

EIR

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KGB knives out for Reagan's defense budget

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have a war plan for 1984?**



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From the Managing Editor

Benchmark U.S. political events in coming weeks include the following.

On Jan. 18, Secretary of State Shultz meets with Soviet Foreign Minister Gromyko in Stockholm at the Conference on European Security. At the conference itself, the Soviets are expected to propose the creation of "nuclear-free zones" in Europe, as part of their plan to decouple Europe from the United States.

On Jan. 21, *EIR* founder Lyndon H. LaRouche, Jr. will address the nation on questions of strategic policy on CBS-TV from 8:30 to 9:00 p.m. (est).

On Jan. 23, Congress reconvenes, with Lebanon and the defense budget high on the agenda.

On Jan. 26, President Reagan delivers his State of the Union address.

On Jan. 29, Mr. Reagan, at a forum of his choosing, will announce whether he will run for re-election.

In late January, the National Security Council will report to Congress on its review of Soviet SALT violations. Congressional hearings will probably follow.

In early February, the House Arms Control Subcommittee will hold hearings on banning weapons in space.

Our Special Report this week contains a document by Mr. LaRouche outlining the requirements for developing the war-fighting and war-winning capabilities which the United States needs in order to increase the risks and penalties of attack by the Soviet Union.

It is estimated that a Soviet first strike would take out 95 percent of U.S. land-based ICBMs and about the same proportion of SAC bombers, leaving nothing but a part of the nuclear submarine force, whose firepower is very limited. Contributing Editor Uwe Parpart-Henke has proposed that, in addition to a crash beam-weapons program, a civil-defense effort, and rapid deployment of the MX, the United States immediately enhance nuclear submarine force capabilities and anti-submarine warfare capabilities; use the F-111 to upgrade fighter-bomber forces; increase capabilities against the tank units which are an integral part of the Soviets' nuclear theatre operations; and develop an operational plan for using existing nuclear weapons as antiballistic-missile defenses.

Next week we will present the "Battle for Germany," documenting NATO's defenseless state in Western Europe, examining the origins of West Germany's political weakness, and proposing immediate measures that can be taken to strengthen European capabilities.

Susan Johnson

EIR Contents

Interviews

21 Col. Marc Geneste

The "father of the French neutron bomb" discusses Europe's vulnerability and the fallacies of MAD.

55 Rev. Lester Mondale

The brother of the presidential candidate prefers surrender to nuclear war-fighting, he says.

Departments

44 Report from New Delhi

The Arkhipov visit.

45 Africa Report

Another superpower confrontation site?

46 Andes Report

Colombian drug banker toppled.

47 Dateline Mexico

'Plan Bravo' and the press.

64 Editorial

The battle for Germany.

Economics

4 Sabotage drive against U.S. defense effort

The forced resignation of Deputy Defense Secretary Paul Thayer is part of a bigger picture.

6 Grace Commission demands deadly cuts

Not only personnel but entire weapons systems would be affected.

8 Are Soviets building war stockpiles from U.S. grain purchases?

CIA denials are not convincing.

10 Agriculture

The axe hits farmers.

11 Banking

The Wallich Plan for the Fourth World.

12 International Credit

Dirty money moves onshore.

13 Foreign Exchange

An all-out deutschemark collapse?

14 Business Briefs

Special Report



Test firing a U.S. Army Multiple Launch Rocket System.

U.S. Army

16 Should the U.S. have a war plan for 1984?

The peacetime tasks of a general staff, the current Soviet drive to face down a "flat-footed" United States, and the dangerous state of the West's "post-industrial" economies, are examined.

25 The European Security Study: a military blueprint for Carrington's decoupled Europe

McGeorge Bundy and some of the other strategists who put NATO into a condition of "assured vulnerability" are now pressing a fundamentally flawed "conventional buildup" formula for Europe.

International

28 Moscow enters 1984 on war footing

A report on the year-end meetings which displayed the marshals in charge and their mobilization plans.

30 Arthur Burns is out to decouple West Germany from NATO

Documentation: An interview with a Burns collaborator at the American Enterprise Institute.

33 Partition of Lebanon rapidly becoming a fact

35 Blackout shows threat to national security

The nationwide power failure in Sweden and the discovery of a sabotage team in Norway.

36 Genoud, the KGB, and the comeback of Carlos

37 *Der Spiegel* prepares a slander attack on Moscow's number-one enemy

39 Murder attempt against LaRouche friend in Mexico

40 Beam-weapons debate breaks into the press

In London.

42 India breaks new ground in nuclear power program

48 International Intelligence

National

50 LaRouche: 'In the footsteps of Benjamin Franklin'

At the year-end conference of the International Caucus of Labor Committees, the *EIR* founder presented the history of that philosophical association.

54 Mondale and Harriman use Soviet line against Reagan's military policy

A review of attacks on the President's commitments in Lebanon and the ABM beam-weapons policy, and an exposé of Jesse Jackson's role as a Mondale asset.

56 'The overriding problem is the threat posed at this moment by the U.S.S.R.'

Part II of our transcript of the proceedings of the Dec. 1 American Legion meeting on beam weaponry at the National Press Club, featuring Dr. Lowell Wood of Lawrence Livermore Laboratories, Gen. (ret.) Volney Warner, and *EIR*'s European director, Michael Liebig. Part I appeared in the Dec. 20, 1983 issue of *EIR*.

62 National News

Sabotage drive against U.S. defense effort

by Richard Freeman

Paul Thayer, the deputy secretary of defense resigned on Jan. 4 following leaks of reports that the Securities and Exchange Commission would file civil suit against him for violating federal laws by providing insider stock information to friends. The resignation is a victory for Moscow's drive to stop the U.S. development of a beam-weapon defense system, a policy Thayer strongly advocates. As *EIR* had predicted, scandals, character assassination, and blackmail will be amply employed by the appeasement faction in the United States. Secretary of Defense Weinberger is next on the target list.

The Thayer resignation is the most important development thus far. Since Dec. 26, 1983 through Jan. 4 of this year, there have been a salvo of other attacks: the Long Report on the Beirut massacre has condemned Marine conduct in Lebanon, the Grace Commission report has dictated \$150 billion in defense cuts, House Government Operations Committee, under chairman Jack Brooks (D-Tex.), is investigating alleged conflicts of interest on the part of members of the Defense Science Board and the advisory science boards for all the major armed forces branches.

There can be little doubt that these attacks will have their impact on the fiscal 1985 defense budget debate. The Reagan administration has already cut back its original defense budget request from \$322 billion to \$305 billion. Deeper cuts may be extracted.

The Thayer purge

As the Jan. 5 *Boston Globe* put it, "The departure of the Pentagon's second-ranking official, who managed the day-

to-day affairs, leaves a considerable void at a time when Thayer had been expected to take the lead in trying to persuade Congress to accept the fiscal 1985 defense budget proposals."

After taking over the deputy secretary's position at the Defense Department in early 1983, Thayer became the leading opponent of John Lehman, the secretary of the Navy. Lehman is one of the most vociferous opponents of beam weapons in the civilian side of the military. He is also a leading spokesman for "out-of-area deployments," to engage the U.S. Navy in genocidal depopulation wars against Third World nations. At a staff meeting, Thayer reportedly told Lehman, "This place isn't big enough for the two of us."

From the mid-1970s until 1982, Thayer was chairman of the Dallas-based LTV, one of the largest U.S. defense contractors, which produces, among other things, the Navy's A-7 attack plane and the Army's Multiple Launch Rocket System. In the 1980s, he was also a director of Anheuser-Busch, America's number-one beer producer. The SEC charges that Thayer had inside information in the summer of 1982 that Anheuser-Busch would buy Campbell Taggart, a large food conglomerate, on Aug. 4; those who bought Campbell Taggart stock in mid-June would have made \$158,000 for every 10,000 shares. It is alleged that Thayer passed on such information to his friends, although he is not charged with having profited himself.

The first leak that the SEC was investigating Thayer appeared in the Dec. 30 edition of the *New York Times*, that self-righteous advocate of defense cuts. As for the SEC,

which conducted a 10-month investigation into Thayer's alleged wrongdoings, it is a notorious dirty tricks operation, set up in 1933-34 by one of the Nazi sympathizers of that decade, Joseph Kennedy, its first chairman, and run by the anti-growth investment banks of Wall Street. Watergating individuals on the basis of "white-collar" crime is the specialty of the pro-Soviet Division V wing of the FBI and of the Justice Department (which simultaneously condone a \$300 billion-plus yearly international trade in illegal drugs).

Paul Thayer is also the target of separate investigations by the U.S. Attorneys for Washington, D.C. and for New York. Rudolph Giuliani, the federal prosecutor for New York, is the protégé of Harold Tyler of the blue-blood law firm Patterson, Belknap, Webb and Tyler. It was Tyler and Giuliani who launched Justice Department investigations of LaRouche and his philosophical association, the International Caucus of Labor Committees in 1976—on charges that the ICLC was attacking the Communist Party U.S.A.! It was also Giuliani, operating from the number-two position in the Ford Justice Department, who covered up the vote fraud in four key states by which Jimmy Carter stole the 1976 presidential election. Last summer, while serving as the Reagan Justice Department's number-three man, Giuliani blocked demands for investigations into the tour of 33 American cities of top KGB and Russian Orthodox Church operatives, including Andropov adviser Fyodor Burlatskii, as *EIR* reported at the time. The Soviet operatives called for halting America's beam defense program.

The Dec. 30 *New York Times* had gloated, "Should he [Thayer] decide to fight the expected charges, he would face prolonged litigation that could divert his attention from his Pentagon job." The Reagan administration and Thayer practiced "damage control," and Thayer resigned in order to fight the case as a private citizen.

Long Commission cover-up

The Thayer case created a siege mentality in the administration, as three other developments occurred.

First, on Dec. 28, two days before the *Times* leak on the Thayer case, the commission headed by Adm. (ret.) Robert L. J. Long, which was empowered by the Defense Department to look into the Marines' defenselessness against the Oct. 23 Russian-Iranian terrorist attack that killed 241 servicemen in Beirut, announced its conclusions. The Long Report, which scapegoated the top leadership of the Marines and the American defense command in Western Europe, presents not so much an investigation of the massacre as a tirade against the U.S. presence in Lebanon. It fails to mention that it was on State Department orders that American soldiers were forbidden to carry live ammunition.

Further, the report creates the impression that terrorist attacks are practically impossible to defend against. The State Department and FBI, which have worked with and in some cases spawned American terrorists and terrorists in other

countries, shaped the commission's report.

Then the first leaks appeared from the Grace Commission report, calling for \$150 billion in defense budget cuts over the next three years, as part of approximately \$300 billion in "savings" in the federal government budget over the same time span (see article, page 6).

Among the demands are cuts in military pension funding, clampdowns on "cost overruns," (i.e., weapon system expenditures), dismantling of the defense machine tool reserve, severe curtailment of spare parts acquisition, and development of weapons systems requiring only "standard tooling."

The report has put the President, who foolishly commissioned the "cost-accounting" study, into a difficult situation. Were Mr. Reagan to follow the report's recommendations on defense cuts, and treat the defense of the country as a purblind little accountant would, he will commit the United States to national suicide. But if he rejects the report's recommendations, the KGB Democrats and Volcker Republicans will fry him for commissioning a report, then ignoring it when it runs counter to his own wishes.

The commission's chairman, J. Peter Grace, who heads the century-old raw-materials looting and shipping firm W. R. Grace & Company, has issued dire warnings of "economic convulsion," "20 percent interest rates," and Third World "loan defaults" were his report's recommendations not followed.

Good-bye to lasers

Not content with cutting the defense budget and forcing the deputy defense secretary's resignation, the Soviet-approved faction in the United States is attempting to dismantle the "old-boy" defense network, especially in space-based laser systems. The "old-boy network" is what's left of the working teams of America's production managers, executives, and engineers, with skills in aerodynamics, rocketry, gyroscopy, nuclear technologies, and so forth.

At the center of this effort are the House Government Operations Committee (HGOC) under Jack Brooks and the General Accounting Office (GAO) of the Congress, who share personnel and information. In the fall of 1983, the HGOC held hearings on "conflict of interest" in the case of 32 members of the Defense Science Board, the Army Science Board, and the Air Force Scientific Advisory Board, which advise the Defense Department and the services on weapons systems design and procurement. The Defense Science Board was established more than 25 years ago. It has 31 members at large, three ex-officio members and nine senior consultants, all selected by the secretary of defense. At the hearings, Brooks, using General Accounting Office information and testimony, charged that industry officials on the boards were giving scientific advice that would benefit them financially.

A staff aide at the HGOC reported that the GAO has referred the names of the 32 people who are alleged to have conflict of interest to the Justice Department. These are crim-

inal charges; according to the HGOC's Lewin, those charged face one to two years in jail and a \$10,000 fine if convicted. At the top of the list of those charged with conflict of interest is Norman Augustine, chairman of Martin Marietta, the company involved in the production of the MX and Pershing missiles.

Under special attack was TRW, which is heavily involved in the laser research program for beam weapons. The Brooks committee attacked Dr. Barry Boehm of TRW's defense and space systems group, Dr. John Weber of TRW's military electronics division, and Dr. Richard DeLauer, a former TRW executive vice president, who is the current undersecretary of defense for research and engineering. The HGOC saved its strongest attack for John Foster, a TRW vice-president most involved in advancing laser work. A HGOC report states:

"One glaring example presented involved the studies of two DSB panels concerned with high-energy lasers and DOD space-based laser weapons research. Both committees were chaired by Dr. John Foster, a vice-president of TRW and former DOD director of research and engineering, even though officials at the DSB Secretariat were well aware that his presence would constitute a potential conflict of interest since TRW was intimately involved in DOD's laser/space research and development efforts."

A member of the Brooks committee was quoted in the Dec. 26 edition of *Aviation Week* magazine as stating that the DOD had to reverse the DeLauer task force recommendations, namely for a sizeable increase in funding for beam-weapons defense.

The Brooks committee recommends that no person involved directly or indirectly in any area on which a Defense Science Board task force is working be allowed to serve on that task force. This would exclude those who know what they're talking about. Another recommendation is that all members of such a task force must have their names recorded in the Federal Register before they begin the task force work. Under current procedures, the names of individuals on DSB task forces are kept secret until after the task force completes its report. This would undoubtedly facilitate espionage and media sabotage.

One of Brooks's aides reported Jan. 4 that the HGOC will hold further hearings this year on conflicts of interest in the Defense Science Board and related armed services boards. "We don't want to let this issue go," he said. He added that the HGOC will also hold hearings on space technology to challenge the U.S. Air Force's attempt to gain "dominance in space" and "militarize space." He concluded, "We want to break up the old-boy network."

The Reagan administration cannot continue to practice "damage control" and sacrifice its best people to the hounds of Moscow. At some point, the administration has to turn and fight, and that point had better be very, very soon.

Grace Commission demands deadly cuts

by Leif Johnson

In February 1982 the President telephoned J. Peter Grace, scion of the Grace family whose fortune was made from looting the land and raw materials of Ibero-American republics, to ask that he assemble what became the President's Private Sector Survey on Cost Control (Grace Commission) to trim the federal budget.

Which administration budget-gougers encouraged the move is unknown, but the results announced Jan. 6 constitute a threat to national security.

The 37 separate reports, supervised by 161 of Grace's political accomplices from Eastern Establishment banks, insurance companies, and corporations, are the largest attack on federal government activities ever proposed. If enacted, the 2,500 budget cuts would turn the U.S. government into the form of government preferred by the Grace family—a banana republic.

The purpose of the commission's recommendations may be summarized:

1) To compile and reissue the "liberal" budget reform demands proposed by the Eastern Establishment over the past 20 years.

2) To gut the military by slashing \$150 billion from its budgets over the next three years, hacking military procurement, pensions, military bases, research and development, new weapons systems, spare parts, reserve equipment and ordnance, and commissaries.

3) To reinforce the liberal Harriman-Kissinger-Volcker-Shultz attack on the President's military policy by attacking military spending as "greed."

4) To profile and intimidate senior government officials in the course of thousands of interviews in the which the commission implicitly accused federal agencies of organizational inefficiency and financial waste.

5) To threaten that if recommendations are not enacted, in the words of Peter Grace, "interest rates will go back up to the 20 percent range again, and we'll have a complete world economic crisis, an economic convulsion, with large defaults on loans, particularly by nations."

6) To signal the U.S.S.R. that if the President accepts the

intent of the commission reports or moves to implement any major aspect, the Soviets' friends in the United States have the upper hand in the administration.

The military tally

Fifty-two percent of a total \$304 billion in budget slashes over the next three years is supposed to come from the military budget. Cuts would include:

- Reductions in Air Force pensions (\$15.1 billion);
- Cuts in other military pensions (\$6.4 billion);
- "Management control" of weapons acquisition (\$7.2 billion);
- Use of "common parts" in military services (\$7.2 billion);
- Quantity ordering of common parts (\$4.5 billion);
- Multi-year contracting (\$3.4 billion);
- Restriction of weapons acquisition to programs with "economic production rates" (\$3.0 billion);
- Cuts in military pay schedules (\$2.5 billion);
- "Privatization" of commissary operations (\$2.4 billion).

The largest category of proposed cuts is reduction of pensions, about which the commission says:

"Many areas of the defense budget are hostage to provisions for groups and institutions that regard themselves as 'entitled'. . . . 'Entitlement means that a group is to be rewarded at damn-the-cost for service to the nation.' [Quoted from *America in Search of Itself* by ultra-liberal Theodore H. White.]"

Horrified that the military can retire on half pay after 20 years and three-quarters pay after 30 years, and are still allowed to work after military service, the commission demands that pensions be reduced to "private-sector levels."

If the highest ranking officers in our military are equated with corporate chairmen or executive vice-presidents how would the relative pensions compare? Do any of our generals and admirals receive compensation equivalent to that of Peter Grace or the 161 cohorts who supervised the commission's reports?

The commission, which in this case is not "cost cutting" but slashing entitlements, argues in effect that for the highest service to the nation, individuals are to receive not only far less compensation than latifundists such as Peter Grace, but that existing levels of compensation should be reduced. The result, if not the purpose, is to demoralize military personnel.

Consider the actual meaning of the commission proposal to "use common parts and standards in military and avoid military standard and specifications items." When one liberal Congressman decorated a Christmas tree with military parts costing far more than equivalent common industrial parts, the liberal press piously denounced government waste.

There are two issues here. First, would Americans tolerate giving our fighting men equipment of the quality of most 1980s American automobiles or video games? Military stan-

dard guarantees that equipment used in war will not only stand up under combat conditions but work every time. That is why the buckles on parachutes are made of more expensive forgings rather than the stampings found in automobiles and appliances. That is why military electronics are of the highest durability and reliability.

The second problem is one that individuals like Peter Grace and his "post-industrial" ideological cronies have themselves caused. America's industrial base has been so badly eroded by financial warfare, above all Federal Reserve chairman Paul Volcker's post-1979 usury, that for many military items there is only one source of procurement. Not only can't the military "shop around" for many parts or weapons, but the company that will supply them has no spare capacity, since they "budget-cut" every idled facility as soon as possible.

Now consider the significance of Mr. Grace's suggestion that the military "restrict weapons procurement to programs which can be funded at economic production rates." *The Commission is proposing to change the nature of the weapons systems themselves.*

War is not "economic." All weapons, including those needed to protect against war, come at the expense of civilian goods. War is prepared for and fought because it is necessary, and weapon systems are devised because they are necessary—not because they are "economic." Imagine the Soviets declaring that only "economic" systems will be developed. Only if one advocates unilateral disarmament would one propose "cost-benefit" analysis of military systems.

But there is special gall in this suggestion by Mr. Grace. The American steel industry, once producer of nearly two-thirds of Free World steel, has been reduced to a collection of obsolete mills. In present world market terms, it is completely "uneconomic."

The steel industry has been controlled since its cartelization before World War I by the Morgan-Mellon banks. The very banks that have caused the collapse of this vital defense industry now claim in this Grace Commission report that defense systems should be made economic. Mr. Lewis Preston, chairman of Morgan Guaranty, ran the commission's study of the Army, which among other things demanded elimination of many spare-parts programs, elimination of the machine-tool reserve, use of below-combat-grade munitions for training, closing army bases, elimination of the Davis-Bacon Act which guarantees union-scale wages on federal construction projects, elimination of PX commissaries, closing of military hospitals, and raising medical fees for military dependants.

What Peter Grace and his commissioners have proposed amounts to making any future defense mobilization an impossibility. The White House is said to be highly favorable to the work of the commission. Moscow awaits the President's response.

Are Soviets building war stockpiles from U.S. grain purchases?

by Marcia Merry

Is the U.S.S.R. stockpiling grain purchased from the United States in preparation for World War III? Ask the CIA and the U.S. Department of Agriculture whether the Soviet Union is storing food for civil defense, and you will get the same emphatic "No." The Soviets are merely importing grain to make up for their bad harvests, the U.S. government argues: "They couldn't be feeding their people, improving their meat herds, and stockpiling all at the same time."

Evidence compiled by private U.S. specialists, on the other hand, suggests that building up Russia's wartime grain reserve is precisely Moscow's purpose.

These analyses, conducted at the Hoover Institution for the Study of War, Revolution, and Peace and at the University of North Carolina, indicate that the Soviet diet is not improving in a way that reflects food imports. The same evaluations estimate that the cumulative total of food supplies the Soviets have stockpiled in the past 10 years comes to 92 million metric tons of grain, and 7 to 8 million tons of meat. Both grain and meat are rotated in and out of storage, keeping the stockpile "fresh." Enough grain now exists in storage to make up for 10 years of 20 percent shortfalls in the annual harvest.

The Soviet Union began buying significant grain imports from the United States and other Western food exporters in the 1970s. (See table.) In the past four years, imports have markedly increased. The Soviet Union bought, on average, 16 percent of all grain traded in world markets each year. If Eastern European purchases are included, the combined imports total 24 percent.

The CIA can't possibly know whether the grain is going into stockpiles; the agency discontinued its Soviet nutrition intelligence work in 1973, one year after the first gigantic Soviet grain purchase took place, when Henry Kissinger was secretary of state, and negotiated the SALT I treaty.

1970s Soviet build-up

The 1970s jump in Soviet grain imports coincided with a

major Russian military build-up. Soviet grain purchases indirectly aided the buildup, by freeing resources otherwise needed for Soviet grain production. Farming in the U.S.S.R. is notoriously backward; productivities are low, and harvests swing between good years and near disasters because the infrastructure and inputs essential for stable, high-farm output are lacking—fertilizers, irrigation, high quality seeds and breeding stock, transportation, and storage.

As documented by, among others, *New York Times* reporter Seymour Hersh in his book *The Price of Power*, Henry Kissinger dangled a U.S. agreement to sell vast quantities of American grain to the U.S.S.R. as a "bargaining chip" during the SALT I negotiations of the early 1970s. The Soviets not only got an agreement that permitted them to outbuild the U.S. missile capability, but cut-rate food in the bargain.

In 1972, Soviet representatives made secret grain purchases at fixed prices of huge amounts of U.S. crops from the grain cartel companies (Cargill, Continental, and the rest), which came to be called the "Great Grain Robbery." Protocols were signed to regulate the deal, under the direction of Kissinger at the State Department. The shipping protocol specified that the grain had to be shipped one-third in U.S. flag ships, one-third in Russian ships, and one-third in ships of other nations. In addition, U.S. ports were opened up to all types of Russian ships, not just bulk carriers.

Within 18 months there were hundreds of monthly Russian flag sailings from U.S. ports to U.S. trading partners, at freight rates up to 50 percent below the established rate structure. This drastically undercut the U.S. merchant fleet, the new U.S. containerization program, and U.S. shipbuilding capacity—all essential logistical military support capabilities.

At the same time, the Soviets moved to rapidly expand their maritime fleet. Today they have 7,500 vessels, the largest fleet in the world, with fully 90 percent less than 20 years old.

In 1976 at the 25th annual congress of the Soviet Communist Party, Prime Minister Kosygin announced a program of economic development to include large-scale food storage. The Soviets began a construction program to increase silo capacity and refrigeration lockers. These improvements

	Soviet grain imports (millions of metric tons)	Soviet grain harvest (millions of metric tons)
1972/73	23	168
1975/76	26	140
1978/79	16	237
1980/81	34.8	189
1981/82	46	160
1982/83	32.5	180
1983/84 (est.)	30	200

are usually referred to as an "inventory hedge" storage capacity, but the location of some of the facilities shows their strategic war reserve purpose. The majority of the silos, though above ground, are behind the Urals, in southern Siberia and in northern Kazakhstan. The exact location of the refrigerated storage is not known.

Associates of Kissinger have been prominent in the continuing food build-up in the Soviet Union. Armand Hammer, the longtime Soviet liaison to Western business circles, provided the Soviets with new meat fattening and slaughterhouse methods—the "boxed beef system." Hammer and Cargill Grain, the leading exporter of grain to the Soviets, had taken over the boxed beef market in the United States. Julius Hammer, Armand's father, was a charter founding member of the Communist Party USA; in 1921 Hammer got the first export-import company franchise with the Soviet Union.

All the international grain companies (Bunge, Louis Dreyfus, and André, as well as Cargill and Continental) have kept the grain flowing to the U.S.S.R. over the past 13 years, embargo or no embargo. In the latest U.S.-U.S.S.R. grain protocol, signed last summer, the State Department included an unprecedented "sanctity of contract" clause in which the United States cannot embargo a grain sale, unless it first officially declares a state of emergency or war.

What the U.S. is doing

Whatever the Russians are up to, there is no question about the status of U.S. emergency food supplies. There aren't any, and the USDA and Federal Emergency Management Agency have no plans for strategic stockpiles.

A few years ago Congress enacted measures for a "Wheat Food Disaster Reserve," and a "Feed Grain Disaster Reserve," which together call for about 6 million metric tons of grains to be kept in the U.S. Department of Agriculture holdings or in the farmer-held storage. But there is no provision for strategic siting, or protection against radiation.

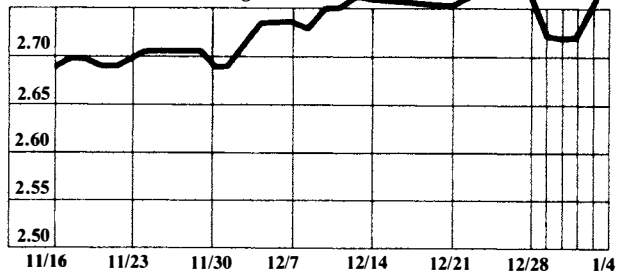
U.S. grain stocks are higher than the disaster reserve requirement; corn stocks alone, as of August, were about 29 million metric tons. But the 1983 Payment-in-Kind acreage reduction program brought the harvests and the stocks way down. The United States needs well over 210 million metric tons annually for proper domestic consumption. There was a 44 percent reduction of feed grain production from 1982 to 1983.

A preliminary briefing for the cabinet was prepared by the Federal Emergency Management Agency on Jan. 29, 1982, describing U.S. food vulnerability in the event of a nuclear attack killing half the population. This study, which has never been updated, made the presumption that crop yields would be adequate—unless fields were hit in the early part of the growing cycle in the spring—because of the facile observation that North American agriculture is highly dispersed. There was no action to implement hardened storage of strategic food supplies.

Currency Rates

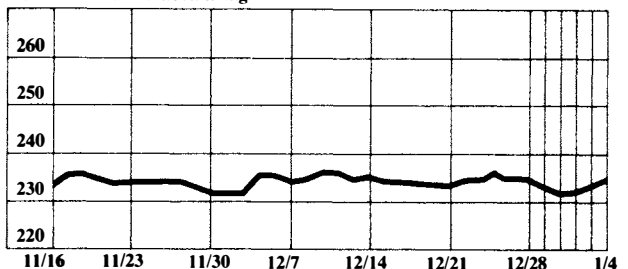
The dollar in deutschemarks

New York late afternoon fixing



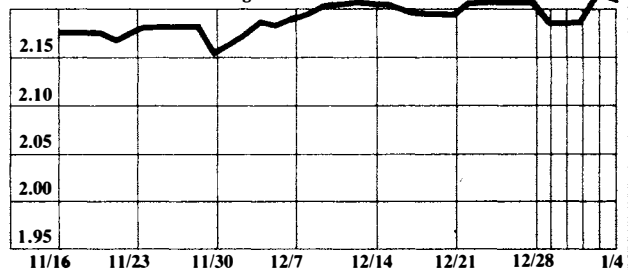
The dollar in yen

New York late afternoon fixing



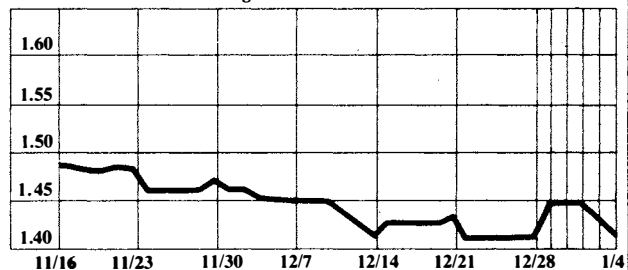
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The axe hits farmers

Agriculture lenders have cut back severely over the past year, and are cracking down on debtors on a "case-by-case" basis.

As this year began, the Production Credit Administration (PCA) of the Cooperative Farm Credit System in North Dakota refused to roll over the \$30,000 unpaid portion of a farmer's \$197,000 one-year loan and foreclosed on him for a total of \$197,000—despite the fact that he had already repaid \$165,000. The farmer, a 24-year PCA member who brought this cooperative into the state, also lost the machinery he had put up as collateral.

The PCA, which was formed in the 1930s, has been able to offer credit at cheaper than prevailing interest because its bonds were guaranteed by the U.S. Treasury. Currently, the PCA, most of whose bonds are held by the New York banks, has lent 32 percent of total farm credit.

Until the past year, the PCA had made a practice of carrying over unpaid portions of loans and incorporating them into new loans the following year. But now farm banks are being hit hard by the Federal Reserve's tight credit policy.

The rate of increase of agricultural credit has been declining since 1980. Farm debt, which stood at \$217.5 billion in mid-1983, had risen in 1982 at less than half the rate of the previous year, and the rate of increase for the first two quarters of 1983 was half that of the same period for 1982. Currently, 16 percent of farm income is going to pay a total interest bill of \$23 billion. Net farm income now totals approximately \$14-\$16 billion.

Because of falling land prices and

farmers' already highly mortgaged capital, few have enough collateral to offer the banks. Farmers' one other important source of collateral, their future crops, were severely cut back under last year's Payment-in-Kind program, which induced farmers not to plant specific crops.

Although lending institutions claim they have plenty of credit available, the Office of Management and Budget's "lend with caution" policy is in full force. Only debt-free farmers and new entrants into farming are to be considered eligible for loans.

"There'll be no shortage of credit next year for most farmers," said Frank Naylor Jr., USDA Undersecretary for Small Community and Rural Development, in early December. "But all lenders to farmers are going to be looking more closely at their farm loans and making sure crop and livestock producers have sound operating plans for 1984."

The fact that preferential farm interest rates have been abolished and the declining activity of the government's lender of last resort, the Farmer's Home Administration (FmHA), are indications that the government has already started to restrict credit flows. Both FmHA and PCA's ability to lend at lower than prevailing interest rates was eliminated by the 1980 banking deregulation act, and many farm economists are speculating whether the FmHA will soon be phased out.

FmHA lending increased sharply after the 1979 interest rate hike, and it

now carries 11 percent of the total debt. But in the most recent years, overall lending has decreased. In 1981, loans went up \$3.725 million, but only increased by \$648 million in 1982. Overall lending continued to decline in 1983.

In the same period, the various state PCAs have cut back long-term lending almost entirely. Policy decisions of the PCAs are made by local boards of shareholders. With the profitability of the farm sector dropping, "There is a real tendency for [these boards] not to fund farming," an Oklahoma State University economist told *EIR* Jan. 5.

This situation has forced farmers into the government's loan programs such as the Commodity Credit Corporation (CCC), which holds a farmer's stored grain for collateral in return for government loans at lower than prevailing interest rates. The CCC's share of total farm debt nearly doubled in 1982, when other lending institutions were reducing their debt loads. Although the original purpose of the CCC was to lend to farmers to minimize the effects of depressed commodity prices, in fiscal 1983 almost all of the CCC's \$25 billion in funds was used for the crop loan programs.

As traditional credit sources dry up, farmers are being forced to sell out, declare bankruptcy, or find alternative sources.

The Federal Reserve of Kansas City had already advocated in mid-1983 that farmers should lease rather than buy land as costing far less, as would leasing all the farm equipment. New credit can be infused into the system, the Fed proposed, through funneling non-farm equity capital to farms through limited joint ventures or partnerships—which would essentially turn U.S. farms, unable to get credit for production themselves, into tax shelters.

The Wallich Plan for the Fourth World

The IMF bill passed by Congress contains a provision advancing the Club of Rome's murderous policies.

Credit to "Fourth World" nations in Africa, Central America, and other areas will be triaged under sections of the recent U.S. bill providing an \$8.5 billion bailout for the International Monetary Fund. The plan, which imposes "penalty reserves" on lending to such debtors, was devised by Federal Reserve Board Governor Henry Wallich.

Wallich is under investigation by *EIR* as one of the officials who has done most to undercut the Western nations by promoting IMF austerity and population reduction. In addition to throwing millions in the Fourth World—the very poorest countries—into the path of genocide, the Wallich measure will also shut down European exports to such nations, further crippling European economies and currencies and forcing Europe into ever-greater dependence on the Soviet bloc for trade.

Wallich himself, in a speech last April entitled "Limits to Growth Revisited," made it clear that his banking regulations proceed from Club of Rome's policy of reducing Third World population. "The growth of population will be slowed or stopped by the diminishing return and rising cost of rearing a large family," he stated, citing the model of China's forced-abortion policy.

Wallich's career was in fact patronized by the Club of Rome. In 1951, Wallich became a member of the Cowles Foundation at Yale University, along with economists Robert Triffin and Tjalling Koopmans. All were sponsors of the founding of the Club

of Rome and of its East-West counterpart, the International Association of Applied Systems Analysis (IAASA) in Vienna.

According to documents just released by U.S. regulators, under the Wallich-inspired section 905(a) of the International Lending Supervision Act of 1983, otherwise known as the IMF bill, U.S. banks will now be forced to set aside "penalty reserves" on loans to certain countries. This means that banks will have to take direct losses in the amount of reserves thus set aside, in effect, writing off the debt of these nations.

As described in the Dec. 15, 1983 joint news release by the FDIC, Comptroller of the Currency, and Federal Reserve Board, titled "Inter-agency Statement on Examination and Treatment of International Loans," penalty reserves or "Allocated Transfer Risk Reserves (ATTR)," must be established for all loans "whose value has been found by the agencies to have been significantly impaired by protracted transfer risk. . . . 'Value impaired' applies when a country has protracted arrearages as indicated by more than one of the following:

"1. The country has not fully paid its interest for six months.

"2. The country has not complied with IMF programs and there is no immediate prospect for compliance.

"3. The country has not met rescheduling terms for over one year.

"4. The country shows no definite prospects for an orderly restoration of debt service."

"The Act requires that such re-

serves be charged against current income and not be considered as part of capital," the regulators continue. "A banking institution would have the option to write down all or part of the assets that are subject to special reserves."

The amounts to be written off will "normally be 10 percent of the principal" during the first year, the regulators state. "Additional reserves may be required in subsequent years, generally in increments of 15 percent of the principal amount."

Deputy Comptroller Robert Bench told *EIR* on Jan. 6 that because more than one of the four provisions must apply, the timing is for the penalty reserves to be assessed after a loan is "somewhere between six months and a year in arrears. In arrears means 30 days overdue, so this is a seven-month minimum."

The plan will kill the weakest debtors first; the first penalties will not apply immediately to major debtors such as Brazil and Mexico, which are cooking their books to stay only three months or so behind on debt payments. "I'm not aware of any major loans to those governments which fall within such parameters for arrearages," said Bench.

Instead, first hit will be "Fourth World" countries "such as Zaire, Sudan, Ethiopia, Honduras, Poland, and other countries which have been behind for six months to a year or more," sources told *EIR*.

"This plan will kill these borrowers," said one pro-trade regional banker. "Once the banks actually have to take losses on them, no one will ever lend them a cent again, not even short-term credits. Once these countries are made an example of, then the Fed will see how the big debtors behave themselves," he added.

The Wallich plan is to be implemented by March 30.

Dirty money moves onshore

Why are billions of dollars being lent to U.S. borrowers below market rates by Swiss banks and other funds?

In a 1981 survey, *EIR* demonstrated ("Venetian Funds Recolonize the United States," July 21, 1981) that covert money flows into the United States had accumulated holdings of U.S. equity at least half-again as much as Treasury estimates, i.e., in the range of \$225 billion rather than the \$146 billion reported for 1980.

The flood of "flight capital" into the United States since 1980, reflected in the \$40 billion "errors and omissions" item on the United States' 1982 balance of payments, has raised that sum considerably. Indications are that the sudden influx of flight capital from Western Europe reflects a move onshore by dirty-money operations which cannot easily survive the next several months of financial crisis.

Available evidence shows a general flow of international dirty-money operations centered in the Caribbean, Switzerland, Hongkong, and elsewhere into the United States proper, in anticipation of a generalized banking crisis. The evidence is of two sorts:

1) Sudden merger and stock-market activity among institutions long associated with management of "underground" capital flows, and

2) Tens of billions of dollars' worth of below-market-rate loans coming into the United States.

Starting in the fall, a set of pre-crisis symptoms emerged which look suspiciously like the rearrangement of oligarchical shells which occurred in 1973-74 period, during which the Soviets were cut into the British, Swiss, Lebanese, and Hong Kong dirty-money operations at the expense of IOS's Bernie Cornfeld, BCI's Tibor Rosen-

baum, et al. The principal events include:

1) The October collapse of the Israeli currency—through the collapse of the stock of the major Israeli banks, which are active in dirty-money operations and are more important outside than inside Israel;

2) The collapse of the Schroeder-Münchmeyer-Hengst banking house, either due to internal decisions to re-deploy funds, or American pressure, or both;

3) The collapse or reorganization, under Canadian government pressure, of most of the top Canadian trust companies;

4) The collapse of the Hongkong currency, along with the Carrion real-estate group.

With the new year, the collapse of European currencies appears to have entered a new phase, with the DM again below 2.80 (see Foreign Exchange, page 13).

At least billions, perhaps tens of billions of dollars, are being lent back into the United States at well below market interest rates. Dollars are being lent to U.S. borrowers at 3 to 5 percent below market rates by major Swiss institutions. Such offers of below-market rates have, in the past, often been associated with scam specialists who absconded with down payments. Now real money is involved.

Federal Reserve officers are encouraging such transactions, on the grounds that there are hundreds of billions of dollars out there whose origin is not known, but which the Fed would love to bring back onshore. (This has been Fed Governor Henry Wallich's

principal theme during the past five years.) There are reportedly hundreds of such transactions in the works.

Nominally, such transactions are explained as money-laundering, i.e., that owners of illegal or semi-legal funds abroad will sacrifice income for the security of bringing such funds onshore. The contrary is probably true; below-market transactions draw attention to themselves, and are inherently less secure than conventional investments. It does not make sense that they represents mere money-laundering; it is easy enough to buy U.S. Treasury securities or any other financial instrument through a Swiss or Liechtenstein or Canadian nominee, without a chance of such funds being traced under present Treasury procedures. Rather, the form of the transactions indicates money-laundering for specific purposes.

An apparent reshuffling of the deck in U.S. institutions believed to conduct large-scale untraceable money movements indicates what this purpose might be. For example, Carl Lindner, Max Fisher's business partner and the financial center of the Lansky business network, has reportedly purchased 4 percent of the stock of American Express—which bought out super-secret Lebanese financier Edmond Safra's financial operations last January at the expense of giving Safra about the same amount.

It is also curious that American Express, Financial Corporation of America, and other shady entities are variously identified as the buyer of 5 percent of the shares of Eagle Star Insurance—coming in as a "third force" in the current negotiations between British American Tobacco and Allianz Versicherung. Eagle Star was identified in the 1978 bestseller *Dope, Inc.* as a leading conduit for international narcotics revenues.

An all-out deutschemark collapse?

West German capital controls are on the boards, and the dollar is probably next in the barrel.

The U.S. Ambassador to West Germany, Arthur Burns, is predicting near-term collapse of the West German mark, Washington sources told *EIR* in early January. What is not generally realized is that, in the medium term, this will turn out to be a "spike" for the dollar.

Burns believes that massive capital flight out of Europe will cause an "August 1971 for Europe," a source close to Burns at the American Enterprise Institute (AEI) in Washington said. Just as he crisis-managed the collapse of the U.S. dollar in 1971, so Burns is spreading rumors and crisis-managing the collapse of the mark now.

Capital flight, an aide to Burns said Jan. 4, will continue. "There's no way you can staunch the flow . . . if you're getting the kinds of exchange rates you have and the interest rates you have on the dollar." The strong dollar will "continue to bring the mark down," Burns believes.

EIR is looking for a sharp downward drop in the German mark, because the Burns sell-out plan is already well under way.

After Burns put out the word against the mark, rumors have swept the markets about "instability in Europe." In fact, the mark collapsed by three percent the first week in January to a 10-year low against the U.S. dollar of 2.81 marks per dollar. A 3.00-mark dollar in the near term is not inconceivable.

Burns is openly predicting that Europe, led by West Germany, will

be driven into capital controls, i.e., controls on foreign currency movements that will decouple Europe from the U.S. dollar and the U.S. economy for the first time since the end of World War II. "The thing [Burns] is most concerned about is that Europeans will take protective measures of their own to staunch the flow of capital," the aide said.

Burns is organizing this rumor campaign to enrage West Germany against President Reagan, on whom Burns is pinning the blame for high interest rates, and to pull Germany out of the NATO alliance. Specifically, Burns is telling Germans that Reagan's defense budget is the cause of rocketing U.S. interest rates, and that there is nothing the Federal Reserve can do but raise rates until Reagan agrees to slash the budget.

"On the subject of holding the line on interest rates, Burns is speaking as former Fed chairman; there's only so much the Fed chairman can do," said the aide.

On Jan. 5, Congressional Budget Office director Rudolph Penner, a former assistant to Burns at the American Enterprise Institute, also publicly blamed "atrociously high" Reagan deficits and a "do-nothing fiscal policy" for high U.S. interest rates.

At the same time, Burns is telling the Reagan administration that the only way to deal with the currency crisis is to impose "IMF surveillance" over the foreign-exchange markets, a supranational system of setting exchange rates that would subject the dollar and

the United States to IMF conditionalities.

Burns has been pushing this approach since the 1983 Williamsburg economic summit, said the aide. Burns will "constantly push for a moderation of the nationalistic U.S. position" against the IMF currency surveillance. "Burns was concerned that the administration was in too much of a nationalist mood. He thinks of this policy as being highly U.S.-centered."

If the currency crisis gets bad enough, "there may be a good deal of potential assistance" that can be forced out of Reagan for IMF surveillance, the Burns aide commented.

All this bodes no good for the U.S. dollar.

The short-term objective of the Soviet Union and the Austrian-Swiss "Mitteleuropeans" close to Burns and the Bank for International Settlements is to throw West Germany into a crisis that will accelerate its departure from NATO; that involves a crash of the mark.

The further objective is to crush the U.S. economy itself and sabotage President Reagan's re-election. If a clear European split from NATO emerges, look for Burns's allies and the Soviets to reverse currency policy later this year.

Once West Germany and the rest of Europe have been forced into diplomatic conflict with the United States, the dollar-mark relation could swing the other way in what will turn out to be a dollar spike, that is, a sharp short-term rise in the dollar, followed by a dollar collapse later this year.

This will be completely determined by European political and military realities, not by "market forces."

At that point, look for the Soviets to use their \$100 billion in Euromarket credit lines to start selling the dollar short.

Business Briefs

American Industry

U.S. Steel to close 23 plants

The U.S. Steel Company, the nation's largest producer, announced at the annual meeting of its board of directors on Dec. 27 that it would close a total of 23 plants, including closing or partially closing eight of its biggest mills. U.S. Steel produces one quarter of total American output.

The closings will shut down 20 percent of the company's raw steel production. Current tax laws will enable U.S. Steel to write off over \$1 billion worth of plant, as well as its multimillion-dollar operating losses in 1983.

One of the first plants to close will be the wire and rod plant at Cuyahoga, Ohio, where 725 workers voted overwhelmingly in November to oppose a new round of wage concessions the corporation was demanding. The plants in Chicago, Johnstown, Pennsylvania, Trenton, New Jersey, and Fairfield, Alabama will also be shut.

U.S. Steel will close its seamless pipe mill in McKeesport, Pennsylvania, a number of older plate and structural steel mills, the open hearth furnaces at Geneva Works in Utah, and the Fairless Hills Works in Pennsylvania.

Africa

Ivory Coast forced to reschedule debt

The government of the Ivory Coast, the nation held up by the World Bank as the model of development in sub-Saharan Africa, is determined to attempt to reschedule its \$6 billion in debt, and began negotiations with 300 commercial banks in London on Dec. 22. The nation's economy has been devastated by the worst drought in 25 years; electricity is blacked out for up to 12 hours a day.

The Ivory Coast's debt doubled between

1980 and 1983; currently, debt service costs represent 40 percent of export earnings. Public external debt corresponds to 90 percent of gross domestic product, and the country will require an estimated \$1.25 billion in 1984 to finance this debt.

The liquidity crunch has been aggravated by delays in allowing the Ivory Coast to draw on a July 1983 World Bank structural adjustment loan for \$250 million. The dollar-denominated debt has grown as the dollar has appreciated by some 70 percent against the CFA franc (the Central African currency) since 1980.

President Boigny warned of a difficult year ahead, with offshore oil production slower than planned and cocoa production down to 350,000 tons from 457,000 tons two seasons ago.

Although Ivory Coast officials are currently attempting to reschedule over a 13-month period, bankers, according to the Dec. 23 *Financial Times*, foresee a much longer debt stretchout. As one unnamed banker stated: "When a developing country joins the rescheduling club, it inevitably becomes a long-term member."

Brazil

Accounting tricks avert debt default

Rumors that Brazil had managed to avoid going into default on its debt on Dec. 31 only by kiting \$200 million worth of checks to its creditor banks were called "crazy" by Brazilian central bank president Affonso Celso Pastore at his Jan. 6 New York City press conference. Pastore claimed that Brazil had paid all interest arrears through those due on Oct. 4 before the New Year's Day deadline for U.S. banks' annual reports. With Brazil thus in arrears for "only" 88 days, U.S. creditor banks have avoided having to declare Brazil in default for debts over 90 days late.

But an economist at an East Coast bank with heavy Brazil exposure confirmed to *EIR* the first week of January the rumors that

Brazil wrote checks drawing on non-existent funds to achieve this miracle. "Dec. 31 doesn't matter," she declared. "The only thing that counts is when the accounting people get the books."

The \$6.5 billion new loan package which was supposed to have been signed in time to cover all Brazil's arrears by the end of the year has yet to be arranged. Pastore told the press he was still hoping for a Jan. 16 formal signing, with all \$6.5 billion committed by creditors. Citibank's William Rhodes said that the jumbo loan should be put through, even if the funds are a couple of hundred million dollars short.

The British government is still attempting to torpedo the Brazilian renegotiation, not only by refusing to participate in required export credits, but also by circulating an 86-page document titled "Brazilian Debt and the Year 1984." The report condemns Brazil's economic projections for 1984, including its expectations for lower international interest rates and a \$9 billion trade surplus. It concludes that British banks should not sign anything without finance ministry approval, "because it would be very risky to continue loaning the resources requested."

Steel

Brock, Olmer: cut developing-sector output

The President's Special Trade Representative William Brock and Commerce Department Undersecretary for Economic Affairs Lionel Olmer called for a plan to put developing-nation steel production under the ruinous "Davignon Plan," which is now gutting European and American steel production, in a statement the last week of December.

The Special Trade Representative's Office has been collaborating with the export credit group of the Organization for Economic Cooperation and Development to catalogue every steel plant projects in the world outside the Soviet bloc, to determine where

the projects obtain credit and how the credit can be cut off. This includes a demand that no government agency give credit assistance to steel projects and that all financing be at the usurious "free market" rates.

Olmer is also attempting to cancel an Export-Import Bank financed sale of \$100 million worth of steel-making equipment to the Pohang Iron and Steel Company of Korea, a move that will put several thousand American workers in Dravo, Air Products and Chemcials, and General Electric plants in Virginia and Pennsylvania on unemployment.

Soviet Union

Aid to Third World far less than claimed

The Soviet Union is contributing far less aid to developing-sector countries than its own figures claim, according to a British government study released the first week of January. For 1976-80, the Soviets asserted that they had given \$44 billion in aid, but the British study only found \$8 billion. And most of these funds, it concluded, are used to refinance previous Soviet loans.

The U.S.S.R. gives most of its aid to six countries: Cuba, Mongolia, Vietnam, Laos, Cambodia, and Afghanistan.

A second group includes Morocco, India, Turkey, and Bangladesh. "Soviet net aid to Group 2," the study details, "has been negative since 1980." Net flow during 1976-82 amounted to minus \$82 million.

In a letter to Eximbank chief William Draper III, Olmer called for an "international consensus on not financing any additional steel capacity," citing steel imports into the U.S. from developing nations. Olmer said that "any new plants built now are bound to harm more than help in the long term," claiming that developing-nation exports of steel was disrupting the international steel markets.

Steel development projects in Mexico, Indonesia, the Philippines, Brazil, Taiwan, and Korea have been delayed by world

depression and the effects of IMF conditionalities. Faced with nearly complete loss of domestic steel markets, and with grossly undervalued currencies, countries such as Brazil and Mexico are forced to export to the advanced sector at prices under the cost of production in order to obtain hard currency for debt repayment.

The American Iron and Steel Institute reports that imports for the first 10 months of 1983 are 5.7 percent less than for the corresponding period in 1982.

Nuclear Energy

Work on Indiana plant halted pending shutdown

Public Service of Indiana has suspended all work on its \$7.7 billion Marble Hill nuclear project until it decides whether to cancel the two-unit plant altogether. At a special meeting Dec. 30, the utility's board ordered construction work on the project halted immediately and began notifying contractors that the plant was being closed. The utility said that all but several hundred of the 4,000 workers on the project would be laid off. A Public Service of Indiana spokesman also stated that unless an "emergency rate hike" is approved there will be no money to proceed with construction of the plant.

In addition, the Fichtburg Gas and Electric Light Company, which owns less than 1 percent of the Seabrook nuclear generating project in New Hampshire, said it no longer supported the completion of Seabrook Unit II. This decision could halt the construction of the plant. A 75 percent vote of the 16 companies participating in the Seabrook unit is needed to cancel the unit, and to date owners with over 33 percent of the interest have voted to cancel.

It should be noted that during the summer 1983 meeting of the Soviet Politburo, Foreign Minister Andrei Gromyko's speech called for the environmentalist movement in the West to merge with the peace movement and force the shutdown of Western nuclear power facilities.

● **ARGENTINA'S** program for repayment of only a small portion of the \$18 billion in debt due in 1984 is based on an projected—but very unlikely—\$3.5 billion trade surplus. Debt repayments will absorb \$3 billion of this surplus, and the remainder is to be used for internal investments. There remains approximately \$9 billion of unpaid debt from 1982, and some \$16 billion from 1983 to be refinanced. Without an agreement from the IMF granting Argentina easy terms and low interest rates on this debt, the Alfonsín government warns it may have to suspend interest payments. The government, which is not planning to start debt renegotiation until June, has in effect declared a six-month moratorium.

● **MEXICO** negotiated a \$4 billion loan package for 1984 at lower than customary interest rates, with an extended repayment schedule, during the last week in December. The package comprises over \$1 billion in new money, and almost \$3 billion in re-scheduled old debts. To get the funds, Mexican labor unions were forced to accept a 30 percent limit in minimum wage increases; real wages declined by over 60 percent in 1983. However, many bankers consider the terms given Mexico too generous. As one banker quoted by the *Wall Street Journal* stated, "some of Mexico's lenders can now argue that the rates don't reflect the risk, and that they simply can't justify the loan to their shareholders."

● **THIRTY** infants have died in the past two months of an unidentified disease in a poor neighborhood of Santiago, Dominican Republic. Several dozen more have already been stricken. Physicians suspect that clogged sewers, which the government cannot repair because of IMF-ordered cutbacks, are spreading the disease.

Should the U.S. have a war plan for 1984?

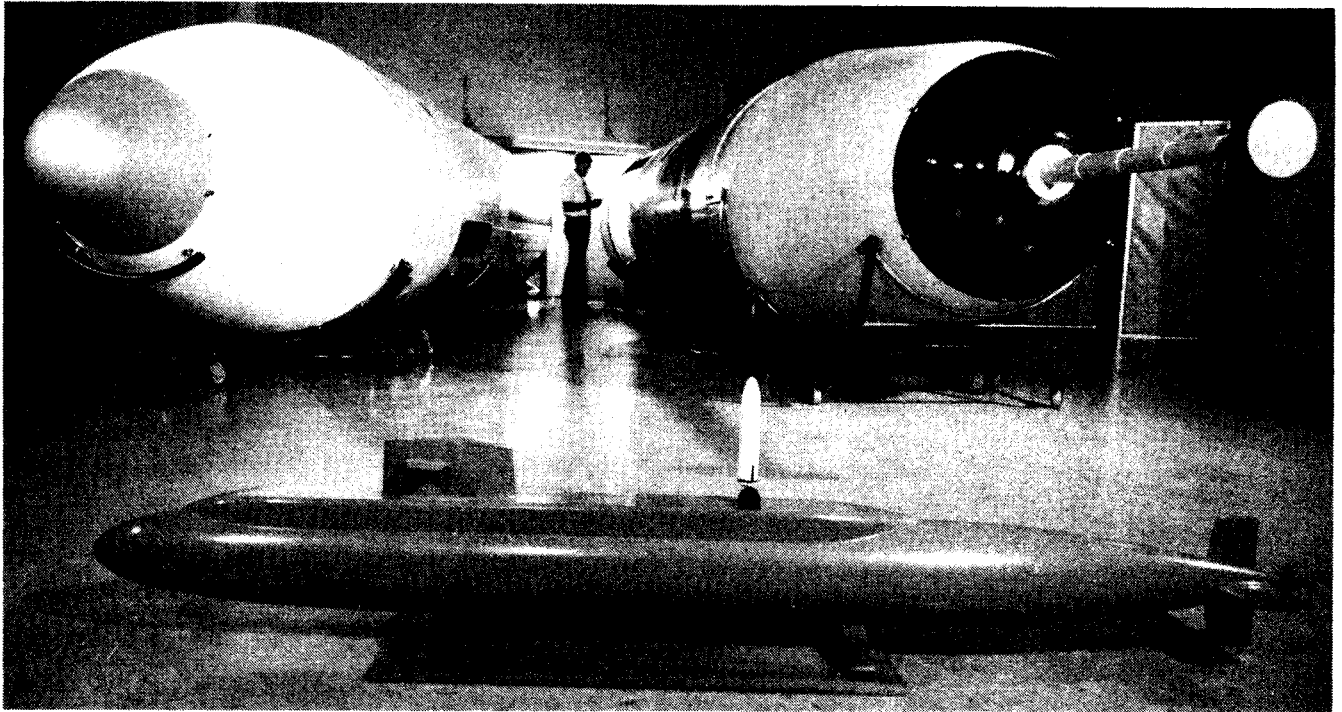
by Lyndon H. LaRouche, Jr.

Several weeks ago, *EIR* established a special task force, assigned to develop the principal features of a U.S.-NATO "war plan" for the contingency of a Soviet escalation to "first-strike" threshold during as early as the first six months of 1984. Although *EIR* has no official connection to any U.S. or NATO agency responsible for such matters, one of our primary functions as a specialist international news-weekly is strategic assessments; for various reasons, it is impossible to prepare competent strategic estimates unless the evaluations staff defines and correlates all its essential elements of information by means of reference to a "war game" of the sort practiced under the German General Staff's von Schlieffen.

By examining the capabilities of two potential adversaries and their allies for fighting a general war at some hypothetical point in future time, the evaluations staff compels itself to ask each and all of the questions needed, and to fit the answers assembled into a properly integrated picture of the strategic situation as a whole.

The most general categories which must be covered by such a study include the following. 1) How do the respective powers define the vital interests for which they might be disposed to fight general war? 2) What are the respective in-depth military, logistical, and political capabilities of the powers and their allies? 3) What kind of general warfare might be launched by one of these as the mode of warfare which affords its quality and quantities of strategic capabilities the relatively greatest advantage? 4) What strategic doctrine affords the opposing power the best counteraction, in terms of its qualities and quantities of capabilities? 5) For each case, what pre-warfare kinds of preparatory deployments, including mobilization and political preparations, must tend to appear to indicate preparations for actual launching of warfare of each form considered? 6) What are a) the requirements of a war-winning potential for either power, and b) which relatively short-term counter-developments and measures represent the nullifications of such a war-winning potential by the defending power?

Such "war-plans" exercises ought to be the regular, institutionalized practice of the traditionalist military general staff of a power, and should be used by military



American Poseidon (left) and Trident missiles.

and other intelligence services of the power as a guide to intelligence-gathering, evaluations, and reporting. A coordinated, integrated view of the problems and tasks so defined is the central function of a military general staff, and the guide to peacetime planning and related functions of the military command. We emphasize: This is a *normal peacetime function* of our Joint Chiefs of Staff, for example, and also the central, governing activity of our Department of Defense.

Such policies and practices have been the continuing policy of the Soviet general staff, and are the institutionalized practice which the Soviet command has continued for at least twenty years in preparing the global thermonuclear confrontation with the United States now in progress of step-by-step global escalation. Since 1962, at the latest, every action by the Soviet command bearing upon strategic military, logistical, and political capabilities has been a continuing preparation for *winning a thermonuclear war against the United States* according to principled features of the so-called Sokolovskii Doctrine. That Soviet doctrine has been modified by updating, as supplemented by the doctrines of Malinovskii, Grechko, et al., but the basic strategic doctrine has remained consistently in force through all these modifications.

Beginning a series of treaties which Henry A. Kissinger negotiated with the Soviet command under Presidents Nixon and Ford, persistent Soviet build-up has been able to accumulate a significant margin of military advantage over the combined forces of the U.S.A., France, and the European NATO forces. This accumulation of Soviet advantage would not have been possible but for the post-1972 build-down of

U.S. strategic capabilities, and the weakening of U.S. and Western European in-depth logistical capabilities through the continuing drift into the decay and obsolescence of a "post-industrial" utopia.

The effects of four years of the U.S. Carter-Mondale administration have been a strategic and economic disaster for the U.S.A. and Western Europe. Simultaneously, beginning no later than 1977, the Soviet Union has been engaged in a "crash program" build-up of its military capabilities, to the extent that Soviet "economic bottlenecks" permit, a build-up which exceeds published CIA estimates of Soviet spending by as much as 17 percent, a build-up whose general effect has been to prepare for a Soviet "shock-assault" in general conformity to the Grechko doctrine.

During the past two decades, especially during the period beginning 1969-72, with Willy Brandt's "Ostpolitik" and Henry A. Kissinger's leadership in negotiating "détente," the Soviet command has been operating on a double track, one of strategic deception, the other of preparations for war-winning first-strike assault. Under the cover of "detente," the Soviet government has worked to lull the United States and Western Europe into overconfidence in Soviet commitment to the Nuclear Deterrence doctrine, seeking not to alarm the West into recognizing what the true, longer-range Soviet military commitments were. So, in the name of Nuclear Deterrence and arms control, we have been systematically negotiating downwards U.S. and Western European capabilities, without ever obtaining positive evidence on the full scale of Soviet build-up in various key categories of military capabilities.

Now, during the first few weeks following President Ronald Reagan's nationwide television address of March 23, 1983, it became clear that the Soviet command was committed to rapid escalation toward a new "1962-style" thermonuclear showdown with the United States.

Simply, the accelerating Soviet deployment of SS-20s and other new generations of Soviet thermonuclear missiles had led to Henry A. Kissinger's successful demand that NATO deploy both Pershing II and land-based intermediate-range cruise missiles as "forward nuclear defense" deployments to counter Soviet deployment of SS-20s then already massively in progress. The combined Soviet and NATO escalation of "forward-based nuclear defense" in this form ensured that both superpowers would be pushed to "strategic thermonuclear general assault under attack," probably by the end of 1983 or early during 1984. Indeed, the Soviet command is now entering a "launch on warning" status.

When President Reagan, beginning his March 23, 1983 televised proclamation of a new U.S. strategic doctrine, offered Moscow a new formula for general strategic negotiations, the President had presented Moscow with the only serious alternative to ongoing escalation toward "launch under attack" posture by both superpowers. When the Soviet command refused to consider even exploratory discussions of the President's and Secretary Casper Weinberger's offers of this period, the Soviet command showed conclusively that it was committed to an early "1962-style" thermonuclear confrontation with the United States unless the United States submitted to the kind of unilateral Soviet strategic demands which Soviet Secretary Yuri Andropov announced in April 1983 to West Germany's *Der Spiegel* publisher, Rudolf Augstein. Since that time, the Soviet command has deployed globally according to precisely the demands advertised through that *Der Spiegel* interview.

During the April-May period, we estimated that the Soviets would begin the countdown toward a global confrontation as early as August 1983; this writer so reported his assessment to relevant channels. During August, leading into the Soviet shooting-down of the Korean passenger airliner on Sept. 1, 1983, the Soviet global escalation began exactly as our strategic estimate of April-May had anticipated. What confronts the United States today is not a coincidental heating-up of international terrorism and various local "hot spots" around the world; this is all a coordinated, Soviet-steered process of escalation toward something broader and bigger than the 1962 Cuba Missile Crisis, possibly—possibly—as early as the first six months of 1984.

We do not presume that Moscow is seeking an actual shooting war *directly* with the forces of the United States. Terrorist and other actions against the United States in Lebanon and West Germany, and deployment of Iranian terrorist forces into the United States itself, typify the combined use of surrogates and Soviet KGB/GRU covert assets which is already in progress. Rather, Moscow is already engaged in an escalating confrontation with the United States in which

the *threat* of Soviet first-strike and related capabilities is aimed at obtaining major strategic concessions, like those which Adolf Hitler exacted from Neville Chamberlain at Munich in 1938. The point is: If the United States is caught either physically or psychologically "flat-footed," unprepared to challenge the Soviet bluff of "first-strike" attack, a U.S. backdown could win world domination for Moscow over the decades to come without thermonuclear war.

However, should the United States refuse to back down, *what then?* If Moscow were *merely bluffing*—if Moscow did not possess a credible war-winning capability for first-strike attack, then President Reagan's calling a Soviet bluff would cause a major strategic setback for Moscow, with long-range consequences. Therefore, we must assume that Moscow is not entirely bluffing; *we must assume that Moscow is assured of its military superiority over the United States, at least by the time the ongoing confrontation reaches its intended climax.*

This would mean that *Moscow is preparing to display a range and depth of military capabilities beyond what is already visible to President Reagan's principal advisers now.* At present, it is not yet evident to the U.S. command that Moscow has a sufficient margin of military advantage to actually survive and win a thermonuclear war. In other words, by the time the climax of the present escalation is reached, Moscow intends to display a margin of thermonuclear-war-fighting advantage beyond what the United States presently believes to be Soviet strategic capabilities.

Such Soviet advantages, if the Soviets have a war-winning margin of advantage in sight, must be of two probable forms. In part, this must mean that Moscow is at the point of deploying new dimensions of anti-aircraft and ballistic-missile-defense capabilities significantly beyond anything thus far reported. Additionally, Moscow is prepared to exploit its known kinds of technologies in a quantity and in a mode of deployment which it believes that the United States command has so far overlooked. There are conclusive indications that both Soviet potentials already exist or are coming on line.

These considerations we have just summarized provide the general outlines for design of a U.S. "war plan." By testing the assumption that Moscow plans to have a war-winning assault in place by a certain estimated date, and by examining several scenarios for such a date, we pose to ourselves all of the questions we must explore. We must estimate what capabilities and strategic developments Moscow would require for it to *risk* a thermonuclear war with the United States. We define the range of war scenarios associated with climactic confrontations or outright surprise shock-attack by a series of indicative dates, beginning with the interval March 15-30, 1984, including September 1984, March 1985, August-September 1985, and so forth. We estimate what capabilities and deployments Moscow must deploy in preparation for such an assault, and then work backwards from that hypothesized outbreak of war to define the questions posed for strategic-intelligence tasks of information-gathering and evaluations.



NSPS/Stuart Lewis

Lyndon LaRouche speaking to the year-end conference of the International Caucus of Labor Committees on how to muster the political and military defense of the West, in Washington, D.C., Dec. 31, 1983.

The included task is that of specifying what selection of measures by the United States and its allies may be taken between now and each of the projected dates to present Moscow with such increased, and visible, risks and imputable penalties that the Soviet military command pronounces the risk of global thermonuclear confrontation "unacceptable." In other words, what are the relatively few leading elements of an emergency "crash program" of development of U.S., French, and European-NATO capabilities which can quickly increase the level of risk and imputable penalties to Moscow to a high enough value to provide a substantial margin of "deterrence"?

This is the problem on which *EIR*'s task-force is working at this time.

Why *EIR* is undertaking this

There are two principal reasons *EIR* has commissioned such a strategic task force. First, such tasks fall within the responsibilities of our adopted editorial policy as an international specialist newsweekly. *Newsweek*'s recent coverage of a Sandhurst scenario for a Soviet attack into West Germany illustrates the point that all serious international newsweeklies have this subject very much under scrutiny at this time. Second, although there are many good, dedicated professionals in the U.S. government's employ, commanding resources far beyond our own, prevailing military doctrines and strategic and related policies are dominated by the wishful delusion that no such Soviet threat is "thinkable" during the year or so immediately ahead.

The chief problem of our government's policy is that for nearly a quarter century U.S. strategic doctrine has been dominated by a Nuclear Deterrence doctrine created by Pugwash Conference-centered circles associated with the late Bertrand Russell, a doctrine which Russell and his accomplices pre-cleared with the Soviet government through Pugwash and similar channels before imposing the elements of that doctrine upon the U.S. government and NATO. Russell's accomplices in this back-channel agreement with Moscow include leading elements of our "Eastern Establishment," elements of Britain's "Establishment," and influential circles in Switzerland's financial community as well as other influential circles on the continent of Europe. These circles dominate the editorial policies of our own republic's major news media and entertainment media, dominate the present leadership of the Democratic Party (around Charles Manatt, Walter Mondale, Lane Kirkland, et al.), and also dominate liberal Republican circles. The liberal elements dedicated to Nuclear Freeze and allied doctrines are an embedded part of the policy-shaping institutions of our federal government, and exert great external political-pressure influences upon the decisions of government.

Charles Manatt, Walter Mondale, Robert McNamara, the Harrimans, and so forth presently appear more or less outright collaborators of Soviet Secretary Yuri Andropov against President Reagan. Yet, looking at Mondale's list of advisers, we note something else: Mondale appears to be merely another front-man for Henry Kissinger and the Trilateral Commission, a pawn of Kissinger policies. Kissinger, who has an

ill-deserved reputation as a “hard-line negotiator” with Moscow, is a partner of Britain’s Lord Carrington in Kissinger Associates, Inc., the Carrington who, during April 1983, protested that President Reagan’s March 23, 1983 address threatened Carrington’s “asset,” Soviet Secretary Andropov! Carrington is a leading figure of today’s “Neville Chamberlains” of the British “Establishment,” and no friend of the United States today.

The situation today is such that President Reagan could not get support for needed defense measures from his own administration and the Congress unless the President took the strategic problem directly to the American people. Perhaps 80 percent of the electorate would support the President on condition that the electorate understood the threat and was convinced that the President needed their support for a credible effort to convince Moscow to break away from a global thermonuclear confrontation. At present, the “good guys” around Washington are being very cautious about challenging the liberal Washington “*Pravda*,” Katherine Graham’s *Post*, and the New York “*Tass*,” the *Times*. Being cautious about challenging the “Neville Chamberlain” news media is pretty much policy around Washington, and career-minded officials are careful to limit the “facts” they report to “facts” which do not challenge prevailing policy.

In this circumstance, *EIR*’s job is to report the facts, whether or not those facts coincide with prevailing policy. Our job is to provide our readers, and those whose opinions our readers influence, with at least enough of the facts of the strategic crisis to show both what the strategic problem is, and what measures must be taken to overcome it.

A total strategic picture

Most military commanders in Western Europe know such a practice to be absurd, but nonetheless the U.S.A. and NATO commands continue to make a distinction between so-called “strategic” and “conventional” military capabilities.

This absurdity is based on the ideology of Nuclear Deterrence doctrine. Under that doctrine, it is argued either that a) war begins with a full-scale thermonuclear exchange, after which it is presumed that neither superpower survives, or that b) war begins as non-nuclear, or “conventional” warfare, and may escalate up to, but probably not beyond, the “threshold” at which “strategic” nuclear exchanges occur between the superpowers.

Soviet doctrine—and capabilities—are based on planning World War III as a victory won by Soviet land, sea, and air forces after a full-scale thermonuclear attack is launched against both the mainland United States, and U.S. thermonuclear missile, sea, and aircraft capabilities. In the case that the Soviets begin war with a “conventional” assault in Western Europe, for example, the Soviets assume that the threat of Soviet thermonuclear first strike or “launch on warning” against the United States forces the United States to “accept” Soviet conquest of sections or all of Western continental Europe.

Presently, the Atlantic Alliance has no war plan for either a) continuing warfare, after initial strategic barrages, or b) coping with a Soviet assault into Western Europe under a Soviet thermonuclear umbrella. The popularized usage of the term “conventional” is key to the problem.

In the classical military tradition, especially since Lazare Carnot’s 1793-94 revolution in warfare, all strategic capabilities, logistical depth (economy), and political forces, are an integrated capability which must be deployed in coordinated fashion as an integrated capability for winning general war through victory of our depth over the adversary’s depth. In such a doctrine, a division between general warfare and conventional warfare does not exist; the development and deployment of the various strategic capabilities is accomplished as a single, integrated capability.

The European commander expresses this: Without the U.S. strategic “umbrella,” Western Europe is open to Soviet air-land assault. The effort to build up a European conventional capability, such as Airland 2000, seems to respond to this, but in fact does not. The task is that of ensuring defeat of Soviet forces invading Western Europe *if that should occur during 1984!* This requires capabilities developed to meet the requirements of a war plan for such a contingency.

The U.S.A. and NATO have simply grown out of the habit of thinking in war-winning term of reference. Instead, we have conditioned our strategic planners and military commanders to the notion of limited wars planned according to negotiated rules of the game, as Dr. Leo Szilard proposed in the 1958 “Dr. Strangelove” address at the Second Pugwash Conference. We are back playing the same, impotent sort of “cabinet warfare” doctrine which French armies under Bonaparte demolished at the battle of Jena in 1806.

It is this cultivated impotence in our strategic thinking which has created the wide gap in U.S. and NATO flanks through which Soviet-commanded Warsaw Pact forces are now preparing to march to victory—in case we do not capitulate to thermonuclear terror.

In brief, we must approach our present strategic problem as Lazare Carnot approached the military problem of a France almost defeated during 1793-94. Carnot employed the world’s most advanced scientific capabilities of that time, French science, to effect a technological revolution in the character of the field of battle, accomplishing this in one year’s “crash program.” Around this technological revolution, Carnot did other things, including the *levée en masse*, changes in the order of battle and principles of deployment of arms, which finally defeated the previously almost-victorious invaders of France.

Just as we must apply such “crash program principles” to strategic weapons systems immediately now, we must also apply the same approach to qualitative upgrading of what are misnamed “conventional forces,” building a war-winning policy around this retooling. The veteran strategist, Col. (ret.) Marc Geneste, focuses our attention on this problem in the following interview.



NSIPS/Philip Ulanowsky

‘The triumph of the defense is the way to save civilization’

Colonel Marc Geneste is a 25-year career officer with the French Army who served in World War II, Indochina, and Algeria. Currently vice-president of the Center for the Study of Total Strategy in Paris, Geneste is known as the father of the French neutron bomb, which he developed while working for the French Atomic Energy Commission. He is a member of La France et son Armée, an association formed in 1983 to build European support for President Reagan’s beam weapons program, as part of an overall defense concept for Western Europe.

EIR: In your speeches at recent *EIR* conferences in Bonn, Rome, and Oslo, you presented a sobering picture of the military balance in Europe. What do you see as the main threat to Western Europe from the Warsaw Pact, and what do you propose as the chief means for countering that threat?

Geneste: At the *EIR* conferences you just mentioned, I presented the picture which is commonly acknowledged by all Western Europe, in terms of manpower and active divisions. If you add to this the mobilization potential of the Soviet system, you would have a much more sobering picture, not even taking into account the growing imbalance in tactical nuclear weapons that some experts have recently pointed out.

I insisted on this problem because it is, to me, the specific threat to continental Europe, which, unlike America, can be destroyed by nuclear projectiles and invaded with land forces.

Charity begins at home, and I have noticed for a long time that our American friends have focused their attention on the only threat which is deadly for them: the ICBMs and SLBMs—let’s say, strategic forces—and were not interested to the same extent in the so-called “tactical” problem, i.e., defense against air/land assault. The Soviet divisions are not about to land in Massachusetts, while they are rather close to Bonn, Rome, and Paris. The Atlantic is here to stay.

My purpose was to show that if the new technology of beam weapons is welcome to protect Europe and America from the threat of projectiles, we should not forget the modern technology we need to cope with the other tool of offense, that which threatens Europe, the Pact divisions’ “tactical

forces,” armed divisions, etc. These technologies are complementary to take care of both tools of offense—men and projectiles—and should assure the triumph of defense, whatever the difference in numbers, for the first time in history.

EIR: You have been a leading advocate of “enhanced radiation weapons,” known as neutron bombs. Please explain how these weapons function and how they are to be used militarily.

Geneste: I have indeed been convinced for a long time—with a few others, particularly some American scientists—that it should be possible to find a more intelligent solution to assure peace than piling up, year after year, the means to extinguish civilization with offensive weapons. As you know, the situation we have today is one of deterrence built on the balance of terror. I believe that the young generation starts wondering why they should continue to live on a powderkeg where we add megatons week after week. This is probably one of the reasons why pacifist movements flourish in the West. . . .

Although terror was probably the best solution at the beginning of the nuclear age, for lack of fissile material, it was obvious to me that the day would come when the numbers of nuclear weapons would permit the return to traditional defense, and solve the military problems without threatening civilian holocaust.

This is why I became interested in tactical nuclear weapons, because of their terrific efficiency against military forces in the field, their ability to prevent all military operations due to the incredible vulnerability of men to their effects, their potential to kill the offense and assure the triumph of the defense. . . . But the “classical” tactical nuclear weapons, very effective to stop land forces, are also extremely destructive of the environment. They destroy buildings through their blast, set fire to vegetation and everything else through their thermal effect, while they stop tanks because their neutrons kill the crews. They are extremely difficult to use on the battlefield, especially when you have to use them on friendly territory. It’s like using a hammer to kill a fly. . . .

Then along comes the neutron bomb, invented in 1958 by my friend Sam Cohen. This is a tactical nuclear weapon, in which the flux of neutrons is enhanced, while the other undesirable effects (blast and fire) are considerably reduced. In other words, you enhance the kill power against tank crews (steel being no protection against neutrons), and you reduce the collateral damage against the environment. This was the ideal tactical weapon for defensive purposes, because the defenders and the civilians can protect themselves rather easily against the neutron flux. Five feet of earth provide total protection. In other words, only the soldiers on the ground surface or in the air are vulnerable to such a weapon. Only offense is threatened, because offense means movement and movement cannot be protected underground, unlike defense. This is why I became very interested in this development and tried to promote it for European defense.

EIR: How could civilians protect themselves? How could soldiers in combat protect themselves from the effects of enhanced radiation weapons?

Geneste: It is very easy to protect populations against the neutron bomb. A cellar (reinforced with a layer of earth) or an underground shelter in your back yard would be enough. Since there is practically no blast effect, shelters are easy to build, unlike those necessary to cope with conventional bombs or classical nuclear bombs. Personally I would prefer to be in such a shelter at ground zero of a neutron bomb than at the point of impact of a World War I-era TNT bomb.

That means that defenders adequately protected against the effects of explosions on the battlefield could detonate n-bombs very close to their shelters, even overhead, and clean up square kilometers of attackers in front of or around their positions, without being threatened themselves. Then the traditional advantage of offense over defense, the capability to saturate any defense with waves of attackers, with the sacrifice of soldiers, no longer exists. It follows that you can reestablish a linear defense along your border—for instance the Iron Curtain—without giving up one inch of your territory.

The neutron bomb creates a kind of wall of neutrons that is impossible with conventional forces. This is the only weapon which provides the opportunity to establish the “forward defense” that the Germans quite understandably desire, and to nullify the current advantage in divisions enjoyed by the Warsaw Pact.

EIR: Who was behind the tremendous campaign against neutron weapons, alleging that they are “antihuman,” would result in mass murder of innocent civilians, and so forth?

Geneste: You can easily understand who was behind this campaign. The Soviets obviously did not like a technical development capable of destroying the political and psychological weight of their massive array of armored divisions in continental Europe. As far back as 1960, Nikita Khrushchev condemned the n-bomb as a “capitalist” weapon, able to kill people and “save material goods.” But it is no more “capitalist” than the bayonet or the machine gun, the bow

and arrow or the kitchen knife. All weapons throughout history have been built to kill people. This one is no more inhuman or immoral than the others; it is only much more effective . . . especially against the armored blitzkrieg which is the cornerstone of Soviet strategy.

The impact of this campaign in the West, which has succeeded in delaying for 20 years the building of the n-bomb, is probably due to the fact that it has been christened “neutron bomb” rather than, for instance, “nuclear antitank bomb.” People generally did not know that all nuclear weapons are in fact neutron bombs, since they all emit a great deal of deadly radiation. The term “neutron” has created the impression that this weapon was something entirely new and devilish. Yet it is much less destructive than A-bombs or H-bombs. It is much more discriminating, differentiating between soldiers and civilians, attack and defense, while the H-bomb crushes everything, friend and foe alike.

EIR: What is the history of enhanced radiation weapons, particularly the policy fight in France and Western Europe?

Geneste: The policy fight in France, which is not yet over, is easy to understand. As you know, France opted 20 years ago for countercity terror, or “massive retaliation,” or “MAD,” to establish its own national security. France followed the path of America after Hiroshima, for lack of fissile material. When you have only a few bombs, what else can you do? You can choose terrorism—that is to say deterrence through “punishment”—or deterrence through “denial,” which obviously requires a lot of ammunition to destroy military forces. France could not do otherwise 20 years ago than to threaten retaliation against Moscow or Kiev to deter an attack. The credibility of such a system naturally requires the apparent resolve to blow up everything, including ourselves, by starting the countercity game—general suicide rather than accepting a land battle.

The neutron bomb—as well as other tactical nuclear weapons—is obviously a weapon for defense, not for terror. Its introduction to the arsenal might appear to be a hint that France would not be as “terrorist” as it claimed to be . . . and would hesitate to push the button of general holocaust. In other words, the n-bomb appeared to scuttle the “deterrence through terror” strategy of General de Gaulle, who had no other choice available 20 years ago.

This is why there was, and still is, and will be, a considerable intellectual resistance against all weapons for defense, including beam weapons, among those military and university elites which have been “brainwashed” for one generation about the virtues of terror. Unfortunately, all strategies work in peacetime—even MAD strategies or Maginot lines, which can be credited for the peace we enjoy . . . until war breaks out.

But the dogma of “infallibility of deterrence through terror” is coming more and more into question, and people ask: “This deterrence is fine, but what happens if it fails? If they come anyway, what do we do?” Until we can answer that

question, France will be defenseless, because you can't stop tanks with submarines. Blowing up the Kremlin, the Eiffel Tower, and the Empire State building will not prevent the Soviets from invading France.

This is why the neutron bomb has been welcomed by French public opinion—as the beam weapons will be I am sure—as a kind of insurance against the failure of deterrence through terror, and why the French government, under popular pressure, and in spite of much intellectual resistance, developed the n-bomb a few years ago and currently keeps it ready for fabrication and deployment if need be. It would be, in my opinion, for the reasons explained above, the ideal weapon for a future European land defense.

EIR: We understand that at present neutron weapons have been built and are being stockpiled in the United States. Is this sufficient? In what scale and in what manner should such weapons optimally be deployed?

Geneste: The United States is currently stockpiling enhanced radiation weapons that could be rapidly deployed all over the world, wherever appropriate launchers could be found (for instance 8-inch or 155 howitzers, in Europe or Korea). Now the quantity of these weapons is very important. We should never lack ammunition. Their efficiency is fantastic, but not unlimited. Needless to say, for European defense, France could and should build enough of this defensive ammunition to be used, if need be, on the central front. However, I want to stress very strongly that current NATO doctrine (flexible response, mobile defense, etc.), which is an inheritance of World War II, has to be revised if we want to take advantage of this new type of firepower.

EIR: Do the Soviets have the capability to build such weapons? Do they already possess them?

Geneste: Certainly the Soviets have this capability. But since the n-bomb is mainly a defensive weapon—provided naturally the defenders take the appropriate protective measures against its effects—this weapon does not fit very well in their offensive doctrine. In fact, we don't know the exact nature of the Soviet nuclear stockpiles. We only know that they are huge and that they plan to use them if need be.

EIR: In Bonn, Rome, and Oslo, you stressed the complementarity of beam weapons and n-bombs. Could you expand on this?

Geneste: This is obvious. The two tools of offense (only offense gives a political meaning to war) are men and projectiles. The n-bomb takes care of men—i.e., land forces—but not projectiles (rockets, etc.). It remained to cope with the threat of rockets. Beam weapons offer this opportunity (if they work, which I do believe). This would be the final triumph of the defense. And when the defense wins, war is dead. . . .

Sokolovskii and Co. write that “under the threat of nuclear batteries, military operations are impossible.” In other words, they recognize the power of nuclear weapons to kill

the offense. The only military solution to open the path for their blitzkrieg is to get rid first of these nuclear batteries, using the accuracy of their SS-20s or other tactical means. This is clearly stated in their official military doctrine.

Now if you admit that the “counterbattery first strike” cannot work any longer because beam weapons will destroy rockets in flight or divert their trajectory, then the attacking tanks will be destroyed by the n-bombs from the defenders' nuclear batteries. Then their “nuclear blitzkrieg” collapses immediately. It is as simple as that. Now you can understand why *Izvestia* was so unhappy about those ideas after the *EIR* meeting in Rome. . . .

EIR: In a recent statement at the London Royal Institute for International Affairs, [French opposition leader, head of the Rassemblement pour la République party] Jacques Chirac emphasized the importance of West Germany participating in the development and deployment of beam weapons. What effects do you think this might have for the political and military situation in the Federal Republic?

Geneste: I am very pleased to hear that Jacques Chirac endorsed beam weapons in England. Back in 1974, he seemed to admit that tactical nuclear weapons were of paramount importance, in a speech he gave at Mailly in France. He seems to be on the right track—better late than never. Needless to say, the Federal Republic of Germany, which is prevented from building nuclear weapons, could and should participate in the building of the other part of the shield—beam weapons—necessary to protect Western Europe, to begin with Germany right at its border.

EIR: Recently there have been accelerating tendencies for splits in NATO; Lord Carrington and Hans-Dietrich Genscher are trying to provoke a breakaway from the United States around the issue of beam weapons. In any case, it is clear that the NATO alliance must be placed on a new basis, eliminating flexible response and related nonsensical doctrines. How do you see the future of the alliance, particularly in terms of the relationship between Europe and the United States?

Geneste: I have always been an advocate of some “division of labor” within the Atlantic alliance, in which each pillar of the alliance—the U.S.A. and continental Europe—would take care of threat number one for its own national survival. For the U.S.A., as I have said, it is the nuclear-tipped rockets. For Europe, it is the Red Army. So let the U.S.A. concentrate its main effort on control of the skies and of the seas—i.e., the strategic threat—and let the Europeans take care of land forces—i.e., the “tactical threat.”

Twenty years ago, flexible response destroyed the European defense devised by Eisenhower, when he deployed 7,000 tactical nuclear weapons on the continent with an appropriate doctrine. When Kennedy and McNamara decided that World War III was to begin with bows and arrows—i.e., conventional means—to become nuclear if need be, with a phone call from the White House, it was very clear for Europeans

that Germany was sacrificed to the overwhelming Soviet manpower, to be reconquered through the use of nuclear weapons.

No wonder the Germans did not like this military solution, made in U.S.A., and General de Gaulle left the integrated NATO command (without leaving the alliance). This U.S. decision was due to the combination of the vulnerability of the U.S. mainland after Sputnik and the belief in automatic and immediate escalation from the use of a nuclear shell on the Iron Curtain to the destruction of New York.

Only if and when the United States becomes less vulnerable, can such an approach be changed. Only the new defensive beam-weapons technology offers this opportunity to restore in Europe the confidence in the former U.S. nuclear commitment, which has practically disappeared in the last 20 years. The dogma of MAD strategy was the acceptance of vulnerability as the cornerstone of security. What confidence can you have in an ally who can be destroyed in five minutes? Is your ally ready to commit suicide to save your skin?

EIR: How would you evaluate the capability of the U.S.S.R. to launch a first strike against NATO in the immediate period ahead, and how do you recommend that Europe and the United States respond to this threat?

Geneste: This question is of paramount importance. If the Soviets have respected the SALT ceilings in offensive rocketry, ICBMs and the like, I don't think they would start a first disarming strike, because they would have to spend all their arsenal of land-based ICBMs to get rid of ours, with luck, assuming a 100 percent success (which is very unlikely). The final result would be zero on both sides.

First strike, or if you prefer counterbattery, is conceivable only if you enjoy a large superiority in numbers (although the MIRVing of rockets complicates the problem).

In the late '60s and early '70s, the Soviet military factories were producing rockets at a fantastic rate. Admittedly they stopped after SALT, which was supposed to "cap the arms race."

How can you be sure they did? Through satellite observation? There was recently an interesting article in the *Armed Forces Journal*, in which my friends Sam Cohen and Joe Douglas pointed out, quite rightly I believe, that aerial pictures cannot detect the rockets stockpiled under a roof, and that these modern rockets can be fired from their canister without the need of silos, etc. . . .

This means that in 1972 the U.S.A. in effect accepted "arms control" without control (which would have required on-site inspection). Now suppose that the Soviets had stuck to the famous statement of Lenin: "Our aim in disarmament talks is to disarm the bourgeoisie and arm the proletariat." Aerial inspection would have given them a unique opportunity to appear to stick to the agreements while continuing the building of rockets under undetectable cover.

Unless it is proven that the Soviet factories started building frying pans or other peaceful appliances instead of rock-

ets, it can be feared that today they enjoy an enormous superiority in offensive weaponry. I hope this is not true, but it might be. Or it could become true, in their closed society, when arms control is "self-controlled" in the West by the press and public opinion, and forces the U.S.A. to limit its arsenal. Against such a fantastic threat, there is only one solution: technology which would offset any numerical advantage in rocketry. Clearly only beam weapons can nullify this superiority in numbers of projectiles, because their speed is 40,000 times greater than that of their targets.

Perhaps this is one of the reasons, if not the main reason, why the Soviets appear now to like the MAD strategy which they did not accept 15 years ago, when they were the outspoken champions of strategic defense, ABMs, etc. . . . This MAD strategy would have allowed them to acquire secretly such a strategic superiority that they would have won without war.

Finally, only modern technology—the n-bomb on earth, beam weapons in the skies—can nullify the advantage in numbers of offensive means—men or projectiles—that the Soviet generals are probably trying to establish, with 15 percent of the Soviet GNP.

Insofar as the European theater is concerned, the Soviets already have local superiority in theatre projectiles of all kinds, which would allow them to launch a first disarming strike against our land-based retaliatory weapons, and keep enough reserves to continue military operations. By the way, this is written in their official military doctrine.

EIR: Let us now look into the future. What about a conference in France on such topics? What is the association "La France et son Armée" planning to do next?

Geneste: The recently created association "La France et son Armée" should and will, I am sure, contribute to such an important conference.

I was pleased to hear that our ministry of defense in the parliament admitted the necessity to learn the lesson our recent national history has taught us: that we should never sleep behind Maginot lines. . . . We cannot count any more on "miracles of the Marne" or "Operation Overlord" to save our skin. Better to contribute to the "triumph of the defense" that appears to be round the corner.

EIR: Many people think that should nuclear weapons be used, this would mean "the end of the world." Is this true? Or are there effective civil defense measures to protect civilians and soldiers?

Geneste: The worldwide campaign against the weapons of terror should incite people to find the best way to get rid of this threat. The only way is to build the technology able to destroy them—beam weapons. The only way to get rid of war is to improve human nature, or to put offense out of business. Pending improvement of human nature, which does not appear around the corner, let's kill war. New technology offers this opportunity.

The European Security Study: a military blueprint for Carrington's decoupled Europe

by Lonnie Wolfe

It is a testament to the state of affairs in the Atlantic Alliance that its military policy circles are today preoccupied, not with the development of a war-winning capability against the Soviet threat, but with the intricacies of a doctrine called "conventional deterrence."

That discussion was spurred by last spring's publication of a book by the European Security Study (ESECS) entitled *Strengthening Conventional Deterrence in Europe*. While it makes the obligatory references to the glaring imbalance in favor of the Soviets along the central front in Europe, the ESECS study amounts to a plan to further disarm NATO, under the guise of strengthening the alliance politically by reducing "dependence" on nuclear forces.

What is ESECS?

ESECS was created as an "open conspiracy" in 1981 by the same oligarchical networks who created the Malthusian Club of Rome. Steering the operation was the late Carroll Wilson, himself a founding member of the Club of Rome and an associate of Bertrand Russell. Behind Wilson were individuals such as former NATO official and Club of Rome founder Alexander King; the leader of the American "Eastern Establishment," McGeorge Bundy; and Prof. Michael Howard of the Chatam House British intelligence networks. These individuals had for 30 years implemented the terms of Russell's Pugwash Conference deal with the Soviet Union, a "two-empire" arrangement which imposed the Mutually Assured Destruction (MAD) doctrine on the West. Although the U.S.S.R. never stopped developing the ability to fight and win a thermonuclear war, the Pugwash strategists kept their end of the bargain by making sure that NATO members would remain vulnerable to nuclear destruction.

The ESECS conspiracy was directed against those forces in the West who, with the advent of the Reagan administration in 1981, began challenging the "assured vulnerability" of the West by moving to replace MAD with a doctrine of "Mutually Assured Survival" through building energy-beam shields against strategic nuclear attack. ESECS proposed to

change the terms of the debate, rejecting any talk of improving strategic nuclear forces or building new defensive strategic systems as President Reagan proposed in a March 23 address. The focus was placed instead on conventional weapons systems. These systems, which ESECS terms "defensive," would in reality never obstruct the Soviets in Europe or anywhere else. They were to be used in cabinet-warfare "police actions" in the developing sector—the free-fire zone established by Russell's Pugwash deal with the Soviets.

Wilson proceeded to assemble a core group of like-minded "experts," as well as a handful of misguided former military figures whose concern about the poor state of NATO forces who could be manipulated to enlarge Wilson's consensus. The plan, as Wilson told a reporter in 1982, was to produce such an overwhelming consensus in favor of conventional deterrence as to "overwhelm the strategic debate."

Throughout the ESECS process, future NATO Secretary General Lord Peter Carrington helped, through Howard and others to shape the final report. Carrington's prospective appointment was viewed by ESECS participants as the ultimate assurance that their plans would "seize NATO," as an ESECS member put it.

As Bundy and another prime MAD architect, former U.S. Defense Secretary Robert McNamara, began to publish articles in 1982-83 advocating that the United States adopt a policy of "no first use" of nuclear weapons, some ESECS members got cold feet and mounted a damage-control operation to prevent ESECS from declaring publicly in favor of such a stance.

Despite these efforts, at the point of the report's publication, defense intelligence sources report that the Wilson-Howard-Carrington grouping—the "conventional warfare *über alles*" boys, as they are derisively referred to in some circles—had won the day.

A Europe decoupled?

The central thesis of the ESECS proposal can be restated as follows: If one assumes that strategic deterrence (the "nu-

clear balance of terror”) remains intact between the United States and Soviet Union, then the chief imbalance would occur on the central European front. If one further assumes that neither side will use nuclear weapons in a war-fighting situation, then the only way to stop a Soviet conventional attack on Europe is with improved conventional forces—a “conventional deterrent.” Since the Soviets possess an overwhelming superiority in numbers and depth, the only way NATO can counter them is with superior technology and mobile forces, which is what the study proposes to introduce.

This “conventional deterrent,” ESECS further argues, lacks the political liability of reliance on nuclear forces that are now under attack from the peace movement.

Conventional deterrence, says ESECS, does not change existing NATO doctrine, but merely increases the viability of that doctrine, the McNamara-instituted “flexible response,” which posits that Warsaw Pact aggression will not necessarily be met by a U.S. nuclear counterattack on the Soviet Union. “We accept that NATO should maintain its doctrine of flexible response,” writes ESECS, “which calls for an initial resistance against aggression with conventional weapons, but reserves a capacity to use nuclear weapons. Within this doctrine, NATO should move promptly to upgrade its conventional capability in Europe and raise the nuclear threshold, i.e., make it practical to defer as long as is feasible and if possible prevent a situation in which NATO might be obliged to face a decision about the use of nuclear weapons.”

For the ESECS logic to hold, it is therefore paramount that the illusion of nuclear strategic parity be maintained. Thus ESECS refused to examine anything that would call into question the viability of the U.S. deterrent. “The panel did not deal with strategic deterrence on the nuclear strategic level,” Robert Bowie, the former CIA official who took over ESECS on the death of Carroll Wilson in December 1982, told a journalist. “We assume a credible deterrent between the blocs. It is axiomatically impossible that this deterrent is not credible.”

Thus, when it comes to the question of strategic antibalistic missile defense, ESECS maintains that the U.S. nuclear umbrella over Europe makes such a program unnecessary; when it comes to justifying the need for a “decoupled” Europe, ESECS readily affirms that the umbrella no longer exists. “I would say that it is not credible to assume that NATO could defend itself without improving its conventional defenses. It is no longer possible for us to simply rely on the nuclear option or even mainly rely on it,” stated Bowie. “The United States may not be willing to go to all-out nuclear war to save Europe from a conventional attack.”

Then what prevents the Soviets from moving against Europe? Their adherence to the MAD doctrine and their desire to maintain a stable “balance of powers,” as well as their fear of an unpredictable Western response, according to Michael Howard of British intelligence. “There can be no winners in a nuclear war or even a large-scale war of a

conventional nature, and they can’t be sure of what we would do,” he said in a 1982 interview. The Soviets have no real desire to occupy all of Europe, and even if they were to attack, they would probably only go as far as the Rhine, he said, and they would not use nuclear weapons. Therefore, if we build up our conventional defenses to stop such an advance, Europe is safe—so goes the argument.

NATO’s conventional weakness

To sell their package, ESECS assembled overwhelming evidence of Warsaw Pact superiority over NATO’s conventional defenses. Among the decisive vulnerabilities they pointed to:

- NATO does not have effective battlefield target acquisition capabilities. For example, sophisticated U.S. surveillance aircraft such as AWACS are not “hooked up” to provide NATO with targeting data. Therefore, NATO would waste precious firepower on the wrong targets. Even if NATO possessed such target acquisition capabilities, they could easily be knocked out under current conditions by Warsaw Pact electronic warfare and related measures.

- NATO would be unable to withstand a Warsaw Pact conventional artillery barrage once an attack begins. Its forward-deployed forces would be wiped out almost immediately—without the enemy’s use of nuclear weapons.

- NATO is unable to defend itself against a massed Warsaw Pact conventional air strike against its air bases. ESECS found that NATO’s air defense lacks the ability to coordinate or operate in the same air space as its air units.

- NATO lacks the means to strike deep enough into Warsaw Pact territory to hit command and control centers, or even to identify such targets.

- NATO lacks the means to suppress Warsaw Pact air power operating over NATO territory.

- NATO lacks the firepower to break up Soviet armored attacks.

The study further states that the Warsaw Pact command now perceives NATO as being unable to take crucial steps in its own defense; this, they argue, would force an early resort to nuclear weapons.

ESECS neglects to acknowledge that this situation is the result of decisions made by its own members and collaborators.

Making matters worse

ESECS recommends a \$30 billion program to acquire and place in the field what it describes as crucial conventional technologies. Most concern improvements of NATO’s air defenses, target acquisition, and acquisition of guided submunitions (such as hand-held rockets). ESECS would like nothing better than for the alliance to be consumed in endless debate over the relative merits of its individual proposals.

While most of what is recommended is in fact necessary, the overall approach is misdirected. The key to that misdirection is a passage stating that the ESECS authors “reject”

thinking about weapons systems that "could cause a quantum leap" in military technologies. This latter phrase is code for discussion of directed-energy battlefield or strategic weapons. The ESECS crowd recognizes that such technologies would end the MAD doctrine itself. This explains the hysterical denunciations by ESECS spokesmen of the March 23 proposals and their potential spinoffs for the European members of NATO.

"Why should we think about that?" expostulated ESECS director Bowie. "Our report and the Reagan proposals must remain unrelated. We are concerned with the here and now, not some Star Wars nonsense in the next century. We must deal with feasible and tested weapons that are available here and now."

Bowie became more precise: "We cannot have a strategy based on winning a nuclear war or making fighting a nuclear war feasible. What we are proposing is a real defensive strategy, a conventional strategy. Conventional deterrence is real deterrence, because we won't ever fight a nuclear war, and if we do, its outcome won't matter. Defensive technologies based on Star Wars systems make people think that you can fight nuclear wars. Deterrence collapses. . . . All we are trying to do is preserve flexible response within a realistic framework."

According to the Pugwash "Great Game," this insanity is projected to be the strategic thinking of the Soviet Union as well. When asked about Soviet development of beam weapons, Bowie replied, "Who is to say that they would deploy them even if they developed them? Why wouldn't they hold back and preserve the balance the way it is? They are at no disadvantage." If the Soviets were to cheat, he continued, the West could develop something to counter the deployment.

Suffice it to say that the Soviets make no distinction between "conventional" and nuclear weaponry of the sort maintained in NATO; their ground forces are completely nuclearized. No buildup of the sort ESECS advocates would stop them in Europe. But ESECS rejects out of hand equipment such as the neutron bomb which would be necessary (see interview, page 21) to repeal a Soviet advance in Europe.

ESECS plans to gain support for its conventional deterrence strategy from the peace movement as "a viable alternative to nuclear holocaust." "Much of the peace movement is composed of responsible people who are motivated by the fear of nuclear war," said Bowie last spring. "I am sure that they will be interested in what we have to say. We offer the alternative between holocaust and surrender. . . . We will see justification for our report in the unrest over deployment of the Pershings and cruise missiles [in Europe]. The more NATO concentrates on its nuclear deterrent, even within the theatre, the weaker it becomes politically. ESECS is the way out, the only way out."

A source linked to the senior levels of the U.S. Defense Department commented, "The whole defense debate is now skewed toward discussion of how to build up conventionally and why. This extends to all the top people in the Pentagon,

the Joint Chiefs, and NATO. Everybody is responding to it. In a way, ESECS is already succeeding."

To deter an enemy, a nation must be prepared to fight and win. It must have a war-winning doctrine that presupposes the use of all available weapons in its arsenal—including nuclear weapons. ESECS rejects development of directed-energy defensive weapons because that would supersede the MAD doctrine. ESECS does not propose a defense of NATO, but a defense of MAD; as its members, though not its report, admit, ESECS seeks an "independent Europe" and a United States relying on nothing but the passivity of the U.S.S.R. for its survival. This, then, is the deal Lord Carrington and his ESECS accomplices are offering the Soviets: a disarmed West, with Europe and its "conventional deterrent" more vulnerable than ever to the U.S.S.R.

U.S. members of ESECS

American members of the European Security Study (ESECS) include:

Robert R. Bowie, professor of government, Harvard University; senior fellow, Brookings Institution; Council on Foreign Relations (CFR); Trilateral Commission; special adviser to the U.S. High Commissioner in Germany; former Director of Estimates, CIA.

McGeorge Bundy, CFR; former National Security Adviser to President Kennedy.

Alton Frye, Washington director, CFR; arms-control specialist.

General Andrew Goodpaster, former NATO Supreme Allied Commander in Europe.

Milton Katz, MIT; consultant to DOD and NSC; Carnegie Endowment for International Peace; formerly with RAND; former deputy director, OSS in Italy.

Franklin A. Long, Cornell University; former Arms Control Association director; former assistant director, Arms Control and Disarmament Agency.

William J. Perry, investment banker; former undersecretary of defense for research.

Marshall Schulman, director of Columbia University's Russian Studies Institute; former director of studies, CFR.

Richard H. Ullman, Princeton University; editorial board, *New York Times*; director, CFR 1980s Project.

Moscow enters 1984 on war footing

by Rachel Douglas

The military-controlled Soviet leadership emerged from its end-of-year policy meetings, meetings that were wholly devoted to mobilization for war, breathing fire against the U.S. President. The fascist "1984" of George Orwell's prophecies is here, proclaimed the Moscow weekly *New Times*, and Big Brother is none other than Ronald Reagan. In Havana, Fidel Castro opened the new year with a speech in which he attacked Reagan and members of his administration as "Nazi-fascist barbarians" driving the world toward nuclear holocaust.

These tirades are propaganda back-up to mobilize the Soviet population for the U.S.S.R.'s own war preparations, which include the very live contingency of a strike against West Germany under the pretext of stopping a rebirth of Nazism which the Soviets themselves are in fact promoting.

The latest Soviet activity in Afghanistan points toward military offensives in South and West Asia as well. The Defense Ministry daily *Krasnaya Zvezda* (*Red Star*) announced Jan. 2 that Afghan "anti-aircraft rocket units" are being trained by the Soviets in the use of what Western experts say are SA-3 surface-to-air missiles. Since these rockets are irrelevant to the conduct of the guerrilla war in Afghanistan, their targets lie outside that nation, in Iran and Pakistan, both already the focus of heavy Soviet pressure and asset-building efforts.

Economic mobilization

The escalation in Afghanistan, like the huge shift of Soviet ground and naval forces into the Baltic Sea area on NATO's northern flank in recent weeks, is taking place in the framework of the military dictatorship's current strategy: to force a global showdown in which the United States either backs down decisively or is defeated in all-out thermonuclear

war by the margin of Soviet military superiority.

In their own year-end speeches and in the name of publicly invisible head of state Yuri Andropov, Soviet marshals told the population that they must fight and win World War III before it breaks out.

The speech read for Andropov at the party Central Committee plenum on Dec. 26 demanded to solve the "subjective problems" of the Soviet economy, forcing it into the war economy mode of World War II. "In the present international situation, which has been sharply aggravated through the fault of imperialist circles," said Andropov, "the strict implementation of the [economic] plan becomes not just an obligation, but also the patriotic duty of every Soviet person."

The speech called for running industry at fuller capacity by a return to three shifts, which he complained had virtually "died away." To contend with the U.S.S.R.'s labor shortage, Andropov's speech demanded that managers remember how "in the pre-war years there was an active fight to reduce labor-intensity."

In covering the speech, the party paper *Pravda* again brought up the military context for the economic management experiments Andropov charted earlier in 1983, which were reconfirmed at the plenum. "A wise man once said," according to *Pravda*, "that any reform should be put into practice with the same kind of persistence with which a people wages a liberation struggle."

On Dec. 22 and 23, before the Central Committee convened, a conference in Moscow sponsored by the Defense Ministry, the Main Political Administration of the Army and Fleet, and the Soviet Committee of War Veterans brought together senior officers to discuss the military-economic strategies of World War II and the parallels to the current

situation. Marshal Sergei Akhromeyev, the first deputy chief of staff, emphasized in his keynote speech that going on the offensive was the crucial shift in winning World War II.

"One of the most important lessons" to be drawn from World War II, said Akhromeyev, "is that one must fight against war before it breaks out. . . . It is necessary to stop the aggressor before it is too late. . . . The Soviet Union is warning that it will not permit military supremacy by the U.S.A. over the U.S.S.R. Aggressive actions against our country, our friends, and allies will meet a most decisive rebuff. Retribution will overtake the aggressor inevitably and without delay." The Soviet Armed Forces are equipped with everything necessary to deliver "an immediate crushing blow."

General-Colonel Golushko of the Soviet Rear Services said that the Soviets' economic mobilization was key to the success of their military offensives against Hitler's armies.

First Deputy Defense Minister Marshal S. L. Sokolov, who chaired this conference, took to the pages of the government daily *Izvestia* the next day to lay down the military's requirements. The party must consider it "its sacred duty, a thing of first-ranking importance especially in the current international situation," to keep the defense capabilities on a level "corresponding to the demands and the character of modern war." The backbone of the Soviet war machine, stressed Sokolov, is the strategic nuclear forces—strategic missile troops, nuclear submarines and bombers. "They are all in permanent combat readiness," he stressed.

Attacks on beam weapons

Repeating the most pernicious Soviet propaganda lie of 1983, Sokolov singled out Reagan's policy of building defensive strategic weapons, actually the door-opener to a doctrine of assured survival for both superpowers, as a war-monger's design. "New systems of anti-missile defense and space militarization" are part of Pentagon plans for a "surprise nuclear strike" against the Soviet Union, he asserted.

Krasnaya Zvezda has taken the lead in vilifying the advocates of defensive beam weapons, while fostering a pre-war atmosphere with recent depictions of total encirclement of the U.S.S.R., American cruise missiles creeping across Soviet borders from all sides, American space-based lasers killing individual Soviet citizens on earth, and the sudden revival of ominous "neo-Nazi" movements.

One Professor Volkov wrote in *Krasnaya Zvezda* that in West Germany, it is only "neo-Nazis" who support the deployment of American Pershing II missiles there. He claims to have seen young people wearing swastikas and SS symbols, who demonstrated with the slogan: "Better a Pershing in your garden than a red flag on the roof." In fact, this slogan has been used by the European Labor Party (ELP), the leading anti-fascist force in West Germany and the continent's chief advocates of beam weapons, in its campaign to prevent the Soviet-sought splintering of NATO over the Pershing issue. The ELP has exposed not only Warsaw Pact funding of the "green-peace movement" in Europe, but the fact that

the leadership of that movement is composed in part of old Nazis.

Volkov's lie is coherent with a campaign of slanders against the ELP in media such as the anarchist-terrorist *Tageszeitung*, a campaign bent on eliminating pro-American influences from West Germany. Volkov naturally omitted to mention that the Bonn interior ministry recently outlawed the neo-Nazi organization of Michael Kuehnen, since he wanted to show that the interior ministry protects neo-Nazis. He also neglected to tell his readers how the Soviets, through "Nazi International" channels, themselves finance and support neo-Nazi groups, to use their existence as a pretext for possible military interventions.

Already in 1976, Soviet and East German forces ran an exercise named "Polarka," whose scenario called for a neo-Nazi threat in West Germany to be crushed by a military surprise attack, followed by rapid withdrawal. A foreign-policy expert in Bonn said this month that the Soviets have their forces ready to repeat this exercise in the spring of 1984, as part of a global war of nerves against the United States.

Politburo expanded

Not only in the speeches, but also in the appointments announced at the plenum, was the war mobilization apparent. When the meeting convened, party General Secretary Andropov had not been seen in public for 130 days, his place in the public eye having been taken by the Soviet marshals. Before his disappearance, however, Andropov was the military's favored candidate to lead the party, and his associates continue to gain ground. At the plenum, the party's highest bodies were expanded by the addition of individuals either personally associated with Andropov, or from the Russian Republic (RSFSR), stronghold of the Russian chauvinism that has run rampant as the Soviet Union built for war.

Two non-voting members of the Politburo were elevated to full membership, bringing the number of full members to 13. These are Vitalii Vorotnikov, the prime minister of the RSFSR, and his predecessor in that post, Mikhail Solomentsev, who in 1983 replaced the late Arvid Pelshe as head of the Party Control Commission. KGB chairman Viktor Chebrikov, who was a KGB deputy chairman for 13 years while Andropov headed the Soviet intelligence organization, became a non-voting member of the Politburo. Yegor Ligachev, brought by Andropov to Moscow from a party position in Tomsk, Siberia just weeks after Leonid Brezhnev died, to head of the cadres department of the Central Committee, received the rank of Central Committee Secretary. From the cadre section of the committee's staff organization, the Secretariat, Ligachev will be a powerful force in purges of the party apparatus.

Solomentsev was appointed prime minister of the Russian Republic in 1971, but was blocked from full membership in the Politburo as long as Brezhnev lived. The Party Control Commission, which he took charge of in June 1983, will also be important in party purges.

Ambassador Arthur Burns is out to decouple West Germany from NATO

by Kathy Burdman

U.S. Ambassador to West Germany Arthur Burns, instead of promoting American interests in Europe, is working with Moscow to push the Federal Republic out of NATO, and reunify it with East Germany, sources at the American Enterprise Institute in Washington said the first week of January. At the time of his appointment as ambassador, Burns, a founder of AEI, was an AEI senior fellow.

Burns's thinking is that "we have to go back and reexamine our whole history of a strong relationship with Germany. We have to ask 'Why should we have a strong relationship with Germany?'," a top AEI official said Jan. 4. "What's wrong with German reunification?"

"Decoupling" Germany, according to sources, was discussed with Henry Kissinger at the Vail, Colorado AEI conference last summer, and is being discussed now with former Kissinger aide Robert McFarlane, director of the National Security Council.

Burns is promoting the decoupling, by deliberately giving Germans the impression that President Ronald Reagan is indifferent to Germany. Germany will break with the United States, Burns is telling intimates, because Reagan's defense policy is to abandon Germany and because Reagan's budget deficits will wreck the German economy, causing anti-U.S. sentiment to sweep the country.

The German economy is about to collapse, Burns believes, and along with it the German mark (see Foreign Exchange, page 13). This crisis will be blamed on President Reagan's economic policies, bringing in an anti-American Social Democratic government—which will take West Germany out of NATO.

European Labor Party chairman Helga Zepp-LaRouche, in a major statement on Jan. 2, called for a battle to save Germany and halt the "total decoupling" of Europe. There is an immediate danger, she said, within the next weeks of a military strike by the Soviets against West Germany or of Germany splitting from NATO. Either development could trigger World War III—or at the very least destroy America's standing as a superpower.

These are the stakes as the ambassador to Bonn contributes to pushing Germany out of NATO. The United States' sole option is to act forcefully to prevent Germany from

leaving NATO. The clearest way to do this is to recall Ambassador Arthur Burns from Bonn, she stated.

The 'neutralization' advocates

Who is Arthur Burns and why is he betraying his President?

The Austrian-born Burns is an asset of the "*Mittleuropa*" Central Europeans who prefer a neutralized Europe in the shadow of Soviet domination to a strengthened alliance with the United States. Trained during the 1920s by Wesley Mitchell, the leading monetarist of the University of Vienna, Burns himself trained such opponents of government action to strengthen defense and the economy as Milton Friedman and current White House adviser Martin Feldstein, who recently made headlines with his demands the President slash U.S. defense spending.

During the 1950s, Burns became Eisenhower's chief economic adviser, attempting to curb U.S. defense spending and industrial expansion. In 1971, as head of the Federal Reserve, Burns presided over the decoupling of the dollar from gold and the creation of the offshore Euromarket slushpile which has fueled speculation and black operations by oligarchic financial elements (and by the Soviets), at the expense of U.S. capital flows into productive investment.

As ambassador to West Germany, Burns was complicit in transmitting the mis-estimates of the threat of violence during George Bush's visit there in May. A violent attack on the Bush motorcade was launched by "green-peace movement" members which could have succeeded in assassinating the Vice-President. On Aug. 3, a Green Party deputy, Frank Schwalba-Hoth, poured a bottle of blood on Gen. Paul Williams, commander-general of the U.S. Fifth Army Corps, shouting, "Here is blood for the bloody Army!" and on Aug. 7, the U.S. Air Force officers' club was bombed by "the movement." Nevertheless, during the month of August, Burns was occupied with arranging a September visit to the United States by Green Party leaders Petra Kelly and former general Gerd Bastian in the United States, including a speech to the New York Council on Foreign Relations, meetings with the State Department, and discussions at the National War College.

Now, Burns is meeting with West German Chancellor Kohl and asking him and other European leaders, including British Prime Minister Margaret Thatcher and French President François Mitterrand, to get on the telephone with Reagan and demand that he cut the U.S. defense budget.

Reagan policy 'garbage'

Burns is lying to Western European leaders, starting with West German Chancellor Helmut Kohl, about President Reagan's policy toward Europe.

The most outright lie has been to tell European leaders that President Reagan's beam-weapons defense policy is anti-European. Burns believes, AEI officials say, that President Reagan and Defense Secretary Caspar Weinberger, by promoting beam weapons, are planning to only look to the United States and leave Europe defenseless. The Burns group believes the Reagan beam-weapons program is "neo-isolationist garbage," the AEI aide stated. "The worst thing the U.S. can do is reach out for a revolution [in strategic doctrine]. . . ."

Under current strategic doctrine, the United States must start a nuclear war to defend Europe—a war NATO would lose, given the current Soviet advantage. Therefore, Reagan and Weinberger have proposed to build defensive high-technology energy-beam systems to shoot down Soviet missiles, a revolutionary doctrine which the President has stated could lead to "Mutually Assured Survival," if each superpower deployed such systems.

Burns is "playing back" the hornets' nest in Europe into Washington. He is using reports of European anger at the U.S. budget deficit—anger he encourages—to attempt to manipulate the President into accepting cuts in the Weinberger defense budget and stifling the beam program to assuage the allies.

Burns is telling the White House that Europe wants "a responsible U.S. behavior toward maintaining deterrence [MAD], and negotiating with the Soviet Union," one AEI source said. "There's no sentiment in Europe for junking the ABM Treaty [which in fact does not ban new anti-missile weapons such as beams—ed.]. Burns is saying 'Lie low, don't overload the circuits.' "

From a Jan. 4 interview with a an American Enterprise Institute member who is close to Ambassador Burns, provided to EIR by a financial journalist.

Q: In Dr. Burns's discussions with European leaders, with Kohl, what does he tell them about U.S. policies?

A: He puts the best construction he can.

Q: Does he suggest that they do certain things to get the administration to change its policy? He would like to see the budget pared down, right?

A: Yes, threefold aspects, social programs, defense programs, and taxation.

Q: The same as [former Social Democratic Chancellor] Helmut Schmidt?

A: Right.

Q: So Dr. Burns is trying to develop a consensus in Europe that the European leaders should tell the U.S. that themselves?

A: Yes, I think so, [Burns is telling European leaders] that it's important to communicate that at the very top of the system and not just through these meetings we have of inter-agency groups. . . . To be pretty explicit about what the Europeans expect from the Americans.

Q: You mean that Kohl should call up Reagan and tell him to cut the budget?

A: Well, [laughs] there are some in the Reagan administration that would give Reagan advice about where to tell Kohl to put his advice.

Q: But isn't that what it comes down to?

A: Of course, and they have these communications, Mrs. Thatcher has them, Mitterrand has them. We have her economic adviser here in residence, Sir Alan Walters, who feels very strongly about this too, he talks with her all the time, and I'm sure he's giving her a feel for what's going on in Washington in January and February.

Q: So he's telling her to up the pressure?

A: I don't know but somehow she's putting the heat on.

Q: . . . If you and Dr. Burns think that we should reduce the Weinberger defense budget from the Weinberger proposal of 16 percent real growth to 5 percent [as he said this month], what kinds of things should be cut?

A: Well it inevitably comes to the structure of forces in Europe, they take up a very big bulk of that budget, one way or another. . . .

Q: So what do we cut? Cut budget in Europe?

A: Cut budget in Europe, and we're going to have to cut back on standing forces, most of the budget is in personnel. That's where the largest part of the active force is, next to the continental United States, which is largely backup for Europe. If we just want to cut the defense budget, given the current strategy, then it's inevitably going to show up in Europe. If we couple that with the current economic frictions with the Europeans we get a situation where we could have a lot of frightened deer on our hands.

Q: Did you see the report by the European Security Study [ESECS], the one that Carroll Wilson ran, "Strengthening Deterrence in Europe"? What do you think of that? It's not a big bucks proposal.

A: It seems the most promising one of the group. If we can get by on the margin, with a more conventional emphasis, terrific.

Q: Weinberger is running around Europe assuring the Europeans that the [U.S. defense] money is going to be spent on the defense of Europe, and Weinberger claims that not only is there a conventional backup but the U.S. nuclear umbrella is over Europe.

A: Yes, [laughs] that's what every American defense secretary will say.

Q: It seems to me that Dr. Burns is warning people that that's not the case, because if the U.S. is going to cut the defense budget—

A: Well, it's unclear because the cheapest thing you buy is the strategic deterrence [MAD].

Q: Aren't you really saying that the U.S. is not willing to use it strategic deterrent?

A: Well, that's been broached by Kissinger, to say that probably this nationalism in U.S. policy means that it might hesitate.

Q: What does Dr. Burns think? He's basing it [the budget-cutting demand] on the concept of strategic deterrence?

A: Yes.

Q: The Carroll Wilson study says there will be no nuclear war, and therefore in fact the U.S. doesn't really need to maintain a nuclear umbrella over Europe.

A: Well, we'll lose the Germans, then.

Q: We have a report that as part of the idea of Reagan and Weinberger on the Star Wars thing, they are talking about proposing the U.S. spend \$100 billion on this Star Wars program to defend, they claim, both the U.S. and Europe from Soviet missiles.

A: Well, I don't know much about that. My impression was that all those space things were very incremental increases.

Q: But you're pointing out that the U.S. doesn't have a solution for Europe within the concept of strategic deterrence.

A: It [MAD] is tattered, but I'm saying that it's possible to revive it in some way. I'm saying that the worst thing the U.S. can do in these circumstances is reach out for a revolution [against MAD]. But if something is on the drawing board, then you can assume that people have already decided that NATO is a writeoff.

Q: What?

A: There's no way that strategy will work into NATO strategy, no way, a Star Wars approach to European defense. This is in addition to the existing budget, an add-on?

Q: Yes.

A: Oh well, that's off the wall, that kind of approach. That's bad for the markets and bad for NATO, that approach. But it may indicate a decision that NATO's a writeoff, that given

our other strategic commitments in the LDCs and so on, it's not worth it.

Q: Why is it bad for NATO? Weinberger is telling Europe that this is what the administration is going to do to put a real umbrella over Europe, that these [beam weapons] systems will be put up to defend Europe as well as the United States. That's not true?

A: I don't know, the problem is political. It would involve revisions in NATO strategy and European conceptions of U.S. commitment to Europe which just aren't going to wash. This is neo-isolationist garbage, this idea of an antiballistic-missile umbrella over Europe.

Q: What they're saying [Weinberger and Reagan] is that strategic deterrence isn't working, for the reasons you've outlined.

A: I know, but strategic deterrence is the basis of NATO, there is no other basis in the strategy. It says that the American people are as much involved in this [i.e., hostage to nuclear threat] as Europeans. Now, Weinberger is saying that nobody has to be involved! It's gonna be a clear operation. That's just isolationist garbage . . . he's saying there isn't going to be a war, that he's going to prevent war.

Q: You're saying that to build one of these [beam] antiballistic-missile systems. . . .

A: Basically he's cutting the ground out from under the idea of mutual deterrence, because he's saying the offensive systems are no longer the basis for the defense. . . . But if he's saying I've got something in its place [MAD's place] he's going to have to face the music in NATO as to whether it really is anything that NATO can live with. For example, won't it just simply destabilize the deterrence relationship?

Q: You were in Moscow, is that what the Soviets think too?

A: Yes, they have two views, on the one hand they think this, and a lot of Americans think this, but on the other hand [they think] if the U.S. is going forward with it then we have no choice but to do the same thing.

Q: What you're saying is that the message Dr. Burns is sending from Europe is that the Europeans want to see a continuance of mutual deterrence.

A: Yes, a responsible U.S. behavior toward maintaining deterrence, and negotiating with the Soviet Union, as well to improve our strategic forces. And making some strategic offers. And that there's no sentiment in Europe for junking the ABM treaty. And that the U.S. should not be throwing new items into its strategy, throwing it out in an experimental way before it gets discussed in NATO.

Q: So Dr. Burns is telling the White House, "Don't do it" [the beam-weapons program]?

A: He's saying "Lie low, don't overload the circuits."

Partition of Lebanon rapidly becoming a fact

by Judith Wyer

With his Jan. 4 announcement that he would seek a dialogue with Syrian President Hafez al-Assad following the freeing of U.S. navy flyer Lt. Robert Goodman, President Ronald Reagan contradicted his stated commitment to the unity of Lebanon and his pledge, given only two weeks earlier, to bring about a solution to the Arab-Israeli conflict. Reagan's presidential campaign advisers, along with Secretary of State George Shultz, have apparently sold the President on an early withdrawal of the U.S. Marines from Lebanon to avoid a brawl with Congress over the issue once it convenes Jan. 23: a brawl which, these advisers threaten, would play to the advantage of Reagan's front-running Democratic competitor Walter Mondale.

Shultz, since his Dec. 17 meeting with Henry Kissinger, has been urging Reagan to adopt a "political solution" to Lebanon, a polite term for Kissinger's decade-old plan to split Lebanon between Israel and Syria.

Two contradictory policies

But, as *EIR* founder Lyndon LaRouche warned in a year-end statement on "U.S. Policy Toward Lebanon," President Reagan will "never be allowed to suspect that this 'political solution' is part of pushing through the 'New Yalta' submission to an enlarged Soviet Empire which Carrington and Kissinger are pushing. . . . Unless someone gets the facts through to the President's attention, the United States will continue to have, simultaneously, two contradictory policies in Lebanon."

LaRouche, a declared Democratic presidential candidate and the only such candidate to challenge the Kissinger partition policy, wrote in his Dec. 30 statement that "there is in effect no consistent U.S. policy toward Lebanon; there are two directly opposing policies afoot, each of which nullifies the other entirely. The first of these two policies is a diluted continuation of the earlier 'Reagan plan' for the Middle East, which I support as a workable approach to developing a sound Middle East policy. The second, opposing policy seeks to obtain conditions for withdrawal of U.S. military presence in Lebanon through the triple-partition of that nation; this wicked policy, which I strongly oppose, is sometimes dignified by the misleading name of 'political solution.'"

LaRouche said that the partition of Lebanon conforms to

the long-term plan of undermining every sovereign nation of the Mideast, thereby undermining any prospect of the Reagan Mideast plan. Lebanon's partition ushers in a plan for the dismemberment of states through the spread of savage Khomeini-style fundamentalism, as outlined by British "Arabist" Bernard Lewis of Princeton University. LaRouche draws out the strategic purpose in such a policy, to destroy the United States and its Mideast allies and turn the area over to the Soviets as part of a New Yalta which Kissinger and his business partner Lord Carrington are facilitating. More profoundly, such a humiliation of the United States in the Middle East will be used to pressure the President to back away from his commitment to beam-weapons strategic defense, a policy goal shared by Moscow and the Kissinger-Carrington "Pugwash" crowd in the West.

Key to Reagan's slide toward the disastrous "political solution" option—jeopardizing his reiterated commitment to Lebanese national sovereignty—has been the pressure of the 1984 presidential election. Following his Dec. 17 tête-à-tête with Kissinger, Shultz reportedly convinced the President to court the "peace vote" and offset his image as a warmonger—an image concocted, incidentally, by Shultz's co-thinkers in the notoriously KGB-influenced U.S. national media—by piecing together a "political solution" that would allow the U.S. to extricate itself militarily from Lebanon.

This solution, say Washington insiders, would consist of setting up three zones in Lebanon: a southern zone administered by Israel, a northern zone administered by Syria, and a greater Beirut under a modified government of Lebanese President Amin Gemayel—de facto partition.

Courting Syria

The loudest herald of U.S. capitulation to the partition plan is the sudden courtship of Syria. Starting the last week of December, previously widely voiced accusations by U.S. administration figures and the press that Syria backs the Iranian-deployed terrorist bombings in Lebanon ceased. White House Middle East envoy Donald Rumsfeld arrived in Beirut on Jan. 4 carrying a plan which he will present to Gemayel and later to Syrian President Assad. The plan is said to outline the limited deployment of the Lebanese army and police to replace the U.S. Marines once they are removed from the

airport south of Beirut. The army will move into a 40-mile coastal strip to the north up to the Syrian-held enclave at the village of Barbarah and to the south to the Israeli-controlled enclave at the Awali River.

This de facto partition scheme fits into the "greater Syria" dreams of Syrian President Assad, who had refused to meet Rumsfeld during his trip to Damascus last month, but released Lieutenant Goodman on Jan. 3 in the hopes of a payoff in the form of a chunk of Lebanon.

It was during welcome-home ceremonies for Goodman at the White House on Jan. 4 that Reagan declared that the release "affords us a unique opportunity. . . . I took advantage of this opportunity to write to the president to Syria and call for Syrian cooperation in securing peace in Lebanon."

Both Kissinger, who set up the pro-Syrian tilt, and the Rev. Jesse Jackson, who played the role of securing Goodman's release from Syria, are not newcomers to the cynical game of manipulating hostages in the Middle East to private political ends. It was Kissinger who put into motion the Iranian hostage affair by engineering the entry of the Shah into the United States, and during that dismal episode Jackson traveled to Teheran to bargain for the release of the U.S. hostages taken by Khomeini.

Bringing in the Soviets

"Courting" Syria is meaningless unless the suitor is brought home to meet Mother, in this case Mother Russia, the military supplier of the Assad marcher-lord regime. In a late-November interview, Assad affirmed that to engage his cooperation in peace efforts, Washington would have to accept his military ally the U.S.S.R. as an equal partner in peacemaking. Shultz is a vocal proponent of giving the Soviets diplomatic clout in the Mideast. But under circumstances of deteriorated East-West relations, such a concession would simply advance Kissinger's "New Yalta" scheme to surrender the Middle East to Moscow.

The withdrawal of the U.S.-led multinational forces (MNF) was signaled by the announcement from Paris on Jan. 3 that nearly 500 troops from the French force, considered the strongest contingent next to the U.S. Marines, were to be deployed to the United Nations Force (UNIFIL) in southern Lebanon by the end of the month. United Nations sources say that French President François Mitterrand, the firmest supporter of the U.S. military stance in Lebanon, now favors replacing the MNF with a United Nations force heavily Western European in composition.

The hitch is that the Soviet Union has veto power over such a U.N. deployment, giving Moscow a voice in the future of Lebanon. A high-ranking Soviet is to arrive in Paris later in January to discuss the U.N. force plan with the Mitterrand government.

Britain, which has a small contingent within the MNF, also leans towards replacing it with U.N. forces. British Prime Minister Margaret Thatcher on Jan. 5 urged caution in withdrawing the MNF for fear of a Muslim-Christian mas-

sacre and suggested the U.N. send a replacement. Last month Italy, the fourth partner in the MNF, announced that it was halving its 2,200-man force in Lebanon.

For their part, U.S.-allied Arab leaders are also attempting to accommodate Moscow's bid for an increased role in the Mideast, out of fear of a superpower showdown. Lebanese Foreign Minister Elie Salem conferred with Soviet Ambassador to Lebanon Aleksandr Soldatov on Dec. 30, while Lebanese President Gemayel conferred with the U.S. Ambassador, Reginald Bartholomew. The Lebanese urged both superpowers to cool the Lebanon powderkeg. Following the Salem-Soldatov meeting, Salem told the press: "Israel must withdraw from Lebanon without prior conditions. . . . The Multinational Force can withdraw along with Israel because they are not doing anything anyway."

The role of Arafat

Kissinger and Shultz's domination of U.S. Lebanon policy may also put PLO leader Yassir Arafat in the position of promoting Moscow's ambitions in the region, through default. Privately Arafat is said to support Egyptian President Mubarak and the Reagan peace plan, but publicly he has established a fallback option, for fear that Reagan may not succeed in delivering Israel to the negotiating table. During a Jan. 3 meeting with the PLO Executive Committee in Tunis, Arafat called for future peace talks to be conducted in keeping with the Arab League's Fez Plan, which calls for Soviet participation in comprehensive peace talks.

The background to this is Arafat's Dec. 20 escape from Tripoli, Lebanon, where he had been besieged for weeks by Syrian-backed mercenaries and then by Israel. Indications that he would rapidly move to split the PLO and form a government-in-exile to join Jordan's King Hussein in talks on the West Bank, in line with the Reagan plan, were corroborated two days later when Arafat met Mubarak in Egypt to discuss a joint strategy on the Palestine question. Arafat's visit ended the six-year political isolation of Egypt in the Arab world that followed its role in the Camp David talks with Israel. The Mubarak government has stated its readiness to move the stalled Reagan Plan forward through its dialogue with Arafat and Hussein.

Israel's response to the Mubarak-Arafat meeting confirms Arafat's doubts, since Israeli Prime Minister Shamir called the meeting a blow to peace in the Mideast and accused Egypt of breaching the Camp David accords.

The Shamir government is unnerved by the U.S. tilt toward Syria, fearing that it will undermine the May 17, 1983 Israel-Lebanon agreement, which calls for simultaneous withdrawal from Lebanon by both Israel and Syria. Syria's position is that the United States and Israel must first withdraw, and then Syria will move out. Israel began its most intense bombing yet of Palestinian extremist and Iranian-backed suicide terrorists in Lebanon the first week of January, preparing for an Israeli troop pullback from the southern Lebanese town of Sidon to south of the Awali River.

Blackout shows threat to national security

by Clifford Gaddy in Stockholm

In the early afternoon of Tuesday, Dec. 27, a fault in a transformer station northwest of Stockholm short-circuited the station and led to a total electrical blackout of the greater part of the national power grid. Parts of Sweden remained without power for up to 24 hours. This most serious power failure in Swedish history occurred at a time when Sweden's vulnerability to the Soviet Union is a major issue.

Yet the first published report that the Swedish blackout may have been due to sabotage appeared in Italy, not Sweden. The Milan daily *Corriere della Sera* carried statements from high-level Swedish citizens "who wished to remain anonymous," emphasizing the disastrous effects of the blackout, which downed defense systems, nuclear power plants, computers—everything that is necessary to protect Sweden from military attack.

Inside Sweden, the authorities and the media stuck to the story that the blackout was due to "excessive wear" on a disconnecting switch located outdoors, at the remote Hamra transformer station. The station itself was one of the most important in Sweden; according to one newspaper account, its very location was a military secret before the power failure.

The suspicion of sabotage was foremost in the minds of most Swedes during the hours of darkness following the shutdown. Spontaneous reactions ranged from the little boy on a Stockholm street asking "Mommy, does this mean the Russians are coming?" to immediate emergency measures by military personnel on duty.

Even though Swedish newspapers avoided the sabotage question, hardly any editorial commentary failed to mention that the blackout proved how easy it would be to shut down the entire Swedish power grid in one blow. Typical was the editorial in the Stockholm daily *Expressen* the day after the blackout: "Sabotage the right transformer station, and Sweden lies there paralyzed and dark. This is a haunting perspective."

Norwegian saboteurs uncovered

There is no question that the capability for carrying out such sabotage exists. Earlier last month, the Norwegian se-

curity police announced that they had conducted a four-year investigation into the "Achilles Division," formed in the late 1970s. Plans by the group to destroy 35 power stations in Norway were uncovered. According to one high-level Norwegian strategist, initial 1979 reports on the Achilles group showed that they "definitely had ties to the Soviet Union. According to the reports I saw, they were financed and trained by the Soviets and had allegiances in beliefs to the U.S.S.R."

The source described Achilles as a "saboteur" group against industrial targets. "They were particularly created for actions against the power sector, especially hydro-power. They were preparing for these operations all across Europe, but particularly in countries where hydro-power is important, which is what made Norway so concerned at the time."

The strategist had no corroboration of links between the Achilles Division and current reports of elite Soviet commando squads, known as "Spetsnaz," being activated for sabotage operations in Sweden, but he stated: "Contingency plans for these things exist, and in time of war we in Scandinavia are early on the firing line."

On Dec. 21, the Soviet government newspaper *Izvestia* reported the story of the Achilles Division in bold type on its front page—very uncharacteristic for the Russian newspaper—claiming that the fact that the Norwegians had taken four years to produce information on the group is a demonstration of their ineptitude. The *Izvestia* piece ended with a quotation from the Norwegian paper *Aftenposten* that the Achilles group "shows that we are not immune to terrorism."

Earlier last month, British and French intelligence sources reported that Spetsnaz commandos had been put into place in sensitive points in Sweden. At the same time, the Swedish armed forces have recently formed special "anti-Spetsnaz" units in the Air Force, whose task is to prevent sabotage of Sweden's network of secret fighter bases. Official manuals addressed to Swedish troops have carried a series of articles on Spetsnaz, warning personnel to be on the watch.

An article in the Dec. 30 London *Times* by terrorism specialist Brian Crozier, entitled "Who's Next for Soviet Killer Squads?" commented, "It is generally known that sabotage of a country's power grid would be a top priority for Spetsnaz units. The authoritative report on Spetsnaz, carried in the July issue of the *International Defense Review*, lists as priority tasks for Spetsnaz: 1) assassinations of leaders, 2) destruction of nuclear missiles, 3) sabotage of command centers, 4) destruction of air and naval bases, and 5) "Disruption of the enemy's power system, the most important targets being power stations, oil and gas storage centers, pipelines, electricity power lines, and transformer stations."

In a discussion with *EIR*, a West German strategist pointed out that a power blackout similar to Sweden's occurred just before the Soviet invasion of Czechoslovakia in 1968. He proposed that the Swedish blackout be seen in the context of Soviet efforts to "secure their northern flank," in preparation for a major military move in coming weeks on the Central European front.

Genoud, the KGB, and the comeback of Carlos

by Thierry Lalevée

Ilich Ramirez Sanchez, better known as Carlos, has been reactivated as part of the Soviet-controlled global terrorist onslaught. The Arab Armed Struggle organization, associated with Carlos since 1975, claimed responsibility on Jan. 2 for the bombings which struck on New Year's Eve in southern France and in Tripoli, Lebanon, where the French cultural center was destroyed. Bombings in the Marseilles railway station and in the Paris-Marseilles high-speed train claimed four dead. As Carlos's communiqué made clear, the bombings were not only a blow of revenge for French airforce bombings against Islamic terrorist bases at Baalbek, Lebanon, but for the Lebanese Shi'ite terrorist organization Islamic Jihad, which had warned that Dec. 31 was the "deadline for the peacekeeping forces to leave Lebanon."

Carlos had become famous when in 1974 he took over the French embassy in the Hague and in September 1975 held hostage the entire OPEC ministerial conference. In June 1975 in Paris, Carlos had killed two members of the DST, the French equivalent of the FBI, and Michel Moukarbal, a Lebanese who founded the "Arab Armed Struggle" organization in 1974 but was suspected of being an informant of the French police. With several million dollars of ransom money, Carlos disappeared into the Middle East for several years, reportedly staying in Libya; he is now said to live in Damascus.

Carlos and the Curiel network

Carlos is said to be nothing more than a mercenary who has now established his network as a sort of consultant firm, advising terrorist-sponsoring governments and organizations on how and where to strike. This is the role he plays with Iran and its terrorist offspring Islamic Jihad, which lacked the technical expertise and the means to deploy in southern France.

But Carlos the mercenary is Carlos the puppet. His name recalls two intertwined networks going back decades and deployed under control of the Soviet secret services: the network of Egyptian communist leader Henri Curiel, assassinated in 1978 in Paris, and that of Swiss Nazi banker François Genoud, a key go-between for Soviet intelligence and the Islamic fanatic groups he helps to finance.

Created in the mid-1950s around the Algerian war, what later became known as the Curiel network was an umbrella for terrorist groupings across Asia, the Middle East, and Latin America. Out of that network Carlos, whose father was

a dignitary of the Venezuelan Communist Party, emerged after being trained at Patrice Lumumba University in Moscow.

The communist Curiel had been in touch at least since the early 1950s with Nazi banker Genoud; after the death of Curiel, the leadership of the reorganized network was taken by Genoud's old friend Jacques Verges, currently the lawyer for SS criminal Klaus Barbie.

Verges has been dubbed by the French media "Carlos's lawyer" in reference to several court cases, including those of the terrorists Bruno Breguet and Magdalena Kaupp, arrested in February 1982 and defended by Carlos as "my friends." Indeed, the arrest of Breguet and Kaupp was one of the occasions when Carlos surfaced, warning the French interior minister that unless they were released, bombings would hit France. A day before their condemnation by a French court, a bomb exploded in the Rue Marbeuf in Paris, killing several people.

Both *Le Monde* and *Le Figaro* pointed out on Jan. 4 that before his arrest Breguet was Genoud's protégé. Another connection between Carlos, Verges, and Genoud emerged last November when Carlos sent a letter to West German Interior Minister Friedrich Zimmermann threatening him with assassination if Bonn persisted in the extradition procedures of Baader-Meinhof member Gruecher-Tindeman, now in jail in Switzerland. Tindeman's lawyer was M. Rambert, at the time accused of having facilitated a jailbreak by one of his clients. For his own defense, Rambert took Jacques Verges.

This month, the same day Carlos claimed responsibility for the New Year's Eve Marseilles bombings, the West German weekly *Der Spiegel* honored him with no less than three pages announcing such a comeback. *Spiegel* was better informed than others, and this may relate to the deals made with foreign terrorist organizations by certain West German authorities linked to Foreign Minister Hans-Dietrich Genscher—deals which allow the terrorists to use West Germany as a safehouse as long as they don't target German installations as such. Genscher is the head of the liberal Free Democratic Party, of which the publisher of *Spiegel* is a long-standing member.

It was from West Berlin than the "Arab Armed Struggle" organization telephoned Agence France Presse on Jan. 4 to flaunt their responsibility for the French bombings. Investigations show that Berlin has become a major center of the reorganized Curiel network, with links to Verges in France and Rambert in Switzerland, centered around Bruno Breguet's German girlfriend and such veterans of the Baader-Meinhof group as Thomas Reuter, arrested in 1976 in Kenya as he was about to fire a SAM missile against an El Al plane in an operation for Carlos's group.

To the Carlos network has been added the terrorist potential of the Islamic groups whose controllers in France, as a report from the French DST recently underlined, are located in the Iranian embassy in Paris, and the Iranian cultural center, which was finally shut down on Dec. 22. No less than 150 to 300 Iranians are potentially "operational" for terrorist activities in France, said the DST report.

Der Spiegel prepares a slander attack on Moscow's number-one enemy

by Michael Weissbach

The Soviet-instigated international propaganda campaign against the new U.S. doctrine of "Mutually Assured Survival" has focused increasingly in recent months on *EIR* founder Lyndon LaRouche and his international organization. In Western Europe the LaRouche organization is at present the only political force in mobilization for a combined U.S.-European effort to achieve a "crash program" beam-weapons defense. Thanks to this effort, in all relevant military and political strata in Italy, France, Great Britain, and West Germany, the beam defense policy is at the center of discussions of a uniform and effective security policy for the Western alliance. This has made LaRouche and his organization a prime target of the Soviet leadership.

On Oct. 26, the Soviets for the first time ever published an attack against LaRouche personally on the pages of the *Literaturnaya Gazeta*. This attack was followed by an article in *Izvestiya* blasting the most successful conference to date about "beam defense and its strategic implications for Europe" held in Rome on Nov. 9. Terming the conference a "witches' sabbath," *Izvestiya* noted that the event demonstrated broad support for President Reagan and LaRouche in Western Europe. Now the Soviets are escalating their campaign against LaRouche through their channels in West Germany and elsewhere. The aim is to discredit LaRouche, intimidate his collaborators, and destroy his influence in Europe.

From the Soviet press to Germany

On Nov. 30 the West German radio station Westdeutsche Rundfunk (WDR), a promoter of the disarmament movement, broadcast a program against the European Labor Party and the Fusion Energy Foundation, organizations associated with LaRouche. The program repeated slanders of former years originating from KGB-influenced outlets ranging from social-democratic circles in the United States to the ecologist-terrorist scene in West Germany: The ELP is a "sect," right-wing extremist and anti-Semitic. The broadcast struck listeners as especially strange when it went so far as to claim that the FEF is collaborating with Nazi scientists to build a secret nuclear bomb!

The next day, the pro-terrorist newspaper *Tageszeitung*

(which, suggesting its East bloc intelligence inputs, had attacked beam weapons even before President Reagan's March 23 policy statement, when few had even heard of them), recirculated the contents of the program in a full-page article. Sources in the Federal Republic report that *Der Spiegel*, the West German equivalent of *Time* magazine, is preparing a slander against the LaRouche organization in West Germany. It can be expected that an early edition this year will carry an article along the line of these KGB-inspired attacks. The magazine slandered LaRouche and his wife on two previous occasions.

Der Spiegel is known as the child of the German occupation. After World War II, Rudolf Augstein, who still runs the magazine today, was licensed by the British occupation authorities to establish *Der Spiegel* as the first and only political news magazine in occupied western Germany. It is well documented that the weekly from the beginning was under the control of those Anglo-American intelligence circles which in the 1970s gave the green light for Willy Brandt's *Ostpolitik* (opening to the East bloc), and which specialized in scandals aimed at Bavarian politician Franz-Josef Strauss and others in West Germany's military-industrial complex. Now, as the Soviet Union moves toward global confrontation, détente has become a synonym for decoupling Europe from the United States.

Reviewing the main political interventions of *Der Spiegel* over the past six months, there can be no doubt that Augstein is working against the interests of the Western alliance, and against German national interests. It seems that *Der Spiegel* is preparing for another period of occupation.

The anti-beam campaign

At the end of July the first reports of successful tests of air-borne laser weapons against missiles reached Europe. It became clear that the U.S. administration was serious about its beam-weapons initiative of March 23. The Soviet counteroffensive was highlighted in an Aug. 10 *Literaturnaya Gazeta* article by Andropov adviser Fyodor Burlatskii threatening the United States with a nuclear pre-emptive strike if the beam initiative continues. Two weeks later, *Spiegel* published its first article against beam weapons, compiling the Soviet arguments which are recycled in the repertoire of the

appeasement faction in the West: Beam-weapons development violates the ABM treaty of 1972; technical problems in using chemical or x-ray lasers militarily are insurmountable; an extension of the military buildup into space threatens the strategic balance and increases the danger of nuclear war.

In typical *Spiegel* style, it is admitted that the Soviets might be working on such systems and might even be ahead of the United States, but the blame for the danger of war is put at the door of the Reagan administration. Yuri Andropov himself is quoted in the article as the star witness that "the U.S. space program is crazy and an attempt to render the Soviet Union defenseless in face of the nuclear threat by the U.S.A." The last word is given to one of the leading U.S. scientists of the KGB-coached Pugwash arms-control movement, Victor Weisskopf of MIT: "The Soviets will start a war to prevent the stationing of such systems."

Augstein, it should be noted, is a long-standing member of the Free Democratic Party headed by Hans-Dietrich Genscher; Foreign Minister Genscher, apart from his protection of Soviet-backed terrorists, has intervened in NATO to threaten a break with the United States if Reagan maintains his new strategic defense policy (see article, page 40, and *EIR*, Dec. 27).

Nuclear freeze

During September and October, in the midst of the debate about the stationing of the Pershing II and cruise missiles in Germany, *Der Spiegel* became a forum for the spokesmen for the appeasement policy in the West. Twice Robert S. McNamara was presented by *Spiegel* as the father of the "MAD flexible response doctrine" who now supports the nuclear freeze. McNamara boosted the West German peace movement with his statements that "nuclear weapons in Europe, the most likely nuclear battlefield, endanger the peace more than they secure it. . . . This strategy totally contradicts German interests."

A week later Henry Kissinger met with his friend Augstein, as he often does, and *Spiegel* reported the results: "Why are the Pershings coming when the great majority of the Christian denominations in Germany and the majority of the people in Germany don't want them, and the trade unions don't want them? . . . For the Soviets it makes a difference if the Americans can reach Soviet territory as far as Leningrad and Moscow in the near future. This psychological problem was terribly worsened through the rhetoric of the Reagan administration."

The line is that the Reagan administration is endangering peace, splitting the United States from Europe, and forcing the Soviets to take countermeasures which will destroy détente. Even the Soviet declaration of war on the West through the downing of the South Korean airliner Sept. 1 and the terror attack against the South Korean government in Burma did not daunt the appeasers. One week after the murder of 263 civilians, *Der Spiegel* declared: "With superior technology, the United States spies on the secrets of the Soviet Union

. . . this was the reason for the order to shoot down the airliner."

Anti-Americanism and cultural warfare

Immediately after the propaganda blitz for appeasement of the Soviets, *Der Spiegel* started a slander campaign against Reagan, against U.S. scientific and technological capabilities, and against everything which used to be called the "American System" economy. In a four-week series, the philosophical and political roots of President Reagan were analyzed as situated in a brutal capitalist "Wild West" where the "American Dream" is still dreamt. The tone: "Reagan's religiously inspired, nuclear-proud foreign and defense policy, his icy rhetoric, the untouchability of this ideological President, all this received its impulses from the brief period of his California days. . . ."

"What does conscience order this moral enthusiast in the White House to do in a dangerous foreign-policy conflict with the Soviet Union? What happens if Moscow downs an American passenger plane instead of a Korean jumbo?" Here lies the kernel of *Der Spiegel's* campaign against Reagan: Americans, never occupied or conquered, do not capitulate. American patriotism, exemplified in the reactions of the population to the KAL 007 incident and the Grenada mission, persists. ("Reagan Freaks Out" was *Der Spiegel's* headline on the issue covering the Grenada intervention.)

Reagan's California is seen as the new power center of the United States, where signs of the old American values and virtues still exist. People are prosperous, agricultural production is at the highest level in the world, and high-technology industries symbolize the unbroken push for progress and the typical American ability to very rapidly apply scientific discoveries for industrial production. *Spiegel* zeroes in again on the new defensive doctrine based on beam weapons which will be carried out in California weapons laboratories.

According to *Spiegel*, California should concentrate instead on products like the Esalen movement and other cults fostered for many years by cultural warfare centers in Berkeley, Stanford, and elsewhere. For many years *Spiegel* has propagandized for these "Aquarian Age" movements, and promoted pornography and drugs, presumably not only because of Augstein's personal proclivities—a few years ago, he was arrested for possession of hashish in Italy—but because his controllers recognize the profound contribution of the counterculture to weakening the West. With the spread of irrationalism lies the hope of the Soviets and their Pugwash allies that the remnants of the "American System" and the cultural tradition of the American Revolution can be destroyed once and for all.

In whose interests, then, was the propaganda of *Der Spiegel* during the past months? Should Rudolf Augstein decide to publish the slander article already prepared against Lyndon LaRouche, he will attack a political leader and thinker whom the Soviets have declared their number-one enemy.

Murder attempt against LaRouche friend in Mexico

by Timothy Rush

An assassination attempt against a leading member of the Mexican Labor Party (PLM) in Sonora, Mexico, has brought to light new evidence of the coordination between the KGB, Nazi International assets, and the FBI.

The would-be assassin, who lured Prof. Juan Pérez Gil outside the home of a relative and savagely and repeatedly knifed him in the abdomen the evening of Dec. 31, was Guadalupe Mendoza Espinoza. Mendoza Espinoza is an agent of the fascist National Action Party (PAN), a party with longstanding links to both the U.S. State Department and the FBI. He is also a member of the drugrunning gang called Los Panochos, which runs drugs from southern Sonora up to the U.S. border at Tijuana. During mid-1982 elections in Sonora, he resorted to distributing marijuana and other drugs to children in the town of Navojoa to recruit them to the PAN cause. He is formerly a member of the Mexican Communist Party (now the Unified Socialist Party of Mexico, PSUM).

Mendoza's background matches to a "t" the PAN pedigree established in recent *EIR* exposes (see Nov. 29, 1983; Dec. 27, 1983; and Jan. 3, 1984): a Nazi party, involved in drugrunning, being co-deployed by State Department, FBI, and KGB elements.

Pérez Gil underwent four hours of surgery for the knife wounds. At latest report, his condition has stabilized, though he is not out of danger.

For five days, the assassin walked the streets of the southern Sonora town of Navojoa with impunity. The PAN, and allied drug interests command a growing capacity for a "parallel government" in the state, which is a bastion of the PAN nationally. Two local policemen filed a falsified report which denied the seriousness of the wound and misidentified the scene of the crime. A local judge, José Reyes Colin, issued an injunction to prevent action by more honest local officials.

The director of one of the state's principal newspaper, Rodolfo Barraza of *El Imparcial*, refused to print PLM denunciations of the crime on the basis that there was "no evidence" that it had taken place.

On Jan. 5, state judicial police intervened from above and arrested Mendoza. Later the same day Mendoza confessed to the crime. He is being held without bail.

Why the PLM?

PLM officials played a decisive role during 1983 in exposing the PAN's backers, including the IMF, and the nature

of its violent year-long campaign to overthrow Mexico's republican political system and plunge the nation into civil war—to create a "new Iran" on the U.S.A.'s southern border.

The PLM revelations were instrumental in defeats for the PAN in races they had expected to win in Baja California Norte, Sinaloa, Puebla, and Tamaulipas.

PLM leaders Marivilia Carrasco and Patricio Estévez noted an additional element in the timing of the incident in a Jan. 3 statement, which noted "The attack immediately followed Sonora governor Dr. Samuel Ocaña's insistence in his New Year's message on the need to eradicate narcotics traffic from Sonora within two years. Ocaña affirmed that in Sonora there is an honest job to be done growing food, and no room for producing or trafficking drugs."

"The victories we won against the PAN have brought FBI-KGB double agent José Angel Conchello, the PAN's chief ideologist, and PAN mouthpiece Altamirano Dimas to warn the Interior Ministry that they should not be held responsible for whatever could happen to PLM members, a threat which is now being fulfilled," the PLM leaders added. PAN leader Conchello is famous for having advocated that Mexico adopt the economic policies of Hjalmar Schacht, Adolf Hitler's economics minister.

Friend of LaRouche

The presidential campaign organization of *EIR* founder Lyndon LaRouche issued a statement on the attempted assassination of Pérez on Jan. 5. The statement read in part: "The premeditated attempted murder of a personal friend of U.S. Democratic presidential candidate LaRouche, in Mexico, is viewed as signaling increased threat of assassination-attack against LaRouche himself. . . .

"Spokesmen for the PAN had made repeated warnings of violence against friends of LaRouche in Mexico, and prominent PAN supporters and sympathizers have also made similar threats against LaRouche himself. These circles have described LaRouche in such threatening terms as 'that filthy Jew from Philadelphia.' LaRouche has been repeatedly the target of violent published attacks by the notorious Mexican fascist anti-Semite, José Pérez Stuart, a PAN co-thinker who writes for the prominent Mexico City daily, *Excelsior*.

"The possibility that the attempted murder in Mexico might signal early assassination attempts against LaRouche inside the United States is shown by the close connections between the PAN and the Soviet KGB. . . . The closest collaborator of the PAN in attacks on both the Mexican government and LaRouche is the Soviet KGB's official party in Mexico, the PSUM. The PAN is broadly identical to well-known Nazi-Communist assets of the Soviet KGB in the Middle East and Western Europe, and is linked to such circles within Western Europe."

LaRouche's spokesmen demanded that the FBI, the State Department, and the IMF publicly repudiate the PAN, and thus remove any suspicion of their complicity in the attack on Pérez.

Beam-weapons debate breaks into the press

Western Europe has two choices in the face of the Soviets' escalation toward thermonuclear confrontation: either to join in developing the defensive energy-beam antiballistic-missile systems proposed by President Reagan in his March 23, 1983 speech and replace Mutually Assured Destruction and Western vulnerability with Mutually Assured Survival, or to "decouple" from NATO and the United States in the vain hope that the Soviets will then leave Europe in peace. A Dec. 28 article in the London *Times* argued that beam weapons would vastly benefit Europe. Written by Gerald Frost, executive director of the Institute for European Defence and Strategic Studies in London, the piece has kicked off a heated debate in the British press on this question.

Advocating the "decoupling" policy, the lead editorial of the Jan. 3 *Financial Times*, the outlet of the City of London, claimed that: "The Atlantic Gets Wider."

For more than 40 years the Atlantic Alliance has been the central fact of Western political life. The partners might quarrel at times, as over Suez, or more recently over trade issues, but such differences could never threaten the fundamental ties which bound us. Now, however, in 1984, the cohesion of this grouping, can no longer be taken for granted. . . . On the material questions of defence and economics, it is by no means so clear that we are bound by a common interest. The American shield now looks, to a significant and vocal minority, more like an American threat. . . .

In military and economic terms, then, the Atlantic appears to be getting wider—and this appearance is not deceptive. The Reagan administration, simply by being outspoken about doctrines of tactical counter-strike which were in fact first adopted by President Kennedy, has brought doubts which used to be confined to the experts into the popular political arena. The nuclear side of the Alliance no longer has bipartisan support either in this country or in West Germany. . . .

This does not mean that Europe can only sit by and wring its hands. On the contrary, the European leaders, secure in office and much closer together on global issues than they are on parochial ones, are well placed to take the lead in lowering the temperature. This involves a more distinctive European contribution to NATO strategy—based perhaps on an effort to eval-

uate Soviet strength more realistically. . . . The most disturbing result of the American determination to negotiate arms control from strength has been the breakdown of contact on virtually all non-defence issues, for the dialogue of peace cannot be conducted indefinitely in threats.

The Jan. 3 *Daily Telegram* countered the *Financial Times*'s advocacy of "re-evaluating" the Soviets. Commentator Peregrine Worsthorpe derided the folly of those in Great Britain who want to "send the Yanks packing," and warns that Prime Minister Thatcher herself is becoming more prone to the types of anti-American propaganda associated with the demagogic ultra-right-wing Conservative Enoch Powell. Worsthorpe calls this mood "no less than the flight from reason that nations, like individuals, occasionally indulge in when possessed of a death-wish.

"As much from Britain's point of view, as from Europe's, an American withdrawal would be a monumental risk, on a scale the magnitude of which the modern generation, so sadly ignorant of even recent history, cannot begin to imagine. . . ."

Warning that American departure from Europe could "cause the third and final world war," Worsthorpe continues: "Those who worry about American intervention in Lebanon, Grenada, Central America, or about cruise missiles, can have no idea what real worries once were, and could become again in the event of Europe being left on its own."

Declaring that Ronald Reagan is "a very paragon of prudence, decency, and responsible statesmanship" in comparison to the men who ruled Europe during the 1930s, Worsthorpe takes Reagan's detractors to task: "Oh, but Reaganite America—the complaint goes—is unhealthily obsessed with the evils of Soviet communism, as if this was the worst kind of obsession imaginable. Again, one can only marvel at the innocence of the complainers who seem to have no idea about what genuinely obsessional superpower behaviour would be like. . . . Lord forgive them, they know not of what they write.

"As soon as one begins to think about foreign policy seriously—as against speculate about it for intellectual kicks—the overriding importance to Britain, and indeed to Europe, of the American alliance becomes absolutely clear. . . ."

Beams will benefit Europe

Gerald Frost, executive director of the Institute for European Defence and Strategic Studies in London, examined the Western European benefits from a beam-weapons program in a London Times article titled "Why a Star Wars Strategy Could Help Keep the Peace" on Dec. 28.

European attitudes to President Reagan's "star wars" proposals—the move to develop a space-based antiballistic missile system, agreed in principle a few weeks ago—have generally contained elements of both amazement and derision.

The arguments advanced by United States analysts in favour of the programme, aimed initially at long-term research, have not even been thought worthy of serious examination in Britain, despite their revolutionary nature and their possibly momentous consequences.

The European media have variously described the Reagan proposals as "absurd," "irresponsibly expensive," "dangerous," and "alarming." There has been almost universal agreement that the development represents another dangerous and escalatory round of the arms race. Strategic studies departments and institutes have either doubted that the proposals are feasible or have suggested that they represent a return to United States isolationism. Few people, if any, have publicly suggested that there might be some important political or strategic advantage for Europe or, for that matter, that there might be colossal dangers to Europe if the Soviet Union were to obtain an unmatched advance in "star wars" weaponry.

It is taken for granted that any benefits the proposals might yield would be purely and narrowly American ones. But if the development is taken in the context of the continuing crisis in transatlantic relations and the recent Soviet arms build-up, then it may be seen altogether more favourably.

Indeed, it may provide the answer to problems, inherent in the NATO strategy of flexible response, which have long been perceived by a number of those with a professional interest in strategic issues—weaknesses which politicians have generally not been keen to expose to public scrutiny. These weaknesses flow from the nature of the ultimate step in the flexible response strategy: the use of U.S. intercontinental missiles in retaliation against a Soviet attack on Europe.

According to a common view, even if the United States was willing to unleash its intercontinental ballistic missiles for this purpose, there would be little point in doing so, for Europe would have already been devastated. In any event, the critics say, no United States president in full possession of his mental faculties would risk American cities to defend frequently "disloyal" European ones. Yet if the Soviets came to believe that the United States might feel this way, they might no longer be effectively deterred. . . .

The question that may come to be asked is not "would the United States press the button against the wishes of European leaders?" but "would the United States ever contemplate

pressing the button if it believed that by not doing so war could be limited to Europe?"

An effective Western antiballistic missile system in space, however, could transform this situation by performing the inestimably valuable task of reducing the scale of the risks to the United States in providing nuclear protection to its European allies. If the risks are judged to be fewer, it follows that United States readiness to accept them is likely to be much enhanced, and the Soviet Union will have to take account of this in its strategic calculations. . . .

Supposing, however, the Soviet Union continues to exploit space for military purposes, ignoring the Anti-Ballistic Missile Treaty of 1972 while the United States feels restrained by that treaty for by its critics at home and abroad. A moment's reflection suggests that if that happens, the Western alliance will be doomed; close examination of the consequences only confirms one's initial fears.

If the Soviet Union were to develop the ability to destroy 90 per cent or so of the enemy's ballistic missiles before they re-entered the atmosphere while the United States failed to obtain a similar capacity, the Warsaw Pact might face a unique experience: a queue of admiring, friendly and sycophantic West European states waiting to join.

Since the United States administration is committed so far only to examining the feasibility of "star wars" weaponry, we cannot be sure what degree of direct protection would be provided against missiles targeted on Europe. It is possible, however, that the "killer satellites" thought to be envisaged under the proposals could destroy ballistic missiles such as the SS-20 as well as the strategic weapons aimed at the United States. . . .

Instead of the West signalling its intention to cause massive and unacceptable damage if attacked with nuclear weapons, it would instead be signalling its capacity substantially to withstand such an attack. Assuming that the Soviets continue to develop a similar capacity, we would have moved from mutually assured destruction, a policy which has caused profound if irrational anxiety, to mutually assured survival.

This, arguably, could well bring about a less turbulent and danger-fraught international climate in which it would be easier to reach agreement about reductions in offensive weapons because by switching the emphasis to defensive systems, the stakes would not be so appallingly high. . . .

To be sure, there is a strange breed of extra-terrestrial ecologists who argue that it is immoral to "take warfare" into space. But it is not warfare which would be sent there, but new instruments of deterrence. If that deterrence failed, the result would be a conflict between sophisticated and unmanned machines hurtling through the arid wastes of space, but it would be a war without initial loss of human life.

It cannot be safely asserted that war would remain conveniently in space. What may be said is that the immediate targets would be space-borne vehicles, missiles, or satellites, rather than cities or manned military installations on earth, and that such a conflict could conceivably end with a political settlement before human life had been lost.

India breaks new ground in nuclear power program

by Susan Maitra in New Delhi

India's Department of Atomic Energy (DAE) has reconstituted a committee to select sites in each of the northern, southern, western and eastern regions of the country for nuclear power stations, each consisting of a cluster of four 500-megawatt heavy water or breeder reactors. The policy move, announced by Prime Minister Indira Gandhi's government in late December to the Consultative Committee of Members of Parliament attached to the DAE, marks a major step forward in India's nuclear power program.

This decision follows the successful completion and start-up of the 235-megawatt nuclear reactor at Kalpakkam in July, the first almost completely indigenously built heavy water reactor in India. The Kalpakkam milestone gave nuclear scientists, as well as the population, renewed confidence in the ambitious program for self-reliance in nuclear technologies set by Prime Minister Nehru following India's independence.

A 'nuplex' approach

This latest step is consistent with the government's earlier decision to commission 10 gigawatts of nuclear power by the turn of the century. However the concept of putting such large nuclear reactors in a single cluster generating 2,000 megawatts of power is a marked advance in planning. In the early 1960s the late Indian scientist, Dr. Vikram Sarabhai, had developed the concept of establishing such clusters; he suggested that they would help optimize power consumption efficiency, and would be the center around which agro-industrial complexes can be built and townships will rise. But even as late as last August Indian experts were only contemplating clusters of 235-megawatt reactors.

The new thinking is thus based upon the notion of efficient consumption of electrical power locally. The plan will enable immediate utilization of the existing regional grids without spending too much in upgrading them. Moreover, it will provide the necessary balance of power sources in the regional grids, which would otherwise be reliant on the large "super-thermal" (non-nuclear, non-hydro) power stations now

under construction. At the same time such a large input of power locally will help support the emergence of agro-industrial complexes and the infrastructural development necessary for the creation of new townships. As the government told the MPs, the added investment necessary to develop many separate sites will be avoided and the time required to construct the plants reduced by "clustering" the larger size reactors.

The other important shift in policy concerns the fact that the selection committee was specifically charged with locating a site for such a 2,000-megawatt nuclear power station in the eastern region. Eastern India, the most power-starved region in the country, is rich in poor-quality coal deposits. It had been a conscious policy of the government *not* to build nuclear power stations in the region but to exploit coal for electricity generation instead. This policy was boosted by cost estimates showing that a coal-fired station is cheaper than a nuclear powered electricity generating station. The neo-Malthusian lobby in India has championed a thermal power program based on labor-intensive coal mining.

Coal versus nuclear

However, two facts seemed to have helped shift the old policy. First is the fact that coal-based power generation has given the eastern region the lowest capacity utilization rates in the country. Secondly, it has been found that the installation of a coal-based thermal power station, even at the coal pithead, is not much cheaper than a nuclear station of similar capacity.

In the 1950s, when India started its nuclear power development program, a cost estimation was made comparing the relative capital cost of nuclear power plants and thermal plants. Based upon this, it was reckoned that a nuclear power plant was viable only at a distance of more than 800 kilometers from the coal pithead. Over the years, however, the cost gap has narrowed, principally because India's coal-mining sector has remained so inefficient. It is estimated now that building a nuclear station is about 25 percent more expensive

than installing a coal-based power plant of similar capacity at the pithead. By 1990, according to some experts, even this difference will vanish.

The Indian nuclear program started in the 1950s with the goal of becoming self-sufficient in nuclear energy generation. A long gestation period proved necessary to develop manpower and research facilities and to gather sufficient data to channel the research experience into building commercial reactors. But during this period Indian scientists and engineers built two nuclear reactors—the last one at Kalpakkam is about 95 percent indigenous—and completed another reactor left unfinished by the Canadians who walked out of their contract in 1974 in protest against India's peaceful nuclear explosion.

While the first Indian-built nuclear reactor is having normal teething problems, difficulties with the Canadian-supplied RAPP-I are extremely serious. A recent report by an expert committee headed by N. B. Prasad, a former Union Energy Secretary, on the malfunctioning of the Canadian reactor went so far as to suggest that the government scrap the reactor.

LWR lobby raises head

Indian scientists consider the report's recommendations drastic for another reason as well. The Prasad committee has reportedly proposed scrapping altogether the heavy water reactors, the basis of India's nuclear program, and adopting light water reactors (LWRs) instead. This is nothing less than a call to repudiate the basic plan upon which Dr. Homi Bhabha and Dr. Sarabhai founded India's nuclear program and the past 30 years of research and development progress with it.

Although it has not been confirmed that the Prasad Committee in fact advocates such a course—the report has not yet been released by the government—the mere suggestion has aroused the scientific and technical community, which points to the reasoning behind the Bhabha-Sarabhai policy of developing heavy water reactors with natural uranium as fuel, as opposed to LWRs using enriched uranium fuel. India has a reserve of only 70,000 tons of uranium, about enough to last through the year 2000, it is estimated. Any outlay to build enrichment facilities would be both short-sighted and self-defeating they argued. Bhabha's plan was to develop breeder reactors in the second phase of the program and then use India's massive thorium reserves to fuel the next-generation breeder reactors. This way India would not depend on any other nation for nuclear fuel. This policy has been pursued for the last two decades, and within the next few months India's 40-megawatt test breeder reactor is expected to be commissioned.

The Tarapur object lesson

The reason why the Bhabha logic is pursued with such determination by the Indian government is not difficult to discern. That dependence for such a sensitive item on foreign sources can be catastrophic is well understood in India. The

experience with the Tarapur Station was an object lesson.

In the 1960s India bought two LWRs from the United States. These two 210-megawatt reactors were installed at Tarapur, and the government signed a contract with the U.S. government to supply enriched uranium for the lifespan of the reactors. However, in the mid-1970s the Carter administration, with the rallying cry of "non-proliferation," called a halt to the supply of enriched uranium for Tarapur. It was clear that President Carter, during whose reign the U.S. nuclear industry was bankrupted, was using nuclear technology as a political weapon against India and the entire developing sector.

Fresh and very bitter memories of the Tarapur fuel dispute have led many Indians to view with concern the Prasad report and the simultaneous resurfacing of an offer of light water reactors from the U.S.S.R. (see Report from New Delhi, page 44). In 1978, during the Janata period, the Russians offered India a 1,000-megawatt nuclear reactor, asking full International Atomic Energy Agency safeguards. The Indian government neither accepted nor rejected the offer, but sought to weigh it further. Since then various meetings between the two parties have taken place. Last month Indian Atomic Energy Commission chairman Dr. Raja Ramanna, was in Moscow to discuss the issue, but no details of the talks have been disclosed.

A Soviet deal?

The Indian press points to two incidents to fuel speculation that the Prasad report could be a prelude to buying light water reactors from the Soviets. In one incident, an Indian official at the World Energy Conference, which took place in New Delhi last September, reportedly suggested switching over to LWRs. He is reported as saying that "It may be worthwhile to consider adopting thermal reactors of the pressurized water type to a limited extent to augment the nuclear electric capacity in the near term, provided such systems can be obtained on conditions acceptable to the country."

The other incident cited by the press here was Soviet Energetics Minister P. S. Naporozhny's reaction to the question in an interview during the World Energy Conference. The minister reportedly told Indian press men that India may be making a "mistake" in going for heavy water natural uranium reactors and that LWRs using enriched uranium of the type offered by the U.S.S.R. would be more economical if a number of them were set up. When told that launching such a program would permanently tie India to the Soviet supply of enriched uranium fuel, the Soviet minister quipped: "Why not?"

While the Soviets have every reason to want to step into the void left by the Americans in this crucial area, there is little doubt that they will, among other things, have to make a very substantial departure from their policy of outdoing the Americans in enforcing the "bogy of non-proliferation"—as Prime Minister Gandhi disparaged it in a recent speech—to clinch any such deal with India.

The Arkhipov visit

When the Soviet deputy premier talked with Mrs. Gandhi, the agenda included oil, nuclear energy, and—what else?

Just what message Soviet Deputy Premier I. V. Arkhipov carried to India Prime Minister Indira Gandhi during his visit to New Delhi in early December has been a matter of some speculation here. Although Arkhipov formally signed one of the protocols in the Indo-Soviet trade talks occurring simultaneously, it is assumed that his presence had little to do with trade. Soviet ambassadors have been delivering messages to selected heads of state in light of increasing Soviet-U.S. tensions. It was also reported that the message may have concerned Andropov's inability to attend the Indian Republic Day celebrations as chief guest on Jan. 26. (Subsequently, it was announced that King Hussein of Jordan will play that role.)

A veteran of the Brezhnev-Kosygin era, Arkhipov is considered here an old "India hand." He is very familiar with the country and its history, and of all other present Soviet leaders except Foreign Minister Andrei Gromyko, Arkhipov is probably closest to the Indian premier. Arkhipov has visited India a number of times, most recently in May, when he inaugurated the Soviet-aided oil refinery in Mathura.

His December visit indicates the Soviets' desire to strengthen relations with India. Since the affair last summer of Mrs. Gandhi's letter to Yuri Andropov carried by a now-disgraced CPI leader, Yogendra Sharma, relations between India's left and the ruling Congress-I have become more tenuous. The letter, which was deliv-

ered to Sharma by the prime minister's office prior to his visit to Moscow, apparently contained references to the phenomenon of left parties ganging up with "rightist and reactionary forces," a jab at the Moscow-supported CPI's current moves against Mrs. Gandhi. It is anybody's guess whether Mrs. Gandhi was seeking Moscow's intervention to persuade the left leaders to abandon their anti-national activities, or whether she was simply reminding Andropov and CPI boss Rajeswar Rao that some Indian communists enjoyed her trust and were prepared to start a faction fight within the CPI. Mrs. Gandhi is fully aware that the Soviets have on more than one occasion advised the CPI and to some extent the CPI (Marxist) to develop a working relationship with the Gandhi government.

But Mrs. Gandhi has also indicated that she does not want Soviet leaders to dabble in India's internal politics, in the name of guiding the CPI toward better relations with New Delhi, or for any other reason. While she will readily discuss the left problem in India with certain senior Soviet leaders, in general she does not want visiting Soviets to exceed the bounds of protocol.

Since Arkhipov has developed a rapport with the Indian prime minister over the years, it is speculated here that his mission was to discuss some thorny Indo-Soviet issues, such as India's demand for a larger supply of Soviet crude oil to India. Dependent for 60 percent of its oil supplies on

imports, India faces severe foreign-exchange pressure on this account. Expanding crude oil imports under the rupee payment terms of the Indo-Soviet trade agreements would decrease this pressure. The Soviets had resisted, but the Indians persuaded them to supply an additional 1 million tons to India in 1983 and 1984.

Another issue stems from Moscow's offer in 1979, when the Janata Party was in power in New Delhi, to build a 1,000-megawatt nuclear power plant in India. Although negotiations are continuing, with any future agreement to be incorporated in the Seventh Five-Year Plan, the Indian nuclear establishment appears to be resistant to Soviet intrusion in a big way into the nuclear power program. Since the 1950s, India has preserved a three-stage nuclear power program, based upon indigenous development of the heavy-water reactor, the fast breeder reactor, and the use of thorium, of which India has the world's largest reserves, as breeder fuel. The light-water reactors offered would require enriched uranium fuel, for which the Indians would have to depend on the Soviets. After the bitter experience of U.S. refusal on to supply Tarapur with nuclear fuel, the Indian nuclear establishment is understandably hesitant to enter into another dependency in this vital area.

Arkhipov might also have extended an invitation to Mrs. Gandhi to visit Moscow in the near future. Since the Indian prime minister had met Andropov only briefly while attending Brezhnev's funeral in Moscow last year, the Soviet leadership is apparently eager to stage a meeting between them at an early date. Mrs. Gandhi has not visited Moscow since 1980, while she has met with the U.S. President three times and discussed various issues in detail.

Another superpower confrontation site?

The Soviets and South Africans have made a devil's pact to heat up southern Africa. U.S. policy is unprepared.

Since the Dec. 6 South African invasion of Angola with, according to some reports, as many as 10,000 troops, all the ingredients for turning southern Africa into an arena of superpower conflict are falling into place.

U.S. press accounts claim that, in a private exchange in New York in November between Soviet and South African officials prior to the South African invasion, the Russians condemned both South African support for Angolan rebel forces and South African military activity in Angola, and reaffirmed Soviet support for the Angolan government. The publicizing of this not actually so unusual meeting is a signal that the conflict is about to be further heated up. South Africa is exposing its planes to enemy fire, which would provide pretexts for escalation.

There are rumors that South African troops may go as far as Luanda, Angola's capital, inviting the Russians to counterattack.

The South African invasion follows an intensification of military destabilizations and economic sabotage in the last few years against neighboring black nations, carried out by South Africa or its proxy forces. The neighboring states have thereby been pushed toward alliances with the Russians, whether they like it or not.

Mozambique officials met three times with South Africans in the past year in an attempt to halt the attacks from South African-run guerrilla bands. Mozambique is in the midst of its most serious economic crisis since independence, as drought compounds

the effects of South African sabotage; forty thousand died in 1983 due to food shortages, according to Mozambique officials.

The conflict between the Russians and the South Africans is a set-up, an operation put in place by the Russians and the Nazi networks which now pull the strings in South Africa.

The set-up works to mutual advantage, the South Africans being able to use the "Soviet threat" to justify their military activity in the region, and the Russians gaining another crisis point which can be used to cut off supplies of strategic minerals to the United States, while Moscow self-righteously denounces the Reagan administration as a racist backer of South Africa.

The South African regime finds very convenient the domestic terrorism now launched by the Soviet-controlled anti-apartheid organization, the African National Congress. The ANC has been retooled since the 1976 Soweto riots in South Africa to strike at civilian targets. This shift was signaled by a May 20 car-bomb attack in Pretoria during rush hour. South African officials brag about how they control the ANC and other opposition groups. South African intelligence has been charged with terrorist incidents.

The unresolved status of Namibia, the territory bordering on Angola which is occupied by South Africa, allows the Russians and their Nazi International allies to play out the conflict. The sizable contingent of Russian-controlled Cuban and East bloc forces in Angola provides the Russians with their primary base of oper-

ations in the region. The SWAPO guerrilla forces fighting for the independence of Namibia have bases in Angola, and the South Africans describe their invasion of Angola as a pre-emptive move against these guerrillas.

The Reagan administration's support for the South African position of demanding the withdrawal of Cuban troops from Angola before the Namibia question can be settled has given South Africa a green light to carry out its confrontationist regional policy. Backing South Africa in the hope of safeguarding strategic minerals will backfire against the President, fuel the "hot spots" which jeopardize resources, and outrage many voters during an election year.

Assistant Secretary of State for African Affairs Chester Crocker has warned that as a result of South Africa's stepped-up military campaign against neighboring states, southern Africa, "could end up as a replica of the worst aspects of the Middle East."

In short, South Africa has dropped all pretenses of disguising its activity—and U.S. policy under Kissinger ally George Shultz is only making matters worse.

Instead of trying to develop allies in the region, the State Department has devoted itself to further weakening the economies of black Africa. Last month the administration announced that it intends to cut economic aid to Zimbabwe by one-half.

Zimbabwe, no great friend of the Russians, is one of the victims of South African clandestine operations as well as economic blackmail based on trade and transportation. Zimbabwe is also badly affected by the same drought hitting Mozambique; thousands of cattle could be lost. Although congressional pressure may reverse the policy, the intention is clear.

Colombian drug banker toppled

President Betancur has removed a key enemy; a mop-up of the entire financial drug mafia ought to follow.

Colombian President Belisario Betancur dealt a stunning blow to the "citizens above suspicion" who run Colombia's mammoth drug trade at the end of December with the forced removal of Colombian banker Jaime Michelsen Uribe from his post as President of the *Grupo Grancolombiano*, the largest financial entity in the country.

Michelsen, cousin of former President Alfonso López Michelsen and the most powerful "boss" behind Colombia's notorious financial mafia, had been caught once too often violating Betancur's bank regulatory decrees, and was called before the President and given his choice: resignation or nationalization.

Michelsen and his cohorts at the Bank of Colombia—the leading entity of the Grancolombiano Group—chose a quick resignation and an even quicker flight to Miami, where Grancolombiano executives fleeing from the law have been known to congregate. Justice Ministry investigations of Michelsen's dirty dealings are expected to lead to criminal charges being formally pressed against the once-invincible financial czar.

Michelsen Uribe's cited "irregularities" technically involved the widespread practice of *auto-prestamos* (or self-lending), but no Colombian could fail to make the connection between Betancur's high-profile war on drugs and Michelsen's notoriously high profile in dirty dealings. It is common knowledge that the unprecedented tripling of the Bank of Colombia's assets between 1975 and 1980

was not unrelated to the soaring of the Colombian drug trade during those years.

The surgical precision with which the Betancur government took out the wily banker was impressive; it demonstrated that the President has both the will and the clout to challenge the power of the drug mafia when he so chooses.

The question nonetheless remains: Will Betancur proceed to nationalize the banking system and retake the reins of the economy, or will he sit back as he has in the past and let the drug mafia throw the next punch?

Intervention in Colombia's banking system in Colombia is not easy, as the President discovered earlier this year when he opened the can of worms known as the Banco del Estado and ended up nationalizing a bank which had been taken over lock, stock and barrel by as nasty a bunch of crooks as could be found anywhere.

As a follow-up to the intervention in the Banco de Colombia, during the first week of January the Banking Superintendent ordered all financial entities in the country to include non-performing debts in their year-end accounting reports. The decision was intended, among other things, to bring to light other instances of self-lending. However, as Betancur knows, if complied with, such a move could also be the prelude to a chain of banking collapses, since it would bring to light the near-bankruptcy of the majority of Colombia's banking houses.

It is precisely that fact, and the banks' awareness that Betancur is un-

willing to answer the threat of a financial collapse with a bank nationalization, as Mexico's President José López Portillo did in 1982, which has made the Colombian anti-mafia offensive so tenuous up to now. The Michelsen-linked daily *El Tiempo* confidently editorialized on Jan. 2 that Michelsen Uribe may have been axed, but his empire must remain untouched:

"Nothing is going to happen to the Bank of Colombia nor to the companies of the Grancolombiano Group. The financial authorities know in detail the solidity of these institutions, which protects the capital of so many Colombians linked to them.

"It only remains for us to ask of the media that they exercise . . . a patriotic spirit so that false rumors are not launched nor is a disturbing climate in the banking sphere created."

One key retreat has already been forced in the Grancolombiano case. In place of Michelsen Uribe, the President has imposed a government appointee to head the Banco de Colombia. However, the man chosen for the job is international banker Ignacio Copete Lizarralde.

Copete Lizarralde, whose association with the Banco de Colombia goes back more than 20 years and who, as a matter of fact, was honorary director of that bank when Michelsen resigned, was also a former governor of both the International Monetary Fund and World Bank, a founder of the World Bank's Inter-American Development Bank, and—at the time of his appointment by Betancur—the director of the Lima-based Arab-Latin American Bank (ARLA Bank).

ARLA Bank, which was exposed as a dirty-money laundering conduit for Libyan and other arms and drug traffickers during the revelations on Italy's Propaganda-2 conspiracy, is one of the filthiest financial operations on the continent.

'Plan Bravo' and the press

The KGB and Cuba's DGI have been up to some funny tricks on the Mexican press scene.

As many people know, the KGB and the Cuban intelligence agency, the DGI, call many shots in the Mexican press. This arrangement has been tolerated by the Mexican government, which has its own methods of control in the press and views the resulting "shared assets" as a way of confining Mexico's leftists.

However, when the Ministry of Government began to crack down on some of the KGB/DGI apparatus this fall, the Cubans decided to play rough themselves. The result is upheaval throughout the left press. Mexican security specialists are now looking, in a coordinated way, at the question of Plan Bravo (the 1980 Cuban plan for disruption, sabotage, and other assaults against the Reagan administration, a 180-degree reversal of Cuban overtures to the Carter administration under the preceding Plan Alpha), the Cuban moves vis-à-vis the Mexican press, and Castro's speech Jan. 2, on the 25th anniversary of the Cuban Revolution.

The first scene of battle was *Unomásuno*, the left daily. When the de la Madrid government took office a year ago, successful efforts were made to pull *Unomásuno* out of the KGB/DGI intelligence orbit. Cuba's response: During the last week of November, four of the paper's top editors and writers, led by a KGB-linked ex-Jesuit named Miguel Angel Granados Chapa and top Communist Party (PSUM) ideologue Humberto Musacchio, resigned. Fifty-one other editors

and writers promptly joined them. Fernando Benítez, one of Mexico's best-known "Indianologists" and historians, who has spent most of his time in recent years creating the conditions for an Iranization of Mexico, lasted only another three weeks.

A similar process occurred at *Por Esto!*, a left magazine established in 1980 as a joint operation of the DGI and forces monitoring the left for the Mexican government. For some time *Por Esto!* specialized in "behind-the-lines" reports from guerrilla forces in Central and South America, provided to the magazine courtesy of Cuban intelligence stringers.

But in mid-1983, as the Mexican government gained more control over the magazine at the expense of the KGB/DGI element, the Cubans pulled another tantrum. *Por Esto!* failed to publish a number of issues and then returned to the stands with a new look: no more special reports from the Cuban intelligence stringers. About the same time Granados Chapa of the *Unomásuno* fight, who certainly was in a position to know what the Cubans were thinking, pronounced the death sentence: "Sources in the Cuban embassy are unhappy" with *Por Esto!*'s evolution, he declared to the press.

The two publications which are moving in to take up some of the slack on behalf of the KGB/DGI apparatus are the daily *El Día*, and the weekly *Proceso*. *El Día* now has the largest flow of international information of

any paper on the Mexican scene. A specialty of the house is news of the left in the rest of Ibero-America—provided courtesy of Cuban/Social Democrat channels—and of the East bloc, provided by Novosti press service and a stable of Soviet "commentators."

El Día is also suspected of receiving money from Libya's Qaddafi. It gave wholehearted support to Qaddafi's invasion of Chad, and declared "neutrality" on the PLO issue when Qaddafi and his assets attempted to eliminate the Arafat faction.

The other beneficiary is *Proceso* magazine, established in 1976 as Mexico's muckraking left newsweekly. Editor Julio Scherer García, a Jesuit-trained Christian Democrat who has never been choosy about the intelligence agencies he works with, has kept the weekly afloat with long-contract revenue from full-color advertisements for Cuban airlines, hotels, and rum.

In fact, Cuban (and Soviet Aero-flot and vodka) ads remain the core of the advertising for *Por Esto!*, *El Día*, and *Proceso*, doubtless with greater clout in each case because of a withdrawal of Mexican government advertising.

The Cuban element is involved in yet another press scandal: that of the prestigious daily *Excelsior*. Eighteen top reporters and staff were purged by editor Regino Díaz Redondo in order to keep his own deals, including some with the DGI, in place. This takes on special significance because of Díaz's ties to one of the most powerful figures in government, Education Minister Jesús Reyes Heróles.

What would Reyes Heróles be protecting? His protégé, Rodolfo Echeverría Ruiz, might know. Echeverría Ruiz (who has broken with his uncle, former president Luis Echeverría Álvarez) is Mexico's ambassador to Cuba.

International Intelligence

Soviet buildup in Afghanistan

The Soviets have introduced surface-to-air missiles in Afghanistan, according to the Soviet military newspaper *Krasnaya Zvezda* (*Red Star*) Jan. 2. Western military experts are asking why the Soviets are deploying rockets which could have no military use in a protracted guerrilla war. The question points to the fact that the Soviets are using the Afghan theatre to train their own and satellite-nation forces and as a sociological laboratory.

The same day the Soviets announced the rocket deployments the Kabul government issued an order for all eligible men to sign up for military service by March 31 or face imprisonment. Since the Soviet invasion four years ago, troop levels have dropped 50 per cent due to battle losses and defections.

Soviet Ethnography Institute head Julian Bromley defended the Soviet occupation of Afghanistan in a report in *Pravda* on the Sixth World Congress of Anthropologists and Ethnologists in Vancouver, Canada. Aborigines had been the victims of "imperialist looting," declared Bromley, and called Soviet treatment of the Afghan tribes "progressive." In the last four years, 700,000 to 1 million Afghan lives have been lost, and another half million have become refugees.

LaRouche on Israel's policy toward Arafat

Democratic presidential candidate Lyndon LaRouche, Jr. issued a statement on Dec. 26, "U.S. Policy on Lebanon," which said, in part:

"After Israel had generously and wisely exchanged prisoners with Al-Fatah Commander Yassir Arafat, Israeli policy toward Arafat took another about-face. . . .

"As the Israeli intelligence services know, today's international terrorism . . . is organized around the continuing Nazi International, presently allied with the Soviet KGB. . . . The most conspicuous feature of

post-war Nazi development is the heavy and growing emphasis on "Islamic cover." . . . This Soviet-Nazi interface in international terrorism is a very substantial asset of the Soviet leadership's escalation of global thermonuclear confrontation with the United States. . . . What threats to Israel's existence arise during the early future, will be determined by the outcome of the Soviet-Nazi alliance against the United States. . . .

"Mr. Arafat is the established and beloved leader of what is in fact a government-in-exile of the Palestinian Arabs. . . . If we are going to deal successfully with the Palestinian Arab people, it is with Mr. Arafat's leadership that we must deal. . . .

"The situation is now complicated by the insurrection against Mr. Arafat's de facto government-in-exile. . . . steered from outside by an assortment of forces including the Soviet government, by the Soviets' Nazi International accomplices, and by Syrian agencies owned or rented by the Soviet government. . . .

"We appear to have two Palestinian governments-in-exile, the popularly based leadership of Mr. Arafat and that of his opponents. . . . Strategically, we have no choice but to prefer Mr. Arafat. . . .

"Israel's choice is elementary: work with responsible middle parties to establish a kind of détente, at least, with Arafat's forces. There is a price, of course. Mr. Arafat . . . is in no position to conclude bargains unless his own credibility as a Palestinian leader is enhanced. . . . If Israel lacks adequate means to deliver the full price, the United States should make up the difference. . . . It is better to have a friend who is allied with us on account of his own principled self-interests than a mere "agent of influence."

"The time is overdue to take some generous action toward the Palestinian Arabs. . . . If some way could be found to help relieve their condition now . . . it is an action fit to spark new optimism throughout the Middle East. . . ."

On Dec. 30, Mr. LaRouche followed with a statement entitled: "U.S. Policy Towards Israel: A Much-Needed Shift in Emphasis," stressing that "The sometimes disgusting, and sometimes immediately self-defeating feature of recent decades' U.S.

policy toward Israel, is that Washington's visible policy-thinking degrades Israel to the status of a restive, and often troublesome Anglo-American 'agent of influence.' "

Islamo-Nazi-Communist Christmas in Vienna

Christmastime in Vienna was the occasion for some peculiar behavior.

As the holiday began, former Chancellor Bruno Kreisky took a sudden trip to Libya to meet Col. Muammar Qaddafi, according to the Dec. 27 *Weisbadener Kurier*. What Kreisky was up to is not yet known, but he has been for the past two years the intermediary in the alliances between the Green movement and Socialist International and the Libyan terrorist controllers.

In Vienna itself, reported the *Frankfurter Allgemeine Zeitung* Dec. 27, a high-level Iranian government "economic delegation" arrived in the Austrian capital for "talks of a political nature." *FAZ* notes that Austrian-Iranian commercial ties have more than doubled in past year.

In the meetings that began as the Christmas weekend ended, the Austrian government agreed not only to build large-scale power plants in Iran, but also to build warehouse depots in Austria for Iranian trucks that are travelling into Europe. This is an extraordinary gesture in view of the Khomineiac "kamikaze" truck-bomb terrorism capability.

Economic motives for Nigerian coup

The civilian government of Nigerian President Shehu Shagari was toppled by a well-organized, nearly bloodless military coup Dec. 31. Shagari has been arrested, and a 19-member Supreme Military Council headed by Major Gen. Mohammed Buhari is now running the country. Shagari had just been elected to a second four-year term last August, after becoming the head of the first civilian government in Nigeria in 13 years in October 1979.

Buhari cited corruption and economic mismanagement as the reason for the coup. Nigeria had reserves of \$7-\$8 billion in 1979. Since then, the world economic crisis has eliminated the reserves. The Shagari government was trying to reschedule its debt, which had grown to \$14 billion, according to unofficial estimates. Nigeria, dependent on oil sales for over 90 percent of its foreign exchange, had an oil income last year less than one-half of that of 1980.

Rescheduling and other economic assistance were being made conditional on Nigeria reaching agreement with the IMF, which was demanding strict austerity conditions and devaluation. Washington sources indicated that Shagari had basically agreed to go along with IMF conditionalities, which would have had disastrous consequences for the Nigerian economy. The coup is being called "the IMF revolution."

Did Soviets sack NATO Bundeswehr general?

West German Defense Minister Manfred Woerner handed Gen. Günther Kiessling early dismissal papers on Dec. 30, removing General Kiessling from his post at NATO headquarters as deputy to Gen. Bernard Rogers, Supreme Commander of NATO. General Kiessling was one of three four-star generals of the West German Army (Bundeswehr), and would have retired in April 1984.

There is every indication that General Kiessling belongs to those traditionalist currents in the West German military who were targeted by the Soviet Army newspaper *Krasnaya Zvezda's* Dec. 3 article smearing the Bundeswehr as the scene of a "Prussian-Hitlerian revival." It is also known that General Kiessling had sought out leading general staff officers who are advocates of beam-weapon defense of Western Europe, for briefings and discussion of President Reagan's "Mutually Assured Survival" strategy.

EIR is currently investigating the possibility that the dismissal has its origin in circles around the new General Secretary of NATO, Peter Carrington, and West German Foreign Minister Hans-Dietrich Genscher.

Soviets on both sides of Peruvian fence

The Soviet Union, while equipping the Peruvian army, is giving propaganda support—at least—to the Sendero Luminoso guerillas, according to the West German daily *Die Welt* Jan. 4. The Sendero Luminoso have been murdering government and military officials and sabotaging the Peruvian economy for the past decade.

Soviet military contacts with Peru date from the regime of President Juan Velasco Alvarado (1968-75). The Peruvian army is equipped with Soviet tanks, missiles, and airplanes, and recently the military ordered modern MI-24 combat helicopters, which the Soviets are mass-producing for themselves. Peruvian army officers are also being trained in the U.S.S.R.

Radio Moscow has been broadcasting to the Andean provinces of Ayachucho and others in the Qechua Indian language, calling on the Indians to rise up in a "people's war" against the government. Ayachucho is the stronghold of the Sendero Luminosos.

Tunisia wracked by IMF conditionalities

Tunisia, which had been one of the last African countries to resist IMF austerity demands, has been forced to give in to conditionalities which include the possible elimination of the government-sponsored subsidies of the price of bread. Bread prices have already risen 120 percent. With at least 25 people dead in riots that broke out after the bread price increases took effect, the government has declared a state of emergency.

The Tunisian government has blamed "uncontrollable elements" for the rioting, without naming Libyan dictator Muammar Qaddafi, who has long been attempting to destabilize Tunisia. The town of Gafsa, torn by riots, was the target of a raid by Libyan-backed terrorists three years ago. In January 1978, Tunis was the scene of riots which the government claimed were provoked by pro-Qaddafi former foreign minister Masmoudi.

● **NEO-NAZI PROPAGANDA** is being brought into Israel by some Soviet emigrés to Israel, according to an article in the Histadrut labor confederation newspaper *Davar* by a prominent Hebrew University Sovietologist.

● **DIN NO LIEM**, the Vietnamese ambassador in Moscow, presented Soviet Defense Minister Ustinov with the Ho Chi Minh order on Dec. 21 for his services in strengthening friendship and cooperation between the two countries. On Dec. 22, Soviet Chief of Staff Marshal Ogarkov, Warsaw Pact Chief Commander Marshal Kulikov, First Deputy Defense Minister Marshal Sokolov, Chief Political Administrator General Yepishev, Anti-Air Defense Chief Marshal Koldunov and Chief of the Soviet Navy Admiral Gorshkov were decorated with the Order for Military Services, First Degree.

● **IORELLA OPERTO**, general secretary of the European Labor Party in Italy (POE) and a political collaborator of Lyndon LaRouche, was the object Jan. 2 of a suspected assassination attempt simulated as a car accident. Only the prompt intervention of a colleague crossing the street with her, who pulled her out of the path of a careening Fiat 127, which continued to pursue her, prevented Mrs. Operto's being run over.

● **THE SWISS ELITES** are said to be in an uproar over exposés in *Le Monde* and *Stern* linking Nazi International financier François Genoud to master terrorist "Carlos." Swiss judges handling Genoud's complaint against French journalists have reportedly been ordered to "teach the French a lesson."

LaRouche: 'In the footsteps of Benjamin Franklin'

by Mary McCourt

The world faces the threat of thermonuclear confrontation between the superpowers in 1984. But right now, 300 million persons, more than would die in nuclear war, are threatened with death from starvation, regional war, and disease in Africa alone. Only by rousing the moral reserve of the American population—the citizens of the “last chief bastion of republicanism in the world today”—a moral reserve now sleeping under the effects of soap operas and 20 years of post-industrial society, can the international political forces be mustered to stop the barbarism that is murdering the world’s people, by fighting World War III if necessary. It was to determine how to rouse that moral reserve and muster those political forces that the International Caucus of Labor Committees (ICLC) convened its international conference in Washington, D.C. on Dec. 31-Jan. 2.

In his Dec. 31 keynote to 750 conference attendees, which included about 175 candidates for office in the United States as well as members of the Washington, D.C. diplomatic corps, ICLC founder Lyndon H. LaRouche focused on the philosophical world outlook and method of the Labor Committees, a method which over nearly two decades had put this organization of approximately 1,000 members in the United States, Canada, Western Europe, Ibero-America, and India in the position of Benjamin Franklin’s international conspiracy 200 years ago, when the American Revolution was launched in the face of world crisis. To meet the current crisis, the entire international executive of the Labor Committees was present to lead the conference.

Other conference panels described “The Nature of the Soviet Threat and the Measures the United States Must Take to Defeat it,” and “The Nazi Threat within the West: the Pugwash Conspiracy and Imperialist Economics.” Helga Zepp-LaRouche, chairman of the European Labor Party,

spoke on “The Battle to Save Germany” as the key to saving the Western alliance in her presentation Jan. 2.

The ICLC’s continuity of method

Lyndon LaRouche began his keynote by comparing the role of the ICLC to predecessors as Plato’s Academy in Athens, the network of academies organized by Gottfried Leibniz, and more immediately the trans-Atlantic republican conspiracy led by Franklin. “Today,” LaRouche went on, “civilization is threatened by a spreading and deepening crisis far more ominous than that mastered by Franklin and his collaborators, but the underlying issues remain essentially the same; the methods for combatting this crisis remain also essentially the same.”

It is this that makes the contribution to world affairs of so small and financially under-endowed an organization as the ICLC “more or less indispensable”—and the fact that, thus far, no other association in the world has accepted the role which Franklin, Leibniz, and Plato accepted before.

LaRouche’s next step was to outline the 17-year history of the Labor Committees, which began as a tiny group of graduate students and others in 1966. He focused on the essential feature of the ICLC’s history: *the continuity of method* which governed the association’s development.

The use of this method began in 1966, when the just-founded Labor Committees (LC) began plotting how to combat the New Left of Herbert Marcuse, Tom Hayden, and so forth on its own battleground, having identified the New Left as a proto-fascist formation like the youth movements of Weimar Germany and Mussolini’s Italy. “The issue,” LaRouche said, “was a determination to defend both rationality and technological progress in the economy against the destructive countercultural policy then being spread [among



German and American members of the International Caucus of Labor Committees demonstrating against Britain's violation of the Monroe Doctrine during the Malvinas War, April 1982.

U.S. students].” The Labor Committees’ tactic was to win students and others who were attracted to SDS by their opposition to the Vietnam War away from SDS’s countercultural direction. When their intervention into the 1968 student strike at Columbia University demonstrated that the LC was challenging the national SDS leadership, the forces behind the national SDS operations—the League for Industrial Democracy (LID), which had created SDS; the Institute for Policy Studies which had been established as a “left-wing” competitor to the Central Intelligence Agency under the patronage of Thurman Arnold back in 1963; and McGeorge Bundy of the Ford Foundation—launched an escalating counteroffensive. It is important to realize, LaRouche declared, that “every slander, libel, and major other harassment launched against us within the United States from that time to the present day, has come invariably from the same circles.”

Bundy learned to like us much less during the autumn of 1968, LaRouche continued, when anti-Semitic race riots planned to break the New York “big-city” political machine were prevented by Labor Committee intervention. When the Labor Committees spread documentation proving that Bundy’s Ford Foundation was the largest single backer of the race-riot operations, the LC earned an implacable enemy in Bundy and his collaborators, including the Communist Party U.S.A.

The deployment, after February 1973, of both the Communist Party U.S.A. and the East German affiliate of the Soviet KGB against the Labor Committees “made two points clear to us,” LaRouche stated. “The first was that, despite our small size and lack of resources, some of the most powerful circles on both sides of the Atlantic clearly considered us sufficiently a potential danger to their interests to deploy

continuing and relatively massive efforts to crush us. [And] one of the most popular myths . . . was blown apart by evidence that certain leading forces of the United States’ Eastern Establishment were in cahoots with the Soviet intelligence services at a high level in joint operations against us.”

It was these events that forced the members of the Labor Committees to discover what they were doing that made them such a threat. Then, in 1974, it became clear that “the exact same array of forces deployed against [the Labor Committees] inside the United States was the combination running the Watergate operation against the Nixon administration”—led by Henry A. Kissinger and including the Institute for Policy Studies and that quasi-conspiratorial collection of self-styled “investigative” editors and journalists intersecting the *New York Times* and *Washington Post*. This “liberal” faction of the Eastern Establishment was out to destroy the constitutional institutions of U.S. government. They wanted Nixon out, simply because he was President at that time. And the Labor Committees—which had demonstrated that it was willing defend President Nixon, despite its opposition to many of his policies, because that was necessary to defend constitutional government—were considered a menace by the liberal Establishment because of its *method*.

How did that method threaten the liberal Establishment? LaRouche asked. It is because “I respond to threats and other challenges in a certain manner: faced with a fight, I either drop a cause which I consider not worth the trouble, or become very stubborn and counterattack, seeking to discover some flank of an opponent vulnerable to an effective counterattack.” If those circles of the Republican Party who wanted to stop the destruction of the constitution had fought back in exactly that way, they could have won the fight.

The Socratic method

“These principles of tactics are directly a reflection of the deepest principles of the Socratic method, the method of the Platonic dialogue,” LaRouche stated. All human practice, especially that of nations, is the result of “deeply rooted standards of judgment . . . axiomatic assumptions about such things as human nature, about the principles of cause and effect in the universe, about what constitutes an accepted fact, and what constitutes merely a debatable opinion. [In a nation] the axioms and postulates governing the way the population thinks determines whether that nation grows or collapses.” Influential decisions change for the better some of these axiomatic assumptions, as demonstrated by the effects of scientific discoveries which accomplish scientific revolutions. Such discoveries challenge some of the prevailing axiomatic assumptions of scientific work, and seek to prove conclusively that these prevailing axiomatic assumptions are false.

This method of discovery, LaRouche said, is what Plato identifies as the principle of the *higher hypothesis*—the constant characteristic of the Socratic method. “The Socratic method is one which many people detest as unpleasantly

polemical, abrasive, the method of the sort of person decent people would not invite to a diplomatic cocktail party.”

At the same time, it became clear to the members of the Labor Committees that they had to move directly into the center of the fight, both within the United States and globally. To hit Bundy’s faction in its flanks abroad, it was necessary to work with those natural allies abroad who had the same reasons for desiring the defeat of Bundy’s faction—the method Franklin used during the period beginning 10 years before the Declaration of Independence.

The world financial crisis: an exposed flank

To defeat the liberal Establishment, the Labor Committees made a commitment to force the replacement of the collapsing Bretton Woods monetary system with a gold-reserve system consistent with the principles of Treasury Secretary Alexander Hamilton’s reports to the U.S. Congress in 1790-91. “The purpose of this monetary reorganization,” LaRouche explained, “was to greatly expand long-term credit for high-technology capital-goods imports into developing nations, an increase in world trade in capital goods adequate to reviving the eroding industrial economies of the United States and Western Europe.”

The organization took the steps of establishing a professional-quality international news service, and creating the Fusion Energy Foundation to re-introduce the Socratic method into scientific work.

The Labor Committees became a full-fledged philosophical association, LaRouche went on, when, conducting intensive study of primary sources into the roots and early development of the United States, we began an intensive study of both the Arab Renaissance and classical Greek primary sources, and assimilated the all-important work of the great giant of the 15th century’s Golden Renaissance, Cardinal Nicolas of Cusa. “From Cusa, through Leibniz and Franklin, among others, one traces most efficiently all of the essential ideas and issues of the recent 500 years of the history of Western Europe and the Americas. It was Plato, Cusa, Leibniz, [Karl] Gauss, and [Bernhard] Riemann who are the highest level of relative influence in defining the whole span of our philosophical world outlook as an association today.”

At this point, this philosophical association assumed an implicit role in world affairs, a role bestowed upon it “by the nature of a global crisis we did not fashion, and by the lack of any visible agency in this world to perform the specific function which we have been drawn into assuming. The confluence of those developments moved us into fulfilling the same species of function in world affairs as the trans-Atlantic conspiracy led by Franklin two centuries earlier.”

Like Franklin’s organization, the Labor Committees are formed of the patriots of numerous nations, LaRouche stated—“each, at once,” in the words of Friedrich Schiller, “patriots of our respective nations and yet also world citizens. . . . The world of which we are citizens is a republican world, a world of humanity’s need for a system of sovereign

national republics. [As did] that uncompromised French patriot, President de Gaulle, we see the self-interest and personality of our nation to be its special contribution to the strengthening of a republican order of civilization worldwide.” But these nations are run by some few people of good will and some corrupt or even evil personalities, making “the decisions of governments at each step a pragmatic compromise between good will and wickedness.” It is into this “pragmatic” policymaking that the ICLC had to intervene.

Worse than thermonuclear war

During 1966, mankind began its present descent into a new dark age. Pope Paul VI’s 1967 encyclical *Populorum Progressio* addressed the essential feature of a general moral degradation of international policies. This process of moral degradation has forced the rapidly approaching military confrontation between the superpowers.

But, LaRouche emphasized, “thermonuclear war is not the worst of the horrors now threatening mankind. We are in a deepening worldwide economic depression. Despite the government of the United States’ insistence, there is no economic recovery. . . . The world is on the edge of an international financial collapse far worse than that which occurred during 1931. The \$800 billion of foreign debt of developing nations is only a minor problem relative to nearly \$10 trillion of toppling debt structures worldwide.”

Depression and financial collapse, and the social and moral collapse following upon them, are creating the situation in which, if there is no thermonuclear war, the world will probably collapse into a new dark age by the close of the present decade. This will be worse than nuclear war, LaRouche stated, because these conditions mean that “not a single presently existing nation of the developing sector will exist by the end of the present decade, and perhaps not a single presently existing nation of the world by the second half of the 1990s.”

To understand how these dark age conditions will ravage the world on a scale beyond that of a nuclear war, we must realize, LaRouche stated, that “the world’s population will drop to 1 billion persons or less. Deaths worldwide over the coming 15 years will be increased by a total of more than 3 billion persons. Old and new epidemics and pandemics will rage like a great forest fire of death around this planet under the conditions associated with such death rates among concentrated population centers, the conditions already spreading through the thinly populated regions of black Africa.”

Yet, think, he said, that most governments and religious and other non-governmental bodies treat today as “respectable” people those agencies such as the Club of Rome and International Institute for Applied Systems Analysis, which have for more than 10 years consistently campaigned to bring about such a collapse of civilization into a new dark age worldwide. “It were a far more moral thing to do, to fight a thermonuclear war to prevent such policies from being realized, if no other means to do so were available to us, than to

submit to a condition of so-called peace which fostered the continuation of the policies of practice supported by the Club of Rome.”

With governments in this degraded moral condition and showing such monstrous folly as to condone the Malthusian practices of the Club of Rome, the ICLC finds the political and religious institutions either too wicked or simply too weak to muster an effective defense and counteroffensive against the forces impelling humanity into a new dark age. This is why, LaRouche said, he is campaigning for the Democratic Party’s 1984 presidential nomination. The Republican Party today, like his Democratic opponents, fixated on the nomination and election, are subordinating the great issues of this present crisis to the petty business of campaign tactics. “I must run,” LaRouche stated, “not against the other candidates, but against the petty-minded pragmatism and banality which has seized our nation’s will.”

“The duty of our philosophical association is therefore to rebuke, to denounce, and to inspire, to be thus the informed conscience of each and all of the nations of which we are patriots. In that way, and to that degree, we have taken the welfare of the present and future generations of humanity upon our poor shoulders,” as did the co-conspirators of Benjamin Franklin 200 years ago.

The military dictatorship now consolidating its power over the Soviet Empire, stated LaRouche, is whipping up its population daily with propaganda against the United States as lying and brimming with bestial hatred as anyone has seen since the death of Nazi Propaganda Minister Josef Goebbels. To this degree, the Soviet Empire is the central feature of the present danger to civilization as a whole. But the relics of pagan barbarism in today’s Russian culture are not in themselves the problem. We must see the Soviet strategic problem from a higher vantage-point, LaRouche continued.

Battle of Athens against Sparta continues

As Schiller emphasized, the past 2,500 years of the history of European civilization is a history of a continuing battle between the republican tradition of Solon of Athens and the opposing, oligarchical tradition traceable to the sodomic slave-society of Lycurgus’s Sparta. The craft of oligarchism, over this period, has been centered upon manipulating whole peoples against one another, in wars and in other ways, to annihilate the institutions and traditions of republicanism.

The U.S.S.R. is now a mere pawn of those oligarchic forces. We must focus our forces against the real adversary, the adversary steering the Soviet forces into the attempted destruction of the last chief bastion of republicanism in the world today, the United States.

LaRouche then outlined the career of Bertrand Earl Russell, “perhaps the most evil single man of the present century,” as the leading representative in the English-speaking world of the same oligarchical policies as those of the leading Venetian and Swiss rentier-financier interests which were the hard core of the Nazi Party before 1946, and which steer the

massive present-day apparatus of the Nazi International in collaboration with Moscow against the United States.

Russell was an Anglo-Saxon racist who dedicated all of his efforts to destroying the institutions of sovereign nation-state and technological progress, to permit the establishment of a world-federalist empire. One purpose of this empire would be the destruction of the darker-skinned population. This, according to Club of Rome co-founder Dr. Alexander King, is the true purpose of the Club of Rome.

Behind the Soviet threat today

During the entirety of the post-war period, LaRouche continued, until President Reagan’s March 23 television address, the foreign policy and strategic military doctrines of the United States have been steered by Russell and his accomplices. When the Soviet Union developed an H-bomb Russell and his accomplices proposed that the political map of the world be redrawn, to establish two world-empires, giving Moscow nearly half the world.

The Soviet partners in this two-empire conspiracy included Bundy’s circles in the U.S. liberal Eastern Establishment and circles, now linked to Lord Carrington, in the corresponding elements of the British Establishment. Soviet partners included the Swiss-based Nazi International. “There was never an alliance among these forces,” LaRouche stated. “Rather, it has been a gathering of hyenas, jackals, and vultures over the dying power of industrial society in the West.” We must prefer victory in a horrible war, however horrible, to the nightmare of avoidance of war secured by craven submission. We cannot tolerate a *Pax Matushka Rus* as the alternative to war. The cause of future generations of humanity throughout the world will not permit this.

Preventing a *Pax Matushka Rus*

“Only among the nations of Western Europe and the Americas, the nations shaped by the heritage of St. Augustine and Cusa, does there exist,” LaRouche asserted, “that special current of culture which might be awakened now as a concerted moral and physical force in arms capable of settling the crisis of civilization.

“The ultimate strategic objective of the great mobilization to which we are dedicated now, is to restore the power of republicanism as the ruling power, the ruling philosophy of our republics. We must establish in the years immediately before us, a new world order in relations among nations, an order shaped and ruled by those same principles for which was founded that great republic on whose soil we stand here today. Let Russia enter such a community of nations, to secure the same rights and security as a nation as all other nations among that order, no more, no less. Let us thus, at last, bring this aching, enmiserated and dangerous world of ours into order, into the republican order the great Marquis de Lafayette served in describing our new-founded republic as a “beacon of hope” and “temple of liberty” in the eyes of the peoples of the world.

Mondale and Harriman use Soviet line against Reagan's military policy

by Kathleen Klenetsky

With Syria's release Jan. 3 of downed U.S. flyer Robert Goodman, the Soviet Politburo's Islamintern boss, Geidar Aliyev, has made his first official contribution to the Mondale for President campaign.

It is no secret that Moscow wants Walter Mondale elected President of the United States, accurately viewing him as far more accommodating to Russia's imperial ambitions than President Reagan; the more immediate objective is to destroy Reagan's authority as Commander-in-Chief and force him into a humiliating withdrawal from Lebanon, undermining U.S. ability to deploy troops anywhere in the world. By turning Mondale stalking horse Jesse Jackson into the hero of the day—and making Reagan look ineffective by comparison—the Soviet proxy government of Syria has moved one step closer to this goal.

The chorus

As Congress prepares to reconvene on Jan. 23, leaders of both U.S. political parties are repudiating previous commitments to support the Lebanon mission.

- Hours after U.S. flier Goodman was released Jan. 3, Walter Mondale delivered a major foreign policy address in which he demanded a U.S. troop pullout from Lebanon within 45 days.

- House Speaker Tip O'Neill (D-Mass.), who had rallied Democratic support for the U.S. troop presence back in September, now says his support was only conditional and the Reagan administration has not met its part of the bargain. Administration officials have "one hell of a lot of explaining to do," said O'Neill in a telephone interview with the *Boston Globe* published Jan. 3. "As far as I'm concerned they've mis-assessed everything. . . ." On the same day, O'Neill met with a 15-member congressional "monitoring committee" he set up on Lebanon and afterward announced that, unless "measurable progress" is achieved soon in Lebanon, he will join calls for a U.S. troop pullout.

- House Minority Leader Robert Michel (R-Ill.) reversed his previous support for the President's policy, urging that the U.S. "leave it to Israel, as our strategic partner, to work out in ways it might choose, a solution to the Lebanon problem." Michel modified his statements somewhat after a meet-

ing with President Reagan, but there is little indication that he has reverted to his former strong support for keeping the same level of American military presence in Lebanon.

- Michel's counterpart in the Senate, Senate Majority Leader Howard Baker, said in Miami that he had told Secretary of State George P. Shultz that the Reagan administration must reconsider its Lebanon policy within the next 60 days with the goal of preparing a plan to pull out U.S. troops.

- Representative Sam Stratton (D-N.Y.), generally considered a foreign policy hardliner, says he will introduce a troop-withdrawal resolution when Congress reconvenes.

- The House Armed Services Committee is scheduled to begin a re-evaluation of Lebanon, and the Senate Foreign Relations will take up a proposal by Sen. Charles Mathias (R-Md.), an intimate of the Pugwash arms-control networks, that would order the Marines home by the end of February.

Both Democratic and Republican opposition to the Lebanon troop presence converges on the Kissinger plan for elimination of U.S. influence in the Middle East through partition of Lebanon between Israel and Syria. There are signs that Kissinger, the Kremlin's favorite Republican, may be trying to insinuate himself into a new position in the Reagan administration after his Central American Commission terminates this month. The first week in January, the Harriman-linked *Washington Post* ran a front-page series playing Kissinger as the diplomat par excellence, and specifically pointing to his qualifications as a Soviet and/or Mideast negotiator.

The Lebanon question

The renewed opposition to the President's Lebanon commitment is part of a sweeping attack on the President, aimed at paralyzing his foreign policy-making ability and aborting his defense policy, above all his policy of developing antiballistic missile defense systems.

On Jan. 4, the granddaddy of the KGB Democrats, Averell Harriman, took to the pages of the *International Herald Tribune* to blast the President's commitment to beam-weapons defense. Under the headline, "Three Years of Ronald Reagan: An Opportunity Squandered," Harriman castigated the President for incompetence in foreign policy, especially

his handling of U.S.-Soviet relations, declaring that Lebanon "is only the most immediate trouble spot."

Harriman went on to attack Reagan's plan to develop defensive beam-weapons systems: "Perhaps the most tragic trend," wrote Harriman, "is that the arms race is about to be launched into space. . . . The Reagan administration's 'Star Wars' defense scheme will mean more than the destruction of three solemn arms-control treaties. . . . It promises security that is beyond America's capability to provide and thus plays cruelly on the fear and the hope of every citizen. It promises a technological shield when the solution is in ourselves—in serious negotiation and mutual restraint."

Harriman's articles were reprinted in *L'Humanité*, the newspaper of the French Communist Party, which announced a major mobilization based on Harriman's ideas.

Mondale sounded the same theme in his foreign policy speech before the National Press Club today, even repeating Soviet spokesman Fyodor Burlatskii's demands in the Aug. 10 *Literaturnaya Gazeta* that the U.S. abandon efforts to develop a beam weapons anti-missile defense or risk a Soviet nuclear strike. Mondale laid out a 12-point "peace program," which included the demands that the U.S. 1) negotiate an ASAT (anti-satellite weapons) ban, and 2) reaffirm the ABM treaty.

"The President's Star Wars system will destroy the ABM treaty, which was the most successful in history," lied Mondale. "It will destabilize the military balance and would increase the danger of a Soviet first strike more than anything else."

According to columnist Joseph Kraft, Mondale's foreign-

policy speech today was planned months ago with input from defense saboteurs McGeorge Bundy, Harold Brown, James Schlesinger, and Warren Christopher.

The Jackson-Mondale deal

Mondale's accolades for Jackson are a tip-off to the dirty little deal the two supposed opponents have worked out for themselves—over the corpse of U.S. foreign policy. It is now Washington's best-known secret that Jackson, who has no illusions that he could win the presidential nomination, has arranged with Mondale to deliver Jimmy Carter's Vice-President the black vote in exchange for some big political favors. In an interview Jan. 3, Rev. Lester Mondale, Walter's brother and an activist in his presidential campaign, reported that he is now pushing a Mondale-Jackson ticket (see box).

In his meeting with Syrian President Hafez Assad, Jackson was overheard telling the Syrian dictator that Reagan has "only one year left" in office—a line that can only harden Syrian intransigence. In its report on the meeting, the Syrian government's official outlet, Arab News Agency, quoted Jackson as saying that U.S. policy on the Middle East was "harmful to the real interests of the American people."

Meanwhile, Mondale-Jackson ally and former U.S. Attorney General Ramsey Clark praised the Syrian-Jackson negotiations as an example of how much more effective "people-to-people" diplomacy is than the old-fashioned "government-to-government" kind. Clark developed his expertise in Middle Eastern affairs leading crowds of pro-Khomeini demonstrators through the streets of Teheran in 1979 while in Iran as an official emissary of the Carter-Mondale government.

Mondale's brother calls for surrender to Soviets

Walter Mondale's brother, the Rev. Lester Mondale, provided some interesting insights into Fritz's philosophy in an interview Jan. 3. Reverend Mondale, a retired Unitarian minister who describes himself as being "extremely active" in his brother's presidential campaign, told *EIR* that he would prefer to see the Russians run the world than to have the United States use nuclear weapons.

"I am 100 percent against any resort to atomic weapons under any circumstances," he said. "If there is a war, it would be preferable to let the Soviets win than to try to counter them with nuclear weapons, even if this meant Russian world domination. If we had a nuclear war, there would be nothing left. But even if we had to survive under Russian rule for years, I believe that at some point, there would have to be a humanist renaissance. . . ."

Asked whether his brother thought the same way, Rev.

Mondale replied that "I really can't speak for him," but went on to assure the interviewer that "Fritz is horrified by the thought of nuclear war." The presidential candidate has been stressing in recent campaign statements his opposition to the use of nuclear weapons.

Reverend Mondale pointed to the political troubles that Jesse Jackson is stirring up for President Reagan's Lebanon policy, chortling about the "black eye" which the release of U.S. flier Goodman is giving to Reagan. "It's wonderful: Now Reagan has to meet with Jesse at the White House, after refusing to take his phone calls last week." The former Vice-President's brother reported that he is now championing a Mondale-Jackson ticket, so impressed is he by Jackson's "statesmanlike behavior" during his trip to Syria.

The Reverend also said he had had written an editorial expressing his view that Soviet domination is preferable to nuclear war for the September/October 1983 issue of the *Humanist* magazine, published by the American Humanist Association, with which he has been affiliated since its inception.

'The overriding problem is the threat posed at this moment by the U.S.S.R.'

Dr. Lowell Wood, the physicist who heads a special study group at Lawrence Livermore National Laboratory, spoke at an American Legion Press Club meeting on beam-weapons defense systems on Dec. 1, 1983. Gen. Volney Warner, former commander of the U.S. Readiness Command and head of operations and logistics for the U.S. Army, and Michael Liebig, chief of EIR's European Bureau, also spoke at the meeting, at which Dr. Wood first announced that missile-bearing Soviet submarines were off both coasts of the United States, with a range entailing that after an attack, there would be no more than three minutes for the United States to make strategic decisions. Excerpts follow from the question-and-answer session at the meeting.

Q: Beam weapons—are they feasible? Can we afford them? Can we not afford them? Can we afford not to have them?

Dr. Wood: To put the situation in perspective: the U.S., depending on exactly what you count, spends between 12 and 15 percent of its military budget, on strategic programs, all of which at the present time are strategic projects. Between now and the end of the century, if the rate of the last five years is maintained, the United States will spend about two-thirds of a trillion dollars on strategic offense. So when you ask yourself if you are for strategic defense, that's how much you will be paying for strategic *offense* through the end of the century.

Q: Over what period of time?

Dr. Wood: Between now and the end of the century, 17 years.

Q: Dr. DeLauer, head of defense research and engineering in the Pentagon, said that the cost of this system is staggering and would equal everything we are now spending for strategic weapons. . . .

Dr. Wood: With all due respect to Dr. DeLauer, who is a

very eminent defense technologist, I don't believe that it is feasible for anyone to say what level of strategic defense will cost how much. I believe that it is about as unknowable as, for instance, the cost of the Manhattan Project was when it was commenced in 1941. At that time, the Manhattan Project's budget request was for \$6,000. In the next four years, they spent two billion.

Q: Are beam weapons for real?

Dr. Wood: If you ask, "Does a beam weapon exist now that will burn down intercontinental ballistic missiles or intercontinental bombs?" the answer is most assuredly not, neither in the United States nor the Soviet Union. . . . As a specific example of what serious people have said they believe could be done, a beam-weapons system which would defend the United States, which will bust Soviet ballistic-missile attacks launched through submarines and which would likewise defend Western Europe and Japan from an SS-20 type of attack, was posed to the government as a feasible option by responsible people at the national laboratories and in the military-aerospace industry, with a five-year time from the present to initial operational capability of the system, and an eight-year time from the present to full operational capability of the system, at a total system cost of \$10 billion. . . .

My personal belief is that the shift from offense emphasis to defense emphasis is one of the best pieces of news that the human race has had in the last 40 years. . . . It is utterly a case of "you pays your money and you takes your chances," and I ask you: Do you like the current situation? Or to paraphrase the famous question, are you more secure now than you were 10 years ago? Has deterrence served well the interests of the people of this planet?

Q: I happen to believe that this is the great hope of the world, but I would like to know a little bit about the technology we're going for.

Dr. Wood: The technology underlying beam weaponry in particular, and strategic defense more generally, is much further along than nuclear technology was in 1941. To give you a specific example, I have a little cartoon [which] showed a section of a planet and a beam bouncing off an object in space going from one side of the planet to missiles which are being launched from the other side of the planet. That technology, which incidentally is, that particular technology, which is of a non-nuclear nature, consists of for instance, a powerful laser situated on the ground, in the continental United States.

A spherical mirror which was either previously emplaced in orbit or was "popped up" at the time of attack . . . directs a beam from a ground-based laser against the missiles in flight, coming from the central Asian Soviet ICBM fields. The type of lasers which would be used there have been demonstrated in subscale. There is no technical reason that anybody has come up with why they cannot be made to operate full-scale, and can be operated full-scale in a three- to five-year timeframe. The optical systems which redirect beams can orbit, have been demonstrated in laboratory-type environments to be fully capable of redirecting the size of beams with the precision required to do what we intend them to do to acquire targets, point beams at them, and to whatever extent is required, destroy them. That's a specific example of a strategic defense capability using a directed energy system, of a non-nuclear nature, with, incidentally, no assets deployed in space.

Q: I have been told that beam defense relies on fusion power capability. Is this so?

Dr. Wood: It is not so. Some aspects of beam defense, or of strategic defense used for beam weaponry, use thermonuclear energy, not of a full thermonuclear-energy, fusion-power-plant variety, but of the type which is known to work dreadfully well, namely that which drives hydrogen bombs.

The ground-based laser that I just referred to was run off the same thing that televisions run off: utility line power. The amounts of power and the amounts of energy which are needed to destroy intercontinental ballistic missiles, submarine-launched ballistic missiles, bombers, cruise missiles, etc., are exceedingly small. You saw pictures of what one ton of high explosive did to a reinforced multi-story concrete building in Beirut several weeks ago. The amounts of energy required to definitively destroy strategic offensive platforms like bombers or missiles are basically a few pounds of high explosive equipment. They are the amounts of energy which are drawn by the lights in your house over one hour of time, if you apply it roughly.

Q: If a hostile country were to establish a space defense, could the United States defend itself from it, or would we continue to wage some kind of war?

Liebig: Well, I would say that this unfortunately is something which one has to very concretely think about. Because I would not exclude the possibility that the Soviet Union is going to demonstrate their capability in terms of either ground-based ABM capabilities or space-based ABM capabilities—first in a demonstration phase—very early, maybe even in the next one to two years. . . . And secondly, I think one should think about why the Soviet Union did not respond to the offers made by President Reagan and Secretary Weinberger. They said, "We don't want a unilateral superiority of beam-weapons ABM capabilities, but we want that both sides in a rough equality and parity, also timewise, are developing the system, so as to make sure that a new regime of strategic balance can be established with both sides having this system."

Q: Then you're saying in reference to the beam weapon, that we could operate it in three to five years?

Dr. Wood: I'm afraid there is a misunderstanding as to what I said. I quoted very specifically a five-year period for IOC, initial operational capability, and eight years for full operational capability, for a system that could defend against attack of the U.S. by submarines, Soviet submarines, and attack of Western Europe and Japan by SS-20 type systems. These are all effectively intermediate-range ballistic missile based attacks. Five years, eight years, \$10 billion is what I said. That is a part, and a representative part, of the overall question of strategic defense. I did not address the question of bombers, of cruise missiles, or of ICBMs. . . .

Q: Is that a ground-based system?

Dr. Wood: . . . I said that it had been estimated and scoped out in detail for development using existing technology by a completely ground-based system which would be effective against intercontinental ballistic missiles, long-range ballistic missiles, or bombers, or cruise missiles. . . .

Q: Foreign ships have used Alexandria Harbor; if they left a mine there, they could wipe out Washington right now! You aren't going to have any defense against that. So 20 years from now, I feel no more safe than I do today from your magic. You just want to waste another couple of hundred billion dollars.

Dr. Wood: I'm afraid that you, and probably the public at large, does not have much of an intuition as to what 10 thousand megatons of explosive in the Soviets' strategic nuclear stockpile can do to this country. . . . Ten thousand megatons burns this country to the ground. Ten thousand megatons lays down thousands of roentgens per hour of radioactivity over every square inch in this country. Ten thousand megatons leaves nothing left alive on the surface of this country. With all due respect to Washington, and it's a beautiful city, I'm quite willing to lose the port cities of this country if you're worried about bombs in freighters, and I'm

quite willing to lose other assets of this country, if you're worried about bombs being floated in from Mexico; I'm quite willing to put up with that amount of loss, relative to the complete annihilation of the United States, not as a nation, not as a piece of geography, but as a piece of the biosphere of this planet, which can be effected *at the present time* by the Soviet Union, with its *existing* strategic missile and bomber force. With all due respect to your knowledge, sir, it seems to be slightly incomplete with respect to the ferocity of the strategic offensive capability of the Soviet Union at the present time.

Q: Then what can your program do to stop that? Exactly my point; you are taking a small part of the spectrum, and you're saying, "We can do something to what those things with nosecones are carrying through space," but you are not stopping the whole spectrum of weapons, and I mean nuclear weapons, I'm not just talking about rifles.

Dr. Wood: I certainly can't stop the suitcase bombs. . . but at the present time, that which comes over in the first hour, in those missiles, that which comes over in the first 10 hours in the bombers, leaves nothing left in the United States of America—nothing. You know, the loss of cities due to suitcase bombs is an exceedingly serious matter, but it pales completely beside what the United States faces at the present time from the Soviet Union. And the proposals that President Reagan makes address *that* ultimate problem. . . .

Q: I'd like to pose the question of what you think it would take to set up a full system, space-based. The problem is that of resources; the problem, as Mr. Liebig suggested, involves the NATO allies. . . .

Dr. Wood: The system which I suggested, which I believe could be created in eight years, is an incomplete one, a first step. It is the sort of *logical* first step I believe that one might look toward as far as providing strategic defense for this country and for its allies in Western Europe and East Asia. It is a system which, moreover, does not involve titanic sums of money. It involves something of the order of 1 percent of the amount of money which Dr. DeLauer would probably stipulate is probably going to be spent by this country between now and the end of this century on strategic *offense*. That system, as I said, was not space-based; it had no significant components in space.

It is not clear the extent to which the country would be well advised to put a defensive system, or an offensive system, or anything else that it cared much about, in space. Space assets are blamed vulnerable. But the type of system that I've sketched is one that is a reasonable thing to do for starters; it is the sort of thing which, if both countries, the U.S. and the U.S.S.R. deployed it, would roll back the super-short time scales that presently prevail. I think that a very important thing that needs to be done is to start getting time for political decision-makers to work in. It would give us the

time scales that we had 10, 12, 15 years ago, when we were merely threatened by intercontinental ballistic missiles, for political decisionmakers to count on 30 minutes to try and figure out what to do, rather than the three minutes or less that they have at the present time.

It would lead very naturally to the capability, I believe, to destroy intercontinental ballistic missiles, whether it's in early phase, mid-course, or terminal phase—destroy them so that political decisionmakers would then have eight hours of time to do something, and perhaps even use recallable attack capability that they had in the 1950s, when the threats to the two countries came from each other's bomber forces. At the present time, due to the advance of strategic offensive technology, we are stuck with a situation in which computers are going to be fighting the war; the political decision-makers will have been dead at the outset.

Q: How vulnerable are missiles on submarines?

Gen. Warner: How vulnerable they are, no man can say. But if you know where the submarine is, all the missiles on it are just obviated, neutralized, liquidated. Submarines are exceedingly delicate. If you can tell within a few miles where a submarine is located in the ocean, it is exceedingly feasible, with existing military assets, to destroy that submarine. The U.S. has a huge number of warheads, on its exceedingly small number of submarines.

If the Soviets can ever figure out how to find three dozen U.S. ballistic-missile-launching submarines—I guess there are only 32 at the moment—the so-called vulnerable leg of the U.S. triad just vanishes overnight. It has a very mystical sort of nature to it. All you have to do is know the location of these submarines, just know it, and then you target 32 missiles in that general area of the ocean. You don't have to hit at all precisely; it's not like shooting at missile silos or anything like that; submarines are creampuffs. If you ever know where they are, they're just all gone immediately.

Q: When you have a ground-based laser beam that's bounced off something in orbit, how would you be able to track the incoming missile?

Dr. Wood: Missiles in their launch phase, which goes from three to eight minutes, are as bright as a large city, in the total amount of radiant energy from their exhaust. . . in other words, they carry very large tags on them that can very readily be seen, with existing technology, from the distance of the moon, and distinguished against everything else.

Something has to monitor that missiles have been launched. That does not need to be done from space; it's very easy with existing assets to determine that the Soviet Union has launched missiles.

You throw something up in space which does not have a predetermined position so that it is not vulnerable to attack; for instance, the U.S. throws up a pop-up mirror which is looking for these Soviet missiles, the Soviets don't know

where it would pop up from or when, or where it went; so it's very difficult to attack. All that mirror has to do is find those booster plumes, those exhaust plumes. . . .

Q: I'd like to know why all the people who quake in their beds because they're afraid they're going to be incinerated by offensive weapons—why they are so against *defensive* weapons.

Liebig: I think that some of these people are genuinely terrorized, but on the other side I think that there is a well-oiled and perfectly orchestrated campaign under way from the side of the Soviets which is targeting defensive beam weapons. I do not understand why more attention is not given to the fact that day after day, the leading Soviet news media are launching assault after assault against beam weapons. You take *Pravda* one week, and you can be sure in two or three editions there is an assault against defensive weapons because they are allegedly a "first-strike" weapon. With the peace movement in Europe, with 150 million marks that are being paid every year from the East into the peace movement in the West—I think that this is a critical factor for these otherwise unexplainable reactions.

Dr. Wood: I would also suggest that there are relatively few people quaking in their beds. . . . I did notice that a *New York Times*/CBS poll, conducted four weeks after the President's speech of March 23, found that the American public cross-section which they had polled, favored the President's strategic defense proposals by a ratio of 67 to 25. . . . The *New York Times*, in the story reporting these results, seemingly somewhat grumpily remarked that this just seemed to reflect the American public's naive faith that any problem can be resolved with technology.

Q: Well, I would like to go back to the crash program. It seems to me that if President Reagan just got on television and said that this country should go on a crash program for beam weapons, the country would be behind him. And if we could organize a vocal public behind the President, don't you think we would have a shorter time frame, and within three to five years, we could be dealing with the threat of ICBMs as well?. . . . We have got to address Soviet aggressivity by that kind of public announcement that we're going to go with the beam weapons, that we are not going to be terrorized.

Dr. Wood: The program which I discussed that had the five- and eight-year time scales is not a crash program. By the very fact that we spent so little money and it took so long, relative, for instance, to the total duration of the Manhattan Project, it's clear that it did not represent the best that this country could do, if this country really were concerned; it merely represented what it was believed to be feasible for this country to do on a "business-as-usual" basis, proceeding from the present time. With respect to what might be done or could be done, or if the President were to make a rousing speech, or whatever: it's clear to just about every thoughtful person in

this country, at the present time, that the press is the most powerful single institution that exists, much more so than the executive or legislative branches of the federal government, for instance. What the press could do if it decided it wanted to proceed in this direction, is not known to me, but I suspect the results would be very striking indeed.

Q: I understand that the physics has been resolved on laser weapons, to a large degree, and that now they're down to the engineering aspects. And this week there was the announcement about the partial success in using lasers to down missiles. If we were to go into a Manhattan Project-type program—I realize that it's not possible to come up with any specific arithmetic—it obviously would shorten this entire thing. Now, if the laser weapons are knocking on the door, what about beam weapons and protons and so on—where do we stand on those?

Dr. Wood: Of the varieties of beam weapon technologies, lasers are probably the most advanced. They've been worked on for the longest periods of time, they've had the largest infusions of funds and technical personnel. The other types of beam weaponry, projectiles, microwaves, particle beams, are in substantially earlier phases of development. Whether they have to be developed as far as lasers have been to the present time in order to be militarily effective, is still being determined. Some of those types of technology appear to be potentially very potent, even in their early phases. So if you were to implement an immense crash program, which, whatever your time scale, would turn out to be the most useful in terms of avoiding an offensive move? I think that's hard to say at the present. What you really can do, with firm reliability at the moment, is set the minimum, set the floor, on how effective these systems can be. . . .

Q: Would an enemy consider space-based defense system more aggressive than a ground-based system? . . .

Gen. Warner: I guess they possibly would; the rationale would not be scientific, but if you talk to soldiers and people in the street here and in Europe, there still seems to be a general attitude that the heavens are God's locale, and that if you interfere with that, if you militarize it, it becomes a location for platforms weapons, somehow you have exceeded the rules for land-based warfare. I think that you'll get the same sort of response in some sections as you do if you talk about nerve-warfare weapons. There would be an enormous educational requirement if you decided to militarize space. . . .

Dr. Wood: I would suggest that the circumstances with respect to military systems in space have been misunderstood by the public. The public seems to be blissfully unaware of the fact that the Soviets have had an operational weapons system in space for over a decade: namely their "killer satellite" capability. I for one find it very difficult to distinguish between the telescopic sight on a rifle and the trigger on a

rifle. Both of them are actually necessary to be able to shoot down targets at distances. The Soviets have been deploying radar ocean surveillance satellites, ones that target the U.S. Navy very precisely with respect to its location. With respect to the number of ships and what kinds of ships are located on the oceans, at almost every point in time you get very precise target information, so that U.S. ships anywhere on the planet can be attacked not only by Soviet submarines and Soviet cruise missiles, but very specifically by Soviet intercontinental missiles, aimed at ocean targets rather than land targets. There are all kinds of military weapons hardware in space, in addition to the military communications capability, military reconnaissance, and so forth. Space has been thoroughly militarized already, and the Soviet Union, in just about every technology that you want to point to, took the lead.

Liebig: On the original question, I would say that the Russians will not care really in the slightest, if it's a ground-based ABM system or a pop-up or space-based system. What they worry about is that this technology will enable the United States, in a very short period of time, to close the window of vulnerability; that it will allow the United States and NATO to neutralize the possibility of a Soviet first strike.

Q: I am tremendously impressed with what I hear tonight as to their accomplishments in the technological field. We've always thought of them as being backward people, until recent years we thought of them that way—

Dr. Wood: Up until Sputnik, anyway.

Q: And in their civilian economy, they're so far behind. . . . Yet the most important impression I've had here tonight is the level of ability on the part of the scientific personnel that they have.

Gen. Warner: Well, the first answer is that when they divided their national treasure, ever since the Kennedy-Khrushchev confrontation, in their commitment to make sure that they were never put into a back-down position again, that subsequently when they divided their national treasure each year, they put a preponderant share into their defensive system, strategic and conventional, and they've been doing that for a long time.

Also, for example, if they decide to change from tote artillery to artillery that has its own motor and movement system, or if they decide to put a beam-weapons system in the sky, there is no difference between the officials and the military that run the country. . . . All they have to do is say, "Produce this system; change from this system." There is no acquisition program, there is no testing program. . . . It's only limited by the way their technology progresses, not by the bureaucracy of the system. The same hand decides that produces. For a system that can orient its national treasury toward upgrading its military, it's the optimal system. Of course there are also a lot of negatives. . . .

Dr. Wood: There are no sailboats in the Soviet Union, no mountain cabins, no Cabbage Patch dolls, no cars for the general population. There's very, very little available in buckets in the Soviet Union other than vodka—from whose sales eight percent of the state budget derives. But there are lots of people in the Soviet Union, something like 10 or 12 percent greater population than the U.S. has. The Soviet Union is willing to spend more on a military budget—a little bit more, not a great bit more, that's per capita GNP—than the Eisenhower administration spent. That's twice what the U.S. spends, and in the U.S. military budget over half of it goes into "budget checks" to individuals—pensions and direct payment to individuals, civilian and military, who are serving the U.S. military establishment.

So the fact of the matter is that when you get serious about running a military operation, the Soviets are not dumb sloths. They may not have the technical polish of their capabilities, they may not have the entrepreneurial initiatives and the individual commitments to excellence across the board that so distinguished this country in the eyes of the rest of the world; but the things that they can't develop themselves, they'll find some greedy shortsighted technological industrialist in the West to sell to them, like the ball-bearing machinery that made the guidance packages that permitted them to leapfrog—not catch up to, but leapfrog—the U.S. capability and accuracy of land-based missile forces, which they did in the case of the guidance packages for the SS-18s. We derived \$20 million worth of profit from selling them the ball-bearing machinery. They built up a missile force that wiped out the capability of the U.S. land-based missile force, as far as its deterrence capability. And we will spend something in excess of \$20 billion to make that up, and we've put ourselves at enormous risk in the process. . . .

Q: The Wirszup Report that was issued some time ago identified another feature of this problem, which is that the Soviets seem to have adopted the Henry Ford technique and applied it to the production of engineers and scientists, at a rate that's profoundly greater than the rate of production of engineers and scientists in the United States. What can we do to turn that around in the way we did in the 1950s following the Sputnik program? These new technologies and the kinds of revolutions in production they imply, would seem to mean that we've got to not only increase the number but the quality of our own educational system.

Liebig: The situation in Europe is as bad and maybe worse; and I think that in that sense there are something like cultural determinants for the course of strategy to be taken now. I think the population of the United States as well as of Western Europe, faces a tremendous challenge, and quality is not just technical and scientific. Cultural and moral challenges will have to be met in the ability to develop such a system, which may be as important as the technical side per se.

have to be met in the ability to develop such a system, which may be as important as the technical side per se.

Gen. Warner: Just one comment; I'm not sure of the practicality of it, but aside from weapons systems, budget, and so on, in my view what has not been harnessed to our problem and our future in this country is the youth of America. And it seems to me until such time as we are able to engage the 18- to 26-year-old group toward that purpose, we will not overcome the legacy of Vietnam, Watergate, Koreagate. . . . And until such time as we figure out how to extract from that age group two years of national service, where military service is just one option, in exchange for education benefits and encouragement to go into science as we were talking about—and two years of someone's life is not too much to ask for the birthright of this country—until we work that out and get the young people who are interested in the future of this country and committed to it in positions of government as opposed to on a street corner, we haven't solved anything. Putting the country and the youth of the country on that sort of a footing, would have a more significant impact on both friend and foe than anything else I think we could do.

Q: Tonight all I've heard is a discussion of these new weapons in terms of defense, but it seems to me rather clear that without a great deal of modification these same weapons that could blow up a bomb or a missile could blow up a building on the ground, or an oil refinery. We're trading a military defense system, a military system now that allows for three minutes' warning, for a military system that allows for no warning at all. And if both sides have the same system, we'll be at each other's throats with hair-triggers.

Dr. Wood: As I said, the current problem the U.S. faces in a nuclear war is what to do when it is turned into a smoldering radioactive desert, every single square inch of it, without one single thing left. . . . You can worry about beams coming down from space blowing up houses, blowing up this, that and whatever; those are indeed problems, and they're not trivial problems, but they are of a qualitatively different character, I suggest, than the threat posed at this moment by the Soviet Union.

I doubt that any superpower is going to use space-based capability, or a pop-up capability which is even more expensive if you use it on an intermittent hit-or-miss basis, to do something, to attack something of as low a value as an oil refinery. A pop-up laser system might cost you a hundred million dollars; the damage that you could do to an oil refinery while it was in orbit or while it was coasting up or coasting back down, is probably not a very large multiple of that. It just ain't a good investment. Furthermore, it might annoy the other guy, and you'd get back something more than a stiff note of protest.

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A unique study of the impact of the new defense-related technologies—high power lasers, particle beams, and fusion—which will become available to basic industrial production as the March 23 defensive strategic doctrine proposed by President Reagan is developed. The report is a computer analysis incorporating the LaRouche-Riemann model, which examines the little-discussed revolutionary civilian economic "spinoff" effects of the new beam weapon development program.

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Harrimanite: 'Strangle Star Wars in Congress'

Word has gone out among Averell Harriman's congressional flunkies to launch a big campaign in 1984 against "dangerous space weapons and dangerous defensive weapons ideologies," according to Jeff Duncan, security policy spokesman for the Harriman-controlled congressional Arms Control and Foreign Policy Caucus. "We are not going to allow Reagan to get any money for his Star Wars program," said Duncan. "We will smash all but very minimal R&D money. . . . We can hold other parts of the budget hostage. There will be no multibillion-dollar R&D for Star Wars."

Duncan identified the following as point men for this offensive: Senators Tsongas, Mathias, and Bumpers, and Representatives Moakley, Brown, Siberling, Dicks, and Patman.

The big argument against beam weapons, he stated, "will be the huge cost. We will force the administration to be honest about how much it will actually cost. Then people will drop their jaw and say why bother," which would enable the Harrimanites to conclude an alliance with the fiscal conservatives.

The first salvos in this battle will take place in hearings next month of the International Security Subcommittee of the House Foreign Affairs Committee which will take up the People Protection Act of Rep. Ken Kramer of Colorado, which would create the armed forces command structure for a beam-weapons defense. On Jan. 6 the *New York Times'* Flora Lewis hysterically warned against the bill in a column.

In addition, the caucus plans to shoot down the proposed 17 percent increase in the defense budget: "If they are crazy enough to demand the full \$320 billion," said Duncan, "they'll be laughed off the Hill. They are going to have to cut. We will try to force them to choose between conventional programs, including the naval buildup, and strategic systems. . . . Once the cutting starts, it [the beam-weapons policy] won't sound so rational." In this connection,

a renewed attack on the MX will be led by Representatives Downey, AuCoin, and Marvoulos.

The LaRouche Campaign files for matching funds

The LaRouche Campaign, the campaign committee of Democratic presidential contender Lyndon H. LaRouche, Jr., announced Dec. 30 that it had submitted a request to the Federal Election Commission to be certified as eligible to receive federal matching funds. Should the FEC certify eligibility, the committee will immediately receive \$100,000 from the U.S. Treasury, and be able to receive matching funds for future contributions.

The LaRouche Campaign has received more than \$130,000 in contributions from 1,178 individuals in 22 states. By federal law, no more than \$250 of any individual's contributions is matchable.

A committee spokesman elaborated on the significance of TLC's submission, pointing out that matching-funds eligibility is generally regarded as a sign of a significant and serious presidential campaign: "It must be weighed in the minds of political observers that the major part of the fundraising campaign was carried out in the context of total major-media blackout, not only of Mr. LaRouche's policies and statements, but also of his very existence. . . ."

"Our contributor base is the productive core of this country—the farmers, industrial workers, technicians and engineers, and entrepreneurs. We have also received a considerable contribution from retirees of this core, people who choose not to impotently whine about their past contribution to the United States being thrown away, but who choose to re-establish the conditions under which that contribution again means something.

"Thus this submission for matching funds is but a sign of things more profound than a successful political advertising campaign. . . . These are barometric readings, if you will, of a still-proud population which, given the chance and the leadership, shall

fight for rational policies. . . ."

Ramsey Clark helps Bernard Coard sue U.S.

Ramsey Clark, the American friend of human rights who led Khomeini's mobs down the streets of Teheran, is counseling the number-two leader of the Soviet-backed coup which was terminated when U.S. and allied troops landed in Grenada.

Clark is advising Bernard Coard on how to charge the U.S. government with "kidnapping" and "libel." According to the head of the Caribbean Peace Task force, Lt.-Col. Delroy Ormsby, and Archdeacon Hoskins Huggins, an Anglican priest who "ministers" to Coard. Coard is now talking about suits against the U.S. government, the seven governments of the eastern Caribbean which supported the U.S. invasion, and U.S. news media. Coard "has mentioned the sum of \$50 million in discussing the threatened suits," says Huggins.

Boston police investigate threats to Gelber

Security and law-enforcement personnel are presently investigating telephone threats made against the life of prominent National Democratic Policy Committee spokesman and former Boston City mayoral candidate Michael Gelber. A Boston Police Department official confirmed that a case file has been opened in regard to threats made against the associate of *EIR* founder Lyndon LaRouche.

Steve Komm, spokesman for Mr. Gelber and himself a former NDPC-endorsed candidate, reported that at approximately 1:15 a.m. on Dec. 26, a bomb threat was received on a telephone line which had been used by Gelber campaign volunteers. The threat prompted Boston Police Department Bomb Squad officers to evacuate the premises and search a vehicle parked immediately in front of the area of concern. Repeated

Briefly

threats against Gelber took place in December.

In a related matter, Gelber will appear in court toward the end of January to establish probable cause to have the Boston District Attorney pursue assault charges against Massachusetts Secretary of Labor Paul Eustace and Massachusetts Governor Dukakis's Press Secretary James Dorsey. The charges stem from a November 1983 incident at a press conference being held by Presidential hopeful Walter Mondale where Mr. Gelber was dragged from the room and beaten after asking the former Vice President about his connections to the Grenada coup-makers.

Is Richard Burt helping destroy NATO?

The Soviet effort to break West Germany out of the NATO alliance seems to be winning support from U.S. Assistant Secretary of State for European Affairs, Richard Burt.

Burt, a product of Henry Kissinger's State Department stable (and of the *New York Times*) was accused of breaking U.S. espionage laws during his Senate confirmation process earlier this year by conservative Republicans Jesse Helms, Barry Goldwater, Malcolm Wallop, Orrin Hatch, and Steve Symms. The senators charged Burt on two counts: that he had compromised national security with a 1979 article he wrote as a *Times* reporter, revealing the existence and mission of a U.S. spy satellite, and that he has a history of trying to cover up Soviet SALT violations and cripple U.S. strategic capabilities.

It is Burt who controls access to the super-secret Kennedy-Khrushchev accords which document the 1962 U.S. capitulation to Moscow, according to a late-December Washington press account.

In the case of the spy satellite, code-named Chalet, the Senate Intelligence Committee determined in a still-classified report that the information revealed by Burt in the article was "devastating" to U.S. national security. While the details of the damage assessment remain classified, it is clear that the article also severely compromised NATO

member Norway by revealing that the satellite's monitoring base was located in that country.

Senator Hatch revealed the existence of Burt-authored memoranda which document the following positions taken by Burt:

- opposition to Reagan's zero-option in the INF negotiations and the public leaking of alternatives to the President's proposals;
- opposition to the neutron bomb;
- opposition to the revelation of Soviet SALT violations, which have now been amply documented by an NSC task force;
- opposition to the deployment of submarine-launched nuclear cruise missiles;
- efforts to undercut then-National Security Advisor Richard Allen and to encourage his departure so as to give then-Secretary of State Al Haig a free hand
- efforts to undercut U.N. Ambassador Jeane Kirkpatrick in earlier efforts to open negotiations with the Iraqis.

IRAS satellite finds probable galaxies

Data from the Infrared Astronomical Satellite (IRAS) analyzed by the Jet Propulsion Lab at Caltech indicate the presence of "several dozen objects" of unknown size and distance, but which are distant by at least 6,000 astronomical units (one AU is the distance from the Sun to Earth—93 million miles).

These are believed to be galaxies too cool to emit visible light, and hence invisible to Earth observers until the IRAS infrared telescope was lofted above the Earth's heat blanket.

Although the non-scientific press reports the possible identification of a tenth planet or a star twin to the Sun, these objects are not of such a character. A spokesman for the Jet Propulsion Lab commented, "It's wonderful they're out there—they will give us information on the size and age of the universe."

The IRAS project has also just announced that the star Fomalhaut has rings of solid matter around it. Vega was discovered to have rings six months ago.

● **ROBERT A. GEORGINE**, president of the Building Trades Department of the AFL-CIO, is one of the 161 executives on the President's Private Sector Survey on Cost Control which recommended repealing the Davis-Bacon Act. Davis-Bacon has since 1931 guaranteed union-scale wages to construction workers on federal or federally sponsored projects. The Survey on Cost Control claims that repealing Davis-Bacon will "save" \$50 per taxpayer household per year by lowering construction workers' wages.

● **THE ASPEN INSTITUTE** launched a project last year to deal with the "deterioration in East-West relations," including Lord Carrington, Cyrus Vance, Bruno Kreisky, Helmut Schmidt, Robert O. Anderson, Richard von Weizsäcker, Sir Nicholas Henderson, David Watt, Pehr Gyllenhammer, John J. McCloy, Robert McNamara, and Henry Kissinger, among others. To help cut a new deal with the Soviets on trade and monetary integration as well as security problems, the group hopes to get input from the Gromyko circles in the Soviet Union later this year.

● **BEAM DEFENSE**, the book the Fusion Energy Foundation (FEF) wrote to explain the military "alternative to nuclear destruction" has sold out the entire 16,500-copy run which Aero Publishers shipped to the FEF in October and November.

● **MARYLAND** congressional candidates Ed Barnum (4th C.D.) and Charles Mott (2nd C.D.) have challenged their opponents—incumbents Marjorie Holt and Clarence Long—to demand the recall of U.S. ambassador to West Germany Arthur Burns.

The battle for Germany

In her address to the International Caucus of Labor Committees' conference in Washington on Jan. 2, West German political figure and founder of the Club of Life Helga Zepp-LaRouche called for a battle to save Germany. She evoked the spirit of the Benjamin Franklin forces of the American Revolution to mobilize citizens to dispel the mood of "neo-isolationism" in the United States, and to drive from public life those traitors to the West, notably Ambassador to Bonn Arthur Burns, Henry Kissinger, and German Foreign Minister Hans-Dietrich Genscher, who are preparing to sacrifice Germany to the Soviet Empire.

The danger to West Germany, the pivot of the European-U.S. alliance, is immediate. Within weeks, the Soviets may either attempt a military strike against the German Federal Republic, or the Germans may split from NATO. The American media, notoriously controlled by the KGB's Pugwash sympathizers, are deliberately fostering the impression that the German population does not really want American troops, let alone missiles.

The roots of the threat to Germany lie in a wrong U.S. German policy that goes back to the postwar period when, instead of carrying out Franklin D. Roosevelt's policy of an "American Century" of the agro-industrial development of sovereign nations, the United States under British orders protected the Nazi war criminals, particularly the German and Swiss bankers, and attacked the German classical culture upon which Germany could have been rebuilt as a nation. Moreover, the United States has never had a viable strategy for defending Europe.

Despite Germany's small size, it has a greater military concentration than anywhere else in the world. Soviet strategists, who have never changed their long-term strategy of world domination, began in the 1960s to explicitly speak of a nuclear war in West Germany. The fearful U.S. response to the Berlin Wall in 1961, and President Kennedy's backdown to Khrushchev in the Cuban Missiles Crisis of 1962, made Europeans doubt the U.S. commitment to defend them.

From the Kennedy-Khrushchev deal to the SALT negotiations, the United States dismantled its military capability in Europe. By every measure—missiles, tanks, armored vehicles, bombers—Warsaw Pact forces far outweigh their NATO counterparts in Europe. Most of that force is poised to strike West Germany. Of 253 Soviet divisions, 173 are aimed against Western Europe, and the best trained are in East Germany.

There is no strategic reserve possible from within Europe in the event of a Soviet attack, because the Northern and Southern European flanks have no depth. All strategic reserves must come from the other side of the Atlantic.

Given the military facts, if there were a nuclear attack on the Federal Republic, the nation would cease to exist. If Germany pulls out of NATO and the United States loses Western Europe as an ally, the United States will lose its position as a credible superpower.

How can we stop this from happening?

First, we must institute a crash program to take the military steps necessary to defend Europe. President Reagan and Defense Secretary Weinberger must announce uncompromisingly that Flexible Response—the doctrine which envisages a possible "limited war" in Europe—is out. Second, Europe must be incorporated into the beam-weapons defense program of the United States. Third, defense in West Germany must not only *not* be dismantled, but must be reinforced. Fourth (for reasons cited by Col. Marc Geneste of France in this issue), Europe needs the neutron bomb and civil-defense measures at once.

We must follow the lead of the two candidates for Congress in Maryland supported by the National Democratic Policy Committee who issued statements Jan. 5 demanding the removal of Arthur Burns from the U.S. Embassy in Bonn because of his collaboration with the neo-Nazis and Soviets to decouple Europe from the United States. May this assertion of American responsibility for its most crucial ally become the germ of a new "Franklin movement" expressing the true interests of nations in every facet of foreign policy.

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