

On Oct. 24, right after Shultz departed Moscow empty-handed, Yevgeny Primakov, the author of the September *Pravda* "breakdown crisis" article, arrived in Brussels to pick up where Tolkunov had left off.

Blaming all on the United States

The ever-opportunistic leadership of the West German SPD has not failed to seize the occasion of the stock market panic to press the economic decoupling campaign forward. The turbulence on the world's stock markets, said SPD chairman Hans-Jochen Vogel, shows that a "grave instability of the world economy is spreading from the United States," and that Europe must now think of "economic self-assertion against the United States." He accused the Reagan government of stealing capital from Europe through its high interest rate policy, making the United States responsible for the mass unemployment of the European countries.

Vogel's remarks echoed statements made by former West German Chancellor Helmut Schmidt at an Oct. 26-27 Aspen Institute Conference in Berlin, which was attended by U.S. Ambassador to Bonn Richard Burt and former Secretary of State Henry Kissinger. Schmidt demanded that the U.S. administration reduce its budget deficit by 50% in the next 24 months, implying, among other things, cutting the U.S. defense budget by upward of \$50 billion: "Nothing else will work," Schmidt proclaimed.

The dimension of the total U.S. debt is "far larger than the total debt of the Third World, far more dangerous for the world economy," said Schmidt, "and the main debt problem has to be resolved in the United States, therefore." Schmidt's budget-slashing passions emerged in other recent statements on the U.S. economy, in which he praised Paul Volcker's policy at the Federal Reserve as "paradigmatic," and described the Gramm-Rudman-Hollings bill as "still lacking teeth."

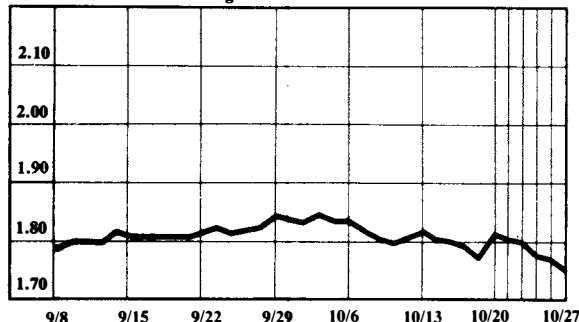
With a "Herbert Hoover" in the White House and the treason of the Socialist International in full bloom, one can see the reasons for the optimistic perspective for conquest outlined by Zagladin in *Die Wahrheit*. With "capitalism approaching the end of its historical road," Zagladin used the "historical materialist" language of the old Comintern to proclaim the advent of a new epoch in which socialism shall become a "world system." Already, he declared, "one-third of mankind has cut loose from the chains of capitalist exploitation. . . . Capitalism has outlived itself as a social model," and is increasingly taken over by "crisis phenomena."

But the crash of the Western economies also gives Moscow headaches. The Soviets' biggest worry is that the crash might hold many unpleasant surprises that would not suit their plans. Their comparison of President Reagan to Herbert Hoover reveals this. After all, a Herbert Hoover can be followed by a very different kind of American President, who would mobilize the United States for an industrial and military recovery.

Currency Rates

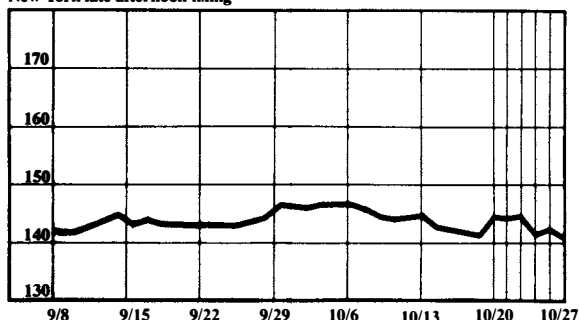
The dollar in deutschemarks

New York late afternoon fixing



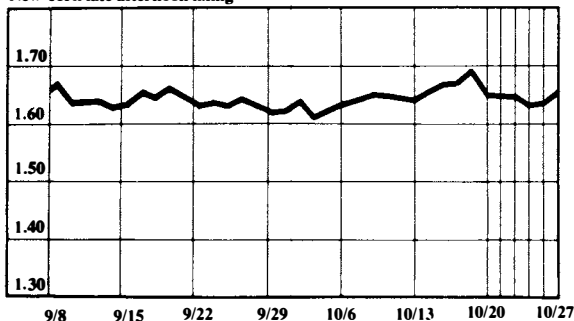
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

