related to current chemical lasers), the x-ray laser (the successor to the x-ray/EMP device), the free-electron laser (the successor to the high-power microwave devices), and particle beams.

1) **Eximer Lasers.** A large program already exists for the development of relativistic electron-beam-driven eximer lasers. Los Alamos Scientific Laboratory has built and demonstrated the optimal scale amplifier for this system in the KrF mode. Combined aperture multiplexing has been theoretically demonstrated for laser pulse compression and is being experimentally explored. The eximer laser combines shorter wavelength (out of the infrared, which is strongly absorbed by the atmosphere) with dramatically lower costs (in the range of \$100 per joule). This system would be based on higher elevations since the short wavelengths it generates do not propagate through the atmosphere efficiently. It would be combined with both pop-up and deployed orbiting mirrors for interdiction of all types of targets. The system could be utilized for both target acquisition and kill.

2) **X-ray lasers.** Current information indicates that the United States is months to a few years away from perfecting the bomb-pumped x-ray laser to a sufficient level for pop-up deployment against launch vehicles. The x-ray laser energy density deposition on launch vehicles should achieve kills using between 10 and 100 joules per square centimeter in pulse lengths of several nanoseconds. Given that the pop-up deployment of these systems takes place from bases and submarines located near the borders and projected trajectories of enemy ICBMs, kill distances would range from several hundred to several thousand kilometers. The predictable and necessary trajectory of launch vehicles guarantees that pop-up systems can be deployed in time to achieve these types of 1,000 kilometer range intercepts.

Rather straightforward considerations of the physical principles of x-ray lasers indicate that they can achieve total energy per beam pulse output approaching several hundred billion joules. At the 10 joules per square centimeter lower limit, a beam with a diameter approaching one kilometer at the indicated beam pulse energy would achieve a kill of a launch vehicle. This means that the beam divergence and pointing accuracy are of the order of .001 radians. The human eye is sufficient to attain these accuracies and the existing early warning/spy satellite systems are far better. Therefore this first generation version of x-ray laser defense might be deployed as soon as underground testing proves successful. As x-ray lasers are improved, these systems will utilize higher-energy density kills against harder targets at longer ranges.

3) **Free-electron lasers.** Free Electron Lasers (FELs) will first be combined as efficient amplifiers (10 to 25 percent efficiency) with eximer laser inputs. It should be noted that Betatrons are the most likely candidates for providing FELs with their pump electron beams. Development and deployment could be achieved within three to five years. The com-

bination of eximer and FEL is done primarily to attain higher system energy efficiencies. By the end of the decade fully tunable pure FEL with efficiencies ranging up to 50 percent are attainable. The high efficiencies and variable wavelength make the FEL one of the most important candidates for more advanced applications of beam weapons, including submarine detection and destruction.

4) **Particle beams.** Particle beams are distinguished by the mass of the particle being accelerated, ranging from the lighter of the subatomic particles (electrons and muons), to neutral atoms (so-called neutral beams), to small assemblages of plasma (called plasmoids), up to macroscopic particles. Each of these technologies must be pursued for the realization of a high-energy particle beam capable of destroying the hardest of targets, the reentry vehicle.

The major current U.S. research program in particle beam weapons is concentrated on two accelerators, the Experimental Test Accelerator (which is operational) and the Advanced Test Accelerator (soon to be completed). These devices generate multi-megavolt beams of extremely large current (multi-megamp). The results made public from experiments on these devices give very optimistic scaling laws for larger devices.

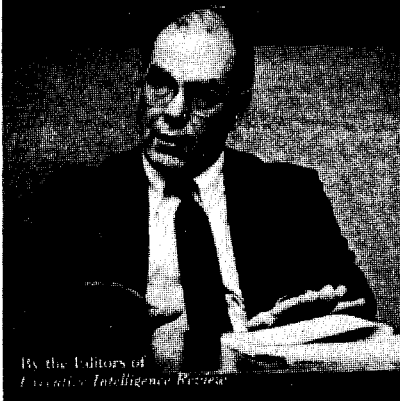
More advanced particle accelerators, with energies higher by several orders of magnitude but with much smaller currents, can be used as the driver for a second or third generation system. Multi-terravolt muon beams offer the

prospect of achieving the most efficient form of tuned kill of nuclear warheads with a long-range terminal defense system. The generator for the multi-TeV muon beam would be a 40 TeV proton beam. When the proton beam hits a target, mesons are generated which decay into muons. High-energy muons interact anomalously with heavy nuclei. Beam propagation through the atmosphere is extremely efficient. This means that a few thousand joules of muons could incapacitate a warhead. The accelerator needed for generating TeV muons would be up to 100 kilometers in diameter and take three to five years to build. Ongoing muon interaction tests could be completed before the prototype accelerator is completed. Three to five accelerators, each with an effective range of several thousand kilometers, could give most of the United States an ideal terminal defense.

Tremendous interest has centered in the past year on the possibility of using high-density, self-structured plasmas as projectiles to generate a plasmoid beam weapon. High-velocity plasmoids, if they can be made to efficiently propagate either through the atmosphere or space, will provide the capability of achieving extremely efficient target destruction. The elemental and physical structure of the plasmoid can be designed such that on impact it will generate intense forms of energy (gamma rays, x-rays, EMP and particle beams) which are capable of achieving a tuned kill. These systems are under active theoretical study but no large experimental program yet exists.

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Dr. Kissinger's global appeasement game

by Nora Hamerman

As Henry Kissinger swept through Central America at the head of a nine-member delegation of his bipartisan Commission, leaving the region literally in flames, the evidence is mounting that Kissinger has locked the Reagan administration into a global appeasement deal with a Kremlin leadership bent on world domination.

Reality has thus made a foul joke out of Kissinger's sanctimonious pledge, offered in Panama on Oct. 10 to Panama's President Ricardo de la Espriella, that his commission would "respect the sovereignty of the countries" in the region; it also shows the ironic truth behind his declaration, on the same occasion, that he "doesn't want a program manufactured in the United States."

Kissinger is also up to his thick neck in the string of catastrophes known as U.S. Asia policy, and may go along on what is left of President Reagan's Asian tour. Meanwhile, the Soviets are on an anti-West rampage, reflected in their rejection of even the most abject Western arms-control offers, and bloodcurdling calls in their press to mobilize "everything for the front" against Reagan (see article, page 47).

The terms of appeasement of Moscow are that the United States is to relinquish its power and influence in Asia from the Middle East to the Pacific Basin to the U.S.S.R. and communist China, including total abandonment of the principle of defending existing nation-states. In return, Yuri Andropov will allow the United States a free hand to rule over the charred ruins of Ibero-America.

As the Kissinger Central America tour drew to a close, the United States was heading toward confrontation with its

closest Ibero-American neighbor and vital ally, the Republic of Mexico, after U.S.-backed "contra" forces in Central America moved to make good their threats to sabotage Mexican oil shipments to Nicaragua. That coincides with a total U.S. default on President Reagan's commitment to defend Lebanon against partition—the U.S. Special Envoy to the Mideast, Kissinger protégé Robert McFarlane, has endorsed the establishment of a separate administration by Druze leader Walid Jumblatt: the rapid pace of a Soviet-sponsored campaign to dismember Pakistan, the first step to chopping the Indian subcontinent into a patchwork of warring mini-states.

Central America after Kissinger

On Oct. 8 the FDN—a group of the former Nicaraguan national guardsmen employed by the late dictator Anastasio Somoza, now deployed by the United States from Honduras to overthrow Nicaragua's Sandinista regime—announced that it had mined Puerto Sandino to make good on its previous threats "to sink Mexican tankers" delivering oil to Nicaragua. Former Mexican President Luis Echeverría observed that the State Department rebels had neither the know-how nor the means, "to sabotage those ships." Instead, he said responsibility lies with "those who are financing and arming" them.

Echeverría was alone among leading political figures in the region to have the courage to say out loud what everyone knows: Kissinger takes pride in his reputation for "undermining democratic governments," Echeverría declared Oct. 9. The future of the region, he stressed, lies with the Contadora group, the joint peace initiatives taken by Colombia, Mexico, Panama and Venezuela—not with the Kissinger commission.

On Oct. 11, the FDN blew up Nicaragua's oil tanks in the Pacific port of Puerto Corinto; the fires took two days to quench, and left the country only one fuel depot. That same day, Kissinger met for 50 minutes with Robelo, one of the leaders of the "contra" forces allied to the FDN based in Costa Rica. When Robelo briefed the press on his discussion with Kissinger, he took pains to attack Mexico "for avoiding the issue of totalitarianism in Nicaragua," and tried to split the Contadora powers by praising Venezuela, which has been tougher on Nicaragua, for "being interested in real democracy."

The attempts to keep Mexico from supplying oil to Nicaragua—including threats made by the IMF a few weeks ago to cut off Mexico's access to outside financing unless it halted the oil shipments—are part of Kissinger's effort to isolate Nicaragua physically and economically from the West. This Cuban-style blockade would push Nicaragua further into oil dependency on and an overall alliance with the psychotic Qaddafi of Libya, a joint asset of the Soviet Union and the Nazi International.

An unnamed "high-ranking U.S. official" said Oct. 10 that Guatemala, El Salvador, and Honduras will set up joint patrols off the Nicaraguan coasts, ostensibly to interdict the flow of arms to guerrillas in El Salvador. The patrols would be the first step in the effort to re-establish the Central American Defense Council (Condeca) after 14 years of inactivity (see *EIR*, Oct. 18). A top priority of the Condeca revival, the official said, is to enlist Panama, which has so far managed to stay out of the strife, as an active combatant against Nicaragua.

The real target of Condeca, though, is Mexico. Former President Richard Nixon, brought in by Kissinger to testify before his commission last month, and invited by Henry to Guatemala, predicted in an Oct. 13 commentary on Central America in the Mexican daily *Excelsior* that if Nicaragua stays in the hands of the communists, then eventually "the great enchilada [sic] of the Soviets: Mexico" will fall. "I love the Mexican people. But as a nation, Mexico is dangerously unstable. It is an excellent candidate for communist subversion," Nixon continued, citing "corruption and myopic economic policy." The *Daily Telegraph* of London, in a column Oct. 12, argued that Britain must view backing an anti-communist crusade in Central America as an extension of its NATO responsibilities, and warns that Mexico could go communist, "given the glaring inequalities and unprecedented decline of confidence in the regime."

Handing over Asia

Not only is the Kissingerian chorus that "Mexico is going communist" a dangerous lie intended to turn Mexico into an Iran on America's southern flank, but this lie is also a smoke-screen to hide the fact that as Kissinger's fist closes over U.S. foreign policy, the Soviet Union is being given free rein to unleash operations against the United States in Africa and

Eurasia.

The bombing massacre Oct. 9 which killed four South Korean cabinet ministers and 15 others during a state visit to Burma has kicked off new destabilizations in Asia. Although the perpetrator of the highly professional hit has yet to be identified, an evaluation of "who benefits" points at Kissinger and his allies in the Soviet Union, China, and the Swiss-based Nazi International.

The murder of the South Korean cabinet members, in particular Foreign Minister Lee Bum Suk, abruptly halted a big South Korean initiative for economic cooperation and coordination with India and the ASEAN countries. The six-nation tour, led by South Korean President Chun Doo Hwan, had been planned with India during the Foreign Minister's recent visit in New York City. Lee Bum Suk, a former ambassador to India, had been working closely with Indian Foreign Minister Rao.

Cooperation between South Korea, Japan, ASEAN, and India is indispensable to stability in the Pacific Basin region. Such stability demands the strengthening of existing nation-states through technology transfer from the industrialized countries, including the United States, and cooperation in massive infrastructural projects which would rapidly increase the productivity of agriculture and transport. A proposal for such Pacific Basin development was presented by *EIR* founder and Democratic presidential candidate Lyndon H. LaRouche, Jr. on Sept. 15 in Washington, D.C.; the proposal was intended to shape the agenda of President Reagan's fall Asia tour, which at that time included Thailand, Indonesia, the Philippines, South Korea, and Japan.

Thanks to the intervention of Kissinger and his allies, however, the Reagan trip is now in shambles. The murder of the South Korean officials promises to heighten the tension between that nation and North Korea, which President Hwan has blamed for the attack. South Korean and American troops in Korea went on alert, and the situation may endanger President Reagan's trip to Korea, scheduled for late November.

Security at the site of the bombing, a memorial to World War II veterans in the capital city Rangoon, had been extremely tight. Since the Koreans were already on high alert, it seems unlikely that North Koreans could have penetrated their screen. Intelligence sources in India point to contamination of the Burmese authorities, as well as a superpower umbrella, as prerequisites for the hit's success.

Soviet news reports of the incident showed the same cynical glee as earlier Soviet reportage on the KAL massacre. In a Korean-language broadcast Oct. 10, Radio Moscow charged that South Korea "can exploit the Rangoon incident to intensify suppression in South Korea and aggravate the tension in this region."

New arc of crisis

The second dramatic development in Asia has been the targeting of the Philippines through the set-up assassination

of Benigno Aquino, the cancellation of Reagan's trip, and the relentless pressures of the IMF. Kissinger circles in the State Department are cooperating with the opposition to President Marcos, and with the forces pushing for the Fund's totalitarian austerity measures. It is clear from the continuation of "business" unrest that the IMF, which forced a 21 percent devaluation of the Philippines currency in early October, is working to create the conditions for more upheaval.

As for the Soviet dimension, guerrillas in the Moro Liberation Movement, a Qaddafi-linked Muslim group, declared a state of war against Marcos the weekend of Oct. 9. The activation of their 10,000 rebels to achieve "independence" for the island of Mindinao will probably dovetail with the offensive of the official Communist Party-related opposition; it parallels collaboration of Soviet and Nazi International "separatists" throughout Asia. This alliance is already on the march in the Indian subcontinent, where Nazi International agents in the Khalistan Liberation Movement, Baluchistan, Assam, and the Sind are working with the Soviet "liberationists" to tear India and Pakistan apart—with the full complicity of the Kissinger-Shultz State Department, as shown by the disgusting antics of U.S. Ambassador Barnes last summer.

Enter Dr. Kissinger

Kissinger does not intend to leave it to anyone else to take the reins in this area of intensifying conflict.

On Oct. 31 Kissinger plans to be in Djakarta, Indonesia together with State Department Global 2000 advocates who are collaborating with the IMF to shut down the most enterprising economies left in the world. Kissinger's trip to Indonesia follows a visit to Hong Kong, where he will keynote a two-day conference on "Political and Economic Development in Asia in the 1980s." His record on development is shown in his attacks on industrialization in Mexico, Iran, and every other nation he has shown concern in.

In addition, rumors abound that Kissinger will accompany President Reagan to China next spring. The architect of the China Card would move to sell Reagan on the line that the United States could use China against the Soviet Union—a move not only useless militarily, but based on the delusion of Chinese loyalty to the West.

In Japan, the Kissinger-contrived Lockheed scandal has finally succeeded in its purpose of bringing down Prime Minister Nakasone's political ally, Kakuei Tanaka. Tanaka was found guilty Oct. 12, and is under heavy pressure to resign his seat in parliament. Combined with the State Department policy of demanding destruction of the Japanese industrial policy, this move could shake the bastion of stability in all Asia. Kissinger reportedly will stop in Japan after visiting Hong Kong.

What will happen as control of the already weak U.S. presence in Asia is turned over to the "economic diplomacy" of Henry Kissinger? Torn apart by separatism and IMF dictates, the area will move even more rapidly into the orbit of the Soviet Union.

The New York Times lies

The real authorship of a front-page Oct. 7 *New York Times* article containing a special type of disinformation respecting matters inside U.S. government intelligence agencies originated within the Soviet government, it was charged on Oct. 11 by *EIR* Editor-in-Chief Criton Zoakos. The charge pertained to a *New York Times* article by reporter David Shribman titled "U.S. Experts Say Soviet Didn't See Jet Was Civilian."

"Though the *Times* has in the past assisted in dissemination of Soviet-authored disinformation campaigns," Mr. Zoakos said, "Mr. Shribman's particular item is made of quite a different cloth from any past *Times* collaboration, documented or otherwise, with Soviet authorities. At issue right now is the Soviets' and Henry Kissinger's drive to cause the United States to unilaterally disarm itself of its remaining strategic defenses."

"True, Mr. Shribman cites as his source certain 'U.S. intelligence experts,' and proceeds to air these fellows' insinuations. In my capacity as intelligence director of the *EIR*, I find myself obliged to point out to the *New York Times* that it is their duty to order Mr. Shribman to publicly reveal his sources in this matter," Mr. Zoakos said.

"This obligation of the *New York Times*," he continued, "flows out of the following considerations: Shribman's article claims that his informants told him that 'most American intelligence specialists' now believe that the Soviet pilots did not know, on Sept. 1, that they were shooting a commercial airliner when they shot down the KAL 7 flight.

"This claim is patently false. There exists no such change of mind in the official U.S. government intelligence services and functions. To this day, the intelligence agencies of the government view the KAL incident in precisely the manner described by President Reagan on national television and subsequently reiterated in breathtaking detail by Ambassador Jeane Kirkpatrick at the U.N. Security Council.

"Merely those Japanese-supplied tapes on which the President and Mme. Kirkpatrick based their presentations established permanently and incontrovertibly the fact that the Soviet pilots knew they were shooting down a civilian airliner. No future evidence can possibly reverse this judgment

on the KAL 7 atrocity

unless it proves that the Japanese tapes are not authentic. But their authenticity has not been challenged by any Soviet spokesman, including the Soviets' chief spokesman in the matter, Marshal Nikolai V. Ogarkov.

"Beyond this," Mr. Zoakos said, "additional evidence in possession of U.S. intelligence agencies would be of the type which would shed further light, not on the already settled issue of the Soviet pilots' identification of the aircraft, but on the subject of the Soviet military chain of command which issued the orders to shoot to kill.

"Mr. Shribman's 'informants' attempt to create the impression that the shooting of the plane was the result of a local command decision. There is no public evidence to suggest that this is the official U.S. government evaluation. Moreover, my own organization has developed high-grade evidence indicating that the decision to cause the massacre was a top-level decision of the Soviet high command, including not only Marshals Koldunov, Govorev, and Ogarkov, but also Defense Minister Ustinov, among others. We made this evidence public in a Special Report issued on Sept. 16, titled 'The Strategic Secret Behind the Korean Airline Massacre.'

"The reality is that the shooting was part of a major strategic decision of the Soviet leadership, a decision which includes certain dramatic strategic moves by the Soviet military between now and December—moves most likely to involve Soviet attempts at military breakthroughs in Western Europe, the Middle East, and that area of Afghanistan, Pakistan, and Iran known as Baluchistan.

"The political and military effect of the signal sent through the *New York Times* by Mr. Shribman's 'informant' is to encourage further Soviet aggression along the lines of the Soviet leaders' newly adopted *Schrecklichkeit* policy"—Mr. Zoakos was referring to Adolf Hitler's practice of terrorizing his targets—"by suggesting that the United States government and its agencies are in that sort of disarray and disorientation which would result in a negligible response to any future Soviet aggression.

"It is this consideration, primarily," Mr. Zoakos said, "which obliges the *New York Times* to reveal Shribman's

informants.

"We would not be surprised, of course, if the *New York Times* ignored our recommendation on this matter. Such a failure to divulge their sources," Mr. Zoakos continued, "would place the corporate *New York Times* in very compromised company, engaged in a very dangerous, treacherous undertaking at this time. I am referring to Henry Kissinger, Gen. Brent Scowcroft, and Assistant Secretary of State Richard Burt, among others currently engaged in maneuvers to cause the unilateral strategic disarmament of the United States between now and December.

"Henry Kissinger has succeeded once more in putting across a defense policy posture, the so-called build-down, which if carried out will land the United States in the greatest strategic disaster in its history.

"President Reagan was forced to announce his 'build-down' proposal against his own best judgment for two reasons. First, Kissinger's and the *New York Times*'s friends in Congress threatened the President that they would block final appropriation for the MX missile unless he first went for 'build-down.' Second, the President made this offer hoping that the Soviets themselves will reject it. Either way, the President was once more caught in Kissinger's web at a time when Kissinger is again acting as nothing less than a Soviet agent of influence.

"In this highly unstable strategic situation, the last thing you would need is the misinformation added by the *New York Times*," Mr. Zoakos said. He added that the *Times*'s coverage since the KAL incident has contributed two types of disservice: First, by attempting to contaminate U.S. government evaluations of the Soviet leadership's strategic drive by painting Moscow as innocuously bungling and peace-loving, and second, by feeding the Soviets misimpressions about the goings-on inside the U.S. government—misimpressions of the type exemplified by Mr. Shribman's "informants," whose net effect is to further encourage the Soviet leaders in the kinds of aggressive and high-risk policies that the *Times* probably covers up or explains away.

"It should be borne in mind," Mr. Zoakos said, "that the *Times*'s former diplomatic correspondent, Kissinger crony Richard Burt, is now our Assistant Secretary of State for European and Canadian Affairs. From his days in journalism, Mr. Burt had accustomed all of us to strong doses of fatuous pettifoggery. Now, one day after Mr. Shribman published his piece of KGB *dezinformatsia* on the front page of the *New York Times*, Burt came along at a news conference of NATO's Special Consultative Group in Bonn, West Germany to volunteer the opinion that the Soviet leadership is not uninterested in the 'build-down' proposal. The point he wanted to make was that the Soviet leadership is still a reasonable negotiating partner.

"The point that came across despite his intention was different: why should a foolish American diplomat, such as Burt, be in rapt ecstasy if the Soviet leadership looks benignly at a U.S. proposal for unilateral U.S. disarmament?"

Soviet-backed separatists begin shattering the national integrity of India and Pakistan

by Judith Wyer and Ramtanu Maitra

Powerful separatist movements are beginning to dismember Pakistan, with the support of the Soviet Union, while the separatist threat to the integrity of India is also acute.

The ringleader of the separatist Baluchi movement, Ataullah Khan Mengel, former minister of Baluchistan, said from his exile post in London that Pakistan's break up is inevitable. Speaking to the press on Oct. 9, Mengel declared: "I will return to Baluchistan, but it will be an independent Baluchistan, free from Punjab rule which has brought Pakistan to the brink of disintegration. . . . The Baluchis have fought two wars with Pakistani troops, in 1963 against [Prime Minister] Ayub's regime and 10 years later against the government headed by Zulfikar ali Bhutto."

Mengel stated that the Baluchis might need help from outside to "take on the Pakistani army" and "to liberate Baluchistan." Mengel, who is known as a wholly owned British asset, has been featured recently in the Soviet daily *Pravda*, attacking the Zia regime's military cooperation with the United States. One of Mengel's primary sources of funding and arms is Libyan dictator Muammar Qaddafi. In a recent interview, Qaddafi stated his support for separatism on the subcontinent and his contempt for the highly centralized Indian government.

The most recent issue of the journal of the Soviet Oriental Institute, *Asia and Africa Today*, has endorsed the Baluchistani movement for autonomy, noting the wealth of natural resources, including oil and minerals, which Moscow appears to be eager to control if a cooperative tribal chieftain such as Mengel can be installed.

Last month the clandestine National Voice of Iran, which broadcasts from Soviet Azerbaijan, endorsed the overthrow of Zia, calling him a U.S. stooge, and endorsed the opposition coalition to Zia, the Movement for the Restoration of Democracy, which has a number of separatist elements.

The same broadcast also attacked alleged U.S. assets within the Khomeini regime. Should the Baluchistani separatist movement succeed, it will very likely take with it chunks of Iran and Afghanistan inhabited by the Baluchistani tribe. In the case of Iran, there is very little standing in the way,

since the Khomeini regime has not penetrated the remote southeastern region of Iranian Baluchistan.

Autonomy drive and India-Pakistan tensions

In late September a meeting was held in London with leaders of the opposition to Pakistani dictator Zia ul-Haq; participants included tribal leaders from Pakistan's Sind, Baluchistan, and Northwest Frontier Province. Then came a press conference by the Pakistani justice minister under the slain President Zulfikar Ali Bhutto, Hafiz Pirzada, who called for giving Pakistan's provinces "real autonomy." According to the *Hindustan Times*, the London meeting of anti-Zia leaders is part of a "restructuring of the subcontinent," extending through India to Sri Lanka. Subcontinent press sources report that certain of the tribal leaders present at the London meeting, notably the leader of the Pakistani Baluch tribe, Ataullah Mengel, now warn that if they are not given complete provincial autonomy, separatist upheavals will break out.

Around the same time as the London meeting, the opposition to Indian Prime Minister Indira Gandhi met in Srinagar, India, to discuss "centre-state relations," i.e., weakening central government rule. A special group, the Sarkharin Commission, was established to study this subject. The opposition, which includes the Indian Communist Party, appears to be moving along the same lines as its Pakistani counterpart in London. Though the Indian opposition was quick to state that they were not working with the Indian communalists (religious agitators) who have already forced emergency rule in the Punjab, their move has de facto given the radical Indian separatists even more momentum.

London has become rife with rumors of Indian support for Pakistani opposition and Pakistan's backing for the Indian opposition, a signal that Britain is pushing for an Indo-Pakistani war on its old colonial turf. In early October, the notorious drug-pushing governor of the Northwest Frontier Province of Pakistan, Fazlur al Haq (who is no relation to Zia-ul-Haq) called for a Pakistani military mobilization against India

for backing Zia's opposition.

The Pakistani press, meanwhile, has stepped up its anti-India vitriolics, citing Jagjit Singh Chauhan, the London-backed leader of the Indian separatist Khalistani movement (see *EIR*, March 8, 1983), who charges that Mrs. Gandhi is in direct contact with rebel Pakistani politicians at the United Nations. Chauhan is further attempting to incite Indo-Pakistani conflict by claiming that Mrs. Gandhi is planning an invasion of Pakistan "before the Commonwealth conference in New Delhi in November."

India for its part is showing public concern over the continued buildup of General Zia's U.S.-supplied arsenal. On Oct. 11, Indian Defense Minister Venkataraman told the Indian air force commander: "Hitherto Pakistan got arms under the pretext of events in Afghanistan. With the acquisition of naval missiles like the Harpoon, even this excuse has worn thin." He cautioned that this development, including the steps taken by Pakistan to add to its naval strength, "offer a threat to our industrial and scientific installations along the coast."

At the same time, Indian officials have also claimed that large caches of arms and other forms of assistance are coming from Pakistan to aid the militant Sikh agitators in Indian Punjab. The newly appointed governor of Punjab, P. D. Pande, has been alerted, and this situation is being monitored by a high-powered committee dealing with national security, according to a New Delhi source. The New Delhi government has also decided to augment the deployment of paramilitary forces in the area and maintain a vigil on the border.

In mid-October Mrs. Gandhi imposed central government control on Punjab, following bloody communal rioting between Sikhs and Hindus which culminated in a Sikh attack on a bus, killing at least six Hindus. Shortly after the emergency was declared, rioting broke out in the neighboring state of Haryana, as Hindus pledged revenge for the Punjab atrocity. For the first time the British media, including the British Broadcasting Corporation and the London *Guardian*, are openly editorializing that growing unrest in India may lead to the dismemberment of the former British colony.

LaRouche on Pakistan: 'I told you so'

Over two months ago, I warned that the so-called movement for democracy in Pakistan was nothing but a Soviet-coordinated trick aimed at the early dismemberment of that nation and the probable establishment of a new separatist entity called Baluchistan as a Soviet client state providing Moscow a warm-water port on the Indian Ocean.

I also warned that the Soviet-coordinated insurgency in Pakistan would be the occasion for unleashing separatist activity on the Indian side of the Punjab, as well as the Pakistan side.

This assessment of the situation was largely premised on monitoring of collaboration between the Soviet KGB and the Nazi International-overlapped "Endangered Peoples' Movement." This latter association is the mother-organization for most of the separatist movements of the world, as well as the terrorist organizations associated with such separatist movements, and also with the networks traced to the direction of the late Bertrand Russell.

This warning went largely unheeded when it was first issued, and was widely rejected once again when I issued an open letter to Pakistan President Zia ul-Haq outlining patriotic remedies for the danger.

Now, breaking developments fully corroborate my earlier warnings. One hopes it is not too late for those who misguidedly ignored those warnings.

This reminder should be noted in Washington, D.C. and Western Europe, in addition to the nations of southern Asia. In Washington, too many are so much concerned with the outcome of the November 1984 elections that they choose to overlook issues which may decide whether or not elections will in fact be held on that date, or, if so, whether the President inaugurated on January 1985 will preside over a virtually helpless, bankrupt, second-rate power. In relevant locations in Asia, the notable delusions are of a different specific content than in Washington, but not less deadly.

It is most unfortunate that in most developing nations, long-cultivated "Third-Worldist" prejudices serve as truisms which blind most leading parts of populations and leading institutions to the nature and importance of the factional divisions and issues which interplay in shaping the global reality. These dearly held delusions have been sometimes regarded as a greater interest than the altered perceptions by which even the very existence of the nations concerned might be obtained. Some developing nations can be sometimes just as foolishly, arrogantly stubborn in defending a "sacred delusion," as we see otherwise in blind arrogance of officials of the Soviet Union, the United States, or Western Europe.

Similarly, that reputedly ever-peace-loving Soviet leadership has recently installed SS-21s in Syria, SS-23s in Eastern Europe, and the installation of SS-20s proceeds merrily while the installation of Pershing IIs has yet to begin. Meanwhile, the most obvious strategic asset the Soviet leadership ever had, Henry A. Kissinger, pushes a U.S. unilateral "build-down" through channels of his crony Brent Scowcroft. We know, of course, that the Soviet leadership is "ever-peace-loving" because Democratic National Committee Chairman Charlie-the-banker Manatt and the seven moral dwarfs—Mondale, Glenn, Cranston, Hollings, Askew, Hart, and McGovern—all assure us that this is a fact.

It's a great world, folks. The only question is, do the inhabitants of this planet of ours—anywhere—still command the moral fitness to survive?

The 'New Yalta' agreement and the coming third great oil hoax

by Judith Wyer

All the pieces are now in place for a third oil hoax no later than November as the Iran-Iraq war expands to disrupt Persian Gulf oil exports.

Oil company executives are now stating publicly that a new oil price hike, as was the case in 1979, will occur not because of a shortage of oil, but because of "panic" on the oil markets. "There isn't going to be a physical shortage," stated Alfred Munk, manager of foreign affairs for Standard Oil of Indiana. "But the headlines of a flareup of fighting in the Persian Gulf would be enough to send psychological tremors. If you ask whether this logically should produce an impact, the answer is no. But 1979 logically should not have produced the impact it did either."

During the 1979 crisis, the majors sparked a pricing panic by cutting off contracts to third-party buyers, sending smaller oil concerns scrambling for oil at any price, causing the speculative spot market to soar. Britain, Libya, and Iran jacked prices up in the spot market causing a 150 percent oil price hike. The impact of the second oil shock massively depressed world demand and prices over the course of 1982 and 1983. But following the first official OPEC price drop in March, *EIR* forecast a price increase by the end of the year.

Though the price impact of a shutoff of Gulf oil might be more modest than the 1979 crisis, the strategic effect could be far more dramatic. The U.S.S.R. is prepared to come out of the third oil shock much closer to Finlandizing Western Europe, and with a substantially stronger position in the Middle East.

The Oct. 8 announcement from Paris of the delivery of Super-Etendard fighter bombers to Iraq caused the first upturn in months in the depressed spot markets as speculators, expecting a new oil cutoff, began to hoard. The bombers, which will carry Exocet missiles, give Iraq the ability for precision targeting of Iran's oil installations. Iraq has affirmed that it will take such action out of desperation to end the three-year-old war which has destroyed its economy even at the risk of an oil shutoff. Khomeini warned that should Iraq deploy the fighters against Iranian economic targets, Iran will retaliate by halting the flow of oil from the Persian Gulf.

Less than 24 hours after the Super-Etendards arrived in Iraq, Iraqi President Saddam Hussein issued renewed threats that Iran will suffer "a decisive defeat. . . . Our victory over

the Iranian enemy will be achieved soon. . . ." Iran has notified the governments of Saudi Arabia, Kuwait and the United Arab Emirates "in clear language that in case of an attack on us they will also suffer," according to an Iranian source.

Henry Kissinger 10 years after

Since the middle of August, Iraq has sent two envoys to Washington to solicit support in pressuring Iran to end the genocidal war. In late September, Iraqi Foreign Minister Tariq Aziz conferred with Secretary of State George Shultz and other administration officials about blocking the illegal arms conduits to Iran, which the State Department is known to be well aware of.

The apparent failure of Iraq to win the support it was looking for coincides with a major shakeup in the Middle East policy making and foreign service team which, according to the Kuwaiti daily *Al Watan* of Oct. 3, marked the return of Henry Kissinger to the team. Kissinger was the man who helped set up the fall of the Shah and the second oil price spiral, just as it was the treasonous Kissinger who crisis-managed the first oil crisis exactly 10 years ago, which began the use of the oil weapon.

Mideast sources report that if the United States does not show a willingness to back Iraq against Iran, Iraq has no recourse but to use the Etendards to "end the war," which Hussein's strong words suggest.

On Oct. 8, for the first time, President Reagan in a public address justified keeping U.S. forces in the Mideast because of the danger of losing the Gulf to the Soviets, which would undercut the United States' alliance with Japan and Europe. An administration spokesman issued a warning to Iran early in October that Washington was prepared to use every means including military action to protect the free flow of oil through the Gulf, which supplies about 50 percent of Western Europe and Japan's fuel.

Early October has seen a rapid buildup of U.S.-led NATO forces in the waters near the mouth of the Gulf at the Straits of Hormuz. In the first week of October Washington ordered a naval task force and the aircraft carrier *Ranger* from Central American waters to the Indian Ocean. The British carrier *Invincible* has been ordered from the coast of Lebanon to the Arabian sea as well, where French ships are reported to be

deployed from Djibouti.

The Soviet Union, too, has increased its troop deployment to 26 divisions on the 1,500-kilometer border it shares with Iran.

A former ambassador to Iran warned on Oct. 12 that given the massive NATO buildup off Iran's southern shores, it was not too likely that Khomeini alone "would be interested in blocking the Gulf and confronting" these forces. He concurred with numerous projections that Iran is now prepared to launch a series of "kamikaze" air strikes against Kuwait's oil installations, and the Saudi oil loading facility at Ras Tanura before trying to block the mouth of the Gulf. These strikes are expected to be made by low-flying fighters that can escape the AWACS surveillance plane's detection.

A Soviet gain in Western Europe and the Gulf

In the event of a U.S.-led NATO show of force against Khomeini, there is concern in Washington that Iran would ask for Soviet air defense. Since early September, Khomeini has sent signals that he is prepared to play the Soviet card, twice publicly defending the downing of the KAL jetliner. A move towards the U.S.S.R. is being urged by a group of Khomeini's confidantes known as the Imamis, many of whom are East bloc-trained. Two strong Soviet allies, Libya and South Yemen, have pledged support to Khomeini's stated bid to challenge NATO for the Gulf. While the South Yemen foreign minister visited Tehran recently, the head of South Yemen was in Moscow meeting Soviet President Yuri Andropov. Their communiqué warned of nuclear war if the United States continued its "militarist" posture in the Mideast.

For the first six months of 1983, Soviet trade with Western Europe showed a substantial increase. The sudden surge in trading activity is a byproduct of the largest economic agreement in history, the Euro-Soviet natural gas pipeline, announced by Moscow last month to be coming on stream early. The increase in European dependency on Soviet petroleum under current strategic crisis conditions, threatens to weaken European support for Washington as strategic nuclear arms negotiations reach a deadlock.

Earlier this month, a Japanese trading company sounded alarm bells in releasing a study which showed that for the first time since Japanese-Soviet relations were restored in 1956, Japan is losing its lucrative trade relationship with the Soviet Union to Europe.

For the first half of 1983, Japan's trade with the U.S.S.R. fell by 15.9 percent, after it had climbed by 20 percent to nearly \$4 billion last year. In the same period, total trade between the Soviet Union and the Netherlands rose by 29.9 percent, with Italy by 14.6 percent, with Britain by 13.2 percent, and with France by 11.4 percent. The completion of the pipeline has produced a turnaround in this trend almost overnight. Last year Japan ran a \$2.17 billion trade surplus with the U.S.S.R., while France posted a trade deficit of \$1.25 billion and Italy a \$2.08 billion deficit.

The European states which have contracted to buy Soviet natural gas have offered Moscow favorable trade relations with Moscow to avoid running a large deficit. They are exporting everything but the proverbial kitchen sink at terms very favorable to the Soviet Union; as the gas comes on stream this trend will markedly increase. Despite efforts to find alternative sources of energy, Western Europe and Japan remain as much as 50 percent dependent on the Gulf for fuel, while U.S. dependency on the Gulf has withered from well over 1 million barrels a day at the end of 1981 to just over 100,000 bpd today.

During 1982 Soviet exports of petroleum to Western Europe, not counting natural gas, rose by 23 percent. It appears that the major U.S. and European oil companies, which have invested billions in the Euro-Soviet gas deal, are behind the massive increase in petroleum imports. Last year Royal Dutch Shell almost doubled its Soviet trade turnover with the U.S.S.R. to \$2.2 billion.

The Soviet Union appears to be playing its own neo-colonialist game, akin to the old czarist bid to capture petroleum-rich lands that border the warm waters of the Persian Gulf and Arabian Sea. By getting hold of petroleum there, Moscow can export even greater quantities of petroleum to Western Europe, netting badly needed foreign exchange.

The Soviet magazine *Asia and Africa Today*, a journal of the Institute of Oriental Studies, an institution founded by the czars, is putting forward just this policy. The Soviets are pursuing their own version of the Bernard Lewis plan, to splinter the nation-states of the Mideast into ethnic-sectarian tribal entities. Last month *Asia and Africa Today* carried a lengthy item on the Baluchistani tribe which spans Pakistan, Afghanistan, and Iran and borders the Arabian Sea, calling for Baluchistani "autonomy" within Pakistan. Baluchistan has some of the richest petroleum deposits in the region. Occidental Petroleum, the firm of that long-standing friend of the Kremlin Armand Hammer, has explored for oil there.

Should Moscow side with Iran against NATO, the Kremlin would probably require that Iran resume exports of oil and gas to fuel Georgia and the Caucasus region. For years Moscow has been attempting to woo Khomeini into renewing old gas contracts set by the Shah.

The Shah agreed to sell the U.S.S.R. large volumes of gas through the IGAT II pipeline to offset Siberian gas to be shipped to Europe. Although Khomeini has refused to resume the deal, there are new signs that this may be changing. The *Middle East Economic Digest* of Sept. 23 reported that Iran will complete the IGAT II pipeline but only to the Soviet border, and for the time being only for domestic Iranian consumption.

The approaching Gulf crisis again poses the question of whether the United States will back down as it did in Lebanon, thereby strengthening the Soviets' strategic power. If so, then the process of breaking the Mideast and Western Europe out of the U.S. orbit will be well advanced.

Beam weapons mean a return to the Carnot-Scharnhorst tradition

The following is Lyndon H. LaRouche's speech to the EIR conference, "Beam Weapons—the Implications for Western Europe," at the Hotel Bristol, Bonn, West Germany, on Oct. 5, 1983.

During the present U.S. fiscal year, 1983-84, the government will probably spend between \$5 and \$10 billion on the first phase of the beam-weapons development program announced by President Reagan on March 23, 1983. As measured in 1983 dollars, it is probable that the government will expend between \$30 and \$40 billion for the same effort during each of the four years after the Fiscal Year 1984. Under those conditions, I can confidently forecast that the United States will be able to deploy a first-generation strategic ABM defensive system before 1988.

Today, I wish to concentrate on a subject which has been of relatively greater concern to European allies than to the U.S. Department of Defense so far. Flag-officers and others in France and the Federal Republic have frequently said to me and to my associates, as we discussed beam-weapon defense over the month before March 23, as well as more recently: "If beam weapons succeed, then the umbrella of nuclear deterrence is gone. Does this not leave Western Europe exposed to attack from the East?" My answer during the past, and today, is that we would be very foolish to develop only a strategic ABM defense without also rebuilding air, naval, and ground forces around tactical employment of high-powered laser-weapons. In other words, we face the challenge of a revolution in all aspects of war-fighting doctrine more profound than that which Lazare Carnot and his collaborators effected beginning 1793-94 around the pivot of massed fire of mobile field-artillery. Either we march under recently prevailing military doctrine, as the Prussian forces marched to defeat at the battle of Jena, or we apply the general-staff tradition of Carnot and Scharnhorst to the technological and logistical domain which the impact of beam weapons and

related technology implies for the years immediately before us.

The new U.S. strategic doctrine requires us to abandon all of the categories of military policy thinking which have dominated U.S. and NATO doctrines during the recent 20 years, especially since 1969. Rather than attempting to fit new weapons systems into the categories established by the deterrence doctrine, we must scrap the categories associated with deterrence, and replace those categories with new conceptions appropriate to the kinds of technologies which will dominate the actual or potential battlefields of the period immediately ahead. It is of the utmost urgency that military professionals and relevant circles of scientists work this point through, and that those professionals quickly re-educate the political command of our respective nations in the military implications of the new technologies.

I shall devote the greater portion of this brief report to the subject of comparing the impact of the development of the deterrence doctrine with the return to 19th-century military tradition implicit in the new defensive technologies. Before doing so, I turn now to a few words on the subject of a proposal called "High Frontier." Once we brush aside the blunders and confusion spread by promotion of "High Frontier," the technological issues bearing on the new doctrine become clearer.

The history of High Frontier

Let us leave out of consideration today matters of global magnetohydrodynamic effects, such as electromagnetic pulse, and limit ourselves to high-powered laser-weapons and their cousins, particle-beam weapons. No principle is ignored by limiting our attention to this leading, included aspect of beam weapons development.

A beam-weapon is essentially a pulse of less than 10,000 kilowatts power shot at or near the speed of light, 300,000

kilometers per second, against a missile moving at about 3 kilometers per second. A pulse a fraction of a millisecond in duration, in the short wave-length part of the laser spectrum or particle-beam spectrum, is sufficient to destroy the targeted missile if it strikes a vulnerable spot. Fortunately, we have the basic technology in sensing devices, in data-processing instrumentation technology, in improved gyroscopes, to be able, within the relatively very near future, to target a missile in the upper portion of its ballistic orbit at distances as great as between 4,000 and 5,000 kilometers.

Many persons in the United States, such as MIT's Dr. Costas Tsipis, have denied this technology's effectiveness. Soviet officials who are experts in developing and deploying such systems, such as [Soviet] Academician Velikhov and Major-General Basov, have lied publicly in saying that such systems are not workable. In the Soviet case, these are honorable lies, published for reason of state, not for personal advantage otherwise. In the case of certain circles in the United States, the lying from scientists on this subject is of a different character. These falsifiers, including Dr. Hans Bethe, have been continuously associated with a faction of U.S. atomic-weapons scientists working under the late Bertrand Russell since 1946, the political faction among such scientists also associated with the late Dr. Robert Oppenheimer and Dr. Leo Szilard. These are, not accidentally, the same scientists who, like the famous real-life Dr. Strangelove, Leo Szilard, created the doctrine of Mutually Assured Destruction (MAD) back during the late 1950s, and who insist on maintaining the unchallengeable superiority of thermonuclear missiles today. They have been, and continue to be politically opposed to any variety of developments which would make thermonuclear missiles technologically obsolete.

Among those who ostensibly agree that anti-missile strategic defensive systems should be deployed, the strong opposition to beam-weapons development comes from fellows such as retired Air Force Gen. Albion Knight and retired Lt.-Gen. Daniel Graham. These fellows insist that ABM defenses must be limited to a design now 20 years old—which is to say, 20 years obsolete: the deployment of nuclear and related anti-missile rockets emplaced on battle-stations floating in earth-orbit. This was a design appropriate for its time, developed under the Eisenhower administration as a post-Sputnik effort.

Soviet Marshal V. D. Sokolovskii referred to General Graham's sort of High Frontier technology in the first, 1962 edition of his *Military Strategy*, in which the Marshal premised future war-winning capabilities of Soviet forces on leaping ahead of rocket anti-missile defenses, to develop weapons-systems based on laser and other products of new physical principles. The Soviet Union today is emplacing radar and other systems preparatory to deploying strategic ABM beam-weapons systems as well as SAM-10s for both point-defense and for longer-range terminal defense. They are now moving on a crash-program to put such a war-winning beam-

weapon defensive capability into place.

Against such new Soviet capabilities, including anti-satellite-system capabilities, High Frontier is a replay of the Prussian army's deployment into Jena against Napoleon Bonaparte. It is technology 20 years old, and nearly 20 years technologically obsolete. It is like pitting the French Army of Napoleon III against the Prussian forces armed with improved artillery at Sedan. Two classical principles of traditional military science are sufficient to make the point. A weapon which fires at nearly 100,000 times the speed of High Frontier weapons, and can destroy its targets with a pulse of less than 10,000 kilowatts' power, represents a superiority of orders of magnitude in both firepower and mobility over any missile or anti-missile rocket which could ever be designed. In the recent 200 years of European culture's experience with warfare, there has been no more consistent folly than political and military commands which have insisted on using only off-the-shelf technologies against adversaries deploying more advanced technologies of warfare.

In such matters, superiority in warfighting capability lies with those powers and alliances which have the political will to mobilize what we call today "crash programs" of combined development of the economy and frontier technologies of military application. This was the case with the work of Lazare Carnot and his collaborators from 1793 through 1814, with that great "crash program" known as the *Ecole Polytechnique*. This is the model we of the United States used beginning in 1815, centering around the improvement of West Point military academy under Commandant Sylvanus Thayer. This is also the case of the Prussian military staff's collaboration with the scientific work coordinated by Alexander von Humboldt and the contribution to the development of the German economy by Friederich List. This is the example of the 1939-43 economic mobilization of the United States. This is the case of the Manhattan Project and NASA's pre-1967 research and development effort. There are valuable lessons still to be learned from the work of Dr. Adolf Busemann and others at Peenemunde. New weapons systems are dispensable, but these systems can not do their job, nor can we deploy them adequately unless the in-depth logistical strength required is also developed with the kind of emphasis which the term "crash program" implies.

This brings our discussion to the main subject of this report.

Postwar U.S. and NATO policy

It is a matter of documented record, a massively and conclusively documented record, that the strategic policies of the United States and NATO, since 1946, have been steered by a concert of trans-Atlantic influences centered around the figure of Bertrand Russell. This policy has had two general, opposing phases.

In the October 1946 issue of the *Bulletin of the Atomic Scientists*, Bertrand Russell began publicly his demand for a

“preventive nuclear war” against the Soviet Union. Russell’s policy—and that of the Oppenheimer faction among the atomic scientists—was to establish a world government with monopoly on the possession and use of nuclear arsenals. Russell’s proposal for war against Russia was based on the goal of crushing Russia before it could acquire nuclear arsenals. Thus, Russell hoped to establish the kind of racialist “international socialist” empire which he, H. G. Wells, and others had outlined in great detail in books published during the 1920s.

The Soviet development of first fission and then H-bomb arsenals made preventive nuclear war less attractive to Russell’s humanitarian and pacifist instincts. So, beginning in 1957, Russell and his accomplices modified their strategy under the auspices of the Pugwash Conference, a conference series through which Russell’s circle pre-negotiated U.S. and NATO strategic policies with representatives of the Soviet government before introducing those policies to the U.S. government and NATO. Under the auspices of Pugwash and similar back-channels, Russell and company proposed to Moscow that the world be divided between two world-empires, one Anglo-American-Swiss-, and the other Soviet-ruled.

All the essential features of this proposal were set forth in the keynote address of the Second Pugwash Conference, held in Quebec during 1958. The address was by Dr. Leo Szilard, the address on which the film “Dr. Strangelove” was based. Szilard proposed that both superpowers develop thermonuclear arsenals adequate to obliterate the other, and presented this wicked scheme as the basis for preventing general warfare between the two superpowers. Szilard did not propose global peace; he proposed that warfare be limited to local wars, including limited nuclear war fought in Europe. This was, remember, in 1958, with Soviet representatives participating. From the beginning, the Soviet government has always been informed that nuclear deterrence, the doctrine defended by President Yuri Andropov today, meant probable limited nuclear war in Europe. Szilard also proposed a “New Yalta” agreement, redrawing the political map of the world between the proposed two empires.

Szilard’s doctrine was put into effect in the United States immediately following the assassination of President John F. Kennedy, put into effect with a leading role by Henry A. Kissinger throughout the 1960s in Pugwash and related back-channels, as well as McGeorge Bundy, Robert S. McNamara, and others associated with the influential Gov. W. Averell Harriman and the New York Council on Foreign Relations. By 1967, President Johnson had taken the first steps toward destroying the NASA research-and-development build-up, and toward ruining the U.S. and NATO economies into the increasingly impotent wreckage of “post-industrial societies,” or what Zbigniew Brzezinski during the late 1960s named “technetronic society.” The nuclear deterrence dogma, local-wars dogma, and Malthusian destruction

of the OECD economies have been inseparable policies over the entirety of the past 20 years. It is for that reason that we find prominent circles within the Atlantic Alliance’s political-intelligence establishment cooperating with the Soviet Union in funding and steering the Nuclear Freeze, Malthusian, and anti-technology counterculture movements of the past 14 years.

These agreements between Western and Soviet circles through such back-channels as Pugwash and IIASA should not be thought of as alliances, of course. At the same time that Western forces of Russell’s orbit collaborate with the Soviet leadership against traditionalists in the West, Russell’s circles are plotting to destroy the Soviet empire from within, and the Soviet leadership is plotting to take advantage of our growing weakness to prove itself unchallenged in world affairs. So, quite lawfully, what Russell and Szilard have proposed as “détente” and permanent war-avoidance have brought us now to the brink of a thermonuclear war sometime during the near future. Unless everything which Pugwash has represented is ejected from U.S. and NATO policy now, I believe that early thermonuclear war is inevitable. I seek to prevent such a war, but only implementation of the new strategic doctrine promulgated by the President on March 23 could provide the world the possibility of avoiding such war.

Within that setting, let us focus now on the two crucial military-policy features of the Pugwash Conference strategic doctrine of deterrence and post-industrial society.

The doctrine of nuclear deterrence has always depended on the presumption that political forces in the West would prevent the governments of the United States and its allies from developing those kinds of weapons systems which would make thermonuclear ballistic missiles technologically obsolete. Back during the early 1960s, this meant preventing anti-missile systems of the kind which General Graham proposes 20 years of obsolescence later. Since the beginning of the 1970s, anti-missile systems have meant what Marshal Sokolovskii first proposed publicly in 1962: not rocket anti-missile systems, but anti-missile systems based on new physical principles. Ballistic thermonuclear missiles have never been technologically absolute weapons; only the political influence of Pugwash Conference and allied circles have made those weapons ultimate weapons. They have never been irresistible, ultimate weapons-systems.

The second of the two points is the point which concerns us most emphatically in this report today. If we accept the presumption that neither power could survive a total strategic barrage by thermonuclear missiles, we accept the proposition that there is no continued war-fighting after the moment the initial heavy-artillery barrage by thermonuclear weapons is completed. This is underlined by the fact that every NATO exercise comes to a halt at the point the war game escalates to the nuclear threshold. So, for decades, the Federal Republic of Germany has had no strategic military function within

the alliance except to be exterminated at the onset of any general warfighting. It is not astonishing that a certain degree of cultural pessimism infects the population and command of the Federal Republic. The forces of the Federal Republic and U.S. armed forces in Germany have functioned only as a political tripwire for thermonuclear war, not as part of an in-depth war-fighting capability for general warfare. It is a condition which is the height of absurdity from thousands of years of military history.

It has been the corollary of this absurd doctrine that all military forces except the thermonuclear triad have no function in general warfare, but are merely so-called conventional forces for fighting wars other than nuclear wars. So, the absurd division between strategic and conventional forces has entered the lexicon of modern defense-policy of the governments of the alliance and of NATO.

Once we pose the feasibility of implementing the President's new strategic doctrine of March 23, we must instantly discard the recently habituated practice of dividing military capabilities between strategic and conventional. We are at once projected back into what has been traditional military doctrine since Carnot and Scharnhorst. We are back to the principles of the general staff. The logistical capabilities of nations for fighting war in depth, and development of a full range of military capabilities in depth, become the urgent categories of defense-policy planning. Together with rapid development of new categories of weapons systems, we must reverse nearly 15 years of drift into the ruin of a "post-industrial society," and develop a high-technology agro-industrial basis in national economies and world trade adequate to support military capabilities in depth.

The case of the 1982 war in the South Atlantic underscores the folly of the present doctrine for deployment of so-called conventional varieties of naval, air, and ground forces. Given the domain of nuclear weapons under a regime of effective strategic ABM defense systems, the vulnerability of naval craft, high-priced military aircraft, and costly armored vehicles to relatively cheap missiles, means that the profile of such military forces presently is already implicitly obsolete. We must think immediately of the kinds of naval, air, and ground forces required for combat within the new technological domain of war-fighting regimes.

Do we wish large flotillas of warships, chugging about the seas and oceans as targets for missile attacks? Or do we require a combination of high-speed, nuclear-powered freighters which can be effective warfighting machines with a little thought to the subject? Do we require emphasis on fast hydrofoil patrol craft as a basic unit of surface warcraft? Do we send military aircraft costing tens of millions of dollars into the ephemeral life-expectancies of the anti-aircraft missile domain, or do we arm all flights of aircraft with effective laser weapons of anti-missile defense? How useful is a heavy tank against the anti-tank missiles deployed by an infantryman? True, we need ABC-resistant armored vehicles of great

mobility and firepower, perhaps using ceramic hulls of a type which can be worked only by machine tools employing high-powered lasers. More generally, we need to redesign the arms of warfare according to the requirements of the technological regimes in which war-fighting will actually occur.

So far, the President's new strategic doctrine has properly emphasized what deterrence defined as strategic arms of warfighting. Unfortunately, defense-contractors and governments have not yet grasped the fact that the same range of technologies is imperative for what we call today conventional warfighting capabilities. It should be obvious that high-powered lasers of sorts which may or may not be most appropriate for anti-ballistic-missile defense are already immediately applicable, with a small amount of appropriate engineering work, to tactical requirements. It ought to be clear, also, that the same general research and development is required for tactical weapons-systems development. The two branches of work, of both strategic and tactical systems, ought to be undertaken as a unified effort.

What I would like to sell as a proposed policy, and I would hope with support from friends in the Federal Republic, France, and Italy, is the establishment of a general staff function within the alliance, to steer cooperation in development of both strategic and tactical systems. I propose a classical general-staff planning function to assume responsibility for all of the areas I have indicated here: technologies, logistical development, and developing the new conceptions of the various tactical arms and their coordinated deployment required under the kinds of warfighting regimes implicitly emerging today.

I would hope these preparations would prevent war, not lead to war. Once the Soviet leadership is persuaded that the combined economic potentials of the OECD nations and enlarged capital-goods trade with developing nations is being mobilized rapidly around the new technologies, and on condition that we continue to offer Moscow the Mutually Assured Survival which the President offered on March 23, no rational military commander in the Soviet leadership could reach any conclusion but that it were foolish to project thermonuclear confrontation, and it were in the interests of the Soviet state to accept the President's offer to negotiate Mutually Assured Survival. To achieve peace, if peace is still possible at this advanced stage of deterioration of the situation, we must restore the credibility of the alliance as an in-depth capability of defense, and must give Western Europe efficient military options for surviving a conflict should a conflict erupt.

As a public figure and presidential candidate of the United States, I cannot and will not accept the proposition that Western Europe is merely an expendable gambit pawn in my country's strategic equation. With aid of new technologies, and with the support of voices in Europe to this effect, I believe we can at last make the assured survival of the nations of Western Europe a reality.

From U.S. ally to pawn on the Soviet chessboard?

by Rainer Apel

Soviet Central Committee official Leonid Zamyatin, sent by President Yuri Andropov to a gathering of the German-Soviet Friendship Society in Hamburg Oct. 10, figuratively pointed a gun at the heads of the West Germans: He warned them of "irreversible consequences the stationing of the American missiles" would have on the situation in Europe. "A qualitatively new situation, a most labile and explosive situation" would develop, making peace "less secure." The Soviet Union would not stand by and watch "the Federal Republic being turned into a basis of attack for the U.S. first strike strategy." If the Germans allowed the stationing, "it would mean a status of diminished security for the Federal Republic."

At the same time, a letter from East German party chief Erich Honecker to West Germany's Chancellor Helmut Kohl arrived in Bonn. Honecker warned of irreparable consequences and offered "a coalition of reason" against the American missiles to Kohl; the alternative would be "a new Ice Age between our two German states." A spokesman for the Bonn government commented that the term "Ice Age" should not be taken too seriously, since "there are reasons to believe that the dialogue will be continued even after the stationing begins."

The same confidence was displayed by West German Foreign Minister Hans-Dietrich Genscher, who announced he would meet his Soviet counterpart, Andrei Gromyko, in Vienna on the weekend of Oct. 15-16 for "an in-depth discussion on disarmament issues." The timing of the announcement was odd—at the moment Zamyatin was making his threats in Hamburg—but perhaps no more so than the timing of the Soviet-German meeting. On the day Genscher and Gromyko start their meeting, the Geneva strategic arms reduction talks between the United States and the Soviet Union are to end, and the "hot action week" of the West German movement against the American missiles begins.

The Bonn government's confidence is not based on the conviction that the situation in Germany is under firm control, but on the dangerous delusion that back-channel diplomacy can solve even the coming missile crisis. The domestic consensus among the West Germans that their country should ally with the United States and not the Soviet Union is crumbling, most rapidly in the Social Democratic Party (SPD). By Oct. 10, eighteen out of the SPD's total of 22 party locals had voted at party conventions against the stationing of U.S. missiles. This means that the Nov. 18-19 national convention

of the SPD will vote in the same way—in favor of Andropov's disingenuous disarmament offers.

The so-called pro-NATO wing in the SPD will play no role at the national convention. This was proven by the vote of the crucial SPD district of western Westphalia, which represents the party's heavy-industry labor base in the Ruhr, and organizes 18 percent of the 1 million SPD members. At this district's convention, 489 out of 500 delegates resolved against the stationing.

Some SPD party locals are already marching with the most radical currents of the anti-missile movement. The head of the Metalworkers Union section of the West German state of Baden-Württemberg, Franz Steinkühler, who is also a prominent SPD member, commissioned the distribution of 400,000 leaflets detailing all the existing and planned sites of U.S. nuclear missiles. The leaflet calls on labor to join the blockades planned for the "hot action week" of U.S. Army and Air Force bases in South Germany.

Such open invitations to violence (unheard of from a union leader only months ago) have set the stage for the chairman of the Saar SPD, Oskar Lafontaine, to call on his party colleagues to join the resistance not only against the missile stationing but also against "the development, production and storing of nuclear weapons, which are a crime against humanity." Lafontaine's call for Germany to leave NATO was taken up by no less a figure than the SPD's general party manager, Peter Glotz, who demanded a "step-to-step revision of the NATO treaty."

All this means that the SPD has openly joined Andropov's campaign to split Germany out of the Western defense alliance. The SPD is coordinating with Kissinger's business partner Lord Carrington's agents inside the Thatcher government of Britain; when the favorite mouthpiece of Andropov's views in Europe, SPD arms-control spokesman Egon Bahr, met with Malcolm Rifkin, Undersecretary on Eastern Affairs in the London Foreign Office, Bahr reported afterward that he had met "the furthest-reaching agreement with my own views."

Christian Democratic peaceniks

"Well, that's the SPD," say many in Bonn and in West Germany, "but don't forget that the majority of voters backed Chancellor Kohl and the Christian Democrats, and they are for NATO, and for the stationing."

Are Kohl and the Christian Democrats (CDU) really what they are taken for—"unswervable allies of the United States"? One of Chancellor Kohl's favorite CDU politicians, the party's spokesman on disarmament questions, Jürgen Todenhoefer, recently proposed "new levels of talks to be established . . . which would allow including the question of the French and British missiles in future negotiations"—one of Moscow's demands.

Todenhoefer used a radio interview several weeks ago to launch the idea of a "referendum on such fundamental questions as: Should we maintain the alliance with the Americans? or: Shall the Federal Republic remain within NATO?" A plebiscite on NATO is what SPD Jacobins like Oskar Lafontaine have been calling for.

Groups of "Christian Democrats Against Rearmament" have surfaced, calling for resistance against the stationing of the U.S. missiles. Attempting to resemble a spontaneous grassroots movement, this "Christian Democratic Peace Movement" is centered around the Jesuit strongholds of Tübingen and Münster, and it is gaining very prominent support from leading CDU figures. The ministers of health and of labor in Kohl's cabinet, Heiner Geissler and Norbert Blüm, have welcomed the "movement," as has the éminence grise of the Ruhr CDU, Kurt Biedenkopf. A former aide to Blüm, Herbert Metzger, is actually one of the key organizers of these Christians for peace. Two of the most prominent members of the solidarist workers' movement of the CDU, the deputy chairman of the German Postal Workers Union, Klaus-Dieter Zemlin, and the deputy chairman of the West German Federation of Labor (DGB), Gustav Fehrenbach, have signed the founding principles of this "CDU peace movement." And the acting minister of German-German relations in Chancellor Kohl's cabinet, Heinrich Windelen, a CDU member, is protecting the "movement" in his own party district.

In view of these developments, a big question mark hangs over the vote the West German parliament, the Bundestag, will hold on the stationing Nov. 21. Ironically, this vote, originally called for by the SPD and the Green Party on the missile question, was upgraded to a "vote on the future of the Western Alliance" by none other than the president of the Bundestag, Rainer Barzel—and he is a member of the CDU leadership, too! Observers of the West German domestic situation speculate that the vote might turn up "defectors from NATO" among the CDU's parliamentary ranks. This would make Chancellor Kohl's government more than shaky.

It may well be, under these circumstances, that the "hot autumn" will ring the deathknell for Kohl's government, especially given the predicted "winter of rising unemployment." There are enough reasons for Moscow's Yuri Andropov to feel amused by these West German developments: Without resorting to tanks, he can rely on the self-destructive drive in the SPD and the CDU, which seem to have no other aim than turning the Federal Republic of Germany from America's most important European ally into Moscow's new pawn on the world chessboard.

Soviet propaganda: a return to anti-Semitism

by Edith Vitali

With his insults against President Reagan, issued in a statement to *Pravda* following Reagan's speech in front of the United Nations General Assembly, Yuri Andropov publicly identified himself with the hate campaign against anything "Western" which has become increasingly characteristic of Soviet propaganda following their shooting of a civilian Korean airliner on Sept. 1. Implying that the United States acts like Hitler's Germany, Andropov warned that people who had attempted to undermine the Soviet Union in the past, had ended up on "the garbage heap of history." For the first time, he mentioned the KAL massacre, calling it "a sophisticated provocation, masterminded by U.S. special services," and "an example of extreme adventurism in politics." So much for those who had been waiting for an apology by the Soviet leadership!

His rejection of Reagan's new offer for the INF Euro-missile negotiations in Geneva proves that the Soviets don't take these talks seriously, but has kept them alive—and a Soviet walkout is impending—long enough to exploit them for propagandistic attacks on U.S. policy and whip up anti-American ferment in Western Europe. The past two years, he claimed, had proven that the United States was not ready to reach an agreement. "Their task is different—to play for time and then start the deployment in Western Europe of ballistic Pershing II and long-range cruise missiles. They don't even try to conceal this."

The Soviet generals, meanwhile, are preparing for "countermeasures." In a TASS interview, the Chief of the General Staff, Marshal Ogarkov, implied that the Soviet Union has the technology to send submarines equipped with nuclear missiles directly facing the U.S. coast, that is, the technology they have been testing off the coast of Sweden. As the West

German *Frankfurter Allgemeine Zeitung* and *Der Spiegel* detailed in late September, the land-based SS-20 stationed in Siberia can reach cities on the American West Coast, if they are equipped with only one warhead.

In an Oct. 5 article, the Soviet weekly *Literaturnaya Gazeta*, fast becoming a war propaganda sheet, called Reagan the successor of Adolf Hitler and instructed Soviet writers to mobilize with World War II slogans against the American President.

Yepishev on anti-Western crusade

One of the dirtiest figures spearheading the anti-Western campaign is Gen. Aleksei Yepishev, head of the Main Political Administration of the Armed Forces. In an article for the Bulgarian army paper *Narodna Armiya* on Sept. 15, he wrote that Hitler and Reagan are comparable, and that the West's designs today are similar to the "aggressive goals of Hitler's fascist Germany." The Korean airplane's appearance in Soviet airspace was "directed by the White House, whose master, in his pathological hatred of the Soviet Union and of our people, certainly outdid himself on this occasion."

Yepishev implied that the "unmistakable class stance" of the Soviet Union justifies the shooting of hostile capitalist civilians. He calls for "irreconcilability toward bourgeois ideology, as well as toward any kind of hostile manifestations of the aggressive forces. . . . We must train soldiers in a spirit of resolute hatred against the imperialist aggressors."

Western experts believe Yepishev is the controller of Soviet military counterintelligence, overseeing contacts with the Nazi International as well as terrorist operations around the world.

His career in the Soviet hierarchy has been accompanied by the darkest episodes in the history of Russian anti-Semitism. In his reign as Deputy Minister of State Security from 1951 to 1953 falls the infamous Slansky trial, when 14 leaders of the Czech Communist Party, most of them Jews, were sentenced as "agents of a world-Zionist conspiracy," and 11 of them were executed. Under his reign also falls the so-called "Doctors' Plot" in 1953, when Jewish doctors from Leningrad were arrested on charges of plotting to poison and kill Stalin and other leaders.

While Lavrentii Beria, the head of the then powerful Ministry of Internal Affairs—which at that time coordinated the security services—was purged and executed in 1953, Yepishev was never touched. He found refuge in the foreign ministry, subsequently served as ambassador in Romania and Yugoslavia, and in April 1962, following the visit of Andrei Gromyko to Belgrade, was brought back to Moscow to become head of the Red Army's Main Political Directorate—quite a jump upstairs—which he has headed ever since.

Yepishev's rise at the beginning of the 1950s had coincided with the ascendance of Khrushchev. His comeback to the command posts of Kremlin power occurred shortly before the Cuban Missile Crisis, in the context of a large military

shake-up involving the replacement of three marshals. Khrushchev was dumped the next year, but Yepishev stayed.

Soviet emigré Kremlin-watcher Mikhail Agursky writes in a recent two-part article in the Paris-based exile paper *Russkaya Mysl* (Russian Thought) that Yepishev was the key pusher for the invasion of Czechoslovakia in 1968, one of his reasons being to prevent the rehabilitation of the Slansky trial victims, which would have brought his own dirty role to the fore. Subsequently, in September 1968, he launched a major anti-Semitic campaign in Russia which reverberated in Poland.

At that time, *Pravda* commentator Yuri Zhukov wrote that the "Prague Spring" was the work of Zionist reaction. In 1969, Yu. Ivanov, collaborator of the Central Committee's International Department, published a book *Caution, Zionism*, followed by Evgenii Yevseyev's book, *Fascism Under the Blue Star*.

Official anti-Semitism resurges

Coinciding with Brezhnev's demise and the reshuffles in the Soviet leadership which are far from over, anti-Semitism has been on the rise again. Anti-Semitism, of course, has always been part of the darkest side of Russian culture, represented by such blood-and-soil writers as Fyodor Dostoyevski who was close to the Russian Orthodox Church, and whose writings have been republished in the Soviet Union starting in 1968. It is one aspect of an imperial, xenophobic, anti-Western outlook. By the maniacs adhering to this outlook, the Jews have been called "cosmopolitans" who spearhead "bourgeois reaction."

The recent escalation of anti-Semitism was marked by the formation of an "Anti-Zionist Committee" under General Dragunski; the publication of Lev Korneyev's book *The Class Nature of Zionism*; and a flurry of articles in the Soviet press, including newspapers for children such as *Pionerskaya Pravda*, attacking Israel and the Jews for every conceivable evil in the world. The most notorious article appeared in *Red Star* on Aug. 17, which attacked the "Jewish world bourgeoisie."

The fact that the Yepishev crowd, which overlaps the KGB, military intelligence, the army, and the party, is on the upswing, is also manifest in the increasing pressure on the Eastern European allies of the U.S.S.R. to cut "Western" links, and reorient toward Mother Russia. The latest issue of *New Times*, a Soviet foreign ministry publication, attacks the Polish leadership for being too "pluralistic" and "Western-oriented."

Unfortunately, says a recent article in the Polish magazine *Reality* (co-founded by KGB asset Stefan Olszowski), some people in Poland might be convinced that Poland is part of West European civilization, and expect liberation from Russian domination by the Americans. But, the article warns, they should keep in mind that American missiles will kill "Polish Übermensen" and "Russian Untermensen" alike.

How linguistics is used to control ethnic separatists and terrorists

by Muriel Mirak

The Sept. 20 issue of EIR contained portions of a new dossier on the Nazi-Communist controllers of both the "peace movement" and ethnic separatism in Europe. The following article, part of the EIR Special Report titled "The Hot Autumn: Separatism, Pacifism, and Terrorism," analyzes the way separatist terrorists are manufactured through the promotion of ethnic dialects, by "linguists" who are nothing other than brainwashing experts. The report is now available from EIR at \$250.

Why do the separatists insist so fanatically on the right to speak a local dialect, often known to only a few thousand souls, rather than maintain the communicative means afforded by a national language? Such insistence is not only a further indication of the intellectual backwardness of separatist leaders such as Aureli Argemi and Ivan Illich; it also identifies a conscious plan to subvert the integrity of the nation-state, through the destruction of its language.

Dante Alighieri was the father of the Italian language, and as such, the spiritual father of the unity of Italians in the Italian nation. His explicit aim, through his poem the *Commedia*, as well as his groundbreaking theoretical treatises on language (*De Vulgari Eloquentia, Il Convivio*), was to overcome the state of isolation and backwardness imposed by the continuing existence of thousands of regional and local dialects along the 13th-century peninsula. He knew that there would be no hope for Italians to create a nation if they were straitjacketed by dialects shaped by brutish sounds, like the "sad speech" of the Romans, the "ugliest of all Italian vernaculars," or the Sardinian dialect, which "imitates Latin, just as monkeys imitate men," or the Genoese, whose sound system offends the ear. Dante sought to develop the illustrious vernacular, Italian, as the national language which "appears in every city but rests in none," that is, which is common to every local area but limited to no single one. It is only through such a language, polished and ordered through

poetic expression of universal ideas, that the individual brought up speaking a native dialect can develop his mind to contribute ideas of universal importance to his fellow man. That mankind has proven capable of creating great literary tools has been the prerequisite for science, and thereby for the continued progress of human society.

Destroy national languages, and the progress of human thinking, technology, and science, is destroyed. That is the ultimate policy objective of the separatist linguisticians. They have expended massive efforts on cultivating local and regional dialects, under the guise of protecting threatened languages, and have lobbied to gain legislative equality vis-à-vis the national tongue, as the first step toward outright autonomy. By fostering the use of such parochialized and limited dialects, they have effectively condemned entire populations to backwardness. Among the leadership strata of separatist organizations, local dialects are used as veritable brainwashing programs, to maintain top-down control over hard-core terrorist components.

The importance of linguistics for separatism is underlined by the fact that Barcelona's Ciemen center for ethnic minorities, on the initiative of Benedictine leader Argemi, will dedicate its next annual conference to "Semiotics and Social Language" (Aug. 16-22, 1984).

It should come as no surprise that the think tanks dedicated to spreading dialect use are integrally connected to those running separatism and terrorism. Under the overall control of the United Nations' UNESCO, which has financed and staffed studies of local dialects (even of tiny communities, like the 700-person Occitanian-speaking region of Calabria!), the major associations involved are the Ciemen and the Gesellschaft für bedrohte Völker (Society for Threatened Peoples, GfBV), as well as the Association for the Defense of Threatened Tongues. The principal areas of activity of Ciemen are the dialects of France, Spain, and Italy. In addition to Ciemen secretary Aureli Argemi's personal linguistic

studies on Corsican-Genoese and Sardinian, Ciemen concentrates on the Occitanian dialects, on the Basque (Euskera), and on Venetian.

In Milan, Italy, Ciemen shares its offices with the magazine *Emie*, whose founders include Roberto Sonaglia, a partisan of the Movimento Federale Padano, and Guido Aghina. Aghina is the city councilman responsible for cultural affairs in Milan for the Italian Socialist Party, whose links with terrorism have been amply documented.

Jesuit linguist Ivan Illich's Center for Intercultural Documentation (CIDOC) in Cuernavaca, Mexico, which works with the Ciemen networks through the GfBV and the Club of Rome, is dedicated to undermining national languages in the North and South American continents, promoting the revival of Indian dialects. Illich takes his attack against Spanish to extreme lengths, targeting Elio Antonio de Nebrija, the 15th-century humanist collaborator of Erasmus, who circulated the first Spanish grammar among the dominions of Queen Isabella. Illich attempts to destroy first the national language, then all language. His claim is that in the medieval world, to which he and the Club of Rome want to return, languages are unnecessary. "In the essentially sun-powered cultures of the past, there was no need for language production. Language . . . was learned from the encounter with people whom the learner could smell and touch, love or hate."

Basque: language for feudal backwardness

Basque separatism actually began with a language project headed by a Pamplona lawyer named Arturo Campion. Writing in 1876, Campion stated: "So long as Euskadi [Basques] keep their original and personal tongue, there need be no fear that their passion for their envied feudal privileges should decrease, for each word they pronounce will remind them of the political and social condition of their ancestors, and will encourage them never to falter in the claims to their undeniable rights." Another lawyer, Sabino Arana y Goiri, founded the Basque Nationalist Party in 1892 on a program which included the following demands: independence of French and Spanish Basques from their respective nations; ruralism, to defend Basque purity against capitalism; radical defense of Euskera (Basque dialect) against Castilian, the vehicle of the state.

The Sociedad de Estudios Vascos was then created as the vehicle for organizing the first autonomy projects in the twentieth century. In 1931 they announced that "the national language of the Basques is Euskera."

The main institutions currently promoting Euskera studies as a part of the Basque separatist movement are the Institut per a l'Estudi del Basc (Basque Studies Institute) and the terrorist-linked Academia de la Lengua Vasca. MIT linguist Noam Chomsky, who works with the Academia, has documented relations to terrorist groups through the Washington, D.C. Institute for Policy Studies (IPS). Pierre Vilar,

a Catalan separatist collaborating with the Academia, is the author of numerous pro-terrorist articles published in the Basque paper *EGIN*, which supports the terrorist ETA.

Several of the directors of *EGIN* have been called upon to testify in ETA murder cases and have been fined by the interior ministry. Federico Krutwig, who has presided over the Academia, is also reportedly linked to ETA assassins in Paris and Brussels. The case of Krutwig is particularly significant. Son of the representative of Krupp in the Basque, Krutwig is said to be fluent in most Western European, Middle Eastern, and Slavic languages. In 1942 he was elected to the Academia de la Lengua Vasca, but was forced into exile in 1953. At the World Basque Congress of 1956, it was Krutwig who pushed for the creation of a guerrilla movement to fight for autonomy. In 1965 he traveled to Brussels, where he worked for the Chinese Embassy, translating the texts of Mao Tse-tung into Euskera. In exchange, the Chinese Foreign Language Institute of Peking translated his books on the Basque question. Krutwig is a close associate of Ernest Mandel, the leader of the Trotskyist Fourth International; both were linked to top Spanish terrorist José Maria Escubi.

Linguistics is deeply rooted in ETA's history. One of the group's co-founders was Alvarez Empanza (code name Gxillardegui), a linguist who wrote in Euskera. It was he who succeeded in 1965-66 in convincing the Bishopric of San Sebastian to ordain priests only if they knew the Euskera language. In June 1965 he wrote a letter to ETA stressing the importance of language in the separatist struggle, saying that those who could not speak Basque should be cast aside as "prostitutes" and that only those fluent in the language could work to recruit peasants.

Despite the massive input into Basque studies, the language has not spread very rapidly. There are an estimated 600,000 speakers in Spain and only 100,000 in France. Of the 22 percent of the Spanish Basques who speak the language, only 56 percent of them (or 12 percent of the total) write it. A dictionary and grammar were developed in the last century, providing a written form for the language for the first time.

Ciemen promotes Catalan

Catalan, which the Basques hold up as a model, was the official language of Catalonia until 1716, and continued to be used as the language of the courts and schools until the nineteenth century. About 8 million people speak it as their native language. Exploiting the emotional response to the fact that dictator Franco outlawed Catalan, forbidding newspapers, radio, and TV to use it through the 1970s, the Catalan separatists have pushed for broad use of the language. Not only are most courses in Catalan universities conducted in the dialect, but the separatists through Ciemen demand that all Catalan-speaking regions be unified in one "nation." This would include large areas of France, as well as 20,000 people in Alghero Sardinia.



Ivan Illich, the Jesuit linguist who wants to eliminate the national languages of North and South America.

The two institutions which work with Ciemen through the Defense et Promotion des Langues de France organization are the Barcelona-based Institut d'Estudis Catalans and its French offshoot, the Institut d'Estudis Occitans, both dedicated to literary and linguistic studies of Catalan history. Links to terrorism are run through the Catalan-Provençal theatre group called Els Joglas, in Barcelona.

One member, Andrés Solsona, was arrested in July 1983 for harboring an ETA terrorist in his home. He was also a member of the Liga Comunista Revolucionaria, a Trotskyist group promoting separatism on both sides of the Spanish-French border.

Occitania: a proliferation of dialects

Occitania, whose name was coined by a Benedictine monk in the 17th century, is a Franco-Italian region stretching across about 190,000 square kilometers, and home of 12 million people. Known as the region of the *langue d'oc*, Occitania proliferates with dialects, including Provençal, Delfinis, Guinese, Limbuine, Auvergnat, and Guascon. The Movimento Autonomista Occitano (MAO), or Occitan Autonomy Movement, works closely with Ciemen and with the Piedmont regional government, both of which are promoting study and use of the *langue d'oc* as the common language.

Occitan was the language of the religious sect founded by Pietro Valdes, until the Synod of Chanforan in 1532. In this century, François Fontan rehabilitated the old Valdesian language and founded the Parti Nationalist Occitan. After the death of Fontan in 1979, the Parti, which had won a seat in the Cuneo city council, became the MAO, under the leadership of Ignes Cavalcanti. Cavalcanti led the mobilization to have the Italian parliament recognize the use of Occitan in the region, and to gain the same legal status that Sicily enjoys. The dialect is now taught in elementary schools throughout the Italian Occitan valleys. Children who learn Occitan are assigned to reconstruct the history of their valleys by interrogating their grandparents. Vittorio Caraglio, who initiated the project, motivated it as a means of "rebuilding Occitania," after a history of exploitation and looting.

On the French side of the Occitan operation, the Ciemen, whose Italian operations are based in Milan, also works to "promote the development of the consciousness of Occitanians that they are Occitanians." Ciemen also operates in Carcassonne and Montpellier. In Beziers, France, they have a Centre Internationale de Documentation Occitane, which is slated to become the "national library of Occitania." Other institutions of Ciemen are the Conservatoire Occitan, the Centre d'Estudes Occitanes Universita Paul Valéry, in Montpellier, the Escola Occitana d'Estiu Villeneuve-sur-Lot, all of which study and teach Occitan. The Université Ardechoise d'Ete at Aubenas in the Ardeche is run by a collective review called Vivares, Terra Occitana. Another Occitanian group operating in Toulouse and Barcelona is the CAOC, dedicated to reuniting the *paisos cantans* (France and Spain).

Closely linked to the Occitans is the Franco-Provençal movement. Spread throughout France, Switzerland, and Italy (Piedmont), they are valley populations speaking a mixture of *langue d'oc* and *langue d'oïl*. According to Franco-Provençal linguist Edoardo Ballone, "It is a neo-Latin tongue of an ancient population who lived, in the dark night of time, in a part of the western Alpine region."

Organized in the research and study institute known as EFFEPI, the Franco-Provençals organize cultural events to bring together the disparate valley populations and to create in them a sense of common Franco-Provençal or "patois" culture. Ornella de Paoli, secretary of EFFEPI, organized the first such event in Val Soana in 1980, gathering people from Aosta, the Savoy, and Switzerland. She wrote, "It was a moment of rediscovery of collective consciousness, a rediscovery of our own ethnia. . . ."

The Turin University Linguistics Department is instrumental in promoting the patois cause. Under the leadership of Prof. Gianrenzo Clivio (who also teaches at Toronto University), the department has put out a Linguistic Italian Atlas, the atlas for the patois.

In addition to the major linguistic separatist operations mentioned above, the Ciemen and Piedmont regional associations are also actively engaged in promoting "linguistic consciousness" of other ethnic group languages, including

among speakers of Sardinian, Calabrian, Corsican, Slovenian, Alemany (South Tyrol), and Albanian. The last is particularly promoted by Ciemen, through the Palermo-based Associazione de Insegnanti Arbesch, which aims to unite the estimated 80,000 Albanian speakers spread throughout southern Italy.

Other university institutions which are involved in the Ciemen network include the Philology Department of Milan State University, the Oriental Institute of Naples, and the Language Department of Venice University (whose halls were recently given to the KGB-controlled Pugwash Conference proceedings).

Separatists make gains

The separatist linguisticians have been at the forefront of a drive to legislate ethnic autonomy. In Italy, after the national Parliament institutionalized regional relatively autonomous government in 1970, the push for linguistic independence was accelerated. First to strive for special status was Sardinia, whose dialect was the first to be officially proclaimed a language.

As far the Sardinians are concerned, it was at Heidelberg University in West Germany that the earliest linguistic research was carried out, on which the separatist movement was built. Prof. Max Leopold Wagner was the author of the 1921 *Studien über den sardischen Wortschatz*, of *La lingua sarda* and the *Dizionario etimologico sardo*—works which led to establishing the reputation of the Sardinian dialect, which Dante so correctly ridiculed, as a bona fide language.


Early in the 1970s, the faculty of the Literature Department of Cagliari University, which houses an International Center of Sardinian Studies, voted a resolution demanding that Sardinian be accorded parity with other neo-Latin languages and thereby juridical-administrative recognition. Later in the decade, it was proposed that the Sardinians organize a "people's initiative," a mass petition, to introduce a bilingual regime on the island. Although the bureaucrat-

ic process lagged, bilingualism was established de facto, rendering legal action essentially superfluous.

The Partito Sardo d' Azione, recently elected to the national parliament, has demanded that parliamentary debate be carried out in dialects. The Liga Veneta, which has entered national parliament for the first time, is also demanding recognition of the local dialect. The umbrella group which organizes such legislative actions in Italy is the Association for the Defense of Threatened Tongues, headed by Prof. Alessandro Pizzorusso, of the University of Pisa. Pizzorusso has prepared a bill which would allow mandatory dialect teaching in elementary schools, optional instruction at the university level, use of minority dialects in courts, public offices, and banks.

But the ultimate court for airing the complaints of the separatists is the European Parliament in Strassbourg, itself a synthetic institution created to engi-

neer the destruction of the European nation states. On May 26, 1981, the Council of Europe Parliamentary Assembly unanimously adopted a resolution on the Catalan separatists. Entitled "Lengues Minoritaries i Dialectes a Europa," the document, authored by Spanish senator Cirici i Pellicer, included the following demands: 1) the progressive adoption of the correct forms of toponymy (place names) from the original language of each territory, no matter how small; 2) progressive adoption of the maternal language in the education of children (use of dialect orally in the pre-school stage and the normalized forms of the mother tongue in primary education during which the majority language of the country will be gradually introduced; 3) public assistance for the local use of the normalized minority languages in higher education and communications media of concerned territories according to the will of the communities which speak them.



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Operation Bloodless Coup

A chilling best-seller that threatens the president seems to be a production of the PAN and the IMF.

The same forces in Mexico which have made rumor campaigns among the middle class an effective mode of political destabilization, have taken the same technique of mass psychological conditioning into a new sphere: the pulp novel.

A case in point is the recent best-seller, *The Coup: Operation Bloodless*, by one Manuel Sánchez Pontón. The book is a portrait of a Mexican president who begins to consider a debt moratorium to deal with Mexico's economic crisis, is confronted by the army, and chooses to abandon the country rather than fight.

The message to President Miguel de la Madrid could not be clearer, nor the interests sponsoring the book: the former bankers whose holdings were nationalized by José López Portillo in 1982, the fascist PAN opposition party, and the International Monetary Fund.

Author Sánchez Pontón is a protégé of one of the most powerful bankers, Manuel Espinoza Iglesias, formerly owner of Bancomer.

The novel insinuates that all Mexico's economic troubles stem from wrongdoings of its two previous presidents. The names are scarcely disguised: Luis Iturrigarria (Luis Echeverría) and José Pérez Badillo (José López Portillo). The current president, Manuel del Cid (Miguel de la Madrid), is portrayed as mediocre and gutless.

The book begins when the military has come to give the president 24 hours

to leave the country. Del Cid decides that he wants to "avoid bloodshed"; he goes to Spain and hooks up with his good friend Pérez Badillo.

At one point in the novel he confesses to his family what he did wrong: he did not break with his predecessors, and he did not hand the banking system back to its original controllers.

In the last days of the coup preparations, the army high command meets and a leading general states: "Comrades, I have the worst of news. Iturrigarria intends to take advantage of the crisis to force President del Cid to declare a total moratorium on payments. This will provoke a chain reaction of all the other indebted nations, and they will do the same. World financial chaos will result. Iturrigarria is grooming himself as prime minister for life and will align the country with the communist bloc. When the U.S. tries to intervene they won't be able to, because they will find that Russia is already involved here." The next day, the tanks are sent out to surround the presidential residence.

After the coup, the new finance minister, Luis Pazou, (i.e., Luis Pazos, the "Milton Friedman of Mexico," son of an oligarchic Veracruz family), announces a 10-point program that begins with the return of the banks to their "legitimate owners," then proceeds with an unadulterated IMF program: drastic shrinking of the public sector, sale and liquidation of state companies, "equal treatment" for foreign capital, and guarantees of a

"free-enterprise market system." The new head of state announces the political side of the same program: the elimination of the ruling PRI party to "open up expression" for the other parties.

The PAN party views the book as its own manifesto, a sort of PAN *Mein Kampf*. A few weeks ago the PAN mayoral candidate in Mexico's fourth largest city, Puebla, the Oxford-trained Ricardo Villa Escalante, went up to Planning and Budget Minister Carlos Salinas de Gortari at a public event, and with great show attempted to present him with a copy of the Sánchez Pontón book. "You already know about it," pronounced Villa Escalera before marching off.

The irony was that Salinas, a protégé of the psychological warfare division of the Wharton School in Philadelphia, is one of the de la Madrid ministers most implicated in manipulating the corruption issue to push the country into fascism and zero growth.

The publisher of the novel, a firm called Edamex, is an old hand at psywar. In 1981 it published the best-seller *The Last Call*, written by a homosexual press stringer for the then-mayor of Mexico City, Carlos Hank González, and focused on the same theme: using the corruption issue to destroy Mexico's presidential system.

There are two powerful constraints on the success of the operation behind *Operation Bloodless*, though the book has achieved much of what its sponsors planned. First, Mexico's military remains much more strongly rooted in the Mexican system than the book wishfully implies. And, as every schoolchild here knows, the greatest hero of Mexican history is the Benito Juárez who in 1861 declared a debt moratorium against usurious foreign banking interests, and went on to defend that decision, and Mexico's sovereignty, despite all odds.

International Intelligence

Kissinger to 'NATOize' Western Hemisphere

A 19-month study prepared by the World Affairs Council of Pittsburgh, with the consultation of several collaborators of Henry Kissinger, including Alexander Haig, indicates that Kissinger's Bipartisan Commission on Central America intends to extend NATO's jurisdiction to Latin America in order to wage population wars.

The report, titled *Western Hemisphere Stability-The Latin American Connection*, calls for a "NATO mentality for the Western Hemisphere. . . . The Rio Pact and the OAS should be reevaluated, particularly regarding the command relationships and communications necessary for conventional force readiness, and for quick response deployments." This section of the report was written under the leadership of William Perry of Kissinger's Center for Strategic and International Studies at Georgetown. The authors also call for the "U.S. to exercise every viable option to isolate, and thereby deactivate Nicaragua and Cuba," and to "offer cooperation and assistance to those non-Marxists elements in Nicaragua who are seeking to establish the goal of democratic pluralism in that country."

Mexico is a particular target of the report's authors. The key "security problem" faced by Mexico, they claim, is "runaway population growth." The report which that the United States use "every reasonable means possible to persuade Mexico to join in establishing a special security partnership that would 1) serve the mutual security interests of both nations and 2) help Mexico preserve its pluralistic traditions by working in concert to eliminate any Soviet- or Cuban-sponsored threat of destabilization of the country."

Some Britons still prefer appeasement

Despite an angry public posture, the British Foreign Office is holding extensive back-channel discussions with the Soviets, London sources report. Attention is particularly being focussed on the recent trip to London by West Germany's Egon Bahr, and the up-

coming trip by Anglican Church head Archbishop Runcie to both East and West Germany.

A new sex scandal in Great Britain has been the centerpiece of a successful move by back-channeler Lord Peter Carrington, Henry Kissinger's business partner and controller, to oust his opponents from positions of government and influence. The people targeted by Carrington include British supporters of a U.S.-led beam weapons development.

Intelligence sources say Carrington has been asked by the Queen to be a special emissary to the Middle East. It is rumored that Carrington will replace Joseph Luns as NATO Secretary General.

The ghost of Neville Chamberlain could also be felt crawling across the op-ed page of the *Times* of London Oct. 7, where David Watt, head of the Royal Institute of International Affairs in London, expostulated against "The Dangers of a Churchill Posture." Watt began by seconding British parliamentarian George Walden's recent criticism of Prime Minister Thatcher's blasts against the Soviets when she visited Washington at the beginning of October. Walden recently brought Henry Kissinger's son onto his staff at Carrington's request.

Watt wrote: "The wretched analogy with the 1930s and the appeasement of Hitler has in varying contexts misled generation after generation of politicians on both sides of the Atlantic. . . . It obsesses Caspar Weinberger and Ronald Reagan, and now it apparently affects Mrs. Thatcher's wits as well." Of course "we are *not* in the same relation to the Soviet Union as the U.S. . . . We have regional interests in Europe which give us a different perspective from America's."

Reagan like Hitler, says Soviet paper

The Soviet *Literaturnaya Gazeta*, the journal which in May termed the Reagan missile-defense policy a *casus belli*, has joined Russian chauvinist General A. Yepishev in comparing Ronald Reagan to Hitler.

An Oct. 5 article by Arkadii Sakhnin, "The Second Pretender," announces that "The second plenipotentiary of imperialism to lay a claim to world domination [has]

appeared on earth in our days. He picked a team worthy of himself and settled into the White House. Today the Second Pretender holds in his hands not a bomb, but a nuclear missile."

After a few thousand more words in which Sakhnin accuses Reagan of having "already started World War III in the psychological field" and wanting to destroy the U.S.S.R. perhaps "just because we exist," the *Literaturnaya Gazeta* author concludes: "A deadly danger hangs not only over our motherland but over the world. . . . 'Everything for the front, everything for victory!' Under this party slogan the Soviet people labored [in World War II], forgetful of their own selves. . . . We will manage to keep our self-control in today's agitated world. . . . We are the main force called upon to halt the insanity. . . . History has not seen such a worldwide agitation by the peoples protesting against the new American weapons. Their voice cannot be stifled. It will echo ever louder until it turns into a gigantic material force. Take the plugs out of your ears, Reagan."

Harrimanite: 'build-down' no cause for celebration

The rapidly deteriorating strategic situation has provoked a warning from a leading Harrimanite arms control specialist of the risk of a major superpower confrontation worse than the 1962 Cuban missile crisis.

Dimitri Simes of the Carnegie Endowment for International Peace, in an op ed in the *Christian Science Monitor* Oct. 12, describes the United States and the Soviet Union as being on "a collision course," with "a growing risk of a major confrontation between the two superpowers, possibly the worst confrontation since the 1948 Berlin blockade. As in 1962, the confrontation may start because of Soviet missiles being stationed on or serviced from Cuba. Unlike in 1962, however, Washington does not enjoy overwhelming strategic predominance."

Simes adds that the "Kremlin and the White House are on shouting rather than speaking terms," and with meaningful private channels "next to nonexistent," if a crisis develops, "controlling it would be very difficult indeed." Simes reports that the So-

viet response to the U.S. Pershing II missile deployment in Europe will be steps "to put the U.S. in an 'analogous position,' in other words to make the U.S. vulnerable to a nuclear strike with very little warning."

These steps, Simes says, "may provoke a new Cuban missile crisis. . . . From Moscow's standpoint, the 1962 agreements included Kennedy's secret pledge to remove American intermediate-range missiles from Europe."

With the Reagan administration planning instead to deploy "much more capable systems," Simes asks, "What is the U.S. going to do when it is discovered that the Pershing and cruise missiles have exposed the whole Eastern shore to a new and unprecedented danger instead of making the Soviets more flexible in Geneva? . . . Maybe it would take a massive show of American strength to discipline the Soviet empire. Reasonable and informed people can disagree about that." But referring to President Reagan's recent "build-down" arms control proposal, Simes adds, "What educated observers should not do, however, is to celebrate Reagan's new arms-control maneuvers at a time when the Soviets see only deception covering hostile intentions and are in fact busy preparing a response in kind."

Francesco Imposimato murdered by terrorists

Francesco Imposimato, a 40-year old factory worker and the brother of Italy's leading anti-terrorist magistrate, was brutally gunned down by a six-man commando team on Oct. 11 in the town of Maddaloni near Naples, Italy.

Ferdinando Imposimato, his brother, headed the investigations of the Red Brigades' 1978 assassination of former Christian Democratic Prime Minister Aldo Moro, and directed the investigations which led to the liberation of American NATO General James Dozier, kidnapped in January 1982 by Red Brigades terrorists.

No one has claimed responsibility for the attack, in which Imposimato's wife was also seriously wounded.

Ferdinando Imposimato is also the judge who in April 1983 issued a warrant for the interrogation of Henry Kissinger, charging

that the threats Kissinger had reportedly made as Secretary of State to Aldo Moro in 1974 were a proper subject for investigation. Kissinger fled the country to evade the warrant.

The murder of Imposimato's brother has raised the question of whether Dr. Kissinger was involved in a vendetta making use of the mafia-terrorist apparatus which in the past has served the interests of former associates of Kissinger in carrying out assassinations.

Judge Imposimato had received death threats against himself and his family, and had obtained security protection for his brother, protection that was suddenly lifted by certain Italian authorities. Is this connected to the fact that the current prime minister, Bettino Craxi of the Socialist Party, was approved for that post by Kissinger in Rome during the April 1983 meeting of the Trilateral Commission?

Greek Orthodox socialism on rise?

A dispatch by the Athens correspondent of Switzerland's *Neue Zürcher Zeitung* Oct. 12 sheds light on why Greek Prime Minister Andreas Papandreou has been so friendly to the Third Rome imperialists ruling in the Soviet Union.

According to NZZ, a growing interest is developing in left-intellectual circles in Athens for the newspaper labels *Sozialismus vom Heiligen Berg Athos* (Holy Mount Athos Socialism). The monasteries of Mt. Athos are the spiritual center of Eastern Orthodox Christianity.

The theory of this "new Orthodoxy" is being developed by Christos Jannaras, a philosophy professor at the Panteios School at Athens, and by Kostis Moskof, a historian from a well-known Salonika family. Their theories are gathering support among "left intellectuals who are seeking to fuse together, in their 'search after a new Orthodoxy,' Communism with Christian Orthodoxy." Moskof is trying to create a theory of the identity of the experiences of "resurrection" and "revolution," utilizing the terms of "eastern mysticism" to achieve a unity of the ideas of "oneness with God" and "defense of the concerns of the proletariat."

Briefly

● **SYRIAN SS-21s** "would be taken out the minute Israeli decision-makers were convinced that war was inevitable, thus almost dictating preemption. And conversely, because the Syrians and the Soviets know that the missiles could be among the prime targets to be attacked once escalation had spiralled to a point of no return, they would hasten to use them," wrote military correspondent Hirsch Goodman on the front page of the *Jerusalem Post* Oct. 10.

● **THE BBC**, which has been condemned by numerous governments, including that of the Shah of Iran, and more recently Saudi Arabia, for its bid to destabilize Third World governments, broadcast an interview on Oct. 13 with the head of the Tamil United Liberation Front separatist movement in Sri Lanka.

● **PETROVEN**, the national oil company of Venezuela has decided to close up its permanent suite at New York City's Carlyle Hotel. Company spokesmen explained that the decision was made for reasons of economy, and had nothing whatever to do with the quality of the other clientele at the Carlyle.

● **ALAIN JOXE** wrote in the new French magazine *Enjeu* that France should fight to fuse the START and INF arms negotiations, to bring France and Great Britain into the strategic negotiations, to freeze or have a moratorium on the Pershing and SS-20, and to negotiate the modernization of French *force de frappe*.

● **RESEARCHERS** have dug up evidence of a stone-age society which became suddenly extinct about 20,000 years ago, after having been, apparently, endangered by a large species of brown bear. Various drawings depict humans breaking spears and snuffing fires, and offering themselves to the bears for sodomization, as if to propitiate the invaders. Remains include a large number of crushed bones and skulls bearing evidence of claw marks. The researchers have dubbed their discovery "Built-down Man."

How Reagan can break the arms-control blackmail

by Susan Kokinda in Washington, D.C.

The President's conservative backers on Capitol Hill are warning that the Soviets have broken out of the SALT treaty framework and are on a drive toward nuclear superiority and world domination. In a powerful Sept. 30 speech on the Senate floor, Jesse Helms (R-N.C.) announced, "The time has come when we must begin a crash program to counter Soviet ICBM threats. In the face of Soviet breakout, *we need to start immediately on a defensive strategic program to protect American lives . . . systems which would make the Soviet ICBM uncertain and obsolete.*"

The Helms statement, entitled "Paralysis in the Face of Soviet SALT Breakout," warns that the administration has become increasingly immobilized as the arms-control establishment and the appeasers under the sway of Henry Kissinger have tried to cover up the implications of Soviet actions. Helms charged: "The idea that the Soviets would attempt to break out of the restrictions imposed by the strategic arms limitation agreements and other arms-control agreements is one that is repugnant to the arms-control establishment.

"The very notion of arms control is based upon the assumption that the agreements are in the rational interest of both superpowers, and that an attempt at breakout is irrational and self-destructive. But the events of recent months, culminating with the shooting down of the KAL airliner, have convinced me that the Soviets are indeed in the beginning of breakout. Moreover, it is clear that U.S. policy makers have formulated no contingency plans to handle a situation of Soviet breakout."

Helms reveals that a highly classified National Security Council analysis of Soviet SALT violations has been on the President's desk since early September, delivered just days after the KAL 7 shooting. "What impact has this study had? Absolutely no impact. And worse than no impact, its conclu-

sions are so overwhelmingly, that it has paralyzed action by the President's advisers at a crucial time." Helms calls on Reagan to report to Congress, openly and in unclassified form, before no later than Oct. 31, 1983.

Indeed, the Senate has already voted by the unequivocal margin of 93 to 0 to attach to the defense authorization bill the McClure amendment calling on President Reagan to report to Congress on the record of Soviet arms-control violations. The author of that amendment, Idaho Republican Jim McClure, has been detailing aspects of the Soviet breakout in speeches for the past year. Functioning as an outlet for a faction of the administration and the intelligence community, McClure made one of his first exposés of Soviet violations on March 23, the day President Reagan announced that he intended to overthrow the MAD doctrine and replace it with Mutually Assured Survival based on strategic defensive systems.

Two days earlier, Henry Kissinger had taken to the pages of *Time* magazine to urge various MAD-motivated stances which were later to emerge as the Scowcroft Commission and build-down proposals (see excerpts, page 26). Several weeks later, McClure quoted accusations that Kissinger had lied about Soviet capabilities and intentions at the time of the SALT I treaty.

But the evidence was largely ignored by most senators until the Soviet shooting of KAL 7. In the wake of that act of strategic terror, and the "Pearl Harbor" mood it evoked in the American population, every member of the Senate present voted for the McClure amendment.

The 'arms-control consensus'

Yet President Reagan has not only failed to move on the NSC report on Soviet arms-control violations, but has choos-

en to appease the appeasers by backing the build-down proposal. Reagan endorsed build-down on Oct. 4, not because he believes in it, but because he thought he had to placate Congress in order to secure funding for the MX, and because he is told that it will be impossible to win re-election unless he has the votes of an allegedly vast "arms-control constituency."

The build-down proposal, as its nominal Senate author, William Cohen (R-Maine), admitted in a self-congratulatory piece in the Oct. 6 *Washington Post*, "emerged from discussions I had last autumn with Alton Frye, the Washington director of the Council of Foreign Relations." The build-down proposal parallels the developments around the Kissinger-dominated Scowcroft Commission through the first half of 1983; Cohen admits to constant contact with Kissinger deputy Scowcroft through the period that "a new arms-control consensus" was being developed.

Indeed, Cohen openly says that he and his allies on Capitol Hill—Sens. Charles Percy (R-Ill.) and Sam Nunn (D-Ga.) and Reps. Les Aspin (D-Wis.), Norman Dicks (D-Wash.), and Albert Gore (D-Tenn.) are blackmailing the President to support their policies in exchange for the vitally needed MX missile. Cohen boasts, "In effect MX became a bargaining chip to elicit action on other strategic fronts."

On Oct. 6, two days after the President's build-down speech, Helms and Symms returned to the Senate floor to renew the attack. Symms entered into the record an Air Force magazine article from the *Armed Forces Journal* on Soviet arms control violations, and warned that Soviet SALT violations represent a unilateral U.S. build-down. Helms delivered another speech entitled "Soviet Deception Versus Nuclear Weapon Build-Down Options" which asked, "How do we negotiate limits on nuclear capabilities that we do not understand? . . . If we do not know for sure the extent and characteristics of the Soviet nuclear stockpile, then what is the meaning of 'build-down'? Build-down from what?" Helms bolstered his argument with the September 1983 *Armed Forces Journal International* article arguing that the U.S. offensive deterrent capability may be largely useless, and America must begin to rely on strategic defense to ensure the safety of its population.

As a counter-salvo from the Neville Chamberlain side of the Senate, Edward Kennedy (D-Mass.) and William Proxmire (D-Wis.) cited build-down godfather Alton Frye's Oct. 4 charge in the *Washington Post* that the administration has misrepresented and overplayed the Soviet military drive.

Manhattan Project potential

Not only is the build-down proposal a creature of the *New York Times* and the Council on Foreign Relations, the "all-powerful arms-control constituency" does not exist. The American response to the KAL 7 massacre shows—as did Mr. Reagan's 1980 electoral victory—that, while the citizenry does not want war, it does not prefer to be left to the

mercies of Yuri Andropov's missiles. If presented with a public campaign for an all-out mobilization behind beam-weapons strategic defense, it is clear that the nation would rally behind Mr. Reagan.

The recent speeches by Helms mark the first time in the United States that a national political figure other than *EIR* founder Lyndon H. LaRouche, Jr. has called for countering the Soviets arms-control violations by embarking upon a crash program for strategic defenses. And On Oct. 13, Dr. Edward Teller gave a speech to the Dallas World Affairs Council advocating a crash program for beam weapons anti-missile defense. The nuclear physicist was one of the advisers responsible for convincing the President to publicly announce the Mutually Assured Destruction doctrine on March 23.

A "new Manhattan Project" is required to develop the potential of these technologies as rapidly as possible for defense, stated Dr. Teller; there must be a total mobilization of the technological ingenuity of America and the Free World, the one real U.S. asset against the Russians.

Second, he declared, major breakthroughs have occurred recently in the field of development of defensive nuclear weapons, making possible nuclear explosions of a new type, which do not cause harm to human life but are very destructive against missiles. The primary area of emphasis of very rapid progress is the broad field of EMP phenomena, which Teller discussed at length. This subsumes x-ray burst, x-ray laser, and microwave anti-missile technologies. America can begin to get results from some of the available technologies "immediately" for anti-missile defense, and can have a "decent overall system" within 10 years, he emphasized.

The result of a new Manhattan Project for anti-missile defense, if the bounds of secrecy classification are broken down, will be a profound revolution in technology, more important than that associated with the invention of nuclear weapons in the first place, Dr. Teller specified; fission and fusion scientists must be reunited for this effort.

The Navy is key among the services in spearheading this effort, he added, asserting that Naval Chief of Operations Adm. James D. Watkins was "the key individual" in making the "final push" to make up Reagan's mind to make the March 23 speech.

The U.S. media is a worse problem than the Soviet Union, according to the speech, which repeatedly attacked the *New York Times* and NBC-TV (Henry Kissinger's network) for wilful lying about the President's policy and beam weapons. When an *EIR* correspondent asked about Gen. Daniel Graham's High Frontier proposal for conventional-technology anti-missile systems (see *EIR*, Oct. 18), Teller said "I'm glad you asked that question"; he termed Graham "a patriot, sincere about defense," and High Frontier "right to stress defense over offense, and right to stress the importance of space," but said that on anti-missile defense, "General Graham is absolutely wrong, his proposal will not work."

EIR

The Real Story of Libya's Muammar Qaddafi

A comprehensive review of the forces that placed Qaddafi in power and continue to control him to this day. Includes discussion of British intelligence input, stemming from Qaddafi's training at Sandhurst and his ties to the Senussi (Muslim) Brotherhood. Heavy emphasis is placed on control over Qaddafi exercised by elements of the Italian Propaganda-2 Masonic Lodge, which coordinates capital flight, drug-running, and terrorism in Italy. Also explored in depth are "Billygate," the role of Armand Hammer, and Qaddafi's ties to fugitive financier Robert Vesco.

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Written by EIR Contributing Editor Lyndon H. LaRouche Jr. at the request of several Arab clients, this public memorandum report outlines Mr. LaRouche's proposals for the development of Saudi Arabia over the next 40 years, as the fulcrum of an extended Arab world stretching from Morocco in the west to Iran in the east. It outlines the approach necessary to industrialize and stabilize the entire region over the next two generations. Included are proposals for irrigating present desert regions in the Saudi peninsula and the Sahel, utilizing India's scientific and technical cadre, and the basis for creating true nation-states in the region by drawing on the cultural heritage of the Arab Renaissance.

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The Hot Autumn 1983: Separatism, Pacifism, Terrorism

The Sept. 1 shooting down of KAL flight 7 and the first assault by European radical "pacifists" and ecologists on a U.S. military installation in Germany only hours later were integral to the "Third and Final Rome" world strategy of the current Soviet leadership. The goal of this strategy is the final destruction of the military and economic power of the United States, concurrent with the dismantling of Europe's nation-states into "neutral," powerless entities. This report documents how the oligarchy of *Mitteleuropa*, including the present-day Nazi International, have allied with the Russian Third Rome leadership to build and run the "peace" and separatist movements.

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FBI frameups at issue in DeLorean case

by Jeffrey Steinberg

If the cocaine conspiracy case against John Z. DeLorean goes into court this October, it may be sectors of the U.S. and British governments that have to respond to charges of criminal conspiracy, and not the defendant.

DeLorean, former General Motors executive and founder of the Belfast, Northern Ireland DeLorean Motor Company, was arrested in Los Angeles in the fall of 1982 and charged with involvement in a multimillion dollar cocaine conspiracy.

The government case against DeLorean centers around claims that in desperation to save DeLorean Motor Company, the defendant had sought out a former neighbor, James Timothy Hoffman, and stepped into the middle of a southern California cocaine ring in pursuit of a "quick solution" to his dilemma. At the time of his alleged involvement, DeLorean was facing the bankruptcy of DMC, after the British government backed out of a promised several-million-dollar loan to his auto company.

The government's star witness Hoffman was working for the Federal Witness Protection Program (FWPP), a notorious stable of government-subsidized murderers, drug traffickers and swindlers who have provided the Federal Bureau of Investigation with videotaped evidence for hundreds of fraudulent prosecutions over the past five years, and given the FBI powers comparable to the Nazi Gestapo and Soviet KGB.

Government case in trouble?

But now, evidence is being presented before Federal Judge Tagasugi in Los Angeles that could not only destroy the government's case, but expose massive government corruption and abuse of prosecution.

In late September, Mr. DeLorean's attorney Howard Weitzman presented Judge Tagasugi with the results of a polygraph test administered by Dr. David Raskin of the University of Utah, a specialist in lie detection who has been a frequent consultant to the Drug Enforcement Administration and the Secret Service. The tests demonstrated that John DeLorean was telling the truth when he asserted that he had been approached by Hoffman, not the other way around, and that Hoffman had initially proposed a legitimate loan through

an accredited California chartered bank. If Judge Tagasugi accepts the polygraph findings as evidence, this would raise the question of grand jury perjury by Hoffman.

Moreover, telephone company records released to the defense revealed that at least 17 telephone discussions between Hoffman and DeLorean, including one discussion in which DeLorean contends that Hoffman threatened the lives of his family if DeLorean attempted to back out of the cocaine transaction, had not been tape recorded. Under oath before the grand jury, Hoffman swore that every telephone call between the two after July 11, 1982, was recorded.

In a striking parallel to the Abscam legal travesties of last year, records were submitted before Judge Tagasugi showing that from Jan. 1, 1982 through the present, informant Hoffman had been paid more than \$110,000 tax-free by the government through FWPP. In sworn grand jury testimony, according to sources, Hoffman claimed to have received only "expense money."

Hoffman's impressive record of apparent grand jury perjury might be enough alone to short-circuit the DeLorean prosecution—Hoffman's poor performance as a federal witness in a previous federal sting in Maryland resulted in a not-guilty ruling. But far more serious charges of government misconduct are pending as the case proceeds to final pre-trial motions.

The court battle as of early October pivoted on government documents from 52 agencies all dealing with John DeLorean. DeLorean's attorney successfully argued for the release of at least the relevant portions of these documents before Judge Tagasugi last week. The decision was reversed by the federal court of appeals, and it is likely to go all the way to the Supreme Court before the question is resolved.

DeLorean's attorneys assert that the entire action against the auto magnate, whose company brought jobs to thousands of families in the conflict-torn West Belfast, was orchestrated at a government-to-government level between Washington and London. The prosecution has denied this out of hand and gone to great lengths to prevent release of any government documents to the defense.

If the DeLorean allegations are borne out by the release of government cables (the government has acknowledged cable traffic between the U.S. and British governments on the case), the FBI and Drug Enforcement Administration may be exposed as conducting illegal frameup operations on behalf of overseas interests, perhaps overseas private financial interests.

Sources close to the case believe that if the Supreme Court orders the release of the cables between the State Department, the British government, and the U.S. Department of Justice, these charges will be confirmed. One source identified former Deputy Attorney General Rudolph Giuliani as the "point man" for the transatlantic consultations on the DeLorean sting. Giuliani left the Washington, D.C. post earlier this year to assume the post of U.S. Attorney for the Southern District of New York.

Bread and circuses in Iowa straw poll

As even the U.S. national press has been forced to discover, the Oct. 8 Associated Press straw poll in Iowa metamorphosed into a Roman-style "bread and circuses" contest between the Mondale and Cranston campaigns, whose paid armies were locked in an epic struggle to buy up and give away the most tickets to the Jefferson-Jackson Dinner where the voting was to take place.

Though the shrewd Alan Cranston first hit on the idea of stuffing the dinner and had already bought 1,000 tickets by mid-September, Mondale finally began buying tickets like there was no tomorrow. With 1,200 in hand, Fritz was put over the top when organized labor bought another 1,500 for him, in line with president Lane Kirkland's "super-fix" of the AFL-CIO endorsement for Mondale on Oct. 1.

With tickets in hand, the next problem the campaigns faced was to find people willing to go to the dinner. Thus, the ubiquitous sight of Mondale organizers giving away tickets at high schools and college campuses, and paying for buses and beer for their "supporters."

Most of the 4,000 people who showed (of the 6000 predicted) had no

idea the 7-pack was pushing the nuclear freeze. The now-ritualized "Peace Workshop" drew no one.

The monumental poll results were 47 percent for Mondale, 37 percent for Cranston, 5 percent for John Glenn, and crumbs for the rest of the Seven Dwarfs.

Belatedly, Ernest Hollings led the bellyaching among the low-percentile vote getters, who complained because they lacked the money to fix the election, "You had people from Missouri. You had wetbacks from California that came in here for Cranston. It wasn't Iowans. And it was all bought and paid for. It was a fraud. One great, grand fraud."

As for the exclusion of presidential contender Lyndon H. LaRouche, Jr., Iowa Democratic Party Chair Dave "Nervous" Nagle's explanation—"LaRouche is not a Democrat"—showed the pawprints of national chairman Chuck Manatt.

How does Banker Manatt control the chairs of the small state parties like Maine and Iowa, with whom he is supposedly feuding about their early campaign activity? Money.

With Mondale and Cranston buying up every \$40 ticket available (2,500) and every balcony ticket as well (3,500) to stuff the vote, even a state chair like Dave Nagle—whose operation lost the three top offices to the Republicans by pushing the same policies advocated by the Seven Dwarfs—can sit in the catbird seat as \$120,000 rolls into the Party treasury

through each candidate's efforts to outfox the others.

Maine chairman Barry Hobbins played the same game on Oct. 1, using the straw poll to hype his own Jefferson-Jackson Day proceeds.

Glenn breaks rules, talks about Carter

John Glenn told a Florida audience on Oct. 10 what no other Democratic Party presidential candidate has yet had the nerve to say: that Walter Mondale is a supporter of the hated Jimmy Carter's economic policies. Glenn stated, following charges by Mondale that he supported Reaganomics by voting for the tax cut in 1981, "I did favor a change from the disastrous policies that I gather now he [Mondale] would like to go back to." Glenn spokesman Greg Schneiders attempted to backpedal by telling the *Boston Globe* that Glenn "did not intend to campaign against Jimmy Carter or to link Mondale with him."

New York Gov. Mario Cuomo and Sen. Daniel Patrick "Bubbles" Moynihan have endorsed Mondale. "Of all the candidates, Walter Mondale will make the best President because of his ideals, his ideas and his experience," Cuomo blathered. Mondale reciprocated by gushing that Cuomo is "one of the most exciting, thoughtful and effective new leaders of our nation."



Kissinger Watch

by M. T. Upharsin

'Fact-finding' mission south of the border

When Henry Kissinger and his Central America Commission left for a six-day "fact-finding" tour of Central America on Oct. 9, Kissinger had promised he wasn't going to get involved in the current political or military situation at all.

Others had doubts. Mexico's former president Luis Echeverria, when asked about the usefulness of the Kissinger Commission, said, "Useful? For whom? For which government? Read Kissinger's memoirs to refresh your memories on how he goes about undermining democratic governments."

Panama's president, Ricardo de la Espriella, mumbled slavishly, "Kissinger is a hope." He explained, "People I speak to in these countries are so desperate, they are willing to grasp at anything."

Before Henry left the United States, the National Democratic Policy Committee managed to catch up with him in Denver, where he was a guest of honor at a gala fundraiser held by Colorado oilman Marvin Davis—implicated with Kissinger in the Marc Rich scandal. When Henry spotted the demonstration, he jumped back in his limousine and had the driver find another entryway. The press photographed the demonstration.

Whooping it up with Chalfont in Hong Kong

Henry, never one to put all his eggs in one basket, is already thinking ahead to the day when his Central America Commission has finished its work.

He is scheduled to keynote a conference on Oct. 28-29 titled "Political and Economic Development in Asia

in the 1980s," sponsored by the Hong Kong Trade Fair, Ltd., and overseen by Henry's old friend Lord Chalfont.

Participants include the notorious Jardine Mathieson bank, which to this day subsists on the Far East opium trade. Chalfont is the chairman of the Committee for the Free World, a grouping of Socialist International agents turned right-wing anti-Communists. For at least 18 months Chalfont and the CFW have been engaged in an attempt to build Henry's credibility as an arch anti-communist conservative.

At the conference, the first panel on Southwest Asia will be led by K. Subrahmanyam, head of the Institute of Defense Studies and Analyses, New Delhi. The panel on Southeast Asia features Dr. A. Viravan, former finance minister of Thailand, now executive director of the Bank of Bangkok, and, rumor has it, the bank's next chairman.

Kissinger has plans to visit other parts of Asia, which we will examine in upcoming columns.

'It's not true, and they're not lying'

On Oct. 12, State Department spokesman John Hughes, who had accused an *EIR* correspondent of "unprofessional" and "unethical" behavior for telling the truth about Henry Kissinger, said he saw nothing unethical or unprofessional in the wholesale lying of the *Washington Post* in support of a caper by George Shultz and his friend Henry, whose conduits have planted "news" stories alleging that foreign policy disasters they have led the administration into were actually the work of the President's National Security Adviser, William Clark. A *Post* article on Oct. 7 alleging that Shultz was "fuming" over a trip Clark had made to Rome to consult with Robert McFarlane was followed by a report in the Oct. 12 Evans and Novak col-

umn in the *Post* that the Secretary's spokesman (presumably Hughes) had "publicly" exploded over the Clark trip.

Under pressure from the White House, Hughes claimed that Shultz had never expressed displeasure with the Clark trip, nor had he or deputy State Department spokesman Alan Romberg.

Asked by *EIR* whether he considered the *Post* to have conducted itself in an ethical and professional manner in this affair, Hughes said that he saw "nothing unprofessional" in the story he had just insisted had been made up out of whole cloth.

Friends at the White House

Reports are that Henry is getting quite friendly with the crowd at the White House. He was over there not long ago, for example, meeting with one of Reagan's top advisers on national security and foreign policy matters. As the meeting ended, and Henry and his host were leaving the office, his host's assistant came running up to them waving a letter in his hand. "Sir, sir," the assistant yelled, "I have a very important letter here for you! It's from a citizen." "Well," the adviser replied cautiously, "what's it about?" "It's from a citizen who says that he admires President Reagan and is very pleased with what we're doing in foreign policy, but he wishes we would get rid of that scoundrel Kissinger," the aide reported.

Kissinger turned red and muttered, "Well, I'm glad they remember me."

In case you wonder how I know about this little incident inside the White House compound, you probably forgot who I am. I'm the hand-writing on the wall, and nobody in the White House takes me seriously, at least not when they're meeting with Kissinger.

National News

DNC chief Manatt behind union-busting

Democratic National Committee chairman Charles Manatt and former DNC chairman Robert Strauss have been implicated in the union-busting operation being run by Continental Airlines chief executive officer Francisco Lorenzo. Lorenzo filed a Chapter 11 bankruptcy Sept. 24, laying off 8,000 of his 12,000 employees and demanding 50 percent pay cuts for those who remain.

Legal counsel for Lorenzo in his battle with the Airline Pilots Association has been provided by the law firms of Manatt, Phelps and Rothenberg, and Robert Strauss's law firm Aiken and Gump.

In 1981 Lorenzo proposed to merge his Texas International Airlines with Continental. The pilots' union attempted to resist this rationalization scheme by proposing a stock-option plan that would permit some cost-cutting while maintaining union work rules. The union managed to get this plan tacked on as an amendment to the 1981 Economic Recovery Tax Act.

The amendment passed the Senate, but when it came before the House, Lorenzo successfully commissioned Manatt, Phelps and Rothenberg to get the amendment knocked off the bill.

Trilateral Commission attacks MX

The Trilateral Commission's defense task force issued a report Oct. 10 attacking the Reagan MX missile program, and urging NATO countries and Japan to adopt a strategy that relies on conventional forces rather than nuclear weapons to deter Soviet aggression.

The report argues that the proposed 100 MXs with 10 warheads each would be "inviting, vulnerable targets" for the Soviets, and claims that an equal number of warheads on small, single-warhead missiles would force the Soviets to cover 1,000 targets. The report's authors doubted that the MX would be a significant addition to the

U.S. nuclear force, and unlikely to make Moscow more willing to accept U.S. arms control proposals.

Instead, the Trilateral Commission says, conventional military forces should be expanded in order to "reduce the chance that nuclear weapons would ever have to be used." Such a build-up would take years, so in the meantime NATO should keep open the option of first use of nuclear weapons.

The principal author of the Trilateral report is Gerard C. Smith, chief negotiator of the 1972 SALT agreement. Smith was a co-signer with Robert McNamara of a 1982 *Foreign Affairs* article which urged the West to declare it would not be the first to use nuclear weapons. Smith declares his personal view had not changed. At a press conference Oct. 7, Smith said, "One of my main motivations in pushing for a conventional build-up is to be able to negotiate more freely about a nuclear reduction."

Others participating in the preparation of the report were Paolo Vittorelli, chairman of the Italian Institute of Defense Studies and Kiichi Saeki, chairman of the Nomura Research Institute of Japan.

Doctors acquitted in euthanasia case

The California Court of Appeals has acquitted two physicians of Kaiser Permanente Hospital charged in August 1982 with first degree murder and conspiracy to commit murder, for the death of 55-year old Clarence Herbert. Herbert was a patient who was taken off life-support systems and starved for six days until he died, after falling into a post-surgery coma. The decision was made Oct. 13.

The *Los Angeles Times* reported that, in a 24-page opinion, appellate panel Justices Lynn D. Compton, Lester W. Roth and Edwin F. Beach said physicians have no obligation to provide their patients with "ineffective treatment—including, in some cases, food and water by mechanical means." They also stated that the benefits and burdens of using mechanical devices to provide comatose, brain-damaged patients with food and water should be "evaluated in the same manner as any other medical procedure."

The decision said that doctors should decide "whether the proposed treatment is proportionate or disproportionate in terms of the benefits to be gained versus the burdens caused."

This astounding decision then stated: ". . . We conclude that the [doctors'] omission to continue treatment under the circumstances, *though intentional and with knowledge that the patient would die*, was not an unlawful failure to perform a legal duty."

Los Angeles District Attorney Robert Philbosian decided not to appeal the Kaiser case to the California Supreme Court. His chances for victory there would have been slim, given the Malthusian prejudices of the justices.

California Club of Life executive board member Mariana Wertz has issued a call to Californians who are appalled by this decision, to join the Club of Life's efforts and to run for office to replace the state legislators who have passed S.B. 762, dubbed by the Club of Life the Accelerated Inheritance Act of 1983, which legalized euthanasia by family consent in California.

Hans Bethe opposes ABM development

Cornell University physicist Hans Bethe gave a speech opposing the development of directed-energy ABM defense systems at Johns Hopkins University in Baltimore, Maryland Oct. 5.

Bethe's central argument was that because the United States is ahead of the Soviet Union in electronics and space technology, the United States could develop beam weapons first—but should not because this would destabilize the world.

Bethe argued that 1) the United States is not inferior to the Soviets militarily, and should support the nuclear freeze; 2) the Soviets are not engaged in a massive arms buildup relative to the United States; and 3) President Reagan's ABM policy is impractical because any such defense system could be countered by the Soviets, but could destabilize any arms-control negotiations.

Bethe showed that the Soviets have a greater number of warheads and greater me-

Briefly

gatonnage but concluded that "U.S. forces are better positioned to survive a first strike since so many more of our missiles are submarine-launched." He endorsed the Scowcroft Commission and attacked the MX missile.

Bethe claimed that the Soviet arms buildup occurred in response to a U.S. arms buildup. "We made a fatal invention, the MIRV, and what the Soviets did was to imitate us."

Mutually Assured Destruction "may be uncomfortable," Bethe stated, "but its the best we've got."

NDPC's Max Dean challenges Levin

Flint, Michigan lawyer Max Dean has declared his candidacy for the Democratic nomination to the U.S. Senate, challenging incumbent Carl Levin. Dean promises to focus his campaign on the world depression, which he calls "totally unnecessary."

Dean notes that he had unsuccessfully advised Senator Levin not to vote for the reconfirmation of Federal Reserve Chairman Paul Volcker, "the man who has contributed the most to decimating American businesses and farms." Levin has taken the wrong stand on every crucial issue affecting the United States in recent years, Dean charges.

Dean heads the National Democratic Policy Committee in Michigan, a political action committee whose national advisory chairman is Lyndon LaRouche, Jr. Dean is a long-time civil rights worker and an official of the NAACP, a member of the executive board of the Genessee County Democratic Party, and has served as president of the Michigan Trial Lawyers Association.

American Legion passes beam resolution

The National American Legion Convention's Security Committee and National Executive Committee have officially approved a resolution calling on the President and

Congress to immediately accelerate the Defense Department's high-energy laser program, with the goal of achieving a defensive capability within the next five years. The statement requests the government to immediately accelerate short-wavelength laser and particle beam programs, with the goal of determining the optimum research and development path for immediate and successive generations of beam weapons to provide complete protection against nuclear war by the mid-nineties. It also calls for a complete and thorough study of off-the-shelf technology in Lt. Gen. Daniel Graham's High Frontier program to determine the possible applications for a short-term ABM defense.

New book on beam weaponry released

A 176-page book on beam weapons, *Beam Defense: An Alternative to Nuclear Destruction*, will be released by the Fusion Energy Foundation Oct. 26 at a press conference and breakfast at the National Press Club in Washington, D.C. The book was written by the scientific staff of the Fusion Energy Foundation and published by Aero Publishers, Inc., the world's largest aviation publisher since 1939.

"*Beam Defense* is aimed at the lay reader, to show in detail the immediate feasibility of implementing President Reagan's plan to end the era of Mutually Assured Destruction by developing directed energy beam technologies for defensive weapon systems," said Paul Gallagher, executive director of the foundation.

"New beam technologies make possible the development of defensive weapons that can knock out nuclear missiles in the first few minutes of their launch. This book describes what these technologies are, how they work, how fast we could have them, and what their economic impact will be in the civilian economy. We show how the United States could have a total defense against nuclear attack by the end of this decade," Gallagher said.

Beam Defense is a paperback, profusely illustrated with a 16-page color section. It will sell for \$7.95.

● **THE RASH** of optimistic rumors that spread through Washington after Judge Clark was moved from NSC to Interior was described by one pundit as "like the man who comes home from shopping and tells his wife, 'You're going to be sorry to hear this but instead of sirloin steak I brought home a bag of horse manure. It may not be good for dinner, but it works well in the garden.'"

● **ED KOCH** collapsed from "overeating" at an exclusive New York restaurant on Oct. 9. Prior to his misfortune, Koch had addressed the Second Annual Convention of the Federation of Parents and Friends of Lesbians and Gays. A second complicating factor is that the mayor collapsed in the men's room, in the arms of Colt Industries chairman David Margolis, rather than at the table. Earlier this year, Koch choked on a piece of watercress at a Chinese restaurant and was only saved by a quick maneuver by Margolis.

● **NICK BENTON**, running for mayor of Houston, was termed "The only political candidate with the courage to support the Continental Airline employees," in an endorsement by the 12,000-member Pilots' Wives Association.

● **DICK GREGORY**, the comedian and political activist, issued a statement Oct. 13 denouncing the exclusion of declared Democratic Presidential candidate Lyndon H. LaRouche, Jr. from a televised candidates' debate on nuclear arms control held at the Harvard University Kennedy School of Government in Boston. Nuclear freeze advocate Rep. Ed Markey rigged the format so he could exclude LaRouche after Mike Gelber, the LaRouche-backed candidate in the recent Boston mayoral election, had shaken up that race by his participation in the candidates' debates.

Editorial

Argentina: strategic flank of the U.S.A.

The efforts of Argentine nationalists to defend their sovereignty against the International Monetary Fund point up the urgency of an immediate reversal of present trends in U.S. policy toward Argentina.

During 1984, the world will be confronted with a disastrous food shortage. At present rates, bankruptcies of U.S. family-operated farms will produce serious food shortages even in the United States by late 1984 or during 1985. In this situation, the food-producing potentials of Argentina and southern Brazil are of the highest strategic importance for not only the United States, but most of the world. If the insane looting-policies of the International Monetary Fund and certain U.S. bankers continue, this vital part of the world's food-producing potential will explode in social crisis.

The leading source of the present problems is Henry A. Kissinger's crawl-back into the Reagan administration's policy making since about October 1982. Since 1958, Kissinger has been consistently an agent of certain circles in the West who have maintained back-door agreements with the Soviet government through back channels such as the Pugwash Conference with which Kissinger was prominently associated during the 1960s. This includes Kissinger's efforts to strike a deadly strategic blow against the United States by blowing up all of Ibero-America through enforcement of the debt-collecting policies of Kissinger Associates, Inc.

The key problem is not the foreign debt of Ibero-American states. That debt is tiny, compared to the threatened bankruptcies of every OECD nation excepting Japan. Against slightly more than \$300 billion of Ibero-American external debt, the approximately \$5 trillion U.S. internal debt structure is on the verge of collapsing in an international financial collapse worse than that of 1931.

The political problem is that the White House has been wishfully misled into believing the faked statistics showing a 1983 economic upswing. According to Dun & Bradstreet, there were about 20,000 U.S. bankruptcies involving assets of more than \$100,000 during the first eight months of 1983—the highest rate since 1933. There never was an upswing. However, the White House

wrongly believes that the President's chances of reelection in 1984 depend upon continuing an economic upswing which never occurred.

The coming eight months will be the most critical the United States has experienced during this century. Even when the President's policies are badly mistaken, we would do nothing so unpatriotic as to weaken his power to make even temporarily unpopular decisions when those are necessary.

Nonetheless, it is our duty to identify publicly the central ideological weakness of the Reagan administration, its softness toward the "free trade" dogma of the British East India Company's Adam Smith. It is this point of ideological weakness which comes to the fore in the President's toleration of dangerously wrong policies on the United States' domestic and foreign economic and monetary decisions.

By Smith's own explicit admission, the Smith doctrine is blind, immoral hedonism, the economic philosophy which the British East India Company employed to defend its profits from the looting of India, and from the African slave trade and China opium trade. Because the White House circles, like most Americans, are ignorant of even the most elementary facts of American history, they do not know that the American Revolution was fought chiefly against this immoral colonialist doctrine of Smith's.

They overlook the plain evidence that IMF conditionalities are destroying every republic of Ibero-America with murderous austerity, because they sincerely believe that in the longer run "free trade" will lead to beneficial results whose good far outweighs any temporary suffering caused.

The time has come to reject the immorality of Adam Smith. In matters of economic policy, as in matters of war, we are morally responsible for each life which is destroyed by our policies, for the destruction of each nation that is the victim of such policies. We must measure economic policies by their foreseeable consequences for the conditions of human individuals and nations. We must restore morality to economic policy-making—after a long absence.

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