

# EIR

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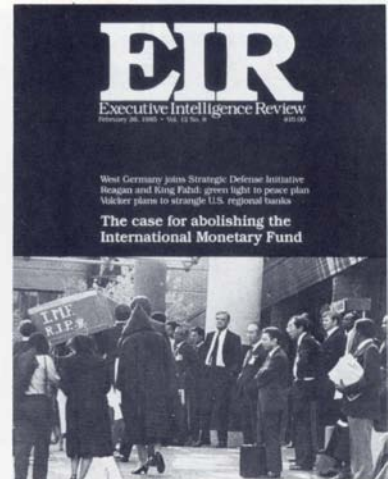
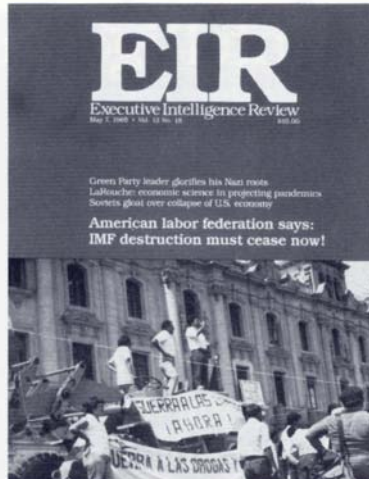
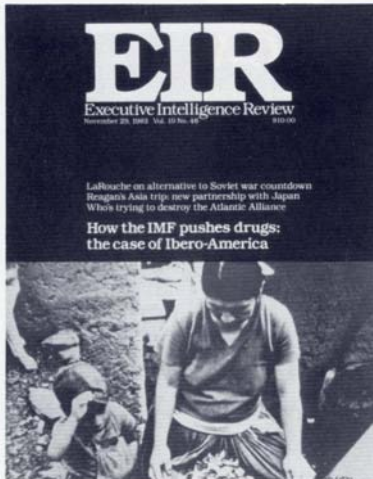
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Thornburgh Doctrine ends international law  
Thatcherism bankrupted the 'world's banker'  
Remembering the martyrs of Tiananmen

**Pope in Mexico: East Europe  
revolution is not enough**



# IMF Commits Crimes Worse Than Hitler's



**W**hat is the International Monetary Fund really? Who controls this supranational institution, whose power is greater than that of sovereign governments, and which imposes economic conditions on member states that lead to genocide worse than that for which Nazi war criminals were hanged at Nuremberg?

*Executive Intelligence Review (EIR)*, the weekly journal founded by U.S. economist and political figure Lyndon H. LaRouche, documents the murderous plans of this bankers' cartel, in the perpetrators' own words.

- **The IMF pushes drugs.** The Fund forces developing-sector countries to grow the most profitable cash crop of all: dope. In the words of an IMF specialist on Colombia: "From an economic viewpoint, marijuana is just a crop, like any other. It brings in foreign exchange, and provides income for the peasants."
- **The IMF demands "population control" as the prerequisite for credit.** As World Bank chief Robert McNamara put it, "devaluation is a population control policy." This is a *conscious* policy, aimed to reduce the non-white races.
- **The IMF promotes communist insurgency.** Said Fidel Castro, "The International Monetary Fund alone still inspires confidence in me. It is the IMF that will realize all my plans."

*EIR* provides the vital political and economic intelligence for patriots of all nations who seek to destroy the power of the IMF and kindred institutions. Under Mr. LaRouche's direction, it presents detailed recommendations on how to launch a global economic recovery, through Great Projects for high-technology-vectored development. It is the lifeline of a growing international political movement. You too can join!

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## From the Editor

Mexico has lived through eight years of deteriorating economic conditions under the financial witchcraft of President and former budget minister Salinas de Gortari, a product of the Harvard Business School. Yet this increasing misery—living standards so abysmal that the common childhood disease of measles has a high rate of fatality among the malnourished population of Mexicans—has not, as yet, sparked a mass revolt. The missing ingredient is a positive self-conception as a nation, like the inspiration given by the Pope, Karol Wojtyla (John Paul II), to Poland at the outset of the 1980s, which gave a foundation in cultural optimism to the freedom movement now shattering the Soviet empire.

With the Polish-born pontiff's recent trip to Mexico, that missing ingredient is provided (see *Feature*). The changes just ahead in the nearest southern neighbor of the United States should be warmly welcomed by all North Americans: We cannot but benefit in security and prosperity by having a happier, healthier, and freer Mexico, and we shall surely be harmed beyond calculation by the continuing ravaging of that country.

The only ones likely to be displeased by the impact of the Pope's visit are the Wall Street bankers who dictate the Bush administration's incompetent policies, and who pretend that Thatcherite "free market" economics is a solution for Eastern Europe and Ibero-America. In *Economics* we look at the Soviet catastrophe, where the version of Thatcherism known as *perestroika* has nearly brought the economy to a standstill; and we begin a series documenting how the British economy under "Thatcher" has become—in the words of Lyndon LaRouche—a Third World country in all respects but its arrogance.

As for Bush, not only have the twin threats of the revival of Iran-Contra scandals, and the budget debacle, surfaced with a vengeance in May; but the administrative fascist police state that keeps the Bush apparatus in power is under major assault. Read on p. 56 about hearings in Roanoke, Virginia that are exposing the illegal operations of an organized-crime front, the ADL, to use the American judicial system against its political foes, including Lyndon LaRouche, the economist who has the program to make the Pope's concepts of a new, just world economic order into reality. On p. 62, a leading scholar of international law *buries* the "Thornburgh Doctrine."

*Nora Hamerman*

# EIR Contents

## Interviews

- 36 Msgr. Ladas Tulaba**  
The founder and rector of the Pontifical Lithuanian College in Rome says that contrary to disinformation in the Western news media, the only internal strife in free Lithuania is being caused by Moscow-directed agents provocateurs.

## Book Reviews

- 28 'Farewell: We must be faithful first to our country'**  
*June Four, A Chronicle of the Chinese Democratic Uprising*, by the photographers and reporters of the *Ming Pao News*.
- 30 A look back at Tiananmen Square, and beyond**  
*Beijing Spring*, photographs by David and Peter Turnley, text by Melinda Liu.

## Departments

- 14 Dateline Montreal**  
Reichmanns are in deep trouble.
- 15 Medicine**  
Better late than never.
- 50 Report from Rio**  
Profile of a Brazilian "New Ager."
- 51 Panama Report**  
Bush called to account for holocaust.
- 72 Editorial**  
Anti-Semitism is a two-edged sword.

## Economics

- 4 Goods kept off market, as Soviets agonize over reforms**  
In anticipation of price hikes, farmers in Russia's breadbasket are refusing to ship their grain to Moscow, making that city "the epitome of the empty store" and turning the Soviet empire into one huge political tinderbox.
- 6 Currency Rates**
- 7 The Gorbachov Clean Air Act will wreck America's industry**
- 9 The failed economics of Thatcherism**  
Part I of a post-mortem of the British economy.
- 12 An alternative to appeasement of China**  
Taiwan makes a generous offer to the Communist mainland.
- 13 Agriculture**  
Gorbachov wants Minnesota grain.
- 16 Business Briefs**

## Feature



Carlos de Hoyos

Mexican children have been particularly victimized since the accession of the Salinas government, whose debt-first policies were roundly condemned by the Pope.

### 18 Pope in Mexico: European revolution is not enough

Once again, Pope John Paul II has made an indispensable contribution to creating a new just world economic order out of today's shambles of poverty and degradation, by traveling to Mexico to denounce the immoral "free market" policies which have destroyed that country over the past eight years.

**Documentation:** Excerpts from the Pope's speeches during his Mexico visit.

### 26 What must be done: Lyndon LaRouche's Operation Juárez

The Pope's visit makes LaRouche's 1982 economic reform proposal more urgent than ever. A review of his major points.

## International

### 32 LaRouche was right on Soviet strategy

Gorbachov's praise of the offensive military policies of Marshal Nikolai Ogarkov, and his effusive praise of the Red Army, prove that the analysis issued by Lyndon LaRouche beginning in 1983, following Moscow's rejection of the Reagan-LaRouche SDI proposal, has been correct, while all the Western babblers about "peace dividend" are revealed as suicidal fools.

### 37 Landsbergis assails Western 'pragmatism'

### 38 Threats to German reunification

Communists and Social Democrats are working overtime to wreck what has just been accomplished.

### 41 South Korea is far from falling apart

### 42 Japan's new 'Asia Doctrine' is received warmly during Kaifu tour

### 44 Is Colombian Army on López's trail?

### 45 Military institution gutted in Argentina

### 46 Reopen the Bulgarian file

The 1981 assassination attempt on the Pope had Moscow written all over it. Why was it covered up?

### 52 International Intelligence

## National

### 54 Reality is wiping out Bush's so-called popularity

The Establishment media find Bush's public relations lines about the economy "preposterous," and a new grand jury has been formed to reopen the Iran-Contra case. Where was George?

### 56 Anti-Defamation League is put on trial in Roanoke 'LaRouche' case

### 58 Du Pont Smith takes stand in rights case

### 59 Elections confirm support for LaRouche

Primaries in three states show he still has a solid 20-45% of the vote.

### 60 Eco-fascists want to turn California back into a desert

### 62 The Thornburgh Doctrine: the end of international law

Prof. Friedrich August Baron von der Heydte, a noted West German expert on civil and international law, delivers a scathing indictment of the Thornburgh Justice Department's effort to trample on the fundamentals of natural law.

### 67 Eye on Washington

Is Thornburgh on his way out?

### 68 Congressional Closeup

### 70 National News

## Goods kept off market, as Soviets agonize over reforms

by Rachel Douglas

In *Pravda* of April 4 came a tortured admission that basic foodstuffs in the Soviet Union are not leaving the farm. "An alarming signal has come from the Kuban," wrote the correspondent, referring to the fertile grain-growing region in southern Russia. "Whole districts there, including Maikop-sky, Abinsky, Belorechensky, Donskoi, and Yeisky, have refused to sell grain to the state."

This was no marginal case of failure to fill a "state order," as goods produced on command from Moscow are called. If the farmers of the crucial black earth agricultural zone in southern Russia and Ukraine don't ship grain, Russian cities starve.

That is going on already. "Moscow has now turned into the epitome of the empty store," wrote *Izvestia's* I. Demchenko in January, while nationwide, "shortages in the consumer market pose a practical threat to the very basis of our existence."

Cities where the potential for rebellion by industrial workers is the greatest, are among those hardest hit by shortages, and have the least capability to redress the crisis by mobilizing local means. In Sverdlovsk, an industrial city in the Ural Mountains, people took to the street at the beginning of 1990, to protest the shortages. In 1989, *Izvestia* reported earlier this year, "the Central Ural sent out its full quota of machines and steel, and in exchange 'bought' bare shelves." A local Communist Party official told Soviet television, in a broadcast monitored by the Foreign Broadcast Information Service (FBIS), "We are . . . among the top three [provinces] for the production of industrial goods in the Soviet Union. Naturally, we cannot provide ourselves fully with food products, since we have just .003 hectares of agricultural land per inhabitant. We can provide only half of our essential produce."

It was to Sverdlovsk that Soviet boss Mikhail Gorbachov,

now styled "President," rushed in April, to issue assurances against the imminence of a retail price hike. In a Sverdlovsk supermarket encounter, broadcast on Radio Moscow and transcribed by FBIS, a woman asked him if prices would jump up in June. Gorbachov sputtered, "No, no, no—yesterday I said, did you hear? In the first place, we won't, as they are saying—Poland, shock treatment—abandon everything and let the market decide!"

### Pricing dilemma

If the political penalty of raising prices gives Gorbachov a nightmare, his regime's delay in raising prices—while debating the issue across the pages of every newspaper in the U.S.S.R.—has brought bad dreams to life already. This is the secret of why the Kuban grain-growers hoarded their crop.

Grain procurement by the Soviet state has been falling off since 1987, Gorbachov's third year in power. In an article titled "Soviet Farmers Selling Less Grain to the State," *RSEEA Newsletter*, December 1989, Christian J. Foster charted the percentage of the total U.S.S.R. grain crop procured by the state. *EIR* has adjusted the 1989 figure, based on data released in February 1990, and supplied the tonnages, using the notoriously inflated Soviet gross grain harvest statistics.

Year	% of total procured	mn metric tons procured	mn metric tons grown
1976-80 average	38%	78	205
1981-85 average	37%	67	180
1986	38%	80	210
1987	35%	74	211
1988	31%	60	195
1989	28%	59	211

The alarm "signals" from Kuban and elsewhere suggest that procurement will be even less in 1990. Producer withholding has come up second behind the country's infrastructure deficit, as another monster eating up the food grown in the Soviet Union. (The infrastructure sinkhole still holds first place; its main method of annihilating food is spoilage during transport or storage. Large quantities of imported food are also wiped out in this way. Losses of agricultural output have been estimated, in statements by Gorbachov and by Prime Minister Nikolai Ryzhkov, at between 20 and 40% of total output.)

The disappearance of 20 million metric tons of grain from a year's state stocks since 1986, seen in the table, is due to the search for higher prices. The grain was either sold by the collective farms to trade cooperatives (the coops, allowed under Gorbachov's reforms, include many wholesale and retail traders), used as feed grain to increase the production of meat for lucrative sale to the coops, or hoarded, in the expectation that a jump in the *state* procurement price is just around the corner—given all the talk about transition to a "market" economy.

In October 1989, a *Pravda* article datelined Dnepropetrovsk Province, Ukraine, hinted about how the reforms were likely to force food-growers to such measures. The Law on the State Enterprise, which went into effect Jan. 1, 1988, gave industrial producers increased say-so over what they produce and whom they sell it to. In one of the many failures of the perestroika package, many plant managers chose to curtail production to just a few items, generally those with the highest prices! As a result of this and other factors, the machinery, fertilizers, and other necessary inputs for the farms have been creeping upwards in price.

*Pravda's* Dnepropetrovsk report showed that collective farm people were caught in the scissors between these high prices on their purchases and the low prices the state pays for their products. Twelve thousand collective farm workers from one district signed a complaint to the Supreme Soviet, which said: "We understand our role in supplying the cities with agricultural produce and we are not going on strike. But without a fundamental solution, we will be forced to send our produce not to the state processing points, but to the collective farm markets, in order to have enough money to purchase the industrial goods, machinery, timber, cement, and fertilizers, which we need, but which have become so expensive."

One collective farm director told *Pravda* that the state pays the farm 30 kopecks for a liter of milk, which will fetch a ruble (100 kopecks) at the collective farm market. A regional agro-industrial official agreed that "the question of purchase prices has become key in the agrarian economy. At the beginning of this year, we owed the state 72 million rubles. How are we supposed to pay this off, if fertilizer prices have doubled since Jan. 1? Last year, a Don-1500 combine cost us 17,000 rubles. This year, with a full set of

attachments, it costs 50,000 rubles! We sell the state wool, milk, meat, eggs, and vegetables at less than the cost of production."

### Timetables scratched

In the face of rising discontent over shortages and supply breakdowns, the Soviet leadership has collided with stiff political opposition to virtually any single measure adopted as a partial remedy. The record of policy reversals, timetables not met, and other flip-flops on economic reform, since late 1989, shows that prices are the most explosive question.

**Nov. 6, 1989.** *Pravda* reported on an economists' debate on economic reform, held at the Central Committee of the Communist Party of the Soviet Union. Some economists advocated an immediate transition to a "free market" economy, which Soviet estimates say would jump prices up an immediate 40%, when price subsidies from the state were ended. Gorbachov intervened at this session, to say that economist "Selyunin says that the market itself will sort everything out within a month. I know one thing, within a fortnight, this kind of 'market' would make the whole people take to the streets and topple any government."

The same month, Gorbachov booted the economic reforms off the agenda of the Congress of People's Deputies session convening in December and pushed them into 1990.

**Dec. 13, 1989.** Prime Minister Ryzhkov, presenting the government's economic plan for 1990, backed off from even a declaration of intent to introduce "market" economic reforms. He said, "It is tempting to accelerate the process of economic transformations as much as possible, in order to obtain an effect from them more rapidly, but the difficulty of the present situation does not allow us to take that path. If we were to attempt . . . to introduce market relations everywhere, and to their full extent, as soon as 1990 or 1991, this could lead to serious economic and social shocks. The inevitable consequence of such a decision would be a spiral of galloping inflation, a reduced role for all economic incentives, a drop in production, massive unemployment, and an aggravation of social tension. . . . It is difficult even to imagine the depth of the possible crisis here. This would be a foolhardy step."

**February 1990.** Price hikes on diesel fuel, in effect since the first of the year, were rescinded after the threat of a strike by the official trade union leadership, the AUCCTU. On Feb. 11, the party paper *Pravda*, which was editorially taking the side of the official unions, reviewed the affair: "A conflict developed between the All-Union Central Council of Trade Unions and the government, in connection with the increases in diesel fuel prices, freight carriage charges, and electricity prices, as of Jan. 1. The trade unions submitted a protest to the government in this connection. . . . It became clear that, as a result of implementation of this action, working people would lose earnings and enterprises would suffer substantial cuts in their funds for social needs." *Pravda* expressed satis-

faction that "the Council of Ministers has acknowledged its errors as regards the increase in prices."

**March 1990.** Mikhail Gorbachov succeeded in elevating himself to the new office of President of the U.S.S.R., with a huge concentration of powers in his hands. In a front-page interview in *Izvestia*, Deputy Prime Minister Leonid Abalkin asserted that this was most critical for the economy: "Cardinal reform of the economy requires strong, and I especially stress, authoritative power. The government program for curbing the economy . . . was immediately subjected to mass attacks and discrediting. But it would be desirable, for all who are concerned with the fate of the country and the people, to close ranks for its implementation."

In a typical pro-price reform article in this period of time, *Izvestia* on March 22 carried Murmansk engineer A. Chigrin's cry, that "low prices are bankrupting us." He wrote, "Everybody knows there is more money than goods, and that there are not enough goods at current prices for all. But almost everybody is against raising prices. Each person hopes that it won't be his money that turns into wastepaper." He refuted the argument that low prices must be maintained because of "the existence of a significant layer of the population with low income." It is true, said Chigrin, that "the pay for many socially necessary professions hovers around the minimum subsistence level, while a significant portion of pensioners do not have the means for satisfying even elementary requirements of living. But reasonable people, it seems to be, should see in this cause for correcting the senseless system of wages and pensions, not for preserving senseless prices."

**March 28, 1990.** Established as "President," Gorbachov in his inaugural speech laced into the notion of any further delays, and called for "radicalization of the economic reform." "There is no denying that there are people who are gripped with nostalgia and who suggested 'backtracking,'" he said. "These are, certainly, dangerous prescriptions." Abalkin and other government officials then promised that a comprehensive economic reform plan would be submitted to the Supreme Soviet by May 1, but Abalkin's aide, Andrei Orlov, told reporters "the package could be rejected."

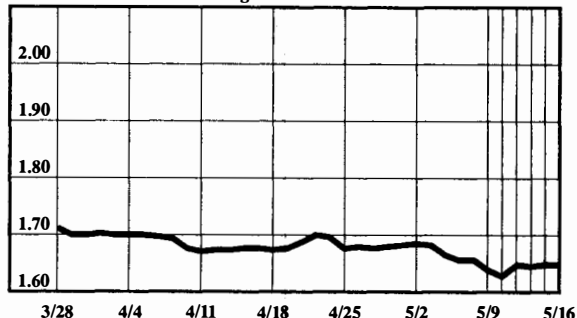
**April 1990.** A two-session meeting of Gorbachov's new Presidential Council, held April 14 and 18, failed to agree on economic policy. On April 20, Supreme Soviet official Ivan Laptev announced that the reform package would be debated by the Supreme Soviet only at the end of the session running until May 25, or during the autumn session.

The next week, Gorbachov surfaced in Sverdlovsk with his disclaimers about price hikes. But he could not get his story straight. At one stop he told workers there would be no leap to the market. But at the next, he proclaimed, "One should not wait any more. Everything that was scheduled for 1992 and 1993, we should begin carrying out now"—despite the fact that neither government nor Presidential Council can agree on what is to be done.

## Currency Rates

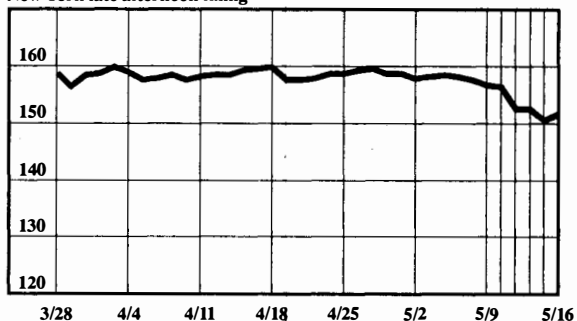
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New York late afternoon fixing



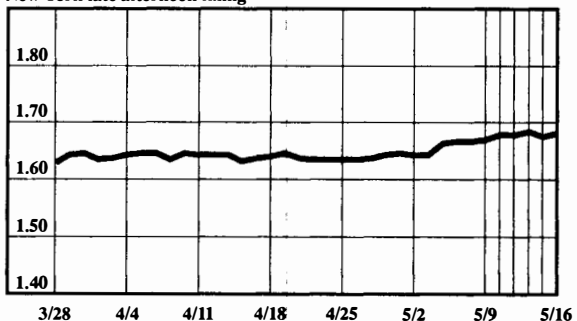
### The dollar in yen

New York late afternoon fixing



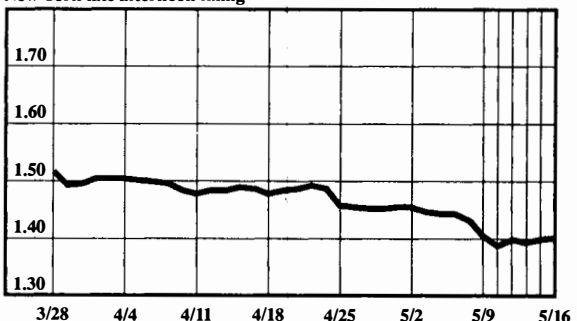
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing





# The Gorbachov Clean Air Act will wreck America's industry

The much-publicized amendments package to the 1990 Clean Air Act, recently passed by the Senate and now being rushed through the House of Representatives, has been characterized by congressional candidate Lyndon LaRouche as the worst piece of legislation ever seen on Capitol Hill. If signed into law, the act will create a national economic emergency so staggering as to end technological progress in the United States for years to come.

Such an economic catastrophe in America is much to the liking of the generals in the Kremlin—hence, it's been nicknamed the Gorbachov Bill by LaRouche. He has called for a fight to stop its passage in the House of Representatives, and, if the Congress is foolish enough to vote it up, a redoubled effort to repeal it immediately.

Here, in brief outline, is what is at stake, if the act becomes law:

- Some 750,000 jobs will be immediately threatened. Most severely affected will be coal miners, steel workers, and auto workers. Millions more jobs will be on the line.

- Utility prices will rise by 5-15% in many parts of the country. A single Commonwealth Edison power plant located in Kincaid, Illinois reports that it faces the prospect of spending \$350 million to reduce emissions.

- The Bush administration estimates the cost to the economy to be at least \$21 billion per year. Other studies show the cost to be minimally \$50 billion annually, and likely to be well over \$100 billion.

- Automobile prices will be increased by at least \$600. To meet mandated fuel-efficiency standards, cars will need to be 1,000 pounds lighter. Most Americans will only be able to afford compact or subcompact cars.

- Studies have shown that the less the weight of a car, the higher the rate of fatalities from accidents. In June 1989, the *Journal of Law and Economics* predicted that 1,000 more people will die each year because the lighter and smaller cars needed to meet such fuel-efficiency standards are not as safe as larger cars.

- Fuel prices will be increased by more than 10% to meet new standards. Gasoline prices may rise as much as 25-30¢ per gallon, on top of new state and local taxes.

- The amendments requiring the use of ethanol in gasoline will cost the consumer between \$25-50 billion in major urban areas. The main beneficiaries of this will be the Archer Daniels Midland grain cartel company, which controls 75% of all U.S. ethanol production. ADM's chief execu-

utive officer is Dwayne Andreas, one of Gorbachov's closest collaborators in the West. Since the Carter administration, ethanol producers, mostly ADM, have received over \$4.6 billion in government subsidies.

- The automotive aftermarket, from independent car mechanics to auto part retailers, will be wrecked by the amendment requiring an eight-year, 80,000-mile warranty on all the emission control systems in new cars. That means consumers will be forced to go back to dealers for all repairs, and will end up paying 20-40% higher fees in repairs and parts. Over 500,000 independent small businesses and repair shops will be affected—and the extended warranty will not reduce pollution.

- The amendments create state-run programs requiring permits for the operation of sources of air pollutants, including dry cleaners, the local printer, and photocopying shops. Exorbitant fees are mandated to pay for the huge bureaucracy that will be created at the local, state, and national level to review and approve (or deny) the permits.

- Businesses will have to periodically submit detailed emission analyses, compliance schedules, and compliance certificates to the permitting agency. Businesses must also notify the permitting authority of any violation of a permit condition. Virtually any change affecting a manufacturer's air emissions could require an operating permit amendment. The National Association of Manufacturers estimates that small businesses will spend far more money trying to fill out Environmental Protection Agency (EPA) paperwork, than on controlling emissions.

- Small businesses will be required to spend between \$75,000 and \$100,000 a year to meet requirements to monitor their emissions. Failure to comply with the requirement to report to the EPA carries criminal as well as civil penalties.

- The amendments impose an absolute cap on future emissions of sulfur dioxide and nitrogen oxides. A cap is placed on industrial emissions by industry, and by geographical area. This will prohibit the growth of any industry, since a factory could not be built unless one existing factory shuts down, to keep the total amount of emissions the same. This is the industrial equivalent of the Chinese zero population growth model, in which women who have had one child are forced to undergo abortions.

- The cap on emissions will prohibit the construction of new power plants, and wreak havoc in metals-producing industries that use large amounts of electricity, such as alumi-

num, copper, and titanium. Already, aluminum mills in the Northwest have been asked to cut back on production during winter months by the Bonneville Power Authority to "conserve electricity."

- The use of nitrogen, the basis for most agricultural fertilizers, will be severely limited, if not banned. Crop yields will fall by half. Pesticides and fungicides will also be severely curtailed. The National Agricultural Chemicals Association has estimated that consumer food prices will rise 13%, and U.S. supplies of fruits and vegetables will collapse by 24%, if the use of crop-protective fungicides is prohibited.

- Virtually every oil refinery in the United States will be shut down. Already, oil industry executives have begun shifting refining operations to overseas facilities. The steel industry will have to shut down 36 and 39, and perhaps all, of its 40 coke oven plants. According to EPA studies, about 50% of U.S. pulp and paper mills will not be able to meet the new standards, and will be shut down.

- Under existing law, only eight "air pollutants" are regulated—mercury, asbestos, beryllium, vinyl chloride, benzene, radionuclides, inorganic arsenic, and coke oven emissions. The new amendments name 191 substances to be identified as "hazardous air pollutants," and specify that "major sources" of these substances will be strictly regulated.

- A "major source" of pollution can be quite minor and may emit only 10 tons per year (TPY) of any listed substance, or 25 TPY of any combination of listed substances. Some of these so-called pollutants are critical elements in industrial production, such as butadiene, which is used to make synthetic rubber.

### **An environmental police state**

- Basic constitutional rights, such as a trial by jury, are eliminated by this monstrous legislation. The EPA is empowered to impose severe civil and criminal penalties for the tiniest infractions, by administrative fiat—and is given powers far greater than the Internal Revenue Service. Citizens may have a court trial only if they appeal after being convicted by the EPA. The amendment has ample provisions for environmental bounty hunters to bring "civil" suits and actions, and take a share of whatever fine is imposed by the EPA!

- A person can be jailed for up to two years for each violation. Each day, for example, of operating a plant with too great an emissions level, or failing to file proper forms, can be considered a distinct violation.

- The amendments establish a total ban on chlorofluorocarbons (CFCs,) and impose mandatory jail sentences for individuals and companies that provide Third World countries with the technology to manufacture CFCs. Third World countries that desperately need refrigeration equipment to prevent food spoilage, will not get it, because the technology depends on CFCs. This, despite the fact that there is no conclusive evidence supporting the contention that the ozone layer is being depleted by CFCs.

## **High technology can clean up the environment**

Pollution is a result of the incomplete combustion of fossil fuels or other inefficient industrial processes. Therefore, the way to clean up the environment, and advance the economy at the same time, is to progress to more efficient, productive technologies.

Here are a few of the technologies that would reduce pollution, increase productivity, and lower costs to industry and consumers.

**Standardized nuclear power plants**—modular light-water reactors could be mass produced and put into operation within six years.

**Modular high-temperature gas-cooled reactors**—should be commercially developed and mass produced, providing higher temperatures for industrial processing.

**MHD**—coal can be burned more efficiently and without pollution, by using magnetohydrodynamics.

**Fusion**—an accelerated research and development effort could make fusion available soon after the year 2000.

**High-speed rail**—the irrational growth in long-haul commercial trucking has been fed by the collapse of the nation's railroads. Modern rail systems would return energy-wasteful trucking to short-haul, intracity transport. Faster, high-speed rail should be built for intercity passenger and freight transport.

**Maglev**—magnetically levitated vehicles, which do not have any contact with their metal guideway, achieve speeds up to 300 miles per hour for passengers and light freight. This system would provide clean, fast, safe transport for distances of 100-600 miles.

**Plasma processes**—an array of low-temperature plasma processes (a few thousand degrees) could revolutionize metals processing. Rather than chemically reducing ores or recycled materials, they can be directly separated into their constituent elements. No pollution is produced.

**Directed energy**—lasers, electron beams, and other forms of coherent energy can be directly applied to materials for cutting, drilling, and other operations, to replace metal-on-metal machine tool-making and finishing techniques. This would result in orders of magnitude increases in productivity, and improved energy efficiency.

# The failed economics of Thatcherism

*The world's banker is bankrupt, as the English-speaking world harvests the fruits of its policy disasters. Part I of a series by William Engdahl.*

The Interim Committee meeting of the International Monetary Fund in Washington, D.C. on May 7 approved a proposal to downgrade Great Britain from its 45-year-long position as the world's second most powerful financial power. According to the rules of the Anglo-Saxon game, established at Bretton Woods in 1944 by Maynard Lord Keynes and his American counterpart, Treasury Undersecretary Harry Dexter White, Britain would be given voting power second only to the United States in setting terms of world trade and currency parities for the postwar world.

The demotion of Britain has been acknowledged formally more than 20 years after it had obviously become an economic "basket case" compared with the booming industrial economies of France, West Germany, and later Japan. In November 1967, a Labour government devalued the pound sterling by 14% to reflect the sick industrial realities of Britain of that day.

Today, following a much-touted 11 years of conservative "Thatcher revolution" policies, Britain is, perhaps even more alarmingly, in economic crisis and, most recently, sinking into one of the most serious financial, real estate, and banking crises in its history. Ironically, at the time Thatcherite free-market economics is being exported to unwitting emerging East European nations as the "antidote" to 45 years of communist centralism, Thatcher's economic strategy has ensured that Britain, potentially a dynamic industrial economy of 55 million people, has allowed its national transport and electric infrastructure to rot, and its industry to fall far behind continental Europe in technology levels.

But most telling is the spreading rot in the one area which Thatcher pointed to with pride as her crowning accomplishment during the last national election: the rebuilding of the City of London as the world's preeminent financial and banking center. By 1984, London had retaken its 19th-century role as the world's largest international banking center, more from its dealings in others' "offshore" Eurodollar transactions than from any healthy profits from British industry.

Guided by Thatcherite "free market" reforms, Britain has auctioned off some of its most precious state companies in a series of "privatizations" which benefited no one but the financial advisers such as N.M. Rothschild. In tax policy, it has successively lowered corporate tax rates to one of the lowest in the industrial world, at a par with the United States at 35%. This corporate "tax haven" policy has been complemented with Thatcher's increasing use of direct consumer

taxes—the Value Added Tax (VAT) and now the hated "poll tax."

In the financial markets, Thatcher's government opened the floodgates of financial market deregulation with its ill-fated October 1986 City of London "Big Bang." It was deliberately modeled on the revolution of the late 1970s which made Wall Street into one of the world's largest speculative casinos. Since "Big Bang," in addition to a few publicized "insider trading" cases, unbridled speculative excesses continue virtually unchecked, according to informed reports.

Today, British stock brokerages and merchant banks are in their worst crisis since the crash of 1974. Real estate prices are plummeting. Inflation is soaring again to 10% levels not seen since 1981. Trade is collapsing and imports soaring. U.S. economist David Hale refers to the present situation as a crisis of the past decade's "leveraging process which occurred in all the English-speaking nations," including the United States, United Kingdom, Australia, and New Zealand. He is correct in that the exact same policy advisers launched the most unprecedented binge of "free-market" reforms, in a daring bid to force similar change throughout the industrial world. But the cancer of Anglo-Saxon free-market economics has remained concentrated in the "English-speaking region."

In a rare and candid "Lombard" column in London's influential *Financial Times* on Dec. 18 of last year, editorialist John Plender noted this reality. Plender looked at the consequences of the wave of 1980s liberalizations in financial and foreign exchange markets, the heart of the Thatcher "revolution." His verdict is black. Noting that financial market liberalization has so far been largely confined to the Anglo-Saxon countries, he reports that "this has not deterred the Anglo-Saxons from ill-considered attempts to impose deregulation on their trading partners. Now we have Mrs. Thatcher urging liberalization on the continental Europeans as a condition of British entry into the exchange rate mechanism." Plender correctly notes, "Britain's over-sized financial sector derives much of its competitive advantage from being less heavily regulated than its continental equivalents." He contrasts such "Anglo-Saxon policy chaos" to the largely healthy industrial policies of Japan and continental Europe, especially Germany.

Let's look briefly at the current dimensions of Britain's real estate situation, and how this is threatening the most severe banking crisis in postwar British history.

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*"In Receivership": the City of London financial center, erstwhile showpiece of Thatcher's free market economics, is selling off its assets.*

## Fate of B&C in hands of loan stock holders

### Thatcher's real estate bubble

Largely in order to maintain the position of the City of London as a banking power and to ensure that eventual British entry into the continental European currency zone would make London the world's financial "entrepôt" for recycling world capital, as Bank of England Governor Robin Leigh-Pemberton put it, the British government began to raise interest rates to the point that bank "base rates" hit a staggering 15% last October, where they have remained ever since—the highest level since the all-time high of 17% back in 1981.

Predictably, such absurd costs of money have done little to help the real economy. Most directly hit to date, however, has been a recent binge of speculative real estate lending. On April 27, a large U.K. property development and construction, Rush and Tompkins, went into bankruptcy. The group had operations across the U.K. and in the U.S. and Bahamas as well, employing 2,000 at its peak. It has debts of some \$450 million and got smashed by soaring interest costs on its debt. It has been the first failure of a publicly quoted commercial real estate developed in years. The stock market in London immediately fell on the news.

But Rush and Tompkins has not been the only hint of troubles. Only days before, the Bank of England made an unprecedented intervention to attempt to rescue British and Commonwealth, a financial and real estate conglomerate with debts of more than \$1 billion. Many smaller companies are either bankrupt or on the verge. But the most dramatic shock, according to London property experts, has not yet become public. They report that the world's largest private real estate conglomerate, the Toronto-based Olympia and York, is having serious financial problems. The secretive Reichmann brothers, who hold Olympia and York, not only hold the largest single share of New York City commercial real estate; they are now the largest shareowner of the crisis-ridden Campeau Corp. of Canadian financier Robert Campeau. But most recently, in order to "diversify" risk, Olympia and York went into London real estate. It is now the key promoter of the largest commercial real estate development in Britain, the ill-

fated London "Canary Wharf" \$4.5 billion Docklands office project. Office space is vacant, developers are going bankrupt, and construction is years behind schedule.

London became the centerpiece of Britain's latest real estate bubble, when banks and financial companies launched a spending spree in anticipation of Thatcher's financial "Big Bang." As a result of lax government development policies and a plenitude of speculative funds, an unprecedented construction boom took place in the environs of London over the past five years. By 1992, if all buildings are completed—a highly dubious prospect—London will have 35 million new square feet of office space, equal to one-half of present City of London total space. Already, with tens of thousands of layoffs following the October 1987 London stock market crash, office vacancy rates have doubled to 10% from the level of mid-1988. In the Reichmanns' Docklands, the vacancy rate is an alarming 42%.

### Hitting the banks

The speculative real estate boom in many respects is parallel to the real estate speculation that took hold during the 1980s in the United States. Major U.K. banks trying to find new sources of profit to compensate for their devastating losses from the Third World debt crisis of the 1980s turned to a classic speculative bubble. Banks have gone into real estate lending in a manner never before seen in the United Kingdom. "This crisis is in a certain sense far more dangerous than the last major one in 1974," stressed City of London economist Stephen Lewis. "This time, unlike in 1974, the big banks are directly exposed as real estate lenders." This was the reason for an unusual warning issued by the Bank of England's Leigh-Pemberton last October, that bank real estate loans had soared by a staggering 50% in value in the 12 months ending last August.

Total U.K. bank lending to real estate as of this March was estimated at \$48 billion. And most of this is extended in a pyramid of loans to over-leveraged developers or projects. Lloyds Bank, the British bank with the largest Third World

debt burden, had gone into real estate to compensate. It is now holding the bag for the bankrupt Rush and Tompkins. Total bank exposure to real estate has soared. From less than \$15 billion in early 1987, it is now just below \$50 billion. By the final quarter of 1989, British property values actually began to drop. A survey by the Investment Property database noted an alarming 1.8% drop in prices. In home prices the drop is even more severe, with estate auctions in the last weeks reporting prices down 20% from their 1987 peaks. The problem is that banks have bet billions of their scarce assets on the idea that assets and prices would continue to rise. The house of cards is now crashing down about them.

This new reality was hinted in a statement in April to the annual meeting of Britain's Midland Bank by chairman Sir Kit McMahon. McMahon warned stockholders, "The impact of high interest rates is also reflected in a worsening of the bad debt position across our U.K. loan portfolio." The depressed market for home mortgages in Britain and the collapsing real estate picture were the primary reasons for Midland's sharp losses. But only two days after Sir Kit rattled the London stock market with his dismal report, Sir Martin Jacomb, deputy chairman of Barclays Bank, warned that "the current economic situation in the U.K. is beginning to have an adverse effect on some of our customers." Stock share prices for Midland Bank are down 31% over their high this year as

a result, with Barclays down 17% and Lloyds down 19%.

All this doesn't help the other part of the London financial community, the merchant bankers, who finance corporate takeovers or trade in stocks and bonds. Lewis estimates that by the end of next year, 50,000 financial jobs will have been lost as result of the post-1987 depression in financial trading profits, since Thatcher's Big Bang allowed banks and brokerages to be under one owner. Commission income on London's stock trading is down by 25% from last year, as merger activity has ground to a virtual halt in the nervous high interest rate climate. Volume of takeover business is also down this year to only one-third what it was a year ago. This is hitting such names as S.G. Warburg, Schroder, and Lazard Brothers.

All these problems have a common root. Under the "free-market" Thatcher economic dogma—actually a poorly rehashed version of Adam Smith's "magic of the marketplace"—unbridled competition reigned, while sensible national investment and development policy was given last priority. Like the blind man falling from a 20-story building, it all seemed to be going smoothly until that last floor. Today, Britain's major banking and financial institutions are close to that last floor. Their incestuous ties into U.S. real estate problems will only compound what Hale accurately terms the crisis of the English-speaking world.

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# An alternative to appeasement of China

by Mary M. Burdman

The Taiwanese Council of Agriculture made a unique offer May 9 to the People's Republic of China, which could show the direction to defusing the extremely tense situation between China and its neighbors. It is also an offer which points to a critical issue the U.S. Congress should be considering in the upcoming fight over renewing China's Most Favored Nation (MFN) trading status.

Council of Agriculture head Yu Yushien announced that Taiwan will send intellectuals and other private groups to the Chinese mainland to assist in developing agricultural know-how—if the Communist regime gives up its one-party rule and “four insistences,” and opens a few areas for “free economy.” Yu told the press that he was confident that Taiwan's “rich experience in agricultural development” would help mainland farmers boost their living standards, but the transfer of agricultural technology would be of benefit only when the political and economic systems had been reformed on the mainland. Agriculture is still the basis of the entire mainland economy, employing 800 million of the P.R.C.'s over 1 billion people, and improving production is essential if China is to break out of its current terrible crisis.

The wretched state of the P.R.C. economy makes the leadership extremely vulnerable. At the same time, to guarantee that sanctions will ultimately benefit China by driving the Communist leadership from power, it is essential that the West offer China something real. Western nations must stop promoting the cheap-export “free trade zones,” and shift to genuine development of agriculture, infrastructure, and industry. Margaret Thatcher's British government, however, has certainly made it clear that it has no intention of changing the free trade policy it has imposed on China since the Opium Wars of the 19th century. The British embassy in Washington, D.C. began lobbying in early May for the U.S. Congress to retain MFN status for China, on the basis that stripping China of the tariff advantages will cost Britain's colony Hong Kong of billions in trade. Britain has sold out Hong Kong's population of 6 million people, to attempt to gain trade concessions from the P.R.C.

## Economy in crisis

Just how vulnerable Beijing's economic situation is, is shown by the report May 16 that China has told the United

States that it is pulling out of a \$550 million military cooperation agreement for modernizing China's F-8 jet fighters. This decade-long program, known as “Peace Pearl,” was, of course, not shut down by President George Bush when he made his cosmetic suspension of military sales to China after the June 4, 1989 massacre in Tiananmen Square. The program was the largest Sino-U.S. arms contract of the 1980s.

U.S. military sources say China had been concerned for some time about the burgeoning costs of the program, the Los Angeles Times Service reported.

China's debt is another warning sign. The emphatic denial by an unnamed “senior official” of China's State Administration of Exchange Controls, that the P.R.C. government had guaranteed some \$70 billion in debt run up by state-owned companies during the decade of the Deng Xiaoping “reforms,” had the tone of “the lady doth protest too much.” The official, the news agency Xinhua reported May 4, claimed that the amount now guaranteed by the Beijing government was one-tenth of the rumored figure. The official then went on to deny other “rumors” of an upcoming change in the exchange rate for the renminbi, China's foreign exchange currency. Similar rumors were roundly denied before the last 26.9% devaluation of the renminbi late last year.

The rumors originated in Hong Kong May 20, when a senior Beijing official told Reuters correspondents that China may owe up to \$70 billion in government-guaranteed loans. This amount, in addition to the \$41.3 billion foreign debt the government does acknowledge, would put China in the ranks of Brazil as one of the most indebted developing nations in the world.

The Beijing government had just done a survey on the debt situation, the official said, and realized that borrowing by individual state-owned companies had gotten out of hand, and that many of the loans are still outstanding. The economic crisis was forcing many companies to default on the loans, leaving the government holding the bag, the official said.

Despite the official denial, there is no doubt that individual companies' or regions' borrowing ballooned during the chaos of the “Deng reforms,” a practice government officials roundly denounced when they attempted to get the economy back under central control at the end of last year. On May 20, Beijing announced that only 10 financial organizations will be allowed to take foreign loans.

In a test case that many Western investors are watching closely, the First National Bank of Chicago is suing a company in Hong Kong for defaulting on a \$14.65 million loan, guaranteed by the Guangdong province China National Machinery and Equipment Import and Export Corp. Many banks have cut their lending to China because they knew of its huge unacknowledged debt of up to \$70 billion, Reuters reported. Britain's Lloyds Bank has already settled a \$1 million case against the China International Trust and Investment Corp. (CITIC) out of court, and the U.S. First Chicago and Security Pacific banks are suing Chinese firms.

## Gorbachov wants Minnesota grain

*The Soviet leader plans a "tourist excursion" to Minnesota—but he doesn't have anyone fooled.*

The U.S. media on May 15 were full of headlines about how Soviet leader Mikhail Gorbachov will "turn tourist" after his summit meeting in Washington, D.C. May 30 to June 3. A U.S. official said that Gorbachov "expressed a desire to travel beyond Washington." San Francisco and Minneapolis were mentioned for June 3 and 4, but "nothing has been finalized, so this is just a tentative indication of his plans."

This is like saying that the Big Bad Wolf decided to visit Little Red Riding Hood's grandmother's house because he needed a vacation.

The Russian bear is making a "tour stop" to Minnesota for the purpose of checking up on the U.S. grain supply to the Soviet Union. Gorbachov has already said that he plans to sign a Long Term Agreement on U.S.-U.S.S.R. grain trade, in which Washington will pledge at least 50 million tons of grain to Russia for the next five years, and, more likely, plan to send 100 million tons—about equal to a whole year's total world grain trade.

Meeting these commitments will not be a simple matter for the United States, since soybean carryover stocks are next to zero, wheat stocks are at the lowest level since the early 1970s, and corn carryover stocks will be very low even if there is perfect growing weather this summer.

There is a severe food shortage in the Soviet Union. The Soviet economy is in a shambles after years of mismanagement and concentration of resources into a colossal armaments buildup.

Minneapolis is the policymaking

center for much of the North American operations of the international cartel of companies that dominate the world grain trade (the Minnesota-based Cargill, Continental, Bunge, Louis Dreyfus, Archer Daniels Midland, André/Garnac, and others).

These cartel companies in turn represent a commodities "front group" for old-time political and financial interests in the Western world, mostly based in Europe, that have attempted to dominate a détente with Russia—whether communist, czarist, or anything else.

Early in the 1980s, Cargill and others funded the creation of the Hubert Humphrey Institute for Public Affairs, attached to the University of Minnesota in St. Paul, which specialized in computerized studies of impending world food shortages, and calculated which people around the world would be fed, and which would go hungry and die.

The food cartel companies have committed millions of tons of U.S. taxpayer-subsidized grain to Moscow in the last few years, as well as butter, soybean products, and other necessities. But now, due to the deepening Depression in the West, the food is becoming scarce.

Dwayne Andreas and his company Archer Daniels Midland (ADM) and the Winrock Foundation (named for Winthrop Rockefeller) in Arkansas are recommending that the West will have to "change its eating habits"—give up meat and dairy products, switch to soy milk, "fake fat," and other such products, in order to make good on food commitments to the Soviet Union.

In addition to the food shortage problem, Moscow has a cash shortage. The Soviets have run out of hard currency to pay for food imports.

For at least three months, two of the biggest cartel companies, Cargill and Continental, have reportedly set contracts with Russia only through Japanese intermediary financing houses. This cannot last for long.

In March, Dwayne Andreas called a press conference to announce a new barter deal. His company, ADM, will ship soybeans and other feed and foodstuffs to the U.S.S.R. in exchange for Soviet-built ocean freighters—all the more to consolidate ADM's position in world food control.

Andreas is the big booster for the Soviet Union in the Western business world. He heads up the U.S.-U.S.S.R. Trade and Economic Council, and shuttles back and forth between Moscow and Washington.

Andreas is cited as a key figure in facilitating Gorbachov's trip to the grain belt. When the announcement of Gorbachov's visit was made, the Minneapolis area media and public figures followed the scripts they had been given to extend the red carpet.

Gov. Rudy Perpich gushed, "It's almost too good to be true. I didn't believe it at first. The Russians are coming. Can you imagine? I think it's bigger than the Super Bowl."

The *Minneapolis Tribune* opined that emigré groups in the city were not upset at Gorbachov's coming.

Steven Feinstein, speaking for the Minnesota-Dakota Action Committee for Soviet Jewry, said that Gorbachov has done more for Soviet Jews than any other leader. This is the view promulgated by the Anti-Defamation League, one of whose major funders is Dwayne Andreas.

If you're a tourist, you don't go to Minnesota for the beaches.

## Reichmanns are in deep trouble

*After the Campeau bust, now the devaluing of Gulf Canada may mean that New York's biggest landlord is going broke.*

With the recent publication of a report on their financial holdings by Dominion Bond Rating Service Ltd. of Toronto, (DBRS), the fortune of the three Reichmann brothers—Paul, Albert, and Ralph—appears to be having trouble. Probably the most comprehensive study of the mysterious Canadian family's wealth ever compiled, taking four analysts six weeks to complete, with no help from the very private company staff, it valued their investments in Canada itself at \$6.6 billion, but added that since some of these holdings represent controlling interest in several corporations, the sale of these as blocks would more likely push the value up to the neighborhood of \$9 billion. This figure—though certainly in excess of the \$1.6 million they were reported to be worth 25 years ago—is a step down, according to the report's authors, who expressed strong doubts about the future of Gulf Canada, which represents about one-third of the stock market portfolio of the Reichmanns.

Gulf Canada's bond rating was downgraded in March by DBRS, and on April 12, by Moody's Investor Service, because of an "excessive" proportion of fixed charge obligations in its capital structure, about 60% of the capitalization of the company.

But the report still does not cover the Reichmanns' extensive real estate holdings in the United States, where, through Olympia and York, they own 28 million square feet of New York office space and are the largest landlords in that city. Nor does it cover other real estate development projects over the world, such as the \$250 million, 60-story office building planned

for downtown Moscow, to be the tallest building in the U.S.S.R.

The slipping status of the Reichmanns' fortune due to Gulf Canada's problems is the second recent setback for the brothers. They had also invested \$600 million in the Campeau Corp. of Toronto, whose stock has gone from \$22 per share to less than \$2 per share recently. According to the DBRS report, "If the worst-case scenario prevailed, we estimate that Olympia and York would lose \$150 million on Campeau at most."

Still to come appear to be shocks to another Reichmann-controlled company, the forestry giant Abitibi-Price, of which they own 82%. Looming on their horizon are labor problems, environmental concerns, and the dropping price of newsprint in a glut.

Stock market insiders are saying this shouldn't make stockholders fear any loss of dividend, because, as with Olympia and York, Gulf Canada will need the dividends themselves for cash flow, so the dividends will be paid. In 1989 Gulf Canada reported \$423 million cash flow, paid \$95 million to preferred shareholders, another \$62 million in common share dividends, and then reported a loss of \$24 million for the year. Will these financial difficulties in Canada force the Reichmanns to sell off New York City real estate and burst that bubble?

There are repercussions for their co-thinkers in the Bronfman clan. Albert Reichmann is the co-chairman of the Canada-U.S.S.R. Business Council—a parallel to the Bronfman-linked U.S.-U.S.S.R. Trade and Economic Council.

The Reichmanns have many irons in the same fire as the Bronfmans. Albert sits on the board of Bramalea Ltd. with Peter Bronfman, and with both his brothers on the board of Trizec Real Estate Corp. with Peter and Edgar Bronfman. An investigation published in *War on Drugs* magazine in January 1981 titled "Shooting Up Rents in NYC: Real Estate and the Dope Mob" mooted that the Reichmanns were merely a front for the same interests that built the Bronfman fortune, and that their real estate ventures were part of related drug money laundering operations.

Paul Reichmann also sits on the board of Hollinger Inc., along with Peter Bronfmann, Henry Kissinger, and Lord Carrington. This is Conrad Black's newspaper conglomerate with branches in Canada, Britain, the Cayman Islands, and, with the purchase of the *Jerusalem Post*, Israel.

The Reichmann family's business dealings are kept so secret, it is hard to know if they, like Bronfman and Kissinger, are involved in land speculation in the Israeli-occupied West Bank. But Albert Reichmann certainly shares Bronfman's concern for making sure Soviet Jews are conduit-ed to the West Bank.

Indeed, Albert Reichmann has reported that his Canada-U.S.S.R. Business Council was formed last June as a direct spinoff of efforts to get Prime Minister Brian Mulroney to raise the question with Soviet Foreign Minister Eduard Shevardnadze when he visited Canada in 1986. After the trip, Reichmann was contacted by Canada's minister of external affairs, Joe Clark, who suggested he set up something with the Soviet Union, "business or otherwise." "I came to the idea," Reichmann told the *Globe and Mail* in July 1989, "that maybe it is not bad to do business with them."



## Better late than never

*There is no evidence of increased risk of complications or death in the infants of older mothers, says a new report.*

**T**here is good news for older women contemplating a first pregnancy, according to an article published in the March 8, 1990 issue of *The New England Journal of Medicine*. In a study of 3,917 women giving birth to their first child, doctors found no evidence of increased risk of complications or death in the infants of older mothers. The study was done at the Department of Obstetrics, Gynecology, and Reproductive Science at the Mount Sinai School of Medicine in New York City.

In the introduction to the study, entitled "Delayed Childbearing and the Outcome of Pregnancy," the authors state: "The question of whether women who delay childbearing are at an increased risk of having an adverse outcome of pregnancy is of importance because of the growing proportion of first births to older women. Between 1970 and 1986 the rate of first births in the United States more than doubled among women 30 to 39 years of age, and it increased by 50% for women 40 to 44. A recent survey of expectations of fertility among American women indicates that these trends are likely to continue. The pursuit of educational and career goals, later marriages, and improved contraceptive techniques are believed to have contributed to the shift in childbearing patterns among older women."

Previous studies produced contradictory answers to the question of what effect the mother's age had on a first pregnancy. Forty years ago, two researchers first coined the term "elderly primigravida" to describe any woman over 35 years old and pregnant for the first time. But many of these

studies on this group were small and poorly controlled.

The current study involved 3,917 first-time pregnancies, of which 1,464 were in women 30 to 34 years old and 799 were in women over 35 years old. The researchers found that these "reproductively mature" mothers had only a slightly increased risk of delivering a low-birth-weight infant. They had no increased risk of having a child that was small for its age or at increased risk of dying in the period around the time of birth.

While the infants of older mothers fare no differently than those of younger mothers, there are differences among the mothers themselves. Older mothers are more likely to develop high blood pressure, carbohydrate intolerance (diabetes), and are also more likely to develop bleeding during the pregnancy. This is not surprising since diabetes and hypertension tend to be age-related anyway.

Older first-time mothers have a higher rate of caesarean section, but there is no clear-cut reason presented for this. It could result from the tendency to consider these pregnancies as "high risk," and to act preemptively rather than allow a trial of labor.

The results of this study conflict with similar studies and with the comparatively poor infant mortality rates in the United States. The authors explain:

"It should be emphasized that our study population may not be representative of all women who delay childbearing. The women in the study were private patients who were predominantly white, married, and college educated. Our findings may not be appli-

cable to other socio-economic groups. On the other hand, our study population probably typifies urban women who postpone childbearing because of educational or professional pursuits or for other personal reasons."

In an editorial comment in the same issue of the *Journal*, Dr. Robert Resnik of the University of California at San Diego noted: "One must also take into account the fact that Berkowitz and her colleagues, as they acknowledge, studied a population of private patients who were predominantly white, married, college educated, and nonsmoking. Recent data confirm that members of the socio-economic group represented by such a population are more likely to defer childbearing until their 30s. Among first-time mothers who were 30 or older, 49% were college graduates, as compared with 19% of those in their 20s. The data must be interpreted cautiously, particularly when one is considering other socio-economic groups.

"Nevertheless, the message is clear and highly optimistic. What should be emphasized is the fact that the few pregnancy-related problems in nulliparous women who are 35 or older are readily manageable in 1990. . . . The increasing number of women postponing first pregnancies can look forward to excellent outcomes."

One factor in assuring such outcomes is preconception planning. According to Kimberly K. Leslie, M.D., of the University of Colorado School of Medicine, "In general, mothers feel better, look better, and do better during the delivery process if they have been prepared for the pregnancy before conception." She argues that preconception counseling, first done for diabetic mothers, must be routine. Her findings and advice are published in *Preconceptions: Preparations for Pregnancy*.

# Business Briefs

## Infrastructure

### Italian engineers build railway bridge in hours

Italian engineers built a one-kilometer railway bridge entirely from prefabricated segments, completing the high-speed track for the "Pontebbana" between Carnia and Pontebba in Italy's Alpine north, in 48 hours.

The bridge, near Venzona, was built of several hundred segments that were transported from the factory to the construction site in a convoy of 120 heavy-duty trucks, and 48 hours after the entire operation began, the bridge was completed.

Envisaging the future cross-border transit with Austria on that route, which is scheduled to begin 1993-94, the Austrian Railways offered the Italian Railways a new type of locomotive, capable of running on either the Italian or the Austrian electric currents. The locomotive, produced by the firm Simmering-Graz-Pauker, will save time previously lost during the usual changing of locomotives at the border.

## Railways

### Soviets plan grand high-speed project

The Soviet Union is planning construction of a high-speed rail line from Leningrad to Moscow, and two high-speed trunk lines from Moscow through Ukraine, terminating in Crimea, and through southern Russia, Rostov on Don, and extending through the North Caucasus into the Transcaucasus, according to Radio Moscow May 12, which called it "the super project of the century."

Radio Moscow added that a debate over the project has broken out in the Soviet press, citing a May 11 article in the daily *Sovetskaya Rossiya* calling for the "plan to be abandoned" on the basis of the alleged "huge costs" and "impact on the ecology."

The plan is, however, reportedly sound and precisely the type of major infrastructure project required to open the door to solving

the transport collapse at the heart of the Soviet economic breakdown. The plan is the longest high-speed rail network proposed anywhere in the world, and the proposed routes would link Russia's two largest cities, Moscow and Leningrad, with the Ukraine industrial belt and the U.S.S.R.'s two granaries, Ukraine and southern Russia. Future extensions of the "super project" could link up this north-south high-speed rail network westwards to meet the Central European Triangle advocated by the Schiller Institute, and eastwards to serve Russia's Volga and Urals industrial hubs.

## Shipbuilding

### Japan developing MHD propulsion

The Japan Foundation for Shipbuilding Advancement is readying a test next year of the world's first ship, the Yamato I, which will be propelled by superconducting magnets in a magnetohydrodynamic (MHD) system, according to the May 15 *New York Times* and a recent issue of *New Technology Week*.

The foundation has reportedly spent over \$30 million on the effort in the past three years. The advantage of the MHD technology, especially for submarine applications, is that it is virtually silent, as it involves no moving parts.

An electric current is passed through the weakly electrically conducting seawater, which is thereby separated into positively and negatively charged particles. Action of the superconducting magnets directs the flow of the water perpendicular to the magnetic field, pushing it out one end of the MHD channel. This thrust, similar to rocket thrust, moves the ship in the opposite direction of the flow of the water.

## Aerospace

### French, British plan 'super Concorde'

A "super Concorde" for the 21st century is being planned by French and British designers,

Reuters reported May 9. Aérospatiale of France and British Aerospace, which jointly built the Concorde supersonic airliner 20 years ago, have started studies on a revised model, Aérospatiale chairman Henri Martre told a news conference in Paris.

The super Concorde on the drawing board would fly nearly twice the range, 7,500 miles instead of 4,000 miles, and carry 200 passengers instead of 100. Technologies that have evolved since the plane first flew in 1969 would allow a reduction in engine noise, better subsonic performance, and a top speed of Mach 2.4, slightly faster than the original. It could fly from Paris to Tokyo in just over five hours. New construction materials could reduce the weight by 20%, thereby improving fuel efficiency.

"There is very strong demand for a successor to Concorde," Martre said. Studies in Europe and the United States show that such an aircraft could be economically viable, with a potential market of 300 to 500 units between 2005 and 2025.

The French and British airplane makers have agreed to spend \$36 million on research over the next five years. The development program could take \$11 billion, in which other partners may be able to join. U.S. efforts to build rival supersonic planes in the 1970s were halted on environmental grounds.

## AIDS

### Uganda is losing an entire generation

An entire generation in its most productive phase of life is being lost by Uganda, Prof. Olof Karlander wrote in the Swedish daily *Dagens Nyheter* May 9.

In the worst-hit parts of Uganda every second person between 15 and 45 years of age is carrying the AIDS virus. More than half a million children in Uganda are orphans, mostly because their parents died of AIDS, and in some hospitals every third mother who gives birth is AIDS infected.

Professor Karlander warned that the advanced sector might believe that AIDS is under control, but that is wrong. AIDS is now be-

coming the poor people's sickness, and "in the Third World it is not only a question of health but increasingly becoming a social catastrophe."

Karlander warned that "AIDS is a catastrophe in high speed" and because of that, we are not reacting quickly enough. He called for immediately educating especially the female population in sexual behavior, and emphasized the importance of economic development.

## Labor

### Fear of U.S. becoming nation of unskilled

Amar Bose, an inventor and Massachusetts Institute of Technology professor, warned a group in Washington honoring the 200th anniversary of the U.S. patent and copyright system May 10, that America is becoming a nation of unskilled laborers.

"If Congress does not wake up and fundamentally restructure our education system, within 40 years the United States will be the country of unskilled laborers working for foreign-owned corporations," Bose said. "Americans will be unable to spell invention, let alone make inventions." He cited statistics, including the 700,000 high school dropouts in 1988. More frightening, he said, was that out of 3.8 million 18-year-olds "in 1988, 700,000 high school graduates could not read their diplomas."

Bose, Philip Leder, a Harvard University geneticist and co-inventor who first patented a cancer-prone mouse, and other speakers said education is the key to technological advances that will be required for the United States to compete internationally.

In the April 27 *Science* magazine, Richard C. Atkinson, chancellor of the University of California at San Diego, projected that the future supply of scientists and engineers in the U.S. will not come close to meeting the demand: "The demographics of the college-age population combined with estimates of the percentage of students who will pursue careers in science and engineering indicate significant shortfalls between supply and demand for the

next several decades at both the baccalaureate and Ph.D. levels. If these projections are realized, the shortage of technical personnel will have a major impact on economic growth, international competitiveness, and national security."

## Defense

### Advanced lasers deployed for blinding

"Blinding lasers: the nastiest weapon?" is the headline of an article appearing in the March 1990 issue of *Military Technology*, a European publication. The article, which details the use of lasers for blinding military personnel, is one of the first publications outside of *EIR* to underscore that laser weapons are not merely the weapons of the future, but have already been deployed.

In one case, a so-called "laser dazzle gun" was identified on a British frigate last year while it was patrolling the Persian Gulf. Similar weapons have been identified on Soviet warships.

Brig. Bengt Anderberg, head of the Planning Department of the Swedish Army Staff who authored the report, said that anti-personnel weapons designed to blind military personnel are the first deployable weapons and have a profound impact on war-fighting.

Echoing the *EIR* Special Report, "Electromagnetic-Effect Weapons: The Technology and Strategic Implications," published in 1988, the article stated that "Relatively cheap, small, and hand-held anti-eye laser weapons could be fielded in large quantities during the 1990s. *EIR* has hypothesized that such blinding weapons caused the Aug. 28, 1988 Ramstein Air Show disaster.

"The impact on the future battlefield of laser weapons will be considerable. They will effect operations and battle techniques. The use of an anti-eye laser as a common weapon on the battlefield will certainly change the situation of the infantryman. . . . All armies will have to write training manuals and design training devices based on new battle doctrines adapted to the laser environment."

● **A REVOLUTIONARY** "synthetic pulse and antenna radar" is being tested at the French proving grounds at Iles du Levant. It provides an omnidirectional constant computer image of the sky and uses VHF waves, reducing the advantages of stealth technologies, and enables planes to "see" without emitting an easily detectable radar beam.

● **INDONESIA'S** national development planning board has asked the Japanese to fund a final feasibility and site determination study for its first nuclear plant, a 600-megawatt reactor, reported the May *Nuclear News*. Japan has never yet used its Overseas Development Assistance Budget for a nuclear project.

● **AIDS** infection rates in Thailand are rising, Dr. Mechai Viravaidya, secretary general of the Population and Community Development Association, told Reuters May 9. Of 10,000 youth tested in the latest Army recruitment drive in the 17 northern provinces, 250, or 2.5%, tested positive.

● **HALF** of all West Germans want to give railway investments top priority, according to an opinion poll published by the Bonn-based INFAS institute. Only 10% would give highway investments priority.

● **THE SCHILLER** Institute's "European triangle" railroad development proposal was reported in the Swiss Italian-language magazine *Gazzetta Ticinese* April 27, which called it an "attractive" plan. "The Europe of the year 2000 could be based on the Paris-Berlin-Vienna triangle. . . . We could create the highest concentration of productive energy ever seen in the world."

● **ARGENTINA'S** assistant secretary of public finances, Raúl Cuello, has called for an investigation of Bunge and Born, Continental Grain, Cargill, Louis Dreyfus, and André, for conspiracy to avoid taxes and controlling 35% of the grain export market.

# Pope in Mexico: East bloc revolution is not enough

by Peter Rush

Hard on the heels of the overthrow of communism in Eastern Europe, one of the chief architects of that overthrow, Pope John Paul II, has set the process into motion for the political and economic liberation of another country, Mexico, with his visit there on May 6-13. The Pope brought to Mexico, now suffering its eighth year of a crushing austerity that has lowered living standards by more than half, a message not only of hope, but of inspiration to the common citizen to finally stand up and fight for the changes required to restart growth, eliminate poverty, and restore human dignity.

Central to his intervention in Mexico was a denunciation of free-market capitalism, and an affirmation of a third way of development, one that upholds the principle that man, and the development of man's creative powers in the image of the Creator, must be the pivot of national and continent-wide policy. To the disenfranchised masses of Mexico, he reaffirmed the positive cultural and religious identity that unifies all Mexicans, and unifies Mexicans with their brothers in the rest of Ibero-America. He emphasized the primacy of the family, and the importance of the individual and of human dignity, values under severe attack in Mexico and throughout the continent by the Anglo-American financial elites. His message of cultural optimism amid a sea of misery laid the groundwork for a revolution throughout the "Continent of Hope" no less momentous than that sweeping Eastern Europe.

From the moment his plane touched down at Benito Juárez Airport outside Mexico City, the Polish Pope was mobbed by Mexicans desperate for a first-hand look at him. Several millions lined his route into Mexico City, and by the time he had left the country, 20 million Mexicans, one-fourth of the population, had seen or heard him in person. The welcome—so stunningly warm that even the Pope, who is not unaccustomed to large and exuberant crowds, was deeply moved—was the spontaneous, eloquent statement of an oppressed people that they have had enough, and want a change. Although Mexican President Carlos Salinas de Gortari welcomed John Paul II at the airport and tried to appear pleased at his



*The Pope receives an exuberant welcome in Mexico, setting the stage for a cultural transformation as revolutionary as that which is taking place in Eastern Europe.*

visit, Salinas, who created the very misery the Pope decried, was dealt a political blow which will topple him from power as surely as Eastern Europe's communist leaders.

John Paul II also upset Salinas's top-priority project to dismantle national sovereignty by setting up a "free trade zone" with the United States and a "North American Common Market." This trade pact will wreck both economies by turning Mexico into a haven for U.S. runaway shops using cheap Mexican labor and exporting to goods back to the United States. Directly locking horns with Salinas, the Pope stated repeatedly that Mexico must unite with the rest of Ibero-America and realize the old dream of continental integration. He reaffirmed what every Mexican feels, namely—a historic, cultural, linguistic, and religious link to the nations to the south, and justified fear and distrust of U.S. intentions.

The Pope's intervention reinforced the eight-year effort led by economist Lyndon H. LaRouche, Jr., the most respected U.S. leader in Mexico, to bring about the kind of economic integration the Pope called for, based on an Ibero-American common market and joint debt moratorium against the domination of the multinational banks. LaRouche's proposal, which has circulated widely among leaders of most Ibero-American nations since it was written in 1982, was titled *Operation Juárez*; eight years of regression, collapse, and crisis suffered by almost every country in the region demonstrates the dolorous consequences of governments' refusal to adopt LaRouche's proposals.

### **Pope criticizes free-market capitalism**

Although he never used the term, the Pope was clearly calling for a third way that is neither communism nor free-market capitalism. As he stressed repeatedly, no system that ignores the social effect of its own measures, that imposes austerity on the masses while the rich get richer, that can create and tolerate the extremes of poverty and human degradation now seen throughout much of Ibero-America, can receive the blessing of the Church, or of Christians.

"I believe that the Pope can use his visit to Mexico to attack the disasters that the capitalist system has left behind in the countries of the South, and to exalt the social role of the Church," Italian journalist Giancarlo Zizola told Mexico's *Proceso* magazine in an interview that appeared the day after the Pope arrived. When asked whether the Pope would attack capitalism with the same vehemence that he has just finished attacking communism during his recent trip to Czechoslovakia, Zizola answered, "I hope so." Zizola, described as one of Italy's top Vatican experts, said that the Pope now considers as a priority to attack "the practical atheism of the West, and the anthropological, economic, and social devastation directly provoked by the capitalist model."

During his eight-day tour, John Paul II confirmed Zizola's estimate. Speaking to over 2,000 Mexican businessmen in Durango on May 9, he said that the momentous events in Eastern Europe have been "superficially interpreted as the victory . . . of one system over another, as the triumph of liberal capitalism," but this view ignores "the effects which

liberal capitalism has had, at least until now, in the so-called Third World countries." He said that these effects included the abject poverty which has been imposed on millions in Mexico and elsewhere in the name of ideologies and false utopias, while the rich merely got richer.

### **Mexican situation called 'intolerable'**

"The situation of Mexico is absolutely intolerable for a man like Karol Wojtyla," journalist Zizola told *Proceso*. The Pope "can no longer abide that in a Catholic country, where Christians play a determining role, a political and social policy of laicism, not to mention anti-clericalism, is maintained." Since the Mexican Revolution of 1914-20, which shares with the Bolshevik Revolution much more than just its date, the Mexican state has been fiercely hostile to the Church. To this day, the Church is all but outlawed, priests are forced by law into the status of an underclass, and religious education is banned.

Taking aim at Mexico's Constitution, which, among other anti-clerical articles, bans Christian education, the Pope said in Chihuahua on May 9 that the family is the "primary and vital cell of society," and that parents have the right "to freely educate their children, in accordance with their own convictions, and to be able to rely on schools in which such education is imparted." This and other interventions during his trip on the issue of Church-state relations hit like a bombshell in Mexico, which was already in the midst of a national debate on the question.

He also criticized the Salinas government. "In the specific case of Mexico, it should be recognized that, despite the vast resources the Creator has endowed on this country, it is still very far from the ideal of justice." He specified that while Mexico's rich are as rich as the rich in the advanced countries, there are large majorities "deprived of the most basic resources," and he hit the "growing decline in purchasing power." President Salinas, as budget minister in the last administration, and now as President, *boasts* of his key role in shaping those economic policies.

John Paul II also criticized the crushing foreign debt of Ibero-America and belittled the so-called "Brady Plan" debt renegotiation deal that only reduced Mexico's annual interest burden on its foreign debt by about 15%. Speaking to the foreign diplomatic community in Mexico City on May 8, he said that the debt "has become a brake, even accentuating underdevelopment in certain areas." He said that this clearly demonstrates that "technical measures" for solving it are insufficient.

### **'The truth will set you free'**

The Pope didn't limit himself to criticisms, but sought to inspire the Mexicans to action to radically change their situation. On May 8, speaking to over 2 million youth at San Juan de los Lagos, near Guadalajara, he called on Mexican youth to understand their role in building a better future.

"Christ . . . places in you a demanding responsibility, as the builders of a new civilization, the civilization of solidarity and love among men," he said. He appealed to them not to fall victim to drugs, hedonism, or "the irrational arrogance of violence," but rather to "help your friends escape from the prison of indifference and desperation," and to "revive in other youth the hope of life."

Even as he scored the business community for failing to be concerned about the general welfare, he called on them to "reproduce this divine design and collaborate with the Creator in the transformation of the world, according to God's plan," and also to pay a "just wage."

Everywhere he went, he held up a mirror so that people, and above all the nation's leaders, would see the magnitude of the poverty gripping millions of Mexicans. The day after arriving, on May 7, the Pope chose the Mexico City suburb of Chalco, in the heart of what is known locally as the "circle of misery," a band of desperately poor districts ringing the capital, to deliver a major address on poverty. He attacked "leaders, bosses, chiefs, ideologues, opinion-makers, and creators of schools of thought" who have "guided people toward artificial paradises," but who, "when the hour of truth comes in the inexorable march of history," have "shown themselves to be false shepherds, servants not of truth and of the good, but of private interests, of ideologies and systems which turn against man." The description certainly fit Mexico's President Salinas, who has reduced Mexico to penury in order to uphold the ideology of the "free-market" liberalism attacked by the Pope on May 9.

In his homily, John Paul II evoked the image of the suffering Christ and likened it to "the faces of children victims of poverty . . . faces of youths disoriented by not finding their place in society . . . faces of the underemployed and unemployed, fired by the harsh demands of economic crises; faces of urban homeless and slum-dwellers . . . faces of helpless and forgotten elderly."

In one of his last addresses, to an assembly of Mexican intellectuals and artists, he delved deeply into the issue of culture, and the intellectuals' responsibility for uplifting the spirit of the nation. Referring to the recent liberation of Eastern Europe, he said that the present period is one in which "you, as men of culture, must offer proof of your lucidity and your penetrating spirit. You are called upon to give life to a new era in the New Continent as well, which poses a challenge to your intellectual labors." He said that there is "an absence of valid cultural projects capable of responding to the profound aspirations of the human heart," and that in Latin America there is "the need to forge new pathways based on your own identity, and this directly calls upon your responsibility for thought and for culture."

Concluding, he quoted Christ's advice to St. John: "Ye shall know the truth, and the truth will set you free." "May you be promoters of messengers of a culture of life that makes Mexico a great nation," he said.

# Pope's message of hope and social justice

*We reproduce here excerpts from some of the most important speeches by Pope John Paul II during his historic visit in Mexico May 6-13. The references in parentheses refer, in most cases, to papal encyclicals.*

## No to Marxism and 'liberal capitalism'

*From a speech to businessmen in the city of Durango on May 9:*

Beloved Mexican businessmen:

In my apostolic travels I have always had great interest in meeting with the men and women of the business world. These meetings are for me an opportunity for a more direct and open communication of the spirit which inspires papal teachings on social matters, while they provide you an opportunity to show the understanding and warmth you reserve for the Church's social doctrine.

In truth, you hold a position of key importance in society's configuration. Your decisions have a multiplier effect and special repercussions upon the social and economic fabric. That is why the hope I place in you is so great.

From this beloved city of Durango, we also feel united to those Mexican businessmen who have been unable to come to this gathering as they might have wished. What's more, our glance extends to all those responsible for Latin America's economic activities. Current circumstances, after the recent developments at the end of last year, demand a broadening of the framework for these considerations to embrace, although with a diversity of nuances, all the countries of Latin America. The guiding principle of our reflections will be the figure of the businessman and the role he is called upon to play in the current circumstances of your continent.

Beyond any technical consideration of the matter, we must contemplate human activity in light of the collaboration with God that every man is called upon to lend (*Laborem Exercens*, 25). Also, today's world—Mexico as well as all of Latin America—should reproduce this divine design and collaborate with the Creator in the transformation of the world, according to God's plan. . . .

Events in recent history to which I have referred have been at times superficially interpreted as the victory or defeat

of one system over another—definitely, as the triumph of liberal capitalism. Specific interests have wanted to take that analysis to the extreme of presenting the apparently victorious system as the only path for our world, based on the setbacks that real socialism has suffered, and avoiding the necessary critical view of the effects which liberal capitalism has had, at least until now, in the so-called Third World countries.

It is wrong to say—as some have—that the social doctrine of the Church condemns only one economic theory. The truth is that, out of respect for science's precise autonomy, the Church offers judgment on the effects of its historic application, when the dignity of the individual is violated or endangered in some way. In the exercise of its prophetic mission, the Church wishes to encourage critical reflection upon social processes, always taking as its viewpoint overcoming situations not fully in line with the goals outlined by the Lord of Creation. The Church would do ill to remain at the mere level of simple social criticism. It thus falls to those of its members who are experts in the various fields of learning, to continue the search for valid and lasting solutions that can orient human processes toward the ideals proposed by the Scriptures.

In the specific case of Mexico, it should be recognized that, despite the vast resources the Creator has endowed on this country, it is still very far from the ideal of justice. Alongside great riches and lifestyles comparable to—and sometimes surpassing—those of the most prosperous countries, there are large majorities deprived of the most basic resources. In recent years we have seen the growing decline in purchasing power, while phenomenon typical of economic organization, such as inflation, have produced painful effects at all levels. It is appropriate to repeat once more: the weakest are always the ones to suffer the worst consequences, finding themselves enclosed in a circle of growing poverty. And why not say, as the Bible does, that the misery of the weakest cries out to God? (Exodus 22: 22ff.) . . .

The Church, through its social teaching, has offered humanity sufficient principles that must be put into practice for a just economy. The teachings have fulfilled their mission, and it now falls to you, the experts, also members of the Church, to make a serious effort to find real, courageous, and practical solutions. . . .

The country, ladies and gentlemen, needs the collaboration of each and every one of you. Each according to his specialty, is called upon to humbly and generously accept the challenge posed by today's injustices, to dedicate the best of his experience and professional training to the service of a great, just, and fraternal fatherland, above any partisan or class egoism.

Labor and economic activity constitute one of the most important and burning issues in Latin America. And so it is appropriate to deeply and seriously pose that issue to yourselves; not fixating on the purely technical aspects, but taking

a much broader outlook, relating to people. Latin America must move forward through the work of its men and women, thanks to a current of real and efficient solidarity.

Great have been the efforts undertaken on this continent to make it free and worthy of man. Don't let that generosity of the past be wasted; misery generates slavery; misery itself is a lack of freedom. Progressive impoverishment compromises the dignity and stability of man. Therefore, the future of Latin America's freedom and dignity requires waging a unique battle from this moment on: not with weapons, but through creativity and the work of its people, and in this moral obligation you hold a prominent place. . . .

Fortunately, there has been a growing awareness that human labor cannot be viewed from the merely commercial standpoint as "merchandise" to be bought and sold (cf. *Laborem Exercens*, 7). There is something inseparable from labor and which is of the utmost importance: the dignity of the individual (*Ibid.*, 9). At the same time, don't forget that the only legitimate title to ownership of the means of production is that which serves labor (*Ibid.*, 14). Therefore, one of your major responsibilities must be the creation of jobs. Closely related to this is the question of a just wage. As I have written in the encyclical *Laborem Exercens*: "There does not exist in the current context a better means of achieving justice in labor-management relations than that presented by the remuneration of labor. . ." (n. 19).

It is useful to remember that progress in society should be oriented to the common good of all citizens, that is, avoiding the temptation to turn the national community into a reality at the service of an enterprise's particular interests. It is not unusual to discover that specific campaigns against birth rates or which promote the culture of consumption originate in economic interests of the business or financial world. Unfortunately, there are multiple examples of this. . . .

Within this same framework, one must also point to the economic solidarity so necessary in Latin America. There exist undeniable problems common to the entire continent, which can be faced in common (*Sollicitudo rei socialis*, 45). Isolation of the respective economies does not favor any of the interested countries. It is therefore necessary to go beyond the national perspective in economic projections, to give life to a continental economic project capable of presenting itself as the valid interlocutor on the international and world scene. Your broadness of view detects this demand, and there have not been and are not any lack of effort in this direction. God grant that determination and a sense of responsibility succeed in crowning those efforts. . . .

### **Call for a renaissance of great culture**

*From a speech to intellectuals in Mexico City on May 12:*

At the end of an intense trip, now at the end of my pastoral visit to this beloved country, I am deeply pleased by this encounter, so full of meaning for me, with the representatives of the world of Mexican culture, science, and the arts. . . .

This is my first encounter with Latin American intellectuals after the important developments which took place in Eastern Europe in 1989. We were witness to a change that affects all of contemporary society. We are dealing, in effect, with a new and more complex era in which the inertia of the past and the intuitions of the future inevitably coexist. Yet it is precisely under such circumstances that you, as men of culture, must offer proof of your lucidity and your penetrating spirit. You are called upon to give life to a new era in the New Continent as well, which poses a challenge to your intellectual labors. . . .

One cannot forget, in this analysis of the varied panorama that Latin America offers, the important role played by the Catholic Church. In setting into motion the new evangelization, the Church continues to tirelessly proclaim Christian principles as the fundamental element of all civilization and all culture in accordance with human dignity, given that in evangelizing and to the extent that it evangelizes, that is, announces the Gospel of the grace of God, it can humanize, "civilize," liberate, build society. I wish to reflect on all this in my encounter with you.

The transformations which have been and are taking place in the so-called East bloc countries represent, as you well know, a change of scenery in the international community, which inevitably affects all other peoples. . . .

However, we cannot fail to note that there are many uncertainties about which road to follow. Some not insignificant obstacles are truly being overcome but, at the same time, we discover the absence of valid cultural projects capable of responding to the profound aspirations of the human heart.

At the root of these considerations we can see some well-tested truths. On the one hand, the most evident is that the system based on Marxist materialism has let itself down. Those who propose it and those who based their hopes on those efforts have been warned.

However—and this too is proven—neither can the already well-established cultural models of the most industrialized countries totally assure a civilization worthy of man (*Sollicitudo rei socialis*, 28). Immediate and contingent values are often exalted as fundamental keys to social coexistence, while a grounding on those deeper truths, those principles that give meaning to one's existence, is renounced. It is enough to think about the lost meaning of human life, so evident in the rising number of suicides characteristic of certain highly industrialized countries, and also so tragically exemplified by abortion and euthanasia. We see a process of erosion which, in affecting the roots, will unfailingly bring painful wounds to all of society.

Further, and considering the case of Latin America, those immediate and transitory values are incapable of sustaining the effort required to construct a promising civilization like yours, a society worthy of man in all its aspects: material and spiritual, immanent and transcendent.



Faced with this panorama of uncertainty regarding the crisis of cultural models, a series of questions comes to my mind, as expressed by the author of that anonymous document from pre-Hispanic Mexico: "What shall rule us? What shall guide us? What shall show us the way? Which shall our norm be? Which our measure? Which our model? From whence must we depart? What could become the torch and the light?" (*Madrilean Manuscript of the Royal Academy of History*, pp. 191v and 192r)

At the same time, one can see developing in Latin America the need to forge new pathways based on your own identity, and this directly calls upon your responsibility for thought and for culture. We cannot overlook that Mexico has been the cradle of civilizations which, in their time, reached a high level of development and left an inestimable legacy of culture and knowledge. You are called upon thus to cooperate intensely, to bring life to a project of cultural development that leads the people of Latin America to that fullness of civilization to which it should aspire.

In preparing for the new evangelization, the Catholic Church feels called upon to also offer an important contribution to this field. She is fully confident in your ability and in your skills. Because of her commitment to serve man in the fullness of life, it is in the Church's very nature to serve the zeal for truth, for good and for beauty present in every human heart. Perhaps I need not repeat it; in any case, let me remind you that the Church has always tried to favor culture, true science, as well as the art that ennobles man, or such technology as develops with deep respect for persons and for nature itself.

You are well aware of this attitude of the Church, since for several centuries Christianity has deeply penetrated Latin American culture, until it has formed a part of its very identity. Mexico, on the other hand, has figures whose work is the patrimony of all of humanity. I am thinking of Sor Juana Inés de la Cruz, Juan Ruiz de Alarcón, and so many others. . . .

This unavoidable calling to serve man—every man and all men—is what moves the Church to address its call to Mexico's intellectuals—beginning with the Catholic intellectuals—so that, in opening new pathways of participation and creativity, no effort be spared in carrying out that labor of integration—a feature of true science—which sets the basis for a genuine integral humanism embodying the superior values of Mexican culture and history. . . .

Before concluding, I'd like to return to the initial perspective of these reflections: Latin America must reaffirm its identity and must do so from within itself, from its most genuine roots. The various difficulties it faces, of an economic, social and cultural order, should be resolved with the collaboration and efforts of its own peoples. In this noble undertaking, men and women of culture are called upon to inspire profound principles and to provide motivations that stimulate the moral and spiritual capacity of the individual, the only means of achieving changes which serve man, and

do not enslave him. . . . True culture tends always to unite, rather than divide. . . .

The Catholic Church in Latin America takes your contributions into serious consideration. . . .

To conclude, ladies and gentlemen, I wish to remind you of a phrase by Jesus in the Gospel according to St. John: "Ye shall know the truth, and the truth will set you free" (John 8: 32). . . . May you always be promoters and messengers of a culture of life that makes of Mexico a great nation, where antagonisms are overcome, where corruption and deceit find no quarter, where the noble ideal of solidarity among all Mexicans prevails over the outmoded urge for domination.

### **Debt and the need for continental unity**

*From a speech to the diplomatic corps in Mexico City on May 8:*

. . . I would not want to conclude this gathering without mentioning another question which, inevitably, affects world stability: the phenomenon of the foreign debt. To this purpose, I want to remind you of the words of the encyclical . . . [*Sollicitudo rei socialis*]: the mechanism that was to have been used to assist the developing countries "has become a brake, even accentuating underdevelopment in certain cases" (*Ibid.*, 19). This clearly demonstrates that technical measures for solving the serious problems that threaten world stability are not enough. Without ignoring each country's different situation, I feel obliged to emphasize the urgency of diligently considering the ethical dimension this crisis entails. . . .

In the splendid setting which this gathering in Mexico City offers us, I consider it necessary to place special emphasis on the importance of the commitment to unity of the entire Latin American family. In effect, if the principles of reciprocity, solidarity and efficient collaboration prove totally necessary in dealing with the great issues that affect the international community (cf. speech to the accredited diplomatic corps at the Holy See, Jan. 12, 1985), that imperative is so much more important, if possible, in dealing with this continent, which is fraternally linked in so many ways. Common historic, cultural, and linguistic, not to mention religious, roots, at once favor and encourage the difficult undertaking of unification. I ask you not to be deterred by obstacles in your path, but to persevere in building that solidarity, *and have confidence in your people's ability to bring it to fruition*. I urge you to work tirelessly for the unity which will make you an unquestioned protagonist in the world arena. . . .

### **On labor, and the dignity of man**

*From a speech in Monterrey, Nuevo León on May 10:*

Today I greet with particular affection the labor community, always so close to my heart and to my own experience as a worker. . . .

The visible world has been created for man. Thus Christ says to his listeners: Are you not worth much more than the

fowls of the air and the lilies of the field? (Matthew 6: 26-28)

Truly, we are more important in the eyes of God. What gives man his value and measure is his having been created in the image and likeness of God, which is reflected in his nature as a person, in his ability to know and love the good.

But precisely because of this, man cannot allow his spiritual being to be subjected to what is inferior in the hierarchy of creatures. He cannot make that which the earth and the temporal character of Creation offer him, the final purpose of his existence. He cannot debase himself to serving objects, as though they were the only goal and final purpose of his life.

On the contrary, man is called upon to seek God with all his might, even in his worldly labor. . . .

Among you, most beloved brothers and sisters, there are many who have secure jobs, which offer you great satisfaction and allow you to support your families with dignity. For all of this, thanks be to God. But how many suffer because they cannot properly feed, clothe, and educate their children? How many live in the confines of a humble room, lacking the most basic services, far from their jobs, which are sometimes poorly paid and uncertain, and cause them to look to the future with anguish and discouragement? How many children are forced to work at an early age? How many workers practice their trade in unhealthy conditions, not to mention the inadequacy of unions and legal safeguards to protect the rights of the worker against abuse and so many forms of manipulation? . . .

While not denying the good results achieved through the combined efforts of public and private initiative in countries where freedom reigns, we cannot, however, ignore the defects of an economic system whose main driving force are often profit and consumption, subordinating man to capital so that, by not taking his personal dignity into account, the worker is considered a mere part of an immense productive machine, where his labor is treated as a mere merchandise at the mercy of fluctuations in the law of supply and demand.

It is true that man's sin is always at the root of problems afflicting individuals and communities. This is why the Church tirelessly preaches the conversion of the heart, so that all may collaborate, in the spirit of solidarity, in the creation of a social order more in accordance with the demands of justice.

The Church cannot permit any ideology or political current to wrench from it the banner of justice, which is one of the Gospel's first demands and the core of its social doctrine. The Church must also make its presence felt in the world, with a word on the principles and values which inspire community life, peace, coexistence and genuine progress. For this very reason it must oppose all those forces which attempt to implant certain types of violence and hatred, as a dialectical solution to conflicts. Christians cannot forget that the noble fight for justice can by no means be confused with the pro-

gram which "sees in the class struggle the only means to eliminate class injustices, existing in society and within in the classes themselves. . ." (*Laborem Exercens*, 11).

### **A message to the poor of Mexico**

*From a speech in Chalco Valley, Mexico City on May 7:  
Dearest brothers and sisters:*

Coming to Chalco reflecting on the crowd of men and women, young people and children, who have gathered in the desire to hear the Word of God, Jesus's exclamation came to mind: *I feel compassion for the people because they have been following me three days and have nothing to eat. And I do not want to send them off fasting, since they could die on the road* (Matthew 15: 33). . . .

Toward the crowd following him, Jesus *felt compassion, since they were humiliated and disheartened like sheep without a shepherd* (Matthew 9: 36). Our Lord, unlike the people's false leaders who—like mercenaries—flee in the moment of the test, presented himself as the good and true Shepherd, because he was willing to give his life for his sheep. The supreme testimony and strongest proof that Christ is the Good Shepherd is that he gave his life for his sheep, which he did on the cross, in which he offered his very self in sacrifice for the sins of the world. This cross and this sacrifice are the sign which radically and clearly distinguishes the Good Shepherd from him who is not, from him who is merely a mercenary.

The cross and the sacrifice, dearest brothers, permit us to distinguish between the Good Shepherd and false mercenary shepherds. Throughout history not a few "shepherds"—leaders, bosses, chiefs, ideologues, opinion-makers, and creators of schools of thought—have tried to "shepherd" and guide people toward artificial paradises and toward promised lands of liberty, of well-being, of justice, of full realization, wanting to do without God. . . . But, when danger comes, when the hour of truth comes in the inexorable march of history—they have shown themselves to be false shepherds, servants not of the truth and of the good, but of private interests, of ideologies and systems which turn against man. . . .

At this moment in history, when we are witness to profound social transformations and a new configuration in many regions of the planet, it is necessary to proclaim that when entire peoples find themselves subjected to oppression by political ideologies and systems with an inhuman face, the Church, which is the continuation of Christ's work, the Good Shepherd, always raised its voice and acted in defense of man, of every man and of the whole man, especially of the weakest and most helpless. It defended the whole truth about man, since "man is the path of the Church," as I said at the beginning of my papacy. . . .

I see the face of suffering Christ; faces of children victims of poverty, abandoned children, without school, without a healthy family environment; faces of youths disoriented by not finding their place in society, frustrated by the lack of

training and employment opportunities; faces of the underemployed and unemployed, fired by the harsh demands of economic crises; faces of parents in anguish over not having the means to support and educate their children; faces of urban homeless and slum-dwellers, hit not only by their lack of material goods, but also by the degradation and contamination of the environment; faces of helpless and forgotten elderly. . . .

The poverty which oppresses the multitude of our brothers in the world and prevents their integral development as persons, is different. In the face of this poverty, which is want and privation, the Church raises its voice, convoking and giving rise to the solidarity of all to overcome it.

You, the inhabitants of the Chalco Valley, of a great part of this diocese of Netzahualcoyotl, and so many other individuals and families from the suburbs of Mexico City and the country's other cities, know the meaning of want and privation. . . .

Thus, I invite all of Mexico's Christians and men of good will to awake their unified social consciences; we cannot peacefully sleep while thousands of our brothers, close by us, lack what is most indispensable to living dignified human lives. . . .

### **The role of the family in God's plan**

*From a speech in Chihuahua on May 9:*

Dear brothers and sisters:

It is a source of great pleasure for me to celebrate this liturgy of the Word with the families of Chihuahua's Christians. . . .

We wish to now reflect on the profound significance which the Christian family assumes in God's plan. We are driven once more by the concern which we all feel in our minds and hearts by today's world in which, the family is frequently attacked in a thousand different ways. . . .

The greatness and responsibility of the family is in being the first community of life and love, the first environment in which man can learn to love and feel loved not only by other people, but also, and above all, by God. For that reason, it is incumbent upon Christian parents to create and maintain a home in which the profound Christian identity of their children—that they are God's children—can take root and mature. . . .

Speaking today to the Catholic families of Chihuahua and Mexico, on this Mother's Day, I wish to pay homage to the mother, to the women of Mexico and of all Latin America. With reason it has been said that the woman has played a providential role in preserving the faith of this beloved continent. . . .

In a society so often marked by signs of death and indifference—such as violence, abortion, euthanasia, the abandonment of the handicapped, the poor, and useless—the woman is called upon to keep alive the flame of life, and respect for the mystery of all new life. . . .

God has wanted the gift of life to arise from that community of life which is marriage, and wants children to learn the character of that gift in the framework of familial love. Christian parents have the right and the duty to educate their children in this regard. It is logical that, even in this area, they receive the help of other people. But the Church also remembers the law which schools or any other entities must observe when they aid parents in sex education, such that it is in line with the spirit desired by the parents (*Familiaris consortio*, 37).

The family has received from God the mission of being "the primary and vital cell of society" (*Apostolicam Actuositatem*, 11). As a living fabric, society's health and power depend on the health and power of the families which form part of it. The defense and promotion of the family is also the defense and promotion of society itself. It should therefore be the most interested party in the development of a culture which has the family as its foundation.

There are many ways in which civil society can favor the institution of the family, strengthening its stability and protecting its rights. I would particularly like to refer to the parents' rights to freely educate their children, in accordance with their own convictions, and to be able to rely on schools in which such education is imparted.

**ARE YOUR ELECTED OFFICIALS STILL FOOT-DRAGGING ON THE AIDS EPIDEMIC?**

**THROW THE BOOK AT THEM!**

**The Power of Reason: 1988**  
by LYNDON H. LaROUCHE, Jr.

**The Power of Reason: 1988**  
An Autobiography by Lyndon H. LaRouche, Jr.

Published by Executive Intelligence Review  
Order from Ben Franklin Booksellers, 27 South King St., Leesburg, VA 22075. \$10 plus shipping (\$1.50 for first copy, .50 for each additional). Bulk rates available.

# What must be done: Lyndon LaRouche's Operation Juárez

*In August 1982, at the request of patriots in Mexico who saw the nation's debt crisis leading to imminent catastrophe, Lyndon LaRouche issued an EIR Special Report titled Operation Juárez. In it, he called upon the United States to support a debt reorganization for Ibero-America; based upon the principles of the American System of political economy—repudiating the British free market liberalism of Adam Smith. Should the United States refuse to do this, LaRouche laid out an alternative for the nations of Central and South America. We excerpt from his recommendations.*

Throughout Ibero-America today, one hears often the wishful delusion: *We must remain credit-worthy.* Ostensibly, unless this precious commodity, called “credit-worthiness,” is protected with the utmost zeal, the angered international financial institutions will withhold new issues of credit from Ibero-American nations. . . .

It is the commitment of forces behind former U.S. foreign minister Henry A. Kissinger, to destroy the nations and populations of Meso-America and South America, through scenarios which combine austerity, insurrections, and regional warfare, to unleash the depopulating effects of perpetual “Thirty Years Wars” in this region of the world over a span of decades. . . .

These are . . . the policies of the International Monetary Fund, the World Bank, GATT, the Bank for International Settlements, and NATO's Political Secretariat. NATO's “out-of-area deployment” policy, pushed through during the course of the recent Malvinas Crisis, is a commitment to conducting what are called “population and raw-materials wars” against the continents of Ibero-America, Africa, and Asia. These and allied institutions are wittingly committed to the greatest genocide ever conceived: They intend that billions of people shall die of “accelerated death-rates” over the course of the remaining two decades of this century, reducing savagely the numbers of the “non-Anglo-Saxon race.” . . .

If any nation of Ibero-America imagines that it has any “credit-worthiness” worth defending, under the rule of such

institutions, the government tragically misguides itself. Under present IMF and other “conditionalities” policies, there is no fate available to any nation of Ibero-America but utter destruction of the political, social, and economic structure of the continent during the course of the decade immediately unfolding.

In principle, there is a workable, equitable solution between the debtor-nations of Ibero-America and the creditor-nations of the OECD grouping. To the degree any among the governments of those OECD nations are clinically sane, those governments would gladly accept such a solution. However, as we shall indicate, not all among those nations' governments are sane, either psychologically or morally. . . .

We have named this report ‘Operation Juárez,’ in memory of the proper alliance between the American Whigs of the United States and the Mexican liberals from whose ranks Juárez emerged as a leading figure. If the interests of the United States of America are properly defined, from the vantage-point of the 1775-1783 War of Independence and the 1787 Federal Constitution, then the well-being and secure sovereignty of the republics of Ibero-America is the most vital interest of the United States of America, and whoever breaks that alliance is variously enemy, traitor, or simply fool. In the history of the United States, it is our relations to Mexico's *republicanos* which have best symptomized whether or not the United States of America is pursuing a proper approach to Ibero-America as a whole. Only patriots of the United States who remember Benito Juárez as our brave and precious ally can understand Ibero-America and its interests. . . .

## **The general failure of contemporary economists**

The normal, patriotic economist of Ibero-America will have little difficulty in understanding, and applying the variety of method we prescribe. Every Third World patriot is “instinctively” a “neo-mercantilist,” instinctively a would-be practitioner of the American System of political-economy.

Such economists will gladly embrace our emphasis upon physical economy. The difficulty, among such economists, occurs entirely with respect to the monetary side of economic processes.

The problem is commonly expressed: “What you propose is fine, but, how can we accomplish this under the conditions under which we have to live?” By “conditions” is signified, most emphatically, the International Monetary Fund, the World Bank, the GATT, the Bank for International Settlements, the Paris Club, the London bankers, the New York bankers, and the Eurodollar market.

The cruel fact is, no Ibero-American nation has been sovereign recently in matters of national credit, currency, and public debt. The international monetary and associated institutions have imposed a dictatorship upon all such na-

tions, a dictatorship become more cruelly harsh since Henry A. Kissinger assembled the wicked Rambouillet conference of 1975. The conditions of prices, credit, currency, and debt, built into the world market and the domestic market, become the “conditions of life” under which the patriotic economist must seek to find physical-economic solutions. . . .

It is urgent that Ibero-American economists give attention to the writings of the two Careys, as well as [Alexander] Hamilton and [Friedrich] List. We refer, emphatically, to Mathew Carey’s 1819 lectures exposing the evil of “free trade” policies (today, called “free enterprise” policies) and to the work of his son, Lincoln’s economic adviser, Henry C. Carey, in dissecting the feudal character of the British economy. . . .

### **Ibero-American monetary order**

The cooperating republics of Ibero-America must each and collectively effect reforms of their credit, currency and banking institutions identical in principle with what has been projected for the United States of America.

All that we have said respecting proper practices of the U.S.A. apply to each and every case in Ibero-America, including:

1) In no republic must any other issues of credit be permitted, as a matter of punishable violation of the law against immoral usury, excepting: (a) deferred-payment credit between buyers and sellers of goods and services; (b) banking loans against combined lawful currency and bullion on deposit in a lawful manner; (c) loans of issues of credit created in the form of issues of national currency-notes of the treasury of the national government.

2) Loans of government-created credit (currency-notes) must be *directed* to those forms of investment which promote technological progress in realizing the fullest potentials for applying otherwise idled capital-goods, otherwise idled goods-producing capacities, and otherwise idled productive labor, to produce goods or to develop the basic economic infrastructure needed for maintenance and development of production and physical distribution of goods. This is, at once, an anti-inflationary policy, and also a steering of limited national resources into those choices of governmental and private-entrepreneurial ventures most beneficial to the nation as a whole.

3) In each republic, there must be a state-owned national bank, which rejects in its lawfully permitted functions those private-banking features of central banking associated with the Bank of England and the misguided practices of the U.S.A.’s Federal Reserve System over the period from the latter’s establishment into the present date of writing.

4) No lending institution shall exist within the nation except as they are subject to standard of practice and auditing by the treasury of the government and auditors of the national bank. No foreign financial institution shall be permitted to do business within the republic unless its international opera-

tions meet lawful requirements for standards of reserves and proper banking-practices under the laws of the republic, as this shall be periodically determined by proper audit (“transparency” of foreign lending institutions).

5) The treasury and national bank, as a partnership, have continual authority to administer capital-controls and exchange-controls, and to assist this function by means of licensing of individual import-licenses and export-licenses, and to regulate negotiations of loans taken from foreign sources. . . .

6) The policies of taxation of the national government must be designed to expropriate ground-rent and usury income, to foster well-being of households, and to give preferential treatment to those classes of ventures which are established to be in the relatively greater national interest. Economic development policies must inform taxation policies.

7) In a number of instances, it is simply desirable, or even indispensable, that a severe currency-reform be implemented immediately. . . .

8) Sovereign valuation of the foreign exchange value of a nation’s currency must be established for Ibero-American nations. The first approximation of the value of a nation’s currency is the purchasing-power of that currency within the internal economy of that nation. What are the prices of domestically produced goods and services, relative to the prices of the same quality of goods and services in other nations? The emphasis must be upon domestically produced categories, almost exclusively, at least for first-approximation.

By this standard, many Ibero-American currencies are presently monstrously undervalued. The result of artificially depressed valuations of national currency, is that the nation is being massively, savagely looted by foreigners, especially foreign debt-holders.

The determination of exchange rate by the IMF, etc., has often represented, during recent years especially, nothing more nor less than pure and simple theft, on a massive scale, by foreign lending institutions and others. . . .

### **An Ibero-American ‘common market’**

We propose that, within the Organization of American States, such republics as may choose to do so, should form an Ibero-American “common market.” This “common market” would be based chiefly upon these institutional features:

1) Bringing their respective, internal institutions of credit, currency, and banking into order. . . .

2) Establishing a common banking institution to facilitate exchange of credit, currency, and trade among them, and as an institution of common defense of the financial and economic interests of the member-nations and the continent as a whole.

3) To make more effective use of the limited resources at their common disposal, to the equitable advantage of each and all.

# 'Farewell: We must be faithful first to our country'

by Katherine R. Notley

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## **June Four, A Chronicle of the Chinese Democratic Uprising**

by the Photographers and Reporters of the *Ming Pao News*

University of Arkansas Press, Fayetteville, Ark., 1989

171 pages, paperbound, illus., \$14.95

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There have been many books in the year since the June 4 massacre at Tiananmen, and there will be many more, no doubt. But this book holds a special place among them, for it made its appearance in June 1989, within a month after the staff of *Ming Pao News* was thrown out of Red China on June 10. For this reason, the writing in *June Four* frequently appears to be dry and understated, and therefore can have all the more powerful effect as its authors chronicle the inexorable events.

Unfortunately, to this reviewer, the understated tone is also its drawback: The outcome of events between the April 15 death of Hu Yaobang and the June 9 public reappearance of Deng Xiaoping were made inevitable by the determination of the U.S. government to sell out China's democracy movement. What was inexorable was the determination of George Bush's U.S. administration to protect its condominium with Mikhail Gorbachov, who became the first Soviet head of state since 1966 to make a state visit to China on May 15. The four crowns of empire—Great Britain, the United States, the Soviet Union, and the People's Republic of China—

would soon rest easy on their rulers' heads, thought Thatcher, Bush, Gorbachov, and Deng.

What they had not counted on was that the parents of this first generation to reach adulthood since the end of the Cultural Revolution had quietly, and with determination, imbued their children with the greatest works of Western Judeo-Christian civilization. I vividly remember, during the heady days of mid-May last year, a news report on one Chinese family, whose parents decided to share their bedroom with their children, so their two-room apartment could have space for a piano. The report showed their 10-year-old son diligently (and quite adequately) playing Mozart on the old upright. It is well known, but sadly left out of *June Four's* account, that the public address system the Beijing hunger strike committee set up in Tiananmen Square played Beethoven's Ninth Symphony. The loudspeakers also played Beethoven's Fifth, whose opening rhythm, "di-di-di-da"—Morse code for the letter "V," for victory—was BBC's well-known signature tune during World War II.

While these are not described in the *June Four* chronicle, neither do *Ming Pao News's* authors miss the point. Their brief descriptions of day-to-day events are interspersed with abridged versions of declarations by either the Communist Party or the Federation of Beijing Student Unions (FBSU), and transcripts of negotiations between the two. These transcripts are among what makes *June Four* invaluable, because they reveal the hubris of the democrat on the one side and the arrogance of the oligarch on the other. The reader finds his or her mind inescapably drawn to scenes from of Friedrich Schiller's *Wilhelm Tell* in reading these tracts.



One student restrains a tearful friend from violence (left), while a second is brutalized while trying to photograph the soldiers.

### 'In these bright and beautiful days of May'

The student hunger strike was first called to force the *People's Daily* to rescind its April 26 editorial, which had accused demonstrating students of creating "turmoil" because they had demanded to know why the late party chairman Hu Yaobang had been removed from his post two years earlier. Far from being the product of "youthful exuberance," their May 13 declaration targeted the decline their country had suffered and their commitment to change it. "In

these bright and beautiful days of May, we are beginning a hunger strike," they wrote. "We are young, but we are ready to give up our lives. We cherish life, we do not want to die.

"But this nation is in a critical state. It suffers from skyrocketing inflation, growing crime rates, *guandao* [government corruption] and other forms of bureaucratic corruption everywhere, concentration of power in a few people's hands, and the loss of a large number of intellectuals who would



(Left) Artists showed their support for the hunger strikers by adopting one of the foremost symbols of Christianity—the detail of God giving life to Man from Michelangelo's Sistine Chapel fresco. The slogan reads, "The people are with you." (Right) A photo of the Goddess of Democracy adorns the cover of *June Four*.



now rather stay overseas. At this life-and-death of the nation's fate, countrymen, please listen to us! . . .

"We have one wish, that the lives of everyone we leave be better. We have one request, that you remember this: our pursuit is life, not death. Democracy is not a task for a few; it takes generations. . . ."

"Farewell, father and mother, forgive us that we're being unfaithful as your children; we must be faithful first to our country. . . ."

At any one time, there were 3,000 student hunger-strikers in Tiananmen Square. As the life of each would become threatened, he or she was whisked off to the hospital to be saved, while another took his or her place.

By May 18, Li Peng and his gang met with some leaders from the FBSU and attempted to deter them, by professing concern for the strikers. Wuer Kaixi, who had been released from the hospital to attend the meeting and was still in his pajamas, made clear to Li, "it won't help if all of us at this meeting are persuaded [to leave Tiananmen], because we consist only of one-tenth of a percent of the students in the Square. It's not a matter of subordination to the majority. I believe if there is one single student who decides not to leave, the rest will keep him company."

After futile, patronizing attempts by Li to convince the students he only had their best interests at heart, student Xiong Yan intervened, "Comrade Li mentioned disorder. I want to have three minutes to analyze the simple relationship between disorder and the student movement. When a society or country has upheavals, are they caused by student movements? . . . In my opinion, when a country is unstable . . . students take actions to try to pinpoint what is wrong . . . Any attempt to suppress the student movement, or as we call it the democratic movement, will cause social upheaval. That is a very simple truth."

At this point, Wuer Kaixi fainted, and the meeting was brought to a close. Two days later, Li Peng declared martial law in Beijing. A consummate oligarch, Li Peng's declaration contradicts itself, even within a paragraph, ending with his open threat: "In fact, the hunger strikers are being used as 'hostages' by a few people trying to force the Party and the government to yield to their political demands. These people do not show a single sign of compassion. . . . The student representatives admit that they are no longer able to control the situation; crowds keep pouring into the already-packed Square, shouting their own demagogic slogans. If we fail to end this chaos resolutely and immediately—if we go on tolerating it—it is very likely that we will end up with a situation that none of us would like to see."

On June 4, 1989, the Red Chinese government killed an estimated 4-7,000 people in Tiananmen Square. On June 10, the Ming Pao Publishing House in Hong Kong summarized their views in a statement: "After the darkest night, we expect the light of morning, the dawn. But are we sure that what we have seen is the darkest?"

## A look back at Tiananmen Square, and beyond

by Don Baier

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### Beijing Spring

Photographs by David and Peter Turnley, Text by Melinda Liu, Stewart, Tabori and Chang, New York, 1989  
176 pages, illus., paperbound, \$19.95

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When I first saw the student demonstrators in the streets of the capital of China, on television a year ago, I was struck by how much they reminded me of the demonstrations of my own youth. This beautifully produced book of photographs reaffirms that impression.

I don't mean to slight the obvious differences with "the Movement" of the 1960s in the United States. No U.S. demonstration was ever crushed as brutally as Tiananmen Square, not even civil rights actions in the South. Hunger strikes weren't popular among American students, and photos of the pitifully cramped and barren living quarters of Chinese students at elite Beijing University make clear the difference in living standards.

And of course, the "Goddess of Democracy" testified more powerfully than words ever could, to the proposition that the Chinese were mounting a "pro-American" revolution, in the sense of the ideals of 1776; whereas by the end of the 1960s, the "revolutionaries" in the United States, claiming to speak for a movement which had started out a decade before in the lunch counter sit-ins and the Freedom Rides where students risked their lives for American principles, had instead taken to burning the American flag, bombing university campuses, and cheering Mao's Red Guards.

What then, beyond the "Goddess of Democracy," was "American" about the Beijing demonstrations of 1989?

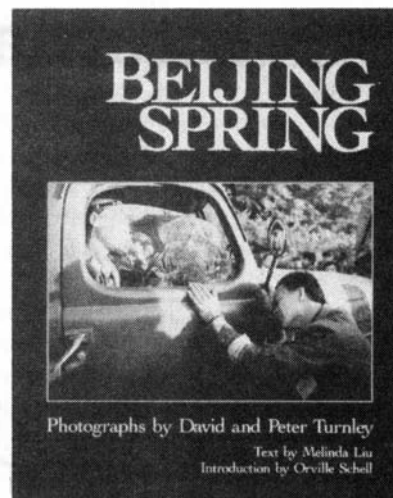
At least some American youth in the 1960s were impatient enough with the obvious immorality of denying black people their civil rights, and of such conduct as Lyndon Johnson's in escalating the Vietnam War, as to react: "Here's an obvious injustice—Let's do something about it, now, today."

So, what began in individual acts of resistance, or as a





Student demonstrators before the military crackdown in Tiananmen Square (left). The cover of *Beijing Spring*, a photographic account of the democracy movement last year in China.



petition for redress of grievances, turned more and more into a direct challenge to institutionalized authority, as the "powers that be" showed themselves unable or unwilling to satisfy the craving for justice.

*Beijing Spring* documents that process, compressed into a time frame of two months, very well—best of all, because it shows in so many faces acknowledgement of the fundamental revolutionary sensation that one is stepping off the edge of a cliff and is suspended in midair, and the courage one finds in oneself when to turn back is more painful than any physical pain one could suffer.

Of course, a passion for justice and the courage to do something about it do not guarantee appropriate results; one must have a pretty good idea of how to get there. Contempt and defiance of illegitimate authority is no cure-all: certainly

if the '60s in the U.S.A. show anything, after two successive "me generations" spawned by the "'60s counterculture," they show that. President Bush's poll ratings notwithstanding, today the United States is a society so out of love with its leadership and itself that half its eligible citizens routinely don't bother to vote, and nearly 40% of its residents so far, by best estimates, have not even bothered to show up to be counted in the 1990 census; and once again, as in Franklin Roosevelt's time, we can speak of a third of a nation ill-clothed, ill-housed, ill-fed.

This book speaks to our situation. It speaks above all of hope and courage. They are not enough, but without them, nothing can be done. That courage is what the Chinese students had last year, what we Americans have lost, and what we need to find again if we are to have a future.

## Books Received

**The Drunken Society: Alcohol Abuse in the Soviet Union**, by Boris Segal, Hippocrene Books, New York, 1990. 618 pages, hardbound, \$40.

**New World, New Mind: Moving Toward Conscious Evolution**, by Paul Ehrlich and Robert Ornstein, Simon & Schuster, New York, 1990. 302 pages, paperbound, \$9.95.

**The Style of a Law Firm, Eight Gentlemen from Virginia**, by Anne Hobson Freeman, Algonquin, New York, 1990, 290 pages, hardbound, \$24.95.

**Thomas Jefferson: Statesman of Science**, by Silvio A. Bedini, Macmillan, New York, 1990. 616 pages, hardbound, \$29.95.

**Lost Victory: A Firsthand Account of America's Sixteen-Year Involvement in Vietnam**, by William Colby with James McCargar, Contemporary Books, Chicago, 1989, 438 pages, hardbound, \$22.95.

**Selling Out, How we are letting Japan buy our land, our industries, our financial institutions, and our future**, by Douglas Frantz and Catherine Collings, Contemporary Books, Chicago, 1990, 382 pages, paperbound, \$9.95.

**The Long Haul, An Autobiography**, by Myles Horton, with Judith Kohl and Herbert Kohl, Doubleday, New York, 1990, 231 pages, hardbound, \$21.95.

**The Jackson Phenomenon: The Man, the Power, the Message**, by Elizabeth Colton, Doubleday, New York, 1990, 290 pages, hardbound, \$26.95.

## LaRouche was right on Soviet strategy

by the Editors

As of May 10, it was clear beyond doubt, that former presidential and current congressional candidate Lyndon LaRouche was right, and the Bush administration—the Bush Central Intelligence Agency, Defense Intelligence Agency, and White House—have been all wrong, on the subject of Soviet strategy.

This has been made clear in two ways: first, by an address which Soviet President Mikhail Sergeyevich Gorbachov delivered in support of the policies of Marshal Nikolai Ogarkov as Soviet strategic doctrines. This occurred on May 9, during a military parade staged in Moscow's Red Square commemorating the 45th anniversary of the Soviet Union's victory over Nazi Germany. This event followed a series of Gorbachov initiatives, including his first public appearance with Marshal Ogarkov on May 7 in an address to the All-Union War and Labor Veterans organization, of which Ogarkov was named the head on March 16, 1990.

Second, the Anglo-American press reacted to the speech of Gorbachov by trying to pretend, with headlines and in other ways, that this was an attack on the Soviet Red Army, when in point of fact, Gorbachov's speech was directly the opposite. Analysts, supplementing the clear text of Gorbachov's actual address in support of the Ogarkov doctrine, have noted the precise similarities of choice of language of the Gorbachov speech of May 9 and Ogarkov statements on the same subject given approximately a year earlier in an interview to the twice-monthly publication of the Soviet Armed Forces, *Kommunist Vooruzhennykh Sil*, (*Communist of the Armed Forces*, No. 11, of the first half of June 1989.) The Ogarkov interview was covered exclusively in the West

by *EIR*, (Sept. 8, 1989, "Ogarkov on how to fight the 'next war' "). Also noted is the consistency of the Ogarkov, Gorbachov, and Andropov doctrines, to abandon the worn out, out-lived Bolshevik communist forms of Soviet institutions, in order to return to a new form of old pre-Bolshevik Russian imperial perspectives.

This was the LaRouche analysis, first published in May and June 1983. This was reemphasized in the *EIR* "Global Showdown" publication of July 1985. This was also outlined in a number of published statements by LaRouche beginning March 1985, immediately prior to Gorbachov's appointment to the position of General Secretary of the Communist Party of the Soviet Union, and of course, was the theme of a major half-hour nationwide television broadcast by presidential candidate LaRouche on the subject of recent changes in the Soviet hierarchy at the end of the 1988 presidential campaign. Since then, the CIA, the DIA, and the White House have been all running in the opposite direction, saying we've entered a period of détente, that the Cold War is over, that peace has broken out, that the peace dividend is going to save everything.

In point of fact, there is no peace dividend; peace has not broken out, and the economic policies on which the Bush administration has premised itself, have proven to be absolute disasters, with the world just waiting for the time that the entire financial structure collapses, a collapse viewed widely as long overdue.

So this creates a new situation, in which it has been made obvious in the clearest way, that the recent policies of the first months of the Bush administration, and the last months

of the Reagan administration, are completely bankrupt, both in the area of strategy, and in the area of financial and economic policy. All of these things have got to change, and change rapidly. Those who don't wish to change, will, if they succeed, bring nothing but disaster upon themselves, as well as everyone else.

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## Documentation

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### Ogarkov attacks Stalin's blunders

*From EIR, Sept. 8, 1989:*

Ogarkov, 71, retired to join the "Group of Inspectors" in April, after seven and a half years as chief of the General Staff and four years as Western Theater commander-in-chief. He is the author of the Soviet war plan of the 1980s, and developed the plan for a military-industrial reorganization of the economy which Mikhail Gorbachov later adopted and called perestroika.

The interview was published in issue No. 11 of the Soviet military bi-monthly journal *Kommunist Vooruzhonnnykh Sil* (*Communist of the Armed Forces*). Articles and interviews by Ogarkov are extremely rare, his last published writing having been in 1985.

Ogarkov declared in the interview that the crucial mistake of the 1939-41 period, both pre-war and during the critical opening phase of what Moscow calls the Great Patriotic War, was the "mistake" of those commanders who prepared to fight the "next war" like past wars. This same problem, he said, "can be observed among us to a certain degree even now."

The short interview—about one page—centered on the theme of the Soviet military errors that were made during the 1939-41 pre-war period by the *political* leadership, which caused the catastrophic defeats in the opening phase of the war with Nazi Germany. These errors included Stalin's massive purge of the military command, as well as devastating mistakes in strategy and tactics.

Ogarkov praised the development by the Soviet High Command during the 1930s, of the theory of the "deep operation," and the formation of combined arms, tank, and mechanized corps, acting in conjunction with airborne forces to carry out the offensive military doctrine. He stressed that a "great mistake" was made when these tank and mechanized corps were dissolved in 1939.

He attributed the mistakes to "the mass repressions of military cadres" that had occurred in the late 1930s. This was the first time that Ogarkov had brought up this theme in writing. It was a clear reference to the 1939-41 disaster that developed because of the execution of strategist Marshal M.N. Tukhachevsky, author of the "theory of the offensive"; his demise led to the imposition of military insanities by an incompetent military coterie around Stalin, centered on

Defense Minister Marshal K. Y. Voroshilov. . . .

Another major blunder of 1939-41, relevant to any pre-war period, was the politically caused failure of Soviet industry to retool in time and produce in sufficient numbers the newest, most modern tanks and aircraft, and to integrate them into the armed forces before war began. While this theme as such did not appear in the Ogarkov interview, the theme of ridding the Soviet armed forces of obsolete equipment, and incorporating the latest technology at the fastest rate possible, has been a central focus of his past writings.

### Gorbachov echoes Ogarkov attack on Stalin

*From EIR, May 18, 1990:*

Gorbachov's speech was one that could have been given by any Soviet military leader, especially when he blasted the pre-war "blunders" and crimes of Josef Stalin. The attack on Stalin has been reported in the Western media, but not the detailed formulations, which were identical to the attacks of the Soviet military command over the past two years. Gorbachov declared that Stalin had made "the most flagrant strategic blunders . . . which in the opening phase of the war, cost millions of lives." He listed the blunders, singling out precisely those which have been most stressed by Soviet military figures, including the former chief of the Soviet General Staff, Marshal Nikolai Ogarkov: 1) The pre-war terror purges killed or imprisoned "40,000 officers," which caused "the decapitation" of the military command. 2) Stalin had blundered by overruling the military and not accelerating the pre-war buildup of the most modern tanks and aircraft. 3) What Stalin had gained through the 1939 Hitler-Stalin Pact—time to prepare for war, and territorial gains—"at the price of enormous political and moral cost," was "lost" through his blunders in ignoring the intelligence provided by the U.S.S.R.'s intelligence services (including military intelligence, or GRU), who had informed him of the coming invasion.

Gorbachov's speech is of extreme importance. The Soviet President was declaring on television to the nation that the common denominator of Stalin's blunders and crimes was that Stalin had decimated the officers' corps, repeatedly refused to listen to the military, ignored their advice and warnings, and refused to give them a say in determining policy. The message could not be clearer. He, Gorbachov, *will* listen to the military, *will* grant them a say on policy, and *will* grant their demands in the interest of Russia.

Since his March 15 election to the U.S.S.R. presidency, giving him dictatorial powers, Gorbachov has gone out of his way to cultivate a close, high-publicity relationship with the Soviet military leadership. The post-March 15 record of events has been, for the most part, meticulously censored by Western media to create the grounds for the Bush administration's "we must save the endangered Gorbachov" pre-summit appeasement stance.

## Andropov's 'Third Rome'

From EIR, June 14, 1983, "Yuri Andropov: 'Czar of Holy Mother Russia'?" by Lyndon LaRouche:

Soviet reactions to President Ronald Reagan's televised address of March 23, 1983 [announcing the Strategic Defense Initiative—ed.], have provided two sets of indisputable facts about the present foreign policy and political composition of the Soviet leadership.

1) Soviet foreign policy under General Secretary Yuri Andropov is not operating on the basis of either "Communist" or "Soviet National Interest" criteria. Soviet foreign policy is presently shaped by a dominant influence of the 500-year-old mystical prophecy, that the Czar of Holy Rus shall become the ruler of the Third, and Final, Roman Empire.

2) This "paradigm-shift" in Soviet foreign policy is efficiently correlated with the rise to power within the command of the Soviet KGB of Patriarch Pimen's circles within the hierarchy of the Russian Orthodox Church.

Although this shift within the Soviet leadership reflects an uneven rise of the Russian Orthodox Church, since Josef Stalin's pact with Moscow's St. Basil's in 1943, the present development would not have been possible, in its present form, but for a long process of successful manipulation of Soviet foreign-policy through "back-channel" operations run through Britain, Switzerland, Vienna, Venice, and the monastery at Mount Athos ("Holy Mountain"), Greece.

Religious scholars working with deep knowledge of the Russian personality's innermost cultural potentials, at Mount Athos, at Saint George Major in Venice, in Rome, Vienna, Geneva, and Britain, used this knowledge most efficiently, to inform the way in which back-channel operations were conducted. What they created, most successfully, is a "Frankenstein's Monster" which is now preparing itself to gobble up its creators.

The variety of "Russian Soul" which these scholarly gentlemen have brought to the surface in Soviet foreign policy, is of the stuff of which a Czar Ivan the Terrible or Rasputin was made in the past. It is a sly, dissimulating, religious-fanatical beast. It can be clever, intelligent in matters of technique, and to that extent appear urbane and civilized. It is at the same time a monster obsessed, beyond all reach of reason, with mystical faith in the magical powers of the Holy Russian Soil and People. It is a Dostoevskian beast, or *Pravda* propagandist Ilya Ehrenberg writing against all of Western Europe during the last war.

There is only one way to deal with such a beast, to offer it peace and Russian survival from a standpoint of overwhelming raw power and manifest determination to use that power if necessary. As long as we refuse to present Moscow such a clear set of alternatives of this exact type, Andropov will alternately hiss and smile—like a cobra—until he strikes. . . .

The pagan-religious matrix used for this concoction is

the most easily recognized by classical scholars as the "Great Mother" cult, of the type associated with Cybele and Dionysius—or with an early form of the Isis-Ishtar cult, the Shakti-Siva phallus cult of pre-Vedic India. It is of the same general character as the "blood and soil" cult adopted by the Nazis.

There is a very elementary, but not necessarily simple strategy for defeating the Third Rome thrust. The crux of the matter is a 1939-43 style mobilization of the economy of the United States, emphasizing the explosion of the civilian economy resulting from spill-over of directed-beam and similar technologies from military to civilian applications. The success of this depends upon reviving high-technology capital investment in developing nations as well as Western Europe. The inherent superiority, moral as well as material, of a system of technologically progressive sovereign nation-states, over an "empire," affords us all the material and human potential required to assemble overwhelming defense against imperial designs.

The emergence of such a thrust "from the West," would force upon the Soviet leadership a reversal of the Third Rome paradigm-shift. The only self-interested policy available to the Soviet Union would be compacting to accept the terms of being another sovereign nation-state, enjoying the benefits of growing world trade such a thrust portends.

This paradigm-shift would not by itself uproot the Mother Russia syndrome from Russian culture, but it would create the conditions under which the Russian people would gradually accomplish that themselves. . . ."

## Ogarkov's War Plan

From EIR, May 31, 1983, "Moscow's unveiled war plan against the United States":

Congressmen's offices around Washington will be numbed with shock after reading the top Soviet military commander's description of Soviet war-plans against the United States published in Moscow's *Izvestia* this past May 9. It has been a long time since any major power announced in the press that it has a definite war-plan against another power, especially a war-plan implied to be made ready to go into operation as early as this year. That is exactly what the author of the article, Soviet Chief of Staff Marshal Nikolai Ogarkov, did.

The outline of the Soviet war-policy against the United States by Marshal Ogarkov contained nothing really new concerning Soviet military strategy as such. What Ogarkov wrote is only an update of the same strategic policy Moscow has maintained since Marshal V. D. Sokolovskii's *Soviet Military Strategy* was issued back in 1962. Since 1962, Soviet military policy for future war against the United States has been based on development and deployment of strategic anti-ballistic missile (ABM) defense systems, to knock out a large portion of attacking NATO missiles, and to follow a massive thermonuclear barrage against the United States with a full-

scale “conventional” assault against Western Europe, with aid of supporting nuclear weapons. Basically, Ogarkov simply restated the Sokolovskii doctrine, which has been continuous Soviet strategy for at least the past 20 years. The Soviets have been preparing to fight a full-scale thermonuclear war, to survive it, and to win it. . . .

Their [Soviet leadership] absolute objections to the President’s [Reagan’s] proposed negotiations-agenda [for ending the doctrine of Mutually Assured Survival and shifting into Strategic Defense Initiative-era defense doctrines—ed.] can only be the following.

1) They are committed to ensuring that the United States does not cease its drift into qualitative strategic inferiority by no later than the 1990s; and are determined to prevent the U.S.A. from following any strategic policy which would ensure its strategic parity into the 1990s.

2) Lest the United States react thermonuclearly to the threatened blinking-out of its strategic parity during the years immediately ahead, Moscow was determined, even well before March 1983, to break the will of the United States now, to force the U.S.A. into a strategic doctrine and pattern of capabilities which would ensure that the U.S.A. peacefully passes through the “point of no return” into qualitative strategic inferiority.

3) That Secretary Andropov intends to dodge all serious negotiations, except de facto capitulation to his unilateral doctrine, until the peak of the missiles crisis has either been touched, or is clearly in sight to both parties. . . .

### **The ‘Global Showdown’ thesis**

*In the summer of 1985, when the first wave of disinformation about Mikhail Gorbachov as a Soviet leader of a new type was sweeping the Western world, EIR released the first of a series of reports under the title of “Global Showdown.” It was designed and co-authored by LaRouche.*

*“Global Showdown” identified the new Gorbachov leadership team as the “Andropov Dynasty,” selected and elevated to power for the purpose of sustaining strategic superiority and securing for Moscow its status as the “Third Rome.” In a chapter on the “Soviet Doctrine on the War-Economy,” the report said:*

In Ogarkov’s most extensive public version of his war strategy, a 1982 booklet entitled *Always Ready to Defend the Fatherland*, he identified the following dilemma for the Soviet planners of offensive nuclear war. In World War II, only a tiny fraction—perhaps as little as 10%—of all of the economic resources expended in combat had been produced before the war started. The other 90% were produced in the enormous economic mobilization carried on during the course of the war.

But that was World War II. Today, argue the Soviet military planners, a world war will almost certainly be much, much shorter. With thermonuclear weapons of mass destruction, and intercontinental missiles as delivery vehicles, the

war may be decided in the first few minutes or hours of war. If so, there will be no time to make up for what is lacking, for what is not already in place and deployable before the war ever breaks out.

It is obvious, then, that the side which is capable of the maximum pre-war economic mobilization will have enormous advantages over its adversary. However, here is where the problem arises. A maximum war mobilization is a state that cannot be maintained indefinitely. The maximum war mobilization is like that at the height of World War II: In Soviet terminology, it is when “the entire country has been transformed into a single camp of war, where everything and everybody goes for victory.” And in the case of total, global war, the shorter it is, the more intense the mobilization must be. Nothing that might contribute to a margin of victory dare be left outside the mobilization, “kept in reserve” for some future that will never come unless victory is won.

In other words, the dilemma is how to mobilize as much and as far as possible in peacetime, without overextending the mobilization so as to undermine the very basis of the economy and society.

### **‘The winter of our discontent’**

*From an Oct. 31, 1988 NBC television broadcast by Independent Democratic presidential candidate Lyndon LaRouche:*

What happened at that weekend [Sept. 30-Oct. 2, 1988] shake-up in Moscow? The short answer is that the Soviet military and KGB moved in to grab more power than they have had since Stalin’s time. All of the key promotions during that weekend were given to members of one very tight group. All of those promoted had been top associates of former KGB chief Yuri Andropov and Marshal Nikolai Ogarkov since as early, in some cases, as the Leningrad front during World War II. . . .

Contrary to most Western commentary, the extraordinary plenary sessions were not a personal victory for Mikhail Gorbachov. It was a victory for the Andropov-Ogarkov “kindergarten” of which Gorbachov is just one member. This Andropov-Ogarkov “kindergarten” is the political machine which has taken over the Soviet military and KGB machines, which both increased their grip on Soviet imperial power during that extraordinary weekend. This is not the last such political coup in Moscow. There will be more to come soon enough. Individual members of this clique may be promoted or demoted in coming shake-ups, but, whatever happens to individual personalities, the Andropov-Ogarkov machine is rapidly tightening its grip on the Soviet Union to a degree not seen since the days of Josef Stalin.

In one sense, there were no surprises in those promotions. A consistent power-grab by the members of the Andropov-Ogarkov kindergarten was what I predicted during the weeks just before Gorbachov was made general secretary back in early 1985. . . .

## Moscow sends agents to split Lithuania

*The cynicism shown by most Western governments in response to the Lithuanian people's demands for freedom, is fed by lack of understanding of the tumultuous changes under way in the Soviet empire. To help our readers to evaluate recent events, Maria Cristina Fiocchi of EIR's Rome bureau posed a few questions to Monsignor Ladas Tulaba. He is founder of Pontifical Lithuanian College in Rome, and for 40 years its rector, as well as a diplomat and in-depth expert on Eastern Europe.*

**EIR:** Are Western descriptions of the situation in your country really accurate?

**Tulaba:** I would not say so. There is a real disinformation campaign afoot about Lithuania, orchestrated by Moscow via its agents around the world. There is even talk of dissent and rivalries having broken out among the Lithuanian political forces; these are all falsehoods spread with the aim of dividing and thus weakening the independence front.

But that is not the most serious and troubling fact. We have received news of a massive deployment from Moscow of agents-provocateurs with the aim of causing clashes to explode during the peaceful demonstrations of our people. The Lithuanian leaders are very worried and have spread the watchword to neither respond to, nor accept, any provocation.

If you leave these aspects aside, the situation is tranquil. Our leaders are not showing themselves to be especially worried. On the contrary, they are calm and not giving any sign of weakness or capitulation.

**EIR:** Do you think the Lithuanians will succeed in getting all that they ask or that they will have to stoop to negotiating with Moscow?

**Tulaba:** As far as the independence of Lithuania is concerned, no one is willing to turn back—in no case, under no threat. The Declaration of Independence is legitimate and is the will of the entire people, the entire nation. The government is, however, willing to negotiate with the Soviet gov-

ernment, to seek an accord that will also satisfy Moscow. In particular, they want to maintain commercial interchange with Russia and those economic relations which existed already in the past.

Perhaps few people know that the two fertilizer plants which were forced to shut down production, because of the boycott of gas supplies from Moscow, are two of the biggest plants of this kind in all of Europe and that the fertilizer supplies for the Soviet Union depend on them. For this reason, too, when the Russians realized that economic boycott was hurting their own interests, they reopened the gas spigots for Ionava's factory.

**EIR:** Many maintain that Lithuania made a mistake in acting so rapidly and inflexibly. Do you believe these criticisms are right?

**Tulaba:** The Lithuanians had no choice. The reform proposal being readied in Moscow, to allow an eventual independence of the republics, has yet to be presented, discussed, and approved; it will take at least five years before any results are reached. Then too, everyone knows that it is a "swindle-law" whose true purpose is to hinder the secession from the U.S.S.R. of any republic. Moscow and Gorbachov himself, moreover, have denounced the Molotov-Ribbentrop Pact on the basis of which 50 years ago Lithuania, Latvia, and Estonia were invaded and occupied by the Russians by military force. We have drawn the due consequences of this and have reaffirmed our independence. We do not want to be Moscow's enemies, nor its adversaries, but we wish to deal with them on a state-to-state basis.

**EIR:** In your view, might the Russians opt for a hard line and militarily invade Lithuania?

**Tulaba:** It is a very complex situation. Since communism has failed, Gorbachov is staking all his cards on "socialism with a human face," so as to build the European "common house" and to make the Soviet Union, in the eyes of the Europeans, a credible partner worthy of respect. The final objective, naturally, is that the Russians should become the masters of this "common house." To implement this project, Gorbachov cannot lose his credibility; a military invasion of Lithuania would represent the failure of his political strategy.

Yet, if the Soviet Union did not desperately need aid from the capitalist West, it would not have hesitated to enact a harsh repression; the military contingent of the Red Army in Lithuania has been doubled, the number of police tripled.

**EIR:** Here in the West there is much talk of a growing internal opposition to Gorbachov. What basis does this report have?

**Tulaba:** These are the fruits of the propaganda of Soviet agents abroad. They say that Gorbachov is in trouble, that he risks being overturned, that the military are organizing a coup against him and so forth, so as to push the Westerners

into supporting his policy and to prop him up. Everybody believed these mystifications, even U.S. President George Bush.

The truth is that the very system has collapsed, quite apart from Gorbachov. The only way out is a real change in the Soviet system; they have to get the economy relaunched, to increase agricultural and industrial production.

**EIR:** Are you confident?

**Tulaba:** I'm an optimist. The difficulties to be overcome are immense, but if the Westerners are not so naïve and don't let themselves be deceived by Gorbachov, the situation could evolve positively. Gorbachov is not the savior of the world, he is a man of the secret services, and that's how he should be treated.

**EIR:** What do you think the Russians think about German reunification?

**Tulaba:** The leaders of the Kremlin had already foreseen for four years the possibility of German reunification and they have studied what price they wanted Europe to pay to give their assent. The price is neutralization, of course.

**EIR:** What role is being played by the Holy See in the conflict between Moscow and Vilnius?

**Tulaba:** The Holy See is doing the impossible to help in finding a solution that will satisfy both Moscow and Lithuania, with respect to the independence and sovereignty of our nation. Personally the Holy Father is very close to the Lithuanian people. Even Poland is helping us. Solidarnosc representatives went to Vilnius to express their solidarity with our people's struggle.

**EIR:** What is your opinion on the synod of European bishops, recently convoked by John Paul II?

**Tulaba:** It is an idea that the Pope has been pursuing for many years, that of recreating a Catholic spiritual center in Europe. It will be a fruitful and useful encounter in every respect. The bishops of the West will be able to hear about the difficulties of the Eastern bishops, and vice versa. And who knows, maybe the Western bishops will have things to learn from the Eastern bishops who have endured the long night of communist oppression with heroism!

**EIR:** What is the situation of young people in the East?

**Tulaba:** There is a great desire for knowledge. The communist system made a *tabula rasa* of spiritual values. The youth are not educated. There is an enormous spiritual void, and that is dangerous. The young people admire the faith, but they do not know what it really is. Our task is to fill this void.

## Landsbergis assails Western 'pragmatism'

*On April 17, President Vytautas Landsbergis of Lithuania condemned the lack of morality underlying Western leaders' appeasement of Mikhail Gorbachov, as stemming from the moral affliction of pragmatism. He also ridiculed the myth of Gorbachov propagated by the West. On May 12, Landsbergis commented in an interview with Reuters, "Many foreign governments are looking on indifferently at the events in Lithuania. We cannot say the same of the Kremlin."*

*The following excerpts are from the broadcast of Landsbergis' April 17 speech on Radio Vilnius, monitored, transcribed, and translated by the Foreign Broadcast Information Service.*

World public opinion is yet another weapon that is also very important but which only partially depends on us. Here we encountered an extraordinary competition in people's minds, the press, and all the media that shape public

opinion. This competition was made by the myth of Mikhail Gorbachov in the world and the pragmatism and indifference which had taken root a long time ago in many Western countries. . . .

It looks as if a certain blackmail on an international scale, concerning the future of M. Gorbachov and the hopes of Western states which are linked with it, has also failed. They say: What should be sacrificed? Lithuania or Gorbachov? Or perestroika? As if Lithuania would mean a return to some sort of stagnation and not to a consistent continuation of perestroika itself! Certain threats that the issue of Lithuania may even threaten world peace look too paradoxical, because the whole world could see what these forces of peace were, and how these forces behaved in Lithuania.

There is a certain matter which Western politicians were made to believe: That one should not hurry with recognition of the Lithuanian government or direct diplomatic contacts because this could provoke the most conservative forces of the U.S.S.R. In other words, recognition would provoke madness, and therefore one should not hurry with this. Well, concerning this we can be patient. A month is a very short period of time, in comparison with the several years which Lithuania had to wait after the Declaration of Independence in 1918.

# Threats to German reunification

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*Chancellor Kohl's policy is targeted by disinformation, sabotage, terrorists.  
Rainer Apel reports from Wiesbaden.*

To all who had expected that West German Chancellor Helmut Kohl's policy on the German issue would be hailed by the voters in the two state elections of Lower Saxony and North Rhine-Westphalia on May 13, the election results came as a shock. Kohl's party, the Christian Democratic Union (CDU), lost the first state and were not able to reconquer the second. The chancellor's parliamentary opposition, the Social Democrats (SPD), won in both elections, which had 40% of the entire West German electorate going to the polls, and had been billed as a trial run for the Dec. 2 elections for the federal West German parliament.

As for the reasons for this election defeat of Kohl's party, the disinformation campaign among voters launched by the SPD, the majority of the media, and the communist PDS in East Germany, about the alleged "costs" of German reunification, is said to be the decisive one.

Apart from the bad omen for the December elections, the vote result on May 13 creates serious problems for Kohl's coalition government with the liberal Free Democratic Party over the next six to seven months. His own parliamentary majority of Christian Democrats and liberals in the parliament (Bundestag) now runs up against a majority of 23 to 18 seats of Social Democrats and Greens in the council of states (Bundesrat).

Most alarming, is the fact that the Social Democrats were able to reconquer Lower Saxony, which they lost to the Christian Democrats 14 years ago, on the basis of a radical-ecologist campaign platform. The intentions of the new governor, Gerhard Schroeder (SPD), for Lower Saxony are underlined by the fact that the longtime head of the West German section of the Greenpeace organization, Mrs. Monika Griefahn, will be appointed the new state minister of environmental affairs.

## **A dual-power situation**

More than the fact that the SPD was able to stay in power in the state of North Rhine-Westphalia, the industrial heartland of West Germany, the change in Lower Saxony indicates trouble to come. Election winner Schroeder is a staunch follower of Oskar Lafontaine, the Social Democrats' designated candidate for chancellor, who is a man of radical-ecologist views and, in terms of general world outlook, a

German variant of the Russian *raskolnik*, who hates the West, and Americans most of all.

Ironically, Lafontaine has influential friends not only in Moscow, but also in the Anglo-American world, in spite of his anti-Western views—friends among those policymaking circles who consider Chancellor Kohl's Germany policy a threat to their own "balance of power" games in Europe. The election victory of Lafontaine's tendency in Lower Saxony will be interpreted by these circles as a prelude to Kohl's fall and replacement as chancellor in Bonn, as an open flank for additional maneuvers of sabotage against the chancellor's policy over the next few weeks.

The new dual-power situation in West Germany—the CDU/CSU dominating Bonn, but the SPD dominating in the majority of the 11 states—means that from the viewpoint of national interest (reunification and related issues), nothing will work if there isn't a fundamental policy consensus between the two big political parties. If the consensus does not work, it means paralysis during the highly critical initial phase of reconstruction of the East German economy, and strategic weakness of West Germany in the coming rounds of international talks on the future of the Germans. This would have a negative effect on domestic West German stability, because of the high stakes put by Kohl on the German reunification issue.

Kohl, seeing that threat, charged the Social Democrats with an "irresponsible strategy in respect to national interests." Kohl holds that the pace toward reunification must be kept, and even accelerated, because, as many indicators point to a worsening of the world strategic and East bloc economic-social situation, it is "better to have the hay in the barn before the storm arrives," he told the parliamentary group of his Christian Democrats in Bonn on May 14. Under the fresh shock of his party's two election defeats on May 13, Kohl even changed his original views and now endorses early all-German elections, to take place by the end of this year. With at least 75% of the East German electorate in favor of rapid reunification, Kohl expects to balance the substantial anti-unity sentiment in the West and create an accomplished fact that nobody, inside or outside Germany, can put in question any longer.



Any slowing down of the pace would make German reunification more difficult, eventually even impossible to achieve in the short run; severe political unrest and instability, caused by a delay of economic recovery in East Germany, would be the result in West Germany.

Instability is what the Soviet KGB needs to succeed in its present efforts to build a new network of disruption and sabotage in West Germany.

### **‘Operation Trojan Horse’**

The East German communist party, the SED, which was shaken by the first revolution last October and survived in power under the changed name PDS for another six months until the March 18 elections for East German parliament, has operated successfully over this period to achieve two essential objectives: 1) preventing a second revolution that would wipe out the remains of the party and its underground apparatus; and 2) preparing the transfer of a significant part of the party’s former power apparatus into West Germany, giving the Kremlin a strong leverage against the West German government.

This “Operation Trojan Horse” is to provide the KGB with an efficient instrument to manipulate the pace and conditions of German reunification at Moscow’s will, and with a tool for later use in a united German state, to pull Germany into the Soviet camp—an old strategic objective of both czarist and post-revolutionary Russian policy.

Operation Trojan Horse involves numerous—Western intelligence sources speak of up to 8,500—specialists of the former East German foreign intelligence, with skills in sabotage, penetration, and disinformation. These were pulled out from their previous posts during the October 1989 revolution and the months after, and reassigned to the new operation inside West Germany. The operation is overseen by Gen. Markus “Mischa” Wolf, the longtime head of the East German foreign intelligence, who “quit” his intelligence job in late 1986, built his new image as a “dissident,” and periodically even popped up as a leading spokesman of the new PDS communist party apparatus, during the hot phase of the East German revolution of late 1989.

Then, presumably since January this year, Wolf chose exile status in Moscow (he actually has had Soviet citizenship since 1938) for several months, to prepare the groundwork for Operation Trojan Horse in West Germany. His project has three elements:

1) The remains of the old espionage and agency network in West Germany, an estimated 5,000 persons, are to be kept intact and transferred to the new underground command.

2) A new underground network of disinformation and sabotage is to be built, based on the aforementioned hard core of the former foreign intelligence apparatus. These persons are entering West Germany with false passports and a new identity.

3) An aboveground structure is to be formed for opera-

tions in the parliaments and for anti-parliamentarian actions in the streets, consisting of the PDS, the remains of the West German Communist Party (DKP), the Greens, radical socialist groups, and the network of terrorism supporters at-large.

### **Old insurrection tactics**

During the month of May, the first aspects of the third element became visible in West Germany, around the broad mobilization of the radical and extreme left against German reunification. The mobilization, which began May 1 under the slogan, “No to a Fourth Reich,” involves the remains of the DKP and its front groups like the VVN, the extremist wing of the Greens, the urban rioters and squatters movement, and the pro-terrorist underground, all of which are being wooed by the East German PDS in a plan for a merger into a new leftist party for West Germany later this year.

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*Markus “Mischa” Wolf’s role in coordination of terrorism is not past history: His new underground organization, the KGB’s Operation Trojan Horse, was inaugurated with the Nov. 30, 1989 assassination of Deutsche Bank chairman Alfred Herrhausen. This attack was the beginning of a new terrorism offensive that aims at assassinating leading proponents of German reunification.*

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On May 8, a rally of several thousand at Potsdam Square in West Berlin protested against the reunification of Germany, on the grounds that it would mean a resurgence of a Nazi-run Greater Germany, and would mean that the “socialist G.D.R.” (East Germany) would fall prey to “West German imperialism.” At the rally, Daimler-Benz Corp. and Deutsche Bank were singled out for attacks, because of their “leading role in the West German military-industrial complex.”

On May 12, a similarly composed rally of 5,000 in Frankfurt protested against “the imperialist annexation of the G.D.R. into a Greater Germany,” and warned against “neo-Nazism” and “anti-Semitism” that would come along with the reunification of the two Germanys. Calls for a “strong socialist German state” were issued at the rally, which was under the nominal control of the Green party headquarters in

that city. A speaker addressed the mob with the call: "Let us launch the fight against the Germany of the German patriots, against the bosses and the cops."

This, the formal return to Germany of Moscow's old Comintern strategy of penetration, paralysis, and insurrection, is being supervised by Markus Wolf and other leading operatives of the old Comintern apparatus, such as Jürgen Kuczynski and his sister Ruth (both over 80 years old). Kuczynski was a close collaborator of Eugen Varga, the man who ran espionage and sabotage for the Comintern through a network of econometric institutes in the West, from the 1920s on, and later worked as the key liaison in the 1930s and early 1940s between the Red Orchestra espionage cell in Paris and London. Ruth Kuczynski using the underground name of "Sonya," worked with the same Red Orchestra and later on with the Asian Comintern network of Soviet master-spy Richard Sorge, based out at the German exile community in Shanghai. Wolf and the two Kuczynskis are close advisers to the PDS party bosses, chairman Gregor Gysi and co-chairman Hans Modrow, the prime minister of the second transition regime that governed East Germany between December 1989 and April 1990.

### Markus Wolf's Comintern career

As for Wolf's role in more than 50 years of active service for the Kremlin, a two-part exposé in the *Jerusalem Post* on April 27 and 29 listed some remarkable aspects of his biography. The exposé, headlined "Mischa's back" and "The long arm of Mischa Wolf," concentrated less on his image as "master spy," but rather on another aspect:

"He has also supported and harnessed some of the world's most violent terrorist groups, according to sources close to British, American, Israeli, and West German intelligence agencies, although the agencies don't always concur in the events they link him to. Wolf's goal has always been the destabilization of Western governments."

Born in 1923, to a Jewish family that emigrated from Germany to the Soviet Union in 1933, Markus Wolf adopted the Russian cover name of "Mischa" and attended the elite Comintern school at Kushnarenkovo. "Wolf's teachers recognized talent, and when he was still in his teens, he was recruited into the NKVD—the KGB in one of its earlier forms," wrote the *Jerusalem Post* on April 27. Wolf earned his first laurels in the NKVD's disinformation and propaganda operation against Germany during the war.

After an interlude as a special NKVD correspondent, operating under cover as a journalist, at the Nuremberg War Crimes Tribunal in 1946-47, Wolf returned to Moscow in 1949 to become first counsellor at the embassy of the newly established communist East German state. At that time, he already had the rank of NKVD general. In 1951, Wolf got a new assignment, to build up an agent network in Western Europe for the NKVD. This became the HVA, the Chief Department of Intelligence, which Wolf officially headed

from 1958 to 1987.

"When Wolf was 28," the *Jerusalem Post* wrote, "he returned to East Berlin as the KGB's top man in the outpost, called the Institute of Economic Research, the precursor of the HVA. Germany, at the center of Europe, was the Soviets' most crucial base for a broad spectrum of covert operations, and Wolf was their key man. The KGB poured fabulous sums into Wolf's operations, according to Western intelligence sources."

In 1952, Wolf's promotion to NKVD lieutenant-general was, as the *Jerusalem Post* noted, "all the more remarkable since Stalin was purging other Jews throughout the Soviet Union and the East bloc. . . . Yet rampant anti-Semitism never slowed Wolf's rise. For by now Wolf was the chief protégé of KGB honcho and future Soviet leader Yuri Andropov. Andropov's other young favorite was Mikhail Gorbachov."

Among the operations Wolf ran for Andropov in the years after, was the "deep penetration of international terrorist groups," as became apparent during the non-public trial against Günter Guillaume, the spy who was the closest personal adviser to West German Chancellor Willy Brandt in the early 1970s and whose cover was blown in April 1974, leading to Brandt's resignation.

More public light on Wolf's involvement with international terrorism was shed in late 1989, when in the course of the East German revolution, secret material was found that linked an arms-trading company, IMES, and its director, Alexander Schalck-Golodkowski, to funds of the HVA. IMES reportedly sold arms to Iran, Iraq, but also to Ibero-American guerrilla groups and terrorist organizations in Mideast and Europe, such as the PFLP-GC of Ahmed Jibril, the IRA, and the West German Red Army Faction. Wolf's HVA maintained a training camp for European terrorists in Muammar Qaddafi's Libya, and, according to other sources, also one in Nicaragua.

The terrorist assault against the Israeli sports team at the Munich Olympics 1972, the bomb attack on the Brighton Grand Hotel that almost killed Britain's Prime Minister Margaret Thatcher in October 1984, the bombing of the West Berlin "La Belle" discotheque in April 1986, and the Lockerbie bomb attack on a PanAm airliner in December 1988 are all traced back to Wolf's covert operations.

Wolf's role behind terrorism is not past history: It is mooted that his new underground organization, the KGB's Operation Trojan Horse in West Germany, was inaugurated with the Nov. 30, 1989 precision remote bomb attack that killed the chairman of Deutsche Bank, Alfred Herrhausen, near Frankfurt. This attack, anti-terror specialists in the West say, was the beginning of a new terrorism offensive that aims at assassinating leading proponents of German reunification in politics, industry, and banking in the course of this year, to keep the unification process under firm Kremlin control—and, in the ideal case, to make it impossible.

# South Korea is far from falling apart

by Lydia Cherry

Violent street battles and isolated incidences of renewed labor unrest across South Korea in mid-May grabbed major press attention by the U.S. and Soviet media, giving the mistaken impression that Seoul once again is in flames and the government tottering. For several days this month, South Korea saw once again the extremely coordinated violent student and worker protests which three years ago brought down the government of former President Chun Doo-hwan. Both on May 10—the first day of the inaugural convention of the new governing Democratic Liberal Party—and again on May 18—the tenth anniversary of the “Kwangju Massacre”—rallies drew over 100,000, with signs reading “Tear Apart the Ruling Party.” Following these rallies, thousands of the most hard-core radicals engaged in street battles with riot police.

That the Noh Tae Woo government is at the helm during an extremely complex period, is unquestionable. Strategically, Seoul is in a race against time, seeking rapprochement with the militarily stronger North Korea prior to U.S. troop pullback, implicitly under the hegemony of the South and following the impetus of the developments in Germany. At the same time, economically, Seoul is reeling from U.S. trade war pressure as it attempts to build new markets for an economy heavily dependent on exports, especially to the United States.

But despite this, it is misleading to describe the fights in the streets and resultant police clampdowns as a reflection of major government instability or police-state tactics. The nucleus of the hard-core non-party radical opposition in South Korea is not a “natural” opposition movement, but was created from abroad by the ideologies and funding of the World Council of Churches (WCC) and allied institutions, and largely protected by the U.S. State Department. One of President Noh Tae Woo’s larger tasks since his election has been to isolate and contain this radical fringe. It was with this purpose in mind—and viewing the historical stability of Japan’s many-factioned ruling Liberal Democratic Party over three decades—that Noh merged his party with the two most conservative opposition parties to form the new Democratic Liberal Party, isolating the party of WCC politician and radical firebrand Kim Dae Jung.

## U.S. and Soviets push anti-Noh line

Moscow’s editorial slant, and that of the U.S. Eastern Establishment media on the South Korea disturbances, have been remarkably similar. “The strikes are unpleasant and unexpected events to the Korean government,” the Moscow International Service broadcast in Korean. “The temporary stability has failed to last long. Why has this situation developed in this way? Because democracy in Korea is very crude. Chongwadae [the South Korean presidential residence] and the administration have not removed all legacies of the military dictatorship,” the May 4 commentary concluded.

Commentator Stephen Rosenfeld, writing in the *Washington Post* on May 1, concurred with Moscow: Noh “represents a broad element based in the military but spreading into the society at large that demands a measure of tight control inconsistent with true democratization. . . . More progress must be made in democratizing South Korea before Seoul will be in a position to move by careful stages . . . to reunification.”

Rosenfeld, however, was correct when he wrote that the Koreans’ confidence in the United States is shaky. The South Korean press has reflected concern that decisions will be made behind South Korea’s back at the June summit between Mikhail Gorbachov and George Bush. Diplomacy between North Korea and Washington bore its first tangible fruit May 13, when the North agreed to return the remains of five U.S. soldiers who were missing during the Korean war.

President Noh made a special television address to the nation the night of May 7, acknowledging that “the people’s uneasiness has increased recently” and committing himself to leading the nation’s affairs “so that stability is attained in the political, economic, and social domains.” He made clear that despite dissension within the new ruling party ranks, he was not backing away from his “Northern Policy.” “Today we are faced with an era of change in which . . . East and West Germany have virtually become reunified. . . . The great current of change is surging into the Korean peninsula without exception. We are faced with a crucial period which will determine the destiny of the nation.”

In discussing the problems in the domestic Korean economy, President Noh committed himself to getting control of the speculative economy, and addressed “the sense of prostration of many people, whose dreams for purchasing a house have disappeared due to the increase in housing prices. . . . The government will reform the tax system in such a day as to impose heavier taxes on unearned income and to have the honestly earned income protected.” He pledged that 2 million new houses will be built for working people by 1992. “It is true that our economic situation has become difficult; Nevertheless, we are in no way faced with a crisis.”

The government on May 14 followed up on President Noh’s promises, by banning until at least Sept. 30 the construction of hotels, department stores, and luxury buildings, in order to stabilize the supply of construction materials for major government projects—housing in particular.

# Japan's new 'Asia Doctrine' is received warmly during Kaifu tour

by Susan Maitra and Ramtanu Maitra

Japanese Prime Minister Toshiki Kaifu's week-long tour of South Asia has been hailed as a major success. Beginning April 30, the Japanese prime minister visited India, Bangladesh, Pakistan, and Sri Lanka. It was the new Japanese premier's first tour in Asia, and the South Asian nations were pleased with the attention from their pace-setting neighbor at a time of shifting global equations, and with the promise of increased aid that forms the core of Kaifu's new "Asia Doctrine."

That the trip signals a new dimension in Japan's foreign policy, was most evident from the reaction to the tour among the Japanese themselves. But while Japanese bankers congregated in New Delhi for the Asian Development Bank Board of Governors meeting said Kaifu had not only enhanced Japan's position on the world stage but also helped to consolidate his own position at home, influential voices in Tokyo were still openly expressing some worries.

## International cooperative initiative

In an address to the Indian Parliament on April 30, Prime Minister Kaifu presented his country's vision of building a "new world" through cooperation, the vision that inspired his present tour. Kaifu explained that when "confrontation of power governed the world order," his country's contribution to preserving order among nations was "necessarily limited." Now, he said, "times have changed dramatically," and he was convinced that the time had come to extend the effectiveness of Japan's two-year-old "international cooperative initiative" further. This initiative rests on three pillars, Kaifu explained: 1) strengthening cooperation and political and economic dialogue to achieve peace; 2) expanding official development assistance; and, 3) promoting international cultural exchange.

Kaifu pointed to the collapse of the communist system in the Soviet Union and Eastern Europe, and to the acceptance by an increasing number of people around the world of the ideas of freedom, democracy, and market economy. He emphasized that it was to the interest of the world economy as a whole to resolve the economic difficulties of developing countries plagued with debt accumulation. It has become imperative, he said, to reflect the voices of developing coun-

tries in the management of the world economy. Economic dialogue between Japan and South Asia must be seen in this context, he said.

At a meeting with Indian journalists prior to his departure from Tokyo, Prime Minister Kaifu emphasized that Japan has an international responsibility now, and a unique role to play, especially in putting its economic and technical capabilities to effective use. It must now take foreign policy initiatives which would contribute to the stability and prosperity of the entire Asian region. This could only be done, he said, through discussion with leaders of countries such as India.

In two lengthy meetings with Indian Prime Minister V.P. Singh—one of which was devoted solely to India's economic conditions—Kaifu was fully apprised of India's view of the world, in particular the problem of Kashmir, India's commitment to multilateralism (i.e., the problem of the U.S. unilateral Super 301 trade-bashing actions), and India's determination to proceed with its economic "liberalization" at a pace that does not threaten the country's balance of payments position.

The prime minister took the Indians by surprise with his announcement of a 100 billion yen promise of aid to India for the coming year, to be formalized during the upcoming Paris meeting of the Aid India Consortium in June. "We never thought that assistance would be offered on this visit," said Indian Finance Minister Madhu Dandavate. "The Japanese are two steps ahead of us." The aid commitment represents a hike from the 97 billion yen level of assistance for 1989-90, meaning that Japan has now emerged as the single largest donor to India among countries and international aid agencies.

During his 20-hour visit to Bangladesh, Kaifu announced a 31.2 billion yen aid package for the country's next financial year beginning in July—a 3.7% hike over last year. It was the first visit of a Japanese prime minister to Bangladesh, and Kaifu used the occasion to inaugurate the Japanese-financed "Friendship Bridge" over the Meghna River, and assured Bangladeshi officials he would send a team of experts to evaluate the proposed Jamuna Bridge soon. Japan is the largest aid donor to Bangladesh, and is also currently involved, along with the World Bank and other donors, in

financing a five-year, \$150 million feasibility study—including setting up pilot projects—on prevention of natural calamities, namely flooding.

While in Pakistan, Prime Minister Kaifu committed 20 billion yen in new credits to that country for development projects. Kaifu also pledged Japan's continued financial assistance to Pakistan for the 3 million Afghan refugees still there. Kaifu also took the initiative to act as a kind of messenger between Indian Prime Minister V.P. Singh and Pakistan Prime Minister Benazir Bhutto, in attempts to defuse the tense Kashmir issue. While Kaifu was still in Pakistan, Bhutto offered to initiate a dialogue with her Indian counterpart.

### Japan boosts South Asian cooperation

Arguably the single most significant element of the tour was the Japanese prime minister's offer of formal cooperation between Japan and the South Asian Association for Regional Cooperation (SAARC), the South Asian corollary of ASEAN formed in 1985 at Indian initiative.

SAARC, whose membership consists of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, and the Maldives Islands, got hopelessly bogged down over the past four years due to strained relations among the member nations. Last year's heads of state meeting, to be hosted by the last year's SAARC chairman, Sri Lanka, is still hanging fire because of bitter relations developed between India and Sri Lanka over stationing of the Indian Peace Keeping Forces in the island nation under a bilateral agreement with the previous government. It is expected that Kaifu's offer of economic assistance to SAARC, if the group chooses to take it up, will act as an initiative to revive the organization.

As Kaifu told the Indian Parliament, "I sincerely hope that the South Asian Association for Regional Cooperation will overcome whatever challenge may arise with wisdom and effort to realize step by step the lofty goals it set for itself at the time of inauguration. Should SAARC as an organization desire to receive cooperation from countries outside the region in its endeavor to attain these goals, Japan will be prepared to consider extending appropriate cooperation."

It was immediately noted in New Delhi that in making this offer, Prime Minister Kaifu was elevating the South Asian region to the same level as ASEAN, heretofore the priority focus of Japan's attention in Asia and a major beneficiary of Japanese economic cooperation. From the Japanese point of view, the offer to SAARC is a master stroke. Japan has always been uneasy funding any one particular nation in a region while ignoring others, and the intense rivalries and suspicions within the South Asian nations make it an even more sensitive issue. But by developing a cooperative relationship with SAARC as a whole, this problem is resolved.

For SAARC, which had also entertained a series of abortive discussions on establishing a regional development financing mechanism or otherwise jointly enhancing regional economic prospects, the Japanese offer of cooperation

comes as a potential boon.

### Skeptical voices in Japan

But even before Kaifu left Tokyo, the wisdom of the new "Asia Doctrine" had come under attack. Why, asked some Japanese foreign affairs experts, had he chosen to go to South Asia, a regional "powder keg?" Japan's declared policy, after all, is not to play the role of a "military power," complained the liberal *Asahi Shimbun* editorially.

More significant, perhaps, was the editorial commentary in Japan's *Nihon Keizai*, a liberal mouthpiece for Japan's politico-business establishment, following the Kaifu tour. "We are only raising South Asia's expectations to a great height," worried *Nihon Keizai*, and putting "a new burden on our shoulders." The paper asked how aid can help lift the South Asian economies out of their long-persisting stagnation, or find solutions to the chronic problems of religious conflict and other difficult socio-political issues.

Other Japanese commentators noted that Japan's stature in South Asia was much greater today than just six years ago, when Prime Minister Yasuhiro Nakasone visited India and Pakistan. And the region's expectations of Japan are higher, too, as was evident in Pakistan President Ghulam Ishaq Khan's blunt remarks to Kaifu, that since the traditional powers were moving away from the region with the end of East-West confrontation, Japan could fill the resulting vacuum.

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# Is Colombian Army on López's trail?

by José Restrepo

Former Colombian President Alfonso López Michelsen, who has twice shown his treasonous colors in public efforts to force the Colombian government to negotiate a "peace" with the country's cocaine cartels, may be next in line to be charged with "aiding and abetting narco-terrorist activities," according to state of siege decrees issued in order to combat narco-terrorism.

On May 10, the Fourth Army Brigade headquartered in Medellín raided the residence and law office of attorney Guido Parra, who has legally represented drug trafficker Pablo Escobar on various occasions. Together with the former President, Parra helped draft the letter that López's group of so-called "Notables" sent to the cartel on Jan. 15, promising the traffickers a "benign" deal with the government in exchange for the release of several kidnap victims. López and Parra also reportedly drafted the traffickers' response to the Notables' ostensibly generous offer, which was framed as an alleged "surrender" to the government's war on drugs.

The Colombian Army also captured one Inés Mejía de Serna, a Liberal city councilwoman in Pablo Escobar's town of Envigado; and Diego Londoño White, the prominent Antioquian businessmen whose construction company has built bomb-proof bunkers and estates for Pablo Escobar. Fourth Brigade Commander Gen. Harold Bedoya Pizarro asserted in a communiqué that the captures had occurred "in fulfillment of the anti-terrorist statute, for presumed aiding and abetting of narcoterrorist activities, and harboring of same." The detained individuals "were implicated in illicit behavior, as defined by the cited public order decree," the communiqué concluded.

Diego Londoño White is the business partner of his brother Santiago Londoño White, who participated in López Michelsen's efforts earlier this year to mediate a deal between the government and the traffickers. Santiago Londoño White was also the treasurer of López Michelsen's 1982 presidential bid, and in that position he accepted a nearly \$500,000 contribution from the hands of drug trafficker Carlos Lehder, to finance López's fruitless effort. It was the same Santiago Londoño who organized the infamous 1984 Panama meeting between López Michelsen and Medellín Cartel chieftains Pablo Escobar and Jorge Luis Ochoa.

According to a report in the May 11 Bogotá daily *El*

*Espectador*, mouthpiece of the country's anti-drug forces, state security spokesmen have said that Guido Parra and ex-President López spoke various times on the drug traffickers' proposals, "and in one such conversation, the former President told Parra to be careful, and to tell Pablo Escobar the same."

## 'Give him enough rope . . .'

Just days before the Parra and Londoño arrests, López had complained to Caracol radio that one couldn't understand how it is that the Army "can locate the communications of enemies of the state, but cannot capture them." At the time, López clearly was not expecting his voice to be identified on one of those "communications of enemies of the state."

After the *El Espectador* report appeared, a furious López dashed off a letter to Attorney General Alfonso Gómez Méndez, demanding that *El Espectador's* information be investigated. The newspaper *El Tiempo* of May 12 reported López's insistence that the investigation look into whether, in the previous 15 years, he had had "any kind of contact with Antioquian lawyer Guido Parra, arrested by the Fourth Brigade of Medellín, as some media citing official sources have reported." López demanded that "once the investigation is carried out, that sanctions be applied to those who have lied." The Attorney General, a "former" legal retainer of the Michelsen family, replied by urging the ex-President to sue.

López's rage and his not-so-veiled threat against *El Espectador* and its sources, reveals a fear that Colombia's security agencies are finally going after the "untouchables," the "citizens above suspicion" who, like López, have long striven to turn the drug lords, or "Extraditables," into "respectables" with whom one is then permitted to negotiate.

The Fourth Brigade arrests took place just after Liberal Party presidential candidate and front-runner César Gaviria Trujillo stated in a nationally televised address May 6 that Colombia would have no success "in the fight against the drug trade as long as certain sectors and leaders think that the way to confront those organizations is to respond to their crimes with every kind of concession by society and the government."

At the same time, Gaviria promised that, as Colombia's future President, he would correct one of the most serious errors of the current Barco government in its war on drugs, namely, its belief that one can have dialogue with so-called "guerrilla groups" as if they were distinguishable from "narco-terrorism." He added, "We are not going to do away with the guerrilla as long as they maintain their sources of financing," said Gaviria, or "as long as we permit them to resort to political dialogue." Gaviria was putting on notice not only the recently legalized M-19 narco-terrorists and other suddenly "pro-dialogue" guerrilla gangs, but also those sponsors of such dialogue who had hoped to use President Barco's guerrilla appeasement policy as a model for the continent.

# Military institution gutted in Argentina

by Cynthia R. Rush

The Argentine government's embrace of economic liberalism, and its slavish obedience to the austerity dictates of the International Monetary Fund (IMF), is succeeding in paralyzing the nation's Armed Forces. Miserable wages and budget cutbacks for operating costs have caused dramatic reductions in military activities, have canceled several military-industrial development projects, and have even delayed the incorporation of the latest class of draftees into the Army. Most Army bases now operate for only half a day, so that officers and soldiers can go out in the afternoon to work at second jobs to make enough to feed their families. Many base commanders are resorting to unorthodox activities to generate additional income to finance base operations, and morale and the spirit of professionalism are reportedly low throughout the institution.

According to the April 25 issue of the weekly *Somos* magazine, in mid-April the heads of the Army, Navy, and Air Force were close to handing in their resignations, arguing that current austerity conditions made it impossible to do their jobs. The 100% wage increase granted April 24 is not enough to allow most families to make it through the month, given that the monthly "market basket" for an average family costs 2 million australs, and according to one source quoted by *Somos*, "Not even a general makes that much!" The same source reported that the starting salary for a bus driver is 800,000 australs, "a little more than a major with many years of service is earning."

President Carlos Menem hasn't publicly called for the dismantling of the Armed Forces—but he might as well have. His monetary policy is achieving the objective so warmly endorsed by the Trilateral Commission report on Ibero-America issued in March of this year. The authors of that report say there is no need for armed forces in Ibero-America, because there is no longer any "external threat," no Soviet menace. Better to replace the military with some kind of regional police force, the report recommends, thus eliminating an institution which still tends to be a repository for nationalist sentiment, and which could offer potential resistance to policies now being hatched between Washington and Moscow.

Precisely because it contains a strong nationalist element, and has a long tradition of involvement in military, scientific,

and industrial projects linked to national economic development, Argentina's Armed Forces have been a target of the U.S. "secret government" which goes by the name Project Democracy. President Menem has shown no qualms about degrading the institution, if it will help him meet his top priority of improving relations with the United States.

## Destroying scientific capabilities

The decision to cancel the Air Force's Condor II missile program, announced on April 21 by Defense Minister Humberto Romero, came in response to fierce U.S. pressures and blackmail, combined with budgetary restrictions. The Condor project, carried out in cooperation with the governments of Egypt and Iraq, was intended to produce a 700-kilometer-range rocket to place satellites in orbit. Both Great Britain and Israel had protested that the rocket program represented a threat to their interests, in the Malvinas Islands and Middle East, respectively.

The international oligarchy and malthusian lobbies have repeatedly attacked those developing-sector countries such as Argentina, Brazil, and India, which have developed nuclear energy programs and related scientific capabilities. The decision to cancel the Condor II can also be seen in the context of the speech given by William Webster, director of the U.S. Central Intelligence Agency, at the Boston World Affairs Council earlier this year. Webster said his agency now intends to focus its attention not on Soviet subversion, but on Third World nations which possess nuclear capabilities and other sophisticated military weaponry, because of the threat these represent to stability in these regions.

The weekly *El Informador Público* reported on May 11 that Carlos Menem has promised George Bush that Argentina will stop exporting nuclear technology to other Third World nations. Peru and several Arab nations will be the first victims of this decision.

Menem's budget cuts have had the effect of degrading, if not completely destroying, the Armed Forces' technological and scientific potential as well. The Navy's Domecq García shipyard, the only one in Ibero-America capable of building submarines, has already been closed down. The Army's military industry and the Argentine-built tank TAMSE are likewise affected, and naval aviation is practically paralyzed, according to *El Informador Público* of April 27. At the same time, the government's recent decision to deploy the Army to repress "internal conflict" serves the Trilateral Commission's purpose of converting the Armed Forces into a domestic police force.

According to the April 26 daily *Clarín*, Foreign Minister Domingo Cavallo promised U.S. Secretary of State James Baker that all cooperation with Egypt on the Condor project is definitely ended, and, to convince him, offered to deploy any scientific breakthroughs achieved in the project to some other U.S.-Argentine project—perhaps in the area of ecology.

# Reopen the Bulgarian file

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*On the anniversary of the attempted assassination of Pope John Paul II, Muriel Mirak-Weissbach demands a reopening of the blocked investigation.*

Nine years ago, on May 13, 1981, an assassin came from afar raised his Browning 9 mm pistol above the heads of the thousands of pilgrims gathered in St. Peter's Square, and unloaded its charge against His Holiness John Paul II. As the Pontiff collapsed into the arms of his attendants, a courageous American nun held the killer tight until security guards took him into custody. Thanks to her presence of mind and determined will not to allow his escape, the outlines of a vicious conspiracy were brought into public view, linking secret services of many countries, networks of drug runners, and illegal arms traffickers together in one of the most heinous terrorist plots in modern history.

Nine years later, the would-be assassin, a young Turk named Ali Mehmet Agca, sits in a heavily guarded Italian prison. The broad outlines of the plot in which he was drafted to be a crucial actor, have been identified and dubbed the "Bulgarian trail." Some of his higher-ups have also been brought to justice, some have disappeared. But the masterminds of the plot remain not only in freedom, but at the very apex of political power in Moscow, among other locations. Nor have they given up on the policy goal they were pursuing by trying to eliminate the highest representative of Christendom. The tug-of-war continues, in Poland, in Ukraine, in the Baltic states.

Had the full truth behind the 1981 *attempt* been brought to light and the political consequences fully drawn, the process unfolding in the nations of Eastern Europe, as well as the attendant struggle with and among the great powers, would surely have followed a different track. In the interests of rerouting some of the ongoing processes in a more fruitful and healthy direction, it would be most appropriate to reopen the Bulgarian file. It is not only in the interests of the nascent Eastern European democracies, and of the Pope, but also of the freedom-loving populations of the Western world, that the full truth emerge at long last.

## **The creation of a killer**

In 1968, a high-level military and political official of Czechoslovakia, Gen. Maj. Jan Sejna, defected to the West. In 1971, a man who could have been his counterpart in Bulgaria, code-named Stefan Sverdlev, also defected. Between the two, in accounts given independently one of the other,

they have provided a picture of how the Soviet KGB has built up a network of capabilities deployed to assure the destruction of the West. Their debriefings described the broad scenario or *modus operandi*, of which the Agca deployment was a case in point.

The gist of their reports was that the Soviets, on the heels of the Chinese, set up a worldwide network of drugs and terrorism, which they used to undermine the West. The plan, originally adopted by Moscow in 1955-56, involved the institution of training camps in Czechoslovakia, Bulgaria, and the German Democratic Republic (G.D.R.), at which operatives received basic training in drug running, infiltration of mafia networks in the West, and terrorism. According to the division of labor established in the late 1950s, the Bulgarians were responsible for the Middle East, Golden Crescent, Syria, and Lebanon, whereas the East German regime of Walter Ulbricht and, later, Erich Honecker, was accountable for Western Europe and Scandinavia. The Czechs received the franchise for overseas operations extending via Cuba, into Latin America.

By 1967, the Soviets had a worldwide network in place. Dossiers had been gathered by their intelligence operatives on thousands of politicians in the West. The drug trade was flourishing. Bulgaria had become the transshipment point for opium and morphine coming out of Asia and the Fertile Crescent, which they moved overland into Western European markets. In exchange, the Bulgarians, working through individuals such as the Syrian Henri Arsan, and his Stipam front company in Milan, Italy, moved weapons to pay for the drugs they received. The organized crime network that provided the logistics for the drugs-for-weapons trade, was the so-called Turkish mafia, which became, to all intents and purposes, an arm of the Bulgarian secret services, which used its state-owned firm, called Kintex, as the front for export and import. Kintex was run by the Bulgarian intelligence service KDS, which in turn took its orders from the KGB. Two names which were to become notorious in the Kintex grouping were Serge Ivanov Antonov, a Rome-based official of the Bulgarian airline company as well as the deputy director for the travel agency Balkan Tours; and, mafia boss Belik Celenk. Both Antonov and Celenk were to be indicted on charges of conspiracy to kill the Pope. Celenk will turn out



to have been the person who offered Ali Agca 3 million deutschemarks to kill John Paul II.

## Enter Ali Agca

Agca was one of many—thousands, or tens of thousands?—of individuals picked up and recruited by the mafia, in this case the Turkish mafia, to play his assigned role in the worldwide destabilization drama. After receiving training at a radical Palestinian camp in Lebanon under the control of Hafez al-Assad's Syrians, Agca was deployed into the right-wing milieu of the Grey Wolves, in order to acquire a right-wing persona which would serve him well when the time came for him to take center stage. On Feb. 1, 1979, a prominent Turkish journalist, Abdi Ipekci, was murdered, and Agca, as if on cue, popped up to confess to the crime. He was promptly sentenced and sent to prison, where he became known as the top Turkish terrorist. Five months later, he managed a miraculous escape, which could only take place with the full support of agents inside the tightly guarded prison. The day after he found his new freedom, he penned a letter to a local newspaper, announcing that he would kill the Pope. Then he appeared in Sofia, Bulgaria, of all places, where he stayed in an expensive hotel for two months. There he received orders for his next exploit: killing the Pope. Before appearing in St. Peter's Square, Agca crisscrossed Europe, carefully making contact with Grey Wolves organizations wherever he could, the better to establish his identity as one of their members. When he had made his hit in St. Peter's Square, and was apprehended by the authorities, the story that emerged was one relating to a "neo-Nazi, fundamentalist Turkish assassin," a perfect cover for a communist Soviet-Bulgarian job.

The original plan probably contemplated Agca's escape (which the feisty American nun prevented) or his immediate elimination. The fact that Agca was taken into custody meant that a time bomb had begun ticking. Perhaps Agca thought his patrons would spring him from prison in Italy, as they had done in Turkey after the fabricated guilty verdict regarding Ipekci's murder. At any rate, they did not. Agca stayed in jail, and the longer he stayed, the more the wick on the time bomb burned. In May 1982, Agca indeed began to sing. By November, the elements of his confession found support in evidence emerging from three closely related investigations going on in Italy: that of Carlo Palermo, who was looking into the arms-for-drugs trade run through Kintex; that of Ferdinando Imposimato in Rome, who was wrapping up his investigation into the Bulgarian connections to a bizarre case of kidnapping of American NATO Gen. James Lee Dozier; and that of Carlo Martella, the judge in Rome commissioned to follow the Agca case.

That was late 1982. All three investigations documented footprints leading to Sofia, headquarters of a Bulgarian network which exploited elements of the Turkish mafia, for operations of destabilization and terrorism ultimately ordered

by the Soviet KGB.

## What was the motive?

Why should the secret service of the second most powerful nation on Earth, the Soviet Union, run the extraordinary risk of being found out, by engineering, commissioning, and directing the assassination of the foremost leader of the Christian world? That the Soviet state and its leaders are cultural adversaries of Western philosophy, as embodied in Western Christendom, is no surprise. That had been the case since the violent break of the Muscovites with the results of the 1439 reunification of the Church around the Western Augustinian notion of the *Filioque*. But that they should go so far as to try to kill a Pope might seem a bit far-fetched. Can religious or philosophical differences go so deep?

The answer lies in the fact that it was not only a religious or philosophical conflict, albeit the epistemological and moral roots indeed represent the deeper grounds for such decisions. On the surface, the problem was quite simple: A Polish Pope had ascended the throne of St. Peter's and was determined to wield his holy staff in the interests of the higher principles of freedom and human dignity, regardless of what that might spell for delicate political equilibria in the world at large. From the moment John Paul II became Pope, the Soviet KGB had targeted him. They knew what he could and would do with his new vestiture. "When the Holy Father began defending Solidarnosc, Yuri Andropov ordered his assassination." That is the succinct form in which Miroslav Lubachivsky, a leader of the Ukrainian Church in exile, put it. And, at least on one level, so it was.

The simple fact of the matter is, Pope John Paul II defied the laws of the Soviet universe, as no other pontiff had done. He emerged on the stage of world history just as the first cracks were beginning to appear in the hitherto solid edifice of socialism. His mission threatened to turn upside-down not only the power relations hitherto existing in Eastern Europe, but, therewith, the entire postwar "stability" regime which has governed relations in the last 45 years.

The first thing the new Pope did—unheard of in recent Church history—was to visit a Catholic state behind the Iron Curtain, his native Poland. In June 1979, he did, to the delight of 6 million Poles who turned out to greet him. He minced no words, but denounced the state of censorship existing in the East, and spoke "before the whole Church, before Europe and the world, of those often forgotten nations and people, to cry out with a loud voice and to embrace all these nations and peoples." He called for "respect for the objective rights of the nation, such as the right to existence, the right to freedom." And he made no bones about who was responsible for the ugly state of affairs in Eastern Europe. "No country should ever develop at the cost of enslavement, conquest, outrage, exploitation, and death."

Although the Pope was addressing his home church, in Poland, and providing support for Solidarnosc, the trade

union movement of his homeland, the substance of his message was not only "Polish," and everyone, particularly in the Catholic community behind the Iron Curtain, read his words as addressed as well to them. In Lithuania, also a Catholic country, his words were not ignored. A Catholic committee for the Rights of Believers came into being shortly after his being elected Pope, vowing to resist violations of the right to religious worship. In an official act, the Lithuanian clergy declared its loyalty to the Pope, something which obviously sent shivers through the Kremlin. By May 1981, when the assassination attempt took place, this Lithuanian Catholic community had explicitly stated that it recognized only the Pope as its ultimate authority, and not the bosses in Moscow. The Pope followed suit: He declined to name Church authorities accepted by the Soviets, and persisted in recognizing, for example, Bishop Stepanovicius, who had been exiled, as the cardinal there.

If the Pope's work had sparked a resistance in Lithuania and Poland, no less could be said of Ukraine. In 1980, he convoked a bishops synod of the illegal Uniate Church, and promoted its fight for religious freedom. In Latvia too, he appointed a cardinal, Bishop Vaivods. His commitment to religious freedom and respect for human rights extended into the Catholic community in Czechoslovakia and elsewhere.

This Pope was becoming a thorn in the side of a communist empire which, for other reasons, was flagging. When the strikes broke out in Poland in 1979-80, and Solidarnosc received the support of the Pope, who made known that, if necessary, he would martyr himself for the cause of his people, the Kremlin was in a box. Would they let their back be broken so easily? Or, would they fight back, with the only weapons they have at their disposal: assassination, intrigue, subterfuge?

### **The lessons for today**

It is a great fortune, not only for John Paul II as an individual, but for the world at large, that the assassination attempt nine years ago did not succeed. Pope Wojtyla has proven to be one of the pillars of reason in a world increasingly characterized by pusillanimity and stupidity. He has brought the message of hope to millions behind the Iron Curtain, to masses of starving human beings in Africa, and to multitudes in Asia and Latin America. Despite the attempts on his life—not only in 1981, but also a year later in 1982—he has not let up in his effort to seek justice for the peoples of the world. He has penetrated the heart of the enemy. He also brought the "man with the mark of the beast," Mikhail Gorbachov, to his knees, during his audience in Rome.

But that is not the only lesson to be drawn from the events of May 1981. There is no doubt that this Pontificate will continue in its mission, informed, as it is, by the brutal vicissitudes of political conflict. But the question to be posed to the nations and peoples of the Western world, regardless of their particular religious beliefs, is another.

At the end of 1982, as the investigations of three Italian magistrates were coming to a close, it seemed clear that the Bulgarian connection to the Soviet terrorist network would be fully exposed, and at least those individuals caught *in flagrante*, brought to justice. Instead, something quite different happened. Each of the three valorous Italian judges brought his findings to the public. Arrests were made. But no one went a step further.

On the contrary. Think back to the end of 1982. As Imposimato was making public his findings which pointed the finger at the KGB, Yuri Andropov, the KGB head who had ordered the hit against the Pope in the first place, was ascending the throne of the Soviet Union. It was the apotheosis of the KGB. At that point, anyone from the Western world—Germany, France, Britain, or the United States—could have demanded full disclosure of the events in Italy around the attempted Papal assassination. No word. No investigation. No interrogation. Only silence—what the Italian mafia calls *omerta*, the law of silence.

Had any one of the Western powers pursued the rich leads emerging from the three interconnected Italian investigations, it would have been absolutely clear that:

- the U.S.S.R. had ordered the hit against the Pope;
- the U.S.S.R. therefore was hell-bent for leather on a course to destroy the West.

Instead, what did the West do?

Just months after the explosive revelations from Agca and the three investigations hit the international press, Ronald Reagan announced his new strategic doctrine to be the Strategic Defense Initiative (SDI), a concept earlier developed by Lyndon LaRouche. Reagan turned the tables on the Soviets, such that they were caught off balance. Had he pursued, simultaneously, the Bulgarian track to the Pope's assassins, he could have forced the Soviets into a position of defensiveness, from which they would have had to listen to reason on the issue of SDI.

Instead, shortly after Reagan's extraordinary strategic shift, with the SDI speech, Soviet leader Andropov—the same man who had overseen the reorganization of Soviet and Warsaw Pact satellite state secret service capabilities into drug and arms and terrorist networks—came out with an offer which no one could resist. This was his summer 1983 offer of a new Yalta, to redivide the world into spheres of influence, whereby both the Eastern and Western oligarchical groups would profit.

Had the truth come out, that the Soviets—indeed Yuri Andropov in person—had ordered a hit against the Pope, such an "offer" could never have been taken seriously. At least, it could not have been sold to the public. The West would have had the upper hand and could have rejected out of hand the obnoxious Soviet offer.

More pertinent to the situation at hand: Since the destruction of the hated Berlin Wall and the opening of the borders which have kept East and West Europe artificially separated

for over 40 years, a great new spirit of freedom has swept the continent. Unfortunately, however, the forces of evil on the other side have not died off. Rather, as recent reports in the West German and Israeli press have documented, the old vicious networks of subversion identified with the East German Stasi and the Soviet KGB—those same networks described by defectors Sverdlev and Sejna—are not only still alive, but are actively recruiting and organizing to extend their zones of influence into the West. As the wave of republican revolution sweeps over Europe, casting aside the shards of old authoritarian forms, there remain networks behind the scenes, which are still dedicated to the task of undermining and ultimately destroying the West. Concretely, what this means is that the networks of the KGB and its affiliates in Czechoslovakia, the G.D.R., Bulgaria, etc. are still in existence, even though the leading lights may have been disgraced. This is, after all, the significance of the fact that Markus Wolf, “ex”-head of the Stasi in the G.D.R., is still alive and well in Moscow. This is the significance of the fact that Alexander Schalck-Golodkowski, who was Honecker’s righthand man for drug trade and Irangate related arms sales, is still “in retirement” in Bavaria.

The big questions which are still open for the freedom fighters of Eastern Europe and their colleagues in the West

are the following:

1) If these networks were set up by the Soviets in the 1950s and 1960s to run drugs, arms, and assassinations, and if their control capability has been destabilized by the intervening developments, where have they ended up? In other words, has the drug department of the G.D.R., run under Schalck-Golodkowski and others, been dismantled, or merely taken over by other, perhaps Western interests? Can it be that the frenetic diplomacy of Western drug-running circles like those associated with the Edgar Bronfman gang and the Anti-Defamation League (ADL), is geared toward reorganizing those drug networks once run by the communist regimes, along the lines of the new Yalta agreement?

2) If Eastern Europe is to free itself of the dictatorship of the Moscow oligarchy, then it must free itself of the apparatus of intelligence, drug running, weapons trade, and such that has been an integral part of the state apparatus of every East bloc nation for the last 20-30 years.

To identify who is who, and what is what, who runs what and where are the various threads of the networks, including emphatically, the threads leading into the American, British, and other Western intelligence networks, the most efficient thing to do would be the most obvious: Reopen the Bulgarian file.

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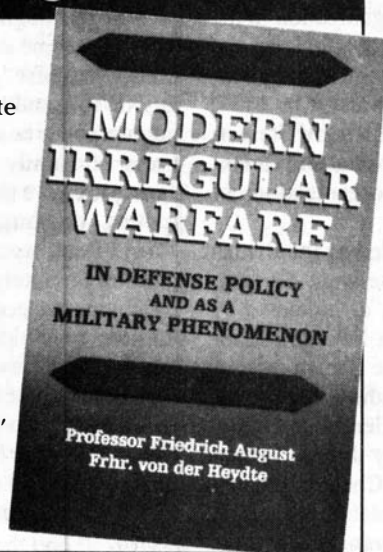
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## **Profile of a Brazilian 'New Ager'**

*The British royal house stands behind the perverse and anti-Christian policies of Brazil's ecology minister.*

**P**rince Charles's personal summons to Brazilian Environment Secretary José Lutzemberger for an immediate visit to London—without any advance protocol—suggests the overwhelming influence of the British Crown on the new Brazilian ecological policy defended by Lutzemberger. That policy includes imposing a system of "limited sovereignty" over the Amazon, and sabotage of efforts to integrate Brazil and Peru through advanced highway infrastructure.

In his May 11 "invitation" to Lutzemberger to participate in the founding of an international movement to promote so-called "natural agriculture" at universities around the world, the heir to the British throne revealed that his control over the Brazilian minister is based on gnostic, anti-Christian beliefs. Charles emphasized in his letter that he shares Professor Lutzemberger's "holistic view" of environmental problems.

The world ecologist movement, in fact, premises itself on a body of mystical beliefs (of which holism is but one), which justifies violations of the sanctity of human life under the pretext of an idyllic "return to nature"—a euphemism for a return to the Stone Age. The "mecca" of this movement is the Gaia Foundation of England, which radiates its belief in pseudo-scientific and outright pagan cults—specifically, the belief in the pre-Christian cult of a vengeful Mother Earth, Gaia.

The Gaia Foundation is a direct creation of the British royal family, and is run through the Scottish Free-

masonic Rite. In its "theological" guise, the foundation overlaps with the Findhorn Foundation of Scotland, and together the two run the so-called Brazil Network, which coordinates from London nearly all environmentalist operations inside Brazil. The Brazil Network is behind the promotion of Lutzemberger. Such promoters of the Gaia ideology as James Lovelock and Lynn Margulis belong to the Lindisfarne Association, co-founded by British intelligence operative Gregory Bateson. Bateson was a key figure in the British-sponsored MK-Ultra project, which was responsible for the diffusion of psychedelic drugs throughout the United States.

The Gaia Foundation, together with the Findhorn and Lindisfarne associations, operate in the United States within the "New Age" constellation headed by the Lucis Trust. This non-governmental organization in the United Nations, also includes the Theosophical Society founded by Madame Helena P. Blavatsky in 1857; the Anthroposophy of Rudolf Steiner; and Amnesty International and Greenpeace, among other organizations of the same stripe.

The control wielded by the British royal house over these New Age networks is quite direct, as indicated by the fact that the Gaia Foundation includes elements of the British monarchy among its leading members. These include Lady Geraldine Ogilvy and Sir John Harvey Jones, former president of Imperial Chemical Industries. The most notable example, however, is Laurent van der Post, the

Gaia Foundation's leading adviser and also the mystic "guru philosopher" and intimate of Prince Charles. Van der Post, a follower of the pro-Nazi psychologist Carl Jung, is one of the leading promoters of swapping foreign debt paper for "nature"—a policy that was vehemently rejected by Brazil's previous government. Van der Post also promotes the creation of a World Conservation Bank, which would centralize international terrain subject to supervised conservationist projects.

In Brazil, Lutzemberger is the foremost representative of Gaia. He is also, not accidentally, a leading member of Brazil's "holistic" movement, which got its start under former Brasilia governor José Aparecido, who fought to turn Brasilia into the New Age capital of the world. Lutzemberger also collaborates with the magazine *Corpo a Corpo*, which specializes in promoting holism, hedonism, child eroticism, Gaia, theosophy, and anthroposophy.

Another crucial link of Lutzemberger is with BENFAM, the Brazilian branch of the International Planned Parenthood Federation, created at the beginning of the century under the same eugenicist, racist, and conservationist precepts. In 1989, BENFAM and its Latin American counterparts held the Second Congress of Family Planning in Rio de Janeiro, where the best means of promoting malthusianism through the World Bank were debated. The Congress deliberately expanded its scope by linking the ecologists' fight to population reduction programs. From that moment onward, BENFAM recognized the cult of holism as the perfect ideology to give a "progressive" touch to the old Nazi eugenicist campaigns designed to eliminate the non-white populations of the developing world.

## Bush called to account for holocaust

*As the bodies of Panamanians killed in the invasion are unearthed, the Nuremberg precedent is being invoked.*

**S**eventy Panamanian victims of the U.S. invasion of last Dec. 20, have filed a complaint with the Organization of American States (OAS) Inter-American Commission on Human Rights. The complaint, filed on May 10, requests that the OAS hold the U.S. liable for "the loss of life and emotional and physical injuries inflicted on Panamanian civilians, as well as the resulting destruction of homes and other property."

Lawyers for the Center for Constitutional Rights, an American human rights organization that is assisting the Panamanian victims, said that they want the Inter-American Commission to conduct an independent investigation to determine the "full extent of losses and damages," caused by the invasion. They also want the commission to establish that the U.S. should pay \$250 million to the victims.

"We would hope that this complaint . . . would result in some sort of process in which indemnification can be obtained, not only for the named individuals, but for all of the Panamanians who have suffered the tragic consequences of the invasion," said attorney Luis Morin of the Center for Constitutional Rights, at a May 10 press conference in Washington. "The signal that we have received so far," he said, "is that the U.S. is denying all responsibility, legally, to provide any indemnification, and that is what has prompted us to take this action."

Morin said the compensation sought would be exclusively for victims, and has nothing to do with \$420 million in so-called aid Congress is considering for Panama. That money, if approved, will go to the U.S.-in-

stalled government not to victims. He cited the case of El Chorrillo, a neighborhood that was flattened by the invasion. "What is being talked about in terms of construction there, is not homes for the people left homeless from that destruction, but a tourist center."

He said that there were several precedents for seeking such redress. The postwar Nuremberg Tribunal, at which Nazi Germany's crimes against humanity and violations of international law were condemned, were an "analogous situation," said Morin.

In the case of Panama, the U.S. violated the OAS Charter, of which it is a signatory. Article 18 of the Charter states, "No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state," while Article 20 establishes that "the territory of a state is inviolable; it may not be the object, even temporarily, of military occupation or other measures of force taken by another state."

Former U.S. Attorney General Ramsey Clark hailed the filing as "an important step to redress the great losses, in both life and property, suffered by tens of thousands of Panamanian families." In a statement read at the news conference, Clark said, "It is a shame, however, that the victims of this invasion must turn to an international forum outside the U.S. to redress their grievances. . . . Real and full justice in Panama requires not only that the victims of the U.S. military action be compensated. It demands that the U.S. occupation and intervention in Panama be ended,

once and for all."

Luisa de Lee, one of the 70 victims said she and her family were left homeless when U.S. helicopters, without provocation, fired missiles at the apartment building where she lived in the city of Colón. "On Dec. 22, my family and I were in the dining room of our apartment. We felt the impact of a missile hitting the roof of the building. We were all hurt: My 6-year-old daughter lost her left eye; my 5-year-old son had to undergo a brain operation; my 3-year-old son suffered wounds to his stomach and his head; and my month-and-a-half-old baby boy suffered severe burns. I myself suffered a cut on my arm that took 56 stitches to close, and I have not recovered."

José Isabel Salas, a senior citizen who lived in a nearby building, said his wife was killed by a helicopter-fired missile on Dec. 22, as she prepared to cook supper. "Her body was completely mutilated," he said. "It is our custom to bathe and dress the dead before burial. But when we went to the funeral home, the owner told us, 'we can't change her clothing.' He placed her in a bag, and then put the bag in the coffin, and that is how we buried her."

In Panama, families of those who died during the invasion are exhuming the bodies from common graves to give them a Christian burial, in a process that is taking place every Saturday. On May 5, the second time bodies were exhumed from the grave at Jardín de Paz, 93 bodies were found, bringing the total from just that one site—one of several—to 123. The press is estimating that as many as 4,000 bodies will be found when the process is completed. Among the bodies unearthed, several were bound hand and foot. This, reported the daily *El Siglo* on May 7, "indicates that they did not die in combat, but were killed in cold blood" by U.S. soldiers.

# International Intelligence

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## ***Freedom movement builds in Soviet Georgia***

More than 250,000 people demonstrated in the Georgian capital of Tbilisi on May 4 for Georgia to leave the U.S.S.R. and become independent. *Nedelya*, the Sunday supplement of the Soviet government daily *Izvestia*, ran an article on the theme of "nationalism on the rise" in Georgia, stressing the "rapid politicization on the ground" that has occurred there since the April 9, 1989 massacre of demonstrators by Soviet troops in Tbilisi.

*Nedelya* commented on how the massacre had backfired politically: "That tragedy has rallied the nation into a drive for independence." *Nedelya* then warns that a Georgian crisis is imminent, with the pro-independence National Democrats, the largest of the anti-communist parties, having "called for a civil defiance campaign to make Georgia ungovernable" until independence is attained.

*Nedelya*, in an effort to incite inter-ethnic conflicts in the region, played up a group named the National Front in Georgia, calling for Georgia to proclaim Orthodoxy as its state religion; the existence of a new "Royalist Party"; and statements from Georgia's Muslim minorities that they will "take no orders from Tbilisi."

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## ***Taiwan's cabinet quits in policy dispute***

Prime Minister Lee Huan of the Republic of China on Taiwan and his entire cabinet resigned on May 10, after President Lee Teng refused to re-name Lee Huan prime minister and named instead General Hua, who was the defense minister and former Chief of the General Staff. A new cabinet will be named when President Lee, who was re-elected in March, is inaugurated at the end of May.

The political situation in Taiwan is very unstable right now. Groups of students are demonstrating at Chiang Kai-shek Airport,

protesting General Hua's appointment, and also demanding the immediate removal of the "mainland deputies" (those elected in the last all-China election 40 years ago). The students are demanding that a group of 13 deputies, led by Gen. Teng Chieh, be immediately forced to retire from the government. General Teng's faction, which attempted to oppose President Lee, has fallen out with the government.

Taiwan is facing economic upheaval as well. Inflation is hitting 12%; the stock market fell from 12,000 points to 8,000 points in three weeks; the real estate market is collapsing. Banks are no longer even giving mortgages, and rents are so high that ordinary people pay one-third of their income for rent. Violent rains ruined many of the fruit and vegetable crops, and prices are very high. Many Taiwan investors are now moving shop to the mainland, and building light industry shops in Fukien province, but are finding labor, though very cheap, about one-third as productive as Taiwanese labor.

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## ***Philippine guerrillas threaten more terrorism***

The Philippine communist guerrilla force, in a statement released a day after the murder of two U.S. airmen, threatened more attacks unless the United States closed its military bases in the country. "Go home immediately or suffer the agony of attrition," the New People's Army (NPA) General Command said, in the statement sent to news agencies in Manila. "The NPA pledges that all its officers and men will carry out their mission, to the last man if necessary, of expelling U.S. imperialism out of the country," it said.

It warned those it described as "national traitors," headed by President Corazon Aquino, that they would be tried and punished for having "sold your nation to U.S. imperialism."

Meanwhile, on May 14 exploratory talks began on the future of the U.S. bases. U.S. negotiator Richard Armitage said at the opening of the talks in the closely guarded central bank building in Manila that the bas-

es were important for ensuring peace and stability in Asia, but "if you ask us to leave, leave we shall, as expeditiously as possible and with our pride intact."

Philippine Foreign Secretary Raul Manglapus charged the United States with not living up to its agreement on the bases, noting the shortfall of \$222.58 million, out of the \$481 million that Washington agreed to pay this year in return for use of the facilities.

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## ***Soviet defense minister: Military threat remains***

Soviet Defense Minister Dmitri Yazov was quoted by Reuters on May 9, warning that despite the achievements of Mikhail Gorbachov in foreign policy, the military threat to the Soviet Union remains, and the Soviet military command will draw its conclusions from that.

"Under the influence of deep transformation in the Soviet Union, there have been considerable positive changes in international affairs," he said. "Dialogue is taking the place of confrontation."

But, "at the same time, the military threat remains. In these conditions the Soviet Union maintains its military preparedness at the necessary and sufficient level and is carrying out a radical transformation of its defense capacity, all of which constitutes military reform."

Soviet television showed columns of T-34 tanks, the mainstay of the Soviet forces for the assault on Nazi Germany, rolling through Red Square, followed by vintage howitzers and Katyusha rocket launchers. The new generation of Soviet hardware was also shown, including T-80 tanks.

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## ***Christian Democrat looks to new NATO structure***

A united Germany will be member of a NATO that has changed its structure in Central Europe, declared Alfred Dregger, head of the Christian Democratic group in the

## Briefly

West German parliament, in a radio interview on May 15.

He said that NATO's "forward defense" strategy should be replaced by a new concept: no combat units near the former East German border, with the bigger units of the West replaced by highly mobile strike forces modeled on the multinational special strike force of NATO that is already assigned to the southern and northern flanks.

NATO's ground-based nuclear deterrent would be pulled out, and air-launched systems would take their place. The question of how much of the new air-strike capabilities would be based on German territory will be discussed by NATO, as will the option to have all non-German units stationed outside today's West German territory. NATO would keep no troops on the territory of today's East Germany, but there would be a territorial army under German command outside NATO military.

A changed NATO concept that takes account of "justified Soviet security interests" along these lines, Dregger said, should remove remaining Soviet objections to a merger of the two Germanys into one West-ern-oriented state.

### ***Fascist group gains ground in Romania***

A fascist organization in Romania that is backed by important communist operatives is rapidly gaining ground in that crisis-ridden country. According to informed sources in Western Europe, the group, called Vatra Romanesca, now has an estimated 1 million members. The group is mobilizing against the Hungarian ethnic minority.

Early in May, the regional groupings of Vatra formed a national organization and a new political party, the Party of the National Associations of Romania.

A military source stresses that Vatra is largely controlled by elements of the former Securitate security forces of dictator Nicolae Ceausescu. "The Securitate went to the wagon of patriotism," he said. "They are not fools. When they sensed Ceausescu was on the way out, they regrouped, in order to

hide. They did not disappear, but only hid. It's the chameleon principle."

Sources say that Vatra is a mixture of former Securitate agents, remnants of the old fascist Iron Guard, elements of the present communistic National Salvation Front, and various radical movements. It existed in seed-crystal form during the Ceausescu era, under the name Cultural Interest Unions. One source described it as "fascist, believing in blood and soil, and using old Roman Empire symbols."

The Vatra group is a fascist mass-based movement that is an outgrowth of the old communist structure, and an instrument of the communist elites.

### ***Soviet students support China's protest movement***

Soviet students, in solidarity with the Chinese democracy movement, burned works by Lenin outside Moscow University on May 13, Reuters reports. Several hundred students called a 24-hour hunger strike in commemoration of last year's massacre of Chinese demonstrators in Beijing's Tiananmen Square. Many Soviet students camped out overnight, despite temperatures close to the freezing point.

Soviet television said the hunger strikers were supported by students in about 50 other cities. "We want prompt democratic reforms in the country, we demand a radical solution to students' problems," A. Kiryushin, one of the protest's organizers, told the news agency TASS. The students, some wearing white headbands as a sign of mourning and carrying banners both in Russian and Chinese, gathered to commemorate those killed by troops in last year's pro-democracy protests in Beijing.

However, witnesses said some students also used the gathering to criticize the Soviet system, drawing parallels between the lack of democracy in China and the Soviet Union. A group of masked students also set fire to books by Lenin. "Down with totalitarianism" read one banner. "For your freedom and our freedom" read the headband worn by one student.

● **WAS SAKHAROV** killed? asked the Italian Catholic weekly *Il Sabato*, in an article by Russian dissident Irina Alberti. "The fact that Sakharov disappeared was a great relief for the Soviet leadership," she wrote. "Maybe one day we'll learn to what extent it was really a heart attack that killed him." Andrei Sakharov represented those "voices of truth" which prevented Gorbachov's "take-over of the public opinion" in the West.

● **NUSRAT BHUTTO**, the mother of Pakistani Prime Minister Benazir Bhutto, met with Chinese Communist Party security chief Qiao Shi during an unannounced visit to Beijing early in May. Wan Li, head of the Chinese National People's Congress, arrived in Lahore, Pakistan on May 2 for a goodwill tour. Wan asked Pakistani President Ghulam Ishaq Khan to be the chief guest at the Asian games in September.

● **DANISH** Foreign Minister Uffe Ellemann-Jensen has proposed the establishment of a European Security Council as a supplement to a restructured NATO and Warsaw Pact. In an interview with the Copenhagen newspaper *Berlingske Tidende* on May 14, he said that such an organization could help deal with ethnic and nationalist conflicts in Europe, and might even have a peace-keeping force to do so.

● **ETHNIC GERMAN** refugees are streaming from Romania to East Germany, with 18,000 having arrived there recently and another 15,000 on their way. The refugees report escalating pogroms against them and other ethnic minorities by Romanian fascists.

● **BORIS YELTSIN**, the maverick who is campaigning for the presidency of the Russian Federation, attacked Gorbachov's policy toward the Baltic states as "seriously misconceived." The Lithuanians "will starve rather than give in," he said.

## Reality is wiping out Bush's so-called popularity

by Andrew Rotstein and Susan Welsh

When euphoric pollsters gave President George Bush record 70% popularity ratings after his military "victory" over the 2-million-person nation of Panama last December, *EIR* cautioned that the veneer of support for the President would soon be chipped away, as the two issues on which he is most vulnerable rose to prominence in the public view.

First, and most important, is the deepening economic crisis, which no amount of emergency infusions of liquidity to prop up the Dow-Jones Industrial Average can cover up over the longer term.

Second is the simmering Iran-Contra scandal. Despite the so far generally successful coverup of the role of then-Vice President Bush in running the illegal arms-for-hostages traffic, the lid is not securely on the pot, and new evidence is emerging to reopen the case—including notably the hitherto-suppressed pages of the notebooks of Lt. Col. Oliver North. In fact, the *New York Times* reported on May 19 that a new federal grand jury has begun a criminal inquiry into the Iran-Contra affair that is expected to examine "lingering questions" about the extent of involvement by Bush and President Reagan in the sale of weapons to Iran and the diversion of the profits to the Nicaraguan Contras.

Even the Establishment's own media are beginning to profess dismay at the President's stubborn attempt to pretend that there is nothing seriously wrong with the economy—at the same time that he has reversed himself on his famous "Read My Lips" no new taxes campaign pledge. "Wall Street figures said they found preposterous the President's statement at his news conference on Wednesday [May 16], that he could not spell out publicly the real nature of the problem now because to do so would 'frighten the market,'" reported the *New York Times* on May 18. "By saying that," the *Times* quoted Robert H. Chandross, chief economist in the New York office of Lloyds Bank, "he's implicitly saying, 'You'd better be scared.' The markets are pretty astute. They realize

the true position of the budget is worse than he's been saying."

The *Times* continued, "What the White House is seeking to remedy is the incorrect signal that Mr. Bush and his economic advisers sent early this year when they based the administration budget on a wildly optimistic economic forecast. Now they apparently fear that if the mistake is not corrected quickly it could damage the financial markets, send the economy into a tailspin. . . . Mr. Bush said Wednesday that reaching an accommodation on the budget would be the biggest test of his leadership on domestic policy. It is also likely to be the first time he had to go before the public with bad news."

According to this report, "Many Democrats hold the conspiratorial view that [director of the Office of Management and Budget Richard] Darman doctored the economic forecasts so that Mr. Bush could maintain his no-taxes pledge for the first 18 months of his presidency."

### The 'hurry-up-and-wait' budget talks

As talks between the White House and Congress over the federal budget deficit got under way during the third week in May, it quickly became clear that the real issue that prompted the talks—a financial system which is dangerously close to the brink—is the one subject that may not be discussed in public.

President Bush already admitted as much after the first negotiating session on May 15; when he rejected all pleas to deliver a special nationally televised address on the budget, because he didn't want to say anything that would "suggest a crisis or frighten the markets."

The administration's quandary—having to stress the seriousness of the situation to compel a compromise, but having to avoid bold talk that might trigger a panic—has given the whole affair a schizophrenic, "hurry-up-and-wait" quality.



So far, the summeeters are still grappling with varying estimates of the size of the deficit, as a prelude to discussion of spending cuts, tax increases, revision of Gramm-Rudman targets, or some combination of the above.

But no figure mentioned includes the ballooning costs of the savings and loan bailout, which, under current law, must be counted in the budget. And just when Americans are beginning to absorb the bad news about the real cost of the S&L fiasco, Washington has served notice that the Federal Deposit Insurance Corporation (FDIC), which deals with the supposedly "safer" commercial banks, is running \$5 billion behind plans in cleaning up the mess of failed banks.

Exactly proving the fragility of the economy that Bush is so quick to deny, the one significant agreement to emerge from this preliminary jousting is, ironically, that cuts must *not* be so *great* as to cause a contraction of the economy that could easily get out of control. In other words, because cuts in federal spending and increases in taxes tend to dampen aggregate demand for goods and services, deficit reduction should not exceed 1% of the Gross National Product, or roughly \$55 billion, lest the cure cause a disease worse than the present affliction!

The charade is further complicated by the jittery nerves of both parties when it comes to talk of raising taxes. House Speaker Tom Foley (D-Wash.) observed that the Budget Act of 1974 clearly intends the President to make proposals to which Congress then responds. Bush replied that under the Constitution, it's the legislative branch alone that has the power to raise revenues and to appropriate funds.

The cowardice and duplicity of Bush's position are hard to miss. Even congressional Democrats, while without any economic program of their own, are urging the White House to "come clean." House Budget Committee member Marty Russo (D-Ill.) said that people are "crying out for leadership," and urged Bush to use his popularity to lay out the facts, however unpleasant, to the country.

According to press reports, summit participants, who are at least formally agreed to secrecy about the talks, had their notes confiscated before they left the White House after the first meeting May 15.

### More bad news

While both sides nervously circle the issues and circle each other, the process of deflation continues to accelerate, driven by chain-reaction wipe-outs in real estate, corporate debt, and banking.

Several worrisome new developments further undermined the rosy prognoses of the Bushmen:

- Circle K Corp., the second largest convenience store chain in the United States, filed for bankruptcy protection from its creditors on May 15.

- The U.S. trade deficit climbed 38.5% in March, to a seasonally adjusted figure of \$8.45 billion, the Department of Commerce reported on May 17. The unexpectedly steep

rise in the trade gap more than wiped out a 34.6% improvement in the deficit in February, when it fell to a revised \$6.10 billion, the lowest since December 1983.

The nation's total import bill rose by 10% in March to \$41.72 billion, from \$37.92 billion in February. The cost of imported oil, which was the major factor in shrinking February's deficit, rose to \$4.75 billion in March from \$4.71 billion in February. The volume of oil imports rose in March to 261 million barrels, from 243 million in February. Among other goods, imports of motor vehicles, electrical machinery, computers, and industrial supplies went up from February levels.

- April housing starts were down 5% from March, and the rate of issuance of housing permits for 1990 is 17% below 1989. Housing construction is at the worst level of the decade, since the period of the Paul Volcker high interest rates during the Carter administration.

Meanwhile, the Dow-Jones stock index hit an all-time high the second week in May, partly fueled by inaccurate speculation that the Federal Reserve's Open Market Committee had moved to loosen credit.

While it is only a possibility that the stock surge was orchestrated to give Bush some political cover for his "not to worry" stance, it is not guesswork that the desire to avert a collapse is pushing the administration to new levels of strongarming financial markets, as the recent unprecedented jawboning session by top federal regulators with the nation's bankers made clear.

### Demands for more austerity

Even harsher measures are in store, as the financial elites demand more austerity measures, rather than a fundamental reform that would reorient the national economy toward industrial and agricultural production.

Reagan economic adviser Martin Feldstein issued a call in a column in the *Wall Street Journal* on May 18 for substantial cuts in the Social Security cost-of-living allowance and in indexation of tax brackets for inflation. This revives the push against "middle-class entitlements" that's previously been the province of pro-austerity kooks like Bruce Babbitt and ex-Colorado governor Richard Lamm, the depopulation advocate.

The incalculable House Minority Whip, Newt Gingrich (R-Ga.), has said that Bush needs "real control" of the Executive Branch in order to save \$10-15 billion a year.

What Gingrich meant he didn't precisely say, but a full-page ad placed in the *Washington Post* by the "Citizens Against Government Waste" group of oligarch financier J. Peter Grace may give a clue. Behind much prattling about "fraud and abuse," what Grace's group has in mind includes a federal "chief financial officer" to force cuts by agencies that resist abandonment of their mission, and a presidential line-item veto, which would shred the constitutional system of checks and balances in one convenient step.

# Anti-Defamation League is put on trial in Roanoke 'LaRouche' case

by Bruce Director

An explosive battle has erupted in Roanoke, Virginia, where the Anti-Defamation League of B'nai B'rith has been put on trial for participating in a scheme to eliminate any business or political entity associated with the political philosophy of Lyndon LaRouche. In the course of four days of testimony beginning on May 14, Virginia state investigators and ADL officials have been forced to take the stand and defend themselves in the face of massive evidence that they conspired to tamper with a judge, abuse governmental power, tamper with evidence, and run a massive campaign of hate propaganda in the furtherance of a common goal to annihilate the LaRouche political movement.

The hearing is taking place before Virginia Circuit Court Judge Clifford R. Weckstein, who is presiding over the trial of LaRouche associate Richard Welsh. Welsh's attorneys, Don Randolph and Gerald Zerkin, have filed a motion to dismiss the charges based on selective and vindictive and bad faith prosecution. The 45-page motion details the illegal joint operations of the Federal Bureau of Investigation, the ADL, and state government task forces against LaRouche—including the ADL's efforts to tamper with Judge Weckstein himself.

Weckstein's relationship with the ADL was already exposed in a hearing earlier this month, when it was revealed that the ADL, at the urging of ADL national commissioner Murray Janus, had sent Weckstein the ADL's hate literature about LaRouche, along with an ADL resolution calling for the appointment of a Jewish judge to the Supreme Court of Virginia. Weckstein is Jewish.

When Welsh's attorneys issued a subpoena for Janus to appear in the current hearing and testify about his efforts to tamper with Welsh's trial, Weckstein was forced to disclose more letters between himself and John Lichtenstein, a law partner of Janus, and the son of Weckstein's mentor and former partner, Barry Lichtenstein. The letters reveal that it was Weckstein who initiated the communication with the ADL, revealing himself to be even more tainted than he had previously admitted.

The letters detail a trail from Feb. 26, 1990 through May 10, 1990, in which Weckstein wrote to Lichtenstein, sending him copies of leaflets that were distributed exposing Weckstein's connection to the ADL. Lichtenstein, at

Weckstein's request, forwarded the leaflets to Janus, who in turn forwarded them to the national ADL headquarters for action. Janus also sent the leaflets to ADL's Virginia regional director, Ira Gissen. Gissen in turn sent the hate literature to Weckstein.

Because of the massive evidence of impropriety, Weckstein was forced to enforce the subpoena for his good friend Janus. Under oath, Janus admitted to having urged Gissen to send the hate literature to Weckstein, but, incredibly, claimed he had no knowledge that there were ongoing trials of LaRouche associates before Weckstein. As defense attorney Randolph pressed Janus, his testimony became more and more unbelievable.

Seeing the pressure Janus was under, Weckstein tried to cut the testimony off by questioning its relevance. Randolph said the relevance was that Janus is a high-ranking official of the ADL, and that the ADL had gone the extra mile to transfer their animus to the prosecuting agencies. Randolph added that the ADL had gone so far as to illegally obstruct justice by contacting the judge.

Weckstein bristled, ruled Janus's testimony irrelevant, and slapped a \$2,000 sanction on the defense attorneys. (At a later hearing, Weckstein revoked the sanctions, admitting he had been wrong, and apologized).

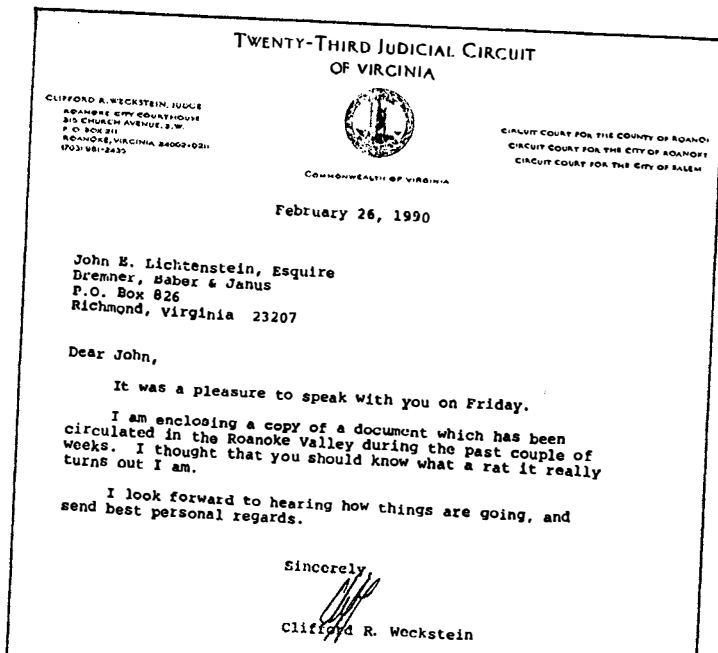
On the basis of the revelations of the additional letters, Randolph renewed his motion that Weckstein recuse himself (i.e., withdraw from the trial) because of bias.

## **Weckstein is more than tainted**

Two days later, Weckstein held a hearing on the recusal motion. Defense attorney Randolph said that his duty to his client was elevated above his respect for the Court. Weckstein, Randolph argued, had previously misled the defense: He had concealed the true relationship between himself and Janus, and had concealed the fact that he had used John Lichtenstein as a conduit to the ADL and had failed to make a full disclosure.

Randolph argued that according to the canon of ethics, the appearance of impropriety is as important as actual bias; and what Weckstein did, he said, reeks of impropriety.

Prosecutor John Russell's response was to call Randolph irrational and paranoid. Russell warned that if the judge



Judge Weckstein (above) and one of his letters conduiting informaton to his ADL friends.

submits to this pressure, every judge in the Commonwealth of Virginia would be fair game. He urged Weckstein to stay on the case.

Weckstein denied the motion to recuse himself, saying that a smarter judge than he would have handled this whole matter differently.

### ADL's Mira Boland forced to testify

While Weckstein was wrestling over how to extricate himself from being further exposed as biased, some of the chief investigators for the prosecution took the stand.

State Corporation Commission investigator John Partham testified that the ADL's material on LaRouche became part of his file and had played a major role in his investigation.

Lt. Terry McCracken, of the Loudoun County, Virginia Sheriff's Department, testified that he had numerous exchanges of information with the ADL's Mira Lansky Boland, from 1985 onward. Other law officers testified similarly.

Christian Curtis, a dropout from the LaRouche movement and a key prosecution witness, testified to more than two dozen conversations with Lansky Boland.

When FBI agents Timothy Klund and Edward Gibson were called to testify, their boss, U.S. Attorney for the Eastern District of Virginia Henry Hudson, ordered them not to testify about the exchange of information between the federal government and the ADL. Hudson also ordered them not to testify about the federal prosecution in Alexandria, Virginia, where Lyndon LaRouche and six others were convicted.

After vigorous arguments, the Assistant U.S. Attorney who was representing Hudson admitted that all governments involved in prosecuting LaRouche and his associates would

have to say they exchanged information about LaRouche with the ADL.

The final battle of the week came when the ADL's attorney Barbara Wahl appeared to argue for quashing subpoenas for Mira Lansky Boland, Ira Gissen, national Fact-Finding Division director Irwin Suall, ADL Washington lobbyist David Brody, and all documents in their possession relating to the prosecution of LaRouche and his associates.

Wahl asked Weckstein to quash the subpoena on the grounds it would violate the confidentiality of the ADL's informants who provide them with information on "extremist" groups. She also claimed the ADL's sources were protected by the First Amendment right of journalists. She then shocked the courtroom, asserting that some of the documents could not be produced because they were protected prosecutorial work product. Defense attorneys were quick to question how a supposedly tax-exempt, non-governmental agency could obtain documents produced by and for a government prosecution.

Weckstein, despite his own entanglements with the ADL, was obliged to order Gissen to produce all documents in his possession relating to the prosecution of LaRouche or his associates. He also ordered Boland to appear and to bring with her all documents—including notes, reports, or any other exchanges of information between herself and the Virginia State Police, the Loudoun County Sheriff's Department, the Commonwealth Attorney for Loudoun County, and the U.S. Attorney's office for the Eastern District of Virginia—concerning LaRouche and his movement. She also must produce all communications between herself and FBI agents Klund and Gibson, IRS investigator Larry Lucey, and Virginia State Corporation Commissioner John Partham.

## Du Pont Smith takes stand in rights case

Lewis du Pont Smith, the du Pont family heir who was declared mentally incompetent to manage his affairs more than four years ago because of his political affiliation with Lyndon LaRouche, left his enemies looking stupid when he took the stand on May 8 and May 9 in a court hearing before Judge Lawrence Wood in Chester County, Pennsylvania. Du Pont Smith's lucid testimony established his competence beyond a doubt, while the chief witness against him, the American Family Foundation psychiatrist David Halperin who was relied on by Judge Wood in his 1985 ruling, came off looking like an ideological fanatic who would, in the tradition of Nazi and Soviet psychiatry, say anything if it helped to advance his politically motivated theories about a "LaRouche cult."

The 33-year-old du Pont Smith was on the stand May 8 for four hours of direct examination, and on May 9 for three hours of cross-examination.

On direct, Smith made clear the real issue in his case: the ideas and policies of Lyndon LaRouche. He discussed his meetings with prominent political and human rights figures from Europe, Ibero-America, and the United States, pointing out that the importance of economist LaRouche's ideas and policies is widely recognized outside the United States.

He also explained his understanding of LaRouche's economic method, based on the tradition of American System economics. From that standpoint, Smith testified to his admiration for the historical accomplishments of the founder of the du Pont family in the United States, and his critical role in the fight for American independence, as well as those du Ponts who were political allies of Abraham Lincoln during the Civil War.

Smith's testimony prompted local papers to give prominent coverage of his family's mismanagement of his financial affairs, including two occasions on which Wilmington Trust Co., which is acting as his court-appointed guardian, failed to take his advice prior to major collapses in the stock market which LaRouche had forecast. The *West Chester Local Daily News*, for instance, headlined, "Smith: Bankers didn't listen, lost \$3 million of his money."

Questioned on his relationship with his family, which brought the original petition to have him declared incompe-

tent, and which is opposing his efforts to regain control of his affairs, Smith replied that he would like to be reconciled with them. "All they need to do is to simply recognize my right to lead my own life—my right to disagree politically. What they have done is an affront to the First Amendment, is an affront to my dignity."

Smith detailed his family's hostility to him and his wife for their decision to support the ideas of LaRouche, describing how his father, E. Newbold Smith, committed burglary against their home in Leesburg, Virginia; his family's attempt to have him kidnaped; their racially motivated attacks upon his Italian-American wife; and the family's collaboration with such persons as Henry Kissinger in operations to "get LaRouche." As Smith testified on cross examination, "My family has stated they know I'm not mentally incompetent. My mother stated to me in the hallway, yesterday, that my only problem was Lyndon LaRouche."

Smith also pointedly compared the 15-year sentence meted out to political prisoner LaRouche, and the 77-year sentence given to LaRouche associate Michael Billington, to the short jail terms given to junk bond hoaxsters Michael Milken and Ivan Boesky.

### The 'Filioque' is put on trial

On cross examination, the family's attorney David Foulke attempted to badger, provoke, and embarrass Smith by portraying him as someone unaware of the significance of his own statements. For example, Foulke demanded he explain the theological concept of *Filioque* and how this "represents the fundamental difference between East and West." Du Pont Smith discussed how this Christian concept, which asserts that the Holy Spirit emanates from both the Father and the Son, establishes the importance of the individual human soul in Western European society, as opposed to the "collective soul" which characterizes Russian culture.

American Family Foundation psychiatrist David Halperin took the stand afterward, and attempted to characterize Smith's remarks on the *Filioque* as "incoherent, incomprehensible, and clearly dissociated." But the *West Chester Local Daily News* described the scene this way: "David Foulke, the du Pont family attorney, at one point asked him to explain something he wrote for a political publication concerning theology. Foulke told . . . Judge Wood he wanted to see if Smith understood his own words. Smith thought for a moment; he then held the courtroom spellbound with a five-minute dissertation on the basic theological differences between East and West."

No wonder that courtroom observers were not overly impressed when Halperin repeated his previous diagnosis that Smith is suffering from a "schizo affective disorder, with paranoid features." Under cross-examination, Halperin appeared more and more to resemble those Soviet "psychiatrists" who create their findings of "mental illness" out of whole cloth in order to eliminate political opponents.

# Elections confirm support for LaRouche

by Patricia Salisbury

Supporters of imprisoned U.S. congressional candidate Lyndon LaRouche netted double-digit votes in Democratic Party primary races in Pennsylvania, Ohio, and Indiana on May 8 and May 15, despite efforts by Democratic Party bureaucrats—now referred to by many as the “Democratic party poopers”—to prevent exactly that result.

The results confirm a pattern of 20-45% popular support for candidates who campaign on LaRouche-associated policies, a pattern which has withstood politically motivated, manufactured charges against LaRouche, and despite continuing efforts of Democratic Party bureaucrats to use lies, slanders, and intimidation in order to suppress the LaRouche vote. LaRouche himself is running for Congress as an independent Democrat in the November elections in Virginia's 10th Congressional District.

Substantial support for LaRouche was most striking in Pennsylvania's 5th CD, where Donald Hadley, whose link with LaRouche played a key role in the campaign, polled 23% of the vote. Hadley was seen as a threat by the Democratic Party bureaucrats from the outset, because in 1988 he had won the Democratic Party primary by a margin of 54% of the 21,000 votes cast. This time, Chester County party chairman John Lord made a public vow to resign if the hand-picked, party-endorsed candidate, Sam Stretton, did not win the race. He also threatened that Democratic Party committee members who allowed a Hadley victory would be blackballed from future leadership in the party.

Candidate Stretton, without presenting a shred of evidence, branded Hadley as a “fascist” and an “anti-Semite,” and attempted to coerce local newspapers to cease coverage of Hadley's policy statement, but refused all challenges from Hadley to meet and debate the actual issues. Stretton's pressure was so heavy-handed that the editor of one local newspaper retorted in print, that he, and not Stretton, would determine what was newsworthy in the campaign. Finally the state party bureaucracy got into the act, sending out a letter urging party members to beat back the “extremist threat,” as they termed the Hadley campaign for legislation to outlaw Satanic practices and against the malthusian Clean Air Act. Despite the extraordinary barrage of harassment, the Hadley campaign polled almost one-quarter of the votes cast in the Congressional District, and won western Delaware County, one of the three counties which comprise the 5th CD.

But Sam Stretton's woes are far from over: In the general

elections, he now must confront nationally renowned LaRouche backer Lewis du Pont Smith who is running as an independent.

Several other candidates publicly associated with Lyndon LaRouche also ran well in Pennsylvania. In the northwestern region, Walter Sapala, a Food for Peace activist well-known for his role in organizing a successful campaign which forced the resignation of Pennsylvania director of the Farmers Home Administration Elmer Hawbaker, a farm foreclosure proponent, won 46% of the vote in a race for a state legislative nomination. In the 12th CD, John “Doc” Shrader polled 7%, and two LaRouche candidates ran unopposed and won their precinct committee races. Betty Clift, running for Democratic State Committee, who was also named in the press as a LaRouche candidate, polled 12%.

In addition to the direct LaRouche vote, there were other signs in the Pennsylvania primary of discontent with the issueless politics practiced in both the Republican and Democratic parties. Peg Luksik, a housewife from Johnstown and a pro-life activist, polled 46% in the Republican primary for governor against Barbara Hefer, the current state auditor general, who spent \$400,000 on her campaign, as opposed to Luksik's \$40,000. Hefer is a protégée of Republican Party big-wig and Bush family intimate Elsie Hillman, and her weak showing against a political unknown can be attributed to both the strong sentiment for pro-life politics among voters, and the growing disgust with the Bush Republicans' sellout of their own constituencies.

## Strong showings in Indiana and Ohio

Candidates running as LaRouche Democrats in the May 8 Indiana and Ohio primaries also made strong showings, despite frantic efforts by both “Bush Democrats” and Republicans to convince the voters that the alternative economic recovery programs offered by LaRouche do not exist. In Ohio, where the *Dayton Daily News* announced that 7th Congressional District candidate Don Scott was “unreal” and instructed the voters to “reject a LaRouchie,” Scott polled 22% for Congress and 32.4% for Democratic state central committee. In Columbus, Mary Brown received 43% of the vote in her state central committee race, and Toledo auto worker John Pulhug, running for the central committee seat of state Democratic boss James Ruvolo, polled 35%.

In Indiana, 4th CD candidate Carolyn Williams received 2,400 votes, even though the *Huntington Herald Press*, owned by Vice President Dan Quayle's family, lied the day before the election that Williams's environmentalist opponent, Democratic incumbent Jill Long, was running unopposed. In other Indiana races, LaRouche activist Georgia Irej received 28% for State Senate, and John W. Taylor, who had been “inadvertently” left off the congressional ballot in Vanderburgh County, received 11% overall, receiving 18-20% in rural counties where his name had not been erased from the ballot.

# Eco-fascists want to turn California back into a desert

by Brian Lantz

Remember Jerry Brown? Tom Hayden? The Mediterranean fruit fly? In California, the eco-fascists are back with a new agenda, and it dovetails perfectly with the Bush-Gorbachov eco-fascist condominium. As pinpointed by *EIR* founding editor Lyndon LaRouche, the Bush-Gorbachov condominium is to be guaranteed by the final deindustrialization of the U.S. economy.

The Carter-Mondale-Dukakis Democrats are agreeable. In California, Jerry Brown has been brought back as chairman of the California Democratic Party. Tom Hayden, Brown's partner in the fruitfly adventures of 1980-82, is also back, heading up a green fascist ballot initiative. The return of the fruitfly to California, now threatening billions of dollars of crops, should serve as fair warning: California, the ninth largest economy in the world in GNP terms, may again become desert!

## 'Big Green' and 'Big Brown'

Regrouped around California State Attorney General John Van de Kamp and State Assemblyman Tom Hayden, the environmentalist wing of the Democratic Party has qualified a ballot initiative, nicknamed "Big Green," for the November 1990 state elections. A wave of eco-fascist violence, beginning over the April 21-22 Earth Day weekend, tells the tale of "Big Green's" hard-core support.

If passed, "Big Green" will, by 1996, destroy an estimated one-half of what remains of California agricultural output, and more. The ballot initiative will:

- outlaw any pesticide "containing an active ingredient known to cause cancer or reproductive harm," class more pesticides as "high hazard," thereby outlawing them, and apply the same doctrines to "inert ingredients" found in pesticides in minute amounts meaning an additional 100 chemicals currently used in agriculture would also be outlawed;
- phase out additional chemicals based only on the phony ozone depletion hoax;
- ban California offshore oil and gas drilling leases, costing the State of California at least \$2 billion in future state oil and gas revenues;
- order the state to assume eminent domain control over old-growth redwood forests, a potential boondoggle for the junk bond owners of Pacific Lumber Co., the Texas-based Maxxam Corp. Close to \$1 billion in costs and lost state and local revenues would be incurred;

- order a massive reduction of gas emissions based on the "global warming" hoax. A 40% reduction of carbon dioxide emissions by the year 2010 would be imposed, regardless of consequences.

In developing "Big Green," Van de Kamp, a Democratic candidate for governor, closeted himself with Hayden, State Senator (and legalized gambling advocate) Lloyd Conelly (D-Sacramento), and an assortment of "ecology" groups, including the Sierra Club and the National Resources Defense Council. Rather than file four or five initiatives, a decision was reached to file one monster initiative. "Big Green" was the result.

## Big farmers initiate 'Big Brown'

Enter "Big Brown." California corporate farming interests, including leaders of the Western Growers Association, the Agricultural Council of California (farm coops), California Citrus Mutual, the California Farm Bureau, and the Western Agricultural Chemicals Association (WACA), have their own proposal. Adopting the acronym CAREFUL, they have filed another ballot initiative which has been coined "Big Brown." A reading of the CAREFUL initiative shows that the pragmatic Farm Bureau members who have been out gathering the CAREFUL signatures are cutting their own throats.

The CAREFUL initiative, otherwise known as the "Consumer Pesticide Enforcement Act For Food, Water and Worker Safety," would massively expand an already existing "administrative fascist" apparatus within the California Department of Food and Agriculture. California already has the toughest pesticide laws in the nation. Hayden's Proposition 65, passed in 1986, followed by Assembly Bill 2161, which was backed by major agro-industry firms, have already significantly hamstrung industry and agriculture.

## Farmers propose jailing themselves

The enforcement mechanism which Big Brown would put in place includes new "scientific advisory panels," "scientific data reviews," and pesticide "monitoring" and "risk assessment" programs. More narrow in scope than the Van de Kamp initiative, it addresses itself to pesticide and related matters.

Ironically, Big Brown would allocate five times more money to research in "alternatives to pesticides." State testing of raw and processed foods would be doubled—a two-

edged sword to be turned against the family farmer. The initiative would allow seizure of both harvested and unharvested produce "suspected" of being above bogus pesticide tolerance levels.

Under these and other Big Brown provisions, the already desperate, drought-stricken family farmer would be put through a nightmare of regulatory paperwork and farming restrictions under the threat of exactly the same fines and jail sentences as the radical environmentalists' Big Green. California farmers would be required to apply for "prescription-like" (authors' words) use of specified pesticides on specified crops at specified times of the year. Penalties for violations can reach up to one year in jail and \$50,000 in fines.

### **Cartelizing the U.S. food supply**

Only the large, cartel-run corporate farms could manage the increased paper-shuffling costs and massively decreased yields per acre which Big Green and/or Big Brown would result in. The only significant difference in the pesticide penalties of the two initiatives is that Big Green creates brown-shirt "bounty hunters." The advocates of Big Brown would apparently prefer to keep this riff-raff out of their way.

Considering the current post-Earth Day media hype, *both* initiatives could be passed by California voters in November. Under Big Green, agro-industry analysts estimate that farmers would lose 60-70% of the major-use agricultural chemicals. A study by WACA estimates a 40% decrease in agricultural production, costing 70,000 California agricultural jobs and 225,000 jobs statewide. It would reduce California's gross product by an estimated \$10 billion and cause an estimated 50% rise in many fruit, vegetable, and meat products produced in the state. But WACA has released no study regarding Big Brown. While perhaps less deadly, the Farm Bureau co-sponsored Big Brown initiative is poison to the American people as well.

The fruit of Big Brown and Big Green can actually already be tasted in the renewed Mediterranean fruitfly crisis. In 1981, Governor Jerry Brown refused to use pesticides against this devastating pest up until he was almost lynched. Billions of dollars of annual crops depend on keeping the medfly out of California. Crop damage, costly fumigation, and quarantine would otherwise result.

Despite the threat, and despite the lessons of 1980-82, environmentalists have once again opposed the use of malathion spray to halt the renewed spread of the fruitfly in southern California. At that time it was the Republican director of the California Department of Food and Agriculture, former Farm Bureau president Henry Voss, who wanted to end low-dose malathion pesticide spraying early, counting only on sterile fruit flies to mate the Mediterranean fruitfly out of existence. Sterile fruitflies were Jerry Brown's strategy in 1982! Voss's strategy was blown when a new generation of medflies came out of the ground. Now the medfly has found

its way into at least one southern California agricultural district.

### **Green fascist terrorism unleashed**

Over the April 21-22 Earth Day weekend, the "Earth Night Action Group" toppled a 100-foot steel transmission tower and power poles, knocking out power to over 95,000 people in Santa Cruz County. That Monday, eco-fascists, including supporters of the avowed terrorist Earth First! organization, assaulted San Francisco citizens and broke windows in front of the Pacific Stock Exchange.

What makes "Big Green" and its shock-troops tick?

Whether Van de Kamp will, in effect, investigate himself and shut down his environmental shock troops is a serious question for California voters to ask. Press reports and publicly available Green literature and documents bare the key support networks back of eco-fascist groups such as Earth First! Key components are:

- *The international Green Party networks.* At the very moment the Green party of Germany was disintegrating with the Berlin Wall, its supporters in California have launched an official Green Party. At the conference of European Green parties, held in Brussels, Belgium in December, European Green leaders virtually demanded the creation of an aggressive U.S. Green Party. Attending were Green groups representing Bulgaria, East Germany, Hungary, Poland, and the Georgian republic of the U.S.S.R.

Sara Parkin, the International Liaison Secretary for the U.K. Green Party, told U.S. Green representatives that they had to get over their "fear of leaders," distrust of delegated authority, and inability to address issues of power. Soviet funding and KGB/GRU penetration of the European Green parties has been massively documented by European law enforcement and intelligence agencies.

- *Earth Island Institute.* Headed by David Brower, the 77-year-old "Archdruid" of the environmentalist movement, the San Francisco based Earth Island Institute is a key U.S. coordination center. Earth First! co-founder Michael Roselle, an advocate of sabotage, works for Rainforest Action Network, an Earth Island creation. Ross Mirkarimi, one of three U.S. representatives to the Brussels Green party conference, heads up the San Francisco area "Nuclear Free Zone working group," an Earth Island Action Group. The Livermore Action Group is providing training for participants in the announced Earth First! "Mississippi Summer" violence in the Redwood Forests of northern California. Earth Island also runs the U.S.-U.S.S.R. Environmental Exchange, which is linked to "the environmental leadership of the U.S.S.R." David Brower is a frequent visitor to the Soviet Union. Earth Island coordinates "the emergence of the Green political movement in the U.S." through its "Green Committees of Correspondence" and the "Green Alternative Information for Action" (GAIA).

Twenty dollars for a loaf of bread, anyone?

# The Thornburgh Doctrine: the end of international law

by F.A. Freiherr von der Heydte

The so-called Thornburgh Doctrine, according to which all traditional international and constitutional law is strictly subordinated to considerations of power politics and opportunism, a doctrine pushed aggressively by the Bush administration and already used on a grand scale in the invasion of Panama, received the blessing of the Supreme Court, the highest court of the United States, in a ruling of Feb. 28, 1990. There is no doubt that with this fateful decision U.S. policy on justice, the military, and foreign policy has taken on a new political-strategic quality. It confirms the radical rejection of the rights of national sovereignty, along with the simultaneous determination postulated by the Thornburgh Doctrine of the inequality of states and the implicit denial of fundamental rights for all "targets" that stand in the way of a (supposed) national interest of the United States. There will be serious consequences for the community of nations when the arrogant despotism of a world power raises itself up thus, to be the lord not only over war and peace, but even over law itself.

This decision, and the previous government directives which it sanctions concerning powers of the FBI, the military, and the intelligence services in foreign countries, have sent horror throughout the legal profession because of the unforeseeable consequences they have for international law and for the constitutionality of the United States itself.

## I.

With the aforesaid decision in the case *United States v. Verdugo-Urquidez* (case No. 88-1353), the Supreme Court decided that American officials abroad can undertake searches and can seize materials without restriction and in circumvention of orderly legal proceedings. The court quashed an earlier decision of the Ninth Circuit Court of Appeals which decided that, without a court-ordered search warrant and without observing the limitations of the Fourth Amendment in a search of a Mexican residence, the evidence found by the appellant could not be used against that Mexican citizen. The Supreme Court, by a majority of 6-3, found that the Fourth Amendment, which prohibits unlawful government search and seizures, cannot be claimed by foreigners in foreign countries, since the relevant activities of American officials are not subject to the provisions of the U.S. Constitu-

tion and the Bill of Rights.

The decision follows a line of development of U.S. legal opinions and justice policy that has been recognizable for some time. The opinion that U.S. officials can simply take action in foreign countries and additionally make searches in violation of the Fourth Amendment corresponds to an opinion prepared by the Justice Department in June 1989, according to which the U.S. FBI may arrest individuals who have violated U.S. law, without the consent of the affected nations. In November of last year, a further legal opinion by the Justice Department was announced, that for the first time empowered the U.S. Armed Forces, in violation of established international law, to arrest presumed offenders in foreign countries, thereby annulling the 111-year-old Posse Comitatus Law that prescribes the strict separation of police and military powers. Simultaneously, a policy of the U.S. Justice Department under Richard Thornburgh was announced supporting the demand of William Webster, director of the CIA, the intelligence agency that is active in foreign countries, to annul the prohibition—valid since President Ford's administration—against participation in violent rebellions in foreign countries and assassination of foreign political figures. Relying on this new policy, the commander of the military special unit, the Special Operations Force, recently demanded that the legally prescribed report and control duties with regard to the National Security Council be annulled. In his motivation, he stated that clarifications such as had been previously required could have the effect of delaying the relevant planned actions, and favorable opportunities would possibly be lost.

This Thornburgh Doctrine—the worldwide extension of the sphere of application of U.S. law as well as the extension of U.S. executive power to the territory and against the will of foreign countries, without regard for U.S. constitutional provisions—was officially sanctioned by the highest U.S. court in its decision of Feb. 28.

## II.

From testimony of the defenders of this doctrine, there is no doubt that the types of action which go along with it, are in violation of established international law. For example, one of the authors of the above-referenced June 1989 legal



opinion, William P. Barr of the Department of Justice, told the U.S. congressional Judiciary Committee at a hearing on the new powers of the FBI: "Under our constitutional system, the executive and legislative branches, acting within the scope of their respective authority, may take or direct actions which depart from customary international law. At least as respects our domestic law, such actions constitute 'controlling executive or legislative act(s)' that supplant legal norms otherwise furnished by customary international law."

Barr strictly rejected the requirement contained in a legal opinion delivered in 1980, which interpreted guidelines for the FBI exclusively in agreement with customary international law. President Carter had denied to the FBI any action not coordinated within the confines of a criminal prosecution in a foreign country, since it would amount to a kidnaping and would violate international law.

As the single justification for the professed violation of international law, repeated reference is made—as, for example, in the case of the invasion of Panama last December, which violated international law and the laws of war—to the right of self-defense according to Article 51 of the Charter of the United Nations.

This often strained reference, however, stands or falls—and for the most part, it falls—on the question of whether the given current political and military situation is appropriate to meet the international legal criteria for permissible measures of self-defense. Didn't Hitler attempt to justify the attack on Poland as self-defense? Didn't the assertion for decades by the East German regime of a threatening internal and external state of siege serve as justification for its measures of suppression? In the case of Panama, I demonstrated in an evaluation from the standpoint of international law published in January [see *EIR*, Feb. 2, 1990, "The U.S. invasion of Panama: an evaluation from the standpoint of international law"], it was a matter of an armed attack by the United States in violation of international law that is not in any way to be justified by the right of self-defense, and that also involved serious war crimes.

Also, the examples put forward at the hearing referred to earlier by Abraham D. Sofaer, legal adviser of the U.S. State Department, accomplish nothing here. The Israeli action for freeing the hostages at Entebbe involve a completely different case, that of a humanitarian intervention recognized by international law. Likewise, it is incorrect when Sofaer attempts to prove, using the Eichmann kidnaping, that the international community is prepared to tolerate under certain circumstances a violent kidnaping violating territorial integrity. The incident was censured at that time by the prevailing doctrine.

That this sort of attempt at a legal justification is merely subsidiary argumentation, is emphasized by Sofaer himself with shocking clarity: "In considering the availability of the doctrine of self-defense to justify a breach of territorial integrity, it is essential to recognize that the President is not bound

by the interpretations of international law taken by other states." We will consider later the claim of contemporary world powers such as the United States that it stands *above* international law.

### III.

With equal clarity, the justification written by Chief Justice William Rehnquist shows a conscious rejection of any legal principles that are superior to positive law; indeed, they show a total absence of principled legal-ethical considerations. The Fourth Amendment, which, according to the opinion of the Supreme Court, American officials no longer need consider, reads:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated; and no Warrants shall issue but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

Rehnquist refuses to grasp the overriding legal conception of this constitutional provision, retreating rather to the position that the expression "the people" encompasses merely U.S. citizens, or "such individuals who have developed an essential relation to the country." Unlike the Fifth and Sixth Amendments, which speak of "individuals" or the "accused" and thus accord fundamental procedural rights, the Fourth Amendment cannot be called upon here, in Rehnquist's view, because Verdugo-Urquidez is not a member of the American people, and because the allegedly unlawful search took place in a foreign country. It is without merit for the trial itself, which took place *inside* the United States. His admittedly legal but involuntary stay in the United States (brought about through his arrest) does not justify his claim to constitutional guarantees.

This linguistic exegesis of the constitutional text contradicts the historical truth of the origin of the Bill of Rights. Moreover, it cannot stand up to considerations derived from either basic international law or natural law.

Justice Brennan's dissenting opinion, published along with the decision, may well be considered as the single positive element in this finding. His devastating criticism of the formalistic constructs of the majority explicitly evokes natural law: "The Framers of the Bill of Rights did not purport to 'create' rights. Rather, they designed the Bill of Rights to prohibit our Government from infringing rights and liberties presumed to be preexisting." These rights—for example protection against illegal search and seizure—must "not be violated." The heart of the Fourth Amendment is to determine *what* the government is allowed to do, *how* it is allowed to act, and not against *whom* it may direct its sovereign actions in individual cases.

The United States is the first country in the world that attempted to mold into a constitution the inalienable rights that are given to any man, not from any given state or sover-

eighty, but simply because of his birth—that is, from nature. Justice Brennan rightly recalled this intention of the authors of the Constitution when he insisted that government actions by agencies of the United States always be subject to the Constitution, whether in California or in Mexico. He nevertheless conveniently overlooks the fact that such actions in Mexico must also be in conformity with international law. The Fourth Amendment, Brennan continues, was conceived as an inalienable correlate to use of the penal law. If U.S. agents carry out illegal searches, they thereby disregard the “values of the nation”:

“For over 200 years, our country has considered itself the world’s foremost protector of liberties. The privacy and sanctity of the home have been primary tenets of our moral, philosophical, and judicial beliefs.” Ultimately, James Otis’s statement, “a man’s home is his castle,” was directed against the comprehensive authority of British tax collectors, who in the colonies searched American homes whenever and wherever they pleased. In President Adams’s opinion, the idea of American independence was born in Otis’s passionate argument against this British practice.

The history of the origin of the Bill of Rights likewise refutes the interpretation of “the people” proposed by Justice Rehnquist. Justice Brennan refers to the fact that, in the deliberations over the Fourth Amendment, no one had seen in this formulation a limitation to a certain group of people—i.e., to the people of the state who adopted this constitution. Rather, the concept of “people” was used as the counterpart of the concept of “government”; it is synonymous with “the ruled.” And who would wish to deny that the accused whose home was searched and to whom the U.S. penal law is applied and who will supposedly spend the remainder of his life behind U.S. prison walls, is among “the ruled”?

The Thornburgh Doctrine, which presumes to place U.S. law above international law, additionally aims at undercutting the controls over government measures desired by the Founding Fathers. On the one hand, ignoring the original idea of the Constitution, it attempts to limit the sphere of application of the Constitution by means of formalistic linguistic interpretations; on the other hand, it seeks to evade congressional controls. It follows from the legal opinion of November 1989 on the authorization of the Armed Forces for police actions in foreign countries, that military actions abroad which are declared to be measures of criminal prosecution, are not scrutinized by the democratic committees responsible for defense measures or by the institutions of international law. The crucial congressional offices would also not be informed in a regular way of the various actions of the Department of Justice in these areas.

#### IV.

Justice Rehnquist’s legal argument, which derives a whole structure of argumentation from two words, is the expression of an extreme legal positivism that must necessar-

ily come continually into conflict with constitutional principles founded on natural law.

Logic and law, as they concern justice, are allied with one another only conditionally. This is shown, for example, by the statement, substantiated by several precedents, that the Fourth Amendment has no significance for the present case because an arrest order issued by a U.S. judge is not valid in foreign countries. This may be true according to the logic which the decision’s author has set up for himself; however, it denies the purpose of the constitutional provision. This purpose lies in the requirement to obtain, *before* the government intervention, the decision of an impartial third party—the judge—who must first apply the measure of “probable cause,” and then just precisely determine the extent and aim of the planned measures. This protective function, referred to above as the correlate to application of the penal code, is denied by legal-positivistic formal logic.

The example of the case decided by the Supreme Court in which in fact a search took place that was illegal in type and scope, shows the possibility of legitimizing illegal actions in the eyes of Justice Rehnquist’s legal-positivistic conception of “according to the letter of the law.”

To divorce not only the interpretation, but also the creation of what is called law from natural law, corresponds to the logic of positivism. Consistently, the Thornburgh Doctrine goes so far as to even consider state actions that violate recognized international law as a source for customary international law. Thus at the abovementioned hearing, the U.S. Department of Justice postulated not only the right of Presidents and high government officials, acting within their existing government powers, to violate the norms of international law in the national interest, but also that this right, according to William P. Barr, is “consistent with the very nature of customary international law. Customary international law is not a rigid canon of rules, but an evolving set of principles founded on the common practices and understandings of many nations. It is understood internationally that this evolution can occur by a state departing from prevailing customary international law principles, and seeking to promote a new rule of international custom or practice.”

To that we reply that Hitler and Napoleon certainly made no contribution to the further development of international law, even though they may have subjectively felt justified in their manner of behavior. Any law, even international law, arises from the tension between two poles: on the one hand, the timeless concept of law given to every human being, and on the other, the temporally conditioned reality of coercive force. The law, born, as it were, in the space of an ellipse formed by two poles, lives from this tension, without which it would be an ineffectual, often unattainable fantasy. On the other hand, legal compulsion, which always proceeds from an institution, for the most part a state, would lose its moral basis without this tension. Without this legitimation, the actions of a state, simply on the basis of its

political and military power, can never serve as a source of international law, even if other nations must tolerate such actions for the time being.

## V.

The U.S. legal positivism criticized here, does not attempt to appeal to this sort of superior principles of law. The principle unmistakably applied—"might makes right"—is subject to only one restriction, that of utilitarianism. What is justified, is what "serves the national interest."

Thus, we find repeated reference to pragmatic considerations in recent legal opinions of the U.S. Department of Justice and the Supreme Court decision under discussion here. Sofaer, to shore up his legal position, used a quote from former Secretary of State Henry Kissinger in which Kissinger speaks of "moral and practical imperatives" and the parallel goals of "law and pragmatism."

Purely pragmatic grounds are also drawn upon for the selective application of U.S. penal law without simultaneous consideration of all constitutional provisions: Justice Rehnquist thinks that any other decision would too sharply impair U.S. activities abroad. He explicitly includes U.S. military actions here: Two hundred times in U.S. history, the military has taken action in defense of U.S. citizens or U.S. national interest. Application of the Fourth Amendment to all circumstances in which there could be search-and-seizure actions "could significantly disrupt the ability of the political branches to respond to foreign situations involving our national interest," and could possibly entail unforeseeable damage claims by foreigners. The global applicability of the Fourth Amendment would throw U.S. officials active in foreign countries into "a sea of uncertainty." The appellate court, which demanded that searches carried out in foreign countries be strictly limited in scope and purpose and only with probable cause, cannot be followed. Finally, situations could arise in half the world that threaten U.S. interests and possibly demand an armed reaction.

Justice Kennedy goes even further in his pragmatic evaluation of the case. In general, he does not want to contest the validity of constitutional provisions in foreign countries, but believes that the specific form of the case makes an application of the Fourth Amendment appear to be "not practical and anomalous."

Quite in the spirit of the Thornburgh Doctrine, Justice Rehnquist comes to the conclusion that the highest necessity is the ability of the government to act in "the national interest." Germans who read this cannot help recalling the time of the National Socialists and their leading legal ideologist, Carl Schmitt, who considered any action in "the national interest" to be justified.

However this so often belabored "national interest" may be defined, it has nothing to do with the law, even if there are many historic examples for such pragmatism being the determining factor of government actions or even legal

opinions.

A supposed legal uncertainty must not be allowed to stand in the way of the application of the Constitution. Here it cannot be a matter of legal certainty or uncertainty, but merely the question of where the limit on governmental interventions is to be drawn. The protection of the Fourth Amendment is not a technical prescription, but rather, as presented above, a fundamental right inseparably connected with the principles of fair criminal proceedings and rooted in natural law.

Complying with the Constitution may in individual cases appear to be "impractical" and complicated; but violating it—even if in the supposed "national interest"—is always illegal. Law is the counterpole to power, and the mixing of the two can never establish law. To measure with two standards—to require of foreigners that they obey U.S. penal law, while the government officials themselves escape from the limitations imposed by the Constitution—cannot be a means, no matter what the ends are.

The fact that in the present case, it is not the decision of the highest court of some minor country, but rather of the United States of America, cannot be ignored. In my contribution to a *Festschrift* published last year for Dietrich Schindler, I described the attitude of today's world powers, who are offering, "at least within their sphere of power to be able to determine the content of every law, and thus also of international law, without being subject to that law under all circumstances."

## VI.

This is the essential feature of the contemporary dilemma in international law, which is sharply distinguished from the classical international law that was still binding three decades ago. The ordering principle of classical international law rests on the coexistence of a series of sovereign states that are considered equally entitled: the equality of all in freedom. This principle of equality stands in clear contrast to the power politics of the world powers. The examples of Afghanistan, Nicaragua, and, recently, Panama demonstrate that today's world powers demand to be allowed to violate the sovereignty of other nations "within their sphere of power."

However, it would be insufficient to limit criticism of this behavior, so contrary to international law, to how it touches on the sanctuary of "national sovereignty." For, this concept is derived in part from traditional international law, and is founded on the integrity of the sovereign, who, without regard to the legal order of any state, was the bearer of its "sovereignty" and possessed, internally and externally, the ultimate power of decision. While in classical international law the protection of the individual devolved upon the guardianship of the given state, contemporary international law, as a supranational law, increasingly concerns itself with laws for the protection of individuals. The individual is, of course, not the subject of international law, but is predominantly the most important object of the protection afforded by interna-

tional law. Thus, today it is self-evident that the equality of the races be a concern for international law, without that being considered as interference into the internal affairs of foreign states. Today, the individual human being himself, by means of his function in the legal order of the state, is the bearer of sovereignty. From this it follows that the protection of international law today is guaranteed first for the individual human being, and for the nation only secondarily.

The ordering principle of international law in the formation of positive law, which occurs in tension between the concept of law and the compulsion of material circumstances, is thus itself subject to change. The authority of modern international law, whether codified in treaties or appearing as customary law, results in every case from natural law as a suprapositive law.

There are many obstacles, however, to the creation of a new worldwide order of international law that can guarantee the worldwide recognition and observance of human rights founded on natural law.

The world powers that have the material means to practice compulsive force, consider themselves as *legibus soluti*, as a "law unto themselves," and subject to no other moral authority than "national interest." From this the conception follows of a hierarchy of national orderings of law in which the world powers not only enjoy a greater freedom than other nations, but are tied to one another in order to protect these privileges. The resistance against a realization of the German people's right to self-determination furnishes an eloquent example for this.

It appears to me to be hardly accidental, that the legal adviser of the U.S. Department of State, in his presentation on the effects of extraterritorial powers of the FBI, which necessarily conflict with the laws of other nations, cited the example of a kidnaping done by the Soviet Union. He quoted the well-known 1952 case of Dr. Walter Linse, who was abducted from the American sector in Berlin into the Soviet Zone and was finally sentenced by a Soviet court. Two of Linse's kidnapers were later arrested in West Berlin and convicted of abduction.

An international law that arises out of the principle of inequality, is not worthy of the name.

The second and no less serious problem of a new, just order of international law, is the determination of the substance of the concept of law. Is this same concept of law still recognized as binding in the American-European cultural area, or do there not exist considerable differences in the community of values of Europe and of the United States? Already, the domestic legal system in the United States is characterized by a subordination of subjective rights, a differential of power that has increased at a growing rate ever since the founding of the United States. America is further than ever from realizing the ideals of the U.S. Declaration of Independence and its Constitution: the equality of all in freedom.

The determining factor of the U.S. value system today is utilitarianism and a ruthless pursuit of profit. In justification of violations of international law against other states, "national interest" in protecting one's own nation against threats such as the drug trade or terrorism is always emphasized. Would it not be in the national interest to immediately seize all drug profits deposited in U.S. banks? There is much to be said for that option, since tracking such money is possible using modern computer investigatory techniques. That these possibilities are not used could be considered as an aid to the drug traffic; not exploiting these possibilities can only be explained in that it is not at all in the "national interest" to suddenly withdraw the many hundreds of billions of dollars of drug profits from U.S. banks. It would contradict the mentality of values which is aimed at a maximum momentary profit.

In his dissenting opinion, the fact also does not escape Justice Brennan, that the "national interest" that is cited to justify illegal actions is in direct opposition to the American idea of the free state postulated 200 years ago.

In light of the superior might of the world powers on the one hand, and the absence of a universally binding value system on the other, there does not exist any one worldwide organization that could implement a just international order against the despotism of a single state. The original idea of the League of Nations and the United Nations—to enforce in the world that which the majority of the states recognized as law—has never been realized. The precondition for such a worldwide order of international law would, above all, be respect for an ordering principle which is binding for all states, and such does not today exist. The U.S. Supreme Court has made clear in its Feb. 28 decision that it rejects this fundamental principle of all protection of law.

It is one of the most important tasks of modern international law, to counterpose an international order legitimized by natural law to the despotism of the world powers, born out of consummate state power and driven by the whim of the world powers as it is expressed in the Thornburgh Doctrine. The future of the United States also depends on the completion of this task. As long as justice bows to power, especially in the United States, peace and the protection of law are not guaranteed in the world.

**Professor Von der Heydte**, a noted expert on civil and international law, is the author of the book which was published in English in 1986, *Modern Irregular Warfare*. In 1962, he was named Brigadier General of the Reserves for the West German army, from 1966–70, he was a member of the Bavarian State Parliament for the Christian Social Union party.

## Is Thornburgh on his way out?

*The ouster of the Attorney General is not enough to clean up the Justice Department, but it is indispensable.*

Some people here saw the writing on the wall when President Bush left Attorney General Richard Thornburgh back home when he traveled to Cartagena, Colombia for the hemispheric anti-drug summit earlier this year. When William Safire, the sardonic columnist for the *New York Times*, labeled Thornburgh the poorest performer among Bush's cabinet members a few months ago, other Washington watchers began marking off the days on their calendars before the his ouster.

Now, a personnel shakeup at the Justice Department involving some of Thornburgh's top aides, lends credence to this view.

Hated overseas for his Thornburgh Doctrine, which tramples on the national sovereignty of friends and foes alike, Thornburgh finds himself knee-deep in scandals at home, all largely the outcome of his unbridled presidential ambitions, and his arrogant flaunting of "pin-stripe patronage."

According to one senior Justice Department official, shortly after his return to Washington in August 1988, Thornburgh convened a meeting with top officials of the Drug Enforcement Administration to fill them in on his plans for the department. Seated around the conference table with Thornburgh and the DEA reps were a cast of characters all drawn from his days as U.S. Attorney in Pittsburgh and as governor of Pennsylvania: Robert "Robin" Ross, Murray Dickman, David Runkel, Dick Weatherbee, and Henry Barr. Thornburgh made it clear that this was "his team," and that the people in the room would call all the shots at the department—

career officials and top department appointees be damned.

On May 11, Deputy Attorney General Donald B. Ayer abruptly announced his resignation as the titular number-two man at the Justice Department, making it clear that he was quitting over the fact that he had been stripped of all decision-making authority. Department sources report that Ayer had been told that he would receive instructions on what to do every two weeks, through a meeting with special assistant Robert Mueller, a former aide to U.S. Attorney William Weld in Boston and another member of the Thornburgh inside team. Face-to-face meetings with the AG were absolutely out of the question.

Ayer's resignation was supposed to have been announced three days later, and was to have been accompanied by the announcement of two other personnel changes. David Runkel, Thornburgh's press secretary, was shuffled over to the communications office, and the AG's top aide, Robert "Robin" Ross, was given a temporary assignment setting up an international liaison office, after which he would return to private law practice. The dumping of two of his most trusted Pennsylvania cronies was a big setback for Thornburgh, and he had hoped to muffle the impact by the Ayer news.

Runkel surfaced as a prime suspect in a DoJ probe into leaks targeted against Democratic congressman William Gray last year. Although Solicitor General Kenneth Starr recommended against prosecution of any department officials on May 16, Runkel

remains under scrutiny, since he failed a polygraph test during the early phase of the FBI investigation. Simultaneous with the Starr recommendation, evidence also surfaced that Robin Ross had also failed the FBI polygraph exam concerning the Gray leaks.

Ross's departure from the department, however, is believed by sources in Harrisburg, Pennsylvania to be more closely related to the ongoing federal grand jury probe there into cocaine and marijuana dealing by state officials during the Thornburgh governorship. One member of the "Thornburgh Five"—Henry Barr—is still expected to be indicted by that panel on cocaine charges, and other top Thornburgh aides, including Ross, are suspected of involvement in either the drug ring or in its coverup.

Barr resigned as Thornburgh's chief counsel at the DoJ in May 1989, within 48 hours of ex-Pennsylvania Assistant AG Richard Guida's receipt of a target letter from the Harrisburg grand jury. Last March, Guida took a one-count felony plea to avoid a reported 100-count cocaine-trafficking indictment. But sources in Harrisburg now say that Guida is attempting to renegotiate his plea down to a misdemeanor in order to avoid disbarment.

Although both Attorney General Thornburgh and Harrisburg U.S. Attorney James West have claimed to have recused themselves from the case because of their longstanding ties to major targets of the probe, sources in Harrisburg report that both men continue to make inquiries into the case. These sources say that the probe has now expanded to include cocaine and marijuana use by people in the Governor's Mansion during the Thornburgh era. Guida, according to these sources, continues to represent clients appearing before the same grand jury that indicted him.

## Committee calls for indexing farm support

Democrats on the Senate Agriculture, Nutrition, and Forestry Committee drafted a proposal on May 15 that would index the government's \$53 billion farm support program to a cost-of-living escalator.

Although the proposal is estimated to add \$1.1 billion to the subsidy program over five years, it is generally considered a hedge against inflation, rather than a net addition. Committee members, anxious that there will be no possibility of increasing farm aid at a time when austerity is the watchword on Capitol Hill, are using the proposal to "minimize the pain" for the farmers, as one senator put it.

## Senate passes \$2.9 billion AIDS bill

The Senate on May 16 overwhelmingly approved a bill authorizing an estimated \$2.9 billion over five years to help 13 cities and all states treat the growing number of AIDS victims. The bill, sponsored by Sens. Edward Kennedy (D-Mass.) and Orrin Hatch (R-Utah), was passed on a 95-4 vote.

Although Senator Kennedy noted "the real danger" that public hospitals serving AIDS patients may collapse as a result of a lack of funds, the bill earmarks only \$300 million in fiscal 1991 for the 13 U.S. cities hardest hit by AIDS. The cities must use the emergency funds to assist public or nonprofit health facilities that serve large numbers of poor people with the disease.

The bill also authorizes \$300 million in grants in fiscal 1991 to the states to provide continuing care, early intervention services, and outpatient care for AIDS victims.

Sen. Jesse Helms (R-N.C.) intro-

duced an amendment which would have made it a federal crime to knowingly donate or sell blood, semen, tissues, organs, or other bodily fluids if the person knows he or she is infected with the HIV virus, or has been an intravenous drug user or prostitute at any time since Jan. 1, 1977. The Helms amendment was defeated 47-52.

The bill would also authorize spending "such sums as may be necessary" for three more years through fiscal 1995.

In the House, the Energy and Commerce Committee on May 16 passed a bill with similar provisions, which is expected to pass the full House within the next few weeks. The two bills would then have to be reconciled. A high official of the Health and Human Services Department said the administration was concerned about the cost of the bill, and was reluctant to set the precedent of earmarking emergency funds for a specific disease.

## Conyers accuses DoJ of harassing black officials

Rep. John Conyers (D-Mich.) got into a bit of an argument with Attorney General Richard Thornburgh in hearings before the House Judiciary Committee on May 16, when Conyers asked whether the Department of Justice was harassing black elected officials. Conyers cited the recent prosecution of Rep. Harold Ford (D-Tenn.) and the current federal investigation of D.C. Mayor Marion Barry, as examples of federal abuse. Conyers urged Thornburgh to exert more "oversight" over U.S. Attorneys who prosecute black officials.

Thornburgh retorted that it was "totally and absolutely false" to claim that federal prosecutions of blacks or

other minorities are based on racial prejudice. Conyers pointed to the Ford trial, in which the DoJ had sought a new bank fraud trial for the black congressman after a mistrial was declared on April 27, when the jury failed to reach a verdict.

"How many trials, how many juries does he have to have before you will be satisfied?" asked Conyers. The congressman also noted that Detroit Mayor Coleman Young had been the target of the longest-lasting FBI surveillance in U.S. history. Conyers said that this was just "the beginning of the public discussion of this issue."

## German scientist urged to return to U.S.

Rep. James Traficant, Jr. (D-Ohio) issued a call on May 12 for scientist Dr. Arthur Rudolph to return to the United States and force the Justice Department's Office of Special Investigations (OSI) to prove its charges against him, or drop its accusation that he engaged in Nazi war crimes.

Traficant spoke at a dinner arranged by supporters and former colleagues of Rudolph, a retired NASA rocket scientist who was forced to surrender his U.S. citizenship and relocate to Germany as a result of unproven allegations that he had mistreated slave laborers at a rocket factory in Germany at which he worked during the war. The dinner was arranged to raise money which could be used for a possible legal fight by Rudolph, who has denied the charges. An Army investigation in 1947 had absolved Rudolph of any war crimes, as did a recent investigation by the West German government.

Representative Traficant accused a "powerful Jewish lobby" of trying to

intimidate elected officials who might otherwise agree with his assertion that the case lacks merit. "The Jewish groups that support the OSI," said Traficant, "should consider that if we let this government violate the rights of an old Nazi who is not a criminal, they could just as easily violate the rights of Jewish Americans."

## Concessions to Soviets called a 'betrayal'

In comments on the Senate floor on May 15, Sen. Donald Riegle (D-Mich.) attacked the administration for not paying any heed to the various congressional resolutions calling for U.S. action to stop the Soviets from their repressive measures against the Baltic states.

"Apparently unmoved by either the continuing Soviet aggression in the Baltic states, or the Senate's call for an appropriate United States response to that aggression," said Riegle, "the Bush administration has concluded the United States-Soviet trade talks and has conditionally agreed to grant the Soviets MFN [Most Favored Nation] status. And now, in the latest in the series of green-light signals sent to Moscow, the Bush administration plans to urge granting of Soviet observer status in GATT [General Agreement on Tariffs and Trade]."

Riegle noted that the Senate had called on the administration *not* to proceed with the granting of MFN trade status until the Soviets ceased their coercive actions against Lithuania. "To reward the Soviets at this ugly moment in their history is a betrayal not only of our Baltic friends, but a betrayal of our own honor and principles as champions of democracy," Riegle said.

## Congressman looks to SDI spinoffs

Rep. Jon Kyl (R-Ariz.) outlined some of the spinoff benefits already achieved in the Strategic Defense Initiative, in comments on the floor of the House on May 9.

Kyl indicated that "research into navigation technology has ushered in a whole new class of miniaturized inertial measurement units of navigation and guidance in this decade and beyond. Units that weighed 40 pounds and cost \$70,000 in 1970 now weigh only 1 pound and cost approximately \$5,000."

Second, he pointed out that the U.S. is now learning how to manufacture large quantities of infrared detector elements known as pixels, at greatly reduced costs. Third, computer advances achieved through the SDI program have offered the possibility of producing high-speed computers that can be assembled in very small packages—about the size of a deck of playing cards.

Kyl also noted that the U.S., thanks to the advances in semiconductor electronics stimulated by the SDI research, could recapture some of the world market in this area. In medicine, the SDI program has helped develop a laser-treatment process that cleanses blood bank supplies of the entire family of viruses which includes herpes, measles, hepatitis-B, and HIV, the virus that causes AIDS.

## Funding for art group founders in mid-stream

The bill to reauthorize the National Endowment for the Arts proposed by the White House is running into trouble, as House Republicans are bolting from supporting the bill. Rep. Pat Williams

(D-Mt.), who chairs the House subcommittee with jurisdiction over the NEA, said that it would be "very difficult to pass the President's proposal unamended through the Congress."

The NEA came under congressional fire when it helped finance exhibits featuring works of homosexual "artist" Robert Mapplethorpe and Andres Serrano. The exhibits included both obscene and blasphemous images and led to a call for restrictions on NEA funding.

Arts leaders want reauthorization of the NEA as it was first set up 25 years ago—a view also supported by the President. The President's bill, therefore, contains no restrictive language. Republican House leaders, however, unveiled a bill to strip the endowment of most grant-dispensing duties, prevent it from funding obscene art, and make it more accountable to taxpayers.

## Murtha squeaks by in congressional race

Rep. John P. Murtha (D-Penn.), chairman of the powerful appropriations subcommittee on defense and a key political player in the House, barely won his race for his party's congressional nomination, with 51% of the vote in a three-way race.

One of his opponents was John K. Shrader, a LaRouche Democrat.

Murtha ran into complaints that for all his influence in Washington, he hasn't done enough to boost the local economy in his depression-ridden district in western Pennsylvania. The eight-term incumbent had spent \$365,000 as of the end of March on his campaign, and had gotten endorsements from former House Speaker Tip O'Neill and Chrysler Corp. chairman Lee Iacocca.

# National News

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## Weinberger: book blasts Iran-Contra affair

Former Reagan administration Defense Secretary Caspar Weinberger termed the Iran-Contra affair "one of the most serious mistakes the Reagan administration made during the seven years I served as Secretary of Defense," in his new memoirs, and said it was largely the work of Robert McFarlane and Oliver North.

"The entire McFarlane initiative had arisen from meetings he had been holding with various representatives of Israel, with whom some Iranians were in close contact," Weinberger said.

Weinberger ridiculed the operation and the idea that there were any moderates in Teheran. Selling arms to the "barbaric" Iranian regime was not only bad policy, but, "by implicating the President in a secret deal . . . risked having future administration policy subjected to the equivalent of *black-mail* by anyone who knew it."

Weinberger says that Irangate never would have happened had not Judge William Clark—"one of my oldest friends [and] ideal for the role of [National] Security Adviser, ensuring that all the different viewpoints reached the President on the many matters to be decided"—resigned in October 1983.

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## Defense panel bucks Bush, asks hi-tech funding

A Defense Department panel has called for \$100 million in federal support for R&D in high-definition television. The special panel, convened a year ago, proposes that the present \$10 million support be drastically upgraded in its report, "High-Resolution Systems Critical to National Security—Both Military and Economic."

In addition to the home TV market, HDTV has civilian applications to personal computers and medical imaging, and involves development of new varieties of semiconductor chips and sensors.

The thrust of the report goes directly against recent White House moves cutting

back on such "dual-use" technologies and purging the defense research establishment of supporters.

Michael C. Sekora, who headed Project Socrates, the Defense Intelligence Agency group which monitors the high-technology efforts of America's competitors, has revealed that he submitted his resignation April 20 over policy and funding disputes. Socrates had developed an extensive data base concerning the status of advanced technologies throughout the world. Robert B. Costello, the Reagan Defense official who set up Socrates, said, "They're terminating the only data base the nation has. I don't see how they can do this. You have to have this kind of information to even know how to lay out your research and development money."

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## Call for high-tech takeover moratorium

Dr. Sam Harrell, president of the trade group Semi/Sematech which consists of 125 U.S.-owned companies that supply components and materials to the semiconductor industry, called for a substantial moratorium on foreign acquisition of U.S. high-technology companies, in congressional testimony May 9.

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## Va. AFL-CIO to run labor candidates?

Allegedly "inspired by UMW leader Jackie Stump's election to the House of Delegates, the Virginia AFL-CIO is looking into how . . . unions could run their own candidates for public office," according to the Richmond, Virginia *Times-Dispatch* of May 13.

Danny LeBlanc, a spokesman for the labor confederation, said "If we had a choice of determining who we had [in office] we'd rather it be somebody who has worked with their hands. . . . Union leaders, if they're worth their salt, understand politics better than some politicians."

The campaign for U.S. Senate of Nancy Spannaus, an associate of Lyndon LaRouche, and LaRouche's own candidacy for Congress from Virginia's 10th C.D.,

have garnered significant support among labor groups in Virginia. Many union members are particularly outraged that the Democratic Party has refused to nominate any opponent to incumbent Republican Sen. John Warner. Both LaRouche and Spannaus will run as independent Democrats.

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## Endangered Species Act 'too tough,' says Lujan

Interior Secretary Manuel Lujan Jr. said the Endangered Species Act was too tough and called for changes, in an interview in the May 10 *Denver Post*.

"It's just too tough an act," Lujan said. "We've got to change it. . . . Do we have to save every subspecies? Do we have to save [an endangered species] in every locality where it exists?" he asked.

Lujan cited the red squirrel as "the best example. Nobody's told me the difference between a red squirrel, a black one, or a brown one." The Mount Graham red squirrel is holding up construction of a planned astrophysical complex atop Mount Graham, Arizona.

The statements set off a furor among the eco-fascist set, prompting Lujan spokesman Steven Goldstein to note that, "It is the secretary's opinion that the Endangered Species Act should be used as a shield but not as a sword."

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## Bush sets Mars landing for 2019

President Bush set a long-term goal of putting a man on Mars by 2019 in a speech May 11 at the commencement ceremony at Texas Arts and Industries University. "Thirty years ago, NASA was founded and the space race began. And 30 years from now I believe man will stand on another planet," Bush said.

Bush called for the next age of exploration "with not only a goal but a timetable: I believe that before Apollo celebrates the 50th anniversary of its landing on the Moon, the American flag should be planted on Mars."



Lyndon LaRouche has proposed a slightly longer timetable, to land on Mars about 2025, in order to take the time necessary to develop the most advanced technologies, such as fusion propulsion, which would ensure safer missions and more rapid colonization once undertaken. Bush is unlikely to set shorter-term goals, like a return to the Moon, which require major fights over funding.

In his speech, Bush took a jab at Carl Sagan and the other anti-manned exploration proponents by saying that Thomas Jefferson did not send a robot to look around when it was time to explore the West. Bush also referenced the importance of space exploration for the economy and education.

## American cities back Lithuanian freedom

The city council of Oakland, California on May 14 passed a strongly worded resolution calling on the President and Congress to "extend full diplomatic recognition to Lithuania." The cities of Anaheim, Santa Ana, and Huntington Beach, all in central Orange County, California have issued proclamations in support of Lithuania, and the mayor of Baldwin Park, California has issued a letter of support.

The Oakland resolution, signed by Mayor or Lionel Wilson, the first black mayor of the city, was formally presented to Schiller Institute representative Evelyn Lantz.

In making the presentation, Mayor Lionel Wilson explained that the city of Oakland had supported freedom and democracy in many countries and places and was proud now to support the nation of Lithuania.

## Conservation reserve breeding pestilence

Farmland which has been placed in the federal conservation reserve program is a breeding ground for insect plagues and is causing brushfires, according to reports from Western states officials. The federal program, started in 1985, pays farmers to take cropland out of food production and let

wild vegetation grow up. About 40 million acres are locked up.

In the drylands of Texas, the grasses on CRP land help fires start more often, spread faster, and burn hotter. "It's creating a monster for volunteer firefighters," said Alan Fondy, field consultant for the Firemen's and Fire Marshals' Association of Texas. "We've lost firefighters . . . and we've lost equipment in this stuff."

CRP lands in Minnesota and Northern Plains states have been "launching pads" for swarms of grasshoppers, beetles, and locusts to attack nearby crops. Officials in the Dakotas and Minnesota have asked for federal funds for spraying. In eastern North Dakota, researchers last fall counted 1,700 grasshopper eggs per square yard, compared with a normal count of 200.

## California to consider police-state legal changes

Two ballot initiatives to change the criminal justice system will be put before California voters in June and November. One proposal, perhaps the most dangerous, would eliminate *voir dire*, the right of a defendant's counsel to question potential jurors for bias. Denial of *voir dire* was a critical element facilitating the frameup and conviction of political prisoner Lyndon LaRouche in Virginia in 1988.

Proposition 115, on the June ballot, is supported by GOP candidate for governor Sen. Pete Wilson. The other, virtually identical proposition, is sponsored by Attorney General John Van de Kamp, Democratic candidate for governor.

Among the proposed changes, the propositions would expand the definition of first-degree murder to include 16 and 17-year-old minors; create the crime of torture; repeal the requirement that a copy of the arrest report be delivered to the defendant at the initial court appearance; change the disclosure law under which prosecutors and defense attorneys must reveal information; require the court to assign felony cases only to defense attorneys ready to proceed within specified time limits; admit hearsay evidence; eliminate preliminary hearings for some felonies; and would hamper the ability to sever cases of those jointly charged.

## Briefly

● **LAROCHE** for Justice, the campaign committee of independent Democrat Lyndon LaRouche, running in Virginia's 10th C.D., has raised \$150,000, more than the \$10,000 raised by his primary opponent, MacKenzie Canter III, and the \$100,000 of the Republican incumbent, Rep. Frank Wolf, according to Federal Election Commission reports.

● **SYLVESTER STALLONE**, who starred as the semi-psychotic "Rambo," wants to shoot environmental violators. "I want Rambo to disappear unless I'm allowed to turn him into the defender of the ecological battle to save the environment," he told Italian television May 8.

● **THE ILLINOIS** State Legislature has passed a law making it mandatory for every child attending public schools to take a course in Holocaust studies.

● **GREYHOUND** chairman Fred Currey declared the strike by drivers is "irrelevant" because the company is close to having enough drivers to operate reduced schedules, the *Wall Street Journal* reported May 8. Los Angeles union president Jim Cushing-Murray said, "They're almost the kinds of words you would use if you wanted to provoke drivers' responses."

● **GROUNDBREAKING** for the Animas-La Plata reservoir in Colorado, one of the last Western water projects, was put on "indefinite hold" by the U.S. Fish and Wildlife Service which said it threatened survival of the squawfish. The major beneficiary of the project would have been the impoverished Ute Indian tribe.

● **THE NATIONAL** Labor Relations Board is "seeking criminal contempt findings" against the United Mine Workers, according to the May 10 *Richmond Times-Dispatch*. The object of the suit is to "bar key union organizers from direct participation in strike and picketing activities for up to five years."

### *Anti-Semitism is a two-edged sword*

There is no question but that the desecration of 34 Jewish graves in the south of France on May 10, coupled with outrages to the body of one of the dead, was hideous. But we must consider the question of who perpetrated the deed, and look at the clear pattern of KGB-directed intervention to create a wave of hysteria around it.

The desecration appeared to kick off a wave of other incidents in France and Sweden, but also in Israel. This followed, with suspicious closeness, upon the May 6-8 meeting of Edgar Bronfman's World Jewish Congress (WJC) in Berlin. The ultra-right Le Pen group in France has been accused of the crime, although there are also indications that some Arab group may have been involved. What is clear, is that the Bronfman crowd has been able to capitalize on the ugly incident. Indeed, the French government has apparently agreed to fund the establishment of a research center in Paris to study anti-Semitism, which will be run by none other than the Moscow-allied World Jewish Congress.

The circulation of a memorandum issued by the Moscow affiliate of the Anti-Defamation League purporting to link LaRouche associates to Pamyat and to the French Le Pen group (alleged by the Bronfman crowd to be the perpetrators of the anti-Semitic outrage), prompted LaRouche to warn that the Bronfman-controlled ADL is working hand-in-glove with the KGB. A similar view was expressed in the German daily *Die Welt* on May 17, by Israeli citizen Michael Wolffsohn. He cited the admission by a Czech defector that the use of anti-Semitism is an established KGB tactic, particularly against the Federal Republic of Germany.

And now we find that the desecrations of 250 Jewish graves, which occurred in Haifa, Israel, were indeed intended as provocations: Two Israeli Jews have confessed to the crime. Israeli police have identified the two as members of an "extreme Jewish sect," most probably the Sicarii. This is a splinter group from Meir Kahane's Kach movement. One individual associated with this group, Mordechai Levy, is a terrorist who has been im-

plicated in several murders in the United States. The Jewish perpetrators claim they defaced the graves in order to encourage Jewish solidarity against the Arabs. The French incident could have a similar provenance.

While there is no evidence directly linking Meir Kahane and Edgar Bronfman, Kahane biographer Robert Friedman claims that the Jewish Defense League was originally funded by a member of the Anti-Defamation League, Bernard Deutch. Bronfman is an honorary vice-president of the ADL.

It is becoming more and more evident that the Bronfman gang is working closely with the KGB, not only in circulating vicious disinformation against Lyndon LaRouche and his associates, but in trying to stop the reunification of East and West Germany. Another group, the West German, Bronfman-affiliated VVN, has repeatedly demonstrated alongside the extremist wing of the Greens, members of the communist DKP, and other urban rioters.

Anti-Semitism is evil, but that should not blind us to the fact that Soviet operations may be run under the cover of purportedly Jewish agencies such as the Bronfman-run ADL or the World Jewish Congress. Meyer Lansky was a gangster, Markus Wolf is a general in the KGB, and Edgar Bronfman is both a gangster and a willing tool of the Soviets.

More than a decade ago, the ADL set out to destroy Lyndon LaRouche and his associates. They were selected for this task because they have always functioned as tools of a group of *Hofjuden*—Jewish courtiers—including the Rothschilds and the Warburgs, who themselves were the willing house servants of the Anglo-American oligarchical elite. As such, they have been active in furthering the aims of the Trust arrangement between the Soviets and the Anglo-Americans, and most recently they have begun a shift of allegiance to serve the interests of the Russian oligarchy directly.

As the case in Israel shows, their victims are emphatically Jews as well as Christians. It is men such as Edgar Bronfman who are the true anti-Semites, just as they are the enemies of all good men and women.

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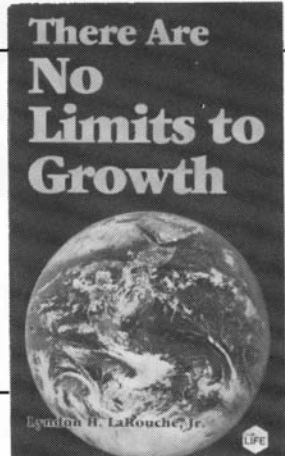
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