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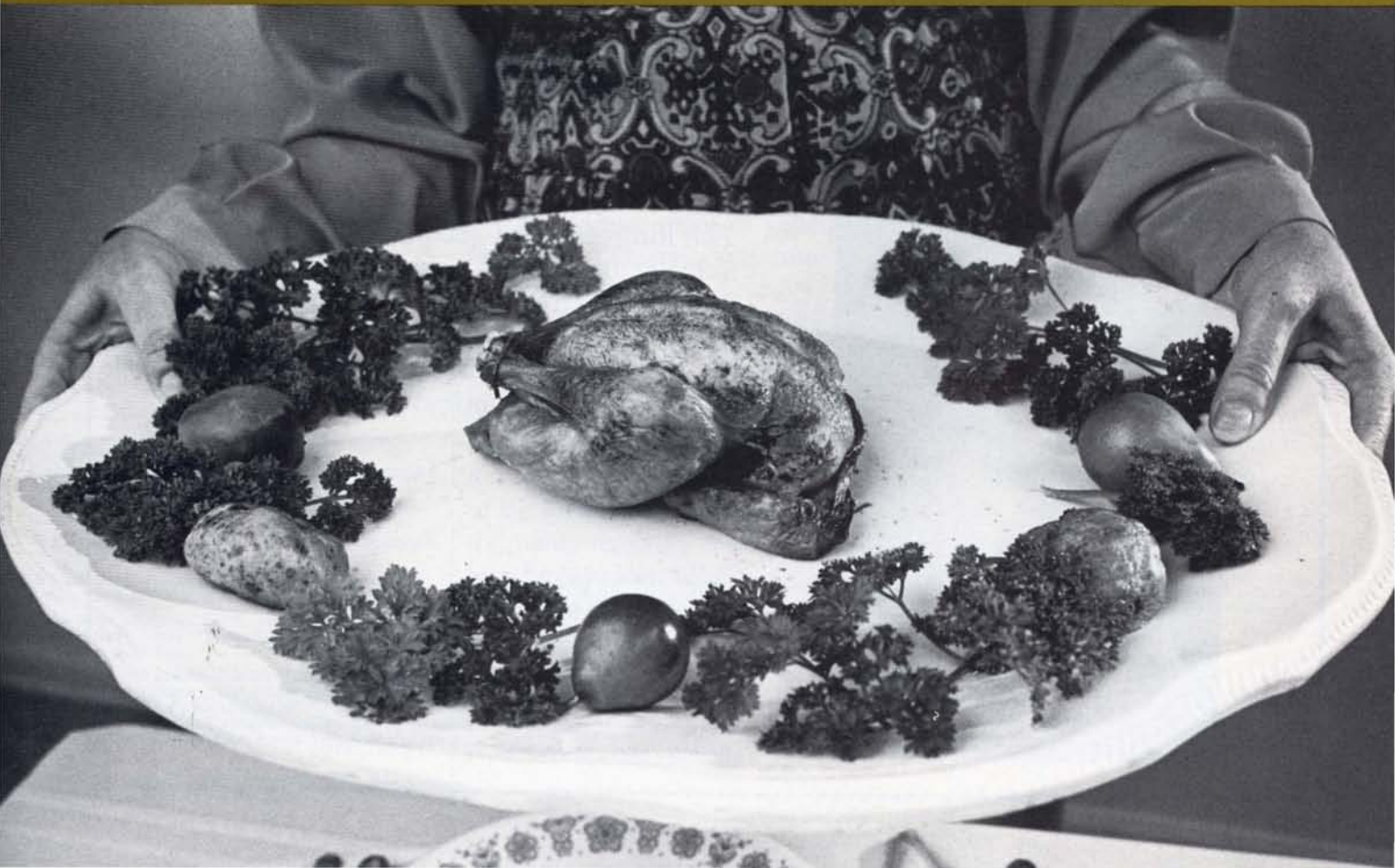
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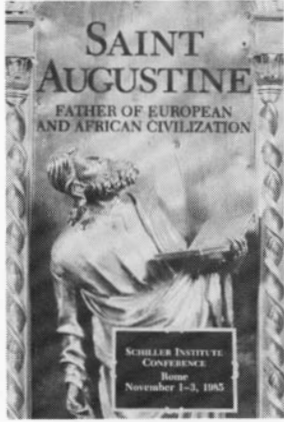
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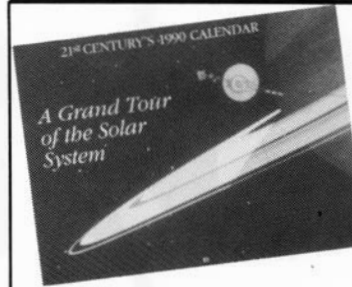


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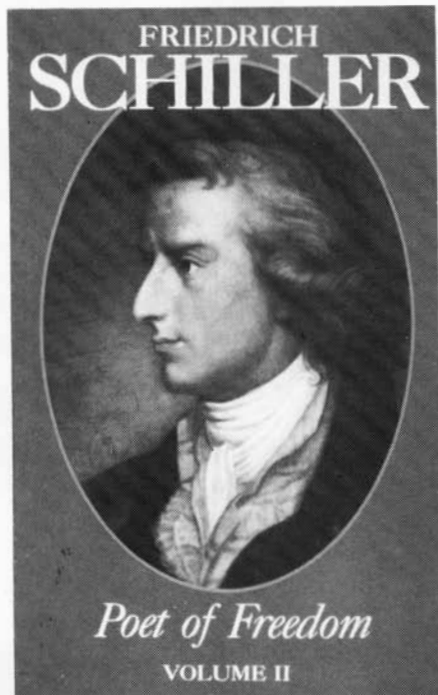
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It is Thanksgiving week in the United States, and indeed we must all be thankful to God for the new birth of freedom that we are witnessing in Eastern Europe. But the traditionally bountiful Thanksgiving dinner is becoming a thing of the past; the food supply is shrinking as dramatically as the “turkey” pictured on our cover, endangering the precious freedom for which so many have risked their lives.

In Chicago over the first weekend of November, representatives from five continents (North and South America, Asia, Europe, and Australia-New Zealand) met to discuss frankly the dimensions of the world food shortage, and to map out the programs needed to reverse the crisis. A major feature of their proceedings was the fight for freedom against tyranny, because whether the solutions to starvation will ultimately be applied, is a political question. The *Feature* presents a panorama of that conference’s panels on the food production issues.

Otherwise, our attention is very much directed toward Europe: from the visit of Poland’s Lech Walesa to Washington in mid-November, covered by our D.C. correspondent William Jones (p. 56); to a report on how developments in Berlin are effecting a peaceful revolution in Europe, filed by Rainer Apel from our bureau in Wiesbaden, West Germany (p. 26); to the crucial policy formulations of *EIR* founder Lyndon LaRouche, reported in the lead article in *Economics* (p. 4).

The former chief of general staff of Switzerland’s Army, Lt. Gen. Jörg Zumstein, has granted *EIR* an exclusive interview which we print on page 42.

On the war on drugs, we have an exclusive exposé of the plans of the drug lobby to defeat the efforts of Colombia to militarily smash the drug traffickers, at the gathering of the “Drug Policy Foundation” in Washington, D.C. (p. 58). Stockholm correspondent Ulf Sandmark reports on the trip of Colombian pro-drug presidential candidate Samper Pizano to Europe, which ties into the European branch of the legalization conspiracy (p. 40). In Peru, voters have trounced the narco-terrorists and their sympathizers at the polls—but they now have to steer clear of the “free market” version of the same evil, embodied in Wall Street’s favorite Latin American pornographer—novelist and presidential candidate Vargas Llosa (p. 37).

Nora Hamerman

EIR Contents

Interviews

- 42 Lt. Gen. Jörg Zumstein**
The former Chief of the General Staff of the Swiss army warns against yielding to a political drive in Switzerland to deprive the nation of an army to defend itself.

Departments

- 13 Report from Rio**
Narco-finances in Brazil.
- 50 Dateline Mexico**
Salinas "Informe," a string of lies.
- 51 From New Delhi**
Sinhala terrorist group decapitated.
- 52 Andean Report**
M-19: wolves in sheep's clothing.
- 53 Panama Report**
OAS gives lukewarm support to U.S.
- 72 Editorial**
No more balance of power politics.

Economics

- 4 German unification could spark economic recovery**
The fears expressed by Wall Street wizards and London financiers about the grave dangers of a unified Germany dominating Central Europe, are so irrational, that it's clear they're more interested in money than in real economics. Economist Lyndon LaRouche gives some advice.
- 6 Poland's illegitimate debt problem**
On top of Soviet looting and communist mismanagement, Poland got hooked by the same 1979 Western debt trap as Ibero-America.
- 8 Argentina's Menem faces growing strife**
- 9 Currency Rates**
- 10 America's pension funds are in jeopardy**
- 11 Bankers won't invest in aged shipping fleet**
- 12 Agriculture**
'Free trade' is killing farmers.
- 14 Business Briefs**

Feature



Philip Ulanowsky

16 The world food crisis is here: Will war follow?

The third international Food for Peace conference, held in Chicago on Nov. 4-5, could be the turning-point in efforts to halt the willful sabotage of agricultural production which is bringing the globe ever closer to general war. Summaries and extracts of speeches delivered at that conference lay out the depth of the crisis as well as the policies needed to reverse it.

18 Make 1990s a decade to end starvation

20 Where the world food crisis stands now

22 U.S. Agriculture Dept. turns green

24 The crisis of U.S. food production

International

26 Poland, Germany, France at the core of changes in Central Europe

Out of the political shambles of the postwar order, a great new political alliance is emerging in Central Europe, bringing hope that true economic and political justice can prevail.

29 British, Soviets team up against Germany

30 Gorbachov postpones reform agenda

31 Why Beijing fears the Berlin upheaval

32 Pacific Soviet 'new thinking' not matching deeds in military sector

By guest columnist "Argus."

34 Socialist International maps out new plan to help Communist parties

35 Political stalemate continues in Pakistan

37 Peruvians vote mandate for total war on Shining Path terrorists

40 ADC exposes pro-drug Samper in Sweden

47 The 'Tiny' Rowland file: Part III

54 International Intelligence

National

56 Lech Walesa calls for Marshall Plan for Poland

But all he has received so far, is symbolic gestures, instead of the massive economic assistance Poland really needs.

58 Drug lobby plans counterattack on behalf of pot, cocaine cartels

The plans unveiled at the Drug Policy Foundation's Nov. 2-4 conference are a major threat to national security.

61 Did the U.S. have advance warning of the Lockerbie bomb plot?

Documentation: The investigative report on PanAm Flight 103 released by Congressman Traficant.

64 Defendants in New York 'LaRouche' case file motion for new trial

The dismissal of the government's fraudulent involuntary bankruptcy action, opens up new possibilities for a fair trial.

66 Eye on Washington

Democratic hawks sharpen talons.

68 Congressional Closeup

70 National News

German unification could spark economic recovery

In an article Nov. 13, entitled "Potential Power: Two Germanys United Would Pose Challenge to Other Economies," the *Wall Street Journal* endeavored to show the impact of German unification upon the world economy.

However, the article "was misguided in two principal respects," noted congressional candidate and political prisoner Lyndon LaRouche from his cell in a federal prison in Minnesota, where he continues to enjoy a much finer grasp of world events than do the Bush League bunglers who put him there.

"First," LaRouche said in a letter to the editor of that newspaper, "there are the authors' attempts to resurrect the old bogeyman of unified German power in the center of Europe. The flight into mysticism in paragraph 6 of the article in the sub-section 'Potential Threat,' is exemplary. Whatever is truthful in the account is rendered nonsensical by the imputed mystique of German power worthy of the irrationality of some modernist romantic in art.

"Secondly, your account actually understates the potentials developing from what has been set afoot in Europe. In fact, it is so far off the mark that one would have to presume that the present generation at the *Wall Street Journal* is so preoccupied with money matters that they no longer understand what economy is all about.

"The point is that there is no bogeyman arising out of the developments now under way. The very opposite is the case. There is a tremendous potential for good, not only for Europe, but also for the entire world. Who, after all, is going to save the United States from the self-imposed consequences of the last 25 years or so of folly, in the form of the slide into the liberals' post-industrial society, environmentalist insanity, and rock-drug counterculture, unless Europe develops the productive potential to make that possible?

"The authors have no understanding of the relationship between the Federal Republic's economy and the rest of the European economies, and therefore they don't have the ability to construct the future relationships within an integrated German economy, something which has become immediately feasible, and the consequences for Europe as a whole.

"One should simply look," LaRouche continued, "first at the normal life of transportation: of water, coastal and canal capacities, railroads and highways, and then at the question of energy development. Nuclear energy for the G.D.R. would eliminate that country's dependency on lignite. It would clean up the mass of silt which blows into the Federal Republic every day because of this reliance on coal.

"I've tracked through these things, to take up immediately the effect on Poland, and then, the enhancement of the effect on all of Eastern Europe. Because, with the normal, historical lines of trade along the coast, combined with the rail networks and the inland waterways—like the Danube—once these are opened up for development, and the necessary infrastructure is supplied, very high rates of development become possible. This was the approach I outlined at a press conference held in West Berlin's Bristol Hotel on Oct. 12, 1988.

"For the G.D.R., where energy infrastructure and productivity are not bad relative to standards in Western Europe, the main problem is what is being looted out of the economy by the Russians—extra capital, in the form of technology and improvements in infrastructure. Were that looting reduced, the G.D.R.'s skilled workforce would rapidly show very significant gains in productivity. And then the G.D.R. becomes a consumer, as well as a supplier, of the rest of the integrated physical European economy. This gives the entire

economy a tremendous boost! There's no question about it. We should be doing it.

"So," LaRouche concluded, "there is no bogeyman arising out of developments under way. What ought to be cause for concern is the dangers that arise from *not pursuing* that course as vigorously as possible. When we get momentum going in economic development in the areas indicated, then we delay, instead of accelerating, the crisis in the East bloc. As long as the Russians see growth in the West, they are going to want to benefit from it. It is when they don't see growth, that they will become desperate, and reach out and grab what they need. We have to get a juggernaut of potential production going, so that the Russians drool at the prospect that such production will be available to help get them through the brutally tough upcoming winter. In that case we have possibilities to control the situation, whereas those who want to terrorize the West by raising the old 'bogeymen' nonsense and demanding that we 'go slow, go slow,' are actually helping create circumstances for gravest crisis, and ensuring that our resources for combatting the crisis will be at their least."

What the U.S. must do

"The U.S. policy respecting the unification of Germany," advised LaRouche in another statement, "must be premised on the understanding that it is the sovereign right of each people to choose its own national destiny, and that any process of unification, we hope, will come as an affirmation of a choice by the people of the G.D.R."

"Now, the question then becomes, upon what basis would the United States recognize a process of unification of the two Germans? This divides into two questions: first, as it respects Central Europe, without consideration of the two strategic military blocs; and second, as it affects policy respecting the two strategic military blocs in Europe.

"The first question, the unification itself, should not be premised on the East Germans accepting formally any so-called 'free market' principles or pluralism per se as an ideological concept, as dictated by Thatcherism, or similar ideologies somewhat popular currently in certain circles in the West. Rather, we must say that the two Germans are spiritually united by the Weimar Classic culture associated with such figures as Friedrich Schiller and Beethoven, the Humboldts, vom Stein and others.

"The key, therefore, to the unification of Germany has two aspects. The leading aspect is spiritual, the affirmation of Beethoven, Schiller, and other examples of German classical tradition, as the point of active unity between the two portions of Germany. This is illustrated by the free concerts provided in West Berlin to those who came, virtually penniless, to visit West Berlin from the G.D.R. The cultural unity of the two Germans, and the question of the proper classical cultural spirit, means a unification process in which we in the United States, and other places, could be confident that

the unification is occurring on the highest and best moral basis possible.

"The second aspect of the unification process is economic development, primarily of the physical economy. The main problem—aside from Soviet looting—is a shortage of basic infrastructure. This means water management, and you can put most of the environmental problems under fresh-water management. The basic energy, transportation, and communications systems must also be upgraded.

"If this is done, as I've suggested, with review of Poland's development in mind, so that you have, actually, a European participation in Germany's key role in the development of Poland, along the railroad artery axis, as I've proposed, then we have an effectively European Community solution to Poland, and an EC economic development umbrella for the unification process occurring between the West and East portions of Germany."

The second general area concerns the Warsaw Pact and NATO, LaRouche said, where there is a major difference in the missions of the two sides. The only reason for the presence of Soviet troops in East Germany and the Bohemian region of Czechoslovakia, he noted, is for a "pre-emptive Soviet attack to the West, in the spirit of the Tukhachevsky Plan of the Offensive's positioning of Soviet paratroop and other forces back in the mid-1930s. It's an offensive position, pure and simple."

On the other hand, LaRouche stated, the NATO forces in West Germany represent no such offensive threat. They are, incapable of launching offensive war. "We can, therefore," he said, "consider a doctrine respecting the area which is presently the Eastern European section of the Warsaw Pact, that each of the nations in question can decide on a sovereign basis whether or not to allow any foreign troops on its territory. And secondly, the West can generally accept, I believe, the proposition that we will not station any of our troops in such territory, if the Russians pull out.

"Now, this would give the Russians what they have wanted in one respect: the zone of neutralization relative to the two pacts' positions in Europe. And I think that the President of the United States and others should consider making such an offer, at least, in philosophical terms of reference, as opposed to a concrete, detailed offer, which might be imprudent to advance too rapidly.

"But in general, on the unification of the two Germans, there is a spiritual basis epitomized by Schiller and Beethoven, and an economic basis epitomized by Friedrich List—the opponent of Marx. This unification process, so shaped, must be endorsed and desired by the U.S. as the only *feasible* German solution, rather than an abstract one

"The United States should recognize that any such development in Europe cannot but be to the benefit of Japan, the United States, and sundry other nations of the planet as a whole. We must support it, especially politically, and with suitable forms of cooperation."

Poland's illegitimate debt problem

As in Ibero-America, Poland was victimized by the 1979 Western trap—on top of Soviet looting and mismanagement. By William Engdahl.

In the recent pious pronouncements from various Western capitals about aiding Poland to become the first Warsaw Pact economy to make the transition from communism to a "market economy," nothing has been said about the prime reason, other than the incompetence of communist economic methods, that Poland is an economic catastrophe today. The West has locked Poland into the bankruptcy of Western monetarist accounting, ever since it lured Poland's government into the "promised land" of prosperity in the 1970s premised upon borrowing dollars and Deutschemarks to finance industrial reform. The actual details are worth reviewing.

First we must reexamine the history of Poland's Western debt crisis. During the mid-1970s, the Polish government of Edward Gierek, coming into power following a wave of protest strikes in 1970, launched a series of economic reforms and industrial projects with the promise of better times for the Polish people. The projects were largely financed with Western bank credits. By 1976 Poland, the largest and *potentially* most viable industrial nation in Eastern Europe, had contracted some \$10.7 billion in hard currency debt. That year imports from Western industrial nations almost topped \$7 billion.

By 1979, Poland's hard currency debt had grown to \$17 billion. When compared with the size of foreign debt of Mexico or Brazil, this figure seems small. But there is a crucial difference. Since 1945 Poland has been a Soviet-occupied nation, with Russian tanks and bayonets enforcing its political and economic policy. Poland is not trading with merely Western nations, but is being ripped apart from both West and East. Its largest trade is with the U.S.S.R. So, by 1979, of the precious hard currency reserves Poland had accumulated to purchase needed Western machinery and other goods, the nation was forced to allocate \$5.5 billion alone to service its \$17 billion Western currency debt. As a share of its annual *hard currency* export earnings, Poland was already paying a staggering 74% for amortization of debt and payment of interest on the debt.

The price of inflation

Already by early 1979 Western inflation was soaring at 12-14% annual rates in key OECD economies. This meant, all else remaining equal, Poland was forced to pay 12-14% more each year for the same machine tool or farm

tractor imported from western Europe or the United States.

But all else was not equal! In 1979 a Western "debt trap" was sprung. Poland was caught in the jaws of one of the most pernicious "scissors' crises" of recent history. Like many Ibero-American countries, Poland had fallen into the trap of taking "cheaper" bank loans via the London-based Eurodollar markets. Initial interest charges were noticeably lower, and were without the onerous domestic policy terms of loans from the International Monetary Fund. The loans, as with all such loans, had a small paragraph inserted by the banks: Interest rates were not fixed for the term of the loan; they "floated" as the London Inter-Bank Offered Rate (LIBOR) went up or down.

Before October 1979, few paid much attention to that fact. That October, Federal Reserve Chairman Paul Adolph Volcker imposed his "monetary shock" to prop up the U.S. dollar, then at a postwar low of DM 1.70. The high interest rates in the United States forced rates higher across the Western capital markets. Bank rates soared close to 20% levels. Debtors such as Poland suddenly saw their debt burden explode beyond belief: the wonders of Western banks' compound interest tables!

From interest levels of 9% in 1978, U.S. bank prime rates soared to almost 20% some 15 months later, in March 1980. This increased Poland's annual interest rate burden by more than 100%, or 150% of annual hard currency export earnings!

Background to unrest

This explosion of Poland's interest burden in 1979-80 was the real background to the domestic unrest, strikes, and government austerity. Imports were suddenly canceled in the midst of construction of new projects. In domestic Polish terms, new investment plunged 9% in 1979. Agricultural output also fell, imposing food shortages. By 1980 Poland had a collapse in meat production of almost 20%. That July the government increased meat prices by 90%. The lid blew off, as protest work stoppages spread, demanding compensation for the higher prices.

The Gierek government handled the situation poorly to say the least. By December 1981, on orders from Moscow, Poland imposed martial law under Gen. Wojciech Jaruzelski. In response, Western governments broke off debt reschedul-

ing discussions. This gave a de facto "moratorium" for Poland until 1985, when martial law was finally lifted. This hiatus was the principal reason Poland's official hard currency debt remained relatively fixed in dollar terms, rising only from \$25.4 billion in 1981 to \$26.9 billion by 1984. Poland had almost \$10 billion in arrears in payments to Western creditors by January 1985.

Rolling debt over dead bodies

But when Poland resumed Western creditor debt rescheduling negotiations in 1985, the devil ran wild again. By the end of 1986, Poland's government had concluded the third "rescheduling" agreement with the 17 Western governments in the so-called Paris Club of government creditors. West Germany, through its state "Hermes credit," was the largest such creditor.

Since 1985, Poland has gained apparent short term relief in various "grace periods" from Paris Club governments in the West, at an enormous cost of shifting current interest payments due to be added as principal for the total outstanding debt to be paid at some defined future date. This is called by Western bankers, "interest capitalization." It is one of the most insane and dangerous practices which have flourished in the international debt crises of the past decade in the West.

Because of Paris Club government agreements since 1985 to capitalize the interest due, Poland's hard currency debt has risen. Today, total Western debt, expressed in U.S. dollars, has soared to some \$40 billion, some Western banks say even \$45 billion, because of the various reschedulings. By end of 1986, Paris Club creditors held some two thirds of Poland's total debt of \$33.5 billion. Today, according to an estimate from Britain's Barclay's Bank, currently head of Poland's bank creditor committee, Paris Club governments hold 75% of Poland's total \$40 billion hard currency debt. The growth of Poland's Western currency debt, from \$25 billion in 1981 to \$40 billion today—a nominal increase of 60%—comes from turning usurious and illegitimate interest payments due into principal due at a future date!

This does not account for the mismatch between Poland's debt being denominated largely in dollars, while most exports, which they use to get new hard currency to pay the debt, are to West German or related D-mark regions in Western Europe, for which they receive payment in D-marks or Swiss francs. Since February 1985, the time Poland resumed negotiations with Paris Club creditors, the dollar has plummeted from a high of DM 3.20 to a level near the postwar lows of the late 1970s, DM 1.75-1.85—a 44% drop! For Poland, this has been devastating. Not only must the country orient to so-called "hard currencies," but it is being destroyed by the instabilities among those same "hard currencies."

Since it re-joined the International Monetary Fund in June 1986, Poland has entertained a desperate hope for getting new IMF Standby Credits as a first step to large new infusions of World Bank "Structural Adjustment" loans. The IMF is

sending the current Mazowiecki government the same disastrous austerity message it has given to every victim debtor nation since 1982: Slash imports and boost exports to repay the debt. To control resulting domestic inflation and eliminate state budget deficits, the IMF demands Poland freeze wages and devalue the zloty massively. The zloty has been repeatedly devalued since 1985, usually 20% at a time. This means in real physical economic cost that a Polish worker must mine 20% more coal to get the same value of German machine tools, or farm 20% more pigs for export to get the same value German tractor, after each devaluation.

But Western officials privy to senior IMF circles say Poland will get only peanuts in return for again committing national economic suicide. It will at most get an IMF credit of \$700 million and, once it imposes IMF austerity, perhaps another \$400 million World Bank loan in 1990. But the Paris Club debt burden will continue to grow. Clearly, if Western governments are serious about helping the nation of Poland feed and provide for its population, they will find a way to bury the old debt forever, as they did with West Germany in the 1952 London accord. After all, no matter how the Polish government may have misused the original amount, the vast majority of the debt is illegitimately being imposed on Poland by a Western financial structure which has changed the rules of the game repeatedly to suit the interests of select Western banks.

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Argentina's Menem faces growing strife

by Cynthia Rush

The relative calm of Argentine President Carlos Menem's first four months in office came to an abrupt end on Nov. 6, when transport workers paralyzed metropolitan Buenos Aires in a strike over wage demands. Workers from the merchant marine, airlines, petrochemical, and subway companies joined in sympathy, and only on Nov. 13 did the transport strike end. Workers from the powerful Union of Metallurgical Workers (UOM) threatened to carry out sporadic strike actions over the following two weeks, in pursuit of an 80% wage increase, and numerous other unions are planning strikes over wage demands.

After six years of the social democratic regime of Raúl Alfonsín, in which real wages declined by 30%, workers aren't willing to accept Menem's decision to restrict wage increases to no more than 15%. Thanks to Alfonsín's application of the International Monetary Fund's (IMF) policies, one-third of the Argentine population, or 9 million people, now lives in extreme poverty. Of 32 million people, 14 million have no potable water, and 17 million have no access to sanitation services. Despite Menem's initial success in reducing inflation and granting a one-time wage increase, social and political stability in the country remain fragile.

Buenos Aires' financial community suffered a bad case of the jitters in response to the transport strike, reflected in the 14% decline of the austral against the dollar by Nov. 10. On the same day, the government deployed police into the city's financial district to clamp down on currency speculation.

Nor is the situation inside the Armed Forces likely to remain calm, following the Army high command's decision to "retire" nationalist Col. Mohamed Alí Seineldín. Announced on Nov. 1, this action completely ignored Menem's pardon granted Oct. 6 to Seineldín and 180 other officers. The President's action eased tensions which had been long festering within the Army; but the retirement of Seineldín, and subsequent imposition of administrative sanctions on several officers—*despite the pardon*—is a provocation which has heightened military discontent.

Creditors call the shots

Menem's conflict with the Peronist-run labor movement stems from his decision to pursue an economic program de-

financed by the IMF and foreign creditors. A major goal of the Menem government is to restore Argentina's image with the international financial community, to convince the bankers that Argentina is a responsible debtor. The country owes \$64 billion in foreign debt, and is \$5 billion in arrears in interest payments.

In response to the early November strikes, the Argentine President took a hard line. On national television he called the strikes "the work of sectors that resist reform," and vowed to shut down transport and railroad companies whose workers went on strike. He threatened to commandeer buses, if necessary, to keep transportation going.

The letter of intent signed with the IMF promises to reduce the country's fiscal deficit, and overhaul the state sector through an extensive privatization program, while opening the country up to private foreign investment and lowering tariff barriers to imports. Restriction of wages is a key element in the program. Menem insists that "the objectives of this government will not be negotiated, regardless of who likes it, who cries, or who protests . . . whatever it costs."

This is not what a large part of the Peronist labor base envisioned when, during Menem's election campaign in late 1988 and early 1989, he described his plans for a "productive revolution." Many workers hoped this program would mean a reversal of Alfonsín's policies of submission to IMF austerity dictates, and a return to the dirigism which had characterized the policies of Gen. Juan Perón. Instead, they have seen the multinational grain cartel company Bunge and Born dominate government economic policies, with input from a large number of liberal free-market economists. Adalberto Krieger Vasena, an ultra-monetarist adviser to several military juntas, and more recently to Alfonsín's government, has just been formally incorporated into the government economics team.

Following the resolution of the transport strike, in which workers won a raise from 36,000 australs (about \$55) to 80,000 (around \$106), Menem has adopted a more conciliatory line toward labor, for the time being. He called on Interior Minister Eduardo Bauzá and Sen. Eduardo Menem, his brother, to quickly organize a summit meeting of all labor leaders to try to bring about the unity of the labor movement, and advance toward the creation of a "social pact" of wage and price controls to be agreed upon by labor, business, and the government.

In mid-October, the General Confederation of Labor (CGT) split over the issue of whether trade unions should criticize the government economic program. CGT Secretary General Saúl Ubaldini, who has been publicly critical of the Bunge and Born program, and defended labor's right to strike against these policies, was ousted from his position by Menemista leaders close to Labor Minister Jorge Triaca. Ubaldini quickly threw his support behind the transport workers in their recent action.

On Nov. 17, Menem will speak before a large Peronist gathering in Buenos Aires' Plaza de Mayo, in an effort to reassert his leadership of the Peronist movement and appeal for unity behind his government's program. Prior to that event, Menem will meet with labor leaders from both the Ubaldinista and Menemista factions for further discussion. On Nov. 15, he also met privately with Ubaldini, at the latter's request.

Consensus for what?

Some analysts speculate that the Peronist President's appeal to the Peronist party leadership, attempts to unify the labor movement, and even opening channels of dialogue to Alfonsín and his Radical Civic Union (UCR) represent an attempt to broaden the political and social consensus for his government's structural reforms.

It will take more than conciliatory speeches to resolve the conflicts in Argentine society, however. A demonstration by 2,000 workers in Córdoba in early October, over plans to privatize their state-run company, offers a hint of what kind of social protest might be expected on a broader scale if economic conditions fail to improve.

It remains to be seen how Menem will deal with a brewing military crisis, in which the fate of the popular and respected Colonel Seineldín is a key issue. Following his announced retirement, the colonel reportedly addressed a letter to Army Chief of Staff Gen. Isidro Cáceres challenging him not to violate the terms of Menem's pardon by arbitrarily imposing administrative sanctions on those officers who benefited from it.

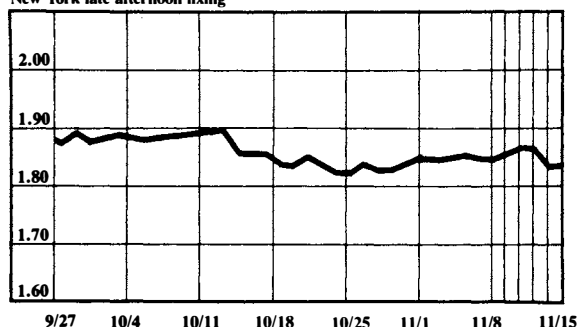
Reports have circulated that, despite the high command's decision, Menem might name Seineldín to head up an elite commando force to combat subversion and drug trafficking. As reported in the Nov. 16 *Cronista Comercial*, Justice Undersecretary César Arias announced that a decision on the group's formation would be announced within the following 10 days, adding that Seineldín's nomination had not been ruled out. The Nov. 8 edition of *Somos* magazine indicated, however, that the U.S. embassy in Buenos Aires is pressuring the government not to name "that colonel" to any such post. The Army high command is similarly opposed, as is Defense Minister Italo Luder and Interior Minister Bauzá, according to this report.

On Nov. 11, speculation heightened when Colonel Seineldín and a group of 500 officers, many of them nationalists recently forced out of the military, participated in a high-profile two-hour jogging and exercise session in Buenos Aires' Palermo Park. Journalists present received no response to their questions on whether this group might form the core of the rumored "special forces" contemplated by Menem. The President has characterized the session as a "provocation" to the Army high command, although reportedly the same officers intend to congregate regularly each Saturday morning.

Currency Rates

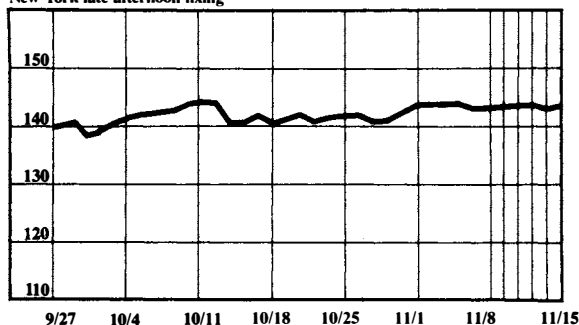
The dollar in deutschmarks

New York late afternoon fixing



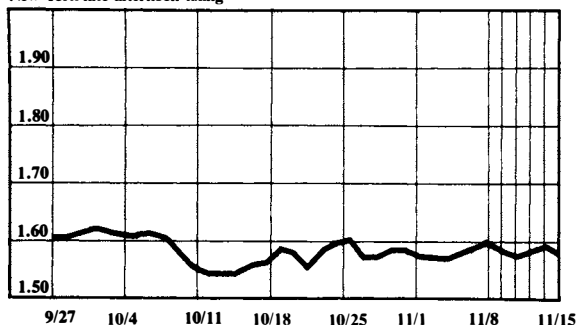
The dollar in yen

New York late afternoon fixing



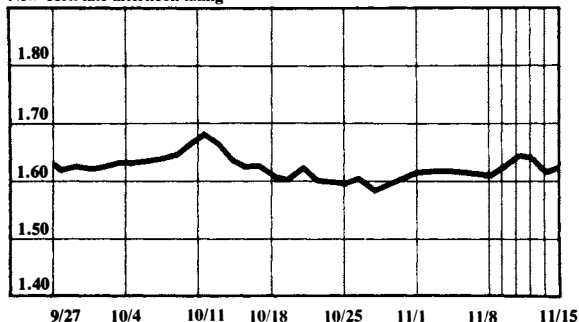
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



America's pension funds are in jeopardy

by John Hoefle

The U.S. private pension system has been seriously jeopardized by a combination of economic collapse and insider abuse, threatening the retirement plans and standard of living of millions of Americans. The money that many workers have set aside for their retirement will not be there when they need it.

There are some 872,000 private pension plans in the United States today, covering 76 million retired and current workers, with reported assets of about \$2 trillion dollars. What percentage of those assets actually exists is not known, due to the lack of regulatory oversight over private pension plans. While the Pension Welfare Benefits Administration of the U.S. Department of Labor has the responsibility for enforcing pension laws, it has a mere 300 inspectors, or one for every 2,900 pension plans.

In 1989 the Labor Department has audited only 1,553 private pension plans, less than 0.2% of the total, and found that 492 of them—almost one-third of those scrutinized in 1989—were violating the law in some manner. Among pension plans audited between 1985 and 1987, violations were found in one out of four. Were full-scale audits of all of the nation's private pension funds to be made, the results would be staggering.

Many of these violations are serious. Raymond Maria, the Labor Department's Acting Inspector General, recently told the Associated Press, "There's an insidious and steady siphoning off, which ultimately affects employees. I am convinced there is substantial fraud and abuse, the extent of which no one knows." Maria wants to force the private accountants who audit the pension plans each year, to report any prohibited transactions directly to the Department of Labor. But the best way to avoid fraud and embezzlement, he said, is to throw more of the violators in jail, rather than merely fining them.

Maria's office investigated 168 pension and welfare plans in late 1987, and found \$18.7 million in misused plan assets and administrative violations. The survey grew out of the I.G.'s Office of Labor Racketeering, which deals mostly with unions. "Through the labor unions we learned a lot about schemes," Maria said. "Kickbacks, embezzlement, conflicts of interests and other criminal violations were also occurring in single-employer benefit plans. A new breed of racketeers could be found in the ranks of attorneys, accountants and service providers."

How much of this represents actual crime, and how much represents the government's attempt to find scapegoats for its own failed economic policies, remains to be seen.

Insurance deficit

The Pension Benefit Guaranty Corporation is the quasi-government agency responsible for insuring the nation's private pension plans. It was created by ERISA, the Employee Retirement Income Securities Act of 1974, and was modeled after the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation, which insured deposits at the nation's banks and thrifts.

The comparison to deposit insurance is quite apt, as many observers think that the PBGC will collapse even more spectacularly than did the FSLIC. The PBGC lost \$1.5 billion in 1988, and a 1987 study by the Government Accounting Office predicted that the pension insurance agency would be insolvent by the year 2001.

"If they go bust, the taxpayer picks up the bill—just like the S&Ls," said Joe McGowan of the Labor Department Inspector General's office.

The bulk of the PBGC's losses thus far have come from the beleaguered steel industry, with the LTV bankruptcy and pension plan termination a case in point. That deficit could double, however, if the major airlines now in financial difficulty have to be bailed out, according to PBGC Executive Director James Lockhart.

Even if the Pension Benefit Guaranty Corporation were to remain solvent and meet all of its obligations—a highly dubious supposition—it would still fall far short of protecting the nation's pensioners. The PBGC guarantees only 107,000 private pension plans, covering some 40 million participants, which means that 765,000 pension plans, covering 36 million participants, are not insured at all.

Leveraged blow-outs

One of the more outrageous uses of pension money is the funding of leveraged buyouts, which are notorious for throwing workers at the targeted companies out of work. According to a study by the Government Accounting Office, four out of every ten companies taken over in leveraged buyouts have terminated their employee pension plans, and used the "surplus" funds to pay down their debt.

Aside from the blatant immorality of using workers' pension funds to throw other workers out of their jobs, the lending of pension funds for leveraged buyouts is quite risky financially. At the end of 1987, the nation's public and private pension funds owned 15% of the nation's junk bonds, worth a reputed \$18 billion. As the recent junk bond collapse conclusively demonstrates, those bonds are worth far less than their nominal value, hitting the already weakened pension funds which bought them with major losses.

The pension fund crisis is a time bomb, the explosion of which will dwarf the savings and loan crisis.

Bankers won't invest in aged shipping fleet

by Anthony K. Wikrent

The results of years of net disinvestment in maritime shipping are making themselves felt, as the selling price of used ships soars, and the Western nations face crippling shortages of skilled mariners. However, marine financiers are signaling an increasing reluctance to underwrite the construction of new ships, as warnings increase that the world's fleet is dangerously old.

Bowing to the pressure of the bankers, in late August three major maritime registering services, Lloyd's Register of Britain, Det Norske Veritas of Norway, and Nippon Kaiji Kyokai of Japan created a new classification standard that allows ships over 15 years old to remain in service without penalty. The classifications are widely used by insurance syndicates and regulatory agencies to assess the risk of owning and operating a particular ship, and to determine premiums charged by insurers and fines levied by government regulators.

\$25 billion needed each year

The shipping industry will need \$25 billion each year in the 1990s, to replace its aged crude carrier fleet alone, Paul Slater, chairman of an investment bank that specializes in ship finance, told shipping executives attending the Bulk Transpo '89 conference, in September. Slater pointed out that 285 of the world's 400 very large crude carriers (200-400,000 deadweight tons) are over 13 years old, the original design life for a VLCC built in the mid-1970s. He estimated that more than 50 VLCCs will have to be built each year, beginning in 1992, with a unit cost of well over \$100 million.

"The most immediate problem we face," Slater told the shippers, "is an elderly fleet of poorly maintained and relatively inefficient ships carrying an ever-increasing range of environmentally hazardous cargoes. They need to be replaced, and quickly, tankers in particular. . . . There have been some horrendous unexplained marine casualties just recently. We had one ship that just disappeared off the face of the earth. We had a chemical tanker that simply blew up. Here we are going into the 21st century and these kinds of things are still happening. The fleet is not only over age, but it's technically obsolete."

Pointing to the *Exxon Valdez* disaster, Slater said marine insurers and the ship finance community will pay dearly for the failure to invest, especially in new technology. "The

Exxon Valdez is a fine piece of equipment, compared to the rest of the world's tanker fleet. But how does it stand up against the sophistication of safety features we see in the airline industry? Not well. And the reason is the shipping industry has been building basically the same equipment for the last 20 years. That is shameful."

Many seafarers are increasingly reluctant to serve on older ships, viewing them as increasingly hazardous to operate. The United States and other Western maritime nations have simply failed to produce a steady stream of well-trained, qualified mariners. Moreover, they have failed to offer more secure careers and better pay in order to retain older, more highly skilled mariners.

This presents a classic case study of how economic breakdown in a society that loses its commitment to scientific and technological progress spawns a process of cultural pessimism and decay, which decimates skill levels, further accelerating the rate of breakdown.

Shipowners are now hoping that Eastern European countries might be able to supply them with skilled seafarers. At least one U.S. shipowner is looking to the Soviet Union for skilled officers and sailors, and has been in discussions with Soviet officials, the *Journal of Commerce* revealed Nov. 9. The article reported that Western shipowners are "desperate" to find qualified people to man their vessels. West German and Norwegian owners are reportedly suffering shortages of qualified electricians.

View of the vultures

Despite the chorus of warnings, the financial vultures who have feasted off the remains of a collapsed world economy, are signaling that they have no intention of financing the construction of new ships. At an "Investing in Shipping's Revival" conference held by *Lloyd's of London Press* in New York in late October, not one banker or financier could be found willing to even indicate an interest in new ship construction. Adrian Doherty, a vice president of the blueblood J.P. Morgan Bank, told the conference, "The ship market is exposed to general economic conditions" that disfavor new investment. "The economic pressures on transportation will continue to limit the returns [on investment] available in the shipping industry."

Just what level of "return" are the bankers looking for? A vice president of Citicorp's London branch, Citibank N.A., announced that they were no longer investing in speculative purchases of used oil tankers because the 30-35% profit they expected could no longer be achieved in the current market.

John Newbold, a senior vice president of Citibank in New York, offered a chilling picture of how the bankers view affairs, when he told a conference in October that another disaster like *Exxon Valdez* may have a salutary effect: "To the extent that any accident is going to cause Congress to clamp down [on safety regulations], that would only force freight rates up."

'Free trade' is killing farmers

The U.S. is promoting the Trilateral Commission's free-trade recipes, but some farmers are wising up.

Last April, with great fanfare, U.S. Special Trade Representative Carla Hills and Secretary of Agriculture Clayton Yeutter unveiled a new U.S. "free-trade" plan, which they said would eliminate "trade-distorting" agricultural policies in major industrialized countries. The plan was submitted to the General Agreement on Tariffs and Trade (GATT).

The position of the United States in the GATT talks directly parallels the initial free-trade policy paper put forth by a Trilateral Commission-sponsored task force in 1985, which was headed up by Clayton Yeutter himself.

But it looks like the Hills-Yeutter proposals are running into trouble.

Farm leaders from the United States, Japan, and Western Europe met in Tokyo at a symposium on Nov. 14, sponsored by Japan's Central Union of Agricultural Cooperatives. Many denounced the idea of total liberalization of farm trade, and the gathering was unanimous in protesting the U.S. trade proposals submitted to GATT.

The president of the U.S. National Farmers Union, Leland Swenson, declared: "Free market proposals are too radical and unrealistic and would bring chaos to world agricultural economies."

He cited a recent study by the U.S. Department of Agriculture's Economic Research Service, which attempted to measure the likely effects of the Bush administration's proposal to dismantle domestic farm support programs.

The USDA's own report, Swen-

son said, predicted significant declines in farmer incomes in most of the industrialized nations, if the U.S. GATT proposal to dismantle farm programs were implemented. "Consumers will see large year-to-year swings in the prices of various food products due to the boom-and-bust nature of free market agriculture," he said. He predicted that "consumers will become more dependent on uncertain foreign supplies and more subject to the vagaries of a marketing system that is being concentrated into fewer and fewer commercial entities," if the U.S. plan is carried out.

The Japanese and the Europeans are equally opposed to the U.S. proposal, since they can see by looking, for instance, at the consolidation of the U.S. beef industry, how thousands of beef producers have been put out of business due to price-depressing imports into the United States of low-priced beef.

Japan would be hurt because it has relied heavily on the family farm system. Yeutter and Hills are trying to pressure the Japanese to reduce their trade barriers and allow more U.S. beef to enter the Japanese market, thus putting many Japanese beef raisers out of business, as has already happened to their counterparts in the United States.

Ironically, U.S. beef producers don't produce enough beef to meet the needs of U.S. consumers, and have been importing cheap beef from Argentina and Mexico for years. The U.S. producers have been told that their prices are depressed due to over-

production and reduced per capita demand. The Mexican National Cattle Confederation hopes to export 1 million head of cattle to the United States during 1989-90—almost twice as many as in 1988-89.

This is the free-trade nightmare that Yeutter is pushing, and many farmers and bureaucrats have been suckered into supporting it.

Even the Concentration/Integration Task Force of the national Cattlemen's Association came out in support of the suicidal free-trade line and recommended *against* government intervention to halt the cartelizing trend toward fewer and larger operations and integration of operations in different industry segments.

Sam Washburn of Indiana, the task force chairman, pointed out that the task force was not advocating structural change. "If we are committed to the free enterprise system, without government intervention and supports, then we must accept change and make individual decisions that will make the best use of our particular resources."

Because of the free-trade policies pushed by the Reagan and Bush administrations, today the United States finds itself the world's largest importer of oats, an importer of durum wheat because of short supplies, and an importer of both pork and beef because domestic production is below domestic consumption.

The USDA issued a report saying that "for the first time in many years, rises in retail dairy prices will surpass those of all food." These prices are climbing largely because milk production "unexpectedly" collapsed in midyear, the report says. At the same time that U.S. milk shortages are becoming headline news, the USDA is subsidizing the sale of milk products to France, one of the world's largest dairy nations.

Narco-finances in Brazil

In addition to the refining and smuggling of illegal narcotics, Brazil is now used for laundering drug money.

The Brazilian government is currently investigating a multimillion-dollar foreign exchange scandal, which, if proven to be a laundering operation for illegal narcotics profits as is suspected, could implicate the entire liberal Brazilian banking system as an important financial center of the international mafia.

On Nov. 9, Justice Minister Saulo Ramos and Federal Police Director Romeo Tuma, who for a long while has been on the trail of mechanisms created exclusively for laundering dirty money, reported the discovery of a sophisticated exchange fraud—the largest in Brazil's history—involving at least \$360 million worth of false U.S. imports to Brazil, carried out by non-existent "paper" companies.

Some 16 Brazilian banks, including several prominent ones, mediated the fraudulent operations. They are: Bamerindus, Rural Estado do Amazonas, Geral do Comercio, Banorte, Bozano Simonsen, Multiplic, Mercantil do Brasil, Unibanco, Noroeste, BNCC, Credito Real de Minas Gerais, Banrisul, Economico and Lloyds. The four American banks implicated are Bank of New England, the First Women's Bank, the First New York Bank for Business, and Manufacturers Hanover. Also involved are six exchange houses: Interunion, Vetor, Fator, DC, Incaf and BMG.

The daily *Gazeta Mercantil* reported Nov. 10 that the Justice Ministry considers the fraud, which dates back to 1987, to have been carried out "to launder money stemming from the drug trade." The daily *O Estado de*

São Paulo reported on the assertion by Minister Saulo Ramos that the period of greatest expansion of the fraud coincided with the beginning of the war against the drug cartels decreed by the Colombian government on Aug. 18 of this year.

Deputy Attorney General Samuel Ruzaglo, assigned to investigate the case, declared Nov. 11 that the fraud could reach the fabulous sum of \$3 billion—representing half the value of the nation's entire foreign exchange reserves. "Those \$360 million are barely the tip of the iceberg. . . . In just one import invoice we counted \$70 million," said Ruzaglo, who added that at least 594 irregular exchange contracts had been discovered thus far. The fraud is of such magnitude that the Central Bank has announced it will be investigating all import operations for the past two years, in order to detect any other such frauds that may possibly have been committed.

Since the fraud implicates several well-known American banks, Brazilian authorities are pressuring the U.S. government to collaborate with their investigation. The Justice Minister said he hoped the U.S. "will lift banking secrecy, since there are strong suspicions that drug traffickers are involved in the fraud." Needless to say, the implicated U.S. banks are exceedingly nervous, and the Brazilian press is already reporting that a delegation of directors from Manufacturers Hanover Trust will be arriving in Brazil shortly.

After Colombian President Virgilio Barco announced his war on drugs, various commentaries began to appear

in Brazil warning that recent changes implemented in the Brazilian financial system could facilitate the laundering of dirty money, and that such "advantages" made the system vulnerable to conversion into a financial center of the drug trade. In particular, the new kinds of short-term investments and bearer bonds, created under the auspices of a monetarist government policy designed to refinance the public debt, were mentioned.

For example, on Sept. 21, a commentary in *O Estado de São Paulo* noted: "In Brazil, money is laundered on the real estate market, in agriculture, through companies. The financial market offers an excellent alternative for investing money in a sure thing, without declaring the origin of the money and with the most complete anonymity. These are the investment funds of the short-term bearer bonds."

Federal Police director Romeo Tuma, in a Sept. 24 interview with *Jornal do Brasil*, declared, "For us, the laundering of drug-trafficking monies that passed through Brazil was only done in the Caribbean Islands, according to the insistent charges of the U.S. government. Today we know that that money is laundered in Switzerland, and in various other countries where the banking system facilitates such activities. There is nothing to prevent the same game from being played in Brazil."

Until now, the international drug mafia has been using Brazil as the ideal place to install its cocaine refining laboratories, given that Brazil produces industrial-level quantities of ether and acetone, chemicals essential to the cocaine-refining process. It is also known to serve as a drug transport corridor for routing drugs to Europe and the United States. Now, it would appear, Brazil has been "graduated" to the laundering of drug money as well.

Business Briefs

Medicine

Army training surgeons in inner cities

The U.S. Army has begun training its surgeons for combat conditions in inner city emergency rooms.

Surgeons are being sent to intern at the Martin Luther King, Jr. -Drew Medical Center in the impoverished Watts section of Los Angeles, where 353 gang-related slayings occurred last year. The hospital treated 3,500 trauma cases last year—nearly 40% of the Los Angeles total.

"At King, we see the kind of penetrating trauma that we just don't see at other hospitals. It's a place where the residents will have to treat a large volume of high-velocity wounds, the kind we would see in war," an Army doctor told the Nov. 8 *Los Angeles Times*.

Population Control

World Bank to increase program funding

World Bank President Barber B. Conable pledged on Nov. 7 that the bank would nearly triple its spending for population control, from a \$100 million per year average in the past five years to a \$266 million per year average over the next three years. He pledged that he would "personally monitor our performance in both quality and quantity."

Speaking before the International Planned Parenthood Federation in Ottawa, Canada, Conable said the bank would work with private groups to make family planning "an accepted practice for at least half the couples of the developing world by the year 2000."

Several population-control advocates still condemned the bank's proposed population policies as not harsh enough. Sharon L. Camp of the Population Crisis Committee, told the press following Conable's speech at Ottawa, "There's a need to set tougher goals." Instead of a goal of 50% of Third World couples practicing contraception by the year 2000, the goal should be "universal availability of family

planning that year with 75% practicing it," she said.

Environmentalism

Conference stops short of extremist measures

Under pressure from the United States and Japan, the international conference on "global warming" in Noordwijk, the Netherlands, unanimously passed a compromise resolution on Nov. 7 that refrains from setting firm goals for reducing carbon dioxide emissions.

The original draft committed the 72 nations to hold levels of emissions to the present level by the year 2000, a very large cut given the global increase in emissions of over 4% per year, especially in Third World countries that are attempting to industrialize. The final draft acknowledges "the need to stabilize" emissions, and notes that "many industrialized nations" believe such a goal should be reached by the year 2000. It does not stipulate the level of emissions it wants stabilized, saying that setting this goal should be put off until a world climatological conference scheduled for November 1990, and pledges to adopt a comprehensive international treaty on global warming by 1992.

Green fascists were upset at the failure to set draconian emissions cuts. "Less than six months ago in Paris, President Bush talked of the urgent need to reduce carbon dioxide emissions," said Brooks Yeager of the National Audubon Society. "Now the White House has sabotaged the first international effort to make good on the President's words. This is not the way to lead the world. . . . The concept of stabilizing emissions without any commitment to the level at which stabilization will occur, must be regarded either as a failure of nerve or cynical ploy," Yeager concluded.

Hans Blix, director general of the International Atomic Energy Agency, warned a U.N.-sponsored conference in Washington, D.C. on Nov. 10, "We can't reduce emissions of carbon dioxide without an expansion of nuclear power." He added that even an expansion of nuclear power might not be enough to permit a reduction of carbon dioxide emissions.

Monetary Policy

Brazil ordered to hyperinflate

The London *Economist* magazine called upon Brazil to hyperinflate its economy, in a mid-November editorial.

"Hyperinflate, Brazil: It's the only thing likely to get awful government off Brazilian backs," was the headline. The *Economist* said that more and more "thoughtful Brazilians" are looking with "wild surmise next door to Argentina, where inflation is 6,000% a year." The *Economist* praised Argentine President Carlos Menem for "starting off exactly right, squeezing inflation, starting a privatization program that stretches beyond the dreams of any mere Thatcherite, and recruiting his economic ministers from Latin America's biggest multinational company."

The editorial concluded, "Argentina and, earlier, Bolivia suggest a lesson for all of Latin America: that only the shock of hyperinflation can produce the political conditions needed for sensible economics. The lesson is even truer for Brazil's happy-go-lucky oligarchs than for its neighbors." An election wish for Brazilians is swift takeoff into hyperinflation, to smash the power of the politicians who have ruled you so badly."

Real Estate

Bush proposals designed to help markets

President Bush, under the guise of promoting home ownership for the poor, will propose real estate subsidies to help out the real estate and mortgage markets and try to postpone an inevitable deflation in property prices.

The program will be dubbed HOPE—"Homeownership, Opportunity and Prosperity for Everyone." Part of the package is \$1 billion to encourage the poor to buy the dilapidated public houses they live in, and thus take these properties off the government books. Another part will de facto underwrite mortgages for properties for "very low income families."

One part will lease 10% of the single-family houses in the Federal Housing Administration's huge inventory of foreclosures, to the homeless at \$1 per year, with provisions for their eventual purchase through state and local agencies, tax writeoffs, etc. This would prevent these properties from going on the open market and depressing price levels of real estate and mortgages, while the taxpayer foots the bill.

Bush also signed legislation on Nov. 9 raising the ceiling of federally insured mortgages nearly 25%, to \$124,875 from the current level of \$101,250, again, helping the mortgage market to keep the bubble from bursting.

Retirement

Baby boomers face poverty-level existence

A study by a group of insurance trade associations says that U.S. "baby boomers" will be too poor to retire at 65.

The study, conducted by six U.S. and Canadian actuarial societies, concludes that no more than half of those reaching the age of 65 between the years 2010 and 2028 will be economically able to retire, because of 1) inadequate tax incentives to encourage sufficient employer pensions and personal savings; 2) too few workers to support baby boomers' social security benefits; and 3) escalating and unaffordable health care costs.

AIDS

Vatican attacks official U.S. policy

New York Cardinal John O'Connor and U.S. AIDS researcher Robert Gallo clashed over AIDS policy on Nov. 13, at the first day of a Vatican-sponsored conference on the killer disease, according to Reuters.

Cardinal O'Connor said the spread of the disease should be stemmed by people abandoning what he called dangerous lifestyles. "I

for one cannot believe it is good medicine to ignore future behavior which can only exacerbate an individual's problems. . . . The truth is not in condoms or clean needles. These are lies, lies perpetrated often for political reasons on the part of public officials, including public health authorities, whose political future depends on their controlling the spread of AIDS."

Gallo admitted that he avoided the moral issues involved and said he thought O'Connor's speech was "upsetting," because the cardinal spoke from the position of someone with a strong belief in life after death. "In this world we live in, not everybody believes in an afterlife," Gallo said.

Nuclear Energy

Seabrook to produce electricity by January

The Seabrook nuclear power plant in New Hampshire could be producing electricity as early as January, utility officials said, after the federal Atomic Safety and Licensing Board approved on Nov. 14 the emergency evacuation plan presented by the Federal Emergency Management Agency (FEMA).

The licensing of Seabrook has been held up for years by Massachusetts Gov. Michael Dukakis's refusal to submit a state plan for evacuation. An executive order issued by President Reagan in November 1988, directing FEMA to prepare evacuation plans where states refused to do so, removed that particular obstacle.

Opponents of Seabrook have 10 days to appeal the finding, but an appeal will not necessarily delay the licensing of Seabrook for full power operation by the Nuclear Regulatory Commission. Opponents, such as Attorney General James Shannon, and Sens. John Kerry (D) and Edward Kennedy (D) of Massachusetts, have vowed to continue fighting to prevent the startup, characterizing the ruling as "a lawless decision," and "an arrogant action." Scott Denman, the director of the ecological-fascist Safe Energy Communication Council, equated starting up Seabrook with "rebuilding the Berlin Wall."

Briefly

● **THE PRESIDENTS** of Argentina, Brazil, and Uruguay met in Buenos Aires to discuss economic integration. Brazilian President José Sarney said, "Our three countries today are pushing for an integration concept, inspired by links and cooperation which go back several centuries."

● **VIETNAM** will be sent \$250,000 worth of surplus government medical equipment, the first U.S. assistance since Saigon fell 14 years ago. "It is a response to the genuine humanitarian needs they have," a Pentagon official told the Nov. 9 *Washington Post*.

● **BOLIVIA** declared a state of siege on Nov. 15 to defend the killer austerity regime of Harvard's Jeffrey Sachs against striking workers. The Bolivian Workers Center said that at least 3,000 people were being held following pre-dawn sweeps on union offices throughout the country.

● **MONEY LAUNDERING** will be the subject of a new monthly newsletter published by Charles A. Intriago, a Florida attorney, the *Wall Street Journal* reported Nov. 8. Intriago "concedes that nefarious elements in the world of finance are also likely to benefit from" the newsletter, which will be called *Money-Laundering Alert*.

● **THE WORLD BANK** has a study on Africa under way called the "nightmare scenario," which extrapolates into the next century present trends in that continent regarding food production, environmental damage, and population growth.

● **LESTER BROWN** of the World Watch Institute says that another year of drought in the U.S. could double or triple grain prices, "no one knows how much. It would send shock waves through the world economy."

The world food crisis is here: Will war follow?

by Marcia Merry

Seven hundred farmers, civil rights leaders, clergymen, concerned citizens, and resistance activists from China, the East bloc, and many other locations, representing five continents and 35 U.S. states, convened in Chicago, Illinois Nov. 4-5 for the third international Food for Peace conference. The purpose of the two days' intensive deliberations was to analyze the full extent of the food crisis facing mankind—a catastrophe which has been deliberately hidden from public view—and to prepare a worldwide mobilization of “farmers and eaters” to reverse the crisis before it leads to world war.

Back in 1976, when political economist Lyndon LaRouche ran his first campaign for the U.S. presidency, he warned that such a breakdown in world food production would occur, if the insane policies of the zero-growthers were allowed to continue. Farms will go bankrupt, food production will collapse, and there will be mass starvation, he warned. Programmatic proposals to solve the crisis have been a prominent feature of the work of LaRouche and the political movement associated with him in the intervening years—to the dismay of the international monetarist factions and the food cartels.

In July 1988, at the presidential nominating convention of the Democratic Party in Atlanta, Georgia, LaRouche circulated a report that led to the founding of Food for Peace in September 1988. He warned, “The U.S. and Western European agricultural policies have successfully destroyed world food reserves just in time for the arrival of the worst world drought in the 20th century! As a result, there will be a painful shortage of food within the United States and also in Western Europe. At the same time the Soviet Union will be faced with acute food shortages. . . . There will be the strongest pressures on the Soviet regime to use its military superiority as a lever for solving the most acute aspects of its economic crisis.”

In view of LaRouche's unique and indispensable role in foreseeing the crisis and in proposing solutions to it, the participants in the current Chicago conference



Scenes from the Food for Peace movement: Above, thousands gathered at the White House oval on Martin Luther King Day, Jan. 16, 1989, to demand economic justice and freedom for LaRouche. Inset, spokesmen from the U.S., Lebanon, Germany, Great Britain, Ukraine, and Poland at the Chicago conference earlier this month.

vowed to mobilize in their respective states and countries to secure his immediate release from prison, where he is being held as the result of a political frameup.

Expanding production

An entire world picture was presented to the conference from first-hand reports, including speakers on the deprivation in China, the political purges and misery in Ukraine, and the collapse of once-booming farming in Australia and New Zealand.

The central question before the conference, and policymakers worldwide, is when and how can food production be expanded, because otherwise, millions are dying and the conditions for war are at hand.

What characterized both the speakers and the audience was a desire to initiate emergency actions. There were many proposals from the podium, and the conference as a whole voted up three resolutions by acclamation. A resolution on aid to Poland specified a five-point program to provide food and to rebuild the Polish economy. A second resolution called on President Bush and other Western leaders to recognize Lebanon's struggle to oust Syrian occupation forces; and a third resolution called on world leaders to declare a real war against drugs, including "full support for Colombian President Virgilio Barco's war against the cocaine cartels."

The conference was organized to present the widest possible picture of the crisis and the resistance movements. The meeting opened with the topic, "The Banking Blowout and the Collapse of Physical Production." Among the presentations by 10 speakers were first-hand accounts of the forced shutdown of farms in the food-exporting nations of France, Australia, New Zealand, and the United States.

Other sessions addressed the breakup of the Soviet Empire and the potential for war; and also the alternatives for Asia and particularly China, where millions are oppressed under the Beijing regime. Speakers from Ibero-America spoke on the theme, "Grow Food, Not Dope," and gave a battle report on the war on drugs there.

After these reports, a "tribunal" panel was convened to review the police-state measures now in effect in the United States, against such leaders as Lyndon LaRouche, his associates, and others who have been opposing the murderous economic policies resulting in the global food crisis and strategic war danger.

The conference closed with a session titled "Environmentalism Kills," in which speakers cited the ways that bogus issues of "environmental protection"—such as scientifically unfounded worry over ozone holes or the supposed greenhouse effect, were being used as an excuse for deliberate policies to dispossess citizens and sovereign nations, and to degrade and depopulate much of the world.

The material presented in the pages below summarizes some of the reports made to the conference specifically on the agriculture and food crisis. In just the 14-month period since the founding of the Food for Peace effort, the question of the world food supply has become a strategic issue of war or peace, as can be seen clearly, for example, in the developments around Poland and East Germany. With the outbreak of an anti-bolshevik resistance movement in the East, the political conditions are now ripe for implementing exactly the kind of program that Food for Peace is now proposing—not only for Eastern Europe, but for the whole world. This will be the subject of a followup conference in Europe at the end of November.

Make 1990s a decade to end starvation

by Rosa Tennenbaum

Mrs. Tennenbaum is a leader of the Food for Peace movement in West Germany. The following are excerpts from her speech to the conference in Chicago on Nov. 4, 1989.

Around the world, as most of you know, the conditions of food crisis exist, and will worsen over the coming 12 months. It is almost as if we can hear a section of the Lord's Prayer coming from the developing nations, from the poor of Eastern Europe, from the poor, the tens of millions of poor in our own country: "Give us this day our daily bread." With these words, Lyndon LaRouche, who is now a political prisoner in the Rochester federal prison, opened the speech he gave at our last Food for Peace conference on Dec. 10, 1988 in Chicago.



We can hear this prayer much louder today, if we still have ears to listen. We see 160 million people, or 30% of the population in sub-Saharan Africa, being subjected to starvation. We see 500 million people, or 40% of the population in South and East Asia, suffering hunger. We see 90 million people, or 25% of

the population in North Africa and the Middle East, threatened with starvation, while 163 million in Ibero-America are malnourished. And we see hundreds of thousands of people standing up in the captive nations of the Russian Empire against hunger and tyranny. We react to this incredible amount of genocide being committed in front of our eyes as if it were only numbers. We seem to have no ears to hear and no eyes to see.

Whole peoples, whole generations are being swept from the map right now, for instance in Africa. In Eritrea, the northern part of Ethiopia, only 21% of a normal crop could be harvested this year. The FAO, the Food and Agriculture

Organization of the United Nations, is predicting an unprecedented hunger catastrophe. In Mozambique, the cereal harvest that was gathered in April-May is now largely exhausted, and the food supply is deteriorating rapidly. Food aid requirements as calculated by the FAO were 755,000 tons of grain for 1988-89; only 218,000 tons had been delivered, with no prospect for food aid deliveries for the current year at all. In Sudan, at least 100,000 tons of emergency food relief are needed, while 5.7 million hectares of cropland in western Africa are currently infested with locusts, endangering not just the harvests there, but in all neighboring countries as well.

At the World Food Conference in 1974, a "decade to defeat starvation" was announced. "Within the next decade, no child will ever again go to bed hungry, no family will ever fear whether it will have enough bread for the following day, nobody's mind will be crippled, and nobody will have to live without a future because of constant hunger." That was the promise of the world's leaders in 1974. Today, 15 years later, the world food situation is worse than it was then, and nobody anywhere seems to care. . . .

This year's grain harvest will only be some 6% higher than last year's drought-stricken harvest. For the first time, grain harvest will be lower than demand for the third consecutive year. The FAO reports in the October issue of its monthly magazine *Food Outlook*: "Global output will be below aggregate utilization for the third consecutive year. As a result, during 1989-90, global cereal stocks will fall further from already low levels. . . . For at least one more year—i.e., until 1990 harvests are gathered—global cereal stocks will remain at or below the minimum level FAO considers necessary to safeguard world food security. . . .

"The world food security situation will be very delicately balanced throughout 1989-90," the FAO summarizes the situation. "Over the last three years the safety net provided by large cereal stocks has been eroded and the situation could become potentially very volatile. Any unexpected reduction in output could well lead to reduced consumption and/or higher international prices. Even assuming that there are no unfavorable developments for the remainder of the 1989-90 season, stock replenishment and a return to normal consumption levels would have to be postponed at least until 1990-91 and would be contingent on a substantial increase in production in 1990" . . . (see **Figure 1**).

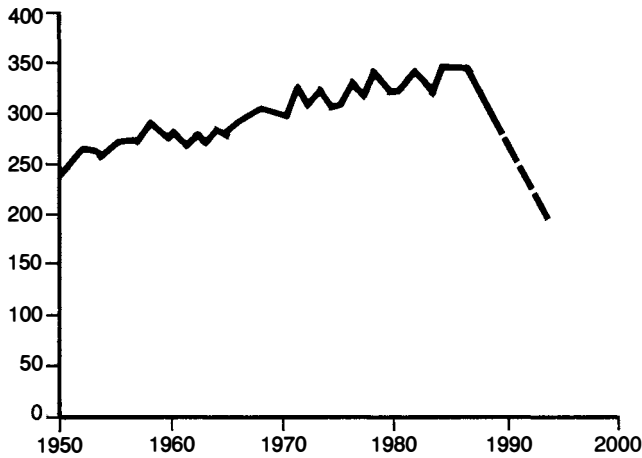
The strategic dimension

In summer last year, LaRouche predicted that the food crisis will become the most important strategic issue. He warned that the Russian generals will find means to get their hands on our food, if they can no longer negotiate the huge amounts of food shipments they need to stay in power. Three weeks ago, Soviet Foreign Minister Shevardnadze said exactly that, when he warned the West of "hunger wars" in a speech he gave in New York.

FIGURE 1

World per capita grain production falls sharply in late 1980s

Kilograms



Source: USDA

If we want to prevent hunger wars, if we want to improve the food situation, we have to reverse the farm crisis. Agriculture today is in an overall state of collapse. Farm income is collapsing, indebtedness is growing in every single country. As a result of that, farms are going bankrupt at a rate that is hard to keep up with. In Germany, for instance, they expect 400,000 farms out of 623,000 farms to go out of business before the year 2000. Of the 9 million farms we have today in the European Community, no more than 4 million are expected to be in operation by the year 2000 . . . (see Figure 2).

Ever scarcer food supply is an imminent danger for peace, and this danger is growing exactly the way that LaRouche said it would, years back. The real danger that lies in today's policy unfolds, when we look to the future. Today, the world population counts 5 billion people. We need to triple agricultural output within 10 years, by the year 2000. This is a tremendous task, and this perspective exposes the amount of insanity that is guiding economic policy today.

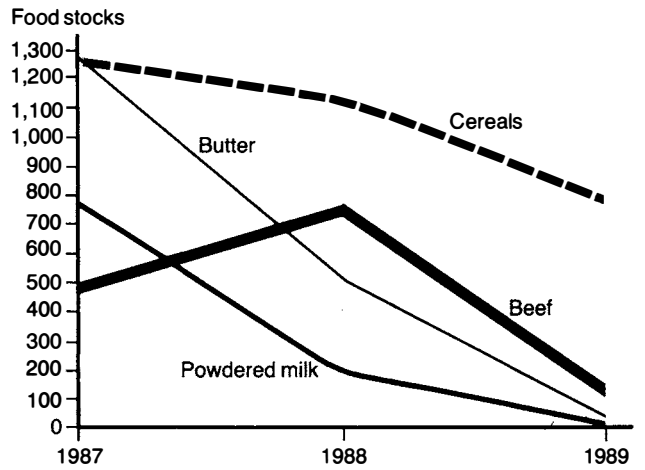
The solutions are at hand

We have to reverse that policy and we have to reverse it quickly. To do that, we have to mobilize all reserves available. We need an emergency program to be established immediately. Mr. LaRouche identified the following points as the most important ones in his electoral program:

- 1) An immediate stop to all farm foreclosures.
- 2) Raise farm prices to at least 90% of parity.
- 3) Restructure the debt at prime rates between 2% and 4%. Supply additional loan capital on a long-term basis and at a rate below 4%.

FIGURE 2

Decline in food stocks of European Community
(in 1,000s of tons; grain stocks in 10,000s of tons)



Source: European Community

- 4) Disaster relief for farms in the relevant regions.
- 5) Immediate action to develop fresh-water management systems in areas threatened by water shortages.

These measures have to be applied in all countries. In addition to this, all programs that limit production now, namely set-aside and conservation programs, have to be canceled. Farmland areas have to be expanded wherever possible. This is of particular importance for Ibero-America and Asia. Yields have to be exceeded by mechanization, building irrigation systems, by developing better seeds, and similar measures. We need all these measures together, otherwise we will lose the war.

We are entering a decisive decade, because world agriculture is on the verge of losing its capability to feed a growing world population on a long-term basis. So we announce today: The 1990s to be the decade to defeat hunger and misery. We swear:

"That in the next decade, no child will ever again go to bed hungry, no family will ever again fear whether it will have enough bread for the following day, nobody's mind will be crippled and nobody will have to live without a future because of constant hunger."

And we will exceed that aim. Just to be free of hunger is not enough. But it is the indispensable precondition for the well-being of the mind. And as Friedrich Schiller said in his poem, we say today:

Dignity of Man

No more thereof, I beg you. Feed him, give him shelter,
Have ye his nakedness clothed, and dignity comes on its own.

Where the world food crisis stands now

Farmers from around the world presented the Food for Peace conference with an in-depth report on the state of agriculture in their respective nations.

Pierre Compe, a farmer from France, underlined in his speech the moral degeneration of the Western countries, as manifested in the current drive for drug legalization. This moral collapse has prevented the world from dealing with real problems, such as that of hunger in the world. He then turned to a review of how the agriculture crisis is affecting Europe:

“Food production is no longer a priority; public debate is concentrated on how to reduce crops and productivity. The main goal of agriculture is no longer to produce food, but to supply industry with raw materials and land for the construction of leisure parks. Thus we are told that there is overproduction, when in



reality there is a shortage of food. We proposed wheat to Poland, which we have been unable to deliver. At the same time, though, in order to maintain good relations with the Russians, we sold them butter and meat at prices lower than production costs. . . .

“Agriculture has more and more difficulties in paying its debts, and with more than \$50,000 debt per farmer on the average, that is about 30% of the average income—the farm sector is more indebted than any other activity. Indebtedness is concentrated in the hands of 50% of the farmers, who invest less and sometimes are pushed toward bankruptcy. . . .

“In brief, we can say that the evolution in farming is manipulated by [the European Community bureaucracy in] Brussels, as a reflection of decisions made by the financial cartels which want: to lead 80% of farms to bankruptcy; to

take control (by financial trickery or sheer power) of the remaining 20%; to produce goods they can stockpile or goods whose production they can control (industrial animal raising).

“We are moving, in France and in Europe, toward farming deprived of any humanitarian purpose; motivation, conviction, and technical competence are more and more being replaced by speculation and finance. . . .

“Measures aimed at reducing production will lead thousands more independent farmers to bankruptcy, increasing the power of cartels which will be able to organize an even more draconian shortage. The food, produced in ever-decreasing quantity, by a smaller and smaller group of people, will become a terrible weapon, to the effect of replacing the atomic bomb in its net effect, and enslaving the food-dependent continents.

“So, it is the duty of all countries to not only talk about the war on drugs, or to feed the country; they have to act together and as soon as possible. In fact, such a battle requires great unity; its goal should be to promote growing agricultural production, the expansion of medical care, and technological progress in all fields. That is the only positive way to fight the International Monetary Fund malthusianism, to save Third World countries from their debt, and to bring to all mankind peace and liberty.”

Conditions in Australia

Ian Murphy, a sheep farmer from Australia, has been touring the United States with his wife, Anne Marie, speaking to U.S. farmers and others about the international food crisis. In his speech to the conference, he underlined that the first step in any recovery program is, “Give honor to God.” He offered a prayer, calling on the power of Satan’s adversary, St. Michael the Archangel, to defend this movement in its battle against the Devil.

In his review of the farm crisis in Australia, Murphy reported that the country’s greatest export-earner, wool, “has been driven down in price by the multinational buyers by 40% in the last six months. Wool growers are currently *buying back 60% of their own wool with their own money*, simply because the international cartels are refusing to bid at the wool auctions. As a result of the collapse of the Australian wool market, sheep prices have fallen from an average \$25 per head to an average price of \$7.50. . . .

“The minister for environment in the federal government has stated he intends to *depopulate* the ‘marginal’ farming areas.

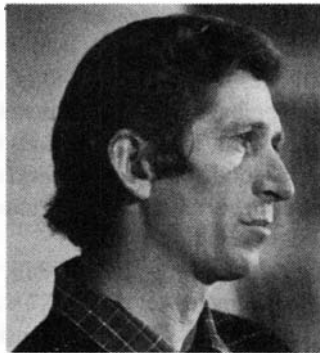


"Farmers in Australia and business people now have to pay an interest rate of 25%. This is usury at its worst. No one can pay 25% interest, and as a result, farmers are losing their farms, and business people are going into bankruptcy."

The plot against New Zealand

John Henderson, a farmer from New Zealand, presented a comprehensive picture of the destruction of his country's economy since 1976 "as a result of a systematic plot by a small handful of international financiers, working through their friends in both of New Zealand's major parties." Since 1984, under the present Labour government, the radical deregulation of the economy has created a disaster, including in agriculture.

"As many of you know, tiny New Zealand is one of the world's largest exporters of dairy products and sheepmeat," Henderson said. "With our rich soil and our skilled farmers, we also grow many other things, including wheat. I would like to use the example of wheat to show how the international bankers and the grain cartels are destroying our production."



"In 1984-85 one of the junior members of the international grain cartel, Goodman Fielder (now known as Goodman Fielder Wattie), imported wheat from Australia, paying \$360 per ton, landed at Auckland, New Zealand. At the same time, the same company offered New Zealand farmers only \$180 per ton for their wheat. At this time, we were 100% self-sufficient in wheat, except for some specialist lines. Now we produce only 10% of what we need. . . .

"This same firm, Goodman Fielder Wattie, then moved into the sheepmeat industry, through arrangements with Waitaki International, one of New Zealand's largest meat processors, and through arrangements with the New Zealand Meat Producers' Board. Instead of concentrating on producing a physical product, Waitaki's whiz kids lost \$140 million speculating on the foreign exchange market. The resulting collapse of the company allowed them to force down workers' wages, and badly hurt the primary producers. . . .

"The government is aiding this destruction of the meat industry. One of our cabinet members just returned from signing a deal with Russia for meat at 70¢ a kilo, which is 2.2 pounds. If we had put any effort at all into marketing this meat, instead of handing it to the Russians, we would have gotten at least \$2-4 per kilo."

Cambodia could export food

Heng Cheng, the former President and agriculture minister of Cambodia, who now resides in Texas, reported to the

assembly on his successful efforts to expand the agricultural production of his nation, before the communists led by Pol Pot took over in 1975 and plunged Cambodia into barbarism, killing over 1 million people.

"When I was secretary of agriculture of Cambodia," he said, "I encouraged expansion of agriculture through new technologies, such as selection of seed, use of tractors to replace oxen, use of fertilizer and insecticides, and also, a policy to protect the price paid to the producers. I was the first secretary of agriculture to explain to the government that, for example, to have rice, you have to spend 160 days from planting to harvest. You must know each day what you have to pay to produce the crop, so you must know if you will have the price. In other words, we had what you used to have in the United States, a parity price, to cover the cost of production. . . .



"When I first became secretary of agriculture, we had no tractors. We soon had more than 4,000 tractors. In a new area to plow, to exploit by oxen, it takes five years to exploit one hectare; by the tractor, it takes one day for five hectares. To help people buy tractors, we protected the price of the tractors with a tax exemption, and we gave an exemption from tax for buying fertilizer. We had a very large increase in production and exports. . . .

"Our reforms showed that Cambodia could be a food exporter. . . . From the Great Lake to the south, all along the Mekong Delta, there is very rich land. The Mekong flows from Tibet, and flows for 4,000 kilometers. The land around this river is very fertile. In my opinion, if we have real security, we could rebuild very fast."

Farming in Venezuela

Simón Pacheco, Venezuelan president of the National Association of Yucca Producers, proposed that his country be the host of the next Food for Peace conference. He outlined a national plan to increase production of yucca, a high-energy vegetable consumed primarily in the Caribbean countries. Pacheco stressed the strategic importance of agricultural production within his nation's economy. "Agricultural policy is the backbone of development," he said.



U.S. Agriculture Dept. turns green

by Marcia Merry

The speech excerpted here was delivered to the Food for Peace conference on Nov. 5.

The U.S. Department of Agriculture has turned green. You may have known the agency was bad, but not this bad.

When the Department of Agriculture was founded in 1862 by President Abraham Lincoln, its mission was to produce good and plentiful food based on scientific methods. Lincoln said, "The general designs and duties [of the Department] shall be to acquire and diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of that word" (May 15, 1862).

During World War II, U.S. agriculture was heroic—doubling, tripling, quadrupling food output when needed.

Go down to Washington, D.C. today, to Independence Avenue and the Agriculture Department, and here's what you get: cult material. There has been a radical change at the USDA. They now worship a pagan goddess called "Lisa," and the "Earth Team." "LISA" stands for "low-input sustainable agriculture." Ask yourself, "Sustainable for whom?"

According to the new thinking at the USDA, there are to be lower inputs per acre in farming, less energy per acre, less mechanization, and so forth. The rationalization for this? The lower inputs are to be "quality" inputs. More spiritual. Good for the environment. Good for the birds, and the swamp things. You farmers are supposed to love this, because you are supposed to lower costs by not buying equipment, fuel, fertilizer, pumps, and such things. You are supposed to put in more sweat labor, and the USDA calls this "quality of life" for you and your family and your farm environment.

Secondly, there will be less food per acre produced under this perspective. The rationalization for this? There may be less food, but it will be "quality" food. "Pure. Safe. Natural. Non-poisonous. Chemical-free. Traditional. Organic. Aesthetic."

What's going on here? The result of all this is obvious. There is to be less population. Less food . . . fewer people. The argument is, there are to be "quality" people. White. Elite. Select.

Don't be shocked. For 20 years, the USDA has been imposing policies to bankrupt farmers, cut food supplies,

and serve the interests of Cargill, Archer Daniels Midland, and the other food cartel companies, to control our food. The USDA hasn't changed its spots overnight. Now their policy is outright starvation and genocide. . . .

Look at the book *Alternative Agriculture*, the new bible of the USDA. . . . The book says that farmers should switch from so-called conventional farming, to "alternative" agriculture. By this, the book merely means that farmers should not have the income and circumstances to choose freely what techniques they prefer of tilling, animal husbandry, harvesting, shipping, fertilizing, and so forth. Farmers should use only low-cost, low-tech methods that the self-styled experts say are good for the environment. These are the methods the hocus pocus experts call "alternative," just to use an inoffensive-sounding name.

Just recently, a new bill, "The Sustainable Agricultural Adjustment Act of 1989," was introduced into Congress to help farmers "make the transition."

Farmers: Don't be taken in by the propaganda. Most farmers would like to be in a position to change how they're doing things: make improvements; try something else; get out from under the yoke of the crop program restrictions. And this must be done; this is our Food for Peace policy. I'm not a soil scientist, or expert on animal husbandry. I'm not going to tell farmers what methods are best for each of their situations. But I tell you: If you are are falling for a policy that is designed to feed fewer people—millions fewer people—you are being taken for a fool. And you won't be in farming for long. The same with questions of diet and nutrition. Everyone healthy has a healthy interest in mealtimes and good food. I'm not a doctor or nutrition expert. But I tell you: The propaganda you are getting about pure food, safe food, non-poisonous food is part of green fascism. . . .

Who promotes green fascism

The best thing you can do, is look at who is promoting this greenie food and farm propaganda. Look at just three projects and their backers.

Firstly, look at who funded the publishing of the *Alternative Agriculture* book. The Rockefeller Brothers Fund, the Andrew Mellon Foundation—the same family that founded the Federal Reserve—the W.K. Kellogg Foundation, etc. These interests want fierce austerity so their own financial empires can be saved at any cost. The Rockefeller family interests were always fanatical backers of population reduction.

Secondly, green, "eco" farm conferences. In January, there is a big gathering in California. One of the backers is



the Esalen Institute. This outfit was founded in the 1960s, to conduct sensitivity sessions for "mind expansion." The night before the Charles Manson murders, Manson spent an evening at Esalen. In the 1970s, Esalen started specializing in U.S.-Soviet exchanges. Esalen favors spiritual relations with the Earth.

Another backer is the Rodale Institute. Founded in the 1940s, this group is part of the cult networks called anthroposophs, connected to a mystic named Rudolph Steiner. Steiner once published a magazine called *Lucifer*, and he referred to his friends as "white magicians." Steiner's student Ehrenfeld Pfeiffer wrote an article for the first issue of *Organic Farming and Gardening* in 1942. The article called for a "new peasantry." No more mechanization and chemicals. . . .

Thirdly, there is the federal law called the Conservation Reserve Program. Started in 1985, this plan aims at taking 45 million crop acres out of cultivation and putting them into non-food, wilderness use. That is the brainchild of the Conservation Foundation.




This group was founded in Washington, D.C., in 1948. It was set up by racist British and Swiss oligarchs, as a replacement for their pre-war group that got a bad name for advocating eugenics—Master Race breeding. The first director of the Conservation Foundation was Henry Fairfield Osborne, the nephew of one Fairfield Osborne who, in 1932, had hosted, along with the Averell Harriman family, the International Eugenics Conference in New York City. Nazi race experts attended that to discuss how to purify races by exterminating "undesirables." For the last 41 years, the Conservation Foundation has carried on their advocacy of selective population reduction under the cover story of protecting the environment. William K. Reilly, the current head of the Environmental Protection Agency, was formerly head of the Conservation Foundation. . . .

First, there is the Conservation Reserve Program (see **Figure 1**). If you figure that a farmer here in the U.S. can produce grain on one acre for at least 2.5 people for a year, then if you remove 40 million acres from cultivation, grain for 100 million people is not being produced. Where are they getting their daily bread? They're not.

Look at other foods. Milk: The "alternative agriculture" people tell you that too many cows produce manure, which pollutes the groundwater. They also say that too much milk makes too much butterfat and cheese, and that fat in school lunches hurts children. One decent milk cow produces enough milk for 9,000 half-pint servings a year for children. This could give 26 children their daily milk for a year. But the USDA Dairy Herd Termination Program eliminated 1.5 million cows. This is milk for 37 million children. Where will they get it? They won't.

Apples: One decent apple tree gives 500 apples a year, enough for 1.5 children to get an apple a day. But the scare about Alar and sprays on apples is bankrupting growers, and ruining orchards and trees. A 40-pound child would have to

FIGURE 1
Environmentalism kills

Environmentalist program	Requirement for food production	Food lacking for how many people
Conservation Reserve 40 million acres in non-food use 	1 acre feeds 2.5 persons	100 million
Project Groundwater Reduce manure animals 	1 cow feeds 25 children	37 million
Ban farm chemicals on fruit ALAR scare against apples ruined thousands of orchards 	1 tree feeds 1.3 children "an apple a day"	780,000

eat 1,000 apples a day for a lifetime—26 million apples—to ingest the amount of Alar (daminozide) that produced tumors in laboratory rats. But now . . . thousands of children won't get *any* fruit. The impact of the Alar scare this spring is to deprive over 700,000 people of their apple a day.

The green fascists say that insecticides pollute. In 1972, William Ruckelshaus of the Conservation Foundation banned DDT, which controls malaria mosquitoes. In 1974, Russell Train of the Conservation Foundation banned diel-drin, which controls locusts and grasshoppers. It is now estimated that 100 million people die a year due to the elimination of these and other needed chemicals. . . .

Therefore, don't try to have a dialogue with the agents of the banking families—the Mellons and the Rockefellers, about organic farming or pure foods. They're plotting to divert you in this way while farms—big and small, conventional or organic—are shut down around the world, and people are starved. If someone says to you that they don't like the way you farm, or they don't like your food or the way you eat; if someone says to you that you are hurting the environment and hurting Mother Earth's feelings, you tell him to go to another planet. Here on Earth, we're going to feed people.

The crisis of U.S. food production

"How can you feed someone when you don't have it? How can you clothe people, when there is no wool, no cotton being produced?" So asked **Carolyn Campbell**, director of the second-largest food bank service in the United States. Campbell's agency is located in Fresno, California—heart of one of the richest agricultural regions in the world. Yet today, in the lush Central Valley, hunger is on the increase, alongside farms in crisis.

Campbell participated in a Food for Peace conference panel on Nov. 4, called "Collapse of Physical Production of Food," sharing the podium with farmers from abroad, and with U.S. spokesmen Lindsey Williams, noted author and lecturer on the economic crisis, and Phil Valenti, Pennsylvania Food for Peace coordinator. Their presentations and other conference remarks by farm leaders such as Jack Hall, former president of the Virginia state National Farmers Union, give a graphic picture of how two decades of disastrous policy have created the present burgeoning farm and food crisis in the United States. The speakers were unanimous in the view that the situation could be reversed if the right emergency measures were taken. Campbell said, "Except we come together all over the world, we cannot succeed."

Campbell reported that in 1979, the Fresno Food Bank provided 800 families with monthly provisions. In 1989, that number increased by 300% to 3,200 families. The food bank serves laid-off factory workers as well as migrant farm laborers, families, plus hundreds of others dispossessed by the "Great Recovery" of the 1980s. Campbell described the succession of government actions over the past 10 years. In 1982, for example, then Agriculture Secretary John Block came to visit California. Even then, one could see that agriculture was in



crisis. In 1983, President Reagan signed the "Jobs Stimulus" bill. Campbell remarked, "As far as I am concerned, it did not meet the necessities of the poor." For example, at one point, Sperry-New Holland, the farm equipment manufacturer, closed three plants in Fresno. Suddenly, hundreds of newly unemployed needed help. The food bank and another local relief agency, the Center la Familia, were the chief sources of assistance.

Yet the food bank itself is in an intense financial squeeze. In addition to the rapid growth in local needs, the costs of relief have increased dramatically: In the early 1980s, the program paid 12¢ a pound for food provisions; today, it must lay out 25¢ for the same amount.

Interests connected to the private food cartel companies have hampered the food bank's efforts. In one case, raisins, unsold on the produce market, were being offered for hog feed for only \$45 a ton. Yet incredibly, the Fresno Food Bank was prevented from buying them for the poor. In another case, there used to exist the "Senior Gleaners," a group that went out into the fields and orchards to pick up the remaining fruits and vegetables after the farm harvesting was done. But, three years ago, the farmers were ordered to plough under their crop remainders, to "protect" their market prices. There are even "shakers," who are paid to go around and shake the lingering fruit from the trees so it falls to the ground and rots. Campbell said, "These are horror stories, but very real."

Debt engulfs production

Lindsey Williams, known widely for his first book, *The Energy Non-Crisis*, described how he and his wife traveled for four months among farmers, gathering facts on the farm and food crisis for his book *Where's the Food?* He said, "You would think it was Siberia, not here."



"I traveled in North Dakota . . . no cattle herds. We do not have the beef anymore on American soil. If imports are cut off," he said, there would be no food. He reported on the empty grain elevators in the Northwest, noting with tongue-in-cheek naiveté, "I thought we had a surplus."

Williams outlined the "design-plan" at work to destroy farmers. He pointed out that the largest farm in Argentina is owned by the Rockefellers. Rockefeller ships take Argentine wheat into the United States. This is happening because Argentina must pay debt to Chase Manhattan Bank (Rockefeller again) in U.S. dollars, which the Argentines can earn only through exports. He said that February 1988 was "a point of no return" for the world economy, because there was more

debt to be paid than assets with which to pay it.

Williams posed the question, "What is true wealth?" He answered, "The tangible objects God has created . . . land"; several in the audience were heard to murmur in reply, "the mind." He ended by advising some "cures" for the situation. he said, "Attempt to get out of debt. . . . Beware of usury. . . . Set family priorities. . . . Get involved in government . . . take responsibility for your health." He said, "Stand up to your adversity. Either you stand up for something, or you fall for anything."

Urban-rural alliance

Phil Valenti, Pennsylvania Food for Peace spokesman, described the gains from concrete actions over the past few months by a coalition of "farmers and eaters." Saying that there "can be no faith without works," Valenti told how an alliance of veterans, civil rights leaders, farm activists, and neighbors demonstrated on behalf of western Pennsylvania farmer Bernard Tobin, whose rights to retain his farm and produce food were being jeopardized by the federal lending agency, the Farmers Home Administration. So far, the FmHA has had to back down twice.



Exchange visits to farms, churches, and communities have been undertaken through Food for Peace, between white rural farm families and black inner-city families. This fighting alliance has taken on the issue of giving the dairy farmers in the state—one of the nation's top five milk producers—parity (fair) prices, and exposing the price gouging by such monopolists as the Bronfman family, which owns many dairies through its Labatt's beer and Seagrams whisky companies.

Valenti introduced to the audience O.G. Christian, a Philadelphia Food for Peace activist who was a leader in his carpenters union, and for 12 years headed the West Philadelphia NAACP. Christian sponsored a resolution on behalf of the family farm, which passed the Pennsylvania state NAACP just days before the Chicago meeting.

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Demand justice for all

Virginia farm leader **Jack Hall** decried the police-state measures now in effect in his state and elsewhere. Earlier this year, Hall joined O.G. Christian in a series of Capitol Hill meetings to pressure Congress for emergency action on food and farm policy, and to end police-state tactics against farm activists. All the farm speakers denounced the jailing of Lyndon LaRouche and associates, and the harassment of others.

A statement was released sent by Lindsey Williams and Australian farm leader Ian Murphy to President Bush. It read:

"The jailing of Lyndon LaRouche has sent shock waves round the world and through all patriots, nationalist politicians, and freedom-loving citizens.

"We are shocked and amazed by the subversion of natural justice in the U.S.A.

"The question we must ask is, 'What are the real forces now persecuting Lyndon LaRouche in the home of the brave and the land of the free?'"

"Lyndon LaRouche is not in jail for what he has done but simply because he is a brave and patriotic American standing up for American tradition and truth.

"When President Bush releases Lyndon LaRouche, he will have proved he stands for the great American traditions of truth, justice, and freedom for all under God's laws."



Save the family farmer!

This resolution was passed by the Pennsylvania affiliate of the National Association for the Advancement of Colored People (NAACP) at the end of October.

WHEREAS independent family farmers have been the backbone of food production in America; and

WHEREAS tens of thousands of independent family farmers are being forced out of business every year, while hunger and starvation increase at home and abroad;

WHEREAS the main reason for the problem is the unfavorable financial policies used by the power structure against the family farmer; and

WHEREAS everybody's freedom is threatened if big corporations take over total control of food; and

WHEREAS the food crisis is made worse by the set-aside policy, where farmers are made to keep good land out of production; and

WHEREAS, as the shortage of food strikes this nation, it will impact hardest on black people and other minority populations of the big cities;

THEREFORE we in the NAACP resolve that every effort be made to get the government to take concrete steps to save the independent family farmer.

Poland, Germany, France at core of changes in Central Europe

by Rainer Apel

The change of government in Poland in August, the wave of refugees from East Germany and the mass protest rallies in Leipzig, Dresden, and the other major cities there, the reshuffling of the communist leadership in East Berlin, and the discussion of millions of East Germans on economic and political reforms, free elections, and German reunification—all these events have stirred the world and dominated the headlines.

But the developments which began with the opening of a few new crossing-points at the Berlin Wall in the night of Nov. 9-10 foreshadowed the shape of a new architecture, a political structure of a Europe to replace the regime which was set at the February 1945 Roosevelt-Churchill-Stalin conference at Yalta, and which has ruled European affairs throughout the postwar era.

Berlin, which has been the centerpiece of the postwar Iron Curtain, was changing overnight: A few hours after the re-opening of the sectoral border was made public, 100,000 East Germans had streamed into West Berlin, mixing with at least the same number of excited West Germans in the streets of the city. German flags were waved, and every single car coming from the East was welcomed with cheers. Thousands of people from East and West climbed on the Wall, celebrating the beginning of a new era. People of all ages were full of joy and tears at the same time. Relatives who had not seen each other in the 28 years since the Wall was built embraced each other, as did people who had never met before. No clearer expression of the Germans' feeling as one nation could be imagined.

Fidelio, Act I

On Nov. 11, people along West Berlin's Kurfürstendamm avenue were singing the moving refrain "Be embraced, ye millions!" from Friedrich Schiller's *Ode to Joy* in Ludwig van Beethoven's Ninth Symphony. Other popular songs were chanted as well, and thousands joined in.

This was only the beginning: The next day, 400,000 East Germans streamed into West Berlin, and 1 million the day after. Meanwhile, far away from Berlin, at the new crossing-points along the German-German border, tens of thousands streamed into the West—half a million altogether. Brass bands from the West welcomed the visitors from the East, and bands from the East marched into the West to play as well.

The high point of this German-German reunion occurred in West Berlin on Sunday, Nov. 12. All visitors from East Germany had free entry to all classical music concerts performed in the city that day. The Berlin Philharmonic had decided to give a special, unannounced concert, and hundreds of East Germans, many of them young families with small children, took the opportunity to listen to Beethoven's Symphony No. 7 and Piano Concerto No. 1 at the Deutsche Oper. The concert was conducted by Daniel Barenboim, who told the audience he was proud to contribute to this special moment, and received roaring applause, with the audience spontaneously rising from their seats.

Another, well-attended concert took place at the Deutsches Konzerthaus, where a performance of Mozart's opera *The Magic Flute* was given. Other, smaller concerts of classical and religious music at churches all over West

Berlin were well attended.

West Berlin, as well as many West German cities, reported massive interest of East German visitors at art museums and other sites of historical interest, where long queues of people were lining up for most of the day.

East Berlin itself looked rather depopulated that Sunday. The square at the Marx-Engels monument, usually a much-frequented meeting place for East Germans, looked completely deserted—a scene that was highly symbolic of the present situation in East Germany: People have had enough of Marx and Engels, of socialism.

The figures published by the East German authorities on Monday spoke for themselves, to the same effect: More than 5 million East Germans, roughly one-third of the population, had enlisted for traveling visas to West Berlin and West Germany.

It was as the writer Reiner Kunze—himself a refugee from East Germany in 1977—wrote in a lead editorial in the Bonn daily *Die Welt*, after this historic weekend on Nov. 13: *Fidelio*, Act I—the prison gates are opening, the prisoners enjoy the open air after a long period of incarceration. As in Beethoven's opera, the prisoners returned to their cells (when their visas expired), but they are determined to come back. It is, Kunze wrote, still a long a way to go until the final act of real liberation is finally reached, but the process leading toward it has definitely begun. What is required now, in view of these broad and intense social processes, is leadership, and reasonable action by governments and politicians.

Joint heritage of Germany, Poland, France

As these breathtaking developments were unfolding in Berlin, West German Chancellor Helmut Kohl was in Warsaw. He had arrived for a five-day, official visit in the morning hours of Nov. 9, prepared for difficult and delicate talks with the new Polish government. The developments in Berlin, this mass expression of the longing for freedom, made it easier for Kohl to get his specific message across in Warsaw. In his official dinner address that evening, the Chancellor cited the joint heritage of French, German, and Polish freedom fighters against the regime of the Congress of Vienna in the early 19th century as a crucial point of reference for cooperation of the three nations for a better Europe at the end of this century.

"Today," Kohl said, "all of Europe looks upon the great Polish people which, not for the first time in its history, revives the most valuable traditions of our continent to new life.

"The common desire for freedom and self-determination: This was also the characteristic of one of the greatest periods in the history of our two peoples. During the Polish struggle for freedom in 1830-31 and in the years after, Germany was seized by a wave of sympathy and enthusiasm for the neighboring people.

"The high point was, in my Palatine home-region, the Hambach Festival on May 27, 1832, at which the [Polish]

red-white and [German] black-red-gold flags were fluttering together, while German, French, and Polish students were calling for constitutions and citizen rights for all Europeans, and were singing songs of freedom. Speeches given at that event proclaimed: 'Without the freedom of Poland, no German freedom; without Poland's freedom, no lasting peace, no salvation for the peoples of Europe. Therefore, rise up to fight for Poland's restoration!'

"The *fraternity* proclaimed by the French revolutionaries: Isn't that an old name for what we call *solidarity* today? This bond has remained, and even war and dictatorial regimes haven't been able to tear it apart."

Kohl could not have chosen a better point of reference. The cooperation between the three nations of France, Germany, and Poland was never again so close during the 157 years that followed that event at Hambach Castle. And the chance for a new era of close cooperation between the three has never been so close in the past 157 years, as right now.

German-Polish reconciliation

Kohl's trip to Warsaw had been prepared in close consultation with the government of France, in several personal encounters between the Chancellor and French President François Mitterrand, and on the phone between Bonn and Paris. Since he was assured of full support on the part of Mitterrand, Kohl was assigned a special mission to Warsaw that only he could carry out.

West Germany plays a crucial role regarding Poland for several reasons: 1) it is Poland's single largest creditor and trading partner in the West; 2) it has to be engaged with Poland in a pincer-like move to support the process of political reform and transformation in East Germany; and 3) as the political-economic pivot for the ongoing process of German reunification, West Germany's guarantee of secure borders with Poland is essential, because the border question must be kept free of any tensions.

The reconciliation and cooperation between West Germany and France in the postwar period, especially the historic alliance between France's President Charles de Gaulle and West Germany's Chancellor Konrad Adenauer in the late 1950s and early 1960s, can serve as the model for the new quality of cooperation between a united Germany and Poland. For the Poles, on the other hand, it is important to know that both leading industrial nations on the European continent, France and West Germany, are supporting the first non-Communist government in Warsaw now, at the peak of the Polish economic crisis. The combined weight of France and West Germany is crucial for Poland also in political-strategic terms, because it helps to increase the maneuvering room against the threatening Russian neighbor in the East.

It is furthermore important for Poland to know that France and West Germany are cooperating on the question of East Germany with the aim of helping to remove the Stalinist regime in East Berlin and to replace it with a government

that is oriented toward Western values. A reunification of Germany along the Western model is not threatening to the Poles; indeed, it is the only guarantee for the liberation of the Polish nation from the paws of the Russian bear.

Kohl had to interrupt his trip to Poland for 24 hours on Nov. 10 and Nov. 11, to fly to West Berlin because of the political developments around the Wall. Addressing some 20,000 Berliners from East and West, Kohl said in a highly emotional speech at Schöneberg City Hall: "We are one nation, we will remain one nation, and we belong together. . . . People in the German Democratic Republic have a right to free and secret elections and a free press, and political parties. Our fellow countrymen are fighting for these rights and we are fully behind them. . . . We are ready to help you rebuild your country, you are not alone."

The Chancellor flew back to Bonn, got on the phone with Mitterrand the same Friday night and did so again the next morning, as well as speaking with U.S. President George Bush, British Prime Minister Margaret Thatcher, Mikhail Gorbachov, and East Germany's new leader Egon Krenz. After an emergency cabinet meeting in Bonn Saturday morning, Nov. 11, Kohl went back to Warsaw to resume his talks there. The 24-hour interlude was not to the disadvantage of the German-Polish talks, as could be seen on Sunday, when Kohl and Poland's Minister President Tadeusz Mazowiecki joined for a visit to Kryszyow in Lower Silesia.

Kryszyow, the German city of Kreisau before 1945 and since then under Polish rule, is symbolic in two ways. On the one hand, it is a litmus test of whether Germany today can live with the fact that one of its former cities is now part of Poland. And on the other hand, it is a historic center of the anti-Nazi resistance movement in Germany; the estate of the landowning family of Count Moltke at Kryszyow played an essential role in the preparation of the planned overthrow of Hitler on July 20, 1944. A museum of the history of the anti-Nazi resistance is to be built on the restored, former Moltke estate now, in a joint German-Polish venture.

Catholic Church connections

The reunion of Kohl and Mazowiecki at Kryszyow on Nov. 12 became a very moving event. Father Nossol, the priest of the Catholic ethnic German minority in Lower Silesia, welcomed "these two excellent Christian-Democratic statesmen" and recommended, in his prayer, that "Poles and Germans shall work together for the re-evangelization of Europe." Mazowiecki then embraced Kohl in an explicit gesture of reconciliation—also an expression of the traditional Peace Prayer recited by the Polish Catholics—and said: "There is a new Polish-German feeling of fraternity upon which the future of a better Europe can be built." The two heads of state then traveled on to the Shrine of the Black Madonna's at Czestochowa, the cultural heart of Catholic Poland (and the equivalent of the Cathedral of Chartres in France, as many say), where a *Te Deum* was sung in the

German language. The scenes at Kryszyow and Czestochowa on Nov. 12 were highly reminiscent of the reunion de Gaulle and Adenauer had at the Chartres Cathedral in September 1958, at the beginning of their alliance.

The next day, at the Catholic University of Lublin, where Kohl received an honorary doctor's degree, the new alliance between the Germans and the Poles was deepened. "The reforms in Poland and Hungary created the precondition for the changes we are witnessing now in the G.D.R.," said Kohl. "We know that without a free and stable Poland, there will be no free Europe, because Poland is important for all of Europe."

The Chancellor added: "There is nothing to fear for the Poles from the developments in neighboring G.D.R., because support for both reform processes, there as well as in Poland, is in my government's genuine interest. . . . The development of both has to be seen in one and the same context." Concerning the German-Polish border question, the Chancellor said he could not imagine any future expulsion of "millions of Poles who have lived for three generations now" in the former German territories. There is no problem with today's borders, Kohl said. There is only a question of their interpretation; the West German government is respecting the German-Polish Treaty of Warsaw signed in 1970, which declared there are "no territorial claims to Poland."

A reunified Germany, Mazowiecki declared a few hours after the ceremony in Lublin, is no threat to the Poles, so long as there is a German guarantee for Poland's current western borders with East Germany along the two rivers Oder and Neisse.

On Nov. 14, after Kohl and Mazowiecki signed a joint declaration on the new quality of German-Polish relations and cooperation in Warsaw, the Chancellor characterized at a press conference his four days of talks with the new Polish government as "a fateful moment of world history and of German policy," because they offered, for the first time in at least 50 years, an option for developing sound German-Polish relations. Mazowiecki visibly appreciated these remarks, especially when Kohl referred to the two leaders' joint visit to Kryszyow and to Czestochowa, their public gesture of reconciliation there.

Mazowiecki said that the visit to Kryszyow and Czestochowa should not be misread as a merely tactical move of diplomacy, but as a real reflection of a "new quality of friendship between the two nations." He called Kohl "a real friend of the Polish nation" and said that the two had "been able to reach a deep level of understanding because both of us are religious politicians."

If this level of understanding, combined with a sound economic policy of industrial development in Poland and East Germany, is the basis of the new German-Polish cooperation together with France, there is reason to believe that these five days between Nov. 9 and Nov. 14 were the beginning of a change in Europe for the better.

British, Soviets team up against Germany

by Mark Burdman

The British and Soviet governments are effectively working in tandem to undermine the reunification of Germany, and to counter the nascent West German-French-Polish "axis for development" emerging in continental Europe.

EIR has learned that a senior official of Moscow's U.S.A.-Canada Institute, one Karaganov, has been in London during the early-to-mid-November period. He has approached leading British policymakers with the frank message: "We don't want reunification of Germany, and you don't either. Why won't we work together to make sure it doesn't happen?"

On Nov. 16, the *Times* of London, a pillar of the British establishment, published a signed commentary on Germany that could have been dictated from 10 Downing Street. The headline epitomizes the London-Moscow convergence: "Events in Germany must not weaken Gorbachov." Writer Ronald Butt insisted, "We need a stable Soviet Union. Control of the vast Soviet armory must be in responsible hands as NATO and the Warsaw Pact seek to reduce their arms. That is also the crucial fact about German reunification. The danger is not of the *eventual* reunion of Germany, but of precipitate action that might cause the Soviet Union concern about its forces in East Germany. . . ."

"Mrs. Thatcher's reassurance that the West will not try to poach East Germany is timely. . . ."

An informed London source told this correspondent Nov. 17: "The British position, quite simply, is that everything is subordinate to Gorbachov's survival."

Even official utterances from Moscow and London on the subject have been complementary. Since the dramatic developments at the Berlin Wall beginning Nov. 9, Gorbachov, Soviet Foreign Minister Eduard Shevardnadze, and other Soviet spokesmen have come out unambiguously against German reunification. Gorbachov's statement on the subject was reported in the Nov. 16 *Daily Express* of London under the heading, "Gorbachov Nyet to a United Germany."

Speaking before the Lord Mayor's Banquet Nov. 13, Mrs. Thatcher declared, "Once the demand for reform starts, there is a tendency for it to run very fast. Indeed, the very speed of change could put the goal of democracy in jeopardy. Strong emotions have been aroused on all sides by recent events. The need now is to take a measured

view of the way ahead."

Recently appointed British Foreign Secretary Douglas Hurd, while visiting Berlin Nov. 16, echoed Thatcher, proclaiming that reunification was "not on the agenda."

One fascinating corollary of the London-Moscow pincer is that both are encouraging "democratic socialism" in East Germany, as a means of heading off reunification. Erstwhile "anti-socialist" Mrs. Thatcher has become a latter-day Social Democrat, and both the British and Soviets are supporting the Socialist International! (See article, p. 34.)

Fighting World War I again

From the British side, several factors are motivating the hysteria on the German question. British insiders state frankly that Mrs. Thatcher is petrified that "if Gorbachov doesn't survive, she doesn't survive." After all, despite her occasional public skepticism about Reagan's opening to Moscow, she has, especially recently, insisted that Gorbachov is a man "to do business with." Moreover, 10 Downing Street is trying to exploit hysteria about a "Fourth Reich," to divert attention from increasingly bitter internal squabbles.

But there is something much more basic behind the British campaign against a reunited Germany, and charges that a "Fourth Reich German economic superpower" will arise. What erupts at such moments as these, is a British obsession, that might be characterized as "18th-century balance of power politics." One British observer said Nov. 17: "We have fought countless wars to prevent one country becoming dominant on the continent. In the past, it was France, Spain, just about everybody except Portugal. In this century, the problem has been Germany."

Oddly enough, the main public propagandist for the Downing Street-dictated "Fourth Reich" campaign has been Conor Cruise O'Brien, a left-liberal scribbler based in Ireland. Days before the Berlin Wall was opened, O'Brien wrote a piece in the *Times* of London, with the headline, "Beware the Reich Resurgent." He raised the specter not just of a Germany reunified, but the German people's alleged denial of the occurrence, and guilt for, the Nazi anti-Jewish holocaust, etc., once Germany were reunified. His "Fourth Reich" insanity soon became a *leitmotif* in numerous British papers. Typical was a lead editorial in the Nov. 12 *Sunday Times* of London.

On Nov. 17, Cruise O'Brien struck again, again in the *London Times*. Cynically admitting that his first article was characterized by "hyperbole," he asserted: "The good thing about hyperbole is that it attracts attention." By the end of the article, Cruise O'Brien revealed what his real obsession is: the revival, not of the Nazi "Third Reich," but the "Second Reich" of the late 19th-early 20th "Hohenzollern Germany."

In other words: the British imperial mind-set of World War I. Such hysteria points to one simple fact: the Anglo-Soviet combination is *not* in control of the continental European political dynamics.

Gorbachov postpones reform agenda

by Konstantin George

While maintaining a deceptive, superficially liberal or "hands-off" mode toward the revolutionary situations in East Germany, Poland, Hungary, and elsewhere in Central and Eastern Europe—because it has no choice for the time being—Moscow is taking an iron-fisted approach towards national freedom movements inside the U.S.S.R. itself. The cutting edge of this crackdown, which the Soviet military has been demanding for months, has struck in the republic of Moldavia and the three Baltic republics. Along with mass repression, the Soviet leadership, with Gorbachov spearheading the move, has put the brakes on the so-called domestic package of "economic reforms" that was supposed to be passed this winter by the U.S.S.R. Supreme Soviet.

The internal crackdown began Nov. 10, the same day the Berlin Wall was coming down. A mass protest in the Moldavian capital of Kishinyov was violently suppressed, with hundreds injured, some critically. Two thousand interior troops, from elite units composed of *ex-spetsnaz* Afghan veterans, were flown into Moldavia. A state of emergency with a strict curfew was proclaimed, putting the republic under de facto military rule. The repression was the bloodiest since the April 9 "Bloody Sunday" massacre in Tbilisi, Georgia. Moldavia was given a new party boss, a Russian, who replaced Semyon Grossu at a Moldavian Central Committee Plenum convened on Nov. 16. This was the first time that a Russian had been installed to rule a non-Russian republic, where the indigenous population, in this case Romanians, form a majority. (In Moldavia, Romanians are 64% of the population, while Russians are a mere 12%, and Slavs some 26%.)

After that, Moscow moved to begin a showdown with the national movements of the Baltic republics. The popular support in these republics for independence is so overwhelming that in the last month, the Lithuanian, Latvian, and Estonian parliaments all passed legislation creating the basis for popular referenda on all crucial questions, including that of leaving the U.S.S.R. The first of the ruling Communist parties of these republics, Lithuania's, declared its intention to "secede" from the Soviet Communist Party and become an independent party, no longer tied to Moscow. The Lithuanian

move was in direct violation of an edict from the Sept. 19-20 Central Committee Plenum, personally announced by Gorbachov, forbidding any republic Party to undertake such a move.

On Nov. 14 the entire Lithuanian Party leadership was summoned to Moscow to appear the next day before the Politburo.

The crackdown will not be confined to suppression in the non-Russian republics. A national emergency, featuring state-enforced strict rationing of food and consumer goods, could be declared as early as December, as the hardships and privations caused by the winter become unbearable. The stage for this has been set by little-noticed Gorbachov speeches in early November, comparing the present crisis to the hardships faced by civilians during and immediately following World War II.

The winter crisis has already caused the abrupt cancellation of the Soviet Parliament's "economic reform law" agenda. On Nov. 14, Gorbachov rammed through the Supreme Soviet a resolution dumping the entire package from the agenda of the Congress of People's Deputies, which convenes Dec. 12. The resolution, which passed by a narrow majority, bans any discussion in the Parliament's session of the proposed new laws governing property relations, land ownership, and leasing. The People's Deputies will instead focus on discussing the 1991-95 Five Year Plan and unspecified step-by-step interim measures for the economy. The new agenda opens the way for Parliament to approve emergency measures proposed by Gorbachov, including across-the-board rationing.

Gorbachov also forced through a companion measure banning any parliamentary discussion over the "leading role in society of the Soviet Communist Party." Gorbachov declared, "Another power, which could replace the Soviet Communist Party in Soviet society, is not in sight."

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Why Beijing fears the Berlin upheaval

by Mary McCourt Burdman

On Oct. 24, Chinese Prime Minister Li Peng finally broke the weeks of dead silence from Beijing on the extraordinary events in Eastern Europe. The *People's Daily* reported that he told a visiting delegation from Yugoslavia that "we are naturally concerned about developments in some East European countries." Li added that China believed reform meant "perfecting the socialist system." Since then, while making every effort to keep the news about the open East German borders out of China—including jamming the BBC Mandarin-language broadcasts as well as the Voice of America broadcasts—the Beijing government has repeatedly expressed its concern. Li Peng, speaking in the city of Rawalpindi on a visit to Pakistan Nov. 16, reiterated that no matter what is happening in Eastern Europe, China would not change its socialist system. China wants to "improve" the socialist system, he said.

Beijing has good reason for concern. The East Berlin-Beijing axis, with a third leg in the North Korean capital of Pyongyang, which was consolidated around East German support for the June 4 Tiananmen Square massacre, is in trouble. The Beijing-Pyongyang axis is still strong, as North Korean leader Kim Il Sung's secret visit to Beijing the week of Nov. 6 attests; but it is a far weaker front than provided by close ties to East Germany.

It was only six weeks ago that Egon Krenz—before his promotion to head of East Germany's Socialist Unity Party (SED) and East Germany's State Council—was in Beijing for a week of meetings with the Chinese leadership, at the time of the 40th anniversary of the Communist takeover in China. That event, and the 40th anniversary of SED rule on Oct. 6, were the reason for many exchanges of "solidarity" and support for the Tiananmen massacre policy. But already on Oct. 1, the exodus of thousands of people from East Germany was in full swing. By Oct. 9, Krenz had backed down from ordering a bloody crackdown to avoid a general strike, and one month later, the floodgates were opened.

"The leaders of China are very worried about what is happening in Eastern Europe and East Germany," a West German journalist who just returned from a visit to the mainland told *EIR* Nov. 10. "Their concern is shown by the visit of North Korean leader Kim Il Sung to Beijing, and what Chinese Prime Minister Li Peng said to visiting Bulgarian

and Yugoslav leaders. They thought they at least had East Germany behind them, and now look what is going on there!

"The leadership crisis was *not* solved by Deng's resignation yesterday. The feeling of the young and educated is that they must get out." Paramount Chinese leader Deng Xiaoping officially retired from his last position in the Communist Party, head of its Military Commission.

Deng's newly appointed replacement, Jiang Zemin, proclaimed Nov. 9 that the changes in the Soviet Union and East bloc are only "temporary in the long stream of events," the BBC reported. Jiang might well soon find himself a temporary event. An Asian source pointed out that Jiang is in the same nominally powerful position Hua Goufeng was, when the latter was appointed to succeed Mao Zedong after his death. Hua was out of power in a brief time.

An official Chinese account of the East German refugees claimed that "when they first arrived . . . their general feeling is that society in West Germany is full of chaos, and there is no guarantee of life and property. . . . Quite a number of people have returned home."

More upheaval in China?

The Chinese are concerned for one reason: The tide of revolution against 40 years of Communist disaster, could well turn again, back to China. Since June, China's leaders have given one dire warning of harsh austerity after another, including a communiqué from the party plenum earlier this month, which said that the austerity program adopted 14 months ago would be maintained for at least two more years. The party is determined to force inflation down to 10% and to curb growth to 5-6%. Already, the official news agency Xinhua announced, China will shut down 1 million rural enterprises as part of the austerity program. The source of the "blind wave" of 100 million homeless unemployed last year—this means rural unemployment—could double or triple in the coming months, especially after the Chinese New Year in February.

In spite of the harsh crackdown, many leaders of the democracy movement of May and June either escaped China or were able to evade arrest for months by going underground among the people, indicating the depth of support for the demonstrators in China. Two leaders—Wang Jungtao, the former editor of the *Economic Studies Weekly*, and Chen Ziming, former head of the Beijing Social and Economic Studies Research Institute—were finally arrested in southern Guangdong province on Nov. 10, Agence France Presse reported. The pair had been at the top of a Public Security Ministry list of China's seven "most wanted" intellectuals, yet were able to avoid apprehension for a full four months. On Nov. 12, Public Security Minister Wang Fang warned that "domestic and foreign hostile forces have not stopped their conspiratorial activities in an endeavor to overthrow the Communist Party leadership. . . . [There] are still many factors that might cause instability in society," Xinhua reported. Xinhua, this time at least, is correct.

Pacific Soviet 'new thinking' not matching deeds in military sector

by Argus

The third quarter 1989 figures on the performance of the Soviet economy tell it all (*Pravda*, Oct. 29, 1989): Production of civilian automobiles was thrown into reverse and reached only 94% of the level of production of autos achieved during the same period the previous year. The statistical summary said: "Production of machinery for the agro-industrial complex worsened during the current year." By contrast, however, output of the defense-oriented "machine-building" component of the Soviet economy (Sovietese for output of tanks, armored infantry vehicles, missiles and launchers, and other military hardware) chalked up great gains. This sector also scored over double the average rate of productivity of labor of the other heavy-industrial and civilian-industrial sectors. Why? Read on.

About one-half of the defense factories in the Soviet Union double, when so ordered, as producers of civilian equipment (tractors, for instance); today such "conversion" to civilian production is affecting only about 5-10% of the defense factories. In the meantime, heavy-industrial and defense plants, which the Kremlin clearly favors, are kept on defense production while being given the latest computer-driven technology (for automated production lines). Early in the Gorbachov period, the practice of keeping to such priorities in the name of "apple-of-the-eye" (Lenin) defense needs of the state, *regardless of pressing consumer needs*, was freely admitted in the official press, especially in military print media.

The above introduction is pertinent to exposing as lies present Soviet claims that its "new thinking" is leading to "unilateral arms cuts" and "massive conversion" of defense plants to the production of cars, television sets, personal computers, washing machines, refrigerators, and other sorely lacking essentials (all of which, incidentally, have turned up serious shortfalls during the third quarter). However, the opposite of what the Soviets claim about conversion, emphasizing consumer needs, etc., is the case: Heavy industry and defense remain the number-one Kremlin concerns. Moreover, two-thirds of Soviet investments go into heavy industry and defense. One objective, according to Dr. Ellsworth Raymond, an internationally known scholar on the Soviet economy who was the U.S. Moscow embassy's resi-

dent economist before and during World War II, the skewing of investments in favor of defense under Gorbachov is more striking today than it was at any time under Stalin, except, of course, for World War II itself.

All this present emphasis on defense is seen right on the firing lines in Central Europe facing NATO. Here Moscow also claims that "great reductions" in its forces—affecting especially tanks, so it claims—are taking place. What Moscow does not admit is the connection between what it calls in the military press "accenting quality over quantity" in armaments, and what is going on in the actually deployed divisions in East Germany, Czechoslovakia, Poland, and throughout European Russia. These forces are being constantly modernized, souped up while at the same time being recycled, permitting "economy of forces," as Soviet military writers say (meaning some reductions).

Privileged American observers have seen exactly what is going on right under their very noses on NATO's eastern front. For instance, after 14 members of the House Armed Services Committee, under the chairmanship of Wisconsin Democrat Rep. Les Aspin, visited this front last summer, one of their number, Rep. John Kasich (R-Ohio), admitted: "We bought the hype [of Soviet troop reductions] and didn't look at the substance."

While the congressmen obviously could see relatively little with their own eyes, they saw enough to conclude what this "substance" was. This is well documented in the West in such reports as the London-based International Institute for Strategic Studies' annual *Military Balance* and the Pentagon's 1989 edition of *Soviet Military Power*, as well as in the House committee's own ambiguous but nevertheless shocking report. Concerning tanks alone, Aspin noted while Gorbachov had promised in his mellifluous December 1988 U.N. speech to withdraw six tank divisions from Central Europe, when the congressmen arrived in East Germany, they found that only a regiment from one division had in truth been withdrawn. And what happened to it? It was merely reassigned to another division within East Germany, the Democratic congressman said.

Concentrating in this analysis here only on tanks, one must observe the following about Soviet tank strength and quality,

their tank production, and the West's ability to deal with this traditionally offensive spearhead-arm in anyone's army, especially one applying *blitzkrieg* tactics as the Soviets do:

- Late-model Soviet battle tanks, of which there are twice as many types as in the U.S. Army—T-64A/B, T-72, and T-80—continue to be upgraded, the latter two with explosive reactive armor, known by the initials ERA, which is an Israeli invention. ERA consists of a triple-layered "skin" of armor embedded with small explosive steel containers bolted onto both tanks and the Soviets' infantry fighting vehicles (IFVs). When hit with an enemy shell, the armor plate literally explodes outwards. It can readily fend off NATO missile warheads, chemical shells, or anything else that might be thrown at it, with the exception of the neutron shell (nuclear physicist Dr. Samuel Cohen's invention), whose production the United States, unlike France, unfortunately declined to undertake after the peace movement's and liberals' vicious attacks on the concept.

- Production of Soviet tanks now is some triple that of the United States, which has two types of battle tanks, the M-60A1/3 and the famous M-1/M-1A1 Abrams, models of which are exported to Arab countries, among other places (thus, their "specs" and vulnerabilities are clearly known). The Soviet tank production schedule—4,200 per year!—is keeping pace with the demand to replace withdrawn obsolescent T-55s and T-62s (but not the Soviets' aging farm tractors). The Soviets promised to withdraw six tank divisions (at 330 tanks per division) and an additional quantity of tanks—totaling 5,000 by 1991. Twenty-four other motorized rifle and other types of combat divisions are to be put on a "defensive" footing, Gorbachov claimed.

The Soviet-equipped Warsaw Pact forces, including especially tanks, are becoming "leaner and meaner," better protected, more accurately firing (precision), more computerized, more automatic. In other words, as Defense Minister Gen. Dmitri Yazov declared at a special military conference held in the Kremlin Oct. 21 (*Krasnaya Zvezda*, Oct. 22, 1989), qualitative improvements are urgently required since a "sharp confrontation [*protivoborstvo*] in socialist vs. bourgeois ideology continues [and with it] the need to have an offensive strategy [by] making predominantly qualitative improvements in military technology guaranteeing the highest requirements for defense of the Soviet Union and of its allies."

The general singled out the Soviet Western Group of Forces for special attention in this regard (*Krasnaya Zvezda*, Oct. 22, 1989, p. 2), and not, say, those many divisions facing China.

Here Yazov simply echoed former Chief of the General Staff Marsal Nikolai Ogarkov's plea four years ago to economize on forces (quantitatively) by making qualitative improvements (along parameters of firepower, precision guidance, protective devices such as ERA) in order to use "political measures" in the name of enhancing Soviet military

strength. Translated, the latter means that the Soviets bid on the diplomatic level for so-called arms reductions, cheat on whatever reductions are agreed, while de-fanging NATO with soft talk about "new thinking" while the West engages in gradual, steady disarmament.

So far this ploy is working beautifully for the communists. And that's one of the reasons why talk of a "coup" against Gorbachov is nothing more than Soviet-concocted camouflage for Comrade Smiley's (with iron teeth) great accomplishments as a one-man Fabric Softener *vis-à-vis* the West.

As to how NATO might overcome ERA, if it could: Well-aimed shots "between the ERA explosives" might do it. But according to experts, this is a little like repeating Lee Harvey Oswald's "lucky hits" at the back of JFK's skull in Dallas in November 1963. To partially defeat reactive armor, *Defense News* recently pointed out, a NATO gunner firing anti-tank, non-line-of-sight (NLOS) precision-guided, fiber-optic-cable missiles must be aimed, to use the old World War II tank expression, "at the bogey wheels." In the case of Soviet T-72s and T-80s, this vulnerability is extremely small. To penetrate the tank, a shell is exploded directly above its turret.

The West also has a more doable trick up its sleeve that could work better against ERA: double-whammy shells. Known as a "tandem-charge" shell, when fired at tanks in two rapidly following volleys, the first detonation activates the tank's ERA box in the portion that is hit, while the second well-aimed hit is free to deliver a penetrating blow through the now unprotected armor—or so it is claimed.

This makes the much-touted (by the Soviets) factor of stealth and surprise all the more critical. The latest Soviet military literature, dating as recently as 1988, places no less stress on surprise than did Brezhnev-period writings. In fact, it emphasizes it even more since, it says, the more firepower and accuracy the enemy possesses in his weaponry, the more crucial tactics become.

Put another way, if the Soviets can knock out Western defenses (including the latest anti-tank weapons) even before they can be brought into action against advancing Soviet tank divisions (known as "preemption" in the literature), it doesn't much matter how fancy those anti-tank and other weapons are.

Reducing Western readiness—indeed, resolve—to defend itself is thus *from a strictly Soviet military point of view* the main motivating factor in current Soviet arms-control diplomacy and propaganda. The West may be attempting to fight Soviet military modernization—e.g., of tanks—on one front, the technological, while steadily losing ground on the military-political front.

As Sun Tzu, the ancient Chinese military strategist (who is praised in the current *Soviet Military Encyclopedia*) put it: Defeat the enemy's tactics and strategy and you will win—maybe without even firing a shot.

Socialist International maps out new plan to help Communist parties

by Mark Burdman

With backing of the Soviet and British governments, the Socialist International is on a mobilization to sabotage the revolutionary political processes now breaking out in Central and Eastern Europe. This mobilization was mapped out during a gathering of the European branch of the Socialist International, the so-called "Euro-socialists," held in Milan, Italy during the week of Oct. 30.

Well-informed Central European sources warn that the new *Ostpolitik* offensive of the Euro-socialists is part of a broader strategy by the international social-democratic movement, to ally with the communist parties of East and West Europe, in a new global strategic "convergence." In line with this, the head of the Italian Communist Party (PCI), Achille Occhetto, announced on Nov. 14 that his party will soon hold a new convention, to "re-found" itself, and will change its name, dropping the designation "communist." The purpose of this, PCI leaders frankly stated, would be so that the PCI could officially join the Socialist International. The London *Guardian* reported that this was the subject of the discussions which Occhetto had during the week of Nov. 6 with British Labour Party leader Neil Kinnock. PCI sources report that Occhetto will discuss the matter with Soviet leader Mikhail Gorbachov when the latter visits Rome at the end of November.

Re-creating the Second International

The Milan "Euro-socialist" meeting was held under the coordination of Willy Brandt, the former West German chancellor. Participants included Spain's Prime Minister Felipe González, France's Jacques Delors (president of the European Commission of the European Community), Italy's Bettino Craxi, and Austria's Franz Vranitsky. The theme of the meeting was to formulate a "Euro-socialist" policy approach toward the economic and political crises in the East bloc. According to reports in the Italian press, Brandt insisted that initiatives toward Eastern Europe *not* be taken by individual Western European countries, but rather as joint initiatives that would involve a central role for the Socialist International.

On Nov. 3, Brandt announced that the Socialist International would be sending a delegation to Moscow during the first days of 1990, headed by France's Pierre Mauroy. Brandt

told the press that an invitation had been extended for such a visit by the Soviet leadership, when Brandt visited the U.S.S.R. last October, and this invitation has been rapidly accepted. Brandt also stated that the Socialist International will be holding its next global meeting in Geneva, Switzerland at the end of November, at which time it will officially issue its platform for policy toward eastern Europe.

The U.S.S.R., meanwhile, is playing the "Socialist International card" as its trump. At the Oct. 19 meeting of the Politburo of the Soviet Communist Party, a leading agenda item was the upgrading of relations between the party and the Socialist International, according to an Oct. 20 Radio Moscow news item. Radio Moscow said that this decision had been taken on the basis of a report issued to the Politburo by Gorbachov, on the subject of his meetings earlier that month with Willy Brandt.

France's *Le Monde* reported on Nov. 3 that a growing number of Soviet "reformers" are citing the social-democracies, particularly those of West Germany and Sweden, as potential models for the U.S.S.R. One related proposal circulating in such circles, says *Le Monde*, is for the re-creation of the old unified Second International, which existed until the time of the 1917 Bolshevik Revolution and the launching, of the competing Third, or Communist, International.

Occhetto's Nov. 14 announcement on the PCI "name change," and his end-of-November discussions with Gorbachov, should be seen in this light.

Countering 'Food for Peace'

One obvious focus of the "Euro-socialists" has been to counter the "Food for Peace" initiative of Lyndon LaRouche and associates. In a speech in Berlin in October 1988, LaRouche had called for providing food aid to the Soviet Union, in exchange for Soviet recognition of a Western economic development program for Poland and the reunification of Germany.

The Milan daily *Corriere della Sera* on Nov. 4 cited Willy Brandt saying that an urgent priority of the "Euro-socialists" will be to create a "Food Bank" that can mobilize immediate food aid to those countries in Eastern Europe most in need.

But since the Socialist International has taken the lead in pushing “ecological-fascist” global initiatives that are reducing world food production, where are they going to find the food? From June 20-22 of this year, the Socialist International had its 100th anniversary meeting in Stockholm, and proclaimed “environmentalism” as the “new mission” of the movement for the coming years. Socialist International speakers endorsed the Soviet government’s proposal for “international ecological security” and embraced precisely those approaches which would guarantee a collapse of food production—including “sustainable development,” “ecologically balanced development,” “appropriate technologies,” “intensified energy conservation,” and a phasing out of use of fertilizers and chemical pesticides. The conference’s policy document stated that controlling “world population growth” would be a high priority.

Mrs. Thatcher, Social Democrat

In West Germany, the predominant factions in the Social Democratic Party (SPD), working in parallel with the West German Green Party, are going to absurd lengths to destroy the political breakthroughs that have occurred in association with the opening of parts of the Berlin Wall. One typical act, was SPD Mayor of West Berlin Walter Momper’s attack on Chancellor Helmut Kohl for using the expression “the German people.” Momper insisted that there exists a separate “East German people” that is not favorable to the reunification of Germany. For those who have seen the signs carried by East German demonstrators in Leipzig on the night of Nov. 13, calling for, “Free elections in a united Germany,” and who have seen the joyous scenes of East and West Germans embracing each other at the border crossing-points, Momper seems not only to be a liar, but a fool.

Even more absurdly, the SPD is taking credit for having *caused* the process of revolutionary change in East Germany, through its “social-democratic ideas,” and through Brandt’s *Ostpolitik*. In fact, within West Germany, the SPD has been the main institutional supporter of the East German Communist party (SED) *nomenklatura*, having for years maintained an SPD-SED party-to-party “round-table” structure. Should the protocols of some of these agreements be published now, side by side with the past period’s SPD statements of support for the unpopular SED boss Egon Krenz, the SPD could suffer major political embarrassments in West Germany.

But full blame should not fall on the shoulders of Momper, SPD head Hans-Jochen Vogel, Brandt, and the rest. Britain’s great conservative anti-socialist, Prime Minister Margaret Thatcher, has come up with a new scheme to head off the reunification of Germany. According to highly informed British sources, Mrs. Thatcher has become a social-democrat, and advocates that East Germany be encouraged to transform itself into a “social-democratic” nation! Perhaps she plans to be a guest speaker at the next convention of the Italian Communist Party.

Political stalemate continues in Pakistan

by Ramtanu Maitra

The victory of the ruling Pakistan People’s Party (PPP) government over the Combined Opposition Parties (COP), by defeating a no-confidence motion on Nov. 1, has provided the duly elected government in Pakistan another lease on life. However, the rumblings heard in Pakistan suggest that unless Prime Minister Benazir Bhutto can come to grips with the ethnic and provincial problems that are making the country ungovernable, the well-deserved victory may turn out to be pyrrhic.

Prime Minister Bhutto is simultaneously facing pressures from abroad, as the International Monetary Fund demands further economic austerity measures, the drug traffickers escalate their own campaign against the country, and Washington, Moscow, and competing Afghan groups all jockey for power in the region.

The COP, led by the Islami Jamhooria Ittehad (IJI) chief and Punjab chief minister Nawaz Sharif, had sought to remove the Bhutto government by initiating a no-confidence motion in the National Assembly. The charges against the government, succinctly expressed by Syeda Abida Hussain, an independent member from Jhang, Punjab, who had supported Bhutto in forming the government about a year ago, were “inefficiency and corruption.” While inefficiency and corruption are certainly problems, the political crisis that the prime minister faces is more deep-rooted and cannot be decided by simply winning a no-confidence motion in the National Assembly.

Mixed signals

This became evident soon after, when Baluchistan Chief Minister Nawab Akbar Bugti, no friend of the federal government, told a newsman that “stranger things” will soon begin to happen. COP leader Ghulam Mustafa Jatoi, a former PPP stalwart and chief minister of Sind province, did not mince his words in announcing the COP’s determination to continue with its efforts to unseat the government. As a gesture of reconciliation, Prime Minister Bhutto has reportedly sent out feelers to at least two prominent opposition leaders who had fought alongside her against the martial law regime of the late President Mohammed Zia ul-Haq, and asked them to resolve their differences with the ruling party.

But, as has occurred often during her one year in power, Bhutto's gestures are confusing. On the one hand, through the so-called feelers, she is appealing to "like-minded" politicians in the opposition to bury the hatchet, while on the other, she has taken into her cabinet two opposition members who voted for her in the National Assembly during the no-confidence motion and drew the wrath of the COP. The latter move is widely read in Pakistan, particularly in Punjab, as yet another indication that Prime Minister Bhutto is keen to confront the opposition and not have a dialogue with them.

Prime Minister Bhutto's major headaches are located in Punjab and Sind. (This, however, does not mean that she has the other two provinces, Baluchistan and the North West Frontier Province (NWFP), under her control.)

Opposition from Punjab

Punjab, the most populous and prosperous province in Pakistan, is under the control of the IJI, although the ruling party had won more National Assembly seats in Punjab than the IJI.

Nawaz Sharif, the Punjab chief minister and secretary-general of the Islami Jamhoorie Ittehad, is a man with few scruples. Backed by money-power and friends in powerful places in the Army and abroad, Sharif has declared a virtual war against Bhutto and her government. A protégé of the late Gen. Zia ul-Haq and scion of the wealthy Ittefaq group of industries, Sharif can be crude and vulgar when he chooses to be. Besides being powerful, Sharif is also scheming. He has appointed a public relations firm in the United States, paying a tidy packet of money every month, to lobby for the opposition in Washington. His hatred toward the Bhuttos is well known; he has publicly promised his followers that he will throw the remaining members of the Bhutto family into the Arabian Sea.

The Sind cauldron

In Sind, the home province of Benazir Bhutto and the only province where the PPP secured an absolute majority in the provincial polls, an urban political phenomenon, Mohajir Qaum Movement (MQM), has become a thorn in the side of the PPP.

The MQM is nominally a non-political grouping of those Muslims who migrated from India following partition in 1947, and has since emerged as a well-knit group with bases in Karachi, Hyderabad, Sukkar in Sind. Because of a large concentration of population in the cities of Sind, which otherwise consists of vast tracts of semi-desert arid lands, the MQM has emerged as a political force. Its strength became clear in last year's election, when it captured 13 National Assembly seats and more than 25% of the Sind Provincial Assembly seats. An Urdu-speaking group in the midst of the Sindhi-speaking provincial majority, MQM has for years challenged the Sindhi nationalists and various secessionist groups. Shunning political alliances, MQM has remained an

unadulterated Mohajir grouping, trying to exert its urban muscle to control the major commercial centers of Sind.

This situation has put the ruling party on the defensive on its own turf. While the PPP, which promotes a strong and unified Pakistan, has long been at loggerheads with the Sindhi secessionists, the MQM's anti-Sindhi postures and insistence on controlling the populous urban centers of Sind has made the grouping unpalatable to the PPP rank and file.

Following the 1988 elections, Bhutto needed the MQM's support to form the government, and entered into an agreement promising to meet a long list of MQM demands. Though the MQM continued to support the government in the National Assembly, MQM leaders have been complaining for some time that the prime minister has done next to nothing to fulfill the post-election agreement.

Meanwhile, months of violence involving the MQM and the Sindhis, which continues to this day, have seen hundreds dead in both rural and urban areas of the province. It was this more than anything else that finally snapped the uneasy MQM-PPP alliance. Though the MQM is now firmly in the opposition camp, it is debatable how long they can remain in a camp dominated by the Punjab-led opposition.

More specifically, the situation in Sind is fast heading toward a point of no return, and neither Bhutto nor her party stalwarts in Sind have shown any effort, besides blaming each other, to tackle it. It is evident that the PPP workers on the group in Sind are becoming increasingly polarized against the MQM; bloodletting between the two groups has already started.

Prime Minister Bhutto has so far shown little ability to handle either the MQM or Nawaz Sharif. It is also evident that the IJI, disruptive as it is, has a strong base in the Punjab. This was made clear a few days after the COP's failure to unseat Bhutto, when IJI scored an unexpected victory in the by-election contest for the Jehanian National Assembly seat in Punjab. The seat had fallen vacant following the death of an elected PPP member, yet in the by-election, the IJI candidate, Irshan Hussain Maitla, won the seat by 2,900 votes. Although the PPP has charged "irregularities" in the poll, some PPP insiders acknowledge that the loss of the seat is indeed "a blow."

Continuation of the stalemate between the ruling party and the Opposition has dangerous consequences. Recently Army Chief of Staff Gen. Mirza Aslam Beg reminded newsmen that his suggestion following the November elections to form a broad-based government is still a valid one. PPP officials, however, ruled out the idea of a coalition government with the COP at the federal level. And in another corner, the former Jamaat-e-Islami chief and prominent Jamaat leader during the days of Zia ul-Haq, Mian Tufail Ahmad, has declared that Pakistan has had enough of democracy. Orthodox Muslims, modest in numbers but with connections to the Army, have long been sharpening their knives against the PPP.

Peruvians vote mandate for total war on Shining Path terrorists

by Mark Sonnenblick

On Nov. 11 millions of Peruvians braved terrorist threats to cast their votes in Peru's municipal elections. In doing so, they rejected any thought of concessions to the Shining Path ("Sendero Luminoso") terrorists. Their courageous exercise of the right to vote under such circumstances is a mandate for total offensive war to wipe out the communist assassins and their legal support networks. President Alan García's ruling APRA party, which has been pussy-footing toward Shining Path, was repudiated even by many of its traditional supporters.

Shining Path's strategy was to move toward dual power by aborting the elections in the Andean highlands and causing a low turnout in the cities. So far this year, 130 mayors, local judges, clerks, council members, and municipal candidates have been murdered by the terrorists. Dozens of villages and towns are at present without any political authorities. In a typical case, on Nov. 8 a guerrilla squad entered an Andean village before dawn, herded the 200 residents to the plaza, declared themselves a revolutionary court, and tried and executed eight people.

Over 500 candidates dropped out of the race, leaving scores of districts with no candidates at all. Shining Path believed that if its intimidation were somewhat successful now, it could completely thwart the April 1990 presidential elections and force the government to its knees. This strategy failed in all places heard from so far.

In the bleak Andean city of Ayacucho, whose university is the birthplace of Shining Path and where it carries out assassinations every week, voters defied a 24-hour curfew decreed by the terrorists and threats that those who voted for "the bourgeois state" would be killed. Most ballots cast there were blank, an unmistakable repudiation of Shining Path and of the politicians who dared not appear in public after the mayor was murdered. After the elections, at least seven people were murdered for having voted.

In the capital city Lima, voter turnout was so great the polls had to be kept open for an extra two hours to let all vote. Almost all voters walked to the polls, some very long distances; bus owner-operators, not willing to risk their buses

for the sake of democracy, adhered to the "strike" called by the terrorists.

Mandate against gutlessness

Peruvian pornographic novelist and presidential candidate Mario Vargas Llosa was not the big winner in that country's Nov. 11 municipal elections, as the *Washington Post* and other U.S. media would have one believe. The vote was not for anybody. Rather it was against Shining Path, against the Marxist left, and against the economic austerity policies of President Alan García. García was elected in 1985 with 48% of the vote going for his APRA party. On Nov. 11, APRA received only about 17% of the Lima vote and lost all 18 of the Lima district offices it had held. Poor voters, who had given the hodge-podge United Left 40% of the vote in 1985, now repudiated it because it includes the pro-Moscow Communist Party and others sympathetic to Shining Path.

According to one exit poll, 49.6% of the vote in Lima went to a television magnate Ricardo Belmont. His political positions were unknown to the electorate, which appreciated him for the "bread and circuses" he offered on television. Belmont let it be known he was supporting Vargas Llosa in the April, 1990 presidential elections. That is certainly a boost to Project Democracy's pretty-boy candidate. But the candidate formally identified with Vargas Llosa in Lima polled, at best, 25%—not much more than the ultra-left or García's candidate.

What's more, Belmont gave himself much needed credibility by including on his ticket respected civic leaders such as Carlos Pastor. Pastor has led thousands of pensioners in campaigns against what he calls the García administration's "slow but sure death" policy of cutting pensions and medical care payments to the elderly. A supporter of Lyndon LaRouche, Pastor is likely to fight tooth and nail against Vargas Llosa's pledges to impose even more genocidal cuts in government spending.

As for Vargas Llosa, in a five-page adulatory feature in the *New York Times Magazine* Nov. 5, he said that "People have suffered so long, they are willing to suffer a little longer—if we can show them it is not for nothing. . . . We are

offering them modernism, capitalism, something earth-bound, pragmatic.”

His liberal economic “restructuring” certainly does promise more suffering. He promises to fire thousands of state employees, sell off or close down state enterprises, and eliminate remaining subsidies on food and other essentials which mean the difference between life and death for the poorest Peruvians. He promises to reduce consumption and increase exports to resume payments on the foreign debt. It is nearly identical to the program which Harvard economist Jeffrey Sachs is bringing to Poland, and to the International Monetary Fund (IMF) “shock” imposed on Peru from 1976-85. Those “free market” policies put Peru on the verge of being overwhelmed by the cocaine mafia and its willing partners, the narco-terrorists.

The two ‘paths’ march together

Much like the Shining Path guerrillas, off-beat existentialist Vargas Llosa is a monster bred by foreign powers to wreck Peru. During the 1960s he devoted himself to remaking Ibero-American culture to fit Che Guevara’s ideal of “the new man.” He was constantly in Havana, receiving and giving literary awards. He told the *New York Times Magazine* that he soured on Cuba in 1966, when he objected to its attempt to “cure” homosexuals: “Poets and dancers I knew were being rounded up for ‘antisocial behavior’ and sent to the country to work gangs with common criminals. It was terrible, the suffering.”

Vargas Llosa apparently also opposes “repression” of narcotics. He signed the Inter-American Dialogue’s 1986 report, which advocated “selective legalization” of narcotics, because “waging war on drugs costs money.”

The State Department’s Project Democracy, a.k.a. the National Endowment for Democracy, picked Vargas Llosa out of the literary gutter in 1987. Suddenly, he was agitating well-funded street mobs to smash García’s effort to change the banking structure from one laundering cocaine money to one financing productive industry. Most of the mobs were from the “informal economy” championed by Hernando de Soto, a free-market ideologue who celebrates the black market hustler as the hero in the fight against “statism.” President Reagan and Vice President Bush feted de Soto in Washington, holding out his theory as a model for the free market changes needed in Latin America. Last week, de Soto got the same reception in Moscow. He remains Vargas Llosa’s political controller.

Vargas Llosa is ready to subjugate the nation-state to the terrorists’ will. President García is under intense pressure even from within his own APRA party to recognize that a state of war exists, and to take appropriate military and other measures. As terrorist bombings, assassinations, and “armed strikes” escalated in the build-up to the Nov. 12 elections, Vargas Llosa fought even proposals for a curfew. He said in a Lima television interview Oct. 26, “Since this government

does not inspire confidence, a curfew could serve ill-intentioned ends. . . . Also, it is not good for democracy during an election period.”

For him, “democracy” means dialogue with the communist assassins. He pledged in July that, if elected, he would open dialogue with the Shining Path. His top adviser, Fernando de Trazegnies, confirmed to the *Baltimore Sun* Oct. 26 that the candidate had offered such talks, “but he is not holding his breath for an answer. They are not the talking kind.”

He holds no such olive branch to those fighting to save the republic from Shining Path. In 1984, he investigated the deaths of seven journalists apparently killed by illiterate village militia men who mistook the strangers for part of the terrorist band which had recently killed several peasants. He charged that the army had killed the journalists for trying to investigate “military atrocities.”

Mario Vargas Llosa, pornographer and worse

A distinguished military officer, retired general German Parra Herrera, in a caustic commentary published in the Lima weekly La Tribuna Oct. 23 and translated below, questions the sanity as well as the morality of the international bankers’ favorite Peruvian presidential candidate, who confesses that even his father considered him “strange.” Parra served as transport and communications minister earlier in the administration of President Alan García.

. . . My article, “What Varguitas [=little Vargas] said about the Army,” appeared in the Lima daily *La Republica* on Sept. 12. In it I warn of the agnostic writers error in going to Chile to see a theater version of his novel *Pantaleón and the Visitors*. In my opinion and that of my former superiors in the hierarchy, that novel offends the Army. Is it fiction or reality? Varguitas says *Pantaleón and the Visitors* is based on a real event. On a trip to the jungle he discovered that the border troops accepted visitors in their barracks.

He says that *Pantaleón* shows how ridiculous military bureaucracy is. On the other hand, *The City of the Dogs* shows the violence, hypocrisy, and deceit which could take place in military circles. Varguitas reveals that he came to know the military mentality and its ways while attending the Military College. This knowledge made him think that the prostitutes’ service was organized the same way as the Army, that is, according to a very strict, very closed and hierarchical bureaucracy in which ends and means are readily deformed. He argues that such rigid and strict hierarchies negate the individual’s spontaneity, freedom and creativity. . . .

Agnostic or atheist? Varguitas confesses himself to be an agnostic and not an atheist. “An atheist believes God



Mario Vargas Llosa, the darling of the U.S. Establishment's free market cult.

does not exist. An agnostic declares himself incapable of postulating the existence or non-existence of God." He does not take into account that the impossibility of proving God's non-existence is the best demonstration that God exists. An agnostic does not have God before him at all. It is worse to be an agnostic than to be an atheist. This would explain his lack of respect for Christian truth. . . .

Elogio de la Madrastra. This novel [by Vargas Llosa] offends Christianity. Therefore, it is worth reflecting on. In brief, the novel tells the story of Rigoberto, a widower with a single son, Alfonso, who remarried one Lucrecia. Rigoberto is a sexual pervert. He centers his pleasure on the body. Lucrecia is a docile lady at the will of her owner, "as a Christian wife should be." He also had sex with his servant, Justiniana, "his favorite."

Alfonso, the 14-year-old "Fonchito," also showed "a singular, ingenuous infantile wickedness, accentuated sexuality, and ability at writing. He was a "cruel and cold little devil." He managed to seduce his step-mother. He had sex with her. Cleverly and remorselessly, he let his father know of what happened by means of a homework assignment, "Composition with free choice of theme: Panegyric to my Step-mother."

He got his father to kick him out "like a dog." Rigoberto later transformed himself into "a soul in pain" and "into an overly religious man and a zealot, like when men think they are going to die."

The novel does not say whether Fonchito kept writing. The elegant and erudite form of this work does not compensate for the theme: the relationship between eroticism and pornography, pornography with obscenity and obscenity with lewdness. . . .

He makes religion pornographic: "I have prolonged and repeated orgasms . . . like Archangel Gabriel." "The bathroom was his temple. The sink was the altar of sacrifices. He was the High Priest." "It is possible that God exists; but, even so, at this point in history, with all that has happened to us, would it mean anything at all?" . . . "We were a woman and a man, and now we are ejaculation, orgasm and a fixed idea. We have become sacred." "Defecate, excrete—synonym for enjoyment? Sure, why not?"

The author delights in unnecessary details of sense manipulation. How can that be explained? It is worth remembering what Varguitas says: "The most authentic autobiography of a novelist are his novels." . . .

Conclusion: *Elogio de la Madrastra* is irreverent. It offends religion. It is pornographic, obscene, impudent, sensual. It deserves the same reproach Rigoberto gave his son: "How could you have invented such indecent filthiness?" Is this merely the absence of God? The question of the agnosticism of a candidate to the presidency of the republic of a Catholic country is a public matter.

In Defense Policy and as a Military Phenomenon

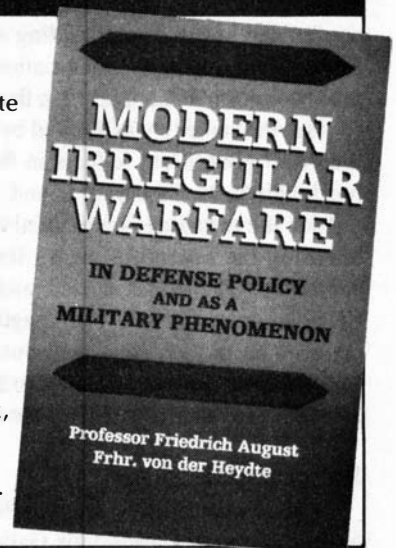
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ADC exposes pro-drug Samper in Sweden

by Ulf Sandmark

Colombian presidential hopeful Ernesto Samper Pizano slipped into Stockholm, Sweden on Nov. 1 for a low-profile visit. The candidate of the Colombian Liberal Party's dope-pushing wing had just arrived from Paris, where his hopes for high-level meetings with the government had been dashed. After the Anti-Drug Coalition (ADC) of France, founded by co-thinkers of American statesman Lyndon LaRouche, circulated a fact sheet on Mr. Samper's career as the longtime mouthpiece of the financier faction that wants to legalize drugs, Samper, who is now pretending to be a supporter of Colombian President Virgilio Barco's all-out war on drugs, was exposed before the Paris press corps as having called for a "dialogue" with the drug mafia only two months ago.

In the Swedish capital, he apparently hoped to avoid further embarrassment. Samper's meetings were kept secret, and the only reporters invited to his press conference were from the Spanish-speaking programs of Swedish radio, the main news agency TT, and the conservative daily *Svenska Dagbladet*. But some other persons from the police and other papers attended, alerted by the informational campaign carried out by Sweden's own Anti-Drug Coalition.

Samper's visit was hosted by Sweden's governing Social Democratic Party, which had booked the room for the press conference in the same building as the party headquarters. The host was the party's international secretary Gunnar Stenarv. More official support than that is hard to get!

But the secrecy was spoiled by the ADC. In the morning the ADC poured out leaflets in the area of the trade union headquarters in Stockholm, and at lunchtime it leafletted outside the restaurant where ministry employees have lunch, exposing the Foreign Ministry for hosting this presidential candidate. The ADC carried picket signs denouncing the Swedish government for sabotaging the Colombian war on drugs. The protest continued outside the press conference long enough to give the leaflet to Samper and his followers, as well as to passersby and all the automobiles in the area.

Sham breaks down

As in Paris, Ernesto Samper Pizano presented himself as a close friend of Carlos Luis Galán, the frontrunning presi-

dential candidate in the Liberal Party who had been an intransigent enemy of the cocaine lords, and was assassinated by the Colombian drug mafia in August. But the sham broke down after one journalist, picking up on the content of the ADC's leaflets, asked how long would Samper be prepared to wait before he would consider the war on drugs unsuccessful and propose legalization. He answered: "Not a long war. At least not one generation, because then all Colombians are dead."

A journalist asked what measures he would take a year from now. Samper answered that it was hypothetical, but then continued: "I would perhaps re-analyze the situation. Last week's poll in Medellín showed that 72% supported dialogue. It is understandable because people suffer. That must be considered. That is what people ask for."

Pressed on why, as campaign manager for the 1982 presidential campaign of Alfonso López Michelsen, he had accepted a huge contribution from cocaine kingpin Carlos Lehder, the candidate stammered, "That was a long time ago . . . the drug bosses were not known," and "that was before all the killings." However Samper confirmed that the money had been used to buy lottery tickets in a lottery where a car was the prize.

The Swedish National Radio news at 6 p.m. blasted Ernesto Samper Pizano as a proponent of legalization of drugs, reporting: " 'In case the legal and police efforts fail, I am for legalization of drugs,' says Samper Pizano from Colombia, on a visit to Sweden. But legalization of drugs he claims is not anything that can be done unilaterally; 'it has to be a multilateral decision.' " The radio report went on to say Samper Pizano has some chance to become the candidate of the Liberal Party in the upcoming presidential elections. If he succeeds in that, he will likely become the next President of Colombia, but "His critics claim that he is running the drug traffickers' interests in his unclear stand on drugs and demands for a dialogue with the drug barons.

"Galán, who was the natural presidential candidate for the Liberal Party, was assassinated. He had a very clear standpoint on fighting the drug barons. The man who is going to succeed him is much more unclear in his stand on drugs," said the radio report.

'Global solution'

The new "anti-drug" cover Samper Pizano has assumed is called the "global answer," on the basis of the fact that, "If you get rid of one Gacha [a cocaine kingpin] you will get 20 new Gachas in Brazil. Now there is a war against two guys. What I want is to give the problem a global solution." The former legalization campaigner's call for support for Colombia contained a demand for "military aid, not bombers as the Americans have supplied, but electronic surveillance equipment." That was the only militant element of Samper's "war on drugs." His further demands were for "economic aid to build peace" and a

call for the importing countries to stop consumption.

The campaign for a global war on drugs put forward by this representative of the drug lobby in Colombia was evidently to be coordinated with similar proposals from the European side. Italian Prime Minister Giulio Andreotti met with his Swedish counterpart Ingvar Carlsson at the end of September in Rome, to launch a major initiative in the drug field, on the occasion of the official visit of Carlsson to Italy.

In an article in the Stockholm daily *Dagens Nyheter* Sept. 20 Prime Minister Carlsson announced that he was going to put forward a "global action plan against drugs" at the United Nations. Carlsson, reflecting his discussion with Andreotti, called for no direct government aid to Colombia. The formulations were: "The government of Colombia deserves all our admiration for daring to challenge the powerful cocaine syndicates. But it is getting more and more clear that Colombia cannot master this growing problem alone. For Colombia and other governments in the same situation to be successful, all countries must conduct a global war against drugs." Carlsson went on, "From the Swedish side we are finding out the possibilities to increase the type of support that goes to Colombia, for instance via private organizations." Carlsson referred to the murder of Galán and called for a halt to all the suffering.

A Swedish government official stressed that the international Swedish drug policy "entirely goes through the U.N." Now, when the fight is increasing, "our policy, then, is to strengthen the multilateral cooperation," he said; i.e., no concentration on Colombia.

Carlsson sent his minister of foreign aid, Lena Hjelm-Wallen, to Vienna to meet with the U.N. Division on Drugs, to which Sweden is one of the five largest contributors, and his minister of youth, Margot Wallstrom, to New York to the U.N., where on Nov. 2 she presented the Carlsson Global Action Plan Against Drugs. No minister was sent to Bogotá. No Swedish liaison policeman is being sent to Colombia, and no Swedish bulletproof Volvos or Saabs are being given to protect Colombian judges. Military supplies, especially two-way radios, are not even whispered about, and the "neutrality" posture of Sweden was raised, according to Swedish radio, by a Swedish government anti-drug official as a reason for not giving any support to Colombian effort.

Carlsson's focus, he wrote, is to strengthen the U.N. drug control institutions (another source explained that the idea is to set up a "task-force," for operational coordination); acknowledge the political and economic problems connected to the drug problem; and give active support to drug-producing countries with advice on new drug control laws, efficient organizing of the police and customs, and the U.N.'s crop substitution program.

At best, the U.N. channel is a smokescreen for doing nothing serious. Sweden so far has not even implemented the 1988 U.N. Convention on Illicit Trafficking, much less the

action plan from the World Conference on Drugs last year. Nor has Sweden even officially responded to the demands from President Barco to stop drug money laundering, and the weapons and chemicals trade with the traffickers.

Replacing the drug plantations with more beneficial crops is presented as the "peaceful" solution. While not wrong in itself, for years proposals for crop substitution have been used to block police interventions against drug plantations, while U.N. "experiments with alternative crops" have been conducted by endless groups of anthropologists. The trick is that before an alternative is found, the villagers' drug plantations continue in order to get their cooperation in the "experiments." If the military does not move in and clear out the drug plantations, such U.N. protection and fake "anti-drug" activities can go on for years. There is no need for research on alternatives, since the ordinary food crops are what is needed and can be supported with dirigistic agricultural policies—in Colombia's case primarily by the restoration of the international coffee agreement and a solution to the debt crisis.

Besides Italy and Sweden, the countries active in the U.N.'s informal work group for these international drug initiatives are, according to one government official, Jamaica, France, the United Kingdom, and the Soviet Union.

Swedish police want action

On Nov. 1, the same day Samper Pizano visited Sweden, the national Swedish police presented their new anti-drug manifesto, built around "88 clauses" about "international and domestic cooperation against drugs, smuggling, trafficking, drug abuse, and the treatment of drug users," all in the form, "The Swedish police think that. . . ." It covers everything from a wish to "develop drug detectors that can be used in field operations" to lowering restrictions on telephone and video bugging of suspects. At the well-attended press conference, national police chief Bjorn Eriksson in his 40-minute presentation stressed the urgency of fighting the strong forces in Europe who advocate "drug legalization, despite the fact that for the moment no Swedish proponent is actively working from such a standpoint." Eriksson warned especially about the strong drug-legalization drive which is under way in Switzerland.

After two questions from the press on the dangers for "personal integrity" of more bugging, an *EIR* reporter asked Eriksson to comment on the fact that "the Swedish Foreign Minister and Swedish Social Democratic Party Board today hosted one of the foremost proponents of legalization of Colombia, Samper Pizano, as their guest." The police chief insisted he had no idea of such a thing taking place. A big silence fell on the room. Reality had struck, and no one felt eager to ask any more questions; and so, before the press conference ended *EIR* was able to brief the press corps on Samper Pizano's crimes.

The danger of the 'Switzerland without an Army' initiative

Michael Liebig and Laurent Murawiec conducted this interview on Oct. 18 in Münsingen, Switzerland, with Lieutenant General (Korpskommandant) Dr. Jörg Zumstein, formerly Chief of General Staff of the Swiss Army, now retired. Zumstein emphasized that the views expressed in the interview as his personal views, as a private individual, and that he bears the sole responsibility for them.

EIR: It appears to us that the "Switzerland without an Army" initiative is directed against the fundamental tradition of the Swiss military system, against the tradition that defense of Switzerland's national sovereignty is guaranteed by the people themselves.

Zumstein: The Swiss Confederation developed out of an alliance of three small political units. It was a purely defensive alliance, with the primary goal not to tolerate foreign law in the valleys of Switzerland. If you want to succeed in that, then you need military power and you must work together. Therefore, the Confederation arose as a defensive alliance, as a union for mutual military assistance. Therefore, an initiative, "Switzerland without an Army," is now encroaching upon the essential content of our self-understanding as a confederation.

Further, this initiative is not constitutionally tenable: The purpose of the Confederation is defense of the independence of the fatherland externally—ensuring peace and order internally and guaranteeing the well-being of the citizens. The well-being of the citizens—today that is viewed more socially and economically. But behind that, of course, self-determination and the guarantee of freedom are also found.

The initiative is likewise contrary to international law because we are obligated to neutrality. We must ensure this neutrality with weapons. That has been an international obli-

gation since the Peace of Paris in 1815. And if the Army is dissolved here, then the Swiss will no longer be capable of discharging their international obligation.

Thus I believe that this initiative strikes at the heart of the Confederation. And for that reason we must say to this attack, "They beat the sack, but mean the donkey." They want to abolish the Army, and thereby are jeopardizing the state.

EIR: Where does this initiative come from, who is behind it?

Zumstein: This initiative doubtless has a whole tangle of roots. You will understand where it comes from if I tell you that the target is the "sacred cow"—the Swiss military—as Max Frisch and other writers have put it. In this country, defensive proposals have actually very seldom encountered any resistance. If, for example, you consider the armament policy of the Confederation, then essentially things always or almost always go very well for the major armament companies. I can only recall a very few proposals to which Parliament said no. Often, the parliamentary commission introduces small corrections or requests. But, essentially, the parliamentary military commissions—and, with them, the upper and lower houses of Parliament—have recognized that what is proposed is necessary. In other areas—in economic or social policy—this is not so clear-cut; there are frequently reductions or revisions in proposals. This situation has long been a thorn in the side of certain leftist politicians. Here is the central issue of the "Switzerland without an Army" initiative. They would like to see this "sacred cow" slaughtered, and hence this crusade, this religious campaign against the military. Naturally, there are among the initiators of "Switzerland without an Army" some of the dregs of the "'68ers," who wanted to change the state and society using the motto, "Macht aus dem

Staat Gurkensalat" ("Turn the state into pickled salad"). In 1968, there was no revolution among us—as elsewhere—but the '68 generation is today settled into official positions and pretends to be more or less middle-class.

EIR: Do you have indications that the initiative is not only growing on the national soil, but that there are also foreign connections with respect to ideology, organization, and finances?

Zumstein: Yes, there are. Perhaps the Swiss journalist and filmmaker Brodmann, who has sold his films to West German television. He is making propaganda for a "Switzerland without an Army." Mr. Brodmann is active internationally; he has very good connections in the Federal Republic of Germany. Then, in recent days, it has been noticed in the newspapers here that the German "Greens" are interested in this initiative. That could quickly become counterproductive, however. The Swiss like nothing less than foreign interference. As soon as foreign interference becomes visible, the Swiss's archetypal way of behavior comes into sight. Then we are again in the time of the Battle of Morgarten, then we go at foreigners' throats. Swiss television also had the tastelessness to present a panel discussion with foreign journalists active in Switzerland. The concern there was not primarily the abolition of the Swiss Army, but rather a commemoration of the Swiss mobilization in September 1939. A large number of Swiss were upset that German and Austrians had the presumption to make a judgment on that.

EIR: Are there concrete indications that the Soviets or Communists are taking part in the Switzerland without an Army initiative?

Zumstein: I believe that the leading personalities of the Society for a Switzerland without an Army are well educated, psychologically and sociologically experienced people. I do not think them capable of allowing themselves to be helped openly and visibly. Such things do not happen in such a crude manner. I wouldn't want to exclude entirely a certain indirect assistance. But I have the impression that it is also dangerous for Moscow to do things abroad that wouldn't be desirable at home.

EIR: What is your evaluation of the external threat to Switzerland's security?

Zumstein: We proceed on the assumption that the most dangerous enemy is a totalitarian enemy. We have even gotten to the point where we say that a pluralistic democracy of the Western style today no longer has the strength for a decisive military attack. In my view, today that applies not only to the Federal Republic [of Germany], but also France. These states, considered from the political point of view, no longer have the strength for large-scale offensives. The totalitarian system is the most dangerous because it can carry on subversive, that is, covert war. Democracy cannot carry on covert

war. Covert war is a feature of totalitarian power, where the human being functions a mere object of the state. The "enemy image" must also be seen in an abstract philosophical way. We take the mentality of a state and proceed from that to define how the war will be constituted that can be carried on with such a mentality and on the basis of identifiable material preparations. Thus we arrive at covert war. Today, it is in the foreground. Our Army has fundamentally prepared itself for that.

EIR: For the first time in the 40-year postwar history, the postwar structures are fluid, that is, we see a convulsive process in the Soviet Empire that we, however, wouldn't like to characterize as "reform," but rather a violent reorganization of every level of society. But this reorganization, with its fundamental problems, has created a situation that in many parts of Soviet Union is already taking on forms genuinely similar to civil war. And the questions to you would be, a) how do you evaluate this dynamic, and b) what conclusions in your opinion can be drawn from that concerning the security interests of the Swiss?

Zumstein: I agree that a development is under way in the Soviet Union that is supposedly uncontrollable in certain regions or over wide areas. The interesting thing is that, fundamentally, Gorbachov has developed a method that is very much modeled on what we experienced in 1968. In 1968, the attempt was made to gain leverage with the masses using new psychological methods. In this respect, Gorbachov, and supposedly also his wife, has received an appropriate training. He has changed the fundamental situation with *glasnost*. Right now, since the broad mass of the people is receiving a voice, letters to the editor, interventions, demonstrations, and strikes are possible, a new physics exists in the society.

The tragic thing, now speaking from the point of view of the Soviet Union, is that the concepts as well as the structures for the now-existing situation are lacking. And so, for that reason, they can't move ahead. The market-economy concepts do not exist, and they are not prepared to consistently do anything more here. They are stuck. Or the leadership structures don't permit any change. In the Soviet Union for generations, people have been taught to lie. Everyone lies to everyone else. Statistics in the Soviet Union are a gigantic lie. The shoe factory claims that its waste is production. The next one who receives this statistic knows perfectly well that it is not true, but continues the lie. And the lie continues on up to the central administration. It is difficult to build something on this basis, which touches on a question of education. You cannot change this mentality overnight. They cannot develop their self-initiative if each is afraid of opening himself to criticism.

Russia strikes me as a field for which the farmer has no seed and doesn't know what season it is. Suddenly, connections and relations and sociological networks come into play

that are stronger than the Communism that has been preached and practiced. National feeling, language, the icons, the priests, the familiar connections, and so forth come again and cannot be held back.

EIR: If that is the general direction in which the Soviet Empire is going, then the question is, will this instability in a broad sense move into a disintegration process similar to a civil war, or could the Soviet leadership set off a military "flight forward"?

Zumstein: There is no question to me that Communism is an intellectual system whose only effective side today is still control of the masses. That is the only aspect that still functions to some degree. As such, Communism is an export article. The German Democratic Republic, for example, exports so-called security experts and police specialists for the suppression of the masses. If this communistic mass control collapses, then developments and events are conceivable that could lead to a threat to European security. I would like to emphasize that before *glasnost* and *perestroika*, for example, under Brezhnev's leadership, the Soviet Union behaved like the world's "troublemaker number one," but, simultaneously, could be also a sort of control authority in the international nexus because it had the power to stop interventions and developments that weren't convenient to it. The Soviet Union, with increasing internal pluralization and deregulation, is losing this ability to control development. Logically, that will lead to instability increasing in the world.

EIR: There's an interesting schizophrenia in the Soviet Union. On the one hand, the civilian sector that has demonstrably fallen into a catastrophic situation, as Gorbachov himself put it. There aren't supply bottlenecks any more; rather, we stand on the brink of famine. On the other hand, there is the military-industrial complex. There, things seem to be continuing well or unaffected. How do you view this schizophrenia?

Zumstein: The military-industrial complex works there as long as work can be done there without controls through prices and costs. The civilian economy, in the meantime, has had to acknowledge that it cannot produce in a cost-effective way. They had to acknowledge mismanagement. As I see it, that is not really schizophrenia but rather a coexistence of two completely different worlds. The military-technological complex, totally freed from economic considerations, still functions well. Basically, the previous disarmament efforts have only led to making the military-industrial complex more modern, more efficient.

EIR: The question is, do you agree with the evaluation that Gorbachov has succeeded in effectively selling the public that a modernization and restructuring of the Soviet military forces, which is considered by the Soviet military leadership as necessary, is a policy of disarmament and arms control?

That is, antiquated matériel, unqualified personnel are thrown out with great publicity, while that which remains is qualitatively improved in every respect.

Zumstein: Wouldn't that be the purest Machiavelli? I see it that way, de facto. Whether that was the intention from the beginning, I still have my doubts. But it was exploited for that. And in exploiting the situations that offered themselves, Gorbachov's mastery and that of his team have been demonstrated again and again. And in this, I would like to say, he is thoroughly in line with the '68ers, who taught us that everything has two sides and that it can be turned arbitrarily. That is the way of thinking that leads to letting one's own weakness become a strength.

I believe that, presently, there is still no genuine disarmament in the sense of a reduction of power visible in the crucial parts of the Soviet military apparatus.

EIR: The question is, given this fundamental evaluation, how do you view the question of the presence of U.S. forces in Europe for maintenance of a balance and a deterrent effect between East and West?

Zumstein: This question touches on the development of a European domestic market 1992. It is my personal conviction that the next step, after the realization of freedom of movement of individuals, goods, and services, will be a common foreign policy of this new Europe. And foreign policy means security policy. And the day will come when the United States will say, you are strong enough, since you are economic competitors of America, to pay for your own defense and security. Then America can be gradually disengaged from Europe.

Thus to the question of European security: I believe that it is currently right and necessary that American troops are in Europe—at least, as long as the nuclear deterrence guarantee of the United States for Western Europe remains in effect. In that connection, it should be borne in mind that the global system of nuclear deterrence together with its threats of escalation is naturally closely connected with the presence of U.S. troops in Western Europe. So when there are no more troops here, the deterrence will also be generally questionable.

EIR: You mentioned your opinion of the paramount importance of covert war. If you could elaborate on that.

Zumstein: My conception is this: First, a nuclear war is no longer feasible. With that, I am not saying anything against the necessity of nuclear deterrence. Second, even a major war carried on with conventional weapons is no longer feasible because escalation to the nuclear is always threatened.

Now, as before, it is a matter of being effective in power politics, in exerting power. And here covert war presents itself. Covert war is the possibility that distinguishes every totalitarian regime. And because this possibility exists with potential totalitarian aggressors, the defender, organized dif-

ferently politically, must pay attention to these things. Otherwise, he is liable to blackmail. And his classical military methods no longer come into play. For that reason, threshold thinking today stands in the foreground. You have to be able to assert your political power claims within a certain risk threshold. The military method is covert war. And if you go one step higher, then it is limited conventional war. And still another step, conventional war carried out with chemical weapons. Those leave behind hardly a trace. One hardly knows it happened, and only sees the victims. And only then does nuclear war become improbable and a last resort, but still not entirely to be excluded.

EIR: Recently, there has been much talk about tanks that are already 20 or 30 years old in the disarmament diplomacy and propaganda that is done by Gorbachov with such cleverness. But there is little mention of elite units that are still being built up in a grand style—parachute forces and special service groups, *spetsnaz*.

Zumstein: We have taken measures. Our army in recent years has been modernized in this sense and made capable of flexible deployment. We have already stationed units in critical areas that can be activated very quickly. Their matériel is present in place, and all necessary preparations have been made. That applies, for example, to our airports. Thus we don't have to go looking for troops. They are there, and can always be ready for deployment in a short time. And then there is the "sleeping" army, distributed throughout the country, which can be activated within hours. With that, effective action can be taken against *spetsnaz* and parachute troops landed behind the lines. So we are also in the position to block paratroops, in that we, for example, can detonate all the exits from a landing area, and thus they will be stuck.

We believe, therefore, that we are very well prepared in this regard—precisely because we recognize this danger. We have also considerably tightened up guard patrols. For some years, even in peacetime, we have equipped the guards with battle ammunition. The unit is trained in that way. We could anytime—of course, with reduced units but they are there, during the entire year—attack wherever a danger emerges. We thus believe that we are in this regard very well prepared. That has happened because we regard the danger of these *spetsnaz* units as considerable.

EIR: Again, a question to you as a military expert with an objective judgment: You have described how the threat from enemy paratroops and *spetsnaz* has been tackled in Switzerland. How do you view this situation for NATO in Central Europe? Does that strike you as good?

Zumstein: That is a very thorny question. Personally, I think that people in NATO are being laid low by a danger. It is this constantly pursued planning and preparations for a war that can be really conceived only theoretically. That leads to ways of behaving and regulations that reflect a sort

of bureaucratic reality. I see a certain danger of immobility, of lack of imagination, of inflexibility. But I have to guard against—and I say that emphatically—making any sort of judgment.

The fight against *spetsnaz* demands a very strong mental activity, individual ways of acting, and a great readiness to take the initiative. You can't guard against *spetsnaz* if you take out a military textbook and say, this is how you have to do it. That is different every day and in every case. It is necessary that one's own units are steeped in almost the same training.

EIR: Do you have such units here?

Zumstein: We have the beginnings of such. We have trained special infantry units in individual divisions—people that we train for absolute independence in battle, for aggressiveness, initiative, for an outstanding combativeness, and for decidedly good fire power. In this sense we have that.

EIR: A revolutionary military-technological development is emerging, in the East and the West. For example, the SDI complex, beam weapons, directed energy weapons. What significance do you see in that sort of development? And let me add especially the subject of radio frequency weapons, that is, innovative weapons employed, not primarily strategically, but tactically, against electronics as well as biological cells, based on controlled electromagnetic radiation.

Zumstein: These military measures stem partly from a series of intellectual developments in which deployment of system A induces system B and then a further system C, and thus a definite technical escalation is effected. It is the old joke of the navy minister who was just saying goodbye to the sales representative of a new type of steel, and says incidentally, as he stands in the door, "Mr. Minister, I also have a new shell that is stronger than that armor." This is a sort of thinking that is not always successful because it is based on a manner of action that is possibly not at all relevant in war. I have never allowed myself to be much influenced by such extreme technological things. But one must also look on the other side, that wherever physics is not respected, then military success is not ensured. Physics has got to be right. But we have to guard against leaving the conduct of war to engineers.

I have been much concerned with a new infantry weapon. There are perhaps 800,000 guns of the most modern construction that we now manufacture and that we then have in our houses along with ammunition. I believe that these weapons, regardless of the technological possibilities that are in store for us, would have great importance in case of war. Because behind that stands a man. And if you shoot the men who stand behind the great technology just mentioned, then the great technology isn't worth anything anymore. And for that reason we attempt here in my country to achieve a sort of combined effect. What does combined effect mean?

We attempt to combine old, primitive weapons, such as a gun, with modern, high-capability weapons. We have in service today the most modern tanks in the world. We attempt to optimally exploit terrain. Terrain is a given. Whether you move with laser weapons or other beam weapons or chemical weapons, you won't change the terrain so quickly. We go further. We enhance the terrain so that the terrain can almost independently carry on the war. Today, we have 2,000 mined structures [e.g. bridges, roads, and so forth—ed.] in Switzerland, and they are already equipped with explosives. You travel every day over mines without knowing it. They can be detonated very quickly. The destruction caused by the detonation is phenomenal. You can't conjure that away, it's there. So we are seeking a combined effect in all areas. For us, it's a matter of dissuasion, and thus of a deterrent effect. We want to say to a potential enemy, you will lose much time and will have to accept huge losses. This dissuasion we seek to carry out following the principle of the haystack. I once watched as some school boys were jumping in a farmer's hay. They were having fun, and the farmer was irritated. Imagine putting splinters of glass in this haystack. No one can take that. We are using this glass splinters theory. Switzerland cannot participate in this mutual buildup of technology and superweapons, only in a very limited way.

EIR: We were not thinking so much of SDI-type weapon systems. If Ogarkov repeatedly speaks of new generations of conventional or post-nuclear weapons that are already or soon will be available, that in their effect come close to the weapons of mass destruction but without collateral damages, then that is also a critical question for Switzerland.

Zumstein: We keep track of these things. That's obvious. Every self-respecting defense system must keep up with these developments. Personally, I would simply like to somewhat relativize the threat from such weapons. At the beginning, I said that I hardly believe anymore in a completely major war. Because today, there are other means and methods of struggle to push through power goals. I don't believe that a military-technological breakthrough will come that will make a defense, such as we have, fully illusory. And there we are, back at the beginning of our conversation. The Army is a component of the people; it is the people at arms in a definite threatening situation, and you cannot simply wipe out a people. That doesn't work.

Coming back briefly to the Soviet Union, the military-industrial-technological complex of the Soviet Union doubtless still functions very well. But it may now also have its problems. But along with this military-industrial-technological complex, we mustn't overlook that there must also be armed forces. Troops who employ the devices. And here it seems to me that *glasnost* has already shown its effect. We hear of discipline problems in Soviet units. We hear of drug and alcohol addiction, of waste of materiél. It is thought-provoking to hear that soldiers sell their weapons to buy

drugs. Those are things that are reality and that the Soviet system also must reckon with. It takes something, after Afghanistan, to say to Soviet soldiers, you must always be ready to die somewhere in the world for Communism. And I don't think that this motivation is so easy.

EIR: We hear of and see in the Soviet Union the development of a mass movement that is supported, not directly by the party, but by the KGB and the Army leadership. The best example is the Pamyat Society, which is spreading primitive Russian themes, hostility to foreigners, anti-Semitism, fanatical thoughts of Mother Russia. The Soviet Union is in an existential crisis; the Russian winter is coming. Many observers see analogies to 1904, 1905. Could a new aggressive, ideological motivation come into existence?

Zumstein: I certainly believe that "Little Mother Russia," the Russian universal feeling, as Schubarth defined it long before the war, is important—this being embedded in the enormity of the land and the continent, this spiritual landscape. I certainly believe that this is a force. But will this force be successfully activated? And, a second question, will it be possible to deploy this force again in an offensive sense? On that, I have some doubts. I believe that first we will experience internal struggles that reach all the way to conditions similar to fratricidal war. But perhaps in 50 years Russia could again be an intact nation.

EIR: If we may be allowed to ask one other question in conclusion: What do you wish from the United States for Switzerland and Europe?

Zumstein: I believe that America must keep track of the development in Europe both in regard to the coming Europe 1992, on the one hand, and the crisis in the Soviet Union on the other. And that the exchange as we have it today between Europe and the United States and this solidarity for the maintenance of peace must continue to be effective. We must under no circumstances separate the greatest democracy in the world from Europe. That we must not do. I believe that Europeans must not only receive but also give, and mutual understanding between Europe and the United States must be maintained.

Americans still belong to us. We have presently in or local schools a young lady from the United States who belongs to a family that emigrated out of the Simmental more than 100 years ago. She's even related to me. We have seen that a part of our essence is today in the United States. And that, conversely, many Americans have their roots here. Every year, Americans visit us whom I do not know personally. I take them to the old farmers' houses, and tell them, here was your great-great-grandfather, and here he kept his horses. That's a part of it. The Atlantic must not be a barrier but rather a connection.

Additionally, I believe that peace is feasible—but not on the basis of weakness.

The 'Tiny' Rowland File

Part III of an EIR investigative series. Rowland's Lonrho was built up to enforce colonialism in Africa.

On Feb. 3, 1960, in Capetown, South Africa, British Prime Minister Harold Macmillan stunned the South African Parliament with his famous "Winds of Change" speech. "The most striking of all impressions I have formed since I left London a month ago," he said, "is the strength of this African national consciousness. In different places it may take different forms, but it is happening everywhere. The wind of change is blowing through the continent. Whether we like it or not this growth of national consciousness is a political fact . . . our national policies must take account of it."

The speech was a prelude to the declaration of independence by most of Britain's former colonial possessions in Africa by 1964. Yet the British Establishment, which designed the "winds of change" policy, was not planning to bring true independence to Africa, but a more insidious, and more effective, form of slavery.

"Independence" was severely circumscribed by several factors: 1) The credit essential to economic development was controlled by genocidal institutions such as the World Bank and International Monetary Fund, in league with powerful private banks such as Barclays and Standard and Chartered. 2) The newly independent nations were thus kept as raw material producers for multinationals such as Shell, British Petroleum, Unilever, Rio Tinto Zinc, etc., and the prices for their products artificially depressed by international commodity cartels. 3) The new nations were kept in political turmoil through bloody gang-counter-gang warfare, based on ethnic or tribal divisions, as perfected by Brig. Gen. Frank Kitson in the Mau-Mau insurgency in Kenya in the 1950s. The British provided covert or overt aid to all sides of a conflict, precisely as Rowland is presently doing in Mozambique, where he provides support to both the Frelimo government, as well as the Renamo insurgency against that government.

These factors, then, comprise the setting for the rise to riches and enormous political/economic control over the African continent by Roland "Tiny" Rowland and his Lonrho Corporation, beginning in 1961, the year after Macmillan's speech. Today, Lonrho is the continent's single largest food producer; it employs over 100,000 people in ranching, farming, mining, manufacturing, and trading subsidiaries in 29 countries; it is the continent's largest textile manufacturer, its first sugar producer, and a major power in gold, platinum, and coal mining.

Rowland's early sponsors

Back in London after his Winds of Change speech, Prime Minister Macmillan consulted with his Foreign Secretary (and former Colonial Secretary), Alec Douglas-Home, and the current Colonial Secretary, Duncan Sandys, to construct the apparatus which would continue colonial rule under the new conditions. This trio in turn contacted two men: Joseph Ball, the chairman of a little-known company called the London and Rhodesia Mining and Land Corporation, Ltd., soon to be known as Lonrho, and Harley Drayton, a powerful City of London financier, and the chief stockholder in Lonrho. Among them a plan was hatched to vastly build up Lonrho as one of the corporate pillars of the new strategy. The aging Joseph Ball was asked to find a young man to give the necessary vigor to the grand expansion plans. Ball chose a man he had known, or known of, from intelligence work in World War II: Roland Walter "Tiny" Rowland.

These two men, Joseph Ball and Harley Drayton, "invented" Tiny Rowland. To understand Rowland, and the protection he has enjoyed throughout a long career studded with criminal actions of all sorts (see *EIR* Nov. 3, 1989, p. 45 and Nov. 10, 1989, p. 45), it is critical to appreciate these two individuals.

Joseph Ball in 1960 was nearing the end of a long career. He had been one of the most powerful figures of British intelligence in the 20th century. Employed by MI-5 already in the First World War, Ball was, by the 1920s, one of the deputy heads of the agency, before he left to form the Research Department of the Conservative Party, an in-house intelligence agency modeled on MI-5, replete with agent penetration of the Labour Party, etc. He became, in the words of one historian of intelligence matters, "the quintessential éminence grise." He also conducted sensitive foreign missions, such as serving as liaison with Italian dictator Benito Mussolini for Prime Minister Neville Chamberlain. In World War II Winston Churchill appointed Ball deputy chairman of the all-powerful Security Executive, which oversaw MI-5, MI-6, and a bevy of other intelligence outfits. He reorganized MI-5 for the war, and was responsible for operations against Nazi or fifth column activity in the British Isles. This job brought him across the path of the young Tiny Rowland.

Joseph Ball's collaborator in Lonrho and Conservative Party matters for several decades was Harley Drayton. Though little known to the history books, Drayton was chairman of 23 companies, the controller of 20 investment trusts,

and one of the most powerful political and financial figures in Britain. It was he more than anyone else, as Rowland himself later emphasized, who provided the political and financial backing which launched Tiny Rowland and Lonrho. It was he who sent his personal assistant of 10 years, Angus Ogilvy, out to Africa to recruit Rowland, and it was he who declared that Lonrho should be run by the troika of Alan Ball (Joseph Ball's son, who became Lonrho's chairman shortly after his father's death), Angus Ogilvy, and Tiny Rowland. As Rowland wrote to Ogilvy on Feb. 26, 1968, "Lonrho is in my view nothing else but Alan, yourself and myself, combined in turn to give the company character and soul and constant and continuous drive and motion." And, Rowland wrote in still another letter, "that's the way Harley Drayton wanted it."

With Harley Drayton and his main investment company, the "117 Old Broad Street Group," we approach the deep power behind the miraculous career of Tiny Rowland. Drayton's investment trusts controlled billions of pounds, funds drawn from the coffers of two of his major clients: the Church of England and the British Crown. Drayton was to be the chief stockholder and stringpuller for Lonrho from 1961 when Lonrho was, in the words of South African minerals magnate Harry Oppenheimer, "activated," until his death in the mid-1960s. Drayton was also an early sponsor of Canada's powerful Bronfman family, through the Eagle Star Insurance Company in which he held great interests, the latter the chief holding company for all the Bronfman assets.

Angus Ogilvy, Drayton's assistant of 10 years already by 1961, also symbolized the power behind Lonrho. For years on the most intimate terms with Rowland, and provided by him with a rent-free flat adjacent to Rowland's own in Chelsea, Ogilvy was born Angus James Bruce Ogilvy, youngest son of the Earl of Airlie. The Earl, one of the premier noblemen of Scotland, was Chamberlain to the Queen Mother. One son would later become chairman of the powerful Schroeder's merchant bank, while Angus would marry Her Royal Highness the Princess Alexandra, first cousin to the Queen.

Some personal history

Over the years, Tiny Rowland has told lie after conflicting lie on all aspects of his personal history: his family background, the number of siblings he has, his wartime military role, and even his own name. The more one probes this background, the more one realizes he has good reason to lie.

According to the usual story, Tiny Rowland was born as Roland Walter Fuhrhop in a British internment camp in India on Nov. 27, 1917, the son of the German merchant Wilhelm Friederich Fuhrhop and his Dutch wife Muriel (née Kanenhoven), the daughter of a prosperous Dutch shipping agent. But according to a former business partner, Rowland was not the product of the wedded bliss of Wilhelm and Muriel Fuhrhop, but of an affair between Wilhelm and the sister of the head of the Rawalpindi Railway in India, Sir John Rowland. This account would certainly explain Roland Walter Fuhrhop's

choice of last name when he changed his name by deed poll in 1939 to Roland Walter Rowland; it would explain his "adoption" (though never acceptance), into rarefied levels of British nobility and intelligence (through the good graces of Uncle John); and it would explain the otherwise most-curious fact that Sir John Rowland was a key business partner for the young Tiny Fuhrhop (now "Rowland") in numerous businesses which the young Rowland established in postwar Africa.

Whatever his precise ancestry, following World War I the Fuhrhop family, including the future Tiny Rowland, was persona non grata in India and was not allowed back into England. Wilhelm moved the family back to his birthplace of Hamburg, and established a trading company named "India Agencies" on the well-placed business street Spitaler Strasse. The family lived in the luxurious Klosterstern district, had several servants, and sent Raimund, their first son, to the prestigious Heinrich-Hertz Gymnasium, where Tiny soon joined him.

According to information recounted by Rowland to British journalist Charles Raw, Rowland joined the Hitler Youth at the age of fifteen and a half. Doing the necessary arithmetic, this places young Tiny in the Hitler Youth in May or June of 1933, an extremely early date. Rowland's later frequent contention that "everyone" joined the Hitler Youth only became true as of 1936, when all other youth organizations were merged into the Hitler Youth. To join in mid-1933 was rare enough to bespeak a commitment, personal or family, or both, to the Nazi cause. Given Rowland's later frequent stories of what a fierce anti-Nazi he was, this information acquires some significance. It also bears upon Roland's other frequent claim, that his father was a "passionate anti-Nazi."

In the spring of 1934, Roland Walter Fuhrhop was sent to school in Britain, to a public school near Petersfield named Churcher's. Roland Fuhrhop's contemporary, Philip Brown, recorded his impression of the new boy, "a German boy, aged about 17, called Roland Fuhrhop, joined the school. He was an ardent supporter of Hitler and an arrogant, nasty piece of work to boot."

After a year at Churcher's, Fuhrhop went into the shipping business of a family relation of Muriel Kanenhoven Fuhrhop. Given the unpopularity of German names in England at the time, Fuhrhop changed his name in 1939 by deed poll to Rowland. And he also, according to relatives, did his best to try and join the British Secret Intelligence Service.

The mysterious wartime career

Lonrho, one of Britain's largest corporations, is often thought of, like Rowland himself, as an "outsider" to the British Establishment. But an examination of Lonrho's board over the years reveals two elements which dominate it entirely: the presence of representatives of some of the most powerful families of the British Establishment, and the presence of numerous ranking members of the British intelligence

services, such as Nicholas Elliott, at one time the number three man in MI-6, and a longtime friend of Soviet spy Kim Philby. In fact, the presence of intelligence operatives is so pronounced, that one is forced to draw the conclusion that Lonrho is not so much an "asset" of British intelligence, as it *is* British intelligence. Rowland's own carefully hidden wartime career fits that profile exactly.

During the 1973-76 Department of Trade and Industry investigation into large-scale criminality on the part of Lonrho and Rowland, the DTI investigators asked at one point to look at the wartime file of Tiny Rowland. Much to their surprise, the request was only granted after repeated vigorous demands, and then only in the presence of two MI-6 officers. No photocopying or even note-taking was allowed. While Rowland's intelligence services file is obviously hypersensitive, according to those who have looked at his Army file, his Army records have been "weeded" into non-existence. Why the extreme secrecy?

Rowland was a freshly naturalized British subject whose brother had voluntarily joined Hitler's Wehrmacht after the Nazi invasion of Czechoslovakia. With this background, he was barred from combat duty. All the more reason, said his cousins, that he tried to join the intelligence services. According to biographer Dick Hall, Rowland approached his old Churcher's headmaster Hoggarth, to vouch for him for SIS. This fact, plus the testimonies of his cousins, plus grave anomalies in Rowland's service career, plus the testimony of a former Lonrho colleague of Rowland's that Rowland worked for British SIS during the war, indicate clearly that Rowland did join British intelligence, either during the war or at its very outset.

On Dec. 12, 1939, Roland Walter Rowland was conscripted into the British Army and assigned as a medical orderly to the Royal Army Medical Corps (RAMC). After three months of basic training, he was assigned to the 75th British General Hospital (RAMC) quartered in Peebles, 20 miles south of Edinburgh. A source who knew him at the time records the extremely unusual fact that not only had he "arrived as a patient, and was later transferred to staff," but that even though he allegedly had tonsillitis, he was placed in the surgical ward, a highly irregular procedure for persons with infections.

Peebles, interestingly enough, was the constituency of the one and only serving British Member of Parliament to have been interned during the war as a Nazi sympathizer, Captain A.H.M. Ramsay. Elected Conservative MP for Peebles in 1931, Ramsay had created the pro-fascist Right Club, and was a confederate of the Russian-born Nazi spy Anna Wolkoff. Ramsay was arrested and interned in May 1940 at Brixton Prison, but not before he had struck up a close relationship with Roland Walter Rowland of the RAMC. According to affidavits of those who served with Rowland, he frequented the Ramsay house as the family's guest.

Meanwhile, after British troops had been routed from

Dunkirk in the summer of 1940, Rowland's father was arrested and interned along with 27,000 other "enemy aliens." Mrs. Fuhrhop was also interned, first in Holloway Prison, and then with her husband in the internment camp on the Isle of Man. By late 1940, as the threat of a Nazi invasion receded, only one-fourth of the original 27,000 internees remained prisoners, and those 6,500, presumably the cream of the Nazi sympathizers in Britain, were all concentrated in the camps on the Isle of Man. Rowland's father and mother were two of them.

Tiny Rowland was kicked out of the British Army on Jan. 19, 1942. He maintains that this was due to his repeatedly pestering his superiors to visit his father and mother on the Isle of Man. But affidavits of those who served with Rowland at Peebles and then at Edinburgh, tell quite a different story. James Anderson, an army sergeant who spent quite a bit of time with Rowland, recorded that Rowland was a "pro-Nazi fascist who despised the British working man; a man who was no use to man or beast, and certainly no use to Britain; and a complete and utter sham." Still another colleague reported that he caught Rowland listening on a private radio late at night to the British traitor Lord Haw-Haw (Stephen Joyce, an associate of Captain Ramsay) broadcasting Nazi propaganda from Germany. On hearing of the sinking of *HMS Prince of Wales* and *HMS Repulse* by the Japanese off Singapore in December 1941, Rowland laughed and chanted "sink the bastards." The next morning he was taken away by MI-5 personnel.

After a month in Wandsworth Prison (where he met one of the people who would be a business partner in his postwar firm, Articaire), Rowland was sent to the Isle of Man, and there interned under regulation 18B as a "danger to the security of Britain." He was placed under armed military guard at the maximum security camp at Peel. This camp was reserved for, in the words of one historian, "the wild men at the extremes of politics, potential terrorists and subversives," including many members and supporters of Sir Oswald Mosley's British Union of Fascists. After more than a year of detention in Peel, Rowland was allowed to join his parents in the married compound at Port Erin. Rowland claims, though there is no evidence to support it, that he was freed sometime in 1943 and spent the rest of the war doing odd jobs assigned by the Labor Exchange. Rowland's father and mother remained interned to the end of the war, even though 89% of the original "enemy aliens" interned had already been freed. This casts grave doubts on Rowland's claims that his father was an "outspoken anti-Nazi," but more importantly raises the question of why he himself—given his own marked pro-Nazi sympathies and the apparent apprehension with which his parents were regarded by the authorities—was treated so leniently.

Next installment: Working for the Philby networks in World War II.

Salinas 'Informe,' a string of lies

The President's claims of great economic gains remind many Mexicans of the notoriously phony "Aleman smile."

On Nov. 1 President Carlos Salinas de Gortari delivered his first *Informe*, the annual state of the nation address that used to be given on the first of September and was moved last year to All Souls' Day, some say because the Mexican economy has turned into a ghost of its former self. The last President, Miguel de la Madrid—the one who changed the date of the *Informe*—and his successor, Salinas, have played this gruesome Halloween trick on the nation, by obeying every demand made by the foreign creditor banks to pay debts at the expense of the productive economy.

The *Informe* was designed to promote the further gutting of wages and production during Salinas's first year, as proof of his "courage" in standing up to popular pressure.

The President vaunted the fact that "total wages for workers in manufacturing industries grew 14% in real terms." Not only is this improvement inadequate in itself, but it only affects a small fraction of the workforce; no such gain was seen for wages of peasants, government employees, or service workers. As a result, more and more Mexican workers are taking to the streets to demand increases in wages and benefits.

Just in Mexico City alone—the world's most populous city—more than 200 mass demonstrations took place in the last five months. There were 36 in September. On Nov. 10, there were six, including teachers, public service workers, railroad workers, and retirees. The highways leading into Mexico from Querétaro, Pachuca, Toluca, Cuernavaca, and Puebla were blocked and the govern-

ment was forced to use the police to repress the protests. Several people were injured.

Fidel Velázquez, the leader of the Confederation of Workers of Mexico (CTM), called the definition of productivity presented by Salinas "an illusion." He observed that more and more workers are refusing to work for the minimum wage, equal to U.S.\$4 for an eight-hour day, since it costs more to travel to work and eat lunch out, than what they bring home in pay.

Salinas also lied about "positive achievements" in the foreign trade balance. He claimed that "in July, non-petroleum exports grew 8% compared to July 1988," but every Mexican knows that in reality they dropped from 20% to 8% in that period. He said that imports had gone down from 50% in January to 14% in July, and that the "trade surplus amounted to \$381 million," in the same timespan; but he did not mention what everyone also knows—those \$381 million are 90% below the 1988 surplus, which disappeared by the third quarter, and that 1989 will be the first year with a trade deficit since 1981!

The entire first *Informe*, and official talk in general, is replete with such inconsistencies, which are not going unnoticed. Otho Granados Raldán, who heads the President's Social Communications office, has seemed more concerned lately with saving face than with putting out any real facts.

Take the case of "Stanford Ph.D." Joseph Marie Córdoba, a supersecretary of state in the Salinas government. It was recently revealed that he never

got such a degree from Stanford, which had been the basis of his lightning climb to power. Spanish by birth and a French socialist by adoption, Córdoba had been set up in a super-ministry created just for him by Salinas de Gortari.

"Herr Otho" Granados, as the presidential media man is called these days, in honor of his behavioral resemblance to the Nazi propaganda minister Goebbels, responded to the exposure of the hoax, by saying that the degree "will be granted" next May, and that "arrangements are being made for this."

Various circles inside the ruling PRI party are beginning to wonder if the legitimacy of the whole Salinist regime does not rest on similar "perception games." A well known columnist in Mexico City warned: "Salinas, for the bulk of the citizens, has turned into a kind of anonymous avenger of the people, a severe scourge for those who have hurt and defrauded him, and no one doubted any more about his courage in making decisions."

However, "The citizens must not keep pressuring the President (nor feeding his ego, which no mortal escapes), by so highly praising his personal courage. Neither must his advisers nor his counselors do this. . . . Such a situation, which would always keep increasing and growing, could be negative for the country and for Salinas."

Some Mexicans remember that the public relations mavens around the late organized crime-linked President of Mexico, the unlamented Miguel Alemán, suddenly discovered that the then President had a "charming smile" and they played it to the hilt. As a result, whenever Mexicans wanted to refer to a lie, they would use the popular saying "you are phonier than Miguel Alemán's smile."

Sinhala terrorist group decapitated

The good news from Sri Lanka doesn't bring much relief to its civil war conditions and economic paralysis.

The news Nov. 13 from Sri Lanka that the chief of the terrorist Janatha Vimukthi Peramuna (JVP), Rohana Wijeweera, and his second-in-command Upatissa Gamanayake, had been shot dead, was the first significant break in the months-long offensive by Sri Lankan security forces against the Sinhala terrorist group.

More recent dispatches from the Sri Lankan capital Colombo, citing the capture of a JVP radio station and all but one member of the group's central committee, indicates that the Maoist group has been decapitated.

Riding the wave of discontent over the Jayewardene government's 1987 decision to seek Indian military assistance to quash the Tamil secessionist movement in northeastern Sri Lanka, the JVP mounted a terror drive that nearly brought the now ten-month-old government of Jayewardene's successor, R. Premadasa, to its knees. A civil war was unleashed as security forces and their kin took vigilante action against the terrorists. In recent weeks the JVP's target had shifted to the economy, and creeping economic paralysis has accompanied the daily death toll of 30 to 100.

The successful strike against the JVP will end the outfit's political thrust, though the terror and killing will no doubt continue. Though important, it is no longer as decisive as it might have been, say, two years ago—before this tortured island slid into the anarchy and civil war that has now almost hopelessly clouded the way out of the ethnic conflict between the majority Sinhala Buddhist and minority Tamil Hindu communities.

President Premadasa may be pleased, but hardly relieved. His desperate gambit to emerge master of the fast deteriorating situation by striking a deal with the Tamil terrorist army, the LTTE, and forcing the Indian Peacekeeping Force (IPKF) to withdraw is blowing up in his face.

On Nov. 5, within a week of the IPKF's withdrawal from Amparai district, the LTTE ripped up its paper-thin ceasefire agreement with Premadasa's government, and launched a pre-dawn armed attack on two rival Tamil groups. The LTTE men came by boat and used rocket-propelled grenades and machine guns in the attack, causing an unknown number of casualties (one estimate put the toll at 50, with some 150 Tamil youth taken prisoner by the LTTE). The government was forced to deploy the Sri Lankan army.

The North-East Provincial Council, headed by one of the LTTE's rivals, the Eelam People's Revolutionary Liberation Front (EPRLF), charged Nov. 9 that the LTTE attack was undertaken with the "active connivance" of the Sri Lankan army's special task force. The LTTE, for its part, justified abandoning the ceasefire with charges that India is sending fresh troops to Sri Lanka in violation of the withdrawal agreement, and complained that rival Tamil groups were raising a "Tamil National Army" through forced conscription.

If the performance of Sri Lanka's defense secretary, Gen. Sepalle Attygalle, at a Nov. 9 press briefing is any indication, the government may attempt to bury this new crisis by pick-

ing another fight with India. General Sepalle all but accused New Delhi of illegally arming Tamil groups in the northeast in announcing that the government had received reports that an Indian Air Force plane had unloaded several crates at a base near Thincomalee and subsequently transported them south to Nilaveli.

To add to his woes, Premadasa faces a no-confidence motion in parliament brought by an opposition headed by the Sri Lankan Freedom Party of former Prime Minister Mrs. Sirmavo Bandaranaike. Though the government, with 125 of the 225 seats in the parliament, can be expected to survive such a test, the breakdown of its recent efforts to organize an all-party conference on the national crisis underscores its limited political capital.

A less spectacular but potentially decisive factor in this tragic crisis is the International Monetary Fund, whose insistent demands for "major structural adjustment" have again been put to the government recently. The IMF still refuses to release the 67 million Special Drawing Rights second installment of a Structural Adjustment Facility loan negotiated in March 1988, charging Sri Lanka with failure to meet IMF targets set after the first installment was released.

These targets include a virtual free-fall of the Sri Lankan rupee and drastic reduction of subsidies for essential commodities such as flour, rice, sugar, milk, and fuel. The government's efforts to comply have already lit the fires of inflation, now running at 20% or more.

The IMF's demand that Sri Lanka torch its economy might well have come from the terrorist JVP or LTTE. Sri Lanka is heavily dependent on imports to meet requirements of even the basic items, so devaluation of the rupee is devastating.

M-19: wolves in sheep's clothing

In the name of "peace," the Colombian government is letting the drug cartels in through the back door.

On Nov. 2, amid great political fanfare, the Colombian government of President Virgilio Barco signed a "Political Pact for Peace and Democracy" with the narco-terrorist April 19 Movement, known as the M-19. Hailed by the government as the first major success of President Barco's so-called "peace initiative," the pact is intended to lay the basis for reincorporation of some 200 guerrilla insurgents—by executive pardon—into the civilian and political life of the country, including the creation of their own political party. What it does, in fact, is invite some of the bloodiest agents of the drug-trafficking cartels into the corridors of Colombian power.

The pact, which must be approved both by the Senate and in a popular referendum next January, includes a pardon for the multitude of crimes committed by the M-19 during its 15-year reign of terror, and electoral concessions which will give the narco-terrorists a significant quota of seats inside the Colombian Congress. The M-19's crimes—described as "political" and therefore "pardonable" by the government—include the 1980 mass kidnaping of more than a score of foreign diplomats, the 1988 kidnaping of former Conservative presidential candidate Alvaro Gómez Hurtado (killing his bodyguard in cold blood), and the 1985 mass murder of a dozen Supreme Court magistrates during the drug mafia-financed occupation of the Justice Palace. Nearly 100 people were killed during that siege, and the Palace itself—containing the national

legal archives—was gutted.

Less well known, but publicly documented, has been the M-19's role as armed security guards for the coca plantations and cocaine refineries of the drug-trafficking cartels, and in the weapons-for-drugs swaps sanctioned by the Cuban government and its resident drug financier Robert Vesco.

Perhaps worse than the proffered pardon itself is the fact that the M-19 will, if the pact is approved, be guaranteed the right to elect a senator or congressman with a mere 15% or less of the vote required of traditional party candidates. For example, while other candidates must receive 60,000 votes within their province to win a senatorial seat, an M-19er will need only 10-12,000 votes *nationwide* to win. As one columnist was quick to point out, "Add several M-19 congressmen to the 14 from the [Communist] Patriotic Union, and you have a powerful parliamentary front composed of enemies of the system." The Communists are now demanding the same electoral concessions.

Indicative of how unrepentant the M-19 is, is the fact that they had tried to set Nov. 6 as the date for signing the peace pact with the government—the fourth anniversary of the Justice Palace slaughter. The M-19's comrades inside the Simón Bolívar Guerrilla Coordinating Group have issued a statement casting doubt on the government's sincerity in the peace pact, but embracing the M-19 nonetheless as members in good standing of their terrorist league. These same organizations have launched a renewed terror-

ist offensive during the past weeks, reminding the people of precisely what manner of "former" subversives the Barco government is inviting into the national Congress.

With all this, Government Minister Lemos Simmonds continues to insist that he prefers "20 M-19 senators to 2,000 M-19 guerrillas."

Opposition to this government betrayal is growing. Former cabinet member and prominent Liberal politician Abdon Espinosa Valderrama wrote in the daily *El Tiempo*, "No democratic regime, not even the most tolerant, has ever countenanced such a course." Ana María Busquets de Cano, the widow of the mafia-assassinated director of *El Espectador*, wrote: "But when [the M-19's] struggle stopped being anything positive, and became sheer terrorism, committing atrocious crimes whose authors have no shame in confessing, one cannot wipe the slate clean."

It is expected that Colombia's Senate, already corrupted by a combination of drug money and pure self-interest, will approve the pact with the M-19 in short order. It then remains for the Colombian people to let their opinion be known, in the January referendum on constitutional reform—of which the peace pact is a part. Even if the electorate rejects the proposed pact with the M-19 narco-terrorists, the credibility of the Barco government's heretofore serious anti-drug efforts will have suffered a serious blow. As *El Tiempo* columnist Keren-sky wrote Oct. 30, "With hands joined, the guerrilla and the drug trafficker seek to strangle the Republic and its democratic institutions. If the proposal of dialogue with the drug traffickers is accepted, or if the guerrilla is rewarded with a pardon for his heinous crimes, or given unmerited seats in the Congress, we are contributing to the dissolution of Colombia."

OAS gives lukewarm support to U.S.

The United States continues to behave as an international outlaw by authorizing the CIA to get Noriega—dead or alive.

The Organization of American States gave lukewarm support to the U.S. push against the commander of Panama's Defense Forces, Gen. Manuel Noriega. In a vote taken early in the morning of Nov. 17, the OAS general commission approved 25-2, with 1 abstention, a resolution calling on Panama to stage "free elections" as soon as possible. The resolution was expected to be adopted by the hemisphere's foreign ministers before they concluded their annual General Assembly in Washington on Nov. 18.

Although afraid of openly bucking the U.S., the Ibero-Americans were not willing to give the Bush administration carte blanche to trample on a member country's sovereignty. According to Panamanian sources, most of the governments of the hemisphere agree with Panama's charges, that the U.S. attacks against Noriega are aimed at breaking the Panama Canal treaties and retaining control of U.S. military bases in Panama. They also agree that the charges that "Noriega is a drug trafficker," are lies invented to justify the U.S. offensive against Panama.

The Panamanian press gave widespread coverage to statements made by U.S. drug czar William Bennett, to the effect that the U.S. is not yet seriously waging a war on drugs. According to a UPI wire published by Panama's *Matutino* on Nov. 9, Bennett told the *San Jose Mercury* that U.S. leaders "lack the will" to wage a war on drugs. In the interview, Bennett also blasted former Secretary of State George Shultz—who launched the campaign against Noriega—for

having proposed the legalization of drugs.

For those reasons the OAS resolution fell far short of the demands made by U.S. Secretary of State James Baker III, that the OAS set aside the principle of non-intervention in the case of Panama. The OAS also refused to go along with the proposals made on behalf of the United States by the socialist governments of Venezuela and Costa Rica, to condemn General Noriega by name, to repudiate Panama's current provisional government for "lacking constitutional legitimacy," and to demand that the countries of the hemisphere break diplomatic relations with Panama.

Panama will not abide even by the watered-down resolution, said Foreign Minister Leonardo Kam, "even if that means its expulsion from the OAS." The Panamanian foreign minister reminded his colleagues that Panama had indeed tried to hold "free and honest elections" last May, but U.S. interference forced the annulment of those elections. Kam cited the use of the U.S. Armed Forces Network, of the U.S. Southern Command in Panama, to promote the opposition's electoral campaign, the deployment of CIA agents to establish clandestine transmitters to incite riots, and the \$10 million that the Bush administration authorized the CIA to give to the Panamanian opposition, among the acts carried out by the U.S., which forced Panama to annul the elections.

He also charged that the sending of U.S. combat troops into Panama, and the U.S. economic sanctions, including the illegal confiscation of Pan-

amanian government funds in American banks, the takeover of Panama's embassy in Washington, the non-payment of taxes and the annuity due Panama from the canal, and the threats against Panamanian-flagged vessels, made elections impossible at this time.

Kam told the OAS that if they are "genuinely concerned with bringing democracy to Panama, you could make a valuable contribution to that process by demanding that the United States cease its aggression against Panama." Kam cited an article published by the *Los Angeles Times* on Nov. 16, reporting that "the Bush administration, with the secret approval of Congress, has launched a new covert operation to overthrow the commander of Panama's Defense Forces, Gen. Manuel Antonio Noriega, using methods that could lead to his death."

The cited article reported, "The CIA has been authorized \$3 million initially to recruit Panamanian military officers or other dissidents to mount a coup" against Noriega. In a monument to doublespeak, the latest CIA operation—dubbed Panama-5, a reference to the four previous U.S. efforts that have failed against the Panamanian nationalist leader—does not lift the ban on assassination of foreign leaders. But, reports the *Times*, it "opens the way for U.S. support—directly or indirectly—in coup attempts in which assassination is not the intent but may be the accidental byproduct." A source quoted by the *Times* noted that the Senate "intelligence committee gave the White House new flexibility on the assassination issue, which it needs to act in the future."

The more "flexible" interpretation on assassinations was requested by CIA head William Webster in the wake of the U.S. failed coup attempt against Noriega last Oct. 3.

International Intelligence

KGB and British pool intelligence

Great Britain's secret intelligence service, MI-6, has developed "an unprecedented link-up with the Soviet KGB" in the Afghan war zone, according to the Nov. 12 *Mail on Sunday*. The operation reportedly involves MI-6 passing information to the Russians on Soviet prisoners still alive in the hands of the Afghan resistance fighters.

A key player in this game is the U.K.'s Lord Bethell, who has recently been on a prisoners of war "mercy mission," shuttling between Moscow, Kabul, and the headquarters of the Afghan government-in-exile in Peshawar, Pakistan. At a private meeting in Islamabad, Pakistan, Bethell was told by Soviet ambassador to Pakistan Vladimir Yakunin: "We are very grateful to our friends in British intelligence for the most precise information we have received on the subject of our missing prisoners of war."

Santos can't run for Brazil's President

The Supreme Electoral Tribunal unanimously ruled on Nov. 9 that Brazilian television network owner Silvio Santos was running for President of Brazil on an improperly registered party, and was therefore in violation of rules requiring television and radio directors seeking public office to quit their jobs six months before the elections.

Santos, who was listed by Gallup polls as the front-runner to win the Nov. 15 elections, had made himself popular among Brazil's desperate poor as the labile host of all-day Sunday programming on his network. His candidacy was seen here as an attempt to discredit and destroy the country's democratic process. His candidacy was launched by the "palace guard" of current President Jose Sarney, specifically by Augusto Marzagão, international vice president of Mexico's Satanic Televisa network, who mysteriously became Sarney's private secretary a few months ago. Marzagão is part of Brazil's Gnostic circles.

Brazilian political commentators suspect that Santos may use his Sunday show to get the 25% of voters who were reportedly intending to vote for him, to vote instead for Afif Domingos, the only candidate committed to full payment of Brazil's foreign debt. Two years ago, *EIR* caused a great stir by reporting on Afif Domingo's having been funded and trained by the National Endowment for Democracy to promote changing Brazilian political structures.

Afif Domingo's support comes mostly from economic liberals. If Santos can get 5-10% of the poor to vote for Afif Domingos Nov. 15, Afif Domingos could make it into the Dec. 17 run-off between the top two candidates. Fernando Collor de Melo, who has won support of frustrated Brazilians by harping on corruption and waste in Sarney's regime, is expected to be one of the two finalists.

'Dump Thatcher' momentum builds

The British are now "undergoing a sea change" in their attitude toward Mrs. Thatcher remaining in office, and many Conservatives believe she will be a liability to further electoral successes the longer she stays in office, writes Conservative Party Member of Parliament Richard Shepherd in the London *Guardian* Nov. 14. "Polls would seem to indicate that the Prime Minister's standing with the electorate is significantly worse than that of the government or party." Shepherd argues that a new, post-Thatcher government "could more easily respond to the call for attention to national infrastructure, education, and training and manufacturing investment—areas that are also essential for national regeneration."

The *Independent* reported Nov. 13 that Thatcher might get the support of fewer than 60% of the Conservative members of parliament in a leadership contest next month, should somebody rise to challenge her leadership. This could so severely damage her credibility, the paper writes, "She might be forced out of Number 10 Downing Street." The *Independent* stressed that even parlia-

mentarians who would support her, would do so only on a "probationary" basis, giving her 12 months while they see what happens to the British economy.

"Thatcher is no longer invincible," U.S. Eastern Establishment figure Robert Bowie told *EIR* on Nov. 14. Western Europe, he said, led by a Franco-German combination, would go it alone on such issues as European economic union, the development of a policy toward Eastern Europe, and German reunification. "Thatcher," he said, "is on the downslide. Either Labour will win the next election under Kinnock, or else the Tories will cut her loose, promoting Heseltine, Lawson, or possibly Howe."

Iran bolsters Syrian terrorists

U.S. officials report that increasing numbers of aircraft are being flown from Iran into Syria, bringing in weapons, food, and other supplies, which are then trucked across the border and distributed to Shi'ite terrorist groups in Lebanon.

The flights are seen by U.S. officials as graphic evidence that Iran's support for terrorism has not lessened, and that Teheran has greatly expanded its ties to Palestinian radicals such as the Popular Front for the Liberation of Palestine-General Command, the Syrian-based group that intelligence officials believe carried out the bombing of PanAm 103 over Scotland in December 1988.

"They haven't changed their spots," an administration official said. "The true nature of the regime, its use of violence overseas, remains the same. The networks are all still there, and they are still supporting them," according to a *New York Times* report.

Aoun foils assassination attempt

An assassination plot against Lebanese Prime Minister Gen. Michel Aoun was

foiled on Nov. 5, according to the Nov. 9 edition of the *New Lebanese American Journal*. The paper reported that Aoun charged that the United States had previous knowledge of the plot. "The Americans announced it before it took place," Aoun said, "and it seemed something went wrong, and thank God it failed." No more details on the incident are provided.

Meanwhile, René Moawad, the pro-Syrian puppet President who is challenging General Aoun's constitutional rule, appointed his own "prime minister," Sunni Muslim Selim Hoss. Foreign diplomats, including an Iraqi envoy, have effectively given recognition of his election as head of state, according to Reuters. There are also reports that U.S. Ambassador John McCarthy will soon return to Lebanon to present his credentials to Moawad.

U.K. assures China, no Hong Kong reforms

Great Britain has given the People's Republic of China secret assurances that there will be no substantial reform of the Hong Kong political system before 1997, the *Guardian* reported Nov. 14.

The British Foreign Office denied the charge the next day.

The *Guardian* report was from a "reliable source," who said that Britain gave Beijing its unpublished commitment not to increase self-government in Hong Kong before it is handed over to China, and promised Hong Kong would be limited to a precise number of elected Legislative Councilors. Britain has been stalling on the demands from the Hong Kong Chinese to accelerate the establishment of full democracy, and officials are declaring it would not be wise to introduce reforms which Beijing would rescind.

In 1991, for the first time, 10 of the 56 Hong Kong Council members will be directly elected. The Basic Law, which will be Hong Kong's mini-constitution after 1997, is being finalized by Beijing, and will only provide for "universal suffrage" some time next century.

Mexico's credit is drying up

Japan's Export-Import bank, which had been expected to provide \$2.5 billion that was supposed to guarantee Mexico's zero-coupon bonds backing up its debt reduction scheme, along with a year or two of interest on those bonds, has announced that it will only provide \$1.9 billion, and that only \$1 billion of that will really be available. The rest is being held back waiting for "co-financing" counterpart funds from the World Bank.

A top banker told the *New York Times* that either Mexico will have to come up with the extra guarantee money from its own fast-dwindling reserves, or else the banks will have to settle for less guarantee money. The former option is out of the question, since Mexico is already dipping heavily into its reserves just to pay interest due on its foreign debt. Moreover, so-called "new money" from the banks is estimated to be no more than \$4.5 billion over the next five years, rather than the \$10-15 billion counted on by Mexico when it made the debt deal with the banks last summer.

Colombian Conservative backs drug legalization

Lloreda Caicedo, the candidate of the Social Conservative party of Colombia for next spring's presidential election, has called for "decriminalizing" drug consumption and trafficking. He told the daily *La Prensa* that "the term legalization is out of fashion. The term decriminalization . . . is used now, because legalization appears to authorize something that is not good. On the other hand, decriminalization means taking away the character of a violation against the penal code from production, distribution, or consumption of something that isn't good, but that it is preferable to treat it within a system of controls and not of prohibition."

Caicedo also equivocated on extraditing drug traffickers, calling extradition "a necessary evil."

Briefly

● **GEN. MANUEL NORIEGA** was named coordinator of Panama's new Legislative Assembly on Nov. 9. The assembly will have key powers on national security and international treaties, and be empowered to "recommend steps to be taken in the face of aggression by the U.S. or its allies," according to a government statement.

● **EL ESPECTADOR**, Colombia's outspoken anti-drug-mafia daily paper, will receive \$2.5 million from a group of U.S. and Canadian newspaper publishers, in order to rebuild its printing plant, which was partially destroyed two months ago by a bomb planted by the drug mafia.

● **ALFREDO CRISTIANI**, the President of El Salvador, was not at home when the Soviet-backed terrorist group Farabundo Martí National Liberation Front staged an armed attack on his residence. Fighting between government troops and leftist rebels continued in the days following.

● **MARGARET THATCHER**, the British Prime Minister, will fly to the U.S. to meet with President Bush at Camp David on Thanksgiving Day Nov. 23. The visit was scheduled prior to the announcement of the Malta summit, but not prior to the private planning for the meeting, officials reported.

● **ESTONIA**, the northernmost of the Baltic republics under Soviet occupation, will soon set up its own currency, reports Reuters.

● **PANAMA** broke up a drug ring by providing information to the U.S., via Interpol, leading to the seizure of 1,450 pounds of cocaine and the arrest of 17 Panamanians in Miami. "We continue to be members of Interpol and . . . continue functioning worldwide in the repression of crimes, in this case drugs," said Attorney General Carlos Augusto Villalaz.

Lech Walesa calls for Marshall Plan for Poland

by William Jones

Lech Walesa, the leader of the Polish Solidarność, a man who has come to symbolize the fight for freedom now going on in Eastern Europe, arrived in the United States on Nov. 13 to mobilize economic aid for the development of Poland. Walesa came from Canada, where he had been warmly received, but had come away empty-handed, himself describing the Canadian response to his request for aid as equivalent to “offering a beautiful necktie to a corpse.”

But it was not a simple Polish worker, arriving cap in hand, who made his appearance in Washington, but a singular representative of a great nation, proud of his nation's recent achievements, seeking a similar effort from this side of the Atlantic to help them in “reaching the shores of liberty.” With his Old World grace, his self-effacing manner, and a seemingly endless supply of peasant witticisms to make his point, Walesa won the hearts of all who met him. The nation of Poland could not have found a more noble ambassador for presenting its case. And yet it still remains unanswered whether the United States will do more than offer “a beautiful necktie to a corpse.”

From the moment he arrived in Montreal, Walesa and the other members of the Polish delegation were greeted by representatives of the Schiller Institute, who furnished them copies of Helga Zepp-LaRouche's statement “A Five-Point Program to Save Poland” (see *EIR*, Nov. 17, p. 6). In Washington, the delegation again received Mrs. LaRouche's program and a Polish translation of Lyndon LaRouche's statement on Poland. Throughout the course of the AFL-CIO convention—the AFL-CIO officially hosted Walesa—and elsewhere in Washington, members of the Schiller Institute were strategically placed with signs reading “Food for Poland, Freedom for Lyndon LaRouche,” and the opening words of the Polish national anthem: “Poland has still not

perished whilst we live—Schiller Institute.” Walesa nodded approvingly when he passed by one sign, which read, “Poland needs a debt moratorium,” and waved.

Poland ‘chained hand and foot’

Walesa had obviously been briefed that there was little to be expected from the Bush administration in the way of economic assistance to Poland, and that he should concentrate instead on trying to interest businesses in investing in his embattled homeland. He did not repeat the urgency of the \$10 billion plan which he had presented to Bush during the President's trip to Poland last summer, explaining that there was a difference between “theoreticians” and “pragmatists.” Instead, he said he was now seeking “new Columbuses” who were prepared to “go East” and invest in Poland.

Walesa left no illusions as to how critical the situation was becoming. “Nobody knows how much time we have left to reform our economy,” he told the assembled trade unionists on Nov. 14, “but we all realize it is not much. If we fail to convince people that although things are changing slowly they are nevertheless changing for the better, then this breeze of freedom I spoke of will soon disappear, leaving behind only a sense of bitterness accompanying unaccomplished dreams. . . . Sometimes we feel as if we are swimming chained hand and foot,” continued the Solidarność leader, “trying to summon all our energy just to make it safely to the shore. And on the shore there is a cheering crowd of people who offer us their admiration instead of simply throwing a life-belt.”

In the cheering crowd was President George Bush, who, with Walesa present, addressed the AFL-CIO on Nov. 15. Bush was full of praise for Walesa and the winds of freedom in the East, saying that the administration was “shoulder to

shoulder with the Polish people." He made no new offers of aid, however, cutting a sorry figure in comparison to the West German government of Helmut Kohl, which had recently extended state-backed guarantees for a 3 billion deutsche-mark credit line to Warsaw.

Walesa made clear that Poland's economic problems are not of its own making. Referring to *Solidarność*, he said, "Of course, we have taken upon ourselves full responsibility for the country. There was no other choice. True enough, nobody with an ounce of common sense in him would be willing to take over a bankrupt enterprise in a hopeless condition, but what can one do if that enterprise happens to be one's own country? We could have said that we didn't ruin it and so we don't have to worry about its rebuilding. But it is we who have had to undertake this task, risking a lot in the process—an awful lot. We took over a country which was in a catastrophic state. The 40-year experiment with the Communist political system caused a devastation which is almost impossible to clear up." Referring to Poland's Western cultural roots, Walesa noted that "For those 40 years, Poland was separated from the road to which she had once belonged."

Later at a press conference in the convention hall and several times during the next few days, Walesa was questioned about German reunification, and asked if he did not feel uneasy in the face of a "greater Germany." Walesa responded that his country had paid a heavy price under both Hitler and Stalin. "I don't need to say how many people died because of these two. We must, however, do away with present anomalies." He characterized the separation of the two Germanies as "artificial," calling reunification "both possible and necessary." "We must see the reunification of Germany in the context of the changes going on in the whole of Europe," he said. "If economic integration is achieved, it will lead to political integration—not vice versa."

'Marshall Plan'

Lech Walesa was the first foreign citizen not holding a government office to speak to a joint session of Congress since the Marquis de Lafayette in 1824. Minutes before his address on Nov. 15, the Senate tried to make a better showing than President Bush by approving \$738 million in economic aid to Poland and Hungary over the next three years, adding a paltry \$283 million to the paltry \$455 million in aid requested by the White House. The House, looking like a giant in a world of midgets, had called for \$840 million.

Walesa called for a new Marshall Plan for Poland. In a very passionate speech, Walesa referred to the Yalta agreements of 1945, an agreement formulated by the United States and Stalinist Russia for the immediate postwar condominium. Because of Yalta, Walesa explained, "there was imposed on Poland an alien system of government without precedent in Polish tradition, unaccepted by the nation, together with an alien economy, an alien law, an alien philosophy of

social relations . . . the atrocities were followed by persecutions of all those who dared think independently. All the pledges about free elections in Poland that were made in Yalta were broken," he reminded Congress. "Stalin forbade Poland to use aid provided by the Marshall Plan, the aid that was used by everyone in Western Europe, including countries which lost the war. . . . And now it is the moment when Eastern Europe awaits an investment of this kind—an investment in freedom, democracy and peace—an investment adequate to the greatness of the American nation. . . . We are not asking for charity, or expecting philanthropy." "But we would like to see our country treated as a partner and friend," said the Polish leader, perhaps meaning to remind the legislators of America's betrayal of his nation 45 years ago at Yalta.

Walesa rebuts anti-Semitism slander

During a Nov. 16 press conference at the National Press Club, Walesa categorically rejected the slander that Poland is "anti-Semitic," an accusation that has been brought into vogue by the circles around Edgar Bronfman in connection with the Carmelite convent at Auschwitz. Walesa explained how there had been attempts to raise the specter of anti-Semitism in 1968 in order to divide the struggle of the Polish people. "Of course," said Walesa, "there are idiots saying stupid things everywhere—also in Poland." But traditionally, he stressed, Poland was one country where Polish Jews and Christians "lived together a long time as one country" to their mutual benefit. "We must stop all those today who try to play the political card of anti-Semitism," warned Walesa.

With regard to Gorbachov, he said that the developments in Eastern Europe were not due to Gorbachov. "Revolution was historically necessary because of the development of civilization. The system is broken. The changes are irreversible. No one can stop the flow of events," Walesa said.

In response to a question as to whether the Polish workers were prepared to accept unemployment, Walesa said that "Western and Eastern economies are incomparable. Here in the West you have redundancy. In Poland, even if we employed all our workers, we still wouldn't be able to catch up with the West," indicating that Poland intended to produce its way out of the crisis, not starve its way, as Harvard economics professor Jeffrey Sachs has proposed.

Walesa continues his U.S. trip to New York, Philadelphia, and Chicago, the last with a Polish population second only to Warsaw. The powerful organizing of the Schiller Institute and the LaRouche candidates in these areas has created a ferment among Polish-Americans and other layers who are responding to the tremendous events in Poland and East Germany with a surge of cultural optimism not seen for years in this country. A citizenry excited by this "great moment" will see to it that their congressmen and the administration feel the heat in order to get them off the fence while there's still time to bring Poland to the "shore of freedom."

Drug lobby plans counterattack on behalf of pot, cocaine cartels

In early September the Bush administration announced a major offensive against the domestic plague of drug addiction, with great fanfare and much media attention. In the succeeding weeks, the government of Colombia launched a heroic effort to break the back of the drug cartels in a military offensive which gives real meaning to the term "war on drugs." While the U.S. government has assisted this effort in many ways, overt and covert, the Colombian campaign has virtually no echo in U.S. domestic policy. On the contrary, the media has devoted itself to discussing the terms of surrender in a war which has not yet begun.

The theme is drug legalization, and its exponents include the editor in chief of the *Economist* magazine in London, prominent professors from Harvard and Yale, economics guru Milton Friedman, and former Secretary of State George Shultz.

The unifying factor behind this campaign, and the people waging it, is an American organization called the Drug Policy Foundation, and its European counterpart, the International Anti-Prohibitionist League, which held a joint conference in Washington, D.C. over the weekend of Nov. 2-4.

Shultz speech rocks Washington

In the week leading up to the conference, George Shultz delivered an address to an alumni gathering at the Stanford School of Business, where he is now a professor, in which he stated that after reviewing his involvement in the anti-drug efforts of the Nixon and Reagan administrations, he is convinced that legalization of drugs is now the only viable approach. "If I am catching your attention," he told his audience, "then read a bold and informative article in this September's issue of *Science* by Ethan Nadelmann on this subject." The speech, reprinted in the *Wall Street Journal* on Oct. 27, was an advertisement for the conference, which Nadelmann was organizing, and Shultz followed up with a telegram of greetings which contained an offer to "refer people to you who are interested in supporting reform of current policy."

The reaction from leading administration spokesmen was bitter and swift—behind the scenes. Drug Policy Coordinator William Bennett said Shultz's statement "stinks," and added that "it might explain the reluctance of the State Department to support" Bush administration anti-drug initiatives. Drug Enforcement Administration chief John Lawn, speaking at

Quantico, Virginia, stated flatly, "George Shultz just does not understand the drug problem. He made exactly one speech on the subject during his entire tenure at State, and that was during a time when we were trying to convince other governments that this was a priority issue." The White House contributed a snide remark directed at Shultz as well, but this was the only counter comment which received any press coverage at all.

Propaganda offensive under way

Nadelmann told the Drug Policy Foundation conference that the Shultz statement was a signal to a myriad of former government officials who will now venture to attack the Bennett program in public. From his position as associate professor at the Woodrow Wilson School, Princeton University, Nadelmann has reached out to a broad array of establishment figures, and using the calling card provided by his fellow Princetonian Shultz, has found a receptive response to his message of surrender.

"I can't give you names, yet," he said "but I am receiving telephone calls every day from people who support this position, but are not ready to do so in public. I have spoken to a federal judge in New York who is willing to solicit signatures from his colleagues in support of a public statement urging legalization. We will run this in newspapers across the country."

As further evidence of the prospects for an establishment revolt against the Bennett policy, Nadelmann pointed to the participation in the conference by such figures as Rufus King, former counsel to the Kefauver Commission, and retired D.C. Superior Court Judge Orm Ketchum. King, who has been battling drug control efforts since the days of Harry Anslinger, said that he "had never been more confident" of the prospects for legalization.

Ira Glasser, Executive Director of the American Civil Liberties Union, explained that the dynamic among the closet supporters of the cause is on-a-one by one basis, for now. "When they see something like Shultz's statement, it encourages them to put a toe in the water . . . and they'll talk to someone [with credentials] like Nadelmann."

"You have to look at this like the environmental movement, or the Green parties in Europe," Nadelmann said. "Ten years ago, who would have thought that these obscure issues would be dominating things the way they are today? This

movement will grow in the same fashion.” His answer to the critics who say that the legalization movement has no step-by-step proposal for the elimination of drug laws (and the participants of this conference freely admit that they don’t), is similar: “Look at the movement for abortion. No one ever argued over how abortions would be provided—clinics, hospitals, or whatever—the focus was on getting rid of the laws first, and the rest worked itself out.”

The perception of momentum is everything in such a campaign, according to Nadelmann, and the major media will be joining in building support for legalization in the months ahead. Nadelmann says that magazines like *Atlantic Monthly*, and other establishment journals, are preparing feature articles on the legalization question for publication in the next months.

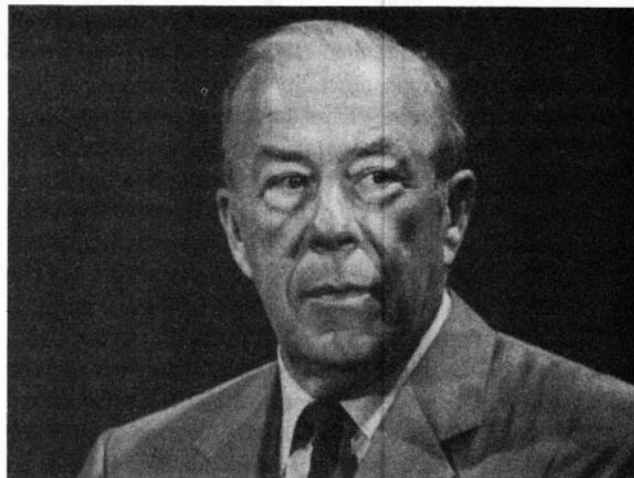
The Vietnam syndrome. . .

Arnold Trebach, foundation president and justice professor at American University in Washington, D.C., repeatedly referred to the Vietnam war as a reference for the current drug policy, both with respect to the demoralization within the establishment, and the eventual waning of public support for an effort which is being fought half-heartedly.

Retired New York City Chief of Detectives, Ralph Salerno, and Wesley C. Pomeroy, former police chief of Berkeley, California, who was security chief at the 1969 Woodstock rock festival, both emphasized the same point in conference presentations. “The foot soldier in this war, the patrol officer and the drug field agent, are in the same position as the soldier in Vietnam.” Salerno said. “Don’t judge their morale by the pronouncements of their political leaders.” Both men stressed that once the barrier has been breached in public, the law enforcement community, now drowning in the drug tide, will look to legalization as a viable life preserver.

Pomeroy pointed to the attendance at the conference by the police chief of Columbia, Missouri, as evidence of the nascent support for his policy among active duty officers. Considering that there is an entire generation of “police managers” trained by the likes of Pomeroy and his fellow drug lobbyist, Patrick V. Murphy, these assessments are not idle boasting. The protégés of Murphy have distinguished themselves with public attacks on the National Rifle Association and the right to own firearms, and have been in the forefront of those who have organized and condoned the brutalization of anti-abortion protesters in cities around the country. The drug legalization hobby-horse will be easily ridden by these liberal tyrants.

The more insidious threat to the morale of police is represented by the bevy of “criminologists” participating in the conference. This closely knit network extends from the academics like Trebach and Nadelmann out to people like conference panelist Dr. Gary Potter, of the Department of Police Studies, Eastern Kentucky University, in Richmond. Potter



Former Secretary of State George Shultz, who now advocates the legalization of cocaine, marijuana, and heroin.

described the situation in depressed agricultural areas, where marijuana has become the only cash crop, and stated that local police will not arrest, and judges will not bring to trial, the growers and smugglers in these areas. These academic networks, in conjunction with the defense attorneys who comprise the membership of the National Organization for the Reform of Marijuana Laws, or NORML, are the real backbone of the drug legalization campaign.

And the Rand Corp.

As if in answer to the invocation of the spirit of the Vietnam War by the conference organizers, the Rand Corp. materialized, in the person of analyst Peter Reutter, to participate in several panel presentations. Reutter is typical of the systems analysts who have shaped government policy in recent years. Like his predecessors in the McNamara Pentagon, he professes to support victory, yet produces studies which prove defeat inevitable. He is the author of the study “Sealing the Borders” which convinced the Pentagon, and later, Bennett’s office, to abandon drug interdiction as “not cost effective.”

The method of the study is dubious in the extreme, since it begins with the premise that the effect of interdiction can be modeled using the price of cocaine as an indicator. He then states that there is no reliable data on the actual price of cocaine, and nevertheless creates a “theoretical” analysis which predicts diminishing returns in terms of price increase, for each incremental increase in military interdiction efforts.

Privately, the conference organizers were ecstatic over the participation of Reutter, and feel that the administration’s reliance on the approach he represents is the guarantee of their ultimate victory. Reutter, of course, “opposes” drug legalization, he just wants the debate on the issue to be “scientific.”

International participation

The conference promised representatives from several Ibero-American nations—Brazil and Colombia, in particu-

lar—but none showed up, for understandable reasons. Peter Heiken of the Inter-American Dialogue did make an unannounced workshop appearance, by way of giving the seal of approval to the conference from the foreign policy establishment he speaks for. Heiken downplayed the danger represented by international drug money, arguing that this represents only a small proportion of the flight capital in the world black markets, and concluded that legalization will not have a major effect on the debt situation of the drug producers, nor will it shift the internal political balance of those countries.

“The drug barons do not intend to be the Al Capones, dying of syphilis in a federal jail,” he said, “they intend to be the Kennedys, who elect their sons to office.” He referenced a statement attributed to Enrique Santos Calderone, in *El Tiempo* of Peru, who said “give us a Marshall Plan or give us legalization,” as typical of the sentiment in Ibero-America. Heiken’s (and the banking community’s) flat response: “Forget a Marshall Plan.”

The European participants in the conference were the founders of the International Anti-Prohibitionist League, the counterpart to the Drug Policy Foundation.

The main delegations were comprised of:

- a group of parliamentarians and others affiliated with the Italian Radical Party, led by Marco Pannella, Marco Taradosh, and Luigi Del Gatto.

- a French judge, George Apap, who is Attorney General of Valence.

- Dr. Cindy Fazey and other leaders of a showcase heroin-maintenance clinic in Liverpool, England, which operates under the direction of the Warrington Health Authority. H.B. Spear, retired Chief Inspector of the Drugs Branch of the British Home Office, accompanied the delegation.

- a delegation from the Netherlands, comprised of Peter Cohen, sociologist director of the Research Program on Drug Addiction in Amsterdam; Henk Jan Van Vliet, lawyer and director of the Metropolink Study and Research Center, also involved with Amsterdam’s drug programs; and Ed Leuw and M. Grapendaal, both of The Netherlands Ministry of Justice in ’s Gravenhage.

This delegation’s function was to facilitate a sleight of hand. They first insist that the British and Dutch “experiments” have not failed, despite widespread agreement that that have in international anti-drug circles. They then carefully avoid mentioning that in neither country has actually legalized drugs: Britain conducts a medically supervised heroin distribution system in select locations, and the Dutch have decriminalized marijuana and allow it to be sold in regulated outlets. In neither case has there been a drop in drug abuse, just the creation of a more controlled addict population. Cohen admits that it will be at least 20 years before legalization occurs, but the hope is that gullible Americans will go wholehog for legalization on the basis of the “success” in Europe.

Cohen is privately of the opinion that the new U.S. ambassador to the Hague has been sold this bill of goods, and

has become a supporter of the Dutch model.

The League otherwise looks to 1992 as the point when legalization will be a de facto reality, since the open borders policy under the Europe 1992 act will make anti-smuggling efforts useless within Europe. The league is planning a variety of conferences over the next year to develop that theme.

The U.S. campaign: break Jesse Jackson

The campaign to flank, and eventually destroy, the anti-drug sentiment in the U.S. government is seen by the Drug Policy Foundation as an approximately four-year process, with the next two years as the most crucial. The media blitz, and open defections by establishment figures described by Nadelmann are seen as the precondition for taking on the big problem, the popular hatred of drugs. If politicians like New York State Senator Joe Galiber and Baltimore Mayor Kurt Schmoke can get reelected in spite of their endorsement of legalization, reasons Trebach, the way will be clear for snowballing political support.

Nadelmann, Trebach, and others in the leadership of the foundation recognize that 70% of the American public considers drugs to be the number-one problem facing the country, more important than the next four issues of concern to them. Nonetheless, according to Trebach, “those numbers are soft . . . if you get those same people into a ‘focus group’ [a gimmick used to test advertising campaigns—ed.] and present these arguments for a weekend, they will consider legalization,” on the condition that they are convinced that the addict population will not infest their neighborhoods. According to Trebach, the Nancy Reagan-era “moms’ organizations” which were led into the impotent “Just Say No” campaign, are moribund and ineffective, and are not the fundamental political problem facing the movement.

The fact that both Schmoke and Galiber are black politicians is fundamental to the legalization strategy. “The number-one problem we have is that Jesse Jackson keeps running for office,” stated Ira Glasser. He went on to explain that as long as Jackson voices the rock-solid hatred of drugs among the overwhelming majority of black Americans, the Democratic Party can not touch the drug legalization issue with a ten-foot pole, and it will go nowhere in state or federal legislatures.

The desperate hope of Glasser and other activists in the radical wing of the Democratic Party is that Schmoke can eclipse Jackson with the help of the media, and thereby demoralize the most solidly anti-drug voting bloc in the country.

With an administration which has no public response of substance to the treachery of the likes of Shultz, and has allowed the Rand Corp. to fashion a “limited war” approach to the drug insurgency, the prospects of the Drug Policy Foundation look viable, even if their policies are a disaster waiting to happen.

Did the U.S. have advance warning of the Lockerbie bomb plot?

by Jeffrey Steinberg

On Monday, Nov. 6, 1989, Cong. James Traficant (D-Ohio) held a Capitol Hill press conference at which he released five pages of an investigative report prepared for Pan American airlines concerning the tragic bombing of Flight 103 over Lockerbie, Scotland last Dec. 21.

The document contained explosive allegations that officials of the U.S. Central Intelligence Agency (CIA), the West German Bundeskriminalamt (BKA), and the Israeli Mossad had advance warning that a bomb would be planted aboard Flight 103 and did nothing to prevent the tragedy.

The allegations hit most sharply at the CIA, whose Frankfurt unit code-named "CIA-1" is accused by PanAm of protecting a major international drug smuggling ring as part of an effort to free American hostages in Lebanon. Members of that drug ring who were baggage handlers at the PanAm cargo area at Frankfurt airport allegedly planted the suitcase aboard the aircraft that contained the bomb.

According to the investigative report released in part by Congressman Traficant, as well as court documents filed by attorneys for PanAm with the federal district court in Brooklyn, New York, the mastermind of the drug smuggling operation was a Syrian national, Mansur Al-Kassar. Al-Kassar is a relative by marriage of Syria's military intelligence chief, General Ali Duba, and is extremely close with both Rifaat and Hafez Al-Assad.

According to European published accounts, Al-Kassar has been arrested on a number of occasions by British, French, Spanish, and other European police agencies for a wide range of criminal activities including heroin trafficking. In one book-length account, Al-Kassar is linked to top officials of both the Medellín and Cali cocaine cartels in Colombia, as well as to leading Sicilian organized crime figures.

Early this year, the U.S. Drug Enforcement Administration's Berne, Switzerland office was blocked from carrying out a major investigation that would have linked Middle Eastern drug trafficking networks centered in Lebanon's Bekaa Valley, to the Medellín Cartel, through common money-laundering facilities including Shakarchi Trading Company and the New York-based Republic National Bank.

While Al-Kassar's name never came up in the publicly released documents from that DEA file, some Washington intelligence specialists suspect that such a link exists and that

this was one motive behind the coverup.

Since Rep. Traficant's Nov. 6 press conference, the major U.S. media have imposed a total press blackout on the story.

Whether or not the PanAm allegations are fully corroborated, the fact stands that evidence has been publicly released accusing U.S. government agencies of covering up a major international terrorist incident in which over 270 people perished, including at least three officials of the CIA.

The Lockerbie story is far from over. Just as Watergate festered for nearly a year following the break-in at Democratic National Committee headquarters, so, too the PanAm 103 tragedy may still blow up in the faces of former and current senior government officials who tried to bury the scandal.

In the public interest, *EIR* publishes in full the five-page excerpt from the PanAm investigative report. This publication is investigating the allegations published here. As of this writing, *EIR* is convinced that the PFLP-GC did play a central role in the PanAm 103 bombing and that both the Syrian and Iranian governments were key sponsors of that anti-American assault. Beyond that, the chronology of events presented in the PanAm report speaks for itself, but remains still unconfirmed by this news service.

Documentation

Excerpts from the PanAm documents

On Monday, Nov. 6, 1989, at a press conference on Capitol Hill, Cong. James Traficant (D-Ohio) released segments of an investigative report prepared for Pan American Airlines attorneys which purported to detail the events leading up to the Dec. 21, 1988 bombing of PanAm Flight 103 over Lockerbie, Scotland. Below are excerpts from five pages of the 27 page memo released by the congressman. It should be noted that neither the congressman nor EIR has yet substanti-

ated the chronology of events presented in the PanAm report. Bracketed interpolations, except where otherwise indicated, are as in the original.

Ali Racep, a Syrian living in Sofia, Bulgaria, (tel. 9223294), reportedly arranged the bomb components and their shipment into West Germany in November 1988, via route provided by Al-Kassar.

One reason this shipment may have been necessary was that in late October 1988, a terrorist safehouse in Neuss, West Germany, was raided by BKA/BND. They were tipped by Al-Kassar intermediaries who wanted to avoid terrorist operations near to and which could spoil his CIA-1 protected Frankfurt drug routes. They arrested 14 persons, including Dalkamoni, Ghandanafar, and Marwan Khreesat, and found numerous bombs in audio equipment.

BKA bungled the job though. First they quickly released Khreesat. He has since been publicly identified as a double agent, i.e., a terrorist informing to BKA. However, he is now suspected of having been a triple, working all along for the terrorists. Second, they did a sloppy job finding and then investigating the various devices—one BKA technician, instructed to “check” a radio, thought he was to fix it and opened it. It exploded, killing him.

This Semtex bomb was similar to that used in the disaster.

In any event, Al-Kassar actually brought the bomb in personally. His brother Ghassan’s wife, Nabila Wehbe, traveling on a South Yemen diplomatic passport, flew from Damascus to Sofia on Nov. 13, 1988, picked up the bomb components from Racep, and then flew to Paris. Al-Kassar picked up the bomb from her, and on Nov. 25, 1988, rented a car from Chafic Rent-a-car, 46 Rue Pierre Charron in Paris, and drove to Frankfurt (carrying other contraband as well). He had previously been arrested twice by West German border guards but each time was suddenly released after a telephone call was made. Sources speculate that he apparently felt secure because he had “protection.”

As to the target, Jibril preferred not to interfere with Al-Kassar’s successful PanAm route to avoid a clash with Duba, and neither did Duba since he made money from the drugs.

Jibril chose American Airlines as his target.

It was at this time, approximately the beginning of December 1988, that tips and warnings filtered in. Our sources have identified the warnings as follows.

First. About three weeks prior to the disaster, a Mossad agent in a position to personally observe tipped his HQ that a major terror attack would take place at Frankfurt airport against a U.S. airline. Mossad HQ warned CIA HQ and BKA HQ.

Thereafter the law enforcement presence, but not airline security, visibly increased around the other American carriers, but not PanAm. Sources report that CIA-1 wanted to steer the warned-of act to a place where it could observe same best [sic—*EIR*], PanAm. CIA-1 suggested that BKA visibly

secure the other American carriers and thus deter an attack there.

Nidal and Al-Kassar meanwhile did not know Jibril’s exact plans. From their own spies they now realized that he was planning a bomb attack at or via Frankfurt airport. They did not have the political pull to dissuade him. Duba was caught between two conflicting forces: 1) his money from

‘An undercover Mossad agent tipped BKA within 24 hours before takeoff as to the plan to place a bomb on that very PanAm flight. BKA passed that to CIA-1 and asked for instructions. CIA-1 so reported to its control. CIA-1 did not reply to BKA. The bomb was ready . . .’

Al-Kassar’s drugs and 2) his intelligence orders and pressure to help Jibril hit America. He chose the latter. Al-Kassar and Nidal assumed first that Jibril aimed at Lufthansa but then thought it could be American or PanAm. Their spies told them that it would happen in the next few days.

This was on or a few days prior to Dec. 18, 1988.

Second. Nidal and Al-Kassar then figured out the most likely flights for Jibril’s bomb. They wanted to protect their route’s CIA-1 cover. On or about Dec. 18, 1988, via intermediaries, they tipped BKA that a bomb would be placed on this regular PanAm Frankfurt-London-New York flight in the next three days. They figured that BKA would increase visible security, thus dissuading Jibril in case that was in fact his target. So, two-three days before the disaster, and unwittingly, these terrorists tipped off the authorities to what proved to be the very act.

BKA told CIA-1.

Third. CIA-1 reported to its control who reported to CIA HQ, which sent warnings to various embassies, etc., but not apparently to PanAm. CIA-1 thought that BKA surveillance would pick up the action and that BKA would stop the act in case the tip was correct.

Meanwhile, CIA-1 learned from Al-Kassar further information about the special McKee-led CIA team in Beirut. Al-Kassar had earlier, [possibly within a month or so], reported to CIA-1 what to him was very disturbing news, which CIA-1 then had confirmed from its control.

The earlier news was as follows. After some time the special team learned of Al-Kassar and started investigating

him and learned his CIA-protected drug/arms smuggling and terrorism support activities. They also realized that some CIA unit was protecting his drug smuggling into the U. S. via Frankfurt airport.

They also learned of a CIA drug smuggling protection for hostage help deal and that it was known and agreed by Syrian intelligence which had a master plan to blame Iran if the deal was exposed. They had communicated back to Langley the facts and names, and reported their film of the hostage locations. CIA did nothing. No reply. The team was outraged, believing that its rescue and their lives would be endangered by the double dealing.

By mid-December the team became frustrated and angry and made plans to return to the U.S. with their photos and evidence to inform the government, and to publicize their findings if the government covered up. They did not seek permission to return, which is against the rules. The return was unannounced. The team was surveilled by Al-Kassar (probably Syrian) agents when making its travel plans, which included connecting with Flight 103 in London on Dec. 21, 1988. Sources report eight CIA team members on that flight, but we only have identified the five names reported herein.

Al-Kassar contacted his CIA-1 handlers sometime in the third week of December 1988, communicated the latest news and travel information, and asked for help. There were numerous communications between CIA-1 and its control.

Fourth. Two-three days before the disaster a BKA undercover agent reported to his superiors a plan to bomb a PanAm flight in the next few days. BKA passed the intelligence to CIA-1.

Again, CIA-1 wanted to warn "its people" but did not want to blow its surveillance operation and undercover penetration or to risk the Al-Kassar hostage released operation. Warning were sent via the State Dept. to its embassies [these may be the same warnings as described above].

CIA-1 and/or its control apparently "planned" [control was distracted by the McKee team's planned return and events were moving quickly as were decisions] that BKA's surveillance would pick up the action at the airport and then come up with an anonymous "tip" to plausibly explain why it was suddenly examining the checked luggage.

We do not know what if any tips were given to the other American carriers, but law enforcement (not airline) security suddenly tightened even more around them, but not PanAm.

Jibril or his on-scene lieutenants then decided to scratch American Airlines and finally select PanAm. We do not know exactly when this decision was made, but the dates point to two-three days before the flight.

Sources speculate that, although Jibril knew this jeopardized Nidal/Al-Kassar's drug route, he felt that he was too committed to stop and had to go through with his plans, and, in a bit of double-dealing, rationalized that any exposure of the act and blame would fall on his rival Nidal.

Jibril through an intermediary activated the Jafar/Turkish

baggage handler connection via PanAm. For the Turk and Jafar this was another normal drug run. Jafar does not profile as a suicidal martyr type.

Fifth. An undercover Mossad agent tipped BKA within 24 hours before takeoff as to the plan to place a bomb on that very PanAm flight.

BKA passed that to CIA-1 and asked for instructions. CIA-1 so reported to its control.

CIA-1 did not reply to BKA.

The bomb was ready. Within 24-48 hours before the flight a black Mercedes had parked in the airport lot and the Turkish baggage handler picked up a suitcase from that auto and took it into the airport and placed it in the employee locker area. This was his usual practice with drugs.

Sixth. On Dec. 21, 1988, a BKA surveillance agent watching that PanAm flight's loading noticed that the "drug" suitcase substituted was different in make, shape, material, and color from that used for all previous drug shipments. This one was a brown Samsonite case. He, like the other BKA agents on the scene, had been extra alert due to all the bomb tips. Within an hour or so before takeoff he phoned in a report as to what he had seen, saying something was very wrong.

BKA passed that information to CIA-1. It reported to its control. Control replied: don't worry about it, don't stop it, let it go.

CIA-1 issued no instructions to BKA.

BKA did nothing.

The BKA was then covertly videotaping that area on that day. A videotape was made. It shows the perpetrator in the act. It was held by BKA. A copy was made and given to CIA-1. The BKA tape has been "lost." However, the copy exists at CIA-1 control in the U.S.

Jafar boarded the flight after checking one piece of luggage. The suitcase first emerged from hiding and was placed on the luggage cart in substitution for Jafar's only after all the checked suitcases had already passed through security. The suitcase was so switched by the Turkish PanAm baggage loader.

The method bypassed all airline security measures in place. The only measure for airlines to defeat this method would be for security guards to personally conduct all luggage under their personal view from start to actual loading and then closing of the baggage cargo holds on the plane. Only El Al does this.

The special, designated communications codename which BKA/CIA-1 had set up for their operations as described above is known at CIA HQ as "COREA." All communications concerning the surveillance operation and as described above as between or among BKA/CIA-1 and CIA-1 control were made via COREA. Thus all documents concerning all communications described above ought be marked at the top COREA.

This completes the recitation of intelligence as to the act.

Defendants in New York 'LaRouche' case file motion for new trial

On Nov. 13, attorneys representing Marielle Kronberg, Robert Primack, and Lynne Speed filed a motion for a new trial before New York Supreme Court Justice Stephen G. Crane. The three defendants are associates of Lyndon LaRouche and were convicted Aug. 31, after a four-month trial before Judge Crane, of one count of scheme to defraud. Primack was also convicted on one count of conspiracy; Kronberg and Speed were acquitted on that count. A fourth LaRouche associate on trial with them, George Canning, was acquitted on both counts.

In part, the motion cited as new evidence requiring a new trial, the Oct. 25 decision by Federal Bankruptcy Judge Martin V.B. Bostetter, Jr., in which Bostetter found that the federal government had acted in bad faith in filing a petition, back in April 1987, to force three companies associated with Lyndon LaRouche into bankruptcy, Bostetter termed the government's actions against the three companies a "constructive fraud on the Court."

The relevance to the New York case of Bostetter's decision is, in part, as follows. The case, brought by New York Attorney General Robert Abrams, and prosecuted by Assistant Attorneys General Dawn Cardi and Rebecca Mullane, revolved around the prosecution's false claim that the defendants had schemed to defraud by raising loans from political supporters for three LaRouche-associated publishing and distribution companies—Campaigner Publications, Caucus Distributors, and New Benjamin Franklin House—loans which the prosecution claimed they never intended to repay.

The defense asserted that, in fact, the inability to repay loans was a result of government actions, including government seizures and destruction of defendants' financial records, and the April 1987 ex parte petition filed by the federal government to force Campaigner, CDI, and Fusion Energy Foundation into involuntary bankruptcy. On April 21, 1987, the companies were closed down.

The motion for a new trial, filed by Primack's lawyer Jeffrey C. Hoffman on behalf of all three defendants, reads in part:

2) I make this affirmation on behalf of all of the defendants, in support of their motion pursuant to CPLR 330.30(3) to set aside the verdict on the grounds that, "new evidence

has been discovered since the trial which could not have been produced by the defendant at trial even with due diligence on his part, and which is of such character as to create the probability that had such evidence been received at the trial, the verdict would have been more favorable to the defendant."

3) The primary defense offered at trial was that the United States Government engaged in a pattern of conduct geared to destroying the financial welfare of the LaRouche-related entities and interfering with their ability to defend against criminal charges. This defense was directly relevant on the issue of intent to repay the loans.

4) Subsequent to the trial, the United States Bankruptcy Court for the Eastern District of Virginia rendered a decision dated October 25, 1989, dismissing the involuntary bankruptcy proceedings against Caucus Distributors, Inc., Campaigner Publications, Inc., and Fusion Energy Foundation, Inc. The decision is annexed hereto as exhibit "A." Chief Judge Martin Bostetter expressly found that the United States Government had filed the involuntary bankruptcy petition against these entities in *objective bad faith* (Decision at p. 91). The Court found that the Government filed the petition with knowledge that the entities had more than twelve creditors, and concluded that such action "despite that knowledge constituted an improper use of the involuntary bankruptcy statute and consequently an improper invocation of this court's jurisdiction. . . ." (Decision at p. 47).

5) Annexed hereto as Exhibit "B" is a sworn affidavit of former Assistant United States Attorney John Markham, executed on August 30, 1989, one day prior to the verdict in this case. The defendants sought to call Markham as a witness at trial in order to demonstrate to the jury that an agent of the United States Government, Richard Egan, acted in bad faith and in violation of a judicial directive in destroying critical documents of Caucus Distributors, Inc. and Campaigner Publications, Inc. (TR. 7829-7831; 7874-7876).

6) Agent Richard Egan testified in substance at trial that he had in fact destroyed boxes of documents, but that he did so unaware of any request, order, or direction to preserve them (TR. 7447-7635). In his August 30th affidavit, Markham states that he communicated to Agent Egan that "he could not throw away any documents belonging to Caucus, Campaigner, or Fusion because Slade Dabney had told me that they were

wanted back for the bankruptcy.” (Markham affidavit, p. 6, paragraph 14). Markham further states that he believed that Egan was present in the Boston Courtroom when preservation of the documents was ordered, because he had just spoken to Egan in the Courtroom about “how he wanted to handle Mr. Anderson’s expressed concerns about ‘Agent Egan . . . playing games with authorization’ . . . of those who might come to pick up the documents” (Markham affidavit, p. 6, paragraph 15).

‘ . . . the involuntary bankruptcy . . . allowed prosecutors to recruit witnesses with the psychological incentive that lenders had no other recourse but to put the defendants behind bars.’

7) At trial, the defendants requested a brief adjournment to produce Markham as a witness, which application was denied. Mayer Morganroth, attorney for Marielle Kronberg, represented to the court that he had spoken to Markham and Markham told him that his testimony would be “materially” different from Egan’s, although he would not divulge specifics (TR. 7829-7830, 7874-7875). Not until the defendants received the attached affidavit did it become clear that Markham would have unequivocally testified that he witnessed a demonstration of bad faith, obstructive conduct on the part of a government agent vis-à-vis the LaRouche organization.

8) It is submitted that the bankruptcy decision and the sworn statement of John Markham constitute new evidence which create a probability that the verdict would have been more favorable to the defendants had the evidence been received at trial. The primary defense offered at trial, from opening statements forward, was that the defendants were subjected to a pattern of government activity which interfered with their ability to repay loans and raise revenues in order to do so. This defense included evidence of the government seizure of documents without which the organization could not administer loan repayments; evidence of adverse publicity which affected the ability to raise contributions with which to repay loans; and, finally, evidence that the United States Government shut Caucus and Campaigner down by filing an unprecedented petition for involuntary bankruptcy. The Bankruptcy Court’s finding that the government acted in objective bad faith and the testimony of John Markham that he witnessed intentional, obstructive conduct by a government agent are persuasive, concrete examples of the pattern of government activity urged by the defendants at trial.

9) This pattern, now provable by direct evidence, clearly

impacts upon the issue of the defendants’ intent. The inferential manner in which improper government activity was presented at trial allowed the People to argue that the defense of government harassment, including the involuntary bankruptcy, was “yet another catchy alibi” and “excuse” characteristic of the defendants’ cavalier attitude toward lenders (TR. 8609-8613). Indeed, the prosecution affirmatively argued that “this [harassment] did not happen out of the blue, but as another direct consequence of the defendant’s illegal conduct” (TR. 8610). As such, the prosecutor used the theory of the defense in order to draw a further inference of guilt, which would not have been possible if the powerful evidence of government misconduct, described herein, had been available at trial.

10) Not only is the bankruptcy decision new evidence crucial to the theory of the defense, but it is important for another reason. Wayne Hintz testified to a number of measures that were undertaken through the spring of 1986 in order to manage the loan debt, including ceilings, repayment budgets, and renegotiations (see, e.g., TR. 3721-3725). There was no evidence at trial of any loans taken after September 1986. The involuntary bankruptcy occurred on April 20, 1987, and the Bankruptcy Court found that “the government has failed to establish that the debtors generally were not paying their debts as they became due as of April 20, 1987, the date the petitions were filed” (Decision, p. 82). All the government had shown was that “the debtors had major financial difficulties from early 1984 through September 1986” (Decision, p. 81). Thus, the involuntary bankruptcy summarily prevented the defendants from establishing, in fact and at subsequent criminal trials, a continuing commitment to honor their obligations and it allowed prosecutors to recruit witnesses with the psychological incentive that lenders had no other recourse but to put the defendants behind bars.

11) Virtually every lender witness at trial was asked if he or she was *ever* repaid. . . . Since the prosecutor used non-repayment-to-date as proof of guilt, it was essential, in order to engender reasonable doubt, that the defendants offer proof of reasons other than intent not to repay *ab initio*, obviously an amorphous and therefore difficult concept to rebut. Given that an ordinary juror does not presume bad faith on the part of its government, proof of an involuntary bankruptcy alone was not enough. Without the new evidence of an improperly initiated bankruptcy, the jurors could too easily conclude that the bankruptcy occurred because the entities were in fact bankrupt and had achieved that state in reckless disregard of their creditors’ interests.

12) The testimony of John Markham is also direct evidence of government misconduct. It would not simply be offered to impeach or contradict Agent Egan’s testimony. Egan was called primarily to establish that he had in fact destroyed documents, including, as demonstrated by other evidence, loan repayment materials. As a matter of course, his testimony included the self-serving claim that he did not do so knowingly and intentionally and the defense attempted

to establish otherwise. Markham, on the other hand, could testify as a witness to precisely the kind of government conduct which interfered with repayment of loans and which interfered with the ability to defend against criminal charges. Finally, Markham's testimony would also "prove the lie," as it were, on the part of a government agent under oath, and constitute further proof of improper government conduct with respect to members of the LaRouche organization.

13) It is therefore submitted that the bankruptcy decision and the Markham testimony constitute new evidence, not available at trial, which create the probability of a more favorable result for the defendants. The jury in this case obviously struggled with the question of individual criminal responsibility, as demonstrated by their disparate verdicts. Clearly they did not believe there was an organization-wide criminal intent. Thus, the proof certainly was not overwhelming and the evidence brought to light herein probably would have created a more favorable result. . . .

5 million leaflets to tell of Bostetter ruling

The Commission to Investigate Human Rights Violations announced Nov. 14 that it has ordered the printing of 5 million flyers for immediate distribution in North America, to announce the decision of Judge Martin V.B. Bostetter and its importance for American jurisprudence. The flyer is titled "Judge Finds U.S. Government Acted 'In Bad Faith,' Committed Fraud in LaRouche Case."

"This is a victory, not only for the LaRouche movement, but for the rule of law in the United States," announces the flyer. "It opens up a significant opportunity to crack apart the American police-state law enforcement apparatus which is being used increasingly to crush all independent resistance to the dictates of the U.S. Establishment—from trade unionists to the right to life movement, from defense contractors to clergymen."

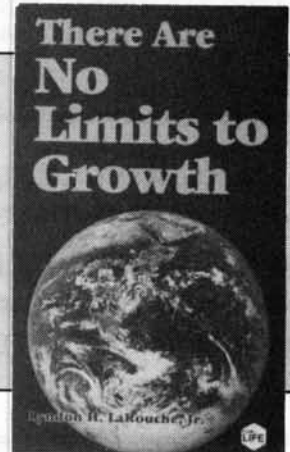
The Commission is also seeking to purchase advertisements in prominent newspapers around the nation and in Europe.

The Paris-based Commission has actively promoted countermeasures to government harassment and fraud against the political movement associated with Lyndon LaRouche, since conducting a wide-ranging inquiry into the matter in 1987, prompted, in part, by the brutality of this bankruptcy decision itself, now overturned.

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Democratic hawks sharpen talons

The CSIS crowd is ready to swoop down if George Bush goes overboard appeasing Gorbachov.

As President Bush prepares for his Dec. 2-3 meeting with Mikhail Gorbachov near Malta, there are signs here that some Democrats, emboldened by their victories in this November's elections, are plotting to take advantage of Bush's obsessive desire to help Gorbachov hold power in the Soviet Union.

They are preparing for a dramatic role switch if Bush appears to move too far toward deep conventional forces cuts in Europe. The response of key Democrats—especially those who fancy themselves cut of presidential cloth—would be to suddenly steal the hard-line position on defense, at least relatively speaking, from that “wimp” Bush. Such a role reversal, these Democrats may think, could be just what their party needs to reverse almost two decades of miasma on the national leadership level.

Such a development would certainly match the designs of the crowd at the Center for Strategic International Studies (CSIS)—Henry Kissinger, Zbigniew Brzezinski, and friends—whose pet politician remains Senate Armed Services Committee chairman Sam Nunn (D-Ga.). CSIS president David Abshire, the former U.S. arms control ambassador, was among those on a panel convened by the Radio Free Europe/Radio Liberty Nov. 15 to discuss “The Future of Communism and the Western Response.”

Abshire's remarks were cut short by the arrival of Polish Solidarność leader Lech Walesa to the meeting, fresh from his historic address to a joint session of Congress. But while Walesa's hour of answering questions

stole the show, remarks made by experts on the Abshire panel underscored the concern felt both in Washington and Europe about the dangers of the Malta meeting.

Prof. Alain Besançon, of the Paris-based Ecole des Hautes Etudes en Sciences Sociales, called Gorbachov's situation “completely desperate,” and cautioned Bush “not to take any steps to bail him out.” All the reform programs that Gorbachov came into power prepared to implement have failed, Besançon said, and for the last two years Gorbachov has been reacting to events “with no coherent plans other than to profit from the incompetence of the West.”

He said that Gorbachov may be prepared now to repeat what Lenin did at the Treaty of Brest-Litovsk, which was to accept a much smaller territory in exchange for stability and security. Such a move, as with Lenin, Besançon said, would only be to draw back temporarily to prepare for a much greater outward thrust.

This time, he said, the Soviets may be willing to let huge chunks of territory go, since it is almost impossible to bring entire nations under control. He noted that Gorbachov is not dealing with a few thousand students demonstrating in Beijing, but with whole nations. To bring even Azerbaijan under control would require hundreds of thousands of soldiers in a Red Army which is already 37% Muslim.

Therefore, he said, the Soviets could survive as a superpower if they retained, besides Mother Russia, no more than Belorussia, Georgia, Ar-

menia, and, especially, Ukraine. He said that Ukraine, with its industry and agriculture, is key to Soviet status as a superpower. “Without it,” he quipped, “They are just like a big Canada.” In this light, Besançon said, Gorbachov is coming to Malta talking of “a new Yalta,” in hopes he can save the Soviet regime and maintain the integrity of the empire, even if it has to be scaled back temporarily.

“It is moral wisdom not to comply with him,” Besançon said emphatically. Another effort to bail out the Soviets “will be very dangerous for us,” he warned. “Do not give them legitimacy. They are collapsing. Leave them to rot in their own mess.”

A similar tack was taken by Jeane Kirkpatrick, former U.S. ambassador to the United Nations, sometimes mentioned as a presidential hopeful. She predicted that Gorbachov will come to Malta with “dramatic new departures in conventional force reductions,” aimed, she said, at a hoped-for demilitarization of West Germany and the ultimate dismantling of NATO and the Warsaw Pact.

Kirkpatrick cautioned Bush that “policy based on personal relationships doesn't work,” as the Roosevelt-Stalin summits showed, and that “skillful settlements will not end politics—namely, the restless striving after power by nations.” She reminded the audience that “while we've seen the Iron Curtain being raised, this is not to be confused with the end of Soviet power.”

What has changed, she said, is not only the failure of, but the acknowledged failure of the “totalitarian project.” Its failure “has been recognized, and it is being abandoned,” she said. “The utopian and grandiose dream of power seized and exercised over a whole society and its culture through monopolistic control over all aspects of life has failed,” Kirkpatrick said.

Senate passes China sanctions

The Senate on Nov. 17 passed and sent to the President a bill imposing economic sanctions on Communist China for its June military crackdown against the pro-democracy movement. The sanctions, included as a part of the State Department authorization bill, include suspension of risk insurance for companies doing business in China, suspension of trade assistance, a freeze on exports of U.S. satellites, a halt to sales of controlled munitions, and an end to the sale of certain nuclear materials.

President Bush has somewhat reluctantly agreed to the sanctions, but is being encouraged to veto the bill because of a provision which would bar the President from using U.S. aid money to entice foreign governments to carry out policies contrary to American law. The provision, arising out of the Iran-Contra affair, would "chill . . . a wide range of routine and unobjectionable diplomatic activity," according to top administration officials.

Ethics Committee to probe Lincoln Savings affair

The Senate Ethics Committee met on Nov. 17 to consider retaining an outside counsel to investigate whether five senators violated Senate rules when they intervened with federal regulators on behalf of Lincoln Savings and Loan of Irvine, California. If the committee decides to retain an outside counsel, it would be the first step toward a full-scale investigation of the senators—one Republican and four Democrats. Edwin Gray, the chief federal thrift regulator at the time of the alleged violations, said in testimony before a congressional

committee the senators had intervened improperly in an ongoing investigation.

In the byzantine world of contemporary Washington politics, it is generally understood, however, that the "ethics" probe, directed primarily against leading Democratic senators, could very well be a vendetta by sections of the administration or by the Department of Justice against what it considers political opponents. One of the accused, Sen. Dennis DeConcini (D-Ariz.), has been a key opponent of the Racketeering Influenced and Corrupt Organizations (RICO) statutes. Another, Sen. Alan Cranston (D-Calif.), had been the most vociferous opponent of the nomination of Donald Gregg as ambassador to South Korea, because of Gregg's role in the Iran-Contra operation and coverup. The other senators are John McCain (R-Ariz.), John Glenn (D-Ohio), and Don Riegle (D-Mich.)

House throws Population Fund issue to Bush

The House voted 219-203 on Nov. 14 to allow President Bush to decide whether population control funds will go to a U.N. agency that finances programs in Communist China. The vote eliminated Senate language in the bill which would have provided \$15 million in aid money to the U.N. Population Fund.

Foes of the measure pointed out that the U.N. agency has participated in Chinese programs that use forced abortions and involuntary sterilization. President Bush indicated that he would veto the bill, if the measure were included.

The amendment, submitted by Rep. Christopher Smith (R-N.J.) and accepted by the House, would with-

hold the funds unless the President certifies that the practices have stopped. The White House had indicated to Smith that acceptance of his amendment by the House would remove the threat on that issue.

Controls continued on Medicaid-financed abortions

The Congress agreed on Nov. 17 to President Bush's demand for retaining strict controls on Medicaid-financed abortions, as the Senate joined with the House in shelving provisions to permit use of federal funds for abortions in cases of rape or incest. The decision continues current law permitting Medicaid funding of abortions only in order to save a woman's life. The action delays a showdown over liberalizing abortion laws.

Congress criticizes World Bank lending

The House foreign aid bill, now pending in the U.S. House of Representatives, would withhold \$2.241 billion of U.S. underwriting for World Bank loans at least until next spring. Rep. David Obey (D-Wis.), chairman of the foreign operations subcommittee, has used the issue to highlight his concern over the bank's "structural adjustment lending" to debt-ridden nations such as Mexico.

In a Sense of the Senate amendment raised on Nov. 13 by Sen. William Roth (R-Del.), it was also proposed that the United States not commit itself at this time to another quota increase for the International Monetary Fund. One of the reasons given by Roth was the dramatic changes taking place today in Eastern Europe. "I do

not believe that this is the time to make commitments of our limited resources that may restrict possible future U.S. involvement in assisting these revolutionary economic and political developments," he said.

Dole attacks Mitchell for 'carping' at Bush

White House concern about Democratic sniping at the Bush administration was transferred to the Senate floor, as Senate Minority leader Robert Dole (R-Kan.) defended the President in a sharp rebuke to Majority Leader George Mitchell (D-Me.), who had called on Bush to visit West Berlin and to "give voice to the exhilaration felt by all Americans" at the effective collapse of the Berlin Wall.

Dole's response came after a series of speeches by the Democratic leader reprimanding the President for his excessive caution and timidity in responding to change in the Soviet bloc. Republicans have been growing restive under Mitchell's assaults, and some have expressed concern that Bush is suffering from an inadequate defense against what they see as a mounting Democratic campaign to portray him as an ineffectual leader. Mitchell accused Bush of not going far enough in normalizing trade relations with the Soviets as they move toward reform of their economy under Gorbachov's leadership.

Nunn forewarns Bush of Soviet proposal

Sen. Sam Nunn (D-Ga.), chairman of the Senate Armed Services Committee, warned in an address to the Democratic Leadership Council on Nov. 13,

that President Bush must expect and be prepared to counter a possible Soviet proposal to withdraw all U.S. and Soviet armed forces from Europe when he meets with Soviet President Mikhail Gorbachov next month. "How would the United States and our allies respond if Gorbachov offers to remove all foreign troops from all European countries within a period of a few years? We had better start thinking about it," said the Georgia senator.

Nunn said later in an interview that he believes strongly that Gorbachov, spurred by the political upheavals in Eastern Europe, will use the sea-going summit to frame a new peace initiative that will catch Washington off-guard. Nunn said he would urge the administration to deal very carefully with any Soviet proposal for massive withdrawals, making sure that Gorbachov defines "how far out of Europe" Soviet troops would be withdrawn.

Nunn also indicated that current East-West negotiations to reduce NATO and Warsaw Pact conventional forces in Europe might soon come under intense pressure to expand their horizons.

Senate demands free East German elections

In a resolution passed on Nov. 13, the Senate, commending the people of East Berlin for their heroic struggle in obtaining the opening of the Berlin Wall, called upon Soviet and East German authorities to "remove and destroy the Berlin Wall," and urged the government of East Germany to "make permanent the freedom to travel, to permit the formation of political parties, and to hold free elections." The resolution was approved unanimously.

Congress concerned over Bush shift on Iran

The administration is faced with substantial congressional opposition to its about-face on the issue of Iran. A deal struck this month between U.S. and Iranian lawyers which would permit the return of \$567 million in frozen Iranian assets caused a bit of a stir among legislators. President Bush described the shift as a "beyond containment" policy. Both Republicans and Democrats attacked what they called a "totally misguided policy," questioning the wisdom of improving relations with a nation still involved in state-sponsored terrorism, and which is supporting groups still holding American hostages in Lebanon.

At a press conference on Nov. 7, Bush said that he wanted "this underbrush," as he called the seven-year-old U.S.-Iranian claims dispute, "cleared out now." In testimony before the House Foreign Affairs subcommittee on the Middle East, State Department legal adviser Abraham Sofaer told the panel that he thought it "would obviously be desirable" for the United States and Iran to begin direct negotiations to speed up the resolution of government-to-government claims, including Iran's for undelivered U.S. arms and services.

Assistant Secretary of State John Kelly tried to assuage the panel by saying that he detected "no significant change" in Iran's support for international terrorism or its support for Shi'ite extremist factions in Lebanon holding the hostages. While it was "retrenching" in its arms purchases because of a foreign exchange shortage, it was still providing finances and support for the Shi'ite extremist Hezbollah in Lebanon. Kelly added, however, that the administration remains ready to "work to find whenever possible areas in which we can reach understandings" with Iran.

National News

Soviet military using lasers against U.S.

The Soviet military is using lasers against the U.S. military, the U.S. Army paper *Stars and Stripes* reported Nov. 10.

The Department of Defense revealed that the eyesight of a U.S. Air Force crewman may have been damaged when his HC-130 electronic surveillance aircraft was illuminated by a laser fired from the Soviet research vessel *Spassk*, in the first of four incidents since Oct. 17.

On Oct. 28, a U.S. Navy P-3 Orion was also illuminated by the *Spassk*. On Nov. 1, another USAF HC-130 was illuminated by a laser from the *Marshal Nedelin*, and a few minutes later, a USAF WC-130 reported being illuminated from the *Spassk*. All four incidents took place in international waters 1,000 to 2,000 miles west and southwest of Hawaii.

The actions occurred despite an agreement last summer by U.S. and Soviet military officials designed to avoid dangerous military encounters. Privately, Pentagon officials are saying that it is dispiriting that such incidents are continuing. One senior official stated, "This really shows that these guys are up to something."

The afflicted U.S. crewman suffered disruption of his color vision, headaches, and other visual problems and is under medical evaluation, Pentagon sources say. The crewman had been wearing "laser eye protection" gear, and U.S. officials are investigating why the damage occurred despite the equipment.

Two of the four reported incidents occurred on Nov. 1, after the announcement of the Bush-Gorbachov non-summit.

CIA and KGB plan joint anti-terror exercise

The CIA and the Soviet KGB are planning a joint anti-terrorist practice operation in the spring of 1990 premised on the two agencies collaborating against Azerbaijan "terror-

ists," according to *U.S. News and World Report*.

U.S. and Soviet experts will simulate two hijacking crises, the first of which will involve a flight from Moscow to New York, jointly operated by Pan Am and Aeroflot, to be commandeered by a group demanding independence for the Soviet Republic of Azerbaijan. In the second scenario, a Mexican airliner with Soviet and U.S. passengers will be taken over by drug lords demanding freedom for fellow gang members held in U.S. jails. The idea for these joint operations apparently stems from the meeting of retired KGB and CIA officials, including Ray Cline and Bill Colby, which took place in California in October.

RICO reform gutted, says Wall Street Journal

In January, when Congress convened, "gutting the [RICO—Racketeering Influenced and Corrupt Organization] law looked like a sure thing. . . . Now, just 11 months later, the RICO reform juggernaut is running out of steam," the *Wall Street Journal* lamented Nov. 9.

Three factors helped RICO survive, the *Journal* said. "First, seemingly unconnected scandals, mainly in the S&L industry, have made Congress uneasy about appearing to go easy on white-collar crime. Second, the RICO issue brought out advocates with unusually direct financial interests in the bill, making lawmakers even more wary of being accused of bailing out special interests. Finally, RICO revision advocates insisted that the narrowing of the civil RICO law be made retroactive, a point their opponents seized upon as being too greedy."

The *Journal* revealed that Ralph Nader and his Public Citizen group are two of the most ardent defenders of the police-state law. The Naderites have allied with San Diego attorney William Lerach, who is representing bondholder and shareholder plaintiffs in two civil RICO suits against the scandalized Lincoln Savings and Loan, and who thus stands to make a lot of money from RICO. Lerach refers to his clients as "wid-

ows and orphans," and plans to have them demonstrate against the RICO reform advocates. "We'll lie down in front" of anti-RICO Sen. Dennis DeConcini's (D-Ariz.) office "if we have to," Lerach told the *Journal*.

The *Journal* also reported that Wall Street can expect more RICO prosecutions. Alan Cohen, the head of the securities and commodities fraud unit in the Manhattan U.S. Attorney's office, said, "If it is appropriate to use the RICO statute because of the widespread institutionalized nature of the criminal conduct, it will continue to be used."

Dixy Lee Ray: Sue, boycott the ecologists

Former Washington state Gov. Dixy Lee Ray told delegates to the National Pest Control Association's 56th annual convention in Seattle in late October, that the principal pest facing them, the environmentalist, could be controlled by lobbying, boycotts, pressure on the media, and lawsuits. "Sue and sue and sue and sue, just like the environmentalists do," Ray told an appreciative audience.

Ray said that because of technology, we live in "the best of times and the worst of times": best because of technology-driven advances, and worst because of attacks on technology by environmentalists. Ray, a marine biologist and former chairwoman of the Atomic Energy Commission, advised her audience to organize boycotts of companies that sponsor anti-technology programming on television. She cited the recent capitulation by the Stroh Brewing Co. and nine other sponsors when loggers threatened a boycott over their sponsorship of an Audubon Society documentary on the old-growth timber controversy.

Ray told convention delegates to bring pressure against newspapers and other media when they engage in one-sided coverage. The modern use of treated wood has saved a forest "two times the size of New England," she said, urging them to empha-

size that herbicides and pesticides "have done a great deal of good for society." Ray urged her audience to do everything they could to combat certain myths, namely, that "man-made" is bad; that nature is invariably benign and safe; and that hazardous substances are toxic in any concentration.

Ray said a phrase she often hears from environmentalists is "elegant frugality," a quality they say should characterize our lifestyle. But, she said, "That means elegance for a very small group of people and frugality for the rest of us."

Bishops promise renewed anti-abortion effort

U.S. Catholic bishops, meeting in Baltimore in early November took several steps to invigorate their anti-abortion fight across the United States.

The bishops passed a resolution opposing abortion which read in part, "For us abortion is of overriding concern because it negates two of our most fundamental moral imperatives: respect for innocent life and preferential concern of the weak and the defenseless." The document called upon Catholics to commit themselves vigorously to public education, care for pregnant women, children, and public policy changes including a human life amendment to the Constitution and state laws restricting support for abortion.

The conference voted for John Cardinal O'Connor, one of the country's most outspoken cardinals on life issues, to head the bishops' Pro-Life Committee, which will lead the bishops' fight against abortion. He replaces Joseph Cardinal Bernardin of Chicago.

Assault on Pentagon said to be biggest yet

A new police-state assault on the Department of Defense, entitled "Operation Un-

cover," is the biggest attack yet, according to Michael J. Costello, special agent in charge of the Defense Criminal Investigative Service's Washington field office. Costello was quoted by the *Washington Post* Nov. 14 in an article reporting on the guilty plea entered by the Boeing Corp., apparently the first victim of the new operation.

Boeing pleaded guilty to criminal charges of illegally obtaining secret Defense Department documents outlining future budget and spending plans. Assistant U.S. Attorney Randy I. Bellows said that the plea bargain involved only two documents because of "a very serious proof problem."

The proclivity of Eastern District of Virginia U.S. Attorney Henry Hudson, who brought the October 1985 "Ill Wind" indictments against the defense community, to prevaricate, is going to become a major issue in the Ill Wind investigation, according to *Defense Week* Nov. 13. Attorneys for the defendants are planning to make an issue out of the fact that the Justice Department failed in a 1987 affidavit to disclose to the federal judge who authorized the wiretaps in the investigation that its informant had been convicted of sexually assaulting two girls, ages 9 and 10.

Crowe warns: Communist reforms dividing NATO

Admiral William J. Crowe Jr., the retired chairman of the Joint Chiefs of Staff, warned a congressional hearing on future national security needs on Nov. 9 that Communist reforms are dividing NATO.

"The picture today is muddier than I've seen in my 25 years of experience with NATO," Crowe said. He explained that the Western alliance is sharply split between cautious response and the desire of some to undertake "headlong reductions" in military might. "The countries of Western Europe are going to spend less on defense no matter what we do," Admiral Crowe added. "Ultimately, NATO will probably remold itself into a looser arrangement, probably with reduced U.S. participation."

● **GEN. RICHARD SECORD** pleaded guilty to lying to Congress in a plea bargain arrangement with Iran-Contra prosecutor Lawrence Walsh, whereby other charges will be dropped in exchange for his cooperation against Adm. John Poindexter and others charged with Iran-Contra abuses.

● **CHARLES KEATING**, the key figure in the Lincoln S&L scandal and a member of President Nixon's pornography commission who actually opposed pornography, has publicly stated that his troubles with the government date to that period.

● **CRAIG SPENCE**, the homosexual insider and Iran-Contra figure who had been subpoenaed to testify before Congress on the Washington prostitution scandal, was found dead under unexplained circumstances Nov. 10 in a Boston hotel.

● **1.3 MILLION ILLEGAL** aliens have applied to become legal immigrants under the one-time amnesty. The program was expected to accommodate only 250,000 when Congress enacted it as part of a sweeping package of changes in immigration law.

● **AN ADVISORY PANEL** for the U.S. war on drugs named by President Bush included among its 27 members William McCarthy, president of the Teamsters Union, former Attorney General William French Smith, retired Adm. William Crowe, Dr. Jonas Salk, and Robert Wright, president of NBC.

● **DARPA**, the Defense Advanced Research Projects Agency, usually the first Defense agency to sponsor new technology projects, is faced with threats to cut its funding from the Bush administration.

Editorial

No more balance of power politics

The recent events in Germany have created a unique historical opportunity to reverse the drift toward a global economic collapse, and the kind of political chaos concomitant with such a collapse.

Already we see the drawing of political lines, as the British have tended to align with Mikhail Gorbachov in threatening that a reunited Germany will mean the emergence of a mythical Fourth Reich. On the other side, there appears to be strong institutional support—across party lines—in France and the Federal Republic of Germany, for the policy of offering massive economic aid to the German Democratic Republic and to Poland in order to effect a transformation of Europe.

Why, one asks, have the British chosen to separate themselves from the French and Germans? What are the underlying characteristics of the British mind that would cause them to thus respond to events on the continent of Europe, particularly those involving East Germany? What could cause that state of mind?

Bolshevism has a long history, and British conservatives have always professed their abomination of bolshevism. Yet something else is dominating their hysterical response to the potential of a reunified Germany. Their response today reminds us of the British penchant for playing balance of power politics, playing one nation, or a section of a nation, against another, to maximize their position regardless of the moral issues which are involved.

No matter how good mankind might esteem a certain development, if that development lessens significantly Britain's ability to maneuver, then that development is to be abhorred and frustrated. If it is necessary, in order to enable that balance of power game to be played, to put man back into the condition of savagery, so be it—says this British mentality.

There are two political poles in Europe today, the French-German axis which is committed to an economic development program and support to the sovereign rights of the people of the Soviet-occupied East German Zone, and the British position. The British line (supported by Henry Kissinger) is a purely oligarchical line: the balance of power in Europe as an expansion of the

18th-century cabinet diplomacy, revived in the 19th century by Metternich and Castlereagh. This is politics without morality.

Aside from the dangerous role of Henry Kissinger in shaping U.S. policy, the Bush administration is hindered from playing a positive role in Europe, because of the cultish Friedmanite free-market ideology dominating economic policy thinking.

The moral alternative upon which a policy for Europe must be based, a policy for mankind as a whole, is the tradition of Alexander Hamilton, Henry Carey, and Friedrich List, upon which the economy of the United States as a republic was based. This is the tradition of the founder of modern political economy, Gottfried Leibniz, which is represented today by Lyndon H. LaRouche, Jr.

The French and West Germans have proposed a package for East Germany and Poland so grand that Chancellor Kohl calls it a new Marshall Plan. LaRouche has called for the immediate realization of an integrated infrastructure which would connect Poland, the two Germanys, and the rest of Europe.

Such a program offers a hope not only for the German and Polish people, but for all mankind, because it implies a massive increase in productivity. This is particularly so, because of the real potential of the East German economy, which is mainly held back by the necessity to give tribute to the Soviets and by the failure to have developed nuclear power.

Balance of power politics has brought us two world wars. Were British policy to become dominant today, balance of power politics would again bring the world to war. Without doubt by the middle of January or early February, there will be a massive Soviet reaction, but the way to avert a serious crisis, is the very road of economic development being posed today by LaRouche. A Europe which is seeing the beginnings of an economic boom can be made so attractive to the Soviets that they will be held back from taking adventurous military moves.

The only truly practical politics is indeed, the politics of morality!

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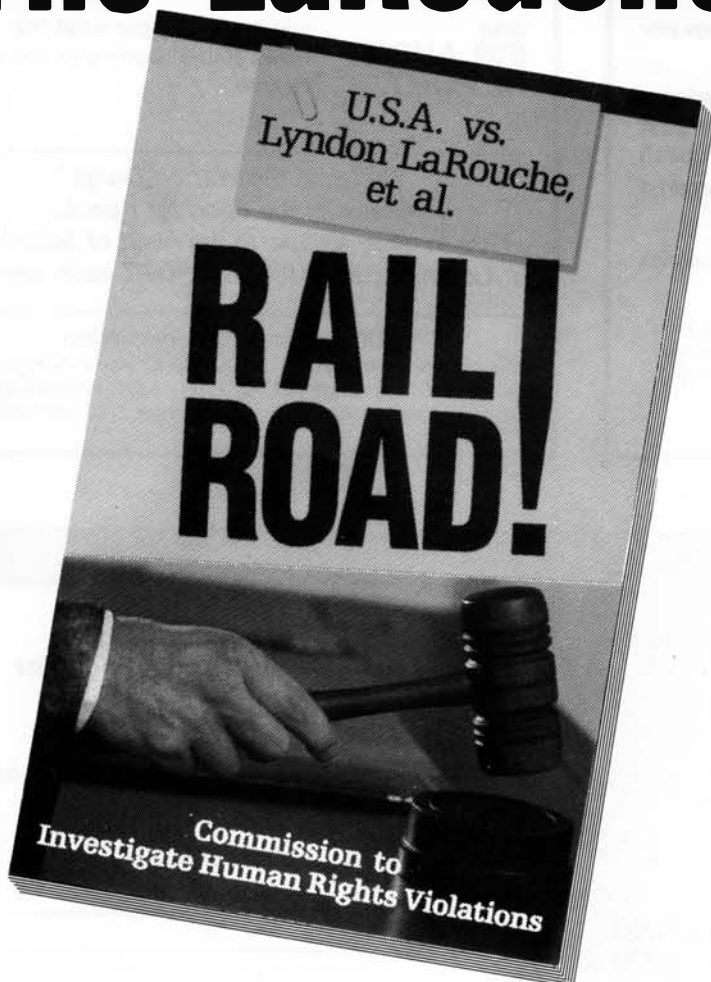
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