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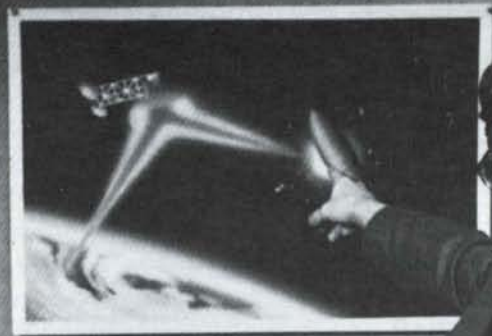
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# EIR

## From the Managing Editor

In 1977, *EIR* founder Lyndon H. LaRouche, Jr. began a campaign to make the world public aware of the potential for a high-technology strategic defense, a defense that would end the "balance of terror" under which adversaries with loaded guns, as President Reagan recently put it, were supposed to remain forever too fearful of each other to fire.

Many regarded the proposal as esoteric, if otherwise promising. That was partly because of a U.S. security classification system that kept the relevant physics research in a closet, while stamping "secret" in the United States the various scientific breakthroughs which Moscow had openly announced. That classification system is now being decisively modified.

The Fusion Energy Foundation, which Mr. LaRouche helped to establish in 1975, has provided us with this week's Special Report on the feasibility of a high-technology national mobilization to carry out the policy President Reagan announced on March 23. FEF directors Paul Gallagher, Uwe Parpart-Henke, Steven Bardwell, and Robert Gallagher are among the world's leading specialists on this subject.

The deployment of beam weapons can occur within five years, Mr. LaRouche told a recent press briefing in Bonn. "With this, we are not only going to revolutionize technologies of military science, we are going to revolutionize the technologies of our economy and our entire culture. . . . When President Reagan made his statement on the policy on March 23, the world changed. We are talking about an economic technology impact within five years."

In coming issues, *EIR* will present LaRouche-Riemann economic studies of this latter question. In recent weeks, our subscribers have probably already pulled out of their files the Special Report in our Dec. 28, 1982 issue, titled "Beam-Weapon Development: the Boost for America's Productivity."

*Susan Johnson*

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NSIPS/Stewart Lewis

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## Debt pushed off agenda at the G-77 meeting?

by Peter Ennis and Dennis Small in Buenos Aires

Through their deputies on the scene, the British Commonwealth and the creditors' cartel of the bankers and the International Monetary Fund (IMF) are trying to do at the Buenos Aires conference of the Group of 77 (G-77) association of developing countries what they did not succeed in doing at the New Delhi summit of Non-Aligned nations: channel all discussion of the Third World debt crisis into proposals for the creation of a world central bank, run by the IMF.

The conference began on March 28 and was attended in the first week largely by middle-level technocrats from 125 member nations. It has seen an effort by the government of Jamaica—whose head of state is officially the Queen of England—and by such notorious spokesmen for British financial interests as Raul Prebisch of the United Nations Economic Commission on Latin America, to squelch all discussion of proposals for joint renegotiation of the Third World's foreign debt or creation of a "debtors' cartel." The Jamaicans, who chair the G-77 finance committee, are being backed in this effort by major Ibero-American debtor countries, including conference host Argentina, Mexico, and Brazil.

The Jamaicans are also leading an attempt to roll back the decisions already taken at a heads of state level by more than 100 governments at the New Delhi Non-Aligned summit. The Jamaican chairman, Anthony Hill, of the committee considering international financial issues, is attempting to block G-77 endorsement of the New Delhi call for the immediate convening of an international conference on money and finance which would discuss major new flows of capital for development into the world economy and the creation of a new international monetary system. Hill, backed by Mexico, Brazil, Argentina, and Saudi Arabia, has used "procedural"

arguments, even claiming at one point that the issue is "too complicated" and "requires further study."

The Buenos Aires G-77 meeting is charged with preparing the positions of the developing countries for the upcoming June meeting of the United Nations Conference on Trade and Development (UNCTAD) in Belgrade. Many delegates, particularly from African and Asian nations, view the Non-Aligned summit in New Delhi in March, which focused on international economic issues, as having set the political tone for the G-77 meeting and that the key strategic decisions were already made in New Delhi and should be simply concretized in the G-77 proposals for UNCTAD.

### A world central bank

The Commonwealth's organizing on behalf of the International Monetary Fund is not unexpected. At the New Delhi summit, Commonwealth agents like Jamaican Prime Minister Edward Seaga and Pakistan's Mabub ul-Haq countered the debtors' cartel proposal with the plan backed by the Brandt Commission and the "Ditchley Group" of bankers to convert the IMF into a world central bank. The essence of this "new Bretton Woods" plan is described by New York City's former economics czar Felix Rohatyn, who proposes converting the IMF into a giant collection agency modeled on the "Big MAC" that destroyed New York City in the mid-1970s. Rohatyn proposes effecting an exchange of \$300 billion in Third World debt held by banks; the IMF would assume these loans and extend long-term "Global MAC" bonds in return. The IMF would then become the enforcer for collecting this debt, appropriating revenues from sales of nations' commodities or advising the collection of debt by force if need be. The



Raul Prebisch

advantage of such a scheme, say its proponents, is that it will prevent the formation of a debtors' cartel and avert the option of establishing a new system for extending development credits.

Immediately following the New Delhi summit, Dr. Persuad of the Economics Division of the Commonwealth Secretariat told *EIR* that the Commonwealth and the Ditchley Group of bankers would release a document at the end of July entitled "Bretton Woods II." The idea, Persuad said, "is to give an answer to the most pressing problems of world finances without disrupting the current system. . . . We are confident nothing will happen between now and July regarding the increasing motion toward a joint renegotiation of the foreign debt being discussed in Latin America. . . . Mexico, Brazil and Argentina are only trying to improve their negotiating position. Besides the Commonwealth countries are in full agreement with our perspective for a Bretton Woods II and would never go along with anything else."

The economics counselor at the Jamaican mission to UNCTAD, Mrs. Klaton, added proudly that the Commonwealth nations had been instrumental at the regional meetings of the G-77 African, Asian, and Ibero-American groups which preceded the Buenos Aires conference in undermining motion toward joint debt renegotiation. "We were very, very active at the [the Ibero-American regional meeting at] Cartagena—we were also very successful. The Cartagena resolution strongly addressed the Commonwealth's countries' views. I would not worry about the possibility of a joint approach to the debt. . . if it did not happen at Cartagena where we were just countries from our region, then much less at Buenos Aires."

## Setting the tone

In the opening days of the conference, spokesmen for the government of Argentina, together with ECLA's Raul Prebisch tried to create an environment favorable to the "new Bretton Woods" perspective.

Argentine Foreign Minister Juan Aguirre Lanari opened the conference with a weak speech that called for "systematic, concise and pragmatic solutions" to the world economic crisis. Such solutions, he said, "must be coherent with reality." Warning against an excessively "confrontationist" posture by the nations of the South, Aguirre Lanari emphasized that the developing countries must raise an "audible and understandable voice" to the advanced sector nations.

The Argentine minister referenced the "inadequate international economic structure," and stressed the need for real development; he also underscored the importance of fortifying "collective economic security," first put forward by the Latin American Economic System (SELA). But he added that calls for unity of the developing nations and "South-South" cooperation that came out of the New Delhi summit were meant only to complement existing multilateral and bilateral negotiations with the North. These proposals in no way contradicted such negotiations, Aguirre Lanari emphasized.

Other Argentine officials, many of whom work for the UNCTAD bureaucracy, have flatly stated that the proposals for a debtors' cartel and joint renegotiation of the foreign debt "are not an alternative" and "will not emerge from this conference." Given that the UNCTAD Secretariat, which is led by Brandt Commission member Jan Pronk, itself supports the plan to convert the IMF into a world central bank, and is circulating documents at the conference to that effect, this is not surprising.

But it was Raul Prebisch's "extemporaneous" hour-and-a-half speech on March 28 that attempted to give the marching orders to the participants. A long-time asset of the British financial oligarchy, Prebisch has run the Economic Council on Latin America to focus Latin America's development efforts on light consumer industries and import substitution as opposed to heavy industry and capital-goods production. He spoke at the conference in his capacity as the first president of UNCTAD.

Billed as an opponent of monetarism, Prebisch attacked the "harsh conditionalities" of the IMF and demanded "productive" rather than "speculative" activity. But his message was to create a "new Bretton Woods" in which the IMF would serve as the regulator of the world financial system. Prebisch reserved special praise for Felix Rohatyn's plan to restructure developing-sector debt, and to stretch out existing loans to 25 to 30 years at lower interest rates. Echoing the line of the Anglo-American banking community, Prebisch warned that it would be "imprudent" to place developing sector nations in an "unacceptable dilemma" by denying credits. Increased credit flows to the Third World must be guaranteed by in-

creasing quotas to the International Monetary Fund. Under intense questioning from the press, led by *EIR*'s Ibero-America editor Dennis Small, Prebisch admitted that he opposed the formation of a debtors' cartel and advocated instead "collaboration with the IMF and World Bank to achieve real development. . . a debtors' cartel will only bring harsh reprisals, and make matters worse for the debtors."

### **Accelerating crisis**

Having been under the gun of the International Monetary Fund and foreign creditors for some months, the Argentine government apparently feels that it can curry favor with the banks by organizing against a debtors' cartel, as it did in New Delhi. The irony is that Argentina is bankrupt: it is receiving no credits and paying no debt. According to one highly-placed source in Buenos Aires, "the country is in total default. . . it is not paying one penny of debt." Debtor collusion with the Ditchley and Commonwealth group in hopes of getting a few crumbs of credit will merely hasten the political and economic disintegration to which all these nations are currently subject.

Conference participants saw evidence of this in Buenos Aires where 7 million workers shut down the country on March 28 in a successful general strike protesting the government's adherence to austerity policies. It was the second such strike in four months and was followed 24 hours later by a mass demonstration in downtown Buenos Aires to demand immediate changes in the government's economic policy. Labor leaders are talking about another general strike soon.

Elsewhere on the continent, leaders of Ecuador's labor movement announced they would indefinitely extend their general strike held on March 23-24, until the government responds seriously to their demands to reject the International Monetary Fund's bailout program.

Even while representatives of Ibero-America's largest debtors are collaborating with the Commonwealth crowd at the G-77 meeting to squelch proposals for a debt moratorium, the debt structure of their own countries is crumbling. In Brazil, discussion is reportedly taking place at the highest levels on how to declare a generalized debt moratorium on its \$86 billion debt, and what kind of cabinet shakeup would be required to carry out radical changes in economic policy that would accompany it.

Reflecting that this is not just rumor, the March 28 edition of the Rio de Janeiro daily *O Globo* reported that there is a "movement of businessmen" trying to "get rid of cabinet members," a reference to the man who is enforcing imposition of the IMF program, Planning Minister Antonio Delfim Netto. Mario Garnero, a business associate of U.S. Secretary of State George Shultz, recently complained that Sao Paulo industrialists were conspiring to "overthrow" Delfim, and issued a statement warning that "no one should talk about these questions [ministerial changes] in these times of difficulties."

One individual being discussed as a possible replacement

for Delfim is Olavo Setubal, the respected president of Banco Itau, who just traveled to Europe to sound out reactions to a possible Brazilian moratorium. Herbert Levy, a congressman and banker from São Paulo who is close to Setubal, told reporters in late March that a moratorium "would mean declaring the failure of a good part of the international banking system. . . . Yet, our debts are now being paid with the bankers' own money, a fact that cannot be ignored."

### **Rearguard action**

The beginning of the second week of discussion on April 4 could see a shift of some kind in the conference environment. The higher-level Foreign and Trade ministers from member nations will be present, and discussion on the economic crisis and proposed solutions is expected to sharpen. Documents produced by the regional G-77 conferences, particularly those at the Asian nations at Baghdad and the African group at Libreville, include hard-hitting statements on the nature of the world economic crisis and propose immediate solutions that will have to take into account in the preparation of final resolutions. In their policy statement on the world crisis, the African members of the G-77 document the way in which IMF conditionalities have dismantled their economies, forcing drastic reductions in imports and cancellation of development projects. World economic relations "are verging on the brink of collapse," the document states, with "consequences that will be incalculable."

Delegate sources report that already a battle is raging within the committee on international finance with strong opposition to the Jamaican line from the Asians and Africans. The Jamaican chairman's attempt to produce a draft statement "synthesizing" the statements of the three regional conferences has been rejected and a new draft is going to be drawn up. One Asian delegate angrily reported that the Jamaicans had selected a drafting committee whose meetings were being kept secret from them and other delegations. India and Bangladesh, the chairman of the Non-Aligned and the current chairman of the G-77 respectively, are expected to lead a fight to maintain the decisions taken at the Delhi summit.

Aside from the three major committees, those on trade (chaired by India), commodities (chaired by Nigeria), and international finance (Jamaica), a fourth informal committee has been set up to deal with the subject of cooperation among developing countries and to draft the final ministerial declaration and the overall statement of the G-77 on their assessment of the current world economic crisis. This fourth committee is chaired by Algeria, with India playing an important secondary role. Sources at the conference report that they are expected to produce a document which will have three main points: a call for a world recovery program based on the "immediate action" program adopted at the Delhi summit; a call for fundamental restructuring of the world economic system through "global negotiations;" and an endorsement of the New Delhi call for an international conference on money and finance.



# Volcker faction still hopes to force cuts

by Kathy Burdman

The May 25-26 Williamsburg heads of state economic summit at this writing looks as if it will be a deadlock on the pressing world debt and currency crises. "If the summit were held tomorrow, nothing would happen," a senior White House official told *EIR* March 31.

However, Fed Chairman Paul Volcker and a faction in the administration, cooperating with such outside groups as the budget-bashing "Group of 500," and the Atlantic Council of the United States, is still lobbying for a "New Bretton Woods currency scheme." According to leading participants in the lobbying effort, the main target of the scheme is the U.S. defense budget.

British financial spokesmen, meanwhile, warning that failure to act will lead to a monetary crash, are also pressing with new intensity for a "new Bretton Woods" arrangement. Under this, the International Monetary Fund would be set up as a global credit arbiter to reorganize the bankrupt \$700 billion debt of the Third World and Eastern Europe. Along with Lazard Frères banker Felix Rohatyn, Sir Peter Leslie, the managing director of Barclays Bank International, and William Mackworth-Young, chairman of London's Morgan Grenfell, have all flooded the world business press with calls for an IMF or Bank for International Settlements-run global version of New York City's Big MAC, to enforce austerity on every nation.

Washington sources agree that President Reagan personally will have nothing to do with any such supranational schemes at this time. Acting under orders, Treasury Secretary Donald Regan told the London *Financial Times* March 30 that he is "emphatically against" all global debt restructuring schemes. "They're not sufficiently worried to do anything dramatic," an economist close to the IMF complained to *EIR* about the administration.

President Reagan's optimism is based in part on his new \$175 billion program for high-technology defensive weapons systems, which he expects will revolutionize the U.S. industrial base, dispensing with the need to deal with the IMF.

The fact remains that the \$700 billion "debt bomb" is still ready to explode at any moment. Some senior administration sources admit that the United States has no alternate program to that of the IMF to deal with this prospect of world financial catastrophe.

The Atlantic Council of NATO and the IMF crowd have put on the table the second set of demands for their new Bretton Woods, an IMF-run world currency system.

## 'Sacrifice national sovereignty'

Spokesmen for the Atlantic Council say the new currency system, if implemented, will pre-empt the President's new defense initiative, along with the entire U.S. defense budget, by putting the U.S. dollar and the nation's credit system under IMF control.

IMF propagandist Leonard Silk of the *New York Times* put it bluntly in a March 30 column promoting a "new Bretton Woods" monetary conference. President Reagan and other leaders "must recognize that they cannot solve their individual economic problems without sacrificing some of their national sovereignty," he wrote.

Indeed, supporting the Atlantic Council on the currency issue are former Johnson administration Defense Secretary Robert McNamara, McGeorge Bundy, and the other zero-growth leaders of the peace movement who have called for the United States to simply abandon its nuclear defense capability, and destroy America's defenses.

The Atlantic Council's Working Group on International Monetary Affairs has prepared the most widely circulated currency plan. The group is chaired by former Fed chairman William McChesney Martin and IMF official Frank Southard, and includes former Treasury Secretary Henry Fowler of Goldman, Sachs; Morgan Guaranty chief economist Rimmer de Vries; BIS economist Robert Mundell; and former Fed official Scott Pardee.

As Fowler told a journalist, "We are the same people as the 'Bipartisan Committee on the Budget Crisis,' which is calling for President Reagan to slash U.S. defense spending" by over \$100 billion and to cut the U.S. budget by over \$200 billion in the next few years. Fowler, McNamara, and Peter Peterson of Lehman Brothers Kuhn Loeb run the group of seven former cabinet secretaries and 500 Wall Street bankers which, Fowler says, is "a hundred percent behind" the Atlantic Council currency demands.

## 'Defense must take its licks'

The Atlantic Council and its BIS-IMF sponsors plan that there will be no U.S. beam weapon program, because if their new currency scheme goes through, the United States will not be allowed to finance it. Under the IMF austerity programs, the U.S. defense budget and with it the beam weapons program would have to go, Southard and Fowler said.

"Reagan's proposal for defensive high-technology weapons is nothing new, and frankly I don't care about it, because it won't come to anything after what we have to do to the entire U.S. defense budget," Southard told *EIR*. "The President was wrong when he said it's not just arithmetic. It is arithmetic, we simply can't afford these systems. We have got to cut the whole U.S. defense budget by \$100 billion, and damn new systems."

"That's what the Atlantic Council believes, and the point is, we are the monetary policy component of the bipartisan committee on the budget," Southard pointed out. Under the IMF's new currency system, "defense will have to take its licks," he stated.

"R&D for some laser program is peanuts, considering the horror of the overall defense budget," Henry Fowler agreed. "The Gang of Six," as he referred to the bipartisan committee of six former Treasury Secretaries plus McNamara, "is agreed that the U.S. budget deficit will destroy the U.S. economy, including the defense budget, unless it is brought down by another \$200 billion over the next three years."

The IMF officials in charge of monitoring the U.S. economy openly agree, banking sources said the last week of March. "The Reagan administration is only talking about reducing the U.S. deficit by \$46 billion from previous projections in fiscal 1984," an IMF official said. "That will still leave a \$190 billion deficit, and \$100 billion of that is structural, not caused by the recession. It must be gotten rid of."

The IMF official endorsed the Democratic liberals' attack on Reagan, carefully. "We can't play with U.S. politics, but we do note that the Democrats' new alternate budget has much more cuts in defense," he said. "Economically speaking, there is a need for a substantial cut in the defense budget."

Goldman Sachs consultant Henry Kissinger and Kissinger's former State Department aide Robert Hormats, now a Goldman Sachs partner, are promoting the scheme in the *New York Times* and *Newsweek*.

Federal Reserve Chairman Paul Volcker is working directly with congressional Democrats who want to force the U.S. into the new Bretton Woods arrangement, and wants Democrats to add a global agreement to turn debt and currencies over to the IMF. Volcker told pro-IMF congressmen that as part of the new system, he wants the U.S. defense budget cut. According to Henry Fowler, Secretary of State George Shultz is the "man who will push our position" openly within the cabinet.

## Currency questions

Entitled "The International Monetary System: Exchange Rates and International Indebtedness," the Council report calls for the U.S. to put the dollar "in harness" with other currencies, Southard told *EIR* end of March. Under the scheme, the dollar and the Japanese yen would be pegged to the European snake under a par value band system, which members pledge to uphold with intervention, "as in the EMS."

But the real "glue" of the new system, Southard said, would be a pledge by the United States and others to turn their national economic policies over to the IMF. "We're proposing that the IMF be given authority by the Group of Five finance ministers to conduct a monthly analysis of U.S. and other nations' prices, money supply, trade figures, and other policies, and to determine from these what the currency rates should be," he said.

"I wouldn't want to say that the United States should subjugate its monetary and other economic policies to the IMF, but certainly we must have coordination and concertation, not act unilaterally," banker Henry Fowler said. "We should not, for example, be allowed leeway to create credit when other countries are doing the same, so that every one inflates at once. There must be global agreement as to who is to increase credit, and who is to decrease it. We can't just implement American policies which are right for us domestically, if they might hurt other countries."

Sovereign national economic policy would be a thing of the past. "First we get the currencies into harness, and then we use this to get countries to harness their economic policies into coordination," he said. Southard cited the recent harsh austerity measures imposed upon France by its EMS membership as the model. "This shows the system would work," he stated. "The French economic policy was wrong, and now they've gotten their hands slapped."

"Now the system will impose discipline on them. Look how the French are being forced to go counter to their entire national programs, against their will, implementing the most rigorous austerity measures."

To sell the new Bretton Woods, its promoters have already deliberately created an international currency crisis by threatening to collapse the European Monetary System, as *EIR* reported last week—among other things in order to stampede the United States into the new arrangement. Morgan and the British deliberately pulled the plug on the French franc earlier this month.

"The disasters of the floating rate currency system show that it doesn't work," Henry Fowler stated recently. "You'd think governments would have learned by now that benign neglect is criminal, they can't simply walk away."

"We will get increasingly hysterical calls from Europe for the U.S. to get involved and join the Europeans in a coordinate currency solution," an aide to Undersecretary of Commerce Lionel Olmer, an Atlantic Council ally, said. "There will be a major net transfer of capital from Europe to the United States, and they won't like this. If the dollar does go up any further, there are going to be people in the administration who are going to push the idea that the United States must get involved in managing the currency system."

Overseeing all these deployments, Southard said, are Bank of England Deputy Governor Christopher McMahon, French Finance Minister Jacques Delors, and Helmut Schleiminger and Alexandre Lamfalussy, the manager and deputy manager respectively of the Swiss-based Bank for International Settlements. "The BIS in particular is very unhappy about and critical of the current floating rate currency system," Southard said. But Southard complained about the obstructiveness of the current head of the BIS, Swiss National Bank President Fritz Leutwiler. Leutwiler has blackballed Lamfalussy's promotion as replacement for the soon-retiring Schleiminger.

# After the oil price drop

*Both the "North" and the "South" are losers, reports Judith Wyer, as development projects are cut back and instability grows.*

In early March, Saudi Planning Undersecretary Hussein Sejini told the Mecca daily *al-Nadwa* that his country is scaling down its next five-year development plan for 1985-90. The cutbacks are the result of the collapse in world oil prices, a process which is being directed by Great Britain.

Sejini stated that the 1985-90 plan will be based on income from Saudi oil production of 5 million barrels a day (mbd) at prices between \$18 to \$20 a barrel—just about half the oil income upon which the 1980-85 plan was premised. With over \$150 billion in reserves, Saudi Arabia can absorb a decline of this magnitude in its income, unlike other oil exporters with large populations and debt. Since 1980 the Saudi annual budget has run as high as \$100 billion.

The real losers in the Saudi cutbacks are the industrial countries of the North, whose economies have prospered over the past decade from the multi-billion dollar trade in transfer of technology to Saudi Arabia and the other oil-exporting countries.

The much-trumpeted economic recovery from lower oil prices is a scenario devised to delude the Reagan administration. In fact, the LaRouche-Riemann econometric model has shown that a slow, controlled oil price drop will destroy the development potential of the largest developing countries and shrink world trade.

Within two weeks of the first OPEC oil price cut on March 15, Saudi Arabia had announced its largest-ever contract cancellation: a water desalination plant and a power plant, worth \$840 million. The official Saudi cancellation notice to the Japanese-South Korean consortium, led by Mitsui Engineering, gave no reason for the sudden move. But the terse written notice sent a shock wave through Japan and South Korea, the economies of which are heavily leveraged on the multi-billion dollar Saudi development program. The cancellation affects not only Mitsui but Nippon Steel and three other Japanese tubular steel manufacturers which were expected to receive a larger order for pipes.

This may be just the beginning of such Saudi "budget balancing" moves. There is widespread speculation in financial circles that the next project to get the axe will be a \$2.6 billion refinery which is near completion, since all work on the project has been halted. With a massive capacity of 325,000 barrels a day of oil, the refinery is a joint venture of

the Saudi oil and natural gas agency Petromin, and the Greek company Petrola.

But more than just this refinery may be cut from the kingdom's massive industrial plan, a plan which centers on factories to process Saudi Arabian crude oil and natural gas. A plant for the production of lubricating oil, being built jointly by the Saudi government and Texaco and Standard of California, is being "reconsidered." The kingdom was supposed to begin taking bids for two installations valued at about \$1.4 billion this year. It is now thought that the kingdom will at least temporarily shelve these projects. The main reason for the cutbacks in Saudi petroleum processing capacity is the soft petroleum-products market.

Already Saudi Arabia has stretched out some of its major development projects by as much as two to three years. This has translated into delayed payments to major contractors and layoffs of thousands of foreign workers. Last month the Arabian American Oil Company (Aramco), traditionally considered the foundation of the Saudi development effort, announced an across-the-board 15 percent layoff of its total estimated 50,000 workforce. Large U.S. firms such as the Ralph Parsons company are sending personnel home.

## The regional impact

The Saudi budget cutbacks also have potentially deadly regional consequences which impinge upon U.S. security interests in the Mideast and Asia.

The Industry Minister of the Philippines, Blas Ople, visited Riyadh, Saudi Arabia in February to discuss how the cutbacks could effect the thousands of Filipino workers there. Saudi Arabia also employs South Koreans, Egyptians, and workers from the rest of the Middle East. The Egyptian workforce in Saudi Arabia and the Persian Gulf produces over \$2 billion a year in remittances, a major source of Egypt's foreign exchange earnings.

Another serious effect of the decline in Saudi oil income is the decline in aid to Iraq, for the latter's war with Iran. As a result, Iraq has begun to jettison development projects and has moved to reschedule the portion of its debt associated with trade. Up through 1981, Iraq maintained its growth, awarding around 20 large contracts worth as much as \$16 billion.

# Panama: five years of nation-building threatened by anti-industrial policies

by Carlos Wesley

After an absence of 12 years, I recently concluded a three-week visit to the Republic of Panama, whose stability is of such concern to every trading nation in the world. Panama has undergone a remarkable transformation, a transformation threatened now by the international economic collapse.

As visible as the material advancement achieved so far, is the population's newfound sense of self-assurance. In my conversations with the president of the country, ministers of state, academics, and industrialists, as well as the proverbial taxi driver, I met with tremendous pride in what was accomplished under the ongoing "Revolutionary Process" (*El Proceso Revolucionario*) initiated in 1968, following a military coup led by the late Gen. Omar Torrijos.

The world-wide economic downturn has caused large-scale unemployment and prompted many to ask new questions about how to secure the well-being of the population. Some say that only a "service economy" model, can create jobs. Others insist that the only way for the country to achieve full sovereignty is by continuing and increasing investments in real production and infrastructural development, as was undertaken in the earlier years of the revolution.

What I saw and heard as I spoke to people all over the country, was a mostly successful experiment in nation-building. Some things were allowed which should not have been allowed, while other things that could and should have been carried out were not. But a foundation was placed, and that story can be told to those who have forgotten what it is to build a country, and not least to those Americans who are told that Panama is a banana republic whose tinhorn leftist dictator was "given our canal."

## Developing a sense of nationhood

Following the 1968 takeover, the military established a government of national unity in which everyone who wanted to participate in developing Panama—the local oligarchy or local peasants, extreme conservatives or members of the Communist Party—was welcome. Thus, the Torrijista revolution was quite the opposite of "communistic." To hold this disparate mix together—and it is a credit to the regime that social peace was maintained with minimum use of the military's repressive apparatus, at a time when the rest of Central America was already convulsed—people had to be

imbued with a higher purpose, one that would raise them above petty squabbles.

In a country with Panama's history, this was not easy. Panama joined the ranks of independent nations in 1903, after a bloodless rebellion against Colombia, essentially as a protectorate of the United States, which wanted to build an interoceanic canal through the isthmus. For almost 30 years afterward, it was the American authorities who hand-picked the country's rulers, who kept the peace, who ran the water system in the principal cities, and who settled local disputes.

This state of affairs finally came to an end when U.S. President Franklin D. Roosevelt negotiated a new canal treaty with the Panamanians abolishing the clauses that made the country a protectorate. But, the United States still had the right to run the Canal Zone as if "they were the sovereign." Casting aside the question of good or bad intentions, consider the fact that the former Canal Zone divided the country in two: To get from the capital, Panama City, which was on the eastern half, to the "interior," as everything that is west of the Canal is called, a traveler had to go through the Canal Zone, where he or she—including senior Panamanian government officials—was subject to a different law, a different police force, and a different court system, which operated with a different official language. Since everyone agreed, Washington, D.C. included, that the Canal Zone was still "Panamanian territory," the situation was hardly conducive to national pride.

The new regime undertook a two-pronged strategy in 1968: to negotiate a new canal treaty with the United States, and to develop the country and raise the standard of living and culture of the population. The government was able to rally most of the people behind these two goals.

The first was partially achieved with the negotiation of the Torrijos-Carter treaties of 1977, by which the United States ended its claim to perpetual possession of the Panama Canal and the territories of the Canal Zone, and agreed to a process of gradual transfer of power to Panama, which will be completed at the end of this century.

More interesting, however, are the changes in the self-image of the Panamanians that occurred during the long years of negotiating the new treaty. In the process, because of the need to garner international support, Panama began to play a

role in world diplomacy, and it continues to do so, notably in trying to bring peace to Central America.

The country's increased international stature, as well as the new treaty, have given Panama more confidence in its abilities. Twenty years ago, there was hardly a Panamanian willing to admit that his country could efficiently operate the canal.

But during my recent visit, everyone I spoke to was sure that the country will manage the canal very well, thank you. Those who opposed the treaties, and almost one third of the population who voted against them, did so because they believed that the canal should have been turned over to Panama right away, and not in the year 2000.

### Developing the economy

*El Proceso* also achieved success in accomplishing its second goal it set for itself: improving the material standard of living of the population. Massive investments were made in the development of the country's infrastructure, in improving educational and health services, and in developing the nation's agriculture. To the extent that it was able to mobilize the population to create new wealth, it punctured the myth that "Panama's only resource is its geographical position." This myth has historically been employed to prevent the undertaking of real development projects.

Where once the machete was the peasant's only available tool, the government introduced tractors, combines, irrigation, and fertilizers. To make these new methods practicable, the government encouraged the scattered peasant population to move to new settlements—*asentamientos*—which are provided with schools, medical centers, and agricultural extension agents who can give technical assistance.

As a result of these and other measures, such as the

establishment of an agricultural development bank to extend loans to farmers, the country became—until recently—largely self-sufficient in the production of basic foodstuffs.

Modern highways now go to areas where only a horse or a *cayuco*—a dugout canoe—could reach before. In the city, slums have been razed, and replaced by high-rises; mud huts in the countryside have given way to solid, concrete, single-family dwellings.

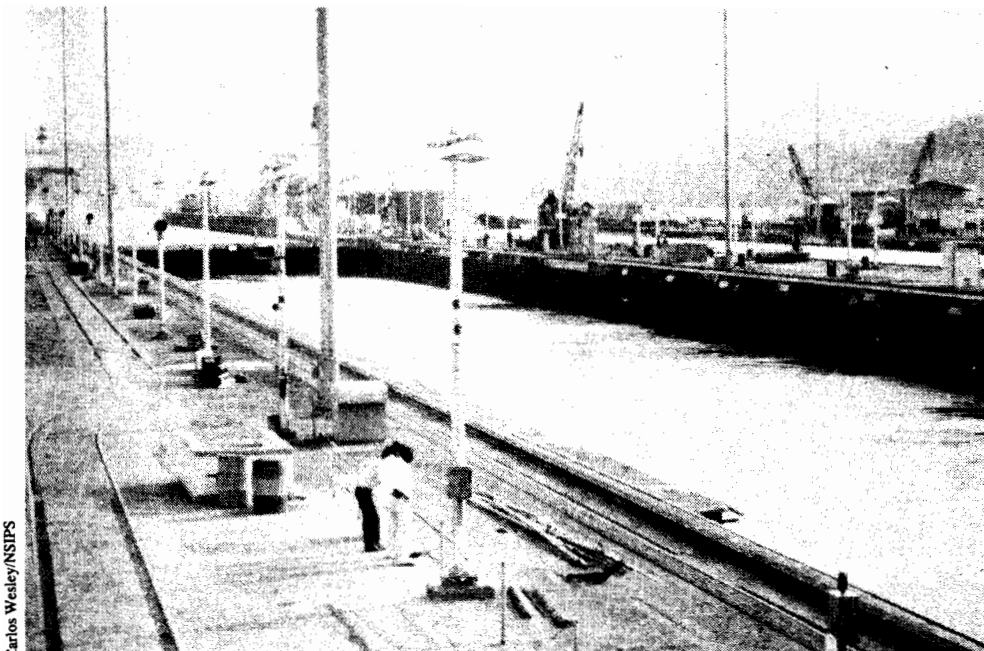
A dozen years ago most villages could count themselves blessed if they had a single, central well with a hand-pump from which to draw their water. Today one must travel far into the hinterlands to find a village that does not have an aqueduct providing running water to each household. Kerosene lamps have largely become museum pieces, since electricity is available virtually everywhere, as are modern telephones. During a visit to a hamlet that I used to frequent on horseback 20 years ago, I was able to place a call to New York City in less than 30 seconds.

Between 1960 and 1980, the illiteracy rate was halved, and the number of university graduates increased almost sevenfold; most of that increase occurred in the last 10 years.

Belief in progress is striking. When I asked an acquaintance who was railing against the regime, why he was so dead-set against the government when it has brought about so much material well-being, his reply was: "There is always progress. Of course things have to change for the better. The country would have developed whether there had been a revolution or not." Not likely, but his response expressed an attitude at odds with the fatalism that pervaded large portions of the population two decades ago.

### The 'three millionth child'

In Panama—despite the massive campaigns to limit pop-



Carlos Wesley/NSIPS

*The current Panama Canal treaty gives the United States veto power over construction of a badly needed second canal.*

ulation that are being carried out under the auspices of the World Bank—people still equate population growth with material progress: “Have you seen all the new neighborhoods that have sprung up? We have tripled our population since you were here. Isn’t that great?” I was told by acquaintances.

Credit for this attitude cannot be given entirely to the *Proceso*, which has allowed free rein to the advocates of zero growth. Instead one must look back to an earlier period.

In 1959-60, when the country’s total population was still less than 1 million, the government initiated a massive campaign to increase the population on the explicit grounds that a country with less than 1 million people could not be taken seriously among the family of nations. Prizes were offered—a house, a lifetime supply of cereal, a scholarship—to the family that gave birth to *El nino millon*—the millionth child. The entire country held its breath on the day it was projected the child would arrive. Everyone took to the streets when it was finally announced that Candido Aizprua Guevarra, the son of peasant parents, had become Panama’s one millionth citizen.

A generation that lived through that might not be easily sold on the idea that population growth is a bad thing. Yet the government has sanctioned a population control program under which over 30 percent of the nation’s women have reportedly been sterilized.

Panama is three times larger than Belgium, but it has only one-fifth as many people. With a total population that is currently less than 2 million people, Panama is still absurdly underpopulated. I was told by local archeologists that 2,000 years before the arrival of the Spaniards, the province of Veraguas alone—one of nine into which the country is divided—appears to have had a population of more than 2 million Indians.

While the process begun in 1968 has succeeded in creating a stronger sense of nationhood, there is also an underlying sense of malaise that is beginning to creep into the body politic. In part, this is due to the deteriorating economic situation. After years in which annual gross domestic product growth rates of 8 percent or more were not uncommon, beginning in 1979 the country’s development slowed to a crawl.

Some of the country’s leaders have allowed themselves to be confused by the activities of monetarist agents such as Nicolas Ardito Barletta, who joined the ranks of the *Proceso*. While there is a recognition that the country’s current economic difficulties stem from outside factors, there has been a reluctance to inform the population of this fact, allowing the opposition to put the entire blame on governmental “corruption.” And although President Ricardo de la Espriella told me that the idea of a debtors’ cartel ought to be explored (see interview below) he has not taken an active role in organizing such a cartel among the Ibero-American nations.

The reason is that agents such as Barletta, who was one of the new regime’s first planning ministers, and who is now the World Bank’s vice-president for Latin America, have

sown confusion and led wholesale purges against the true nation-builders by retailing the line that what the country needs is not development, but jobs, and that these can only be created by becoming a post-industrial, service oriented society. Using that logic, Barletta managed to have the laws changed to permit the establishment of offshore banking in Panama. More than 120 international banks now function in Panama, vaunting the fact that, while they lend virtually not a cent for development projects, they provide jobs—to a great extent by laundering drug money from South America and funds from U.S. organized crime interests, and by providing a tax haven for American and other tax-evaders.

Barletta has also retailed the line that with “his connections” in the world of international banking, he will see to it that Panama somehow muddles through, provided, of course, that nobody does anything foolish, like promoting a debtors cartel. Barletta is also proposing to slash state-sector sugar refining, now that the United States has halved Panama’s export quota.

The extent to which Barletta and his ilk have succeeded in limiting the gains of the nation-builders can be gleaned from the fact that a fiercely nationalistic country such as Panama still does not issue its own currency. While the constitution adopted by the Torrijistas in 1972—like those that preceded it—cites the balboa as the unit of account, this is largely a fiction; what circulates is the U.S. greenback.

It can also be gleaned from the fact that most people are willing to accept the U.S. State Department line that, while a new sea-level canal through Panama is certainly desirable, it might not be appropriate to build it just at this time, because it will cost too much, destroy the ecology, and employ fewer people than the current one.

Yet international trade and strategic considerations dictate the need to build a new, sea-level, interoceanic canal now. The existing lock canal is vulnerable to sabotage; it will reach its point of saturation by the end of this century; and it is already incapable of handling a significant portion of the world’s ocean-going vessels, notably the supertankers, including those that transport Alaskan North Slope oil to the industrial Eastern seaboard of the United States.

The Japanese are eager to finance the building of a new canal, but because of treaty obligations, cannot do so without U.S. acquiescence. The new canal treaty gives the United States veto rights over the construction of a new canal through Panama by anyone else. This is particularly ironic, because the principal reason Panama fought for the treaties was to achieve full sovereignty over its territory, and this clause effectively limits its sovereignty.

The undertaking of such an enterprise, involving the most massive earth-moving operation in this century, will provide Panama, and the entire surrounding region, with a “technology driver” to continue economic development. It is in the interest of the United States that this great project be initiated as soon as possible.

Interview: Ricardo de la Espriella

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## Panamanian president: unity of the debtors would make itself felt

*Ricardo de la Espriella, the President of Panama, gave an exclusive interview to EIR correspondent Carlos Wesley in Panama City March 2. President de la Espriella took office on Aug. 1, 1982.*

**Wesley:** Mr. President, was the delegation that left today for the Non-Aligned Summit in New Delhi given any instructions to join with the other countries on finding a solution to the debt problem?

**De la Espriella:** What can the Non-Aligned do about the debt?

**Wesley:** Well, for one thing, they could establish a debtors' cartel. . .

**De la Espriella:** (laughing) About 95 percent of the world qualifies for membership in a debtors' cartel, and the other 5 percent does not have enough resources to solve the problem.

**Wesley:** On previous occasions you have stated that you favor the establishment of such a debtors' cartel, and you have also stated that you think that it is not a bad idea to bring about global renegotiations of the debt. Are you still of the same opinion?

**De la Espriella:** Everything that is a cartel carries weight, can make itself felt politically. That does not mean that a debtors' cartel is the solution, but we have a saying: "In unity there is strength."

Interview: Juan José Amado

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## Panamanian foreign minister: we need a Central American solution

*In an interview with EIR correspondent Carlos Wesley, the foreign minister of Panama, Juan Jose Amado, expressed his opposition to reported plans to increase the number of American military advisers in El Salvador. During the interview in Panama City March 2, Foreign Minister Amado also stated his opposition to the formation of a debtors' cartel, and gave his views on the possibility of building a new sea-level canal through Panama.*

*Excerpts from the interview follow.*

**Wesley:** Several countries in Ibero-America are now voicing the opinion that the Third World ought to band together in a debtors' cartel to bring about joint debt renegotiations.

**Amado:** It is difficult for us to look at global debt renegotiations, be it in the framework of joint action on the part of the Non-Aligned countries, or the Group of 77, or the Latin American countries, as an effective way to achieve immediate solutions.

What we can and should do is to make the international credit and financial institutions conscious of our needs, so that they make the length and terms of payments more realistic, more in keeping with the internal conditions of each country.

**Wesley:** What you are proposing has been proposed many times before. It has been proposed at many meetings of UNCTAD. It was also proposed at the Non-Aligned summit of 1976, which called for the establishment of a new world economic order. So far, what has resulted is a dialogue among the deaf. American economist Lyndon LaRouche, EIR's founder, has stated that the only way to force the international financial institutions and advanced countries to listen is to form a debtors' cartel, to use the threat of a debt moratorium as a weapon to obtain better terms of payments, and obtain financing for productive investments. . . .

**Amado:** I must insist, in all honesty, that it would be difficult for you to achieve a common position among the countries to deal with their foreign debts when there are intrinsic variations in each of those countries that do not allow for a unification of the criteria for repayment.

I don't know the situation of neighboring countries, either about their revenues, or their obligations.

I do know Panama's situation; and what we have to do to meet our obligations. But we cannot draw any generalizations from that, nor force general conditions that are not in keeping with the real situation of each country.

Panama could not at any time adapt its own conditions to that of the countries of South America, or to the other coun-

tries of Central America, or to the African countries, or to the Asian countries. Their reality reflects conditions that are unique to each of those countries. . . .

**Wesley:** Recently, Panama joined or became a catalytic element in the formation of what we would call the Pact of Contadora, made up of Mexico, Venezuela, Colombia and Panama, which is working for a peaceful solution to the Central American crisis. What concrete steps are these nations proposing to solve the crisis, and where do your efforts stand at this moment?

**Amado:** First, let me state that the countries that met at Contadora [a Panamanian island-resort] did not constitute themselves as some sort of a pact, nor did we come up with any preconceived, and defined plan of action from the standpoint of a multilateral accord. It was simply an initiative which our countries undertook, as the result of our concerns about what is taking place in Central America, and in full awareness of our responsibilities as hemispheric nations, to promote a peaceful and permanent solution to those difficult conflicts that have cost so many lives. . . .

In the specific case of El Salvador, what we are trying to achieve is that the conditions are created so that the parties involved can sit down and discuss their differences and work out the best solutions for themselves. We are not looking for the mechanisms or solutions that Panama, Mexico, Venezuela, Colombia, the United States, Cuba or any other nation, could impose, but to give the Salvadoran people a chance to exercise their own self-determination.

As regards any difficulties between Honduras and Nicaragua, we also want the parties to have the environment, the appropriate atmosphere, to sit down at the table to negotiate their differences. . . .

**Wesley:** Where does the Contadora initiative stand now?

**Amado:** We agree that there are certain issues that are very important to create the environment of understanding that is necessary to bring about a dialogue. Those are: that the flow of arms into the area must be brought under control, and that there must be a reduction in the existing levels of armaments in the Central American area. . . .

There is a move to, sometime in the near future, convene a meeting in the Dominican Republic of the five Central American nations—Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica—to start the search for solutions. The thinking is that maybe the working sessions would be joined by, obviously, the Dominican Republic, as the host country, and by Mexico, Venezuela, Colombia, and Panama. So far, this is just an idea which has not been made concrete.

**Wesley:** According to press reports, the U.S. administration is thinking of sending more military advisers to El Salvador. What is Panama's stance regarding this issue?

**Amado:** The more military advisers are sent to any part of

the world, the more the fighting will increase.

**Wesley:** Will Panama make known this concern to the U.S. government?

**Amado:** Not necessarily, because we don't have at our disposal all the facts to make a judgment. . . .

There are those that claim that the United States has adopted this position in response to actions taken by other groupings, while there are others who claim that the other groupings are reacting to the unilateral U.S. arrogations. We have then a vicious cycle, and it is necessary that this vicious circle be broken one way or the other. . . .

**Wesley:** In an interview with *EIR* [to be published in a future issue], Fernando Manfredo, deputy administrator of the Panama Canal Commission, stated that usage of the current canal will reach its maximum capacity by no later than the year 2005. Clearly, if you are going to reach a level of saturation, you are going to need some other means of conveying traffic; and as he stated, a decision must be made long before you come face to face with the problem. What then, is Panama doing regarding the construction of a new canal?

**Amado:** I find that concern very, very interesting. Panama, in a responsible manner, together with the United States and Japan, has initiated a series of discussions to start working on the feasibility studies to see what would be the most viable, most profitable mechanisms to unite the two oceans, whether a sea-level canal, whether a third set of locks, whether a combination of the existing facilities, with some version of a sea-level canal. Which one of these is decided upon will be the result of the process of analysis that the three countries have initiated.

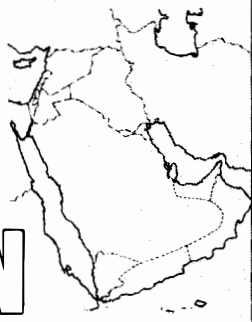
We estimate that the final studies on this question should be ready for the consideration of each of the nations involved before the end of the decade; and that we possibly might be able to make a decision then, so that we can start the implementation phase with enough lead time, so as to not be affected with the preoccupation that Fernando Manfredo rightly voiced.

**Wesley:** A few weeks ago, Colombia's president, Belisario Betancur, stated that there is a possibility that his country would build a canal through the River Atrato route. How does Panama view that possibility?

**Amado:** There have been many expressions of interest in building canals. Nicaragua has made similar statements, Mexico has built a "dry" canal, which is the container railroad [across Tehuantepec]. Colombia also has expressed interest. We believe that our conditions serve the best interests of the international community because of cost, distance, and other factors that are unique to Panama. However, all of this is within the framework of simplistic economic factors, of supply and demand, and we will try to make sure that the final decision provides the best results for the international community. . . .



# ANGLO-SOVIET DESIGNS ON THE ARABIAN PENINSULA



**EIR** has just released a new Special Report on **"Anglo-Soviet Designs on the Arabian Peninsula."** The report is the companion to the **"Prospects for Instability in the Arabian Gulf,"** an invaluable counterintelligence manual.

**"Anglo-Soviet Designs on the Arabian Peninsula"** looks at the prospects of a decline of U.S. influence in the Middle East. It evaluates the impact of the international global monetary crisis on the Arab oil producers of the Gulf. The role of Secretary of State George Shultz and of the Morgan banking group in squeezing additional funds from Saudi Arabia for a purported global bailout of the banking system is fully developed.

The report details evidence of increased Soviet presence in the region, and the cooperation between London and factions of the Soviet leadership to gain dominance over the Gulf states. The final section examines the potential for a "new Yalta" on world energy supplies, at which the Middle East would be carved up between East and West.

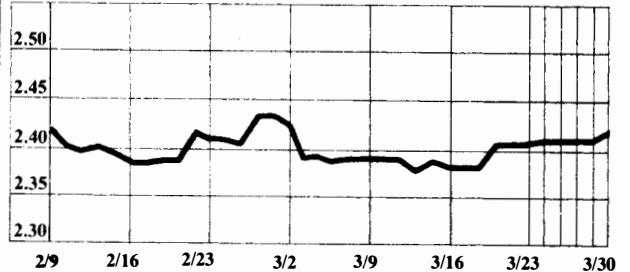
**Anglo-Soviet Designs on the Arabian Peninsula \$250**

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## Currency Rates

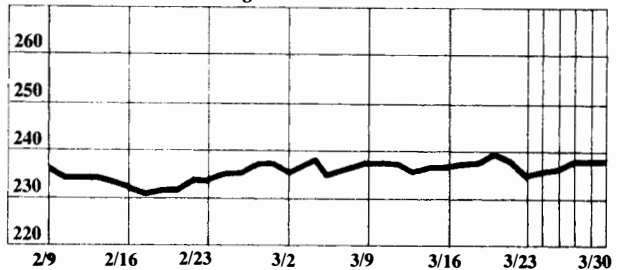
### The dollar in deutschemarks

New York late afternoon fixing



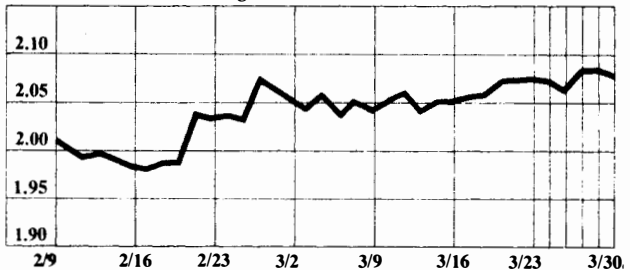
### The dollar in yen

New York late afternoon fixing



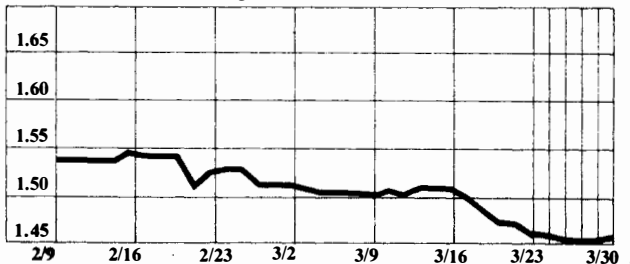
### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



# U.S. forecasters put themselves on a limb

by Leif Johnson

Consumer sales, auto sales and housing starts (untampered by the seasonal adjustment) remained flat over the first two months of 1983, and as orders fell 2.2 percent in February, with non-defense capital goods orders registering a large 7.2 percent decline in February. Interest rates went up by 1.5 percent in March. Yet, as the accompanying charts show, the leading econometric forecasters are still pumping the recovery, a myth they did much to launch in autumn 1982.

Data Resources (DRI), the leading economic forecaster, whose services may cost a corporation as much as \$250,000 a year, boosted its forecast for 1983 industrial production growth from 1.2 percent in January to 1.8 percent in March.

The next most frequently used forecaster, the prestigious Wharton Econometrics, is even more bullish. From a 1.4 percent growth predicted in January they nearly doubled to 2.5 percent in March. Chase goes slightly the other way (March is not yet reported) while Morgan Guaranty, considered the best "insider," shows an incomprehensibly erratic 2.4, 0.8, and 1.2 percent respectively for the three months. Evans shows gyrations, but ending up lower, will wind up the "least loser" in this lot.

There is no indication that these forecasters are retreating.

Donald Straszheim of Wharton Econometrics insisted to the *New York Times* on March 30, "We are quite convinced that the recovery is in place and the economy is going to get better as the year goes along."

The optimism of the econometric was not dampened by the March 30 report of the Commerce Department which found February's manufacturing orders down 2.2 percent. Malcomb Baldrige, Commerce Secretary, said March 30, "the leading indicators for February was good news again." news again for the economy."

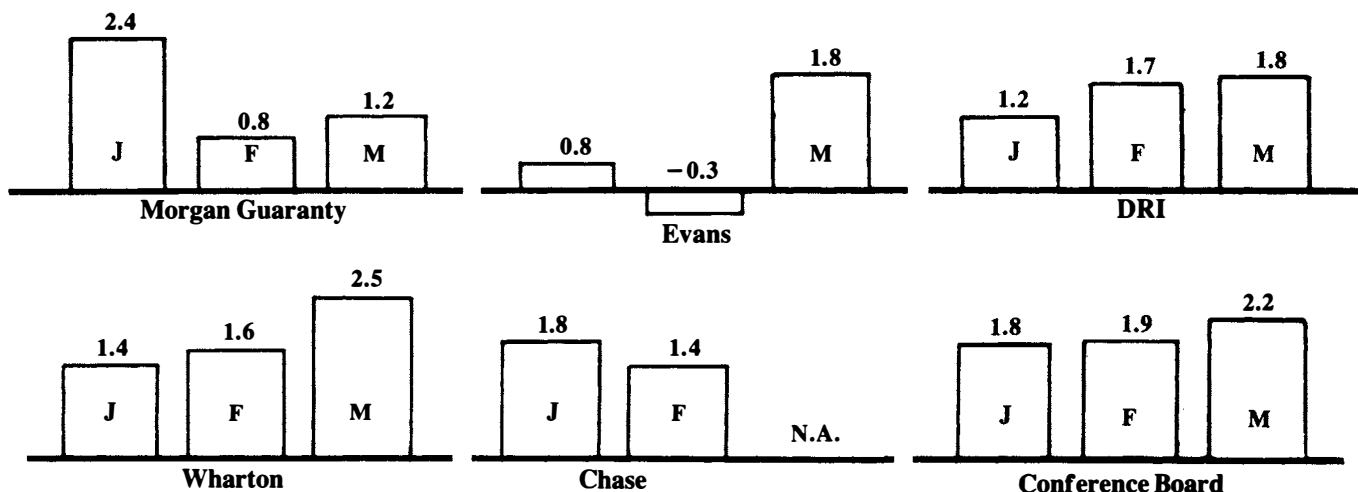
Treasury Secretary Donald T. Regan said, the leading indicators "provides further confirmation that the recovery is well under way. This latest signal should provide further confidence that the recovery will be both solid and sustained."

Alan Greenspan, a key White House advisory and architect of the "rescue plan" for Social Security which slashed payouts to 36 million retirees, said "We are in the early phases of a recovery and there is nothing in the current data that in any way suggests that there is anything wrong with the recovery."

But *Business Week* magazine does seem concerned to rescue its reputation. In its April 4 issue it discovers that the seasonal adjustment of housing starts will boomerang, showing a decline in housing starts in March (even if the actual figure is up). *Business Week* finds that housing starts in the North Central and Northeast regions in January and February were no higher in February than in November, but were inflated by "seasonal adjustment." This boosted the figures 60 and 100 percent respectively. The magazine could have told its readers that the January-February figures were vastly exaggerated (it gets the same government figures we do) but chose instead the glowing recovery headlines.

## Forecasts of industrial output for January, February and March of 1983

(percentage change)



## Green light for moratoria?

*Federal Reserve Chairman Volcker means to bail out the banks, but he's left his flank exposed.*

A new Federal Reserve ruling which would postpone writeoffs of bad loans to developing nations until the loans have been delinquent for one year will enable debtors to declare a one-year debt moratorium, *EIR* founder Lyndon LaRouche pointed out March 31.

Senior Federal Reserve regulatory officials say that Chairman Paul Volcker, Comptroller of the Currency C. Todd Conover, and the FDIC plan a set of "new accounting rules" which are meant to let Morgan Guaranty, Citibank, and the other big U.S. banks cook their books and avoid taking immediate losses on their hundreds of billions in loans to the Third World.

The Fed maneuver is an attempt to disguise the general insolvency of the big America international banks, and tide the banks over in the hope that the governments of the debtor countries can be crushed militarily and politically, and the debt collected somehow a year hence.

As I first reported in this column on March 23, 1982, Federal Reserve Board Governor Henry Wallich has for some time planned new accounting regulations, worked out with the Swiss-based Bank for International Settlements, for penalty losses.

The major aim, Fed officials tell me now, will be to "make a distinction between old debt, and new debt." The Fed is carrying out the idea being promoted by Lazard Frères banker Felix Rohatyn and the British banks, that some \$300 billion in short-term, unpayable "old debt" owed by LDCs and

Eastern Europe should be "segregated off" from new credits.

The eventual scheme, which Rohatyn dubs a global version of his New York Municipal Assistance Corporation, is to have the IMF or a new IMF-linked fund take the old debts off the hands of the banks, as was done in New York, and issue them IMF or global MAC-styled bonds in exchange. Then the IMF would be able to foreclose on the debtor nations and demand harsh austerity. The banks, theoretically, would be free of the threat of debt moratorium.

With prospects for the Rohatyn and similar schemes stalled indefinitely by the hostility of the Reagan Administration (among others), the Fed has no short-term proposal but to pretend the problem does not exist, i. e., to abandon the usual standards of accounting for losses and push write-offs off for a full year.

Presently, "non-accruing loans," those upon which interest is not being earned, are not written off. At the moment, most U.S. bank loans to Poland, which have not paid interest regularly for over a year and a half, as well as U.S. loans to Mexico, which have been behind on interest payments for six months, and Brazil, behind for three months, are not classified as losses.

Instead, they are allowed to be kept in the category of either unclassified (good) loans, or are perhaps classified as merely "substandard," and no losses are taken.

Under the new regulations, one-year interest delinquent loans would be classified "doubtful," and the regulators would demand the banks begin to write off 10-20 percent of the loans' total value a year, reducing the value of the loan to 50 percent of current value within five years.

At the moment, the Fed official admitted, Poland and Zaire are about the only countries in a full one-year interest delinquency. Since the regulations are not yet out, no U.S. bank has even been asked to write off any Polish debt, he said, although another Fed official told me that the West German government has begun forcing banks to write off all of their Polish debt at 20 percent a year.

"Mexico could get into this in July or September," he noted.

New lending is to be turned over to the IMF. "The main effect is to limit new lending to IMF participation loans," he said. "Banks will only want to loan in future where the country has agreed to an IMF program. If a country is unwilling to make adjustments, why should we encourage further lending?"

However, governments in the Third World interpret all this in a way Volcker never intended, Fed officials worry, because the bottom line is that the Fed is being extremely lenient on what is written off. Third World governments may well respond to the measure by declaring debt moratoria for the same one-year term.

Now, they will know that their U.S. bankers will not be penalized, nor run the risk of being charged with having caused the financial collapse of America. Without this new regulation, huge chunks of American banks' debts would be charged off against banks' stockholders capital starting now, leaving many major banks insolvent.

# Business Briefs

## Transportation

### Shipments forecast down 2 percent for April

The Distribution Index, published by *Distribution Magazine*, a publication for corporate traffic managers and shippers, forecast a 2 percent decline in shipping, warehouse space utilization, and inventory valuation by April from February's index (1976 = 100) of 112.5. Rail and water shipments were predicted to fall 3 percent reflecting the continued depression in fertilizer and chemical production, while air shipments are expected to increase 1 percent as shippers keep inventory tight.

The magazine concludes, "The Distribution Index tells us managers are skeptical about the impending recovery. As one distribution manager stated, 'My firm has been hearing recovery for the past three months and very little has occurred to affect our business. When my shipments pick up, I will believe it.'"

## International Credit

### Mexico misses payment on debt interest

Mexico failed to make its March 10 \$90 million payment on private-sector interest arrears, two banks sources confirmed to *EIR* on March 25. Mexico has been forced to resort to making interest payments on its interest payments, in a situation where international banks have been insisting that Mexico make good on the 1982 arrears on private-sector interest payments as a key "test case" of the nation's ability to meet broader packages of renegotiated debt.

The Mexican government had pledged in January that it would begin regular monthly installments to repay the some \$1 billion that had fallen into arrears. The money was to come from the "open market" peso

operations, which involve trading of pesos at the phenomenally undervalued rate of 150 to the dollar. The fact that in only the second month of the agreement, not enough dollars could be obtained from these open market transactions even at these undervalued rates, means that pressure for a new devaluation is building.

Other demands on that "open market"—such as a percentage of vital imports—are also not being met. A knowledgeable banker reported March 25 that Mexico's imports for the first quarter were in fact just \$1.4 billion—an annualized rate of \$5.6 billion, or less than one quarter of Mexico's imports just two years ago. Although this estimation is probably a low one, the drop in Mexican imports demonstrates the effects the IMF policy of imposing conditionalities will have on both Mexico and its trade partners.

## Trade

### U.S.-Japan friction heats up again

Recent moves by the Reagan administration and Democratic congressmen indicate a much stricter stance against Japanese imports to the United States. U.S. trade representative William Brock has, according to the *Wall Street Journal*, won the agreement of other top administration officials on an interim plan to pressure Japan to "voluntarily" limit its machine tool exports to the United States. The administration has decided against the petition of the Houdaille machine tool company for denial of investment tax credits to purchasers of Japanese machine tools, but the petition is being used as a lever for "voluntary restraints." Japanese machine tools, while taking larger shares of the U.S. market, are plunging sharply in absolute terms because of the drop in U.S. investment.

In addition, Undersecretary of Commerce Lionel Olmer told the press the last week of March that he was pessimistic about

the chances of getting Congress to lift the embargo on export of Alaskan oil to Japan, according to Kyodo press.

Senator Don Riegle (D-Mich.) has introduced a bill to restrict Japanese car imports to only 1.28 million units in 1984 and 1985 (against a 1.68 million quota in 1981-83 and almost 2 million in 1980), and to curb the Japanese share of the U.S. market to 14 percent in 1986-87. U.S. Trade Subcommittee Chairman Sam Gibbons, visiting Tokyo in mid-March, urged MITI Minister Sadanori Yamanaka to reverse Japan's industrial policy of subsidizing certain industries. Yamanaka denied that the government used money to promote industry; instead, he said, it gives visions of directions to follow.

## Agriculture

### U.S. exports show a decline

U.S. agricultural exports are down in volume and price for the second year in succession, declining 18 percent from the 1980-81 record level of \$43.8 billion. Exports are expected to decline even further this year.

Two of the largest importers of U.S. agricultural products, China and the Soviet Union, have made large cuts in their purchases.

China, a \$2 billion market for agricultural goods, has taken only the minimum amount of products under the present agreement with the United States, and will fill its additional grain requirements from other exporters. China purchases significant quantities of U.S. cotton and soybeans, and is the largest market for U.S. wheat in the world. However, in response to the quotas the administration imposed on textile imports in January, China announced it would place no new orders for any of those commodities.

The Soviets, after their regular session of consultations with the United States in Moscow, agreed to purchase 100,000 metric tons of corn, though traders had expected

them to buy as much as 500,000 tons of corn and about the same of soybeans. The Soviets to date have purchased only 6.1 million metric tons for the marketing year ending Sept. 30, compared with year earlier purchases of 7.8 million metric tons, just complying with the minimal agreement. The United States has offered to sell the Soviets as much as 23 million metric tons.

Pressure from Congress to persuade the President to negotiate another long-term agreement is already coming from Sens. Bob Dole (R-Kas.) and Charles Percy (R-Ill.).

## **Banking**

### **Baldwin-United: new phase in defaults**

The likely bankruptcy of Baldwin-United, the Cincinnati-based financial holding company, sometime during April presages a new phase in the record bankruptcies hitting the U.S. financial system.

During 1982, 43 banks defaulted in the United States; this year, it is broadly expected that more failures will occur than during the record year of 1940, when 46 banks went under. Baldwin-United is in default on \$900 million in short-term, and over \$100 million in medium-term debt to a wide array of financial institutions. The gravity of its problems came to public light after the failure last winter of United American Bank of Knoxville, Tennessee, which had entered into a large participation in Baldwin-United.

Some of Baldwin-United's creditors are better prepared for the firm's likely failure than others. Among the loans owed, at least half are collateralized against shareholdings in Baldwin-United's top subsidiary, the MGIC mortgage insurance corporation. Despite the slump in housing construction, MGIC is widely viewed as a highly successful financial enterprise, and the creditors who have issued these collateralized loans are apparently more than ready to acquire MGIC shares and see Baldwin-United go under.

MGIC is the primary insurer of mort-

gages not eligible for federal guarantees. It was sold to Baldwin-United in 1982 by its founder Max Carl for \$1.2 billion. Rumors are circulating that Carl may now be convinced by creditors to reassume control of the firm.

## **U.S. Economy**

### **An indicator for April fools' day**

The Commerce Department Index of Leading Economic Indicators for February released March 30 showed a 1.4 percent increase over January.

Said Donald Regan, U.S. secretary of the Treasury, "The rise in February provides further confirmation that the recovery is well under way. This latest signal should provide further confidence that the recovery will be both solid and sustained."

The 7 (of 10) indicators that rose were led by the increase in money supply (still going up at 15 percent a year). Other increases were slower freight deliveries caused by February storms (slower deliveries are a positive sign in the index), more new business formations (business failures were eliminated from the index last year), higher stock prices (Morgan Guaranty and friends are still building the market), increased building permits (how many basement alterations, how many power plants?), rising sensitive raw materials prices (in December, the index dropped crude petroleum prices, which were declining, and substituted lumber, which was soaring), and a drop in initial unemployment claims (they went right back up in March).

Three indices declined: average work week (the January figure was a statistical fluke, the month-to-month change is meaningless); new manufacturing orders (the 2.2 percent decline from January to February 7 indicates recovery never occurred), and capital goods orders down (the 7.2 percent decline for non-defense capital goods proves no recovery ever occurred).

# Briefly

● **THE NATIONAL** Association of Purchasing Managers issued a survey for April titled: "Economy continues improvement." The U.S. association states that the "Purchasing Manager's Composite Index registered 54.7 percent in March, a change from 56.6 percent in February." While such a change might appear as a decline to most observers, the association reports that 51 percent of its members said they were optimistic (up from 25 percent in November), 11 percent were "worried or pessimistic" (down from 21 percent in November) and the number who "felt concerned" dropped from 54 percent to 38 percent. The association's survey is widely quoted in the press.

● **TAROT CARDS** are being used to predict the future of Brazil's economic crisis. Both a São Paulo card reader and a Rio de Janeiro mystic have predicted a debt moratorium. Hudson Institute chief Herman Kahn, apparently another ball-bazer, said while visiting Rio March 29 that the U.S. economy is returning to normal "as an evident symbol that all the middle countries, including Brazil, will soon escape the crisis."

● **HANDELSBLATT**, the German business daily, acknowledged the existence of the Ibero-American debtors' cartel in its March 24 editorial. The article, headlined: "Latin American Payments Crisis—a Debtors' Cartel?," reports that, "With Ecuador in the lead, some Latin American countries have discovered a supposedly sure way out of the still explosive payments crisis. . . . They are demanding a general moratorium on payments of principal for 1983, rescheduling other categories of debt for six years, with a grace period of at least three years, lower interest rates on rescheduled debt, and lower interest rates on new credits, along with massive new credit issuance. . . . Euro-bankers may be somewhat relieved that the demands are so modest. . . ."

## America has the science to develop beam weapons

by Paul Gallagher, Executive Director,  
Fusion Energy Foundation

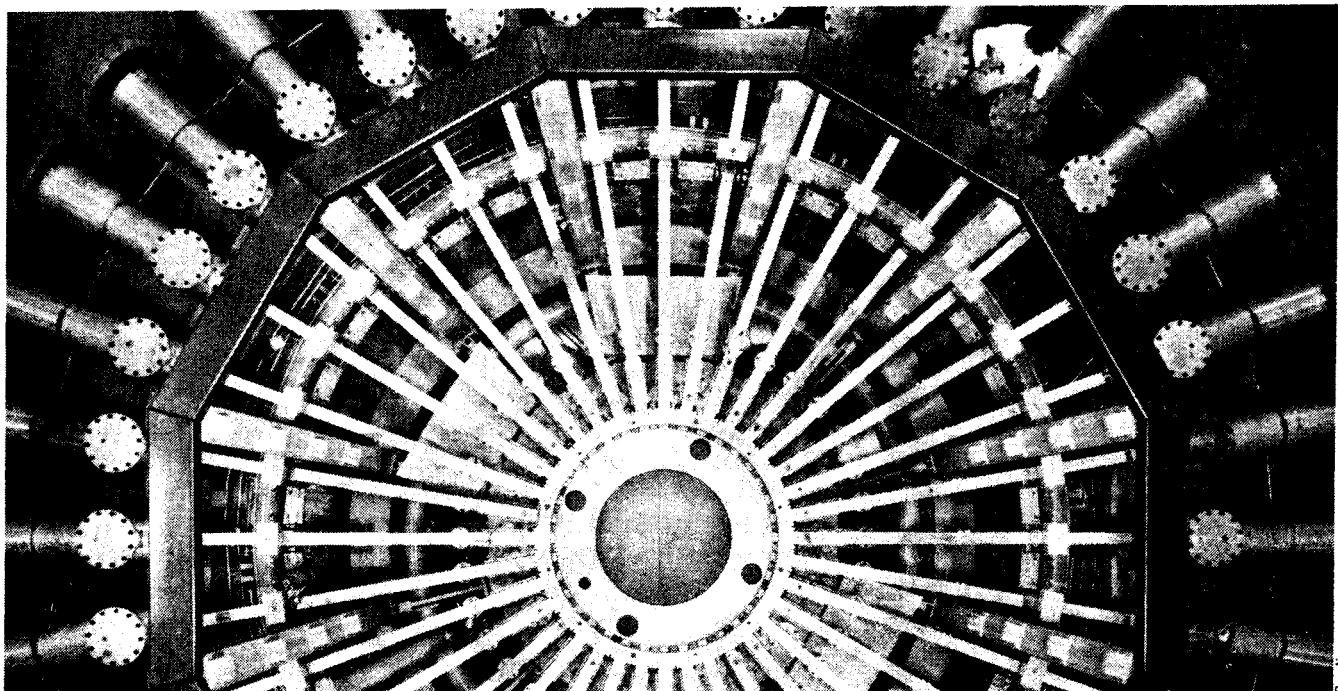
Before President Reagan's March 23 commitment to energy beam weapons, the prospect of a breakdown of the unstable balance of terror known as MAD (mutually assured destruction) was throwing the United States and its European allies into a crisis, centered around the planned "Euromissiles" deployment. The President's speech, at one stroke, transformed the end of MAD from a nameless fear, into a great technological policy goal of the U.S. republic. Citizens have since been debating and discussing this goal with rising national excitement; it has set off rising expectations among American allies around the world.

The driving force behind President Reagan's achievement is the unleashing of "American technological optimism," so feared and despised by generations of sociologists and environmentalists, to solve the growing threat of superpower thermonuclear confrontation.

The President has begun to reveal to the world the true frontiers of science and technology today—the physics and engineering of high-power, high-velocity "directed energy beams" and fusion plasmas—which have been kept in a "national security" pit of secrecy throughout the MAD era, precisely because they could end it. He called on the scientists who developed these advanced nuclear and related technologies to "turn their great talents now to . . . give us the means of rendering these nuclear weapons impotent and obsolete."

The most immediate and enthusiastic response came from the Fusion Energy Foundation, whose previously critical but offstage role in developing a Mutually Assured Survival policy became much more prominent following President Reagan's announcement. The FEF's broad "Manhattan Project" approach to true scientific and technological breakthroughs for deployable "beam-weapons" was most clearly reflected in the President's proposal.

Interviewed on national television in the days following March 23, FEF research director Uwe Parpart-Henke and I told American scientists and citizens that Reagan's policy could be not only supported but implemented for full strategic protection from ICBMs in 10 to 12 years; that crude first-stage ground-based lasers for "point defense" and to deal with small or accidental launches, could come in



Overhead view of a particle-beam accelerator at Sandia Laboratories in Albuquerque, New Mexico, where it is used in inertial confinement fusion energy experiments. Particle-beam weapons are among those foreseen by the President's program.

half that time. An AP wirephoto of an FEF artist's sketch of such a system, accompanying an interview with Parpart-Henke, appeared in newspapers across the United States.

Lyndon H. LaRouche, Jr., who launched the FEF's public campaign for a beam-weapons strategy, was interviewed by Armed Forces Network radio and by Italian television and press; he emphasized that first-stage ABM deployment, and a powerful technological impact of a beam-weapon program on the industrial economies, could take place within five years. FEF plasma physicist Dr. Steven Bardwell's technical white paper on beam weapons, published by *EIR*, has become recognized as the most competent non-classified treatment of the field.

The media have scrambled into print and on the air with the proverbial "one-liners" from physicists claiming that beam-weapon ABM defense is technically impossible. But the same physicists have refused public debate on the subject with beam-weapons proponents, claiming that such debate on technological feasibility was either beneath them, or not possible due to classification regulations! One student-faculty group in the Boston University physics department sent out invitations to scores of scientists and military figures for such a debate. Beam-weapons advocates accepted; nearly 20 opponents refused, including Drs. Kosta Tsipis, Henry Kendall, Richard Garwin, and Curt Gottfried, all members of the anti-nuclear Union of Concerned Scientists, and former government arms experts Drs. Jack Ruina, Ashton Carter, and Marvin Weinberger.

The most vehement opposition to the President's initiative came in a nationally televised outburst by former World

Bank president Robert S. McNamara, the Vietnam War-era Secretary of Defense who promulgated the MAD doctrine. McNamara's "nuclear freeze" is a desperate attempt to *preserve MAD* by reversing already-realized technological progress and negotiating "pledges" not to use nuclear weapons. Thus, conventional wars, most notably meatgrinder "population wars" such as Vietnam, will become "safe to fight."

Americans will choose "technological optimism." The impact of the new technologies associated with directed-energy beam weapons would be comparable to the introduction of electricity. Several related technologies are already available in prototype. These include MHD electricity production (direct conversion of the motion of a high-temperature fossil-fuel plasma into electricity, with double the efficiency of conventional electric power production), laser machine tools, magnetically-levitated trains, and revolutionary methods of separating chemical isotopes. Under an R&D program scaled up to the level of the NASA program, a level which is now envisioned, technologies which currently present a risk or a marginal advantage over existing processes can become as prevalent as computers over the past 15 years. We could develop an entirely new energy industry, a new rail industry, a new machining industry, a new chemical industry, and a complete revolution in materials processing.

The federal government must do roughly what it did in the 1939-44 period. Key sections of industry, starting with the defense-goods sector, must fuel the re-capitalization of the entire capital goods sector, using the best available technologies, and preparing to absorb the impact of the large R&D efforts around "beam-weapons" development.

# Laboratory programs show near-term feasibility of directed-beam weaponry

by Robert Gallagher

A review of the state of U.S. lab and defense contractor programs to develop laser and particle beam weapon technologies demonstrates that tomorrow morning we can begin to construct the first phase of a beam weapon anti-ballistic missile (ABM) system to prevent launchings of nuclear missiles by third powers from leading to all-out thermonuclear conflict. Such a limited system could also protect U.S. or Soviet retaliatory capability while a complete beam weapon defense was being developed. Technology for this program has been developed in spite of outright sabotage by previous civilian Defense Department officials.

This first phase system requires:

- Chemical lasers sited on mountaintops to reduce power loss in beam transmission through the atmosphere. Required power for such a laser is 5 to 10 megawatts.

- Orbiting optical mirrors for accepting the beam and focusing it on its ballistic missile targets. The required diameter for such mirrors is 4 to 10 meters.

- The technology to point the beam at a range of hundreds of kilometers with the accuracy of a fraction of a microradian.

- The technology to track, or follow, the moving target with the beam for a fraction of a second to ensure target kill.

All these technologies exist today as the result of beam weapon programs managed by the U.S. Air Force, Army, and Navy.

## The TRW mid-infrared chemical laser

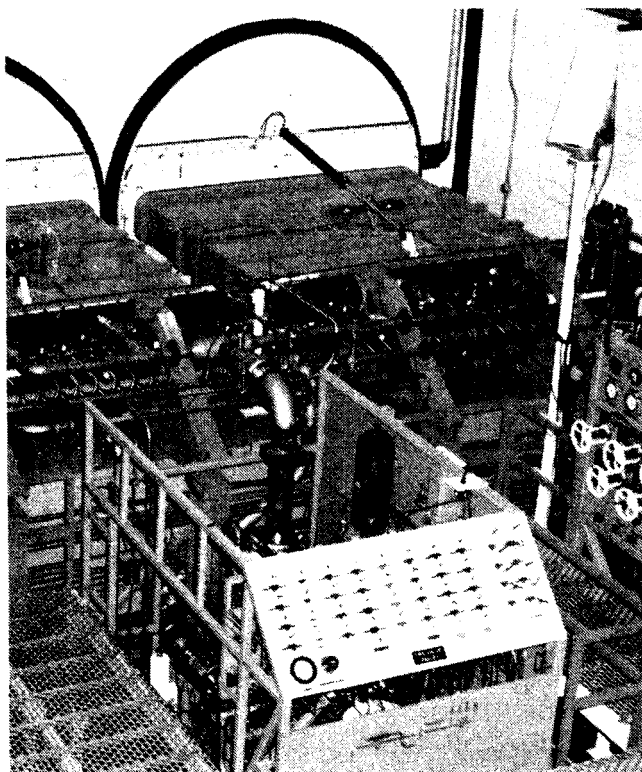
A U.S. Navy program named SeaLite, in conjunction with TRW, Inc., has developed the most powerful existing laser in the Western World. (The Soviet Union and Japan have both developed more powerful lasers.) The laser in question is the Mid-Infrared Chemical Laser (code-named MIRACL), a continuous-wave deuterium-fluoride high energy laser with a wavelength of 2.7 microns. MIRACL is capable of producing a laser beam of 2.2 megawatts power. According to Defense Department officials, if this laser were lengthened, it could put out 5 or more megawatts of power. If its nozzle were organized in a cylindrical configuration, it could put out over 10 megawatts.

The Navy is developing this laser as a potential weapon for defense of aircraft carrier task forces and as a ground-based anti-satellite laser weapon. The latter deployment is more demanding than one in which it serves as a ground-based laser coupled with orbiting mirrors in an ABM system.

## Pointing and tracking technologies

The mirror technology required is also in hand. Two years ago, United Technologies Corp. proposed a schedule and *fixed price* for a contract covering delivery of a suitable 10-meter diameter mirror. A four-meter glass mirror is now under development by Corning, Perkin-Elmer, and Itek/Kodak for the Defense Advanced Research Projects Agency.

Pointing and tracking technologies have been developed by Lockheed for the National Aeronautics and Space Administration (NASA) and by Hughes Aircraft for the U.S. Air Force Airborne Laser Laboratory and the U.S. Navy SeaLite



U.S. Navy

The U.S. Navy Mid-Infrared Chemical Laser.



program.

One of the most dramatic demonstrations of required technology is NASA's Space Telescope, developed by Lockheed. The telescope spacecraft—scheduled for launch on the Shuttle—includes systems for finding stars billions of light years away from earth and for maintaining with precision the telescope aperture pointing at such objects as the telescope orbits our planet! This technology is at least within a factor of two of that required for space-based laser systems. However, according to the Senate Intelligence Committee, the Lockheed system for NASA has pointing systems four-times more accurate than that required for a space-based laser.

The principal USAF laser program today is the Air Force Airborne Laser Laboratory, a modified Boeing NKC-135 cargo aircraft equipped with a 400-kw. 10.6-micron carbon dioxide laser. In January 1981, then-U.S. Air Force Secretary Hans Mark—now deputy administrator of NASA—announced that the results of the recent test of the USAF/Hughes Aircraft pointing and tracking systems aboard the AF Airborne Laser Laboratory demonstrated that it was possible to “now think about shooting down the other fellow's ballistic missiles without using nuclear warheads.”

In summary, we have the laser and the mirror and the pointing and tracking technologies for the first phase system within grasp.

In 1981, Sen. Harrison Schmitt presented a far more optimistic assessment. He asserted that there was no need for

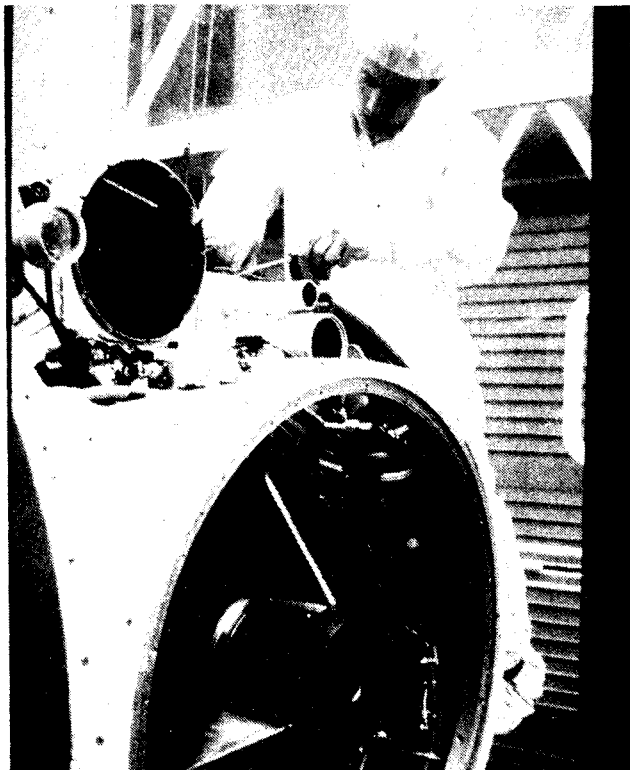
an in-orbit demonstration; it was only necessary to build the device:

We have already demonstrated that to some degree, and by the end of the year, ALL [Airborne Laser Laboratory] will reach test objectives with lethality demonstrations against air-to-air missiles. The only thing to demonstrate is guidance and tracking technology and we can do that on the shuttle.

The pointing and tracking technologies discussed here are directly applicable to a fully space-based laser ABM, such as the x-ray laser under development at Lawrence Livermore Laboratory. However, the x-ray laser itself will produce a beam so powerful that target destruction will not require target tracking. (Previous issues of *EIR* have provided full descriptions of the Lawrence Livermore x-ray laser program.)

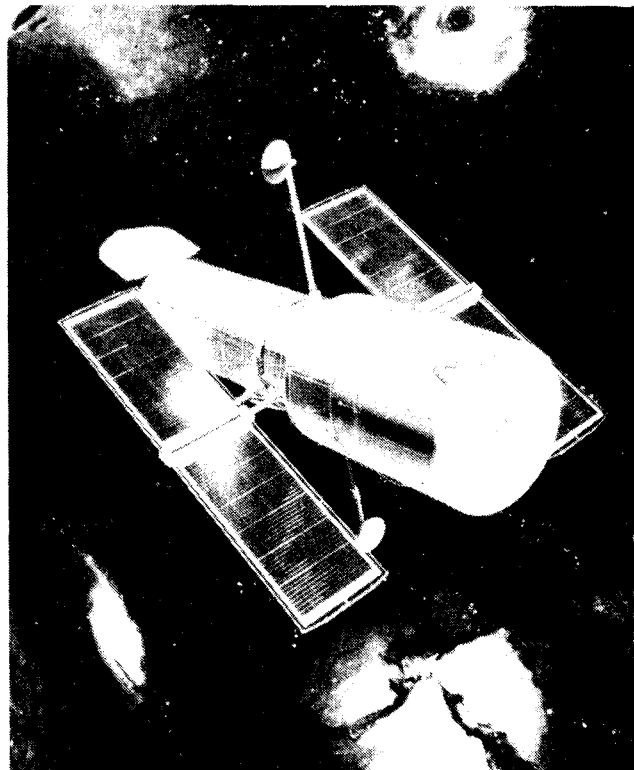
### U.S. particle beam weapon programs

The U.S. Army Ballistic Missile Defense Command (BMDC) and DARPA manage a program for development of a neutral particle beam weapon for space-based ABM systems code-named White Horse, at Los Alamos National Lab. This program and also the Navy-initiated charged particle beam weapon program are based on application of a device called the radio frequency quadrupole accelerator, developed in 1978-80 from sketchy information provided in Russian



NASA

*NASA's space telescope, ready for Shuttle launch.*



U.S. Navy

*SeaLite mirror tracking technology is in operation.*

medical literature. The device is also in use by the U.S. fusion energy program.

The radio frequency quadrupole accelerator, known as the Dudnikov accelerator after its inventor, V. G. Dudnikov of the Institute of Nuclear Physics at Novosibirsk, is compact and lightweight, and therefore especially suited for space-basing.

In late 1978, the Army BMDC announced that White Horse could be ready for launching as an anti-satellite weapon between 1981 and 1983. The program had advanced to the stage of construction of laboratory hardware and required additional funding to continue the pace of the effort. The funding never came. DARPA assumed management of the program and its pace has since slowed.

The White Horse first test machine (known as the Accelerator Test Stand) will produce a 5 MeV hydrogen ion beam and be operational this year or early 1984. Phase II of the program is projected to construct a 50 MeV to 100 MeV machine for operation in 1987 or 1988 to achieve the actual energy levels required for defending spacecraft, or anti-satellite missions. A further machine projected to produce a 500 MeV beam will achieve energy levels required for space-based ABM systems.

### U.S. Navy e-beam program

The U.S. Navy and DARPA manage a program, known as Chair Heritage, to develop electron-beam (e-beam) weapons for two applications: defense of aircraft carrier task forces and defense against nuclear missile re-entry vehicles, i.e., the warheads themselves. Development of a powerful ground-based beam weapon to destroy or disarm warheads hardened for re-entry through the atmosphere is critical to a complete ABM system that must destroy any warheads from missiles that have penetrated space-based defenses.

Chair Heritage developed the Experimental Test Accelerator (ETA), a 5 MeV electron beam accelerator located at Lawrence Livermore National Laboratory (LLNL). The machine has reached 90 percent of its design goals in beam current and is the basis for the Advanced Test Accelerator described below. It is driven by a 2.5 MeV pulsed power beam injector.

ETA is a diagnostic experiment on the shape of an e-beam pulse in propagating through low-pressure gas. According to DARPA, data from the program has been extrapolated to predict stable e-beam propagation at higher powers through gas of full atmospheric densities.

The second phase of the Chair Heritage program is development of the Advanced Test Accelerator (ATA), which reportedly has just recently become operational at Lawrence Livermore. Producing a 50 MeV beam, ATA will be the most powerful accelerator outside the Soviet Union. It is designed to be capable of producing five 21-meter pulses per second or a burst of 10 pulses at 1 millisecond intervals. The ATA will extend the ETA tests of e-beam propagation in the atmosphere.

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## Interview: Uwe Parpart-Henke

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# An end to MAD: the strategic possibility

*The following interview with the research director of the Fusion Energy Foundation, Uwe Parpart-Henke, was conducted on March 28 at the CBS-TV studio in New York City, after Parpart-Henke appeared on the national television "Today" show.*

**EIR:** Let's begin with some of the strategic policy objections that have been raised against a policy of directed-energy weapons for ballistic defense. An overall objection is that this will be a highly destabilizing development.

**Parpart-Henke:** I think that is totally wrong. The first generation of such a system could not and should not be expected to defend the country as a whole against a full-scale ICBM attack, so there can be no question of providing ourselves with a foolproof system in the initial phase, a system which would then allow us to launch a first strike on the Soviet Union with impunity.

What a first system could be reasonably expected to do is provide point defense for certain potential targets, in particular land-based missile systems, and thus make them more "survivable." This would *restabilize* the land-based missile force as a principal element of deterrence.

Secondly, such a first-generation beam weapons system could defend against accidental launch by either side, by either Soviet missiles or U.S. missiles. Finally, it could be expected to defend against third-country launch, if some smaller power other than the Soviet Union or the United States sought to engage in a missile attack on an adversary which could trigger a full-scale confrontation between the superpowers. The Soviet Union and the United States could explicitly agree not to permit such launches.

Thus, in the first phase, we are not talking about a complete coverage of the continental United States against full-scale Soviet attack, but we are counting on being able to deploy a system five to seven years from now which in the first instance would allow a certain significant restabilization of the present strategic situation.

In the second phase, we could and should expect to move to full area defense of the United States and possibly the allies of the United States against full-scale attack. Presumably, well in advance of the deployment of such a system one would have entered into negotiations with the Soviet Union, and I think it would be most desirable to come to some form of agreement in which parallel development and deployment

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# new scientific and for a real defense

of such a system would occur.

Such negotiations could simultaneously begin to develop a formula for actually phasing out offensive nuclear weapons over a certain period of time, ridding ourselves once and for all of these offensive weapons systems.

Some people have raised the objection that if that were to occur, then, especially in Europe, the conventional superiority of the Soviet Union would become an overwhelming factor in the strategic situation. I do not want to discount the Soviet capabilities in the conventional field. I think that if nothing else were to occur except simply installation of defensive systems against ballistic missile attack, this would be a very real difficulty that we would have to confront.

However, the technologies involved in developing the strategic defensive systems also hold a significant promise of allowing us to make defenses in the tactical arena much more effective. There are many tactical applications of directed-energy weapons, which will make it much, much more difficult for a conventional attack to succeed.

You have to see this as essentially one piece; you cannot ultimately make a strict distinction between tactical and strategic considerations. They are closely linked from a technological standpoint, and necessarily closely integrated from the standpoint of military doctrine.

In regard to the proposal made recently by the President and the one made by Mr. LaRouche a year ago, specific technical objections are irrelevant. Both of them have rejected a strategic doctrine—Mutually Assured Destruction—that will ultimately lead us to war, and have called upon the scientific community to develop the required technology to defend ourselves. President Reagan, in fact, did not use the word “laser,” or “beam” in his policy speech on March 23. The President is talking about a shift in strategic doctrine, and not a specific technology. It is precisely this shift that is provoking all the outbursts.

As to technical objections, they generally fall into two classes: First of all, the question of whether this kind of technology exists at all, or whether it's something that's purely pie in the sky. The answer should be that the United States has had programs in this area on a significant scale for at least 10 years, and is actually probably spending close to \$500 million annually on these kinds of programs. To achieve a first-generation system would principally involve the task of taking potential components which now exist as disparate

items, integrating them into a system, and simultaneously scaling them up to the necessary size. This would not involve any brand-new technologies.

More specific technical objections to a first-generation beam weapons system involve such issues as the ability of ground-based lasers to penetrate the atmosphere, the possible countermeasures that could be used to defend missiles against laser attack, and the countermeasures that could be used to actually destroy the beam weapons system itself—especially the space-based portion of it. Finally, there is the question of the accuracy with which one can aim these systems, and whether such accuracies over thousands of miles can actually be achieved.

As for the first objection, it's really a matter of basic physics to select the most appropriate wave-length for a laser system which will optimize propagation through the atmosphere, and minimize energy loss. It appears quite feasible to have a situation in which much less than 10 percent of the intensity is lost in propagation above the 3-kilometer level.

Secondly, in terms of providing passive defenses for the missiles, in every case this involves significant retooling of the missiles concerned. In the time it takes to overhaul the entire arsenal or a substantial portion of the missile inventory, more powerful lasers will be developed quite easily, to deal with that contingency.

**EIR:** The mass media have repeatedly stated that space-based laser-beam systems could be knocked out by killer satellites and so forth. . . .

**Parpart-Henke:** A first-generation beam weapons system would pose no threat to the Soviets, so they would have no incentive to attack it. A second-generation system could be defended over a distance greater than the range of destructive capability of such killer satellites. Almost any attacking weapon could be hit by ground-based lasers bouncing off mirrors before it could reach its target. The systems are self-defending. Anything that comes within several hundred kilometers can be destroyed.

For the second generation, the ultimate defense is not to launch the system weeks or months in advance, but at the last moment, so they are not sitting up there vulnerably. These are not large, cumbersome systems, and they can be launched just as an attack is anticipated.

**EIR:** Another frequently raised objection is that it would be very difficult to verify whether the defense system has achieved its missile “kills.”

**Parpart-Henke:** To make kills completely verifiable after the boost phase, the systems would have to blow up the missiles rather than simply inflicting internal damage.

It is also possible to discriminate by weight between targets and decoys, using infrared sensing. As for the argument that the second generation of defensive systems could be used offensively against enemy airfields and other ground targets—in the case of x-ray lasers, they are not very effective in penetrating the atmosphere on the way down.

But this question really has nothing to do with technology. Any technology can be used to build a defensive or an offensive weapon, or to provide great economic benefits to the human race. Take for example, nuclear explosives. The only use for these most people know about is as offensive weapons. This is because the MAD doctrine imposed a freeze on their use for anything else in the early 1960s. But these explosives can also be used peacefully, to dig canals and harbors needed around the world, or defensively, as we see today in the x-ray laser, or in the old anti-missile missile program 20 years ago.

In other words, all this talk about how something can always be used offensively is based on a military doctrine—MAD—that bars any other use, that has prevented any other use, the military doctrine the President threw into the dustbin last week.

Our proposal is to negotiate a treaty with the Soviets to build and deploy these beam systems side by side. We combine this with a proposal for collaboration in “Great Enterprises,” or development projects in the developing sector, such as those proposed by Mitsubishi Research, to remove the basis for conflict.

**EIR:** It has been mentioned that a reflective coating can defend nuclear missiles against laser beams.

**Parpert-Henke:** Of course, reflective coating will reflect a substantial portion of the laser. One can overcome that by depositing a larger amount of energy on the target. If we are talking about a second-generation system, the x-ray laser will not be subject to such countermeasures.

The pointing and tracking technologies are being developed chiefly in the civilian research context of the large space telescope, and either have or will, in the very near term, have achieved the necessary accuracies to point a space-based telescope at a distant star or galaxy. If you know how difficult it is to achieve that kind of pointing in astronomy, you’ll appreciate that once that can be accomplished, the relevant pointing accuracy for these systems is well within reach.

A lot of these components have been developed; they have to be integrated into a system, and a decision has to be reached at some point in the not-too-distant future on what type of initial system one wants to put together. And then provisions have to be made for systems testing.

I think that it should be mentioned in this context that at a future point, to effectively pump lasers of any kind, it would be highly desirable to be able to avail oneself of fusion energy technology.

A word should be said about particle beams. The possibility has been raised of using a spaced-based laser system as a first line of defense, and then using ground-based particle beam systems to shoot down anything that the laser misses. People have objected that charged particle beams cannot really shoot straight (they’re deflected by the Earth’s magnetic field), or that particles don’t propagate through the atmosphere for any significant distance. Neither of these ob-

jections holds water. The Earth’s magnetic field in the local situation, relative to the powers of the particle beam system, is not significant. As far as propagation is concerned, most of the objections are based on thinking of particle beams as a collection of individual particles, behaving very predictably in the way single particles behave. It is precisely the so-called collective effects involved in beam propagation and the role of interaction of the atmosphere that need to be studied further, but already allow for the conclusion that propagation is possible far beyond what had been assumed on the basis of simple-minded theoretical assumptions.

On the side of strategic doctrine, there are a number of things to be said. The decision to move toward ballistic missile defense by directed-energy weapons reflects what I would consider the most important and most profound weapons technology decision since the initiation of the Manhattan Project. It contains the very real possibility of, at least for a reasonable period of time, giving the advantage to defensive over offensive systems, both in the strategic and tactical arena. This is not a guarantee into the indefinite future, but certainly something that would give us a tremendous amount of breathing space to solve other problems which actually lead to possible conflict.

**EIR:** How effective is the current policy of Mutually Assured Destruction, or MAD?

**Parpert-Henke:** The present U. S. strategic doctrine of Mutually Assured Destruction (MAD) makes certain assumptions about the intentions and rationality of the potential adversary. I think that ultimately the MAD conception of defense or deterrence is not acceptable. You can only be as secure in your military defenses as is possible on the basis of the capabilities you can field yourself, rather than having to rely upon the potential adversary to add his good will into the equation. That is the broadest issue involved.

More specifically, MAD is based on the assumption of the substantial invulnerability of the strategic systems, meaning the submarine force, the bomber force, and the land-based missile force. Questions have been raised, rightly, about the correctness of this assumption in all three cases.

Especially, major advances in the accuracy of intercontinental ballistic missiles and intermediate-range ballistic missiles to circular error probabilities of 50 meters and below, created a situation in which it is very difficult to see how any land-based system could be regarded as secure.

Secondly, there have been important advances in anti-submarine warfare techniques, from the standpoint of both searching for and destroying submarines, which in the very near future will make the once seemingly very secure underwater basing of strategic systems highly vulnerable.

And of course the bomber force has been a questionably “survivable” force for quite some time already.

Add to this the situation that would arise involving the face-off of SS-20s and Pershing IIs, both of which are quite accurate and allow for very little warning time after they are

fired, and it becomes clear that the doctrine of MAD converges ever more significantly on assured destruction.

**EIR:** The question has been raised about what this will do to arms control discussion. The systems will at best come on line 5 to 7 years from now, and a fuller system 10 to 12 years from now. What happens in the meantime?

**Parpert-Henke:** Two things happen. First, a point of perspective, a strategic goal has been obtained. That will allow a coherent negotiating strategy to emerge, which is not based simply on various and sundry game-theoretical considerations, but actually based on a clear and well-defined strategic objective, and that by itself will provide a stabilizing influence on the strategic situation and arms control discussions.

Secondly, we would introduce a new factor into this whole question of negotiations which could truthfully become the basis for an actual reduction-of-armaments proposal. At present, such proposals are not really credible, because billions of dollars have already been spent on installation of some kinds of offensive systems, whose dismantling will always, almost of necessity, lead to a situation of lesser security. It has been pointed out that in the era of multiple warheads installed in a single missile, actual reduction of missiles simply reduces the number of targets and makes it easier to disable the target.

Beyond that, I reject any proposals that amount to revers-

ing the technological developments that lead to multiple warheads and so forth.

In conclusion, I think one should say something about this from the standpoint of a broader philosophical issue. The people who are talking about arms control and arms reduction from the standpoint of deploring the destabilizing influence of the technology that has come on line for offensive weapons in the last 10 years are not raising an arms control issue but are raising a broader strategic issue. The question is whether advances in technology themselves are in some strange sense to be regarded as destabilizing and threatening. The implication here seems to be that to have a stable mutually assured destruction system, we have to freeze technology and ultimately we have to freeze knowledge at existing levels.

I think that that is impossible, and it is, more importantly, highly undesirable.

This is where the bottom line is reached on the strategic issue: people who are advocating a world system based on some form of equilibrium of strategic forces at some fixed level of population and resources, advocating convergence on zero economic and population growth; versus people who believe that it is the essential destiny of mankind to develop human knowledge to the highest degree of perfection, and to exploit all possible opportunities that are inherent in that for making our world safer, more liveable, and more adequate for human purposes.

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# Nine falsehoods about beam weapons

by Steven Bardwell

*This table was prepared by Steven Bardwell, plasma physicist, EIR military editor, and editor-in-chief of Fusion magazine.*

For the past several years, a faction in the scientific community led by Costa Tsipis of the Massachusetts Institute of Technology has promoted the idea that beam weapon technologies are "impossible." Here we consider some of the most frequently mentioned objections, and their scientific refutation. In most cases, it is useful to note that scientists who claim that beam weapons are impossible are at least five years behind in terms of the scientific literature and current experimentation.

In brief, the Fusion Energy Foundation has proposed the following two-step research program, and the leading objections to the feasibility of a beam weapons program are answered in the chart below in terms of both a first-generation and a second-generation system.

1) Using technologies that have already been demonstrated in the laboratory, the United States could develop a first-generation directed energy beam weapon defense system within the next five years. This would be a hybrid system with a chemical laser based on a mountaintop and a focusing mirror in near-earth orbit. Such a

hybrid system would minimize the physics and engineering problems involved, and would provide defense against an accidental launch of a hostile missile or a launch by a runaway third party.

2) A second-generation beam weapon system would be completely space based, utilizing a short wavelength laser. The nuclear-pumped x-ray laser is a natural choice, and such a system would make possible the area defense of the United States, a goal that we could begin to meet with the deployment of the first x-ray laser satellite in the early 1990s.

Every technology for the first-generation system exists today in prototype form; it is simply an engineering problem to put these technologies together into a weapons system—a problem that we can solve successfully in about five years' time. It is a formidable problem, but it does not require anything unknown. Such a first-generation system will probably never be built, however, because once the research starts on it, scientists and engineers will find better ways of doing almost everything involved, if we have the right kind of broad-based, broadly oriented research program. This chart proves that even in the worst case, if we have to operate with what we have on hand in our laboratories today, beam weapons development is entirely possible.

## Objection

## Reply to Objections

	First-generation system	Second-generation system
1) The power levels required for a laser cannot be produced today either economically or efficiently. The fuel is too expensive or too heavy.	A 2.2 megawatt chemical laser already exists. To scale it up to 10 megawatts is a straight-forward engineering task, and there is no laser scientist who believes that this cannot be done. Ten megawatts is the power level recognized in general, and by Tsipis, as the minimum required for a laser beam weapon. For a ground-based system, the amount and mass of the fuel required is irrelevant, since the laser does not have to be put in orbit.	Short wavelength lasers, specifically the free-electron laser and the x-ray laser, have inherently high power densities, their brightness being about 2 or 3 orders of magnitude greater than the minimal chemical laser.
2) A laser beam of the type required cannot be propagated, because the beam would be so greatly attenuated by either moisture in the atmosphere or dust clouds generated in the course of a military engagement that the energy from the laser would never reach the target.	If the laser is based on a mountaintop above 12,000 feet, less than 10 percent of the beam will be lost. The critical point to be made is that all media, including the atmosphere, have a large number of windows through which lasers can propagate. To	Thermonuclear power sources are used to pump the x-ray laser and free-electron laser, so this objection is also irrelevant here because of the power densities of these lasers.

flatly assert that lasers cannot propagate through the atmosphere ignores the results of experiments with plasmas during the past five years.

3) It is impossible to produce a mirror good enough and accurate enough to be capable of focusing a beam that is powerful enough to destroy a missile. And even if such a mirror could be produced, it would be so delicate and so vulnerable that it would be unusable in a military system.

The generally agreed specification for a first-generation mirror is between 5 and 10 meters in diameter. This is within our technological capabilities today, and according to *Aviation Week*, two companies have expressed willingness to build such a mirror. If it were impossible to construct such a mirror, Mount Palomar observatory, which has a 5-meter mirror, would not exist!

As to the fragility of such a mirror, the basic point is that a first-generation system would not be subject to countermeasures by a technologically capable opponent. The system is no threat to the Soviet Union and it would be pointless for them to try to destroy it, since the only function of such a system is to prevent an accidental or third power launch.

These systems have no optics.

4) There are no technologies available that can point such a mirror accurately enough to hit a target at a range of 1,000 to 2,000 kilometers (the range required for the strategic task of destroying missiles).

The mirror has to be pointed with the accuracy of 0.1 microradian in order to hit the target. This is done routinely with space satellites, and will be done with the existing Space Telescope.

The same applies to the pointing of the X-ray lasing medium.

5) Even if such a mirror could be aimed accurately, the technologies do not exist to track missiles long enough for the beam to destroy them—a tracking accuracy of .1 microradian per radian per second.

The required tracking capability has been demonstrated by fourth generation gyroscopes in the laboratory. It is now an engineering problem to put these on a telescope and make them usable for a laser system.

The problem of tracking is irrelevant for these systems, because the lasers are so bright that they blast the target in micro-seconds, virtually without any dwell time.

6) The sensing technologies do not exist to distinguish between decoys and armed missiles. Since decoys are lightweight, cheap, and easy to build, this gives the advantage to the offense, which can saturate the defense with decoys, thus aiding the penetration of the armed missiles.

The technology exists—long wavelength infrared telescopes—to distinguish the infrared emission of missiles at several thousand kilometers. This emission is dependent on how heavy the missile is, and therefore provides the capability of distinguishing between decoys and armed ICBMs in the boost phase, which is the purpose of these first generation systems. With re-entry vehicles, the task is much more difficult.

The same applies.

7) Given the constraints of focusing and tracking, there are a series of simple and cheap ways to defeat beam weapons, such as using missiles with a reflective coating, or an ablative coating, or rotating the missile so that the laser energy is spread out so much that it will not be able to destroy the missile.

The various countermeasures that have been proposed to defeat a first-generation beam weapon system are strategically irrelevant at this point since the Soviet Union is not going to retool its existing missiles to defend them from a weapon that doesn't threaten them. In the future, scaling up the power density of the laser beam by a factor of 10 would defeat all passive defense systems mentioned—such as reflective coatings, ablative surfaces, and space mines.

Passive defenses are totally helpless because of the intense brightness of the short wavelength lasers, which can burn through anything.

8) The cost of developing a beam weapons system for protection against all-out attack is so great as to make it impossible.

As we have proposed it, to develop a first-generation system would cost no more than \$20 billion, and the deployment of such a system would be a small multiple of this.

The X-ray laser is smaller, more efficient, and much less costly to deploy for protection against an all-out nuclear attack than would be a scale-up of a chemical laser system to achieve this goal.

9) Beam technologies would be used for offensive purposes.

The amount of energy involved that the beam delivers is actually tiny; it could never be a weapon of mass destruction, but might perform a selective surgical delivery of energy.

These systems could be used offensively, like most weapons. Their technological superiority shifts the advantage to the defense, however.

# The hoax of the nuclear test ban treaty: civilian and military progress obstructed

by Robert Gallagher

*Considering their relative unimportance as a military force, particularly in nuclear weapons, it is remarkable to consider how much influence the British have had over U.S. arms and arms control policies.*

—Glenn Seaborg, former Chairman of the Atomic Energy Commission, 1982.

At the end of the Eisenhower presidency in 1960, the United States was on the verge of beginning deployment of an effective, short-range “terminal defense” system of anti-ballistic missile systems against ICBMs, through the program of successful tests of Project Defender; and the nation was developing “Project Plowshare,” the program of controlled use of small, “clean” thermonuclear explosives for mining, excavation, and the rapid building of modern industrial infrastructure in the developing regions of the world.

Both these efforts came to a halt in the years of negotiation and signing of the Nuclear Test Ban Treaty of 1963, the turning point in the imposition of the MAD doctrine upon the United States and Soviet Union. From that point onward, the Dulles “massive retaliation” policy, accepted by Eisenhower as a temporary expedient, was replaced by the doctrine that such massive retaliation was the only *permissible* means of nuclear defense that a nation might contemplate.

British negotiators largely called the shots in the preparations of the treaty, and it was the British, Bertrand Russell-led “Ban the Bomb” movement that conducted worldwide manipulation of “fallout” fears to force the signing. The majority of developing-nations leaders were coopted by the Anglo-American arms control lobby, accepting the fraud that the only purpose of nuclear testing is to build offensive nuclear weapons for the destruction of civilizations.

This brief account of the negotiations and ratification of the 1963 Partial Nuclear Test Ban Treaty that banned nuclear testing in the atmosphere, in space and underwater seeks to clear the historical record of these frauds.

We will also document how the pace and purpose of the negotiations was set by Britain through Prime Minister Har-

old Macmillan and associates, such as U.S. chief negotiator Averell Harriman, appointed to his role not by President John Kennedy but by Macmillan.

## Treaty launched arms race

The original parties to the Test Ban Treaty were the United States, the Soviet Union, and Great Britain. Through the treaty, British Prime Minister Harold Macmillan imposed a technology freeze upon the United States and Western Europe. With ratification of the treaty, the United States and the Soviet Union embarked on the biggest offensive arms race in history, a race that produced, for example, the technology of multiple, independently targetable warheads, or MIRVs, with which a single missile could destroy five American or Soviet cities.

Because it banned atmospheric testing, the treaty:

- prevented development of peaceful nuclear explosives that held the promise of a technology that could dig canals, reservoirs, and harbors, divert rivers for irrigation and power generation, and mine mineral resources throughout the developing sector with its tremendous earth-moving power;
- dealt a death-blow to development of effective anti-ballistic missile (ABM) technologies to protect the U.S. from nuclear attack;
- retarded the progress of nuclear and plasma physics; and
- made development of advanced nuclear propulsion systems for space flight more difficult.

President Kennedy motivated the treaty as “an important opening wedge in our effort to ‘get the genie back in the bottle.’ ”

The treaty was attacked by Dr. John Foster, director of Lawrence Livermore Laboratory; former Atomic Energy Commission Chairman Lewis Strauss; Gen. Thomas Power, commander of the Strategic Air Command; former Chief of Naval Operations Adm. (retired) Arleigh Burke; former chairman of the Joint Chiefs of Staff A.F. Gen. (retired) Nathan Twining and many others. Former President Eisenhower, threatened by the Kennedy administration with a



scandal involving a former aide, formally supported the treaty but implied that the treaty was incompatible with U.S. national sovereignty.

Support for the treaty in the United States came from what is called today the "nuclear freeze" movement: Secretary of Defense Robert S. McNamara; Assistant for National Security Affairs McGeorge Bundy; Assistant for Science and Technology Jerome Wiesner; Wiesner's predecessor in the Eisenhower administration, James Killian; Averell Harriman; Hubert Humphrey, who played the role of Senate echo-chamber for Macmillan's proposals; and many others.

### 'A Step toward war'

Dr. Edward Teller provided the most eloquent explanation of the inherently regressive character of efforts to limit nuclear testing in his testimony before the Senate Foreign Relations Committee during hearings on the treaty.

The reason that I am worried about this treaty is because I believe that this treaty is a step not toward peace but rather a step away from safety, possibly a step toward war. . . .

The treaty will permit the Russians and us, and anybody else, to develop nuclear explosive underground. This will permit us to perfect not every kind of an aggressive weapon, but very important kinds of aggressive weapons. This treaty, therefore, will not have the direct effect of slowing down the development of aggressive weapons. What it will do is to prohibit us from acquiring the knowledge about effects of weapons, those effects which are of vital importance in ballistic missile defense. . . .

Secretary McNamara has told you that if you don't have enough knowledge about the hardening of our missile sites we will make up for it by building more missiles, by spacing these missiles farther apart, by making them harder. . . . What Secretary McNamara is telling you is that he is willing to substitute brawn for brain, to spend more and more money for defense. This is what has been rightly called an arms race. To acquire more knowledge, to acquire more knowledge in order to know how to defend ourselves, this, I would suggest, is not quite properly called an arms race. This treaty will not prevent the arms race. It will stimulate it. This treaty is not directed against the arms race. This treaty is directed against knowledge. . . . Even space exploration may become possible using nuclear explosions. This treaty is a treaty whose main point is to bar knowledge, to prohibit knowledge, the acquiring of knowledge that we need now for our defense, and it also interferes with knowledge which we may acquire otherwise in the future, and which we may want for scientific purposes, for the purpose of a big and expensive space adventure. . . .

I want to say that this treaty prohibits future science,

future progress, the kind of thing on which the greatness of this country has been based.

Teller proposed a four-point peace program:

- Development of ABMs for a strong defense.
- Sharing ABM technology with Western Europe as the first step in expensive cooperation.
- Cooperation with the Soviet Union: "We can work together on cancer research, we can work together in outer space. We might even work together on the peaceful use of nuclear explosives."
- Unilateral declassification of military "secrets": "to work toward more general disarmament . . . the first step must be the abolishing of secrecy."

Nuclear testing is not the bogey-man that the Pepsi generation believes it to be. In 1961, Dr. James van Allen described planned U.S. atmospheric testing of that year as "magnificent experiments that will add to man's knowledge of the universe." Dr. Teller explained that in nuclear testing:

. . . one does not in general develop a weapon. One develops an instrument. This instrument can be used as a weapon and it can be used for peaceful purposes. An internal combustion engine in a car is a peaceful instrument, in a fighter plane or in a bomber it is a dangerous weapon. A nuclear explosive was a dangerous weapon, we are now beating it into plowshares. Every development which you try to retard will be an impediment for progress, for knowledge, and I think we should sharply differentiate between development of instruments and between the proper use of these instruments.

Dr. Teller explained how the treaty would retard economic development in the developing sector:

I believe that the most important applications of Plowshare [the program to develop peaceful nuclear explo-

What the new U.S. military doctrine means  
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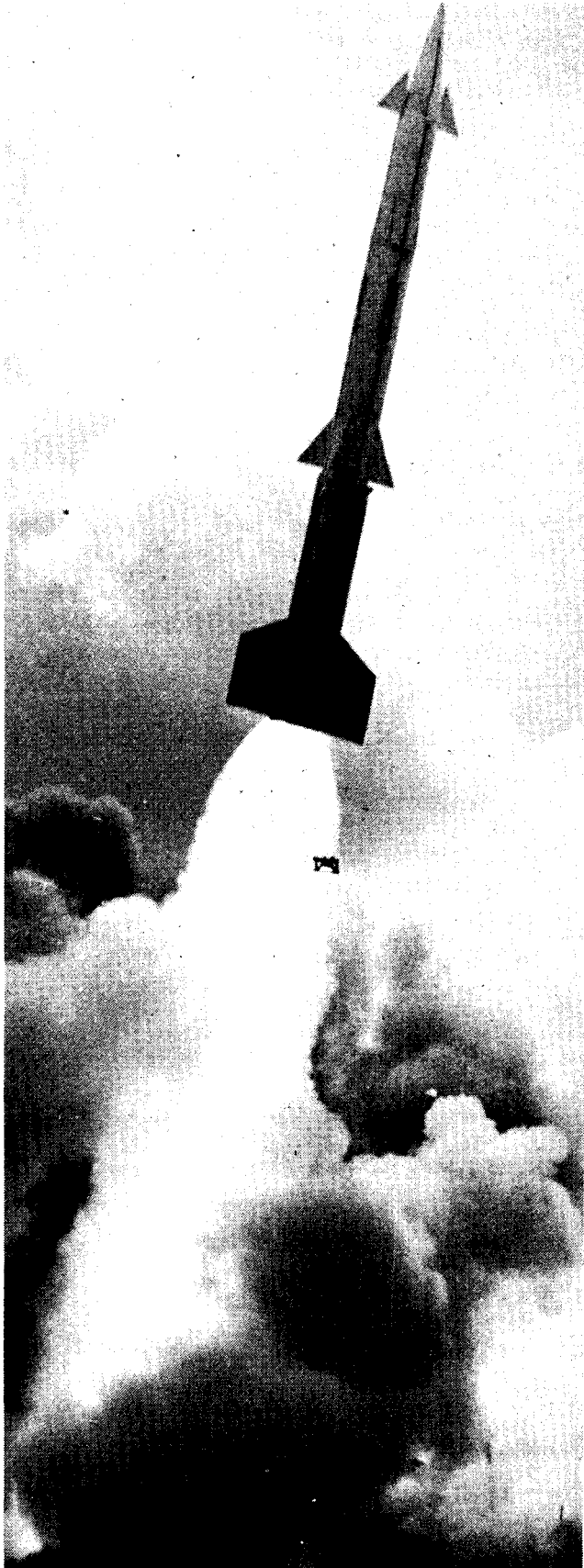
## "The Implications of Beam-Weapon Technology for the Military Doctrine of Argentina"

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*A Zeus missile: targeted by the McNamara group.*

sives] which I have encountered lie outside the U.S., such as for instance the sea level Isthmian Canal which has been very frequently discussed.

I believe that the internal damage to our economy [from the treaty] is in my limited view not a very great one. But the damage to the help that we could give other countries, to our relation to other countries, to the development of the underdeveloped countries, these damages could become very great.

It was not the Soviets who demanded that the treaty cover Plowshare, but the agent of the anti-technology British, Averell Harriman.

The treaty prevented development of a reliable anti-ballistic missile (ABM) system in the United States by barring atmospheric testing that would have given U.S. scientists the knowledge required to work the bugs out the U.S. Army Nike-Zeus system then under development. Dr. Teller testified that the Soviet Union had acquired this knowledge in its extensive series of atmospheric tests in 1961 and 1962. For this reason, he reported, they then rushed to negotiate a ban on atmospheric testing.

Indeed, in November 1961, a panel chaired by Hans Bethe for the Air Force Technical Applications Center had concluded that the Soviets had "drawn even or passed the U.S. in some aspects of thermonuclear weapons" in the recent atmospheric testing. Even Secretary of State Dean Rusk concluded that the United States was no longer in a favorable position to sign a test ban.

But Macmillan immediately pressed for a unilateral U.S.-British moratorium on atmospheric testing. "It was their technical view that such [atmospheric] tests didn't amount to much," reported McGeorge Bundy.

McNamara had classified the reasons why atmospheric testing was critical to ABM development. For this reason, the public lacked essential knowledge with which to evaluate the treaty and McNamara could lie to the Senate that atmospheric testing was not essential to the ABM program.

The Nike-Zeus anti-missile missile disabled incoming nuclear warheads with detonation of a low-yield nuclear explosive in space or high in the atmosphere. The principal unresolved problem for such system was that it would tend to blind its own radar. As soon as one ABM had detonated—disabling one or more incoming warheads—the electromagnetic pulse (EMP) from the blast would temporarily blind existing radar technology, making it impossible to see other incoming warheads. Atmospheric testing was required to develop radar technology and hardening radar against the EMP. Because of the treaty the United States has not yet solved this problem.

### **Putting the genie back in the bottle**

British involvement in the treaty preparations included everything from drafting the U.S. negotiating position to choosing Harriman as chief U.S. negotiator. The process was

punctuated with staged demonstrations throughout Britain and around the world against nuclear testing, such as the one that occurred "in the community of Aldermaston," the center of top-secret British technology control.

Cold reflection can only find it incredible that the British had representation equal to the United States at the Geneva Conference.

Because of technical problems in verifying a ban on underground testing, in January 1959 Atomic Energy Commission (AEC) chairman Lewis Strauss sought to abandon efforts for a comprehensive test ban pending further research, and proposed instead a treaty banning testing in the atmosphere. Eisenhower adopted this view but before he had a chance to propose it to the Soviets, Macmillan rushed to Moscow to propose establishment of a quota of 20 on-site inspections as a way of policing a comprehensive ban. Senator Humphrey rushed a letter to the White House that echoed Macmillan's proposal.

Macmillan steered the negotiations between his technology-powerful rivals. It was Britain which moved to revive talks during the Kennedy administration after they had been terminated following the U-2 incident. Even following resumption of U.S. and Soviet testing in 1961, the prime minister kept the talks alive. After the negotiations died yet again following the October 1962 Cuban Missile Crisis, Macmillan revived them for the last time.

On March 16, 1963, Macmillan proposed that Harriman lead a special U.S.-British negotiating team to Moscow to initiate final negotiations. The U.S. and British ambassadors in Moscow delivered this proposal, and Khrushchev accepted it. In June Macmillan sent British Labour Party head Harold Wilson to meet with Khrushchev in preparation. Wilson reported that prospects were "excellent" for an atmospheric test ban. The Soviets had already collected the data they needed to build an effective ABM defense of Moscow.

The Moscow negotiations quickly converged on such a treaty. The only stumbling block was agreement on a provision to permit development of peaceful nuclear explosives. Then, out of the blue, Harriman demanded a withdrawal clause. The Soviet negotiators reacted with surprise. Of course; they said, any nation has the right to withdraw from the treaty should it deem such action necessary to preserve national sovereignty. Harriman wasn't satisfied. He then proposed to exchange the U.S. AEC's demand for a provision protecting the Plowshare program for an unnecessary withdrawal clause. The Soviets, amused, agreed. Plowshare was killed.

Because the treaty bans "any nuclear explosion . . . in any environment if such explosion causes radioactive debris to be present outside the territorial limits" of the nation producing the device, the Plowshare program was barred from aiding the developing nations, since some radioactivity, however little, would be produced outside the United States in digging a new sea-level canal, for example, or digging a harbor for Nigeria, cheaply and efficiently.

## ABM accord does not ban beam weaponry

Charges to the effect that President Reagan's energy-beam development policy violates the 1972 Anti-Ballistic Missile (ABM) treaty between the United States and the Soviet Union, are false. The treaty, which is currently under a scheduled 10-year review by the United States and the Soviet Union in Geneva, does not prohibit research and development on ABM systems, though it does sharply curtail deployment of launchers and radars.

In the section entitled "Agreed Statements and Common Understandings Regarding the Treaty" is the "overview" of how the specific predicates of its prohibitions were viewed by the two nations in 1972.

Agreed Statement "D" clearly states: "the Parties agree that in the event ABM systems based on other physical principles [than those of 1972] and including components capable of substituting for ABM interceptor missiles, ABM launchers, or ABM radars are created in the future, specific limitations on such systems and their components would be subject to discussion in accordance with Article XIII and agreement in accordance with Article XIV of the Treaty."

Energy-beam ABM systems do in fact clearly involve fundamentally new physical principles, and they replace ABM interceptor missiles with energy or particle beams: launchers with lasers, accelerators or pulsed-power sources; and radars, at least in part, with long-range, long-wavelength infrared sensing devices.

The cited Article XIII of the treaty provides for a "Standing Consultative Commission," to "consider questions . . . and related situations which may be considered ambiguous." Further, to "consider possible changes in the strategic situation which have a bearing on the provisions of this Treaty;" and further, to "consider, as appropriate, possible proposals for further increasing the viability of this Treaty; including proposals for amendments . . .".

The cited Article XIV states that "each Party may propose amendments to this Treaty," and that "Five years after entry into force of this Treaty, and at five year intervals thereafter, the Parties shall together conduct a review of this Treaty." Such a review is currently ongoing, as the treaty entered into force in October 1972.

# How the Fusion Energy Foundation fought for energy-beam development

*What follows is a chronology of the New York-based Fusion Energy Foundation's efforts on behalf of directed energy-beam development. The foundation was established at the initiative of EIR founder Lyndon H. LaRouche, Jr. in 1975.*

**January 1976.** "The Concept of the Transfinite (Campaigner Publications), by FEF research director Uwe Parpart, points to the work on self-organizing plasma structures by Soviet scientists V. N. Tsytovich, V. E. Zakharov, and L. I. Rudakov, and to Rudakov's work on electron beam pellet fusion, as being the type of advanced Riemannian physics research that will revolutionize all forms of technology.

**May 1976.** *FEF Newsletter*, vol. 1, no. 5, publishes translation of a March 10 *Pravda* article with the first report on Rudakov's experimental success in achieving electron beam pellet fusion.

**June 1976.** *FEF Newsletter*, vol. 1, no. 6, carries excerpts from Tsytovich's paper "New Physical Concepts in Plasma Physics." Dr. Steven Bardwell, current editor-in-chief of *Fusion*, analyzes this advanced Soviet theoretical work and demonstrates that it can provide the basis for obtaining "directed energy" from thermonuclear plasmas.

**September 1976.** Bardwell elaborates how self-organized plasma structures behave, in *FEF Newsletter*, vol. 2, no. 2.

**October 15, 1976.** Parpart, in a *New Solidarity* newspaper article, gives details of the Rudakov electron beam pellet fusion breakthrough. He describes how Rudakov transformed the energy of the electron beam into soft X-rays via a plasma and then used these soft X-rays to compress and heat fusion fuel. Parpart indicates that besides representing a major breakthrough for fusion energy research itself, the Rudakov experiments could lead to major new developments in strategic weapons and war-fighting.

**March 1977.** *FEF Newsletter*, vol. 2, no. 3, details how the U.S. Energy Research and Development Administration attempted to suppress the results that Rudakov presented in public lectures during his 1976 visit to the United States.

**May 1977.** In a report titled *Sputnik of the Seventies—The Science Behind the Soviets' Beam Weapon* (Campaigner Publications), FEF board member Lyndon H. LaRouche, Jr., Bardwell, and *Fusion* writer Charles B. Stevens report on both how Henry Kissinger and Robert McNamara have

wrecked U.S. military capabilities and how the Soviet Union is harnessing plasma physics to develop directed energy weapons capable of destroying nuclear-tipped missiles.

**December 1977.** *Fusion* gives further details on the Rudakov case and reports on Dr. Sylvester Kalaski's work on inducing fusion with ordinary chemical explosives in Poland.

**August 1978.** FEF breaks the blackout on the Princeton Large Torus breakthrough in achieving 70,000,000°K temperatures with plasma stability. *Fusion* carries an article comparing the U.S. and Soviet laser fusion programs, which is picked up and reprinted in the Soviet press.

**March 1979.** *Fusion* reveals the direct connection between inertial confinement fusion, the hydrogen bomb, and Bernhard Riemann's 1859 paper "On the Propagation of Plane Air Waves of Finite Amplitude." Stevens reports how Great Britain helped sabotage the U.S. program in fast liner fusion, which is closely related to directed energy plasma dynamics, to prevent collaboration between U.S. and Soviet scientists.

**November 1979.** Dr. Friedwardt Winterberg's "Some Reminiscences about the Origins of Inertial Confinement" appears in *Fusion*. This article by a leading inertial fusion pioneer further demonstrates the connection between Riemannian science and the H-bomb.

**September 1980.** *Fusion* reports on Winterberg's concept of the compression of blackbody radiation for generating an intense burst of soft X-rays, which can then compress fusion fuel to achieve inertial fusion. Within a year the U.S. government will reveal that such "radiation"-driven pellet targets are the basis of its classified hohlraum-type inertial confinement fusion targets.

**October 1980.** Winterberg's elaboration of his hohlraum-type targets appears in *Fusion*. Magnetically confined thermonuclear plasmas can be utilized to generate X-rays, which are then used to compress a high-gain fusion fuel target.

**November 1980.** Uwe Parpart lectures on advanced Riemannian physics and the LaRouche-Riemann economic model at Lawrence Livermore National Laboratory.

**July 1981.** *Fusion* confirms *Aviation Week and Space Technology* reports that Lawrence Livermore scientists have demonstrated the principles of an X-ray laser system, consisting of a small nuclear weapon and a number of metal rods. X-ray output from the nuclear charge is absorbed by the metal

rods and converted into a coherent beam of X-rays that traverse the rod lengthwise. Thus each rod could be pointed in a separate direction. One such assembly could theoretically destroy scores of incoming warheads in space.

**August 1981.** FEF publishes Winterberg's book, *The Physical Principles of Thermonuclear Explosive Devices*. *Fusion* carries an article by him on nuclear and thermonuclear directed beam weapons, in which he elaborates concepts for nuclear weapon driven X-ray lasers, railguns, particle beams, and directed shock waves.

**September 1981.** *Fusion* reports on Los Alamos National Scientific Laboratory studies showing that antiballistic missile defense systems are both technologically and economically feasible.

**March 1982.** FEF board member Lyndon H. LaRouche, Jr., issues *Only Beam Weapons Could Bring an End to the Kissingerian Age of Mutual Thermonuclear Terror: A Proposed Modern Military Policy of the United States* (National Democratic Policy Committee). A month earlier LaRouche, in a major Washington, D.C. political address, had called for an open race between the Soviet Union and United States to develop beam weapon ABM capabilities to stop ICBM barrages or nuclear threats from any source.

**June 1982.** Bardwell and FEF executive director Paul Gallagher give a Capitol Hill briefing on beam weapons, at the invitation of Rep. John Rhodes (R-Ariz.). The FEF launches a national campaign to expose the nuclear freeze and promote beam technology development as the alternative.

**July 1982.** "Beam Weapons: The Science to Prevent Nuclear War" is published as an *EIR* Special Report. Written by the FEF's Bardwell, the report details the four major types of beam weapons, their development timetable, and potential economic spinoffs.

**November 1982.** Lyndon H. LaRouche, Jr., founder and contributing editor of the *EIR*, holds a controversial seminar in Bonn, West Germany, outlining his proposal for a reorientation in NATO military policy based on defensive beam weapon ABM systems. Soviet and some European military attachés in attendance protest that this is a destabilizing, offensive policy.

**November 1982.** The FEF's Bardwell and Gallagher give the second Capitol Hill briefing on beam weapons. Extensive press coverage follows, including in the *Air Force Times*, *Defense Daily*, and *Aerospace Daily*.

**Winter 1982-83.** Bardwell debates leaders of the nuclear freeze movement—including Dr. Bernard Feld and George Rathjens of MIT—exposing the conventional military buildup aims of the freeze leaders.

**January 1983.** LaRouche holds a press conference at *EIR*'s New York offices to explain the urgency of a beam-weapons program and warn against an ongoing effort by both the Heritage Foundation and Soviet-backed freeze movement to eliminate all high-technology items in the U.S. defense budget and put the emphasis entirely on conventional arms.

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## After the Reagan speech, the politicians are still babbling

by Lyndon H. LaRouche, Jr.

*The following statement was issued March 29 by EIR founder Lyndon LaRouche.*

It is almost a week since President Ronald Reagan delivered his historic, televised address transforming U.S. strategic doctrine, and still most of the politicians of the United States and Europe are in a state of babbling incoherence.

The most important case of confusion appeared in an interview with Soviet Communist Party Secretary Yuri Andropov, published by the leading daily, *Pravda*. Secretary Andropov asserts, falsely, that the President's strategic doctrine is a violation of the existing ABM treaty. He also states, with total military incompetence, that the new strategic doctrine is the premise for a U.S. ballistic-missile "first strike" against the U.S.S.R.

Secretary Andropov would not have risen to his present position if he actually believed the falsehoods which the *Pravda* interview regurgitates from the *New York Times* and British daily press. The Soviet leadership has very strong, but entirely different objections to the new U.S. strategic doctrine. What the *Pravda* interview does is exactly what the Soviet leadership has done in supporting publicly, and massively, the West German "Green Party," which the Soviet leadership privately despises. In repeating the lies of the *New York Times* and British press, *Pravda* is attempting to strengthen the collapsing credibility of President Reagan's opposition in the West.

### **The view from Moscow**

To a top-level strategic planner in Moscow, what Presi-

dent Reagan did on March 23, was to pick history up by the neck, and send it off moving in a new direction. This imaginary Soviet top-level planner sat stunned before the television screen of his office video-recorder for about five minutes. Then, he emitted in a very deep, very Russian sigh, slapped the top of his desk hard with the flat palms of his hands, and stood up slowly. He walked to a large row of filing cabinets, which contained 10 years of long-range Soviet strategic planning, and began to tear the files out of the cabinets, scattering those files on the floor around him. He was not a happy man.

For 15 years, approximately, the United States and Western European nations have been systematically destroying themselves from within. Their economies were drifting into the condition of "post-industrial societies," and their youth were being systematically destroyed by the influence of a rock-drug-sex counterculture. If Moscow could get through safely the interval in which a dying West made its final threat to conduct a nuclear war, by some time during the 1990s, the Soviet Union would be the unchallengeable strategic power of the world.

After March 23, such long-range Soviet dreams were no longer credible; all those rows of files were suddenly useless paper. No Soviet leader could be particularly happy over these obvious implications of the President's March 23 address.

On the other side, for the medium-term military problem, the Soviet leadership is deeply relieved. At the moment, Moscow is marginally ahead of the United States in developing deployable, space-based and ground-based anti-missile beam-weapons systems, but Moscow knows that the

United States could catch up. Both superpowers could deploy effective strategic ABM defense systems at about the same time during the period of 5 to 10 years ahead. Moscow knows that what the President had decided will work, technologically and militarily. Moscow knows that the new U.S. strategic doctrine is the best option for what Richard Allen has named "Mutually Assured Survival."

At the moment the President addressed the nation, the world was headed toward a new missiles-crisis, one far more dangerous than the 1962 "Cuba missiles-crisis."

U.S. "Forward Nuclear Defense" was met by the Soviet SS-20s. Now, implicitly, between 400 and 500 SS-20 warheads are aimed at every significant target available in Western Europe. This is clearly unacceptable to us. We respond with "third-generation versions of old World War II German V-1s and V-2s." The land-based cruise missiles are more of a nuisance than a durable threat; the precision Pershing IIs are another matter. These Pershing IIs would be between 5 and 10 minutes distant from an assortment of targets in the Soviet homeland: plainly unacceptable to Moscow. The Soviets must escalate the deployment, resorting to such available options as stationing missile-carrying submarines off our Atlantic and Pacific coasts: that we could never tolerate.

By as early as fall 1983, and probably no later than the winter months of 1983-84, we were all about to look deeply into nuclear Hell.

It was not probable that the new missile-crisis would lead directly into a shooting nuclear war. We would negotiate our way out of the mess somehow. Both powers would back off sufficiently to avoid immediate nuclear warfare; that is almost certain—almost certain. However, the crisis would set off accelerated military preparations for the future by both sides. The new missiles-crisis would set off the count-down for an actual nuclear war sometime during as early as the second half of the 1980s.

By no stretch of the imagination could the United States have a significant ABM capability in time for the missile-crisis itself. However, the new strategic doctrine established by the President changes the conditions of negotiation under which we try to avoid, or, in the worst case, negotiate our way out of the winter 1983-84 confrontation.

Until March 23, the U.S. strategic doctrine and posture was Nuclear Deterrence. The Soviet doctrine was one of response to U.S.-NATO Nuclear Deterrence. The deployments leading into the projected missile-crisis were produced by this combination of U.S.-Soviet doctrinal postures. The negotiations during the missile-crisis would be based on strategic estimates of self-interest derived from those interlocked strategic doctrines. It is those interlocked doctrines which caused the missile-crisis itself, and would cause missile-crisis negotiations to set the stage for later nuclear warfare.

Now, with the new U.S. strategic doctrine, the U.S.-Soviet negotiations of the next 12 months will be on an entirely new basis. The respective strategic estimates of self-

interest of the two superpowers will be different than under the Nuclear Deterrence doctrine. Instead of leading inevitably toward future nuclear warfare, the negotiations are directed toward creating a foundation for Mutually Assured Survival.

The instant that the Soviet strategic planner has nodded happily over this part of the problem, he becomes very unhappy. The technological boom which the new strategic doctrine will set off in the United States means that the United States will begin to zoom back to its former relative position as a great economic power. The capitalist United States, with all that that implies to the mind of the Soviet strategic planner, is going to be around for a very long time to come, and as a great world power. That is why the contents of the long-range strategic-planning files are being scattered, angrily, around the floor.

### **Meanwhile, back at Arden House**

The *New York Times* is also very unhappy. The hardened peace-lovers, former Defense Secretary Robert McNamara, Henry A. Kissinger, Cyrus Vance, and so forth, are very unhappy with the new U.S. strategic doctrine. The President has spoiled their plans, too. They are also very displeased by the instant reactions among a majority of our citizens.

For somewhere between 10 and 15 years, the average citizen of the United States and Western Europe has been walking around with a miserable headache, like men and women wearing manhole-covers on their heads. The Vietnam War, the explosion of "environmentalism" at the beginning of the 1970s, and the endless collapse of almost everything, has driven the people into what was, until a week ago, a very deep cultural pessimism. "The world is nuts. There's nothing you or I can do about it. We just have to learn to go along with the way things are going, and just concentrate on trying to survive personally. Say anything, do anything, no matter how absurd it is; just survive." On March 23, President Reagan lifted that manhole-cover from their heads. "My headache is gone! I can think again."

An upsurge of technological optimism rocketed up from the effects of the President's address. Sanity reappeared suddenly in a world gone mad. It was the end of Mutual & Assured Destruction; it was the end of 20 years of Robert Strange McNamara's MADness. Now, things will begin to change, and the change will accelerate rapidly.

The *New York Times* is not happy about this. Neither is that strange accountant with the greased-down greying hair, McNamara. All the fine plans of AFL-CIO President Lane Kirkland and Democratic Chairman Charles T. Manatt are spoiled now. They look wistfully toward Moscow: "Please, Comrade Andropov, put a little more vodka in our tea."

Like a convention of Rumpelstiltskins, these fine, disappointed gentlemen stamp the earth with all the fury of a bad-tempered 2-year-old child. "He can't do it. We won't let

him. We'll budget-cut it to death!" The reality of the matter has not fully overtaken their consciences. What the President has done is done. It is irreversible.

By speaking with his authority as Commander-in-Chief, President Reagan has established a new U.S. strategic doctrine. He has not merely proposed a change in policy; he has accomplished a change in policy, a change entirely within the scope of his independent constitutional powers. Moreover, no Soviet leader would ever believe that the United States was not operating on the basis of ABM beam-weapons-systems development, no matter how loudly spokesmen for the U.S. government attempted to deny it. The Soviet Union will now accelerate its ABM defense-systems development. The world is now locked into the new reality which the President unleashed with that address.

As for our allies, they are locked into the same new realities. The chorus of European politicians' quibblings against the new strategic doctrine, are simply British-orchestrated quibblings. There is nothing anyone can do to reverse the effects which the President unleashed on March 23. There are only successful dinosaurs of the Mesozoic Age having difficulty adjusting intellectually to the sudden arrival of the Cenozoic.

In part, the same is true in Moscow's leading circles. Politicians and others who imagined that they each had their future plans more or less neatly arranged, boarded a boat one night, as a man filled with the spirit of Manhattan might have boarded the Hoboken ferry in the old days and discovered in the morning that he was on a ship bound for Shanghai. "This can't be happening to me, and to all my fine plans!" he exclaimed. "Stop the world, and turn it around. Take me to Hoboken."

What stuns these politicians is the fact that the President of the United States had the power to make a single address, and that the mere words he uttered with that address could change the course of human history. The power of those words, when spoken under such circumstances by a President of the United States, is a power which none of the clever, calculating politicians of Europe, including those of Moscow, previously imagined to exist. The President has spoken words which have changed the world, and all the words these politicians might shout, whisper, poetically declaim, or howl in the streets and parliaments of the world, can not undo the powerful effect on history the President's words have produced.

Unfortunately, the world has not completely changed. We are in a deepening new economic depression, and at the brink of the greatest financial collapse in history. Around our shoulders hang still the thermonuclear relics of the absurd Nuclear Deterrence doctrine which has ruled the world's affairs too long. This is still a dangerous period, the more dangerous because of confused political figures in Moscow and elsewhere, who still might insanely miscalculate. There are still politicians wearing manhole-covers on their heads.

# The President has put Moscow on the spot

by Rachel Douglas

When President Ronald Reagan committed the United States to the development of strategic defensive weapons and then seconded Secretary of Defense Caspar Weinberger's statement that Soviet development of a like capability could be welcomed, he confronted the Kremlin with a historic opportunity for which, to judge by the first response, the Andropov leadership was quite unprepared. Not during the entire period of Brezhnev's detente, not since Dwight Eisenhower's Atoms for Peace policy and John Kennedy's plan to put a man on the moon, has an initiative from an American or Russian leader so threatened to deprive the rule-writers of post-war arms control, chiefly operating from middle ground in London, of their prerogative to dictate caps and ceilings on the technological development of the two great powers.

It is a moment at which the attitude toward the United States of Soviet Marshal Georgii Zhukov at the end of World War II, which sent chills up and down the spine of Winston Churchill, might be recalled: "If we are partners, there are no other countries in the world that would dare to go to war when we forbade it," Zhukov told Gen. Dwight Eisenhower in the first days of victory.

Andropov, however, either could not recognize that Reagan was turning three-and-a-half decades of Mutually Assured Destruction (MAD) doctrine on its ear, or chose not to. Responding to Reagan by way of a *Pravda* interview on March 27, Andropov ignored the fact that Reagan had posed his policy as a fundamental shift away from MAD, when the President said: "It is inconceivable to me that we can go on thinking down the future . . . that the great nations of the world will sit here like people facing themselves across a table each with a cocked gun."

The implications of this approach for Soviet foreign policy are momentous: four decades of Soviet investment in peace movement/disarmament efforts to undermine the West can suddenly stop yielding a return.

## Missile crisis interrupted

Before Reagan spoke on March 23, a crisis eerily mimicking the great missile crisis of 1962 was taking shape between the United States and the U.S.S.R. Indeed, Reagan's opening the door to development of a strategic defensive capability was a crucial move to avert that confrontation—



not least because such defenses would render all long- and medium-range missiles obsolete, including the Soviet SS-20 missile, the medium-range weapon whose existence has been invoked in NATO to prove the need to station Pershing II rockets in Europe, with their six-minute flight time to Soviet targets.

It was the Pershings whose imminent deployment occasioned warnings from Moscow that sounded like a countdown to a new Cuban Missile Crisis. From professional political commentators, from ministers and military officers, there were threats of counter-measures on a big scale.

*Jan. 24, Central Committee staffer Vadim Zagladin to the Italian daily Paese Sera:* "Given the fact that these are American missiles that can strike Soviet territory, we should have to see to it that American security would be in the same situation as our own." The interviewer asked, "Missiles in Cuba again?" Zagladin: "Modern technology makes different solutions possible." Zagladin denied *Paese Sera's* suggestion that this must be "an allusion to the possibility of arming satellites."

*March 7, Col. Gen. Nikolai Chevrov of the Soviet General Staff on Swedish television:* "They would . . . force us to adopt countermeasures, which would not only affect the countries in Western Europe which will receive these missiles, but also U.S. territory."

*March 16, Defense Minister Dmitrii Ustinov to troops in the Arctic Sea port of Murmansk:* "Washington wishes to gain time before the end of this year, in order then to begin the deployment of its medium-range missiles in Western Europe. But if this were nevertheless to happen, the Soviet Union will be able to give a timely and effective response. Let no one doubt this. Our nerves are strong and our strength sufficient. . . ."

*March 16, Chief of Staff Marshal Nikolai Ogarkov in a highly unusual interview, to Leslie Gelb of the New York Times:* "This increases the U.S. nuclear strategic arsenal relative to the Soviet arsenal. Therefore, adequate retaliatory steps will be taken. If the U.S. would use these missiles in Europe against the Soviet Union, it is not logical to believe we will retaliate only against targets in Europe. Let me tell you, if some of your experts think this, they are foolish."

Reagan's announcement could have served as gravel on the ice to keep the United States and the Soviet Union from skidding into catastrophe. But Andropov didn't grab hold. Instead, he branded various of Reagan's statements "un-

truth" and "importunate verbiage." While the official news agency TASS inaccurately charged that the new American program would be violating the Anti-Ballistic Missile treaty of 1972, Andropov claimed that the doctrine would not be defensive at all.

His complaint, in answer to *Pravda's* question about Reagan's announcement of a "new, defensive conception," ran as follows:

This is something that needs special mention. After discoursing to his heart's content on a 'Soviet military threat,' President Reagan said that it was time a different approach was adopted to ensuring U.S. strategic interests and announced in this connection the commencement of a large-scale effort to develop highly effective antiballistic missile defenses.

On the face of it, laymen may even find it attractive when the President speaks out about what seem to be defensive measures. But this may seem to be so only at first glance and only to those, who are not conversant with these matters. In fact, the strategic offensive forces of the United States will continue to be developed and upgraded at full tilt and along quite a definite line at that, namely that of acquiring a nuclear first strike capability. Under these conditions, the intention to secure itself the possibility of destroying, by means of ABM defenses, the corresponding strategic systems of the other side, that is of rendering it unable of dealing a retaliatory strike, is a bid to disarm the Soviet Union in the face of the U.S. nuclear threat. One must see this clearly in order to appraise correctly the true import of this "new conception."

When the U.S.S.R. and the United States began discussing the problem of strategic arms, they agreed that there is an unbreakable interrelationship between strategic offensive and defensive weapons. And it was not by chance that the treaty on limiting ABM systems and the first agreement on limiting strategic offensive arms were signed simultaneously between our countries in 1972.

In other words, the sides recognized the fact, and recorded this in the above documents, that it is only mutual restraint in the field of ABM defenses that will allow progress in limiting and reducing strategic systems, that is, in checking and reversing the strategic arms race as a whole. Today, however, the United States intends to sever this interrelationship. Should this conception be converted into reality, this would actually open the floodgates of a runaway race of all types of strategic arms, both offensive and defensive. Such is the real import, the underside, so to speak, of Washington's "defensive conception."

Summing up his response to Reagan, Andropov said:

The incumbent U.S. administration continues to tread an extremely perilous path. The issues of war and peace must not be treated so flippantly. All attempts at achieving military superiority over the U.S.S.R. are futile. The Soviet Union will never allow them to succeed. It will never be caught defenseless by any threat. Let this be firmly grasped in Washington. It is time they stopped devising one option after another in the search of best ways of unleashing nuclear war in the hope of winning it. Engaging in this is not just irresponsible, it is insane.

### More marshals

Reagan's intervention came just as Moscow was making a major change in its foreign policy institutions, a change

whose full import is not yet known. On March 25, Andrei Gromyko, foreign minister of the U.S.S.R. since 1957, was named first deputy prime minister as well.

There are two other first deputy prime ministers under Prime Minister Nikolai Tikhonov: Ivan Arkhipov, who is an old industrial manager and close associate of the late Leonid Brezhnev, without Politburo rank, and Geydar Aliyev, the Azerbaijani former KGB official promoted to the Politburo after Brezhnev died. Particularly because it came in the midst of rumors that Andropov's chronic diabetic condition had flared into a kidney disorder requiring hospitalization, Gromyko's appointment caused speculation that he was being promoted within the Council of Ministers to offset Aliyev, or that an even bigger leadership fight was on. The naming of a foreign affairs official to the first deputy premier's job, which is unprecedented, also pointed to an across-the-board



Christopher Sloan/New Solidarity

reorganization and centralization of foreign policy functions.

A party Central Committee Plenum is expected to take place in April, at which time further personnel shifts and policy debate may reveal how much Andropov has succeeded in consolidating power.

It is an open question, whether any figure at all in the Soviet leadership is capable of shifting, in response to Reagan's breaking the anti-technology stranglehold on U.S. policy, to the attitude Marshal Zhukov had nearly 40 years ago, before Britain provoked the Cold War. But what is not in question, is that the Soviet military will lay claim to an even bigger say in national policy, as it had already begun to during Brezhnev's last months and Andropov's first as general secretary.

No high-ranking Soviet military officer commented on Reagan's speech in the first week after it was given, but three of them, including Strategic Rocket Corps Commander Vladimir Tolubko, were promoted to the rank of marshal.

Tolubko is one of the officers to have intervened into the discussion that is swirling around Soviet economic policy overall, and investment practices in particular. He published an article in the party journal *Kommunist* in February, in the same issue where Andropov outlined a program of chiefly organizational measures for improving economic performance. The point Tolubko stressed, quoting Andropov, was that the Army and Navy must get what they need "especially in the present international situation." He went on to say that "The Soviet Armed Forces are . . . tied by thousands of strong threads to many branches of the country's economy," so that any improvement in overall economic performance means that "very importantly, considering the deterioration of the world situation, the defense potential of the U.S.S.R. will be reinforced."

The military's claim was staked even more strongly by Gen. V. M. Shabanov, Deputy Defense Minister for Armaments, in a late February article for the Central Committee weekly *Ekonomicheskaya Gazeta*. He echoed a benchmark *Kommunist* article Ogarkov wrote in 1981, which called for a tighter interface between the civilian and defense sectors of the Soviet economy. Under the subheading "The Economy and Defense," Shabanov wrote:

It is only possible to strengthen the country's defense capability on the basis of a highly developed economy, above all industry. . . . For strengthening the country's defense capability, great significance attaches to the positions of the 26th congress of the CPSU on the primary development and technical re-equipping of the basic branches of industry. . . , which have been and remain the foundation of the economy and defense, and on the introduction and production of equipment and technology that is new in principle, which raises the flexibility of production, its ability to shift from one type of production to another without violation of production rhythm.

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## Documentation

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# Europe responds to the end of MAD era

*The following are excerpts from Western European commentary on the March 23 strategic policy statement by President Reagan, and its implications.*

### Great Britain

Reaction in Britain to President Reagan's beam weapons policy has been uniformly hostile. Newspapers across the political spectrum from the left-liberal *Guardian* to the right-wing *Daily Telegraph* all denounced the policy as "star wars" and played up the Soviet negative reaction to it.

*Times* of London, March 25: "In less time than it takes to watch the Johnny Carson show, President Reagan announced on television two nights ago one of the most fundamental switches in American strategic concepts since the Second World War. It sounded, and still sounds, amazing—even when placed in the context of bitter political infighting over his defence budget. But the response from the Russians, which was prompt and antagonistic, indicates that they at least take it seriously. Should we do so too? . . ."

"President Reagan's statement . . . is more likely to alarm his allies than comfort them. . . ."

*Guardian*, March 25: "Ronald Reagan frightens ordinary people. . . . Now, almost randomly, toward the end of yet another television session, Mr. Reagan prepares the world for a future of lasers, microwave systems and particle beams in outer space. 'Star wars,' says Senator Edward Kennedy. 'Terrifying,' says Senator Mark Hatfield. What can the old man in the White House be thinking of?"

*Winston Churchill III*, Tory Member of Parliament and stepson of Averell Harriman's wife, Pamela Churchill, in an interview with *EIR*: "Every system has a counter-system. It is quite absurd to say that you can destroy 2,387 Soviet missiles from space. Anyway, space systems themselves are highly vulnerable to anything. Look, the U.S. has said all along it won't let the Soviets put these things into orbit. So, by the same token, the Soviets won't allow it. Before they become operational, they will be zapped." When informed of recent overtures by Defense Secretary Weinberger and others for U.S.-Soviet parallel development of ABM systems in space, Churchill III sputtered: "These are grandiose state-

ments, but what happens then? . . . Is this all just short-term opportunism, so the U.S. can make it seem like it is stealing time from the other side? This was tried once before, with the ICBMs, and it didn't work. . . . These new systems will just continue the arms race. We are entering a new era of greater uncertainty. With MAD, we knew there couldn't be nuclear war, since both sides could guarantee the destruction of the other. Now, it is back to the drawing board."

## U.S. armed forces in Europe

*Stars and Stripes*, the unofficial publication of the U.S. Armed Forces, has given repeated prominent coverage to the new U.S. defense doctrine.

In the March 30 issue, the Fusion Energy Foundation's artist's rendition of the beam weapon was reproduced by *Stars and Stripes*. The paper cites the statement of the FEF's Director of Research Uwe Parpart-Henke that beam-weapon technology could be developed in 10 to 12 years. In the March 29th edition, *Stars and Stripes* ran Associated Press's interview with Parpart-Henke, in a page four article entitled "Space-Based Missile Defense by '95 Called Possible."

"Parpart, a physicist who heads research for the Fusion Energy Foundation, headquartered in New York City, said he could not estimate the total cost of such a defense, but he suggested a program of that magnitude ultimately might require the United States to spend about \$10 billion a year, which he said was comparable to outlays for the Apollo moon-landing program. His projection for reaching an operational space-based laser defense against missile attack from the Soviet Union appears considerably more optimistic than President Reagan's. Last week, Reagan expressed hope for such a defense by the end of the century.

"He stressed that his group is not suggesting nuclear weapons in space, but that it focused attention on lasers, which are concentrated light beams, and charged beams of radiant energy because that is one method of igniting the fusion process in generating nuclear energy on earth."

A few weeks previously, *Stars and Stripes* had published an interview with Dr. Jonathan Tennenbaum of the FEF and Paul Goldstein of the *EIR*, outlining in detail President Reagan's defense policy.

## Italy

Italian newspapers have given widespread coverage to Reagan's initiative, and to the support it has received from the Fusion Energy Foundation and from noted economist and *EIR* founder Lyndon H. LaRouche. Highlights of the coverage include:

*La Notte*, the most important evening paper of north Italy March 29 article headlined: "Democratic Leader Supports the President." "New York—President Reagan's speech on the 'anti-weapons' weapons to counter to the Soviets was welcomed in different ways in the U.S. Strong criticism by

some liberals like Kennedy contrast with the support of both Democratic and Republican leaders.

"A representative of the Democratic Party who defines himself as the chief competitor of Charles T. Manatt for the leadership of the Democratic Party, Lyndon H. LaRouche, declared after Reagan's speech: 'Today I am prouder to be an American than I was since the first man put his foot on the moon. This is the first time in 20 years that a President of United States showed publicly great ability in statecraft giving a new hope to the future of mankind. Ronald Reagan showed the greatness of a President. It has been a moment of greatness that will never be forgotten.' Then, passing to a more specific issue, the technology to be used to realize a new defensive strategy, Lyndon H. LaRouche Jr., who has also been a candidate for the Democratic nomination in the 1980 presidential elections in some states, declared: 'The new strategic doctrine demands the development and the use of the existing technologies and of new technologies that require, first, a space system of interception able to identify and to destroy the enemy missile at the moment of ascent, i.e., when it is more vulnerable and the nuclear warheads are not yet separated from the carrier. Second: the strategic missiles and the nuclear warheads that escape the first anti-missile screen in space must be destroyed before they reach their military target. This will require the development of a system of support called terminal defense system. . . . Fourth: we need antisubmarine systems.' "

*Il Tempo*, the largest newspaper in central Italy, ran a front page article March 29 titled: "According to a U.S. Scientist: In Ten Years, the 'Star Shield' Will Be Ready." "Some, like scientist Uwe Parpart, a physicist who heads the Fusion Energy Foundation, are more optimistic than the President himself. Parpart says that a system of laser anti-missiles defense with bases in space able to protect the whole territory of United States, may be realized in 10 or 12 years. A ground-based laser system could become reality by 1990, ten years before the deadline established by Reagan. The total cost of such system is around \$10 billion per year and would be comparable to what the American taxpayers spent for the program which resulted in the conquest of the Moon. . . ."

The Milan daily *Corriere Della Sera*, March 29: "Uwe Parpart, a physicist who leads the New York based Fusion Energy Foundation, says that the laser anti-missiles defense system with bases in space, able to protect the U.S.A., globally can be realized in 10-12 years. According to Parpart, a ground-based laser defense system limited to the defense of key targets could become reality in around seven years."

*Avvenire*, the largest Catholic daily in Italy, March 29: "The White House Proposals Have Been Anticipated by Precise Scientific Experiments—The Beam Weapons System":

"The 'revelations' of President Ronald Reagan on the new laser weapons able to destroy satellites and missiles provoked great interest. But this seems to be not completely

new, if it is true, and already last September some of the contents of the Reagan's speech had been anticipated in Rome by an American scientist during a press conference.

"Jonathan Tennenbaum, European coordinator of the Fusion Energy Foundation and collaborator of Professor Steve Bardwell, appeared at a press conference organized by *Executive Intelligence Review* on the issue of 'Beam Weapons: the Only Instrument to Overcome the Nuclear Threat.' In discussing this issue, Professor Tennenbaum noted that in the United States 'two documents have been recently issued on the question of military planning, by the Defense Council. These documents are extremely serious, above all because they are favorable to an increase in expenditures for conventional rearmament. In fact, in the documents,' Tennenbaum continued, 'it is said that the danger of nuclear war is not so high because of the risk, thus the only possible way out for the defense system is conventional rearmament. On the other hand, in case of nuclear conflict, there would be no hope.'

"Besides, according to the U.S. military, it is necessary to give a stronger push to new technologies and electronic apparatus for the future weapons as shown by the recent conflict in the Malvinas. And again: in the two documents it is underlined that bipolarism is practically finished. . . . The theater of future conflicts will be the Third World and one can foresee an escalation of terrorism internationally. 'Two concepts expressed in the documents,' Tennenbaum stressed, 'are very false. First of all there is today an high risk of a nuclear conflict, and multipolarity only makes it more concrete. Second, in case of conflict something can be done.'

"In which direction? The U.S. scientist explained it by presenting in detail the beam weapons defense system, 'a system that is not complex is able to destroy at least 50 nuclear warheads. . . . The system can be localized in hilly or mountainous areas in connection with mirrors able to reflect the beams on the target to be hit. This can be made more effective with the use of satellites.' "

*La Repubblica*, March 26: "No U.S. President ever introduced with such great confidence a program for research and application of a technology devoted to replace in a relatively short span of time the conventional and also nuclear arsenals. And, with a kind of system previously considered only science fiction. . . ."

*Osservatore Romano*, official Vatican newspaper, March 25: "Reagan's proposals have created a lot of dissent among scientific strata and the military. . . . Those in favor of the beam weapons notice a certain parallel situation between Reagan's speech and the 'historic' speech with which John Kennedy mobilized the United States for the conquest of the Moon."

### **Federal Republic of Germany**

The official West German government response to President Reagan's announcement was cautious, and the press

has been divided in its assessment.

*Manfred Woerner*, West German defense minister, welcomed Reagan's announcement as "implementing a strong moral-political position and new military possibilities . . . each of the NATO member nations will certainly participate in research efforts to develop such weapons . . . but they are still music of the future, a program for the next century."

*Franz-Josef Strauss*, leader of the Christian Social Union in Bavaria, said in an interview to the daily *Die Welt* March 26: "The technical concept of such a missile defense system has already existed for some time. It is not sensational news. But you have to face the fact, that such a system is technically possible, most probably also technically feasible, but can

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*British publications and spokesmen were appalled by the new doctrine of defense instead of deterrence. The U.S. armed forces newspaper in Europe and the Italian press, gave broad play to the enthusiastic statements by Lyndon LaRouche and the Fusion Energy Foundation. West German and French reactions were mixed; Die Welt affirmed, "Technology does not know any never." The voice of the Swiss banker, the Neue Zürcher Zeitung, railed against President Reagan for daring to assert that science can change geopolitics.*

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only be deployed in the year 2000. . . .

"It means for the smaller powers that a mixture of conventional arms and nuclear weapons must be kept. . . .

"President Reagan is as much a tough as a flexible politician. . . . He will surely prove that he is looking for a way in which, one day, the policy of deterrence, at least in the intercontinental arena, could be changed, added to, modified, and replaced by such a defense system."

*Egon Bahr*, German Social Democratic Party foreign policy specialist, in an interview: "No, of course I'm not for space-based defensive weapons systems. . . . Reagan probably thinks this is a good time to get money for present

programs this way.”

*Bildzeitung*, a mass-circulation daily, March 25: “Reagan’s Turn: New Superweapon Against Nuclear Death.” “After 35 years of arms race and more and more new nuclear missiles . . . he [Reagan] wants to finally break the devil’s circle. . . . [Electron beams] can cut the strongest metal like a hot knife can cut butter. . . . Space-based weapons destroy the guidance system of incoming missiles.”

*Die Welt*, March 25: compared Reagan’s speech to President John F. Kennedy’s 1961 announcement of the U.S. intention to land a man on the moon, and detailed the basic facts about laser technology and space-based ABMs. The article stresses the German role in the development of such capabilities. The article concludes, “Technology does not know any *never*.”

## France

While coverage of the new U.S. beam weapon policy has generally been unfavorable, there have been some notable exceptions.

*Le Republicain Lorrain*, the most widely read daily in the Lorraine area of France, gave very positive coverage March 20 to a seminar on beam weapons organized by the Reserve Officers’ association of Metz, which was addressed by European director of the Fusion Energy Foundation Dr. Jonathan Tennenbaum.

“Within five to seven years, a first generation system could be deployed . . . and within 20 to 30 years a second generation system, based on x-ray lasers, could replace it. Satellite-based lasers could thus defend entire nations against aggression.”

*Le Figaro* March 25: Commentator Serge Maffert says that Reagan’s basic idea is to push for an economic war with the Soviet Union, and that Reagan wants Western Europe to join in such economic warfare.

*Le Monde* March 25: Editorializes that man will manage to destroy himself no matter what, and “without massive retaliation, there would be a great risk that war would again become a temptation, and thus a probability.”

## Switzerland

*Neue Zürcher Zeitung*: “Those questions which have plagued many for decades suddenly receive an optimistic and actually classical American answer: It is possible, and it is so because a highly developed technology has meanwhile been developed, which promises gadgets capable of intercepting and destroying intercontinental ballistic missiles, that is, of making nuclear weapons ineffective and superfluous, in other words: changing the course of mankind’s history.”

*NZZ* insists that no matter what, beam technologies cannot create “a new world in which the old constellations and rules of conduct will no longer be valid . . . even if a piece of science fiction became reality.”

# Israel and the Arab growing danger of

by Mark Burdman in Wiesbaden

Governments of several nations in the Middle East and North Africa are bracing themselves for an anticipated upsurge of Khomeini-style religious fundamentalist destabilization.

The detonator on this fundamentalist time-bomb is the emotion-ridden issue of Jerusalem. The revered city of the three major world faiths has been the scene of attempts by Jewish-Zionist religious fanatics, funded by American-based Christian fundamentalists of the so-called Jerusalem Temple Mount Foundation, to stage a provocation on the Temple Mount, the site where the Dome of the Rock Islamic holy shrine stands.

These attempts, and the reverberations they are creating in the Islamic world, could set off religious wars throughout the region. Minimally, the conflicts could completely negate President Reagan’s plans for a negotiated settlement of the Arab-Israeli conflict. Ultimately, as an informed Lebanese source told *EIR*, “this could be the trigger on a third world war.”

At the end of March, Israeli police and security authorities were on heightened mobilization in the Temple Mount area, to prevent any replay of the recent attempt by religious fanatics to stage an armed provocation on the Dome of the Rock. Intelligence officials are concerned that the next efforts of the Temple Mount Foundation operations will be some terrorist extravaganza, possibly including attaching sticks of dynamite to their bodies and threatening to blow up the Dome if their demands are not met. The fanatics, through contacts to religious extremists within the Israeli armed forces, reportedly have access to ground and air equipment that gives them the logistical basis for a major provocation.

Responsible Israeli authorities attached to the Interior Ministry are also concerned, according to Israeli press accounts, with the danger of extremism erupting in Jerusalem from Arab radical and religious extremist networks. This, it is feared, would intersect the increasingly tense situation in the occupied West Bank, the scene of intensive mobilization following the reports of mass poisoning of Arab youth in the town of Jenine.

During the week of March 28, efforts were being made by two British intelligence fronts in the United States, the pro-Khomeini Muslim Student Association, and the Pales-

# world face a religious wars

tine Congress of North America, to "Islam-ize" the Palestinian issue, by combining into one whole the Dome of the Rock and "poisoning" issues. A coordinating body for this "Islamization" is the recently formed "International Association for the Safeguarding and Enhancement of the Palestinian Cultural Heritage," an entity controlled by the British and the Swiss Freemasonic networks.

The early peak-point for Muslim Brotherhood mobilization around the Jerusalem question is expected to be the meeting of the Jerusalem Committee of the Islamic Conference, due to begin on April 3 in Morocco. Morocco's King Hassan and Saudi Arabia's King Fahd, both of whom have traditional responsibilities for protecting Islamic interests in Jerusalem, are reportedly under enormous pressure from Brotherhood elements to take an uncompromising radical stand on the Jerusalem question at these meetings, under threat of destabilization if they don't. To add to the pressure, Libya's Colonel Muammar Qaddafi and Iran's Ayatollah Khomeini have set up "Jerusalem Support Committees" over the past weeks to "confront the Zionists."

In North Africa more generally, the governments of Morocco, Algeria, and Tunisia, with back-up from the Mitterrand government in France and the González government in Spain, have begun an unprecedented level of cooperation, aimed at stemming the Brotherhood and creating the climate of regional stability necessary for the success of Mitterrand's planned Mediterranean nations' summit later this year (see *EIR*, April 5). Particular attention is being focused on the supporters of former Algerian President Ahmed Ben Bella, now based in Switzerland and committed to the overthrow of Algerian President Chadli Benjadid. European security investigators have reported that substantial Qaddafi-funded arms caches have recently been intercepted in Algeria en route to Ben Bella's Brotherhood backers. These investigators are centering attention on Ben Bella's support infrastructure in Europe, organized through Lausanne, Switzerland Nazi International banker François Genoud and apparently centered around a secret "Revolutionary Committees for the Muslim Brotherhood" organization based in Brussels, Belgium.

North African and French officials fear a "May-June" timetable for religious fundamentalist outbreaks in North

Africa, spilling over into France through Brotherhood elements among immigrant workers.

In the Arab Gulf, Saudi Arabia is the focus of subversion efforts, particularly from Khomeini's Iran, with backing from a faction of Israel's Mossad intelligence service. West Germany's *Die Welt* reported March 25 that Saudi air bases were recently placed on special alert status, following attempts by Iran-backed terrorists to blow up infrastructure on bases where U.S.-supplied AWACs radar reconnaissance systems are located. Days earlier, West Germany's *Frankfurter Allgemeine Zeitung* revealed that Saudi authorities had cracked a destabilization attempt by cells of a so-called "Liberation Front for the Arabian Peninsula and the Gulf," a known British intelligence front. *FAZ* reported that the case-officer for coordinating these cells was Khomeini intimate Ayatollah Shirazi of Iran. A Middle East expert on religious fundamentalism told *EIR* that Iran, with the backing of the KGB-Swiss intelligence "convert to Islam" Roger Garaudy, will dramatically step up subversion efforts against King Fahd in the next months.

Inside Saudi Arabia, the point man for actions against Fahd is Crown Prince Abdullah, darling of the Brotherhood. Abdullah has recently been probing for opening up Saudi relations with the U.S.S.R., and has threatened that Saudi oil production could drop another 2.5 million barrels a day to the incredible level of 1 million per day. Abdullah's allies include Ali Kettani of the Jeddah-based Islamic Foundation for Science and Technology and Maarouf Dawalibi, head of the Muslim World Congress, a front organization for Nazi International penetration of Saudi Arabia set up in 1926 by the circles of the Grand Mufti of Jerusalem, later to be Adolf Hitler's agent in the Arab Islamic world and a regular contact man for Genoud.

In order to survive, Fahd will have to eliminate some of these high-level nests of Brotherhood fanatics within his own country, and end traditional Saudi compromises with these networks abroad.

## Operation Holy War

The policy planning for religious wars in the Middle East was done over the past years by the highest level of British Freemasonry (both the Grand Mother Lodge of London and the Scottish Rite) and related circles in the Church of England.

The public signal of the strategy was a conference one year ago at the Church of England's branch in New York, St. John the Divine Church, on "Religious Violence in the Middle East," presided over by former Secretary of State Cyrus Vance, the case-officer for the Khomeini takeover of Iran. In the mid-1970s, Vance had created a coordinating agency for spreading fundamentalism throughout the world's faiths, the Inter-Religious Peace Colloquium, whose literature advocates the "erosion of the 'sovereign' nation-state" and its replacement by transnational fundamentalist leaderships.

The London Freemasons' "research lodge," Quatuor Coronati, maintains control over the cultist belief-structures underlying fundamentalism. Quatuor Coronati director Cyril Batham, in a recent discussion, commented oracularly that "the Middle East could well be hit by a new wave of fundamentalism. . . . The scene seems to be set for a northern Ireland type of situation." Batham identified the project for rebuilding the Temple of Solomon on the Dome of the Rock—the pet project of the Jerusalem Temple Mount Foundation—as "the one thing that would unite the whole Arab-Islamic world" for a holy war.

It is the British Freemasons who control all relevant archaeological and cult beliefs pertaining to Solomon's Temple, through sub-agencies like the British Museum, the British and Foreign Bible Society, and the Palestine Exploration Fund (see *EIR*, March 29). The head of the freemasonry, Michael, Duke of Kent, returned from a March 16-25 trip to the Middle East to oversee the playing-out of the fundamentalist religious wars project.

One special, nominally Jewish, conduit for the British Freemasons is a super-secret Masada Lodge, based in New York, Los Angeles, and Israel, whose members include Israeli Minister of Science and Technology Yuval Neeman and chief Israeli archaeologist Yigal Yadin, the man who "discovered" Masada. The belief-structure of Masada Lodge, like that of the Temple Mount Foundation Christian evangelicals, is that the world is entering the era of the Apocalypse, to be triggered by "nuclear Armageddon" in the Middle East. They anticipate 1983-84 to be crucial for this insanity, since the next Jewish year is denominated "The Year of Destruction" (the Hebrew-lettered acronym for the next year spells out the Hebrew word *Shmad*, or "destroy").

The British Freemasons' nominally Islamic counterpart to this is run through the Muslim Brotherhood and the mystical Sufi International Brotherhood, created at the end of the last century. Sufism, which shares many of the mystical beliefs of the Jewish Kabbala, has one of its international headquarters in Genoud's home base of Lausanne, centered around one Frithjof Schuon, head of the "Shadiliyya" branch of Sufism. Along with Saudi Arabian Brotherhood leader Ali Kettani, Schuon has established a "Society for the Restoration of Islam" in Spain, which has become one of the crucial target countries for Brotherhood operations. European sources insist that the society is headed by a top-level agent of the British secret intelligence services, whose name may be revealed shortly.

The other center of Sufism is the Darqawi Institute in Norwich, England, headed by Idris Shah. This institute is funded in part by the World Festival of Islam Trust, which is run by British Arab Bureau scion Sir Harold Beeley.

### **The Swiss connection**

Operationally, as indicated above, the Muslim Brotherhood International is in effect a joint asset of British SIS and

Swiss-based bankers and intelligence officials. These two centers, through a complex series of postwar arrangements, took over the assets of the Nazis' Abwehr intelligence service and Mussolini's OVRA, through which the Brotherhood had been coordinated in the 1930s and 1940s. The third major control point over Brotherhood activities is the Comintern-Ponomarev grouping in Soviet intelligence, the continuation of Karl Radek's "Baku Congress International" of the 1920s and 1930s.

One crucial financial and ideological control points over the Brotherhood is the financial empire of United Arab Emirates ambassador to Great Britain, Mohammed el-Tajir, recently implicated in illicit weapons-running into Iran. El-Tajir's banking empire overlaps that of the secretive Swiss-Arab Banking Trust of the St. Vincent Islands, which has recently been a focus of investigation by researchers into flight capital and dirty-money transactions.

A second is the cluster of interests associated with the Swiss-Arab Association, based in Geneva, Switzerland. The leading light of the Association is Geneva's Marcel Boisard, a top official of the Red Cross. Boisard, a convert to Islam, heads the Islam and the West International, which was set up by him. Muslim World Congress Nazi collaborator Maarouf Dawalibi, Britain's Lord Caradon, and the Club of Rome's Aurelio Peccei. The association employs the services of one Herr Parodi, former Swiss ambassador to Egypt, and several key members of the Nazi International, including convert-to-Islam Ahmed Huber, a close associate of François Genoud and collaborator of Genoud's in the project in distributing and translating the works of Hitler and Martin Bormann. Huber recently told an interviewer that "building the Muslim Brotherhood" would be the key to reviving awareness of Hitler in Europe.

A third is the set of special operations associated with another convert to Islam, Roger (now Rajah) Garaudy. Garaudy is the intersection of the Comintern (Kim Philby et al.) with British and Swiss intelligence circles. Formerly a top official of the Middle East branch of the French Communist Party, Garaudy "turned against" Communism and converted to Islam at the mosque in Geneva in 1981. With these credentials, he was able to enter Mecca in recent weeks, and to establish contacts with anti-government Brotherhood elements in Saudi Arabia. In the latter part of March, Garaudy was in Cairo, and gave a well-publicized speech attacking the "Greco-Latin" and "Judeo-Christian" traditions, for "subordinating the human potential to technology." Garaudy is also one of the leaders of the International Association for the Safeguarding and Enhancement of the Palestinian Cultural Heritage, along with members of the British Parliament and Dominican priest Michel Lelong, a top ideologue for Islam and the West. Garaudy's comings and goings are of increasing interest to European security officials, who view him as a likely coordinator for the interests of Ahmed Ben Bella and other "Islamic" terrorists.



# 'Brave New World' in Olof Palme's Sweden

by Claes Wahl in Stockholm

Six months after Sweden's Social Democratic leader Olof Palme was elected Prime Minister on Sept. 19, 1982, the worst apprehensions of Mr. Palme's opposition have been realized. Palme's election program was a clearly stated call for the establishment of a powerful, labor-controlled "wage earner fund" to purchase Sweden's industries—the first step towards the creation of a Mussolini-style corporatist state.

Palme, who was voted out of office in 1976 because his social democratic policies were destroying Swedish industry, was re-elected as the result of a deal with the powerful, Freemasonic-dominated monarchy and oligarchy, on the basis that he would be a far more effective enforcer of austerity than any conservative government. Conditions of mass unemployment, drastic reductions in living standards, and the incompetence of the governments of the 1976-82 period in dealing with the economic crisis made Swedish voters vulnerable to his demagogic campaign. Swedish industrial leaders supported Palme in the mistaken belief that his social democratic credentials would give him strong ties to the developing sector, an essential market for Sweden's high-technology export-oriented economy.

Palme's "post-industrial" policies have already shut down large portions of Sweden's basic industries. Shipyards, already hard hit, have laid off 3,500 workers this year. The steel industry has announced layoffs of 2,500 and still more layoffs have been announced for Sweden's traditionally internationally competitive iron-ore industry. These are unemployment levels that are having serious consequences in a nation with only 8 million inhabitants.

It is the International Monetary Fund (IMF) which has dictated these post-industrial society policies to the Palme government. Sweden's conservative daily *Svenska Dagbladet* reported on March 21 that shortly after the Swedish government's drastic 16 percent devaluation of the croner in November last year, an IMF delegation told Palme that his government would be allowed to take this protective measure only on the precondition that it promised to carry out harsh austerity measures, including severe wage cuts, reduction in state subsidies to basic industries such as shipyards, textiles, and other "branches exposed to competition," as well as reductions of government subsidies of export credits.

The *Svenska Dagbladet* also reported on a letter written

by Swedish Minister of Finance Kjell-Olof Feldt to IMF executive director Jacques de Larosière, promising further "extensive austerity measures" and a freezing of the Swedish budget deficit at the current 90 billion kroner level. This has meant that the "wage leading" Metall trade union this year negotiated a separate deal of a 2 percent wage increase with the association of engineering industries—on Palme's orders. With Swedish central bank estimates that inflation for 1983 will reach between 13 and 15 percent, the most powerful trade union in Sweden has thus taken a cut in real wages of between 7 and 13 percent.

The Palme government has been forced to increase taxation on a contracting economy in order to be able to pay Sweden's budget deficit. To accomplish this task of milking and butchering the cow at the same time, the government has forced through a fiscal-judicial "general clause," giving tax authorities the legal right to sue persons who might have the "intention" of evading taxes, whether or not they have ever violated the law before. Palme has eliminated due process, and put the corporatist principle of *raison d'état* into effect, by declaring that what is bad for the Prime Minister and the state is illegal—and the reverse. Swedish courts have been transformed into instruments of political power unprecedented since the courts in Adolf Hitler's Germany.

The political and economic interests who played the Palme card last fall are now worried; Palme's foreign policy has precipitated one of the very rare brawls inside the Swedish establishment. Without consulting the Foreign Policy Committee of the Swedish parliament, Palme made a slightly modified version of his earlier "Palme Commission" proposal for a "nuclear-free corridor" through central Europe, official Swedish foreign policy. The Swedish oligarchy, a political elite of ancient Nordic families, has become concerned that Palme's "honeymoon" with such supranational institutions as the IMF, the Palme Commission, and the U.N. bureaucracy has been transformed into a marriage, a threat to the autonomy of the kingdom of Sweden.

Former Moderate Party chairman Gösta Bohman made an unprecedented public attack on the imperious Palme on March 21 in an interview in the influential daily *Dagens Nyheter*: "His [Palme's] personality is divided into Dr. Jekyll and Mr. Hyde. . . ." Bohman stated. "I am no psychiatrist, I can only observe a tremendous difference between the two halves." Bohman called Palme's mental instability and his "infamous handling of the truth" a "real national security risk."

*EIR founding editor Lyndon LaRouche discredits Palme's reputation as a "friend of the Third World" and social reformer in an EIR Special Report. "Olof Palme and the Neo-Nazi International." The report reveals the real nature of the "peace and disarmament" movement and documents not only the nature of Palme's involvement in the "peace movement" but also his links to the Nazi International and its corporate extensions.*

### A bitter cup for the D.A.

*Roman prosecutor Gallucci, who is part of the Propaganda-2 apparatus, has been set back in his war against the magistracy.*

The district attorney of Rome, Achille Gallucci, on March 17 accused the entire supreme body of the Italian judiciary, the Superior Council of Magistrates (CSM), of the corrupt practice of drinking too many cappuccinos at public expense.

To responsible persons, Gallucci may appear to have made a fool of himself; but the city's chief prosecutor, himself reportedly under investigation by the top magistrates for his suspected role in the P-2 Lodge Freemasons' terror and coup conspiracy, is desperate to destroy the last effective law enforcement institution in Italy: the CSM.

With the major political parties already perceived by Italians as corrupt and ineffective, it is only this network of courageous judges which has continued to defend the constitution.

The constitution, born after World War II when Italians were overwhelmingly revolted by both Fascism and the Savoy monarchy which had handed the government to Mussolini in 1922, assigned great powers to the parliament and to the magistracy. The highest organ of the magistracy is the Superior Council, presided over by the president of the republic. It is composed of 33 judges, who oversee the entire Italian judicial apparatus.

In recent years, this network of magistrates has been responsible for the most significant series of criminal investigations and prosecutions to be undertaken anywhere since the Nuremberg trials. Under the magistrates'

supervision are the major cases against "red" (leftist) and "black" (fascist) terrorism, international drugs and arms smuggling, the would-be assassins of Pope John Paul II, and the ultrasecret P-2 lodge, which many believe is still plotting to carry out a coup against the Italian republic. Several of these investigations have uncovered the trail known as the "Bulgarian Connection."

Italian law provides that when any investigation touches a member of the CSM, he is subject to immediate dismissal. For the moment, however, Gallucci has been defeated by the defenders of the magistracy in Italy, including President Sandro Pertini, former Prime Minister Giovanni Spadolini, and spokesmen for the Communist Party (PCI) and Christian Democracy (DC). The "case" against the CSM has been removed from his control and will probably be dropped.

Gallucci is notorious for his collusion with the P-2 lodge of Licio Gelli, outlawed in 1981 for plotting to overthrow the Italian republic. Through Judge Cudillo, whom he controls, Gallucci issued a judicial report exonerating the P-2 from any serious crimes against the Italian state.

Tina Anselmi, head of the Parliamentary Commission investigating P-2, has accused Gallucci of covering up for the Masons, and the Hon. Vittorio Forsini, a member of the CSM, stated to the press on March 23: "One has the impression of being in the presence of a 'white' coup d'état, carried out by forces which represent a

danger to the moral and political stability of the republic."

This danger came not only from inside Italy. The P-2 lodge was not a purely Italian organization: Licio Gelli had excellent relations with the administration of President Carter and had collaborated until the end of 1969 with Alexander Haig and Henry Kissinger.

Gelli also maintained relations with Romania and Bulgaria, and a vast covert network from East to West.

Gallucci is supported in these subversive efforts by Minister of Justice Clelio Darida, an old collaborator of Prime Minister Amintore Fanfani.

Fanfani is known to be close to P-2 circles, through his personal secretary Gianpaolo Cresci, who has been exposed as a member of the lodge.

Like Licio Gelli (who is now jailed in Switzerland on the minor charge of using a false passport), Fanfani is a native of the city of Arezzo.

It is possible that the Gallucci/Cudillo *sentenza* giving the P-2 lodge a clean bill of health will be used to convince the Swiss authorities to release Gelli, rather than extradite him to Italy.

Italian intelligence specialists believe that Gallucci's moves against the magistrates may be connected to certain U.S. intelligence circles that held meetings this February with a delegation from the neo-fascist party of Italy, the MSI. This would be the intelligence faction closely allied with former Secretary of State Henry Kissinger, exposed here last year as the mastermind of the 1978 Red Brigades kidnapping and assassination of former Prime Minister Aldo Moro. The context for the present crisis is the recent attempt to bring the monarchy back to Italy with the dying former king, Humbert of Savoy. Humbert's death has undercut the restoration effort for the moment.

## Chiapas again

*Protestant fundamentalists as well as Jesuits are involved, and crisis spots have appeared in other states.*

**O**n Friday, March 25, a peasant clash in the Chiapas town of Chalchihuitán left at least 11 dead and 6 injured, according to accounts in the Mexican press.

It was the bloodiest among several other such incidents. On March 29, a leader of the Popular Socialist Party (PPS) was killed in the small town of Motozintlán, and the same day a member of the National Action Party (PAN) was killed in the township of Alcalá.

In both cases, the respective opposition parties had laid claim to winning local municipal elections, and entered into conflict with local factions of the ruling PRI.

But a much more serious undercurrent is coming to the surface: inter-religious rivalry, of the sort plaguing Guatemala across the border under the regime of "born again" evangelical preacher Ríos Montt.

*EIR* first warned of the explosiveness of the area in June, 1980, when Jesuit-led peasants near the Jesuit center of Bachajón clashed with a second peasant group and local landowners. The toll was one dead and several wounded. The Jesuit "Theology of Liberation" infrastructure was extensive, *EIR* warned, protected by the bishop of Chiapas, Samuel Ruiz.

According to several accounts, the Jesuit-controlled "Plan de Ayala Coordinating Group" played a role in the new confrontation. But the attorney general of the state, Serrano Ornelas, stated in a press conference March 28 that, according to initial interviews

with residents, Protestant sects had made inroads in the district and had been involved in the tension.

The government first began to take action against the spread of Protestant fundamentalism in Chiapas in 1979, when it decreed the expulsion of the Summer Institute of Linguistics. The SIL, made up of U.S. "Bible Belt" fundamentalists who proselytize through translating the Bible into local dialects, entered Chiapas as one of its first "overseas" moves in the mid-1930s. Its Mexican point man was the Anglican undersecretary of education, Moisés Sáenz. Its Ocosingo "jungle camp" became the training center for over 2,000 missionaries who then fanned out in Latin America, Africa and Asia.

The 1979 expulsion decree was not enforced, however, and SIL personnel continue to work in the area today. This may finally be coming to a close, because of the "Ríos Montt model" across the border and the outbreak of violence in recent weeks. I am told that Mexican authorities are watching the situation very carefully and are determined to see that Chiapas does not turn into a replica of Guatemala, where some 20 percent of the population is now Protestant and a "Thirty Years' War" scenario of violence is taking shape.

Ríos Montt is doing his part to heat the area, with a March 27 order to close the border "to stop contraband." Some Mexicans warn that this could be a prelude to fully militarizing the

border on the Guatemalan side. A series of incursions by Guatemalan troops into refugee camps in Chiapas already have the border on a hairtrigger.

The same witches' brew is to be found in Chiapas's neighboring southern states of Tabasco, a key oil-producing area, and Oaxaca. According to recent charges printed in the political column of *Excelsior*, seven Protestant sects and denominations have made inroads in Tabasco, just to the north of Chiapas. These include Jehovah's Witnesses, Mormons, Seventh Day Adventists, the Good Shepherd church, and Presbyterians. The Juárez Autonomous University of Tabasco is reportedly in the hands of evangelicals, headed by Dr. Josue Vera Granados.

The Jesuit role in Tabasco is no less intense than Chiapas, based in the Center for Ecological Studies of the Southeast.

The situation was further complicated when several thousand peasants blockaded the grounds of one of Pemex's larger oil facilities in the Comalcalco oil district during the third week in March. The pretext for the move was the charge that Pemex had reneged on paying compensation for lands which had been taken for the oil development program.

In Oaxaca, unpublicized clashes between Protestant sects and others have led to several deaths. The "religious soup" is thickened not only by the Jesuit influence in the terrorist-leaning "left" opposition controlling Juchitán, in the Isthmus of Tehuantepec, but also by the presence of followers of schismatic French archbishop Marcel Lefebvre in towns north of the city of Oaxaca. Lefebvre's controversial visit to the area of Tlaxiaco in early 1981 almost led to riots, and his following remains active.

# International Intelligence

## *Central America policy losing U.S. allies*

Not since the U.S. support for the British in the Malvinas war has a U.S. policy threatened such a rupture with its southern neighbors as does current U.S. policy in Central America. U.S. ambassador to the United Nations Jeane Kirkpatrick, reported by several sources to have become "case officer" on Central America for the administration, is apparently intent on widening that split.

Kirkpatrick used a U.N. Security Council debate in late March to tongue-lash various American allies for their failure to support U.S. covert operations in Central America.

No major Ibero-American government has backed the administration's approach to the Central American problems. Government spokesmen from Brazil, Argentina, Colombia, Venezuela, Mexico, and Panama, have repeatedly stressed that they, like Pope John Paul II, insist on a negotiated settlement under Ibero-American direction with an end to arms shipments and great power intervention into the area.

This is a "conflict which, if sharpened, could have . . . extra-continental implications," Argentina's ambassador to the United Nations warned during the debate, calling again for Mexico and Venezuela to be accepted as mediators of the Honduran-Nicaraguan conflict. Venezuela's representative charged both superpowers with using the Central American countries as "pawns in a chess game where the interests of peace are very far away." During a visit to the United States in March, Brazil's Air Force Minister, Jardim de Mattos, told the press Brazil backs Mexico and Venezuela's initiatives and will not enter the Central American conflict in support of the United States.

## *Mrs. Gandhi initiates post-summit organizing*

The contents of letters written by Indian Prime Minister Indira Gandhi as chairman of the Non-Aligned movement have been widely circulated in India in recent weeks, following the early March Non-Aligned summit, which was held in New Delhi.

In the letters to leaders of the OECD and socialist countries, Mrs. Gandhi, the new chairman of the movement, put in the forefront the Non-Aligned movement's "New Delhi Message"—a formal appeal for the industrialized nations of the "North" to put an immediate end to depression, help create a new monetary system to foster economic growth, and to end the danger of nuclear war.

Among those who have received special messages from Mrs. Gandhi are: President Reagan, Soviet chief Andropov, all the European Community heads of government, Japanese Premier Nakasone, Prime Minister González of Spain, Erich Honeker of East Germany, and Gustav Husak of Czechoslovakia.

Mrs. Gandhi has also corresponded with leaders of developing countries which are not members of the Non-Aligned movement, including Brazil, South Korea, and China. A special letter was sent to Indonesian President Suharto, who was unable to attend the summit. A letter was also sent to Pope John Paul II.

It is reported that after Mrs. Gandhi receives replies from her first round of correspondence, she plans another round of letters, particularly to President Reagan and Soviet leader Andropov, in which she will emphasize the importance of the two countries participating fully at the heads of state level at the September U.N. General Assembly session. The Non-Aligned movement hopes to transform this annual gathering into a summit to take up pressing world problems.

## *French foreign minister visits India*

France has become the first country in the developed world to respond positively to the New Delhi Non-Aligned Summit economic and political declarations. Foreign Minister Claude Cheysson stopped in New Delhi on March 28 for a few hours of detailed discussions with his Indian counterpart, Narasimha Rao, on the outcome of the Non-Aligned summit, the first advanced sector senior official to do so since the summit.

Cheysson told New Delhi reporters after the talks that France felt the stand taken in the summit's political declaration on leav-

ing the seat for Kampuchea vacant was correct. "While France has regard for Prince Sihanouk as a person," he said, "as a land of freedom and liberty, France could not accept Pol Pot." On the economic declaration, Cheysson reacted favorably to Mrs. Gandhi's call for bringing world statesmen together at the U.N. General Assembly in September. He said France believed that, "it is not the preserve of only big powers to decide the fate of the world. France has explicit faith in the capacity of small groups of nations to shape their own future."

## *Swedish racists target Africans for extinction*

Six African countries will receive no further credit from the international banking community because "their economic behavior is disastrous," said Tore Browaldh, the president of Sweden's largest bank, Handelsbanken, in an interview March 24. Browaldh also serves as vice-president of the Nobel Foundation, which funds Aurelio Peccei's Club of Rome.

The six countries he named were the Ivory Coast, Kenya, Upper Volta, Zaire, Tanzania, and Uganda.

"I agree with Gunnar Myrdal [the Swedish Malthusian sociologist] that Africa needs development aid," Browaldh said, "but there will be none." He acknowledged that this would result in a certain number of deaths.

According to the March 24 *Times* of London, the South Africans have issued new demographic guidelines to ensure that by the year 2020 population growth rates are only at replacement levels, and that all races in South Africa have equivalent birth rates.

The head of South Africa's 6 million Zulus called the demographic guidelines "horrifying and unacceptable."

## *Pakistan's political climate heating up*

Benazir Bhutto, the leader of the Pakistan People's Party (PPP) who remains under house arrest, recently appeared in court to speak in behalf of student leader Jam Saqi, according to a March 27 Press Trust of India (PTI) wire from Islamabad, Pakistan. Jam

## Briefly

Saqi is being tried for "sedition" based on his distribution of materials found to be "subversive" by the military government of Gen. Zia ul-Haq.

Benazir is the daughter of former Prime Minister Zulfikar Ali Bhutto, who was overthrown and later hung by the Zia regime. April 4 is the anniversary of Bhutto's execution; should Jam Saqi meet the same fate, the situation will worsen for the unpopular Zia dictatorship. Various opposition parties within Pakistan have joined together to testify in Saqi's defense.

During Benazir Bhutto's March 26 court appearance, the Zia government attempted to prevent her from having any contact with other members of the PPP, who had gathered in large numbers at the courthouse. Once inside the courtroom, the PPP leader blasted Zia's claim to the presidency.

"There is no cause for martial law in Islam," she said. "In Islam, submission is due to God alone, and a martial law regime demands submission to the commander of the armed forces." According to the PTI wire, she also charged that the Zia government denies the rights to Pakistanis that it demands for the people of Afghanistan.

This is the first recorded statement that Bhutto's daughter has made since she was put under house arrest in March 1981.

### **Colombian guerrillas back Betancur's peace effort**

The largest guerrilla organization in Colombia, the Communist Party-allied FARC, gave its backing to Colombian President Betancur's peace initiatives March 25 by issuing a public statement pledging to release the political prisoners it has been holding, and calling on other guerrilla organizations in the country to do the same.

President Betancur, attempting to neutralize the military-promoted "state of siege" and polarization, recently announced that he would grant amnesty to all guerrillas willing to return to civilian life.

The FARC statement condemned the wave of kidnapping and extortion that has been sweeping the country as a "lucrative industry pursued by criminals," alluding to Betancur's earlier statements distinguishing "common delinquency" and criminality from the 30-year history of self-defense opera-

tions out of which the FARC guerrilla movement emerged. By challenging other so-called people's movements to follow its lead, the FARC is exposing those groups that are simply terrorist squads employed to help bring down the Betancur government.

The FARC statement described the recent kidnapping of Texas Petroleum employee Bishop as the work of "an extreme right-wing organization . . . part of the campaign to create an environment in the country contrary to peace." Bishop was seized in a professional operation modeled on Red Brigades kidnappings, by an unknown group calling itself the Revolutionary People's Organization.

### **PAN party loses strength in Sonora, Mexico**

When the "rising star" of the National Action Party (PAN) in the Mexican state of Sonora, Adalberto Rosas, arrived at the final rally of his state-long walking tour which he had billed as a "March for Democracy," there were so few people waiting for him that he refused to speak at all. The fiasco was the greater because the town he had chosen for the March 27 wind-up, San Luis Rio Colorado, is one of the local governments the PAN won in elections last July.

The PAN further discredited itself by releasing an obviously faked photo purporting to show a large crowd in the plaza.

A good deal of the egg on Rosas's face is credited to a leaflet the Mexican Labor Party (PLM) distributed in the previous days, which documented the shady origins of the family fortune of Rosas's in-laws, the oligarchic Mazon family. The PLM reportedly showed that the fortune came from drug-running activities the family took over from Chinese mafiosi after the latter were expelled by the Mexican government in the late 1920s.

Rosas retains the backing of the U.S. consulate in Hermosillo, the state capital. The consulate recently sanctioned thug attacks on the PLM in the south of the state.

On March 10, PAN-led student rioters in the city of Ciudad Obregon stoned the municipal building. Five days of disturbances were quelled only when governor Samuel Ocaña deployed 600 anti-riot state police to the agricultural center.

● **W. ALLEN WALLIS**, Undersecretary of State for Economic Affairs, declared March 30 that the Japanese proposal for a \$500 billion Global Infrastructure Fund would not be allowed on the agenda of the upcoming economic summit to be held at Williamsburg.

● **IL TEMPO**, one of Italy's leading dailies, carried a page-one article on April 1 by Dr. Edward Teller, the nuclear physicist who has advised President Reagan on the new U.S. defense policy.

● **YOMIURI**, a Japanese daily with one of the world's largest circulations, printed an Associated Press interview with *EIR* Contributing Editor Uwe Parpart-Henke on the front page of its March 30 issue.

● **MEXICO** will become another Iran, predicted Zbigniew Brzezinski in an interview with the *Dallas Times-Herald*.

● **LUIS PAZOS**, monetarist spokesman in Mexico, said in a recent interview in the magazine *Razonos* that President de la Madrid "will not end his term in peace" unless he de-nationalizes the banks and puts his predecessor José López Portillo under investigation.

● **THE ECONOMIST** of London praises Islamic fundamentalism as meeting "an emptiness in the souls of ordinary people" and reviving "the excitements of the Ben Bella period" in Algeria.

● **MICHAEL LEDEEN** was found bragging in the State Department press room on April 1 about how he helped set up the recent attack on the Dome of the Rock mosque. Ledeen is a former aide to Alexander Haig.

● **THE POUJADIST** movement of French peasants and shopkeepers, now called the CID-UNATI, is calling for a boycott on tax payments. Chile-style agitation by the middle class could plunge France into chaos.

## Reagan announces an age of scientific progress

by Graham Lowry

Barely a week after President Reagan announced his decision to redirect U.S. strategic posture and the entire arms control process toward the goal of Mutually Assured Survival, his opposition's hysterical denunciations of his "Star Wars fantasies" were giving way to growing if grudging acknowledgment that the President had indeed effected a fundamental change in U.S. strategic doctrine. At the same time, Mr. Reagan struck a blow against the geopolitical provocateurs who have dominated American strategy for more than two decades—the Robert Strange McNamaras and the Henry "Dr. Strangelove" Kissingers who enforced the MAD (Mutually Assured Destruction) doctrine as a measure ultimately designed to collapse both superpowers.

### What Reagan has said

On an almost daily basis since Reagan's address, the President and his leading spokesmen have made it clear that he intends not only to put an end to MAD, but to make a renewed surge of technological progress, a surge required to develop defensive beam weapons, the basis for eliminating nuclear weapons entirely; and to pave the way for the United States and the Soviet Union to discard their roles as lethally armed antagonists for a partnership in joint development on the frontiers of science.

Asked at a press conference March 25 whether his proposal for beam weapons development meant he was rejecting "the mutual destruction approach," Reagan firmly replied, "Yes," and pointed to the day when these systems are perfected and the President can say, "All right, why not now dispose of all these weapons, since we've proven that they

can be rendered obsolete." The President went further at his March 29 press conference, noting "the many different options" a President of the United States would have once such defensive systems were developed. "He could then offer to give that same defensive weapon to them [the Soviets], and then say, 'I am willing to do away with all my missiles if you will do away with yours.'" Asked if he would consider a joint venture with the Soviet Union to develop these defensive capabilities, Reagan responded, "That's something to think about."

Lyndon LaRouche's proposal of more than a year ago recommended that the United States develop the advanced defensive weapons systems in parallel with the Soviet Union, and proceed with other agreements to attack the causes of war, by collaborating on the development of fusion technology, the colonization of space, and the industrialization of the underdeveloped sector. There are now indications that such a "higher peace movement" is the direction President Reagan has embarked on.

Defense Secretary Caspar Weinberger, in Madrid following the meeting of the NATO Nuclear Planning Group in Portugal, told reporters March 25, "If both sides can acquire the means of rendering impotent these deadly missiles, we would really have advanced the cause of peace and humanity very, very far."

Secretary Weinberger also underscored that the President's proposal sets a new course for U.S. strategic doctrine, announcing that he was "excited and pleased about this initiative because it seems to me this is the one thing that cuts across all of that sterile doctrinal thinking and gets us to the



Philip Ulanovsky/NSIPS

President Ronald Reagan

real possibility of something to work for.”

Dr. Edward Teller, a protagonist in the development of the H-bomb, a longtime opponent of the MAD doctrine, and a passionate advocate of the beam weapons program in personal meetings with the President, wrote in the *New York Times* March 30, “The conversion from mutually assured destruction to mutually assured survival is what Mr. Reagan wants to accomplish. It would benefit not only our children and those of our allies, but also children in the Soviet Union as well. If high technology can be used for this purpose, fear will be replaced by an atmosphere in which we will no longer need worry about the consequences of sharing our technological applications with anyone in the world—in which real cooperation, the basis for peace, will become possible.”

The circles of Averell Harriman and Henry Kissinger are enraged by President Reagan’s beam weapons strategy not only because it would finish off their confrontationist manipulations carried out under the MAD umbrella. The development of such advanced systems would also revolutionize U.S. technology and generate enormous new productive capacities, restoring America to the true superpower status Kissinger and his British sponsors have vowed to destroy.

In Madrid, Weinberger spoke of the scale of American accomplishment in the Apollo space program. “Man had talked about it for centuries,” he said, but “the ability to walk on the Moon was realized in a very short time. . . . That is a very good example of how quickly America can achieve things that have been felt to be impossible when the full strength of our very considerable resources are deployed behind them.”

## ‘A total defense’

The defense secretary said that funding for beam weapons development would likely mean shifting some of the appropriations already proposed in the 1984 defense budget, and he predicted “all sorts of changes in 1985 and 1986.” For those years and beyond, administration officials are talking about \$15 to \$20 billion dollars annually, or a total of \$175 billion over 10 years, indicating a program far beyond the levels expended on the Apollo effort. At a Washington press conference March 29, Weinberger specified for the first time that the administration intends to develop a “total defense” against nuclear attack, based on a “layered” combination of systems including “laser beams, particle beams,” and other advanced technologies.

President Reagan signed an executive order March 25 directing the scientific mobilization on developing the technologies to proceed, to be overseen by National Security Adviser William Clark. Presidential Science Adviser George Keyworth said the same day that a new office will be established “within a few months” to coordinate the effort, now scattered through various agencies. Weinberger announced March 29 that an executive committee has been established in the Pentagon to evaluate planning and implementation of the President’s policy, which will include Chairman of the Joint Chiefs of Staff Robert Vessey as well as top Pentagon officials.

The Defense Department itself will now have to reorganize in accordance with President Reagan’s reorientation of U.S. strategic posture towards defensive capabilities, and clean out both the structures and personnel dictated by the Pentagon’s previous commitment to massive offensive retaliation as the basis for deterrence. That process, expected to get under way by the fall, entails a head-on battle with the Kissinger and Harriman networks.

## The Kissinger response

By the morning after the President presented his “vision of the future” to the American people, informed sources in Washington reported that the Kissinger “MADophiles” were preparing to launch an all-out brawl with supporters of the President’s plan, hoping to “delay, obstruct, and wait for the next administration to reverse the policy.” Henry Kissinger and conventional warrior Cyrus Vance led the list of prominent no-shows at a White House state dinner for scientists and current and former cabinet members the night the President delivered his address.

Media leaks since the President’s address report that he went ahead with his beam weapons proposal despite intense opposition from many of his advisers, including Undersecretary of Defense for Policy Fred Iklé, the Swiss banking scion committed to genocidal population wars in the developing sector, and Assistant Secretary for International Security Policy Richard Perle, a member of the Council on Foreign Relations and Britain’s International Institute for

Strategic Studies.

Reagan kept preparation of his initiative "on a closely held basis," as one official described it, withholding the draft of his defensive weapons proposal from many of his advisers until shortly before delivering his address, and shutting out many of the administration's "strategic experts" from discussions on the project after reportedly deciding to go ahead with it at a meeting with the Joint Chiefs of Staff in early February. Even White House media chiefs David Gergen and Larry Speakes were denied copies of his address until a few hours before the President went on national television.

By shifting the entire context of the arms control debate with his decision to develop defensive systems, Reagan also threw the Harrimanite nuclear freeze movement for a loop. Having failed the week before the President's speech to pass their nuclear freeze resolution in the House, the freeze supporters have since watched helplessly as Reagan has built his own peace policy.

### The Euromissile issue

One week after his rejection of MAD, Reagan announced that the United States would cut back its deployment of Pershing II and land-based cruise missiles in Europe if the Soviets made an equivalent reduction in warheads deployed on their SS-20 long-range missiles.

The President began by citing his defensive systems proposal, as the context for ultimately eliminating nuclear weapons entirely, thus putting his Euromissile proposal within the framework of transforming MAD into Mutually Assured Survival. The President's usual array of arms control critics had no choice but to praise the proposal, while a spokesman for the environmentalist Union of Concerned Scientists said he hoped it "is not just another attempt to weaken popular support for the upcoming freeze vote in the House."

### Freezers undone?

The Harrimanites in Congress recognize that they have lost their momentum. A spokesman for the Arms Control and Foreign Policy Caucus lamented shortly before Reagan's Euromissile announcement, "Now we are dealing with a changed environment. Our main argument was that Reagan wasn't serious about arms control. Well, this week he will propose an interim solution on the Euromissile and next week he will offer a new proposal on the MX which will talk about 'building down' nuclear weapons. And, more importantly, we have this call last week to do away with nuclear weapons eventually." Any vote on the nuclear freeze resolution will not come up before the week of April 19, and while the caucus spokesman thought they still have the votes to pass it, he added, "I am a little worried. We should never have let it get off the floor without a vote. Now Reagan has regrouped and taken the initiative away from us. Governor Harriman was quite angry with the Democratic leadership for not letting the freeze come up for a vote."

## Unholy alliance keeps up Reagangate game

by Scott Thompson

President Reagan's March 23 beam weapons policy speech stopped a steamroller drive to sweep him out of office through a series of "Watergate"-type scandals. Now, a "strange bed-fellow" alliance has been made: it joins Soviet agents of influence with the Moshe Arens-Ariel Sharon faction in Israel, George Shultz's State Department, the Manatt wing of the Democratic Party, and the nuclear freeze movement.

The goal of this alliance is to attempt to dump Defense Secretary Caspar Weinberger, who is one of President Reagan's strongest allies in the new high technology effort to gain mutually assured survival.

In the week before the President's speech ending the MAD doctrine, Weinberger had already come under heavy attack—an attack carried out in the guise of opposition to the administration's Mideast policy, for which the Defense Secretary has taken the point position.

Steve Rosen, director of research and information of the American Israel Public Affairs Committee (AIPAC), charged Weinberger "with conducting a vendetta against Israel." At the same time, Prof. Howard Adelson, who heads the American branch of Begin's Herut Party, said: "Our trigger-happy Secretary of Defense is undoubtedly the greatest obstacle to peace in the Middle East. Until he is removed from office the possibility for peace in the region is virtually nil. . . ."

This was the response to two points the defense secretary had made on Mideast policy: first, the United States has provided Israel with billions of dollars in military weapons for defensive purposes, not offensive war to regain a biblical Eretz Yisroel; and, second, if the United States is prepared to risk thermonuclear holocaust to guarantee Israel's survival, then Israel is obligated to share defense-related intelligence.

A great deal more is going on under the surface in this debate. Sources report that Steve Rosen and others in the Moshe Ahrens-Sharon faction are insiders on a plot by Secretary of State George Shultz to oust Weinberger and to sabotage President Reagan's effort at a Mideast peace settlement. This plot has been under way since Moshe Ahren's appointment as Israeli defense minister last month. Its cornerstone involves a covert effort to keep King Hussein of Jordan from taking part in negotiations for the creation of a



Jordanian-Palestinian protectorate that, if successful, would block the entire Reagan peace plan.

This same combination of forces has also opposed the President's beam weapon policy. Well-informed sources report it is the U.S. State Department that has secretly mobilized many of the European spokesmen who have denounced the beam weapon policy on the basis that it is either a provocation against the Soviets or a sign that the United States is no longer willing to defend its European allies. Intelligence sources report that the Moshe Ahrens-Sharon faction also opposes the beam weapon policy, which they believe will obsolete certain new offensive weapons systems upon which they have staked a tremendous expansion of Israeli power in the Mideast and Africa.

### **The Reed and Rowny affairs**

Thomas Reed was a member of the same NSC-Defense Department faction led by Weinberger, NSC Director William Clark, and the Joint Chiefs that fought for attainment of the President's high technology weapons program (see *EIR*, April 5). It has been learned that Reed was first made a target by the actions of Richard Rosenblatt, a member of the Democratic National Committee, in consultation with attorney Louis Nizer, a leader of the Manatt wing of the Democratic Party with known links to such Hollywood "Mafia" figures as Sidney Korshak, Paul Ziffren, and Moe Dalitz.

When the Reagan administration first took office, Walter Sheridan, former head of the Kennedy Justice Department's "Get Hoffa Squad" and Dan Moldea of the Institute for Policy Studies, together with a network of Justice Department "moles" from earlier administrations, ran an unsuccessful "trial-by-press" campaign to link many new Cabinet officials to organized crime. The Reed Affair shows that the same people who have targetted the Reagan administration for scandal are the real frontmen for organized crime.

Under the direction of former Watergate special prosecutor Archibald Cox, *Common Cause's* lobbying magazine by the same name did a muckraking piece which alleged that the Securities and Exchange Commission had given "preferential treatment" to Reed in a case involving "insider trading" on stock options. Senate investigators, who have studied the same SEC file, state categorically there is not a shred of evidence to substantiate this claim. In fact, though he was never found guilty of "insider trading," Reed paid the equivalent of a \$400,000 fine out of his own pocket, because the money he made from an AMAX stock deal had instantly been given to eight needy friends.

Archibald Cox is the former Watergate special prosecutor to whom Rosenblatt and Louis Nizer blew the Reed Affair into a scandal on the front page of the *Washington Post*, that forced Reed's resignation from the NSC and tainted NSC Director William Clark and his Security chief Richard Morris. Like Walter Sheridan, Cox is a long-standing hired thug of the Kennedy family. Known as the "unofficial dean of the

brain trust" during John Kennedy's 1960 presidential campaign, Cox was appointed solicitor general of the infamous Kennedy Justice Department that broke every law in its efforts to nail Teamster official Jimmy Hoffa, among others. He was known to hold regular strategy sessions with Ted Kennedy over dinner, which, of course, were also attended by reporters from the *Washington Post*. Now at *Common Cause*, Cox has become one of chief appeasers behind the freeze movement, as evidenced by the fact that the theme of the Jan./Feb. issue of "*Common Cause*" magazine that attacked Thomas Reed was a strident effort by the *Common Cause* Nuclear Arms Network to mobilize against the Reagan administration's defense program.

Louis Nizer, whom Rosenblatt hired as his attorney, had just finished an unsuccessful defense of La Costa Resort from charges that it was tied to such kingpins of organized crime as Kennedy family friend Moe Dalitz and master money launderer Meyer Lansky. Nizer's principal partners in the law firm of Phillips, Nizer, Benjamin, Krim themselves have close ties to the same organized crime figures whose names surfaced in connection with La Costa. Arthur Krim and Robert Benjamin were the founders of United Artists (UA), which was recently purchased by Kirk Kerkorian's MGM of Las Vegas casino notoriety. It was also UA which sold the real estate upon which West Coast mobster Moe Dalitz—a close friend of Krim & Co.—built Caesar's Palace. Since the sale of UA, Krim and Benjamin run Orion Productions, a keystone of the Hollywood Mafia network.

Krim is also a board member of Occidental Petroleum, a firm run by Soviet agent-of-influence Armand Hammer, who himself had early business ties to such mobsters as Lewis Rosenstiel. Another board member of Occidental Petroleum is Sen. Albert Gore, one of the leaders of the nuclear freeze movement in Congress. Nizer, Krim, and Benjamin are leading influences in the liberal wing of the Democratic Party and in their faction of the Zionist lobby.

General Edward Rowny, who came under heavy attack for writing a memorandum on planned personnel changes in the Arms Control and Disarmament Agency, was set up when the document was almost instantly leaked to Eugene Rostow, the departing chief of ACDA. Rowny, who was the National Security Council liaison to ACDA, was also part of the NSC-DOD faction supporting the President's beam weapons proposal. These sources point toward the Moshe Arens-Sharon group as responsible. Rostow himself is a board member of the Jewish Institute for National Security, run by former ACDA employee Joseph Churba, which has sought to promote Edward Luttwak as head of ACDA. Another JINSA board member is Michael Ledeen, Haig and Kissinger's liaison to the Propaganda-2 Masonic Lodge in Italy. Sources report that this group wants to tie down the administration in a series of scandals that will postpone any Middle East settlement until after Christmas, when it is expected that Reagan would try to make a deal to gain re-election.

# Congressmen begin to consider beam weapons

by Susan Kokinda in Washington

As congressional sources privately admitted that “the Kennedy nuclear freeze is gutted,” a different kind of “defense debate” has opened up in Congress, initiated by President Reagan’s March 23 announcement of the change in U.S. strategic policy.

Two separate resolutions were introduced on the Senate floor the day after Reagan spoke, calling for support of the President in his initiative to render nuclear-armed ICBMs “impotent and obsolete.”

Republican National Committee chairman Sen. Paul Laxalt (R-Nev.), a political ally of the President, introduced Senate Resolution 100, declaring that as “various technologies hold out real hope that the United States government could offer the American people substantial protection against ballistic missile and it is reasonably clear that the Soviet Union has provided itself with offensive space weapons . . . it is the sense of the Senate that the President expeditiously recommend to the Congress the budgetary steps necessary to protect the American people by building weapons for deployment in space, at the earliest possible date, with the capability of destroying ballistic missiles which might be launched against our country.” The resolution, cosponsored by Sen. Malcolm Wallop (R-Wyo.), cites the Soviet space-based laser program as motivation for U.S. efforts in this area.

Later that day, Sen. William Armstrong (R-Colo.) introduced Senate Con. Res. 23, a more detailed resolution in support of the President’s initiatives.

The Armstrong resolution:

●Supports “the President’s call for a more humane and ethical strategic policy for the United States.”

●Supports “the President’s efforts to develop strategic defensive systems as a new policy of peace to reduce our present sole dependence on the threat of nuclear retaliation.”

●Commends “the President for his courageous initiative to develop new arms-control policies and other measures, including those built on the deployment of strategic defense

systems, to eliminate the threat posed by nuclear weapons to all mankind.”

●Supports “the President’s historic call for a national technological and scientific effort to develop means of rendering nuclear weapons impotent and obsolete.”

On the same day, moderate Democrats on the Senate Commerce, Transportation and Science Committee introduced legislation to create a National Space Commission to assess and rejuvenate the American effort in space.

A congressional source close to the leadership of the nuclear freeze movement complained that Reagan has “seized the initiative from us . . . the only way to get it back is to discredit him and Edward Teller.” While claiming to be confident that the freeze resolution would still be voted up when it is reconsidered on the floor of the House April 19, the source confided, “Governor Harriman and other top Democratic leaders were very upset when we had to pull the freeze resolution off the floor. We bungled it badly and Reagan was able to regroup.” He added, “We can’t afford to lose the freeze vote. It would be a real disaster for us and make our fights against Reagan’s star wars missile defense much harder.”

Before the freeze vote, on April 13, the National Democratic Policy Committee plans to bring hundreds of Americans to Washington for a show of force in favor of a strategic defense and against the continuation of the MAD doctrine embodied in the anti-technology freeze resolution. Whether it passes the House or not, the Kennedy freeze is dead, commented one Democratic source, who suggested to an NDPC representative that the President’s initiative “represents opportunities for a bipartisan program, doesn’t it?”

Another source close to Democratic leadership remarked that “Democrats have to be the party of the future, we can’t be the party of the past,” and suggested important party figures might support the beam weapon program. The moderate Democrats now see the possibility of joining with the President to effect a technology-based industrial mobilization for beam weapons that would end the depression, as President Franklin Roosevelt ended the last depression with the defense mobilization that preceded World War II.

Should those Democrats “get a message” from their constituents that “We want a beam weapons anti-depression program, and we won’t take no for an answer,” Harriman underling Charles “Banker” Manatt’s control of the Democratic National Committee wouldn’t last a week, and the party quickly purge itself of similar KGB “assets.”

Perhaps sensing their day is already over, the Harrimanites have been babbling venomously against the President. Ted van Dyk, of the Harrimanite political action committee Center for National Policy, described the President’s March 23 speech as “a Hinckley finish—the insanity defense.” Sen. Spark Matsunaga (D-Hawaii) and Sen. David Durenburger (R-Minn.) showed up in the Senate chamber after midnight as Armstrong was speaking on behalf of his resolution to complain that beam weapons were “destabilizing.”

# LaRouche discusses the bipartisan challenge and the question of his presidential candidacy

*The following statement is part of a press release issued March 26 which reported on EIR founder Lyndon H. LaRouche's response to President Reagan's March 23 defense policy statement. Mr. LaRouche was a candidate for the Democratic Party's presidential nomination in 1980. The first section of the release appeared in the April 5 issue of EIR.*

"This is the moment to report to my fellow-citizens on my thinking concerning the 1984 Democratic Party's presidential nomination. Given the great act of statesmanship which President Reagan accomplished with last evening's televised announcement, should I seek the Democratic presidential nomination, and so seek to be President Reagan's competitor in November 1984?

"As it should be well known, it has been my repeatedly-stated policy and practice since President Reagan was elected in 1980, that responsible Democrats should develop a bipartisan posture toward the Reagan Administration. This continues to be my view, a view richly justified by the step which President Reagan took last evening.

"It has been, and continues to be my policy, that the great political parties of our nation have no proper self-interest as parties except the most vital interests of our nation. The proper definition of their competitive activities under our Constitution is to produce candidates qualified for office, to seek to elect qualified candidates, to develop and advance policies consistent with national interest, and to provide effective mechanisms of checks and balances in both the policy-deliberating processes of government, and in checking possible abuses by an incumbent Executive, Legislature, and Judiciary. In the end, we must seek to unify around bipartisan policies representing the vital interest of the Federal constitutional republic as a whole. In brief, I am an American Whig, in the tradition of Mathew Carey's great book, *The Olive Branch*, and the *Harmony of Interest* of his son, the great American economist, Henry C. Carey.

"Over the recent decade, especially since my campaign for international monetary reform during the 1974-75 period, I have acquired a role and functions which go far beyond my activities as a member and leading figure of our Democratic Party. During that period, I first received the hostile, personal attention of then-U.S. Secretary of State Henry A. Kissinger

and his associates, and for the same reason Kissinger and those associates continue to make themselves my adversaries worldwide today, I have acquired increasing influence and significant moral responsibilities worldwide.

"As a private citizen and patriot of the United States, my increasing influence internationally means special kinds of responsibilities, including the discovery and definition of policy-options which are consistent with the most vital interests of both the United States and those of those foreign nations which are either our allies or negotiating partners. This activity has assumed an importance of the highest quality the work of a private citizen of our republic may achieve. It is an activity which is of importance to any President of our republic whose principles are consistent with those of the founders of our constitutional republic. It will therefore probably be the case, that I shall be of service to any such President of our republic in this capacity.

"Concretely, as the point is frequently stated to me by influentials inside and outside of our nation's capital, why should I introduce a possible factor of complication into this important work I do, by bringing upon myself the special problems I must incur by contending for the Democratic presidential nomination? It is sometimes said, 'Since there is no factor of personal ambition in your past or present efforts to become President, you don't really need the job, and would be personally most content with increasing your present role as a private citizen of exceptional international influence.'

"It is true, that insofar as President Reagan or any other President adopts and implements those policies which are in urgent interest of our republic, I would prefer not to undertake a campaign for that office myself. I would prefer to be an elder statesman, collaborating with new and old friends of various strata of influence on behalf of various good causes, in various parts of the world.

"There are two reasons I would campaign for the Democratic presidential nomination of 1984. I would be an excellent President of our republic, especially under the present conditions of grave crisis. My leading accomplishments as an economist, my knowledge and personal connections in most continents of the world, and other advantages of knowledge and experience, are resources of knowledge and commitment to command decisions on vital issues almost non-existent among other visible candidates. Perhaps it is indis-

pensable that a figure of my qualifications must be President under the conditions of crisis of the 1980s; perhaps it is sufficient that I be an advisor to Presidents. The answer to the second question is more sharply defined: one of the great parties of our nation, the Democratic Party, is being destroyed from within. That Party urgently needs a leader, a man for a time of great crisis, who can rebuild the Party, who can uplift it through his functions and responsibilities as its chief spokesman.

"This rebuilding of the shattered Democratic Party, to make it once again the party of Franklin Delano Roosevelt, is indispensable for the preservation of democracy during the period of crisis now unfolding. If the Democratic Party's role in our nation continues to degenerate as it has since the beginning of the 1970s, the irresponsible behavior of that party on the grave policy-issues of our nation threatens the institutions of democracy itself.

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*'One of the great parties of our nation, the Democratic Party, is being destroyed from within. The party urgently needs a leader who can uplift it, to see the existence of our republic as dedicated to a higher purpose. It is not an exaggeration to say that unless I run, Manatt and Kirkland would probably flip a coin to decide who is to receive a rigged nomination. I am therefore not unavailable as a candidate.'*

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"The Democratic Party must become once again the party of harmony of interest among industrialists, farmers, laboring men and women, and our unemployed and minorities. It must become again a great party which finds common solutions to the separate problems of each part of our people.

"Our people must have an immediate end to the new great economic depression crushing us. The great industrial cities of the Midwest must blossom in prosperity again. Our cities must be rebuilt throughout the nation. Our farmers, who are being destroyed at an accelerating rate, must be respected for the great work they do on behalf of a hungering humanity.

Our minorities must at last live under conditions in which the only difference in quality among persons is the development of their mind and morality, and in which all persons are afforded equal opportunities to develop those potentialities. We need to become once again a nation which knows the difference between right and wrong, and which acts accordingly.

"We must recapture the vision which Dr. Benjamin Franklin imparted to the republics of both Europe and the Americas through that great international conspiracy against Britain which he began to organize in 1766, ten years before our Declaration of Independence. We must, like Franklin, see the existence of our republic as dedicated to a higher purpose, that a world-order among sovereign-state republics, based upon the same principles underlying the founding of our constitutional republic, shall be established as a community of principle among nations. This was Dr. Franklin's principle, as it was restated by U.S. Secretary of State John Quincy Adams in formulating the 1823 Monroe Doctrine.

"This requires a world committed to scientific and technological progress, a world able to afford each person the development and opportunities which our conception of individual rights demands.

"When our nation commits itself as a powerful force for a great and higher purpose, each citizen of our nation partakes of his or her part in making that greatness possible. We must become once again such a great people.

"For these reasons, I shall most probably become a candidate for the 1984 presidential nomination of the Democratic Party.

"It is not an exaggeration to say that unless I run, Democratic Chairman Manatt and AFL-CIO President Kirkland would probably flip a coin at the 1984 convention, to decide whether Walter Mondale or Senator John Glenn is given the nomination by a pre-rigged assembly of delegates. That would be a disaster for our Party and a moral disaster for the United States. I do not know whether even I could win over President Reagan in 1984; I do know that Charles Manatt and Lane Kirkland have leading moral responsibility for the present worldwide depression, because of their continuing efforts to defend Paul Volcker and his policies, from Spring 1981 to the present date. A candidate, such as a Mondale or a Glenn, handpicked by those two carrion-crows of disaster, does not deserve to be President of the United States, lacks the moral qualifications to be President, and will probably be repudiated by angered voters who have had their fill of Volcker's depression.

"I am therefore not unavailable for the nomination. I will make my final decision, whether to enter the campaign, on the basis of advice and indications of possible support I receive during the coming eight to ten weeks.

"In the meantime, President Reagan will have my energetic support for his statesmanlike fundamental change in the strategic doctrine of our republic."

# Justice Department covers for murder

*The following release was issued on March 31 by NSIPS, the publisher of EIR.*

New evidence disclosed in court proceedings has demonstrated conclusively that the U.S. Department of Justice is engaged in a continuing coverup of the 1980 assassination of a prominent anti-Khomeini spokesman.

The coverup is believed to stem from the Carter administration's agreement during the Iranian hostage crisis to protect the Ayatollah Khomeini's terrorist agents operating within the United States. An immediate result of this policy was the July 22, 1980 assassination of Ali Akbar Tabatabai at his home in Bethesda, Maryland, by black American Muslims who were deployed by Iranian agents in the United States. The actual assassin—David Belfield a.k.a. Daoud Salahuddin—was allowed to escape to Geneva, Switzerland, and thence to Iran.

Recent efforts by attorneys for this news service to subpoena U.S. government documents concerning the assassination have met with a stone wall erected on the claim of "state secrets," a legal privilege properly applied only to military and foreign policy information requiring the utmost secrecy. (See *EIR*, March 29.)

Subpoenas issued to various U.S. agencies in the civil case *Hashemi v. Campaigner Publications, et al.* were met by a formal claim of "state secrets" privilege, even though much of the subject matter of the subpoenas simply involves reports on domestic law enforcement investigations carried out by the FBI. Nevertheless, the Justice Department has claimed that "because of the sensitivity of the information at issue," no FBI documents whatsoever can be publicly disclosed. Even the affidavits from the FBI and Justice Department in which the "state secrets" privilege is asserted have been put under a "secret" classification.

A year after the Tabatabai assassination, conspiracy indictments were brought against the escaped Belfield and three other black Americans; two were eventually convicted. But the known Iranian conspirators and controllers of the operation were never arrested or brought to justice.

During the criminal prosecutions of the Tabatabai assassination conspiracy, testimony was given which established that the conspiracy was launched in the Iranian Interests Section of the Algerian Embassy, and that the direct orders to kill Tabatabai were given in the Iranian Interests Section. (After the closing of the Iranian embassy, Iranian "diplomats" and agents operated out of the Algerian embassy in

Washington.) It was further established that David Belfield was employed as a security guard in the Iranian Interests Section.

The individual identified by numerous sources during 1980 as Belfield's controller and as the person who gave the assassination orders was Iranian-born Bahram Nahidian, a Washington rug-dealer believed to be the station chief for Khomeini's secret police, the Savama. Nahidian is also a leader of the "Islamic Education Center" in Washington, often frequented by those indicted for the Tabatabai killing; Belfield in fact had given the Islamic Center as his address.

## Nahidian's deposition

In a deposition taken on March 24 in the Hashemi case, Nahidian testified as to his close association with Belfield and others indicted for the killing, describing Belfield as "a very good [Muslim] brother." He also disclosed that Belfield is now in Iran. Nahidian further testified how he recruited U.S. black prisoners into the Muslim Brotherhood, which included giving "Islamic" training in prison to Horace Butler (a.k.a. Ahmed Rauf), one of those convicted in the Tabatabai murder case. In the court-ordered deposition, taken by attorney Daniel Aharoni on behalf of the Campaigner and *EIR* defendants, Nahidian described himself as very close to all the leaders of the revolution in Iran, particularly parliamentary leader Ibrahim Yazdi, and told of many meetings with the Ayatollah Khomeini in order "to regain my strength." He also revealed that during the Iran hostage crisis he was invited to have lunch with a top White House official, and then was invited to meet President Carter, an offer he claims to have refused.

Edward Spannaus, litigation representative for Campaigner, *EIR*, and other defendants in the Hashemi case, charged that the U.S. Justice Department is engaged in a flagrant coverup of its own and the Carter administration's role in protecting Iranian terrorists in the U.S. "There is absolutely no reason for the Justice Department to claim that files concerning a straightforward murder investigation should be withheld under the 'state secrets' privilege, unless the murder was carried out under the protection of the Justice Department and State Department in the first place. During 1980 *EIR* charged that the Civiletti Justice Department was covering up for the assassins of Ali Tabatabai, and that they had given Khomeini agents a 'license to kill' within the United States.

"Now, the fact that the Justice Department is refusing to disclose lawfully subpoenaed FBI files in its possession concerning the Tabatabai assassination and Iranian terrorism, proves just how right we were in 1980. The fact that these documents are being sought as evidence by U.S. citizens, citizens who are defendants in a libel suit brought against them by an acknowledged Khomeini agent and Iranian citizen, leaves no room for doubt where the sympathies of the Justice Department lie."

## Democrats call for reemphasis on space

Overshadowed by President Reagan's call for a scientific and technological mobilization to develop new strategic defensive weapons, a group of Democratic senators on the Commerce, Science and Transportation Committee introduced legislation on March 24 to re-evaluate and re-emphasize America's effort in space. Led by ranking Democrat Ernest Hollings, the co-sponsors include Howell Heflin (Ala.), Daniel Inouye (Hawaii), Wendell Ford (Ky.), Don Riegle (Mich.), Frank Lautenberg (N.J.), and Republican Sen. Slade Gorton (Wash.). Gorton and Heflin are, respectively, chairman and ranking Democrat on the Subcommittee on Space and Science.

In introducing the National Commission on Space Act (S.955), Hollings points out that 25 years have passed since NASA was established, and new questions about the U.S. role in space involving the Shuttle, commercialization, and military purposes now present themselves. He added, "No matter how one chooses to characterize the coming era, it should be one of national opportunity. To realize those opportunities, however, will require a revitalization of this country's commitment," and calls for a year-long study, under the auspices of a National Commission on Space, to assess these questions.

Although the time frame set in the legislation may mean its proposals are eclipsed by the President's commitment to space-based directed energy weapons systems, the spirit manifest by the legislation's sponsors indicates that a strong bipartisan base of support should develop as the President further elaborates his program. Hollings stated, "We need to mobilize our national spirit and resolve the way Pres-

ident Kennedy did almost two decades ago. It is time again to support our creative and talented people." Heflin, a critical supporter of advanced laser research added, "NASA, since its establishment in 1958, has had phenomenal success in its programs of research, technology development, and space utilization for the benefit of all mankind."

## EPA attacked again, for environmentalism

Amidst all the congressional attacks on the Environmental Protection Agency (EPA) in an attempt to Watergate the Reagan administration, Rep. Samuel Stratton (D-N.Y.) has finally attacked them for a good reason. "For some strange reason EPA appears bent on eliminating all technologically related sources of radiation exposure," Stratton charged, "even when that radiation is below the radiation we get from the Earth. . . ."

Stratton said that EPA's "little-noticed regulatory emphasis" is of particular concern because of its effect on "very important activities related to defense and to our all-important nuclear deterrent."

EPA has made 25 millirems the acceptable limit on doses to any organ of the maximally exposed person from uranium fuel cycle activities, and is planning to impose a 10-millirem limit for other activities, including those related to national security activities. Average natural background exposure in the United States from the Earth, flying in planes, and so forth, is 100 to 200 millirems.

The National Council on Radiation Protection, the International Council on Radiation Protection, and the International Atomic Energy Agency all support the traditional ex-

posure limit of 500 millirems. Further, as Stratton pointed out, "there are no epidemiological studies . . . linking exposure to radiation at levels less than 1,000 to 2,000 millirem per year to any ill health effects."

"President Reagan has expressed support for a policy that would encourage atomic energy technology in this country," Stratton said. "But that policy is clearly under concerted attack at EPA, or at least EPA's Office of Radiation programs, headed by Mr. Glen Sjoblom. The Nation is well on its way to losing its leadership . . . in atomic energy technology."

Stratton warned that EPA's endeavor to prevent exposure of any person to an incremental increase in radiation without that person's consent, "must be recognized for what it is: a repudiation of representative government." The EPA regulations come from a "general fear of radiation . . . based on public—and media—misconceptions and misinformation. . . . It amounts to espousing anarchy. . . . It is certainly clear that we could not have a technological society—and a high standard of living—if this were pursued across the board. Simply put, there is no technology without some risks. . . . To require such consents is equivalent to foregoing technology. The necessary conclusion of adopting such a policy would be for us all to return to caves and trees. It certainly would lower standards of living and shorten life expectancies," he concluded.

## Levin wants to legislate national sacrifice

Senator Carl Levin (D-Mich.) and leading corporatist Rep. Stanley Lundine (D-N.Y.) introduced the Nation-

al Industrial Development Act (S.965) on March 24. While the legislation alleges to be an effort to provide a strategy to renew the American industrial base, a critical provision in the motivating language shows it to be another Felix Rohatyn-style vehicle for imposing austerity on both American workers and industry.

The legislation would establish a National Industrial Board composed of labor, industry, members of Congress, cabinet officers, and representatives of groups "challenging the status quo" such as environmentalists, consumerists, and minorities. The purpose of the board would be to develop a "consensus" on a national industrial strategy. But in the findings and purpose section, Levin states that "such a strategy will succeed only if it has the common support of the principal sectors of the economy, including business, labor, government, and the public; and each sector is willing to make sacrifices to ensure mutual recovery."

While less far-reaching than the Felix Rohatyn-proposed Reconstruction Finance Corporation, which would make credit available to industry and labor that have met austerity conditions, the National Industrial Development Act falls within the same category of neo-fascist strategies disguised as an "industrial strategy."

## Opposition to IMF weakened by populism

During the last week of March a number of congressmen stated their opposition to the International Monetary Fund quota increase, or attacked the IMF. But the attacks have been utterly inadequate to stop the quota increase, and in almost all cases the criticisms have been made on economically or

politically incorrect premises.

Jesse Helms (R-N.C.), the only one to vote against the IMF quota increase in the Senate Foreign Relations Committee, argued that all the economic problems cited by the administration as reasons to bolster its quota increase request had been solved. "We have almost eliminated inflation," said Helms. "The oil shock we are now experiencing is a massive reduction in the price of oil, interest rates have fallen almost 80 percent in two years, the recession is over [sic], and no amount of American largess will help a nation 'adjust to a rapidly changing world economic environment.'" Helms advocates the Mont Pelerin Society-backed plan that the IMF sell off its gold as the means for raising funds to attempt to sustain world debt refinancing.

In the House, Rep. Dan Glickman (D-Kan.) introduced legislation March 23, "to require our U.S. director of the IMF to cast our vote against any use of any resources of the Fund by members of the IMF which fail to take steps to eliminate all import restrictions and unfair export subsidies which serve to effectively restrict exports from the United States"—a measure that fails to deal with the inability of debt-burdened nations to import U.S. produce.

Rep. Frank Annunzio (D-Ill.), a member of the House Banking Committee, complained that the IMF quota means a bailout of the banks. "I hope that the Congress will do everything in its power to help those Americans who really need its help, before even considering coming to the rescue of imprudent bankers and debt-ridden developing countries. . . ." Annunzio said. "It is quite obvious to me that this is nothing more than a disguised ploy to save the banks. . . . Quite frankly, I wonder why the administration wants to go to the trouble of giv-

ing the money to the IMF to give to the countries to give to the banks. It seems to me that it would be far simpler to cut out all the middlemen and just take the money from the U.S. Treasury and hand it over to the large banks."

Rep. Marcy Kaptur (D-Ohio) put articles into the *Congressional Record* from the *New York Times* on how the IMF money is "exporting" U.S. jobs by enabling developing-sector nations to develop their own industries.

Rep. Ron Paul (R-Tex.) charged in the *Record* March 24 that the "proponents of big government policies . . . are seeing to it that the wealthy big bankers get their bailout. The budget resolution passed yesterday contains \$8.4 billion for further IMF funding," Paul said. "I realize the budget resolution was directed toward the benefit of welfare recipients, but I really do not think the bankers who made unwise foreign loans are all that deserving."

As an alternative, Paul pointed to his Monetary Freedom Act (H.R. 878), which he introduced on Jan. 25. "Since I first introduced this bill in 1980, our monetary situation has worsened," Paul stated. "Real interest rates continue at extremely high levels, the Federal Reserve is increasing the money supply at annual rates of 16 to 18 percent, and a major debt crisis threatens to collapse our international house of cards." Paul states that a "complete reform of our monetary system is imperative." As a monetarist of the Mt. Pelerin Society school, however, Paul is proposing an even more severe contraction of credit that the Fed's high interest rates have brought about, by tying credit directly to the United States's undervalued gold supply, rather than revaluing gold in relation to national requirements for productive industrial expansion.

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# National News

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## Manatt Democrats scramble into Chicago

The Democratic Party leadership under Charles Manatt is focusing its national forces on Chicago Democratic Mayoral candidate Harold Washington. Washington's career was built by the University of Chicago-Jesse Jackson organizations committed to dividing a once-industrialized Chicago into warring camps along racial lines.

The Democratic National Committee has formed a task force to coordinate support operations for Washington. Groups of Democratic officials descended on Chicago in the last week of March, led by presidential candidates Walter Mondale and John Glenn, and including Sen. Ted Kennedy and DNC officials. As some commentators point out, this influx may well have a negative effect on Washington's campaign.

With former Philadelphia mayor Frank Rizzo's endorsement March 27 of Chicago Republican Bernard Epton, the racial issue is being brought to the fore by the national press. Top urbanologists and criminologists at Philadelphia's Wharton School concurred that the seeds for racial conflagrations exist, given the effects of the depression on minority populations. However, unlike the 1960s, the ghetto militancy is disorganized, said one Wharton School spokesman.

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## NDPC's Kahl collects 35 percent of the vote

Sam Kahl, the National Democratic Policy Committee-backed candidate for school board in a suburban district near Portland, Oregon, won 35.3 percent of the vote in that election March 29. The voter turnout was small—as low as 10 percent—due to a rainstorm, and the race was a local contest in the 13,000-family community of David Douglas School District 40.

But the significance of the outcome of Kahl's race surpasses any of these restraints. The necessity for an American beam weapon

program was the hallmark of Kahl's campaign—well before President Reagan announced the development of a beam defense program as national policy March 23, and votes for Kahl were in support of President Reagan's beam weapon program.

Secondly, points out NDPC West Coast coordinator Will Wertz, the 35 percent polling for Kahl breaks the under-1-percent fraud barrier that had been thrown against LaRouche Democrats by the liberal Harrimanite section of the Democratic Party run by Charles Manatt. "Ever since the primary races of 1982, when LaRouche Democrats in both eastern cities and Midwest farmland districts received between 20 and 40 percent of the vote, the Manatt crowd has been working overtime to see that the NDPC is kept under 1 percent of the vote—no matter how brazen the fraud in order to accomplish it," said Wertz. "The Kahl campaign has cracked the pattern—and accomplished this in the state of Global 2000 supporter Mark Hatfield.

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## Bandaid for offshore offered in Senate

A group of senators introduced legislation which attempts to address the problem of international cash laundering and foreign tax havens and their role in international narcotics trafficking the last week of March. Sponsored by Senate Permanent Investigations Subcommittee chairman William Roth (R-Del.), the bill, S.902, follows extensive subcommittee hearings and a staff report on "The Use of Offshore Banks and Companies" in the international narcotics arena.

While the legislation and the subcommittee address some of the loopholes in the bank secrecy act which have plagued law enforcement officials for some time, the proposed legislation will not facilitate prosecution of the international private fortunes which created offshore banking.

The subcommittee report cites a 1980 study on crime and the Euromarkets by the director of the Swiss Banking Commission, N. J. Muler, which treats the Swiss banks

as "victims rather than perpetrators of crime." In the past, subcommittee reports have lauded programs in the capital of Dope, Inc., Hong Kong, as an example of a national effort to curtail drug trafficking.

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## Lane Kirkland punts on beam weapons

One week after President Reagan's March 23 speech proposing a beam weapon anti-missile defense, Lane Kirkland's AFL-CIO still has no position on either the speech or the beam weapon program, nor will they have anything soon. Admitting that Kirkland and his kapos in the AFL-CIO leadership were taken by total surprise by the President's speech, a top AFL-CIO spokesman said March 30 that Kirkland saw "absolutely no urgency in commenting on the program at this time. Nothing has really happened."

When informed that the President had overturned 30 years of support for the MAD doctrine, the spokesman commented: "That still doesn't mean we will say anything. We have no specific reaction at all."

The spokesman reported that the AFL-CIO would review the President's proposal in a special group set up by Kirkland and chaired by Ironworkers President John Lyons. The committee, which is effectively controlled by Kirkland aide Tom Kahn, is also reviewing other defense systems such as the MX. They will make a recommendation on the beam weapons program to the AFL-CIO executive council for either its May or August meeting.

The spokesman doubted that the AFL-CIO would work in a bipartisan spirit with the administration for their proposed program, regardless of what the executive council decided. "We refuse to take the administration for its word on anything," he stated. "We want to see their proposals. We reserve the right to criticize Reagan."

On a related subject, the AFL-CIO spokesman reiterated support for the recently passed House Democratic Budget, which Defense Secretary Caspar Weinberger said March 29 had its inspiration from MAD ad-



## Briefly

herent Robert McNamara's demands to slash high technology strategic weapons programs. The AFL-CIO spokesman argued that the federation did not support the extent of proposed cuts in the defense portion of the budget, yet would prefer to see the entire budget passed rather than the Reagan proposals. The AFL-CIO is on record backing a slash in the defense budget.

### Arax fails to appear before Baltimore judge

*Baltimore Evening Sun* reporter Mark Arax and his attorney were denounced in a Baltimore federal court March 28 for their arrogance by U.S. District Judge Norman Ramsey. Arax had brought a motion to quash a subpoena testimony in the lawsuit, *LaRouche et al. v. William H. Webster*, now pending in the Southern District of New York, and had failed to show up for his deposition.

Arax had written a series of scurrilous articles for the *Baltimore Evening Sun* on Debra Freeman, a LaRouche Democrat and former Baltimore congressional candidate. The articles were then used as the initiating documents for an FBI investigation of Freeman's campaign finances.

The *Evening Sun* said the reason for its hatchet job on Freeman was that she had received "too many uninformed votes" in her fall 1982 primary race against liberal Rep. Barbara Milkulski. Freeman received 19 percent of the vote officially, and was reported by election officials to have actually received 38 percent of the vote.

Newsmen are not to decide for themselves what they will and will not testify to, said Judge Ramsey, adding that the act of not showing up for the deposition and then moving for a stay constituted "defiance" and "arrogance" concerning the issuance of a federal subpoena.

Judge Ramsey noted that the federal courts have been extremely protective of newsmen, but decisions concerning the scope and relevance of testimony were reserved for the courts and not for "newsmen or their

attorneys." Ramsey concluded by saying that he and other judges in the federal court in Maryland were extremely upset by the arrogant posture taken by the media toward the judicial system in this and other proceedings.

The National Caucus of Labor Committees, the LaRouche political cadre organization, moved to enjoin the Baltimore FBI investigation in *LaRouche v. Webster*, the NCLC's longstanding New York lawsuit seeking to permanently halt FBI Cointelpro operations against LaRouche and the NCLC.

### Jesse Jackson: blacks can't do arithmetic

At a campus forum at Northeastern University in Boston, Massachusetts on March 27, where he was attempting to organize support for his "independent" presidential campaign, Jesse Jackson declared his opposition to President Reagan's policy of developing defensive beam weapons.

Jackson told the audience of 350 that "The U.S. should not base our policy on a Russian bear creeping through a window of vulnerability." Jackson strongly supported the nuclear freeze movement in his prepared remarks.

Asked if he would endorse Congress of Racial Equality (CORE) head Roy Innis's statement of support for the President's beam-weapon development program, Jackson stated, "I won't endorse any Reagan policy, no matter who else endorsed it." In response to a question from Bill Ferguson, National Democratic Policy Committee-endorsed candidate for the Boston school board, on how Jackson could support a movement led by former Defense Secretary Robert McNamara, the "butcher of Vietnam," Jackson stated: "I'm against genocide, but I'm also against nuclear proliferation."

Ferguson asked Jackson if he didn't think that blacks should become physicists and engineers, who would be needed for a national effort to develop beam weapons. Jackson replied, "What are you talking about? They can't even do arithmetic."

● **THE MORAL MAJORITY** endorses AFL-CIO President Lane Kirkland's support for a bill sponsored by Sen. Sam Nunn (D-Ga.) which would provide for immediate removal of union officials from office upon conviction of wrongdoing, rather than after the appeals process is exhausted. The April 1983 issue of the *Moral Majority Report* argues that the legislation is warranted, contrary to all legal precedent, because unions are too strong anyway. "AFL-CIO President Lane Kirkland, much to his credit, supports the bill," the article states.

● **DR. BARNEY CLARK**, the recipient of the world's first artificial heart, has been nominated for the Presidential Medal of Freedom by Reps. Frank Guarini (D-N.J.) and Rod Chandler (R-Wash.). Chandler praised the late Dr. Clark for "his courage and positive outlook in volunteering for the role which allowed this phenomenal technology to be analyzed," and which "has established him as a pioneer. . . . Each operation seemed to make Dr. Barney Clark more determined to live, seemed to make his will to live grow stronger. . . . He demonstrated tremendous bravery and tenacity in his fight for survival in one of the most outstanding medical achievements of our time."

● **THE CLUB OF LIFE** held a meeting in Atlanta, Georgia on March 22. The keynote speaker was Fred Wills, a founding member of the international organization, former foreign minister of Guyana, and a member of the group of Third World leaders who fought against Henry Kissinger in 1976 at the Non-Aligned summit meeting on behalf of a debt moratorium policy. Also speaking was Tom Kersey, president of the American Agriculture Movement in Georgia.

## Editorial

### *The New York Times: tactics and strategy*

Next month marks the centenary of the opening of New York City's Brooklyn Bridge, the world's first large steel-cable suspension bridge, which proved that non-rigid steel structures could bear heavy traffic loads on spans of over a thousand feet between piers. The bridge generated tremendous enthusiasm in the population—as it does today. But not at the *New York Times*.

The *Times* protested that for all the money poured into the bridge, the ferries could have been offered free for a lifetime. The *Times* complained that among the throngs of celebrators, "there could have been no cause of congratulation, since not one in one thousand of them will be likely to have occasion to use the new structure except for curiosity." The *Times* railed at the fact that "stupid engineers" had modified the design of the bridge in order to allow heavy railroad trains to ride across it in total safety.

The *Times* went on to black out Thomas Edison's invention of the electric light, to campaign against electrical power, and predict that the airplane would never fly. The *Times* supported the "Nordic supremacist" eugenics movement until Hitler made it too unpopular to openly promote, and most recently, complained that Dr. Barney Clark's artificial heart was "dehumanizing" and excessively expensive.

The *Times*'s latest venture into the world of science and technology occurred on March 28, when the Washington bureau of the Associated Press released an extensive interview with *EIR* Contributing Editor Uwe Parpart-Henke, the research director of the Fusion Energy Foundation. The subject was the President's new policy of advanced-technology beam weapon antiballistic-missile defense, a policy which Parpart, as one of the few scientists deeply familiar with the questions involved, endorsed and explained.

The interview was published at once by the *Los Angeles Times* and the *Albuquerque Times*. Parpart-Henke was asked to appear on CBS national network television

the next day, as well as ABC network radio and the Canadian Broadcasting Network. Alarm bells went off in the offices of those who dictate policy to the *Times*.

By mid-afternoon, the Fusion Energy Foundation discovered that AP had sent out an "advisory" noting that the *New York Times* had objected to the Parpart-Henke interview, and promised a "more balanced" story later in the day. AP editors cited to FEF personnel the slanders against the FEF and its board member Lyndon LaRouche as violent anti-Semites—characterizations found slanderous in a Paris court of law in 1981, when the *International Herald Tribune* was fined for reprinting the *Times*'s formulas, which the court deemed lies.

The second AP story on Henke-Parpart turned out to be perfectly accurate, describing the FEF as the leading proponents of the President's policy, while quoting various specialists, who have since declined to engage in public debate on the matter, deploring the dangers of "excessive optimism."

The intentions of the *Times*—which frantically editorialized against anti-missile defense, but restored its façade of objectivity by printing an excellent "op-ed" by Dr. Edward Teller on March 30—are fairly obvious.

The policy faction the *Times* represents, the faction of Henry Kissinger, Cyrus Vance, and former Defense Secretary Harold Brown (who battled for years against beam-weapon programs), cherishes the Mutually Assured Destruction (MAD) doctrine, as we document in this issue of *EIR*.

These are the people who created the current economic collapse with the express purpose of permanently lowering advanced-sector living standards and confining the underdeveloped sector to "appropriate technologies," their euphemism for mass murder. These are the people who use arms control as a weapon against progress. These are the people who wanted to torpedo the Brooklyn Bridge.

# EIR

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