

concedes the defect. Goods going through these transshipment points do not actually undergo the otherwise-applicable export licensing procedure, which makes easier their uncontrolled transshipment to third countries."

The specific categories of goods involved center on certain computer and related components, rather than computers as such. The analysts of the *Financial Times* note that there are irreconcilable discrepancies between Soviet and OECD data, especially for such categories as "computers" and "computer spares (components)." They have detected a major change in Soviet buying patterns during 1983-84, including a collapse of computer exports and an explosion of computer components. During the published 1984 report on Soviet 1983 trade, the Soviets introduced a data line on computer spare parts alongside their "computers" entry in their official yearbook of trade statistics.

What is interesting is that the Soviet data showed irreconcilably higher results than the OECD data published by the organization's Paris secretariat. At the same time, according to Western computer manufacturers who claimed to have

EIR's study concluded that the Soviets had a portfolio of no less than \$50 billion in the West, mainly invested in partnerships with Western corporations which supply the Soviets with a number of requirements. The Soviet "fondo" included access to over \$50 billion in foreign-exchange credit lines for speculative purposes.

visited the facilities, the Soviets created state-of-the-art manufacturing facilities to mass-produce 8- and 16-bit computers, presumably entirely for military purposes. The 16-bit computer is called "Iskra." The Soviets' reported problem is no longer manufacturing computers of that size, but rather ensuring quality control, and their component imports reflect the need to supplement such production.

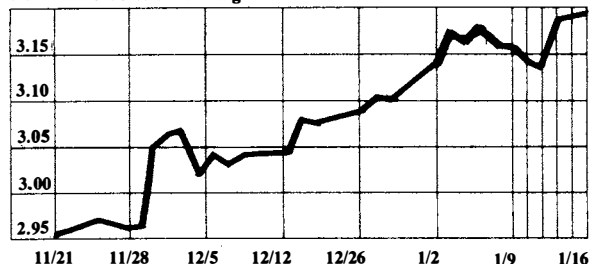
Manufacturing capacity for computers reflects highly sophisticated Western technology, which the Soviets presumably put together as a matter of total military necessity, with the single-minded priority with which the Soviets have eliminated virtually all civilian investment in favor of their military buildup.

The nature of the Soviets' investment as well as the reported foreign technology-acquisition program corresponds to Western strategic estimates that the Soviets are proceeding on a crash basis to emplace an anti-ballistic missile system.

Currency Rates

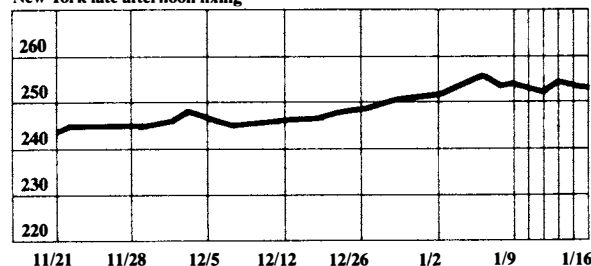
The dollar in deutschemarks

New York late afternoon fixing



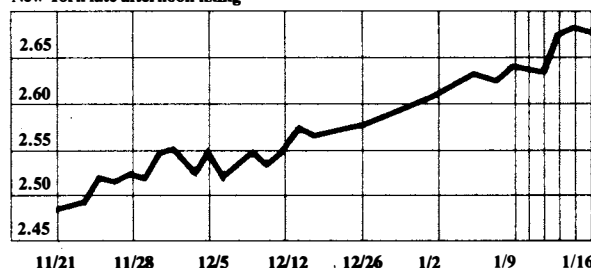
The dollar in yen

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

