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Executive Intelligence Review

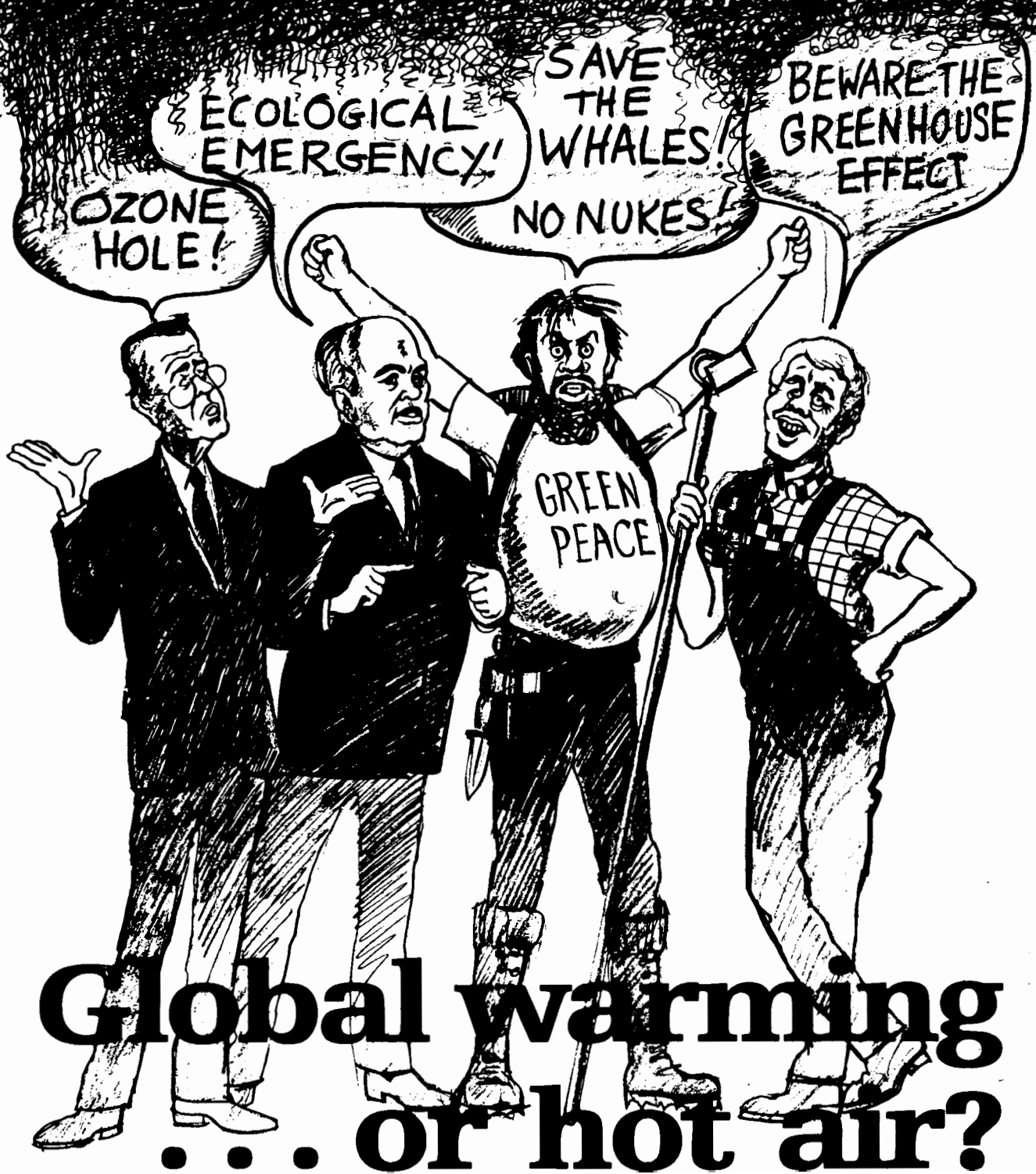
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Malaysian: Project Democracy is imperialist  
'Peace dividend' is sinking California  
Ratzinger affirms God's 'continuing creation'

**International forces rally  
to defend U.S. Constitution**





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## From the Editor

Nearly one year ago, Lyndon LaRouche foresaw that the revolutionary wave sweeping from inside mainland China across the Soviet empire and into South America, would “become an increasingly dominant feature and compelling force during the 1989-92 interval of crisis.” LaRouche wrote in his July 4, 1989 platform for his congressional campaign from Virginia’s 10th District, that this new revolutionary upsurge “will topple the already doomed Communist regime of Beijing, and press toward the dissolution of Moscow’s ‘prison house of nationalities.’ It will sweep through Eurasia, Africa, and the Americas, reaching gale force inside our United States at some point during the coming 18 months.”

Where do we stand now, just short of a year since that forecast was made? Many of the articles in this issue can be seen as reports on the progress of the revolutionary wave LaRouche predicted. The *Feature* and the National lead article, on p. 54, describe the mounting rebellion within the United States, set to reach “gale force” by the coming autumn. We draw your particular attention to the article on “jury nullification” on p. 58 in this regard.

Internationally, the lead article on p. 38 reports on some of the efforts at the Kremlin to deal with the generally ascending pattern of nationalist upsurges within the East bloc and now in the Soviet Union itself. On p. 18, our Milan bureau reports on the momentum of mass protest against the physical collapse of infrastructure in Italy on the eve of the World Cup soccer tournament.

On p. 50, *EIR*’s Lima bureau reports on Peruvian voters’ rejection of the Thatcherite free-market recipes of the international financiers. In Peru, too, the savage terrorist organization Shining Path has been crushed as a direct, albeit delayed, result of the discrediting, once and for all, of Maoist ideology in the wake of the Tiananmen Square martyrs one year ago.

In this issue we extensively quote two speeches by world leaders, that you won’t read in the other U.S. press. Cardinal Ratzinger (p. 40) is one of the highest-ranking spokesmen of the Roman Catholic Church, whereas Mahathir bin Mohamed (p. 4), the prime minister of Malaysia, is of the Muslim faith. Yet the core of their message is the same, and it provides a powerful antidote to the “animal rites” movement of Prince Philip.

*Nora Hamerman*

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# Malaysian blasts ‘new imperialism’ to Group of 15

by Mary M. Burdman

*In his remarkable opening speech to the inaugural meeting of the “Summit Level Group for South-South Consultation and Cooperation” in Kuala Lumpur, Malaysia, June 1, Malaysian Prime Minister Mahathir bin Mohamad made some of the strongest attacks yet by any head of government on the ideology underlying the callous looting and destabilizing of the developing nations of the world. Although more strongly worded than recent statements by Pope John Paul II, the prime minister’s speech complements the Pope’s attacks on free market capitalism and likens its effects to communist totalitarianism. Mahathir also denounced the Anglo-American global condominium, which has made the former so viciously turn on former allies in the developing lands.*

*The “Group of 15” conference was called to precede the Group of 7 industrialized nations’ meeting July 7-9 in Houston, Texas. Attending were the heads of state or government of Argentina, India, Indonesia, Peru, Senegal, Venezuela, Yugoslavia, and Zimbabwe, the vice president of Nigeria, and the foreign ministers of Algeria, Brazil, Egypt, Jamaica, and Mexico: the developing sector’s biggest debtors, and its most populous and potentially powerful nations. The Group of 15 will send a communication to the G-7 meeting through President François Mitterrand of France. Although two key issues urged by Dr. Mahathir in his speech—a joint strategy to enforce the end of “debt slavery,” and setting up a permanent secretariat to give the South the general staff it needs to deal with the North—were, unfortunately, punted, his speech stands as an historic milestone.*

*In all but name, Prime Minister Mahathir denounced the U.S. “Project Democracy” apparatus which has undermined sovereign developing sector governments, in many*

*cases destroying their resistance to debt looting and to producing and trafficking the favorite commodity of the world’s bankrupt financial system: drugs. He also took on the “Thornburgh Doctrine,” under which the United States asserts the right to enforce its will against citizens of foreign nations in their own nations. The U.S. military invaded the tiny nation of Panama and slaughtered 5,000 of its citizens, mainly civilians, under this doctrine; Southeast Asia is next on the U.S. Justice Department’s hit list.*

*Most important, the prime minister targeted the ideology of the enemies of development. He made it clear that he considers the devotees of “liberal democracy” as dangerous for the poor as the communist ideologues. These are the deadly foes of the principle of a “community of sovereign nations” to which U.S. President John Quincy Adams was committed, and which current U.S. political leader Lyndon LaRouche has worked to revive. We reprint below selections from Prime Minister Mahathir’s speech; subheads have been added.*

The massive debt problem of the South is also not because the South purposely wanted to borrow and not pay. We borrowed at a time of worldwide economic prosperity, when the lenders themselves fully believed in our capacity to repay. The worldwide recession that followed and the effective devaluation of our currencies were not of our making. Lenders must be prepared to accept the risks of lending and to devise workable solutions, and if all else fails, to accept losses. In their commercial loans within their own countries, they make provisions including write-offs when loans go bad. Similarly they must accept the need to make adjustments and work out



schemes when their sovereign loans go bad. Nations cannot be bankrupted in the same way companies or individuals are bankrupted. You cannot tell a people to live at subsistence level until they pay off their debts. Bankrupts can die, nations cannot. We cannot make debt-slaves of nations, not in this so-called enlightened age. . . .

We see a coalescing of the North American nations, a union of the West European nations, and now, around a united Germany, all the European countries of the West and the East will gather together. And then there are those Soviet republics which believe in a common European homeland, identifying more and more with the new European grouping.

All these changes have great significance for the future of the world. There is indeed a wind of change which leaves no part of the world untouched. Fortunately, almost all the changes taking place are for the good of the human race.

We should rejoice that the expensive Cold War is about over. But will peace between East and West mean peace and prosperity in the South as well? In the past, if one bloc threatened any one of us, the other bloc almost automatically moved to counterbalance the threat. In the process the threat was neutralized. But what will happen now if any power in the honeymooning East and West, or worse still if the united East and West threatens us? Will the old balance of power maneuvers save us from total domination? With some powerful nations applying their laws extraterritorially without even a whimper from their former adversaries, don't we have reason to be worried?

### **On liberal democracy**

We welcome the universal espousal of the democratic system. But there is a fear that democracy has become the kind of religion that communism became. A system devised to free people and permit them to decide their own destiny is becoming a system that is worshiped for itself. Democracy is no longer a means to an end, but has become an end in itself. Liberal democrats in the West have now set themselves up as the high-priests of democracy. There is a holier-than-thou attitude about them. Woe betide those who do not comply with the latest interpretation of their democratic faith.

For the liberal democrats, chaos, instability, and retarded economic growth, with the accompanying massive and debilitating poverty among their democratic converts, are a small price for these people to pay for the liberalism of democracy. Indeed murder and assassinations of citizens are regarded as much more acceptable than any governmental action to prevent violence and instability. Sanctions and trade restrictions and vicious campaigns that impoverish the already poor, are the weapons they use to force their liberal democratic ideas on those they deem not measuring up to their standards. The methods differ little from the subversive strategy of Communist proselytizers.

We admit that generally the governments of the West are not involved. But pressure groups or the Non-Governmental

Organizations set up by their citizens are so powerful and financially so strong, that it is usually beyond the capacity of most of the countries of the South to resist or to counter. In addition, they have access amounting to control of the international media; access which is almost totally denied their victims. By threatening the exports of developing countries, they can exert powerful influence to foist their democratic norms on others. In fact, it amounts to imperialism by other means. And like imperialisms in the past, the subject nations languish and suffer without any means of redress.

The peoples of Eastern Europe and the Russian republics have now discarded centralized power and planning in favor of liberal democracy. We hope they will not be disillusioned. Merely being democratic will not save them from the poverty created by their former centrally planned economies. Political stability in a democracy requires a high degree of sophistication among the people. In other words, the people will have to restrain their exercise of democratic freedom if they are to benefit from democracy. We hope that the people of Eastern Europe will learn quickly. Their prosperity can contribute to the common wealth of nations.

We in the South must wish them well. We would like them to succeed. However, will aid and loans and investment funds be diverted from us in order to help them, or will additional and separate funds be made available to them? We worry despite the repeated assurances, and again I think we have reasons to worry.

### **On the North's desertion of the South**

There is a question that we need to ask the Group of 7. When a few developing countries in East Asia made economic progress, they were categorized as Newly Industrializing Countries and their further growth inhibited by the imposition of various restrictions. Will the countries of Eastern Europe be similarly labeled and similarly restricted if they achieve the level of growth of the so-called Asian NICs? I hope this question is not censored. I hope we get an answer.

This conference will fail if we of the South do not address those problems which lend themselves to solutions based on our own efforts. We cannot really expect others to solve our problems to their own detriment. At best they will only help on the basis of enlightened self-interest. . . .

I would like to mention the setting up of a Secretariat of the South. The North is well equipped to deal with all eventualities and they are going to be even better organized. We in the South have nothing even remotely equivalent to the OECD countries. With the emphasis now on the North-South divide rather than the East-West divide, the need for more formal coordination of the South is even greater. . . .

The NAM [Non-Aligned Movement] started really because of a political need for a third force when the world was divided into two blocs, the East and the West. It has done well, for despite the manipulations and the proxy wars, we have survived; indeed, we have grown in number.

But the world has changed. East and West division has almost completely disappeared. Politics and its related military postures are no longer as important. Economic matters now dominate and everyone is concerned with giving their people a better life, materially certainly, and in some cases, spiritually.

NAM, the Group of 77 and other organizations of the South have therefore to take stock of their role. We too must change. Ideologies should no longer occupy our time. Admittedly there are still many who have to be liberated from the oppression of alien domination. We will continue to support their struggles. But we must now turn our eyes to the well-being of our people.

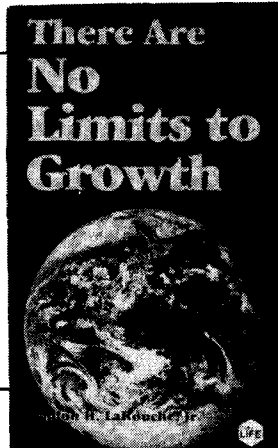
It is not impossible for the poor to become rich. We have seen how some countries have pulled themselves up literally by their bootstraps. If they can, others too can. The time span may vary, but it would be defeatist to assume that some are just incapable of developing.

We must continue our dialogue with the North. We must solve our debt problems and the deteriorating terms of trade. We must together strive for fair trade. But above all, we must create new approaches to enable the South to benefit from the wealth of the South. We must learn from each other. And we must stand together when faced with common problems.

*Overpopulation Isn't Killing the World's Forests—the Malthusians Are*

**There Are No Limits to Growth**

by Lyndon H. LaRouche, Jr.



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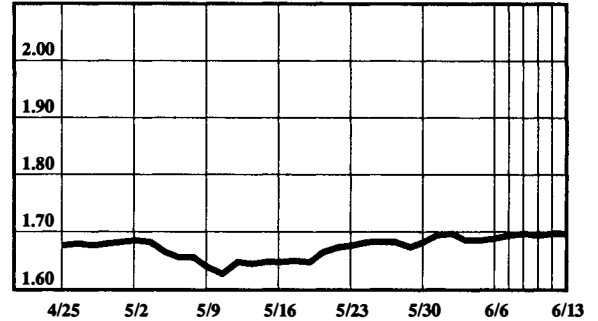
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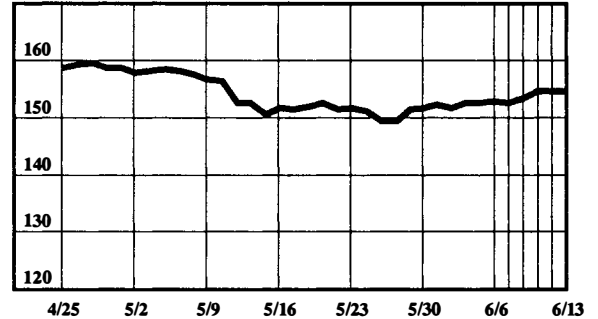
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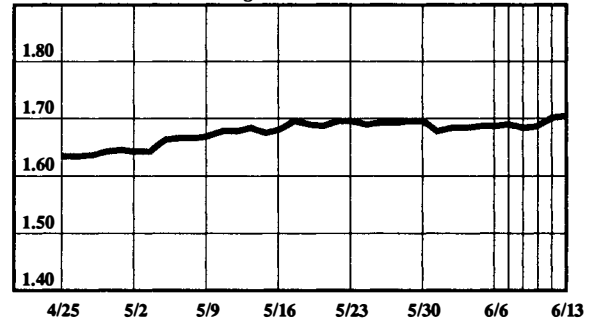
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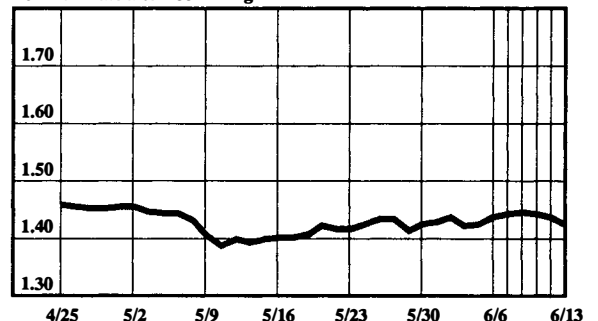
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# Thatcher tries to save Humpty-Dumpty

by Mark Burdman

British Prime Minister Margaret Thatcher may have thought she was doing Soviet party boss Mikhail Gorbachov a great favor, by telling the Soviet people, in her best British nanny style, that they must support the unpopular communist dictator. In reality, Thatcher's June 7-10 visit to the Soviet Union may not have only hastened the demise of Gorbachov, but her own as well. Indeed, the British press has begun likening Gorbachov to the unfortunate Humpty-Dumpty.

On June 8, Gorbachov and Thatcher gave a joint press conference in Moscow which was broadcast live on Soviet TV. Thatcher informed her viewers that there was "no magic solution" to their economic plight. "The reforms occurring now in the Soviet Union are the biggest, most exciting, most remarkable changes of this century. They deserve our full support." Thatcher called on the Soviets to develop a "spirit to succeed."

She stood admiringly, as Gorbachov babbled on without interruption for 19 minutes about his "economic reforms." This included not only phrases about cutting subsidies, making the ruble more accessible to Western markets, etc., but also an enthusiastic account of his recent meeting in California with pseudo-economist Milton Friedman. Thatcher reflexively nodded at each of the "free-market" key-and-code phrases. The June 9 London *Guardian* commented acerbically: "She has not praised a reform program so much since the poll tax." The poll tax is the Thatcherite "tax per head" that has made Thatcher the most unpopular British prime minister in at least 50 years.

The pro-Thatcher *Daily Telegraph* headlined its June 9 account of her Moscow act, "Thatcher urges Soviets to stick by Gorbachov." The paper stated: "Mrs. Thatcher threw her weight last night behind President Gorbachov's attempts to persuade the Soviet people to accept painful economic reforms and urged them to have faith in his embattled leadership. . . . The two leaders presented a remarkably united front over the scale of the reforms needed to bring about a market economy in the Soviet Union. . . . Mr. Gorbachov, with Mrs. Thatcher beside him, used the joint press conference as a rehearsal of his crucial address to parliament next week in defense of his reforms."

On June 9, U.S. congressional candidate Lyndon LaRouche pointed to the absurdity of the June 8 press conference, as Gorbachov dominated the proceedings, and Mrs.

Thatcher merely nodded, "looking worshipfully with admiring glances at her hero, Mr. Gorbachov, the falling hero." LaRouche said that Gorbachov's statements on the economy were "silly," and commented that Gorbachov and George Bush "are competitors for the silliest statesmen on economics of the current period, with Margaret Thatcher bringing up the rear, and egging them both on.

"The fact is," the Virginia candidate stressed, "Mr. Gorbachov had *nothing* to say of any significance at the conference, except these silly ideas. And that's the signal point. It is obvious that if Mr. Gorbachov had a visible successor, very soon Mr. Gorbachov would be replaced. He's shot his wad, as they say. And only the lack of someone to replace him could keep him in office much longer. The kinds of things he's talking about could not work, and only reflect a man who's absolutely desperate, who's joined a Moscow cargo cult, waiting for financial and kindred aid, from a bankrupt United States and from Western Europe."

On various occasions, LaRouche has stressed the insanity of imposing "free market" policies on a Soviet Union that is suffering from a national breakdown of transport infrastructure, food distribution, etc. To introduce "free market" measures at such a juncture, is to ensure chaos, possibly leading to world war somewhere down the line. Both Gorbachov and Thatcher would be swept out of their respective offices in the process.

## 'Group therapy for world leaders'

The verdict of much of the British press is not much more favorable. *Times* of London senior correspondent Robin Oakley commented June 11 that "Mrs. Thatcher's continued investment in Mr. Gorbachov may have been unwise." Under the heading, "Loyal Thatcher may be backing a loser," Oakley asserted that a "feeling of imminent collapse" is widespread in the U.S.S.R. He contrasted her 1987 visit to the U.S.S.R. with the current one. "This time," said Oakley, "with Mrs. Thatcher as far behind in the polls as she was then ahead, and with Mr. Gorbachov beset by troubles . . . it was low-key group therapy for world leaders running short of time."

The same day's *Times* ran a cartoon of Gorbachov as Humpty-Dumpty—after his fall from the wall—paired with an article by Bernard Levin entitled, "All in pieces, so why do we take him seriously?" Levin derided Gorbachov as a "shabby bankrupt" and said he was astonished that Western leaders, Thatcher included, take serious his "absurd and impudent demands" on the matter of Germany's relation to NATO.

The *Daily Express*'s Robert Kilroy-Silk on June 11 criticized Thatcher for having "succumbed" to Gorbachov's "charm": "He has charisma. No doubt about it. So had Lenin, Stalin and Hitler. They all also had their admirers in Britain, at one time or another. . . . It is a big mistake for the British prime minister to have gone overboard for the ex-KGB man."

# 'Peace dividend' wrecks California

*Silicon Valley fantasizes that trade with Gorbachov will bail it out after defense cuts. Part I by Brian Lantz.*

On the night of June 3, Mikhail and Raisa Gorbachov arrived in San Francisco. On June 4, Mikhail met with former President Reagan, held a summit with South Korean President Noh Tae Woo, lunched with West Coast business and financial leaders, and met with the region's "brain trust" at the Hoover Institute and Stanford University. Simultaneously, top Soviet and U.S. high-technology industry leaders were meeting in a week-long "Soviet-Silicon Summit" on joint ventures, licensing of technologies, design development, and trade.

The Gorbachov visit to San Francisco was the work of former Secretary of State George Shultz, now a Hoover Institute senior fellow, and Harry Orbelian, son of a KGB general. Orbelian is the longtime head of the International Affairs department of the San Francisco Chamber of Commerce. Shultz's former employer, Bechtel Group, Inc., has announced an agreement with the Soviet government to do a feasibility study to build a Soviet version of California's "Silicon Valley," as the state's electronics and high-technology industrial corridor is called. During Gorbachov's U.S. tour, Chevron Corp., also based in San Francisco, signed a pact to explore development of the strategic Tenghiz oilfield, near the Caspian Sea.

There is no question that Gorbachov desperately needs Western help. The Russian leader's wants, however, are almost equaled by those of his West Coast hosts. With the collapse of the "Sun Belt" and New England industrial economies, and now, their real estate markets, it is now California's turn in the barrel. Desperate circumstances make for wishful thinking.

## **The crash of the aerospace-defense sector**

There is irony in the desperate efforts of California's captains of industry and finance to woo the current President of the Union of Soviet Socialist Republics. Since World War II, the industrial core of California's economy has been the aerospace, defense, and electronics sectors. Here we will consider the crash of the aerospace and defense industry, the largest such production capabilities in the nation.

Twenty-six percent of all Americans engaged in military

and aerospace production are—or were—working in California: some 760,000 scientists, engineers, and skilled workers. Lockheed Corp. has produced every submarine-launched ballistic missile (SLBM) since the advent of the Polaris submarine. Lockheed is producing the MX missile as well. Rockwell and Northrop produce the Stealth (B-2) and B-1 bombers. McDonnell-Douglas has been one of the five largest producers of commercial transport aircraft in the world, with 20% of the existing market.

Southern California, whose defense industry has received more of the U.S. defense budget than any other region of the country, is now being hit by cuts in defense spending that began "upstream," in 1985. The famous corridor along the Interstate-405 highway, stretching south of Los Angeles Airport, has been hit with waves of defense budget cuts.

- In late April, McDonnell-Douglas Aircraft Co. announced plans to lay off 3,000 aerospace workers involved in commercial and military production lines from its aircraft division in Los Angeles. More bad news followed. Defense Secretary Richard Cheney announced that the Pentagon was slashing orders for McDonnell-Douglas's C-17 aircraft. McDonnell-Douglas suffered an \$84 million loss in the first quarter, including non-military projects.

- Hughes Aircraft eliminated 6,000 jobs in the second half of 1989, most of them in southern California. As just one consequence, the city of El Segundo raised its per employee business tax from \$40, to \$60, to \$120 as a means of offsetting the impact of Hughes Aircraft layoffs. More layoffs are expected. Hughes is the largest single private employer in California.

- On May 8, Lockheed Corp. announced layoffs of 2-4,000 southern California workers. It will close its Burbank, California operations, including the famous "Skunkworks." There will be 9,000 workers laid off over the next two years. The Burbank facility represents 5.5 million square feet of factory space, where 35,000 aircraft have been produced, including the famous "Blackbird" spy plane, the fastest plane in the world, which has just been retired.

Thousands of additional layoffs have occurred at Northrop, General Dynamics, Litton Industries, TRW, and the

Sacramento-based Aerojet Corp., over the last 12 months. Lockheed just fought a costly junk bond takeover attempt. In April, the American Electronics Association canceled a planned defense industry trade show in Silicon Valley, due to lack of interest. Already-proposed military base closings will mean a loss of an additional \$5-10 billion to the California economy.

What California state budget analysts have quietly spoken of since 1988—the loss of 100,000 aerospace and defense-related jobs by 1990—is fast becoming fact. The combination of increasing defense budget cuts and growing corporate indebtedness means that the hemorrhage of defense and aerospace layoffs will reach at least two or three times the 1988 projected figure.

### Shared delusions

Steven E. Hall, economist and fellow at Stanford University's Hoover Institute, recently dismissed defense sector cuts as "not a big deal." His comments, mirrored in remarks made by Bank of America chief economist Robert O. Wilson, poorly disguise the state of the California economy. A precipitous decline in state tax revenues, personal and corporate, doesn't lie.

And then there is real estate.

On the occasion of a recent medical conference, called to explore the meaning of composer Richard Wagner's hallucinatory "Ring" opera cycle, Dr. Leonard Zegans of the

Langley Porter Psychiatric Institute observed that Wagner's gods had much in common with San Franciscans: They are always overdressing and getting caught up in disastrous real estate deals. Dr. Zegan's comments may be applied more broadly.

The spiraling cost of California's commercial and residential real estate has left financial institutions vulnerable to the layoffs that are occurring. In April, Federal Deposit Insurance Corp. (FDIC) chairman L. William Seidman warned that California's real estate markets might be overheating and should come under "increased scrutiny." The booming Anaheim and San Jose, California markets were named as potential flashpoints. On May 14, Standard and Poor's downgraded the debt portfolio of California's prosperous Wells Fargo Bank because it heavily relied on real estate loans and junk bond investments. Then on June 13, Moody's Investors Service lowered its ratings on Wells Fargo of San Francisco and Security Pacific Corp. of Los Angeles, citing the softening real estate market.

Putting the abundant advice of "free enterprise" and "market forces" to one side, the hosts of Mikhail and Raisa Gorbachov were in no position to provide a "quick fix" for the disintegrating Russian empire. It is certain that Soviet officials are likely to be of little help to their California friends.

*Next: The decline of the 'New Age': California's Silicon Valley.*



### CORRECTION

*Our June 8 issue, on page 23, mistakenly identified the person on the left-hand side of the photo above as Dr. Richard Wilson. Wilson, a nuclear physicist, is on the right. With him at Chernobyl in this 1987 photo is Bob Sheer, a reporter from the Los Angeles Times. Sheer's photo is the one that appeared with Wilson's interview by mistake.*

# Growing worries about the economy of India

by Ramtanu Maitra and Susan Maitra

Inaugurating the Economic Editors Conference on June 7, Indian Finance Minister Madhu Dandavate suggested that a ceiling be imposed on government borrowing, both internal and external, under Article 292 of the Constitution. Article 292 empowers the Indian Parliament to set the limit on how much financial debt the country can carry without compromising national security.

"As yet, we are not caught in a debt trap," Dandavate stated. But the mere suggestion of Article 292 has serious implications, particularly in light of the Eighth Five-Year Plan scheduled to be launched this year. According to every available estimate, the new plan is going to be the most expensive ever. The re-drafted paper recently submitted by the Planning Commission puts the cost of the plan at close to \$350 billion. All this money is to be mobilized and spent for economic development during the years 1990-94.

In addition to the unenviable task of mobilizing financial resources for the plan, policymakers are becoming increasingly concerned about India's growing internal and external debt. India's external debt, which is to be paid back in hard currency, has risen to more than \$60 billion. Internal debt has zoomed to the equivalent of about \$90 billion. The redeeming feature of internal debt, of course, is that it is to be paid back in rupees and can be rescheduled as and when government feels necessary. But under the circumstances, when interest payments to outstanding loans and debt repayments are eating up a large chunk of mobilized resources, the concern remains how India is going to finance the ambitious Eighth Five-Year Plan and what Article 292 will do, if imposed, to the plan size. Given the longstanding weaknesses in India's physical economy and a growing population, formulation and execution of the plan will have a distinct effect on the country's future economy.

## External debt balloons during 1980s

During the 1980s, India's external debt rose dramatically (see **Table 1**). While a good part of the debt has accumulated over the years from receiving various loans, soft and hard, one distinct reason behind the fast growth of external debt is the annual trade deficit (see **Table 2**). Last year's trade deficit has now been estimated at \$4.6 billion, a slight increase over the \$4.4 billion incurred during 1988-89.

According to the government's 1989-90 Economic Survey, India's long-term and medium-term debt rose sharply

from \$21 billion in 1984-85 to \$40.5 billion in 1988-89. According to the World Debt Tables (1988-89), the estimated long- and medium-term debt of India will reach \$50 billion in 1990. A recent statement by the finance minister indicates that the World Debt Tables were on the mark.

The rest of India's external debt—now close to \$14 billion—is in short-term commercial borrowings. A significant part of it is accounted for by deposits from non-resident Indians based abroad in the form of Foreign Currency Non-Resident (FCNR) accounts. FCNR accounts, which are in essence similar to indirect borrowings from international financial markets, since the interest offered on these deposits is market-related, rose from a meager \$1.0 billion in 1985 to an estimated \$10 billion in 1990. As analysts point out, the money deposited in the FCNR accounts can be troublesome since it does not have an automatic rollover and can be withdrawn prematurely if the depositor feels the conditions of safety, liquidity, and expected returns are not fulfilled. The balance of short-term debt—about \$4 billion—was accrued by direct borrowing from the market and can be easily rolled over under prevailing trade practices.

Even though a large part of it is long- and medium-term,

TABLE 1  
**External debt mushrooms after mid-1980s**  
(billions of \$ at present exchange rate)

Year	External debt	Debt service
1984-85	21	3.4
1990-91	64	6.6

TABLE 2  
**Worsening annual trade deficit added to debt burden**  
(billions of \$ at present exchange rate).

Year	Amount
1980-81	3.4
1985-86	5.2
1989-90	4.6

the growing external debt causes a heavy drain on the country's foreign exchange reserves for debt service. The debt service ratio shot up from 21.9 in 1985 to a high of 34 in 1988, and then dropped back to 29.2 in 1990. Total foreign exchange disbursement on this account has gone up from \$3.4 billion in 1985 to \$6.6 billion estimated for 1990, including the interest payments to the FCNR deposits.

A serious debate has now begun in India over the handling of the country's precious foreign exchange. On one side, ardent demands are made to increase exports and reduce imports. On the other, there is a growing chorus arguing that dependence on foreign loans be reduced and emphasis be placed instead on creating an economic climate suitable for attracting expanded foreign investment.

While much can be said about the necessity of enhancing India's future exports (see **Table 3**), it is also clearly recognized that future export growth cannot be seen in isolation. In fact, India's export growth prospects rely largely on the world economic situation. It is evident that the world economy is not headed for any sharp upturn in the near future. On the contrary, it would be suicidal for Indian officials to depend too heavily on the prospect of a booming export growth in order to deal with the debt burden.

In addition, the argument in support of curbing imports significantly has come under closer scrutiny recently. Petroleum oil and lubricants, unworked precious stones, capital goods, and chemical elements accounted for almost 60% of India's imports in 1988-89. No drop in rising petroleum consumption is expected in the coming decade, nor can any policy decision be taken on the assumption of a future large oil find. The other major import items are all essential ingredients for raising exports. Though some import substitution can be effected in the case of capital goods, these relatively lower-level technology import-substituted capital goods will not be able to produce products that are competitive in international markets. The nominal import liberalization instituted in 1985-86, a whipping boy of India's left intellectuals, did increase import intensity in some sectors—but it is a fact that such import-intensification has led directly to rapid expansion of exports from those sectors. As one economist put it: "Import substitution over the years has, in fact, led us into export substitution"—and this has created the balance of payments crisis at hand.

### **Some lobby for foreign investment**

While the debate over export-import policy shows that it would be well-nigh impossible to turn back on "liberalization," another lobby in India is strongly pushing foreign investment as a preferred source of needed foreign exchange. India has not been able to attract foreign investment due to the myriad of industrial regulations and licensing policies and the unwillingness to part with more than 40% of equity to foreign investors. As a result, there is only \$1.6 billion of foreign investment in India, less than 0.2% of the world's share.

TABLE 3

### **Leap in exports cannot be sustained**

(billions of \$ at present exchange rate)

Year	Amount
1980-81	4.0
1985-86	6.4
1989-90	16.3

According to some, all this can and should be changed. The argument in favor of attracting foreign investment is simple and powerful. First, foreign investment is better than taking loans. Loans have to be paid back even if the borrowed money fails to generate any surplus. In the case of foreign investment, which is more like "risk ventures," investors will only be taking back hard currency annually in the form of dividends, which could be around 4-5% of the capital invested—and that too, only if the investment succeeds in producing a net profit. Second, foreign exchange that comes in in the form of investment is not subjected to the vagaries of interest rate fluctuations. This is a real factor since the Ibero-American countries were literally looted by the foreign bankers through the arbitrary process of interest rate hiking.

The opponents of foreign investment—an unholy alliance of leftist intellectuals and Indian manufacturers who benefitted enormously from selling shoddy products to captive Indian consumers—complain that foreign investors dump old technologies and use patent laws and other excuses to deny requests for the most advanced technologies in the entire range of industries. Protagonists have a ready answer: Government insistence on a high export component for foreign investors will ensure that they install the most efficient technologies. The other concern, that foreign investors will "take over" the country if the door is opened, no longer cuts the mustard in light of the country's size and strength.

The issue remains unresolved. It is evident that foreign investors will not find India attractive for investment unless a number of measures—including increasing the equity limit for foreign investors from 40 to 50%, amending the Foreign Exchange Regulation Act which presently directs foreign investors to the core sectors of the economy to secure more equity, making changes in export-import policy, deregulation, and de-licensing of the industrial sector, and a significant improvement of the physical infrastructure—are undertaken. There is no visible sign yet that the government is ready to deal with these ticklish issues.

India, of course, can go to the International Monetary Fund for yet another loan and/or continue to lobby intensely for a greater share at the World Bank's soft loan window, the IDA. While the latter option is getting dimmer day by day, a loan from the IMF is an option that the government is

surely toying with. At the IMF finance ministers meeting in Washington in May, Finance Minister Dandavate denied that India had already applied for a loan from the IMF. But, he added, curiously, "We always would like to cross the bridge when we reach it." There are many who point out that given the size of the nation's internal and external debt and a perpetual balance of payments problem, the IMF will not simply agree to India's request for a loan, but will make sure that rigid conditionalities are imposed to initiate the so-called structural adjustment of the economy. Such a prescription would sound the political death-knell for the coalition government in New Delhi.

### Internal debt growing even faster

India's internal debt has also grown by leaps and bounds between 1985 and 1990 (see **Table 4**). In 1985, total internal debt was about \$42 billion. In 1990-91, the amount is expected to rise to about \$88 billion—a more than twofold rise. Of these loans, the greater interest-bearing components like long-term borrowings from the market, 15-year annuity certificates, and compensation bonds, dominate. Short-term borrowings consisting of Treasury bills issued to the Reserve Bank of India, state governments, commercial bankers, and other parties, account for less than 30% of total debt outstanding. As a result, a self-expanding debt spiral has been created: In 1990, more than 50% of the increase in internal borrowing is being used to repay interest on accumulated debt.

A number of suggestions have been made to deal with this. The primary ones include: reduction of government employment, increased tax revenue collection, and improvement in the performance of public sector enterprises. While tax revenue collection can be made more effective through systematized effort, it is doubtful whether the size of the bureaucracy can be cut at all—particularly in light of the fact that there are 30 million jobless enrolled in the nation's employment exchanges (and countless others unaccounted for). As one economist pointed out recently, in India three out of every four employees in the non-agricultural formal sectors work for the government. Since the bureaucracy cannot be cut overnight, proposals have been made to freeze new hiring and sell off some of the public enterprises.

The continuing failure of the public sector units to gener-

ate an adequate surplus is a major contributor to India's growing internal debt problem. With an investment of some \$50 billion, the public sector companies provide a return after tax and interest payments of less than 3%—in a good year! If the petroleum sector is removed from the calculation, the public sector's return would be invariably negative. If depreciation is accounted for, the public sector enterprises are busy accumulating dissavings.

A looming financial crisis has put a question mark on the capital outlay for the Eighth Plan. The major concern of policymakers at this time is how to finance the plan. Since foreign loans and grants account for less than 10% of the plan's developmental expenditure, it is the growing internal debt that has made the plan's future shaky.

India's five-year developmental plans are financed principally by domestic savings—90% of which come from household savings. But there are now clear indications that household savings has reached a plateau, in utter defiance of planners' expectations that it would grow at a faster rate. As it is, India's household savings are very high. Gross household saving as a percentage of personal disposable income grew to 21.2% by 1978-79, and then rose to 21.9% in 1987-88.

This leaves the government with nothing but corporate sector savings to draw on. Historically, the performance of this sector in savings is poor, and the scope for any significant improvement seems to be wishful thinking unless measures are undertaken to drastically improve the sector's productivity.

### Whither the Eighth Plan?

Besides worrying about how to finance the plan, there has been a raging controversy regarding what the plan should achieve. There is unanimity in the view that poverty alleviation is the prime objective; the disputes lie in how to make it happen. The planners brought in with Prime Minister V.P. Singh's administration, who come from a strong social democratic background, claim that the objective of the plan should be to provide employment, and should be formulated to bring about large-scale job creation. They argue that centralized planning, adopted by India in the early 1950s, has failed to achieve the goal of alleviating poverty and is in fact responsible for the existing high unemployment. They demand that centralized planning be scrapped forthwith, and that a decentralized set-up take its place. Districts, provinces, and regions would decide for themselves what the developmental plan should be for their area.

The planners have also strongly emphasized the necessity of putting more effort into the social sectors such as education and health care. Finally, the new group of planners have brought to the fore the concept that the planning process is meant only to direct and guide development in the priority areas.

But since the planners failed to concretize their formulation in terms of targets for investment and achievement, they

TABLE 4  
**Internal debt doubles in five years**  
(billions of \$ at present exchange rate)

Year	Amount
1985-86	41.8
1987-88	56.8
1989-90	78.4
1990-91	88.8 (est.)

came under serious attack. Even Prime Minister V.P. Singh made it clear that he would like to know the commitment in a concrete form. Deputy Prime Minister and Minister for Agriculture Devi Lal, who represents the farm sector in the cabinet, said in no uncertain terms that power and irrigation are the keys to boosting agricultural productivity and rural development, and demanded that these be financed by the center. Energy Minister Arif Mohammad Khan has called for a plan outlay close to \$50 billion to shore up India's energy sector with another 38,000 megawatts of electrical power capacity during the plan period. Adding to the din, Minister of State for Environment and Forestry Maneka Gandhi has been asking for a plan which would stop further degradation of India's already degraded environment.

Amidst the cacophony it is difficult to determine which way the plan will ultimately go. Coming back from their flight of fancy to *terra firma*, the planners did finally recommend an average annual GNP growth rate of 5.5% during the plan period. It seems they bowed to the general demand that employment can be generated only through sustaining long-term growth. While direct assistance to the poor, to allow them to build up "assets"—another demand that was in fact included in the last two plans—has been widely acknowledged as a requirement for reducing poverty, it has also been argued that such assistance can be provided only if the country produces a surplus generated through adequate growth of the economy. The real problem with the Indian economy is its low productivity in almost all sectors. It is for this reason that the incremental capital-output ratio, a measure of how capital invested is working, remains extremely high.

Still, the biggest dilemma that the economy faces today is not so much the internal debt, but how to overcome the inertia of stagnation, particularly in the largely unproductive agricultural sector where almost 70% of the workforce is located. This sector is helping to drag the economy down though it has the potential to do just the opposite. Behind agriculture's low productivity is the abysmal condition of India's rural infrastructure.

The answer to this problem was articulated years ago by American economist Lyndon H. LaRouche, who recommended that India initially use labor-intensive methods, since the rural sector has no shortage of unskilled manpower, to develop rural infrastructure. He argued that the process will not involve foreign exchange risk, will provide gainful employment, and will help unskilled agricultural laborers to learn the new skills necessary for the next phases of development. This viewpoint was recently echoed by the Indian economist M. Narasimham in an address in Bombay. "Rural infrastructural investment can also be made labor-intensive," said Narasimham. "The provision of employment engaged in construction of such infrastructure provides scope for the savings potential of disguised unemployment to be converted into productive rural capital assets."

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# Fete set for opium trade guru Adam Smith

by Mark Burdman

From June 26 to July 1, influential bankers, financiers, and politicians who worship the policies of economist Adam Smith are gathering in Edinburgh, Scotland, to attend "The Wealth of Nations 1990." Smith died 200 years ago in 1790.

A brochure states: "This Adam Smith bicentenary conference for world business takes place at a critical point in world history. The collapse of Communist rule in Central and Eastern Europe, the growing integration of Western Europe, the increasing economic power of Japan and the challenges to the position of the United States mark the beginning of a new era in world affairs. . . . Adam Smith's ideas, always interesting, are now gaining in importance and Edinburgh provides a most appropriate location for consideration of their impact."

Officially patronized by the government of Margaret Thatcher, the meeting is being organized by the World Business Forum Ltd., the principal shareholder of which is Scottish Financial Enterprise, which represents the financial sector in Scotland. It is being sponsored by Salomon Brothers International Ltd., the *Wall Street Journal*, the firm Booz Allen & Hamilton, the Bank of Scotland, the Royal Bank of Scotland, and others. One of the chairmen, former French Premier Raymond Barre, will launch a new "Wealth of Nations Manifesto" there.

One leading foe of Smith's ideas suggested that a better locale for commemorating Adam Smith might be the slums of Glasgow, Scotland's largest city, and that a Chinese immigrant dying of drug addiction would be a fitting symbol. Smith, after all, was a key theoretician for the British East India Company. His "free trade" musings were used to justify Britain's Asian opium trade.

Smith was also an immoralist of the radical Calvinist stamp, who believed that man should leave the larger issues of life to "God," while attending to his "original and immediate instincts," as he put it in his 1759 *Theory of the Moral Sentiments*, which is probably more significant than the 1776 *Wealth of Nations*. Smith insisted on the irrationalist idea, that there is no intelligible way of knowing the consequences of one's actions. This philosophy later expresses itself in his notion of the "invisible hand," a fraud which Mrs. Thatcher and her ilk find to be so compelling. The Bush administration's groveling before such craziness notwithstanding, the American Revolution was fought against everything that Smith and his circle espoused.

## 'Wealth of Nations' vs. LaRouche

The Edinburgh "Wealth of Nations 1990" is being held now, because his cultist followers of the Thatcher ilk want to impose Smithian policies on the emerging democracies of Eastern and Central Europe and on the developing world, and to make sure that these countries do not adopt the "dirigist" approach to development consistent with the economic-policy tradition of Gottfried Leibniz, Alexander Hamilton, Friedrich List, and Henry Carey. This has come to be known as the "American System," the leading exponent of which today is Lyndon LaRouche.

An Edinburgh newsletter, *The Patriot*, draws a link between the June 26-July 1 event, and the jailing of LaRouche. "Looking at the VIP list" of the Edinburgh event, writes Iain Macgregor in the newsletter's June/July/August 1990 issue, "it is evident that the Bilderberg group and the Trilateral Commission within the so-called 'One World' conspiracy are well represented. . . . The ultimate directory [of such groups and individuals] comes in private circulation from the *Executive Intelligence Review*, whose founder Lyndon LaRouche and a number of associates, are now incarcerated in the U.S.A. for, in some cases, the rest of their natural lives. There on trumped-up charges and ridiculous sentences, they are victims of the cruel and ruthless vengeance and utter corruption of the U.S. authorities who would stifle free speech and exposure on the interests represented in Edinburgh." Elsewhere in this article, Macgregor also raises the question whether British ministers participating in this event might be "compromised by the interests and persons who are paying for them."

## The 'VIPs'

As for the "VIP list," one indeed finds a whole slew of Bildbergers, Trilaterals, and other species, side by side with Thatcher government spokesmen. Keynote speakers at dinners or special gala events include British Foreign Secretary Douglas Hurd, former U.S. Federal Reserve chief Paul Volcker, U.S. Housing and Urban Development Secretary Jack Kemp (evidently representing the Bush administration), U.K. Minister of State for Scotland Malcolm Rifkind, and former West German Chancellor Helmut Schmidt (who, by the way, is fully aware that Thatcherite-Smithian policies are absurd, whatever he may say in public).

Other highlighted speakers include Kissinger Associates director Lord Roll of Ipsden (and S.G. Warburg); New York Federal Reserve Board president Dr. E. Gerald Corrigan; *Wall Street Journal* editor Robert Bartley; former U.S. Defense Secretary James Schlesinger, on "The Great Powers and Their Interests"; Italian Foreign Minister Gianni de Michelis; former British Foreign Secretary Denis Healey; and high-level officials of Salomon Brothers, Merrill Lynch, Bank of America, Deutsche Bank, J. Henry Schroder Wagg & Co., the International Monetary Fund, the World Bank, J.P. Morgan, Shell Oil, Unilever, and Morgan Grenfell.

# Savings and loan wars heat up

by Jeffrey Steinberg

New York Governor Mario Cuomo took the opportunity of his son's marriage in early June to former Attorney General Robert Kennedy's daughter Kerry, to proclaim that the S&L crisis is the issue that can sweep the Democratic Party back into the White House in 1992. Putting himself out front as the party's flagbearer, Cuomo announced that he would be personally preparing a candidate's handbook for insurgent Democrats going into battle against the GOP this November.

Cuomo was quoted in a recent column by *Washington Post* writer Mary McGrory: "Some poor guy steals a pair of shoes and is put away for a couple of years. We have put a record number of young minority males in jail. And what are we doing about these bums who robbed us blind?"

Of course Cuomo's efforts at this late date to turn the S&L crisis into a partisan issue ring a bit hollow. Without the Democratic majority in the Congress to ram through the deregulation of the banking industry, much of the devastation would have been averted or at least contained. And former Democratic National Committee Chairman Robert Strauss has been identified as one of the behind-the-scenes figures deeply involved in some of the dirtiest thrift machinations in Texas.

There is enough of a ring of truth to Cuomo's demagogy that people might be willing to overlook the Democratic Party leadership's duplicity and take up the S&L banner as Cuomo proposes. So long as the Bush administration "deals with" the thrift crisis by simply throwing taxpayers' money at the problem while invoking the "magic of the marketplace," Cuomo's populist rhetoric will likely find an audience.

## Bush allies implicated

Take, for example, the continuing revelations that close allies of President Bush—including his own son Neil and a relative of his CIA crony Ray Cline—are up to their eyeballs in organized crime and disorganized spook manipulations of the banking community. *Houston Post* investigative reporter Pete Brewton has written a half-dozen articles since the beginning of the year charging that at least 25 thrifts, including several in Texas, went down the tubes as the result of interference by organized crime and by the CIA—often in collusion.

When the chairman of a House Banking subcommittee tried to subpoena CIA director William Webster to appear at hearings to answer the charges contained in the Brewton stories, Webster simply refused to show up.

Brewton recently appeared as a guest on the Phil Donahue

TV show and urged the audience to bring buckets of tar and bags of feathers to Capitol Hill if they hope to get to the bottom of the scandal. He received wild applause.

In his latest piece, published June 10, Brewton hit what might be the rawest nerve for Bush—the involvement of one of his oldest CIA cronies in a Washington, D.C. banking venture that was used to launder tax-exempt funds to the Contras for the purchase of such decidedly non-tax-exempt items as guns, ammunition, and explosives.

According to Brewton, former CIA deputy director Ray Cline was involved at least indirectly in the founding of a Washington bank called Palmer National Bank in the early 1980s. One of the key figures in the banking venture, his then son-in-law Stefan Halper left a post at the Reagan State Department to assume the bank's presidency. The other founding figure in the venture, Harvey D. McLean Jr., was a Shreveport, Louisiana real estate developer who later moved to Dallas, Texas but kept his hometown ties through convicted mob figure Herman Beebe. It was money passed from Beebe to McLean that got Palmer National off the ground.

Beebe has been linked to the collapse of a half-dozen Texas thrifts, as well as to the fall of Silverado Savings and Loan, the Denver-based S&L which counted Neil Bush among its directors. In Dallas, McLean himself became a figure in a number of thrifts that went under. A Lawrenceville Academy and Harvard graduate, McLean is known back in Shreveport as "Beebe's boy all the way." Said local U.S. prosecutor Joe Cage, who twice successfully prosecuted Beebe on fraud charges, "They've been tight for a long time."

According to Brewton, McLean and Halper met while the latter was policy director for George Bush's 1980 failed presidential campaign, and McLean was a fundraiser for it. The "bank in Washington" scheme was hatched when the pair traveled to the Far East in 1981 for the State Department.

By then Halper had already been implicated in the so-called Debatagate scandal, in which Reagan-Bush staffers got their hands on Jimmy Carter's briefing book before one of the presidential debates. Halper was working directly under Robert Gambino, former director of the CIA's Office of Security and one of the Bush campaign workers who shifted over to the Reagan-Bush team after the GOP convention. Gambino and Ray Cline were two of the agency "old boys" who made up the core of the Bush campaign organization in 1980.

In February 1985, Palmer National became the bank of choice for the National Endowment for the Preservation of Liberty, the Carl Channell-run tax-exempt foundation that was illegally used as a pass-through for funds used to arm the Nicaraguan Contras. Channell pleaded guilty to violating federal tax laws in the first of the Irangate prosecutions by Lawrence Walsh. Palmer regularly wired NEPL funds to the Oliver North-Richard Secord "Enterprise" account in Zurich, Switzerland.

## **Funds cut from infant food program**

*It's cheaper than bailing out one S&L, but somehow Washington can't afford food supplements for poor babies.*

**T**aking food from the mouths of babes—that is the latest innovative budget cut from the Bush administration, with the connivance of Congress. Funds and commodities have been slashed from the Supplemental Feeding Program for Women, Infants, and Children (WIC) to the point that malnutrition will be guaranteed for thousands of infants and new mothers.

Started in 1974, the WIC program has come to serve nearly one-third of all babies born in the United States. The plan provides vouchers to 4.5 million expectant and new mothers and young children who are at high risk for malnutrition. The chits are used by the mothers at grocery stores, in exchange for a set list of nutritional items: orange juice, milk, baby formula, cereal, and so forth.

However, this year the \$2.1 billion allocated by the federal government to WIC has not been sufficient to cover the increased costs of these supplemental foods. The Federal Food and Nutrition Service had wrongly estimated that food prices would rise only 4% this year, but they are up by 8% and still rising.

In addition, the U.S. Department of Agriculture is no longer providing stocks of milk powder and cheese from its Commodity Credit Corp. stocks. One year ago, the USDA announced that it would no longer provide these items to school lunch programs, because "the cupboard was bare." And over the past eight months, the USDA has ceased providing them to young mothers and preschool children. Without proper nutrition for the first two years of life, ir-

reparable damage can occur to the individual.

So, thanks to the government's inability to increase the sum of \$2.1 billion—barely the cost of bailing out one troubled Texas thrift institution—thousands of mothers and children will be stricken with malnutrition.

Studies done by both the USDA and the Government Accounting Office (GAO) have shown that the tiny WIC program resulted in a measurable improvement in the health of America's young.

The USDA survey, which spanned a several-year time period, was the occasion of a scandal last winter, because the GAO found that USDA officials had tried to doctor the results to play down the efficacy of the WIC program. The motivation behind this was obvious: The Reagan and Bush agriculture secretaries have been attempting to rationalize a whole series of cutbacks in programs related to nutrition and farm support, so there was an aborted attempt by the USDA to say that WIC was not effective and should be cut.

This was exposed as false early in 1990, and the GAO study clearly showed how critical the WIC margin of food is to the very young. Each dollar cut hurts the present *and* future of an American child.

States are now scrambling to determine how to mitigate the effects of the cutbacks, with no success. Some local officials are cutting back on the amount, or type, of any given item available to each individual. Other states are cutting back on the number of individuals eligible to receive food assistance.

And many states are doing both.

In California, as of June 1, the monthly juice allowance for children aged 3-5 was cut from 288 ounces down to 144 ounces. The state will also eliminate vouchers to obtain cheese.

In Texas, the cereal allowance for 1- and 2-year-olds has been cut from 36 ounces per month to 24 ounces.

Texas will drop 27,000 of the 357,000 people it serves. Missouri will drop 14,000 children from the program. Oklahoma will cut 15,000 people from its 40,000-person caseload. Iowa will cut 4,000 from its 49,000-person caseload. New York will cut 20,000 from its roster of 380,000.

Some states, such as Connecticut, have tried to implement economies in the use of WIC vouchers in order to keep providing some form of supplement. The state no longer allows the use of federal WIC funds for orange juice, and requires the mother to obtain grapefruit, pineapple, or any juice that is cheaper than orange.

To rationalize these cuts, state officials are resorting to all kinds of grisly cost-accounting practices, whose results will be measurable in terms of human misery.

Texas officials are dropping from the WIC program people who, although they may be malnourished, are at present showing no clinical signs of malnutrition.

The director for the Missouri food and nutrition program, C. Richard Blount, said that if children in Missouri who have been cut off from WIC assistance begin to show signs of malnutrition, then maybe they can be requalified to receive benefits. However, to compensate for helping these young ones, then the state will have to take money-saving steps to cut some other category of person from the relief rolls.

## Technologies for the future Europe

*New steps to build the "productive triangle" are taken as new technologies and railways are considered.*

**E**ast German cabinet minister for finance Walter Romberg put the idea of cross-border economic cooperation back on the European agenda on June 11. In a parliamentary debate in East Berlin, he said that it would be dangerous to contain the impulses of the post-July 1 German Monetary Union to East Germany, and not care about the situation in neighboring Poland.

The new stream of refugees and seasonal workers from Poland into Germany that would ensue from the gaping difference in social and economic standards between a united Germany and Poland, can only be prevented by including Poland in a joint economic zone with Germany, said Romberg, who called on France to join this zone.

Reviving the idea of cross-border cooperation between France, Germany, Poland, and Czechoslovakia, is highly important at this particular moment of European developments, which is determined by rather unorganized impulses. There was a more promising situation in March-April this year, when the idea of a concerted industrial recovery program of several European governments was far more up-front.

On April 26, for example, the cabinet ministers of economics of France and West Germany, Helmut Haussmann and Pierre Bergevoy, and the French minister of industrial development, Roger Fauroux, endorsed a joint Franco-German strategy of investments in Eastern Europe.

The French, who have invested a lot in their high-speed TGV railway technology over the past 10 years, are looking for export markets in the East,

and have already offered to build a new route in East Germany from Dresden to Berlin. The West Germans, despite being 10 years behind the French in high-speed train operation, plan to make their own ICE high-speed railway fully compatible with the TGV.

The first ICE route will be opened in June 1991 between Hanover and Würzburg. The state contract with the East Germans on the next big project, the route from Hanover to Berlin—to be completed in 1997—will be signed June 28, and a decision on the route from Cologne to Frankfurt is on the agenda for late June or early July. With the appropriate TGV routes leading via Strasbourg and Brussels, the first generation Franco-German high-speed train connection between Paris and Berlin will be working by the late 1990s.

But while these projects are being completed, experts in Germany have begun to argue that Europe should move into the next generation of train technology right away. German rail-sector industries and the government have some pilot R&D projects for magnetically levitated (maglev) trains. The idea of building the new German and European railway grid on the basis of the most advanced technology of the near future, rather than the best technology of the present, is gaining support in West Germany.

On June 7, Ernst Hinsken, a member of the Bonn parliamentary group of Christian Democrats, called for a maglev train from Bonn to Berlin in a memorandum to the Chancellor. Hinsken, one among a group of about 100 parliamentarians lobbying for railway projects, told *EIR* he favors the maglev

concept over the ICE high-speed technology for the following reasons:

- The maglev train will have an average speed of 500 kilometers per hour or more; the ICE will reach a maximum speed of 260 kilometers per hour only. Why spend money on a rather outmoded technology like the ICE if one could have the more advanced maglev?

- If one thinks of Berlin as the capital of a future united Germany and doesn't want to give up the federalist structure of postwar West Germany, this means that government offices and administrative functions will be kept in Bonn. This requires frequent travel by members of the future parliament between both cities. A maglev route would allow travel between Bonn and Berlin in 60-70 minutes. To move all government functions to Berlin would cost an estimated 100 billion deutschmarks.

- Part of the money saved could be spent on a maglev route benefiting parliament members and the residents of the densely populated industrial region between Cologne and Dortmund. The maglev route from Bonn to Berlin would form the central segment of the route Paris-Cologne-Berlin-Warsaw, Hinsken said, and once operated at a speed of 500 kilometers per hour, it will offer an attractive alternative to air travel between East and West.

The problem is how to coordinate the TGV which already exists, the ICE that will go into operation next year, and the maglev technology still to be developed. Maybe a division of labor between Bonn and Paris is the best way out. France could work further on the TGV technology—the new locomotive model, for example, that is capable of operating on the four different electric currents that are in use in Europe's railways now, while Germany would work on the maglev, for the time being.

## Italy revolts over water shortages

*Local mismanagement scandals abound, but the national water crisis reflects the national energy crisis.*

Italy, the fifth most industrialized nation in the world, on the eve of the World Cup soccer tournament for which so much money was spent, faced civil uprisings caused by infrastructure failures comparable to parts of the Third or even Fourth World.

A veritable war broke out in the streets of Naples, especially in the southern suburbs of the city where 200,000 people blockaded the streets, lit bonfires in the squares, occupied offices, or blocked access to the highways and the beltway. The reason was a simple question of human dignity. The water had been undrinkable for some time; bottled water is used to make pizza or boil water for pasta. Water from the faucet has turned into a dark slime that makes people long for the yellowish liquid of earlier days.

The official reason is that water was being used from the runoff of the notoriously polluted Lufrano. There was even fleeting talk of sabotage. That talk was like putting a match to a powderkeg.

The people were so angry that they rejected, or only grudgingly took, aid from the municipal authorities, the Health Ministry, and the Red Cross. Naturally the Neapolitans want water from their own faucets in their own houses and cannot accept tank trucks, nor the official promises to suspend water bills or to not collect taxes on bottled water. These are just stopgap measures which in no way aim at resolving the basic problem, that of reorganizing the water grid and investing massively in building new ones.

Water management for Cam-

pania, the region (comparable to a U.S. state) that includes Naples, is shrouded in mystery. No one even knows how much water is managed by Campania. Not even the officials who run the Naples Aqueduct know. They stick to guesswork and to wondering why it is that the Western Campania Aqueduct, which was supposed to quench the thirst of Naples, is still unfinished 17 years later.

AMAN, the Naples municipal water works, can't balance its books. In 1987, some 3,000 liters of water per second got from the region to Naples. Now, not even 1,000 arrive, although new wells have been dug in the meantime.

In Palermo, a similar revolt broke out, also with highway and railway blockades. The Sicilian capital has suffered through a year of alternate-days water distribution. The situation worsened because the Oreto River's water level fell. Mafia-linked politician Vito Ciancimino is on trial in Palermo, together with officials of AMAP, the municipal water works, for criminal conspiracy and fraud for mismanaging the water supply. This "plumbers unit" is charged with having pocketed trillions of liras with the pretext of seeking and repairing water losses in the east and west zones of Palermo.

In Caltanissetta, another Sicilian city, fistfights are a daily occurrence as people line up for water supplies. Bottled water is costly, or at best, available on the black market. Locals cannot bathe in their bathtubs, because they use them as reservoirs. It is reckoned that the city spends about

\$10.4 million a year for bottled water, not counting the government surtax of 100 liras per bottle, recently imposed by the Italian cabinet. Residents spend about \$175 per capita per year for water, and get an average of 103 liters a day; while the average Italian spends \$21 a year for 282 liters a day.

Just horror tales of the underdeveloped South? Lombardy, Italy's richest and most industrial region, could be next. "Risk of water rationing," proclaimed a May 29 headline on the local page of the Milan daily *Corriere della Sera*. The article reported that 203 localities of the Province of Milan may have dry faucets 12 hours a day starting in September. This discomfort could afflict 3 million residents, not because of lack of water, but lack of money. It would be the result of the 22¢ surcharge placed on each cubic meter of water for civilian use, by a recent decree by the Italian government.

The \$111.2 million that would be collected through this tax would not be turned over to local authorities, which are always looking for funds to repair and upgrade a water system that has been in need of upgrading for 35 years. Rather, this tax has to be paid *in advance* by the local water companies before they collect it from the users every three months! If the decree becomes law in two months, local authorities say they have no choice but to cut back what they pay for electrical energy to pump the water 24 hours a day.

There are no local solutions. Remember, Italy abandoned nuclear energy, and this has affected every aspect of its infrastructure. Without low-cost, high-energy-density energy there is no way to build the water supply and purification networks the nation desperately needs. Italy needs great projects, and that means getting back to nuclear—now.

## Salinas vows loyalty to 'free trade'

*But in return for his professions of support for annexing Mexico to the U.S., he is getting only more speeches.*

President Carlos Salinas de Gortari, during his visit to Washington, D.C. June 10-12, boasted to an audience of 200 members of the elite Business Roundtable of his zealous personal efforts to bring Mexico into a Free Trade Treaty with the United States. Salinas tossed out his prepared speech and spoke extemporaneously instead, telling the audience what he has not dared to tell his fellow citizens: that to achieve the reprivatization of the Mexican banking system, "I had to convince my own party to back it, after they had agreed just a few years ago with the nationalization of the banks."

As *EIR* has reported, the decision to move toward such a Free Trade Treaty will effectively annex the Mexican economy to that of the United States, as a "free-market" sweatshop for runaway American businesses seeking cheap labor. The treaty is in the true interests of neither Mexico nor the United States. As the AFL-CIO Executive Council pointed out in May, "A free trade agreement will only encourage greater capital outflows from the U.S. and bring about an increase in imports from Mexico. . . . It will also do little to improve the lives of Mexican workers."

Salinas told the Roundtable, "I decided to take this step earlier than I had planned, because transformations globally made it obligatory." The combined markets of Canada, the U.S., and Mexico, he said, "would be the greatest and leading world market," greater than that of Europe.

However, despite all of Salinas's speeches, George Bush has offered nothing more than a green light for

"preliminary and informal discussions" intended to coalesce sometime in 1991, after the Uruguay meeting of the General Agreement on Tariffs and Trade. At the GATT meeting, Mexico is expected to serve as a battering ram for the U.S. Commerce Department against Brazil and India, which are refusing to accept "liberalization of financial services," as the free trade ideologues demand.

Mexican officials have already stated that they "will not ally with the hardliners [Brazil and India], since Mexico has already liberalized these services quite broadly."

Inside Mexico, there are various signs of discontent with Salinas's decision to annex Mexico to the United States. Columnist Miguel Angel Granados Chapa wrote June 11, "Last night, President Salinas celebrated with President Bush the 40th encounter between heads of state of those two nations. The list, of course, only includes voluntary meetings and therefore excludes those against the will—such as when Antonio López de Santa Anna was taken prisoner and brought to Washington by Andrew Jackson in 1837."

Santa Anna is the Mexican President who in 1848 lost half of Mexico to the United States.

The next day, Granados Chapa acknowledged in his column that what he had written had upset some of his friends, and that he was declaring "solemnly that I never at any time intended to make such a comparison."

In his search for foreign funds to salvage his failed economic policies, Salinas will begin a trip to Japan on

June 16. But his prospects are not good. The weekly *Proceso*, in its June 11 issue, presented a report on how Japan's business community views Mexico: as the guinea pig for U.S. Treasury Secretary Nicholas Brady's "debt-restructuring" experiment—and not much more.

Hiroito Seki, director of the Latin American Department of Japan's Foreign Ministry, told *Proceso*, "Japan will never be a card that Mexico can play with the United States. In any case, no matter how much Mexico diversifies its relations, it will never abandon the close ties it has with the United States, and they know it very well."

Hajime Hatanoa, director of the Latin American trade relations department of Japan's Ministry for International Trade and Industry, said: "Mexico is not just a trampoline. But it is true that the majority of Japanese investors in Mexico aim at the U.S. market. . . . The Mexican market isn't very important yet."

The daily *Excelsior* warned June 12: "If Mexico's new economic development model based on foreign markets has already been decided, the only thing that can be repeated tirelessly is that it is the internal market which provides the votes, the stability and the permanence of any government."

But the internal political situation is not high on the Mexican President's agenda. Rather, he is tormented by the prospect of competition from the formerly communist states of Eastern Europe. According to the *New York Times*, "What Mr. Salinas did not foresee . . . was that Communism would collapse in Eastern Europe, and would present Mexico with a new collection of rivals." This is what forced Salinas to seek annexation "earlier than planned."

# Business Briefs

## Finance

### Offshore crisis coming onshore, Schmidt warns

The crises in offshore banking are going to set off "domino" crises in the private commercial banking sector, warned former West German Chancellor Helmut Schmidt in a speech to May 23-26 Inter-Action Council annual plenary meeting in Seoul, South Korea. According to an individual who was present, "Schmidt was absolutely scathing about the ridiculous offshore banking situation."

"Schmidt is very concerned about the banks in which there is an absence of a lender of last resort," the source said. "That is the case with all the offshore banks. If something happens where there is no lender of last resort . . . this will set off a domino in the commercial banking sector. If one of those offshore banks goes under the ice, this will hit the private banks, who have funds tied up in the offshore facilities, but who are not covered by their respective national banks for these funds."

"The Chancellor is worried that we have more and more of this offshore banking, under conditions of growing fragility of the international financial system. The quantitative growth of offshore banking might evolve into a qualitative disaster, especially given the overall fragility of the system," he added. Schmidt has been arguing without success for strong regulatory authorities at the international level to deal with this problem. Inside the Bush administration, he noted, no one seems to be concerned about the problem.

## Insurance

### Another S&L-type disaster lies ahead

The insurance sector could become another financial disaster along the lines of the savings and loan collapse, warns Melvin L. Schweitzer of the law firm Rogers and Wells in a June 8 *New York Times* commentary.

Like the thrifts, Schweitzer warns, insurance companies are caught in a payments vise:

the intensely competitive atmosphere in a shrinking market pressures insurers to offer low-cost policies and to offer very high rates of return on investment instruments; but the quality and liquidity of the investments have deteriorated. Like the strapped S&Ls, many insurance companies respond by trying to attract additional premium income by writing policies with an inordinate amount of risk.

Overall, insurance companies hold 30% of all junk bonds, compromising 6% of their assets, and have 24% of their portfolios in illiquid commercial mortgages. In the context of an economic downturn, "consumers could rush headlong to cash in these new products. This, in turn, could produce a 'run on the bank' mentality that could cascade into widespread insolvencies. . . . It is a frightening—but realistic—scenario."

## Banking

### Semiconductor maker criticizes the banks

A devastating indictment of the policies of U.S. bankers and financiers was delivered by Sheldon Weinig, chairman and chief executive officer of Materials Research Corp., in the June 10 *New York Times*. Weinig was recently forced to sell MRC, which manufactures equipment for the semiconductor industry, to Sony, to gain the capital needed to develop the next generation of technology in semiconductor manufacturing.

"American banks do not understand technological cycles," Weinig wrote. "At the very time we needed more money for new development, they pressed us for repayment and restructuring. . . . We explored other sources of capital. . . . We turned to Wall Street financiers and found two varieties—those who were prepared to raise money for bottom-of-the-barrel buyouts with dismemberment plans for the company, and those who were prepared to sell 'junk bonds' for the company at costs beyond our ability to generate profits."

Weinig wrote that when he approached his customers, such as IBM, for investment capital, "we were met with a wall of silence." When Sony showed up with the promise of

new capital, Weinig embraced Sony as a "white knight." "After we were purchased by Sony there was an outcry about how MRC, an American national treasure, had slipped into the hands of a foreign company. No one said we were a national treasure before we were sold," Weinig noted bitterly.

## Asia

### Three nations consider 'growth triangle'

Singapore is discussing a plan with Indonesia and Malaysia to create an industrial, commercial, and tourist "growth triangle," the *International Herald Tribune* reported June 9.

Malaysian Prime Minister Mahathir Mohamad said, after talks with Indonesian President Suharto, that they have agreed to work with Singapore because "it will be beneficial to all of us." Malaysia and Indonesia could gain from "the prosperity and spending power of Singapore and the spillover effect of the tourist industry." Mahathir said a joint development authority linking the three countries is now under consideration.

## Environmentalism

### ASEAN nations unite to defend their economies

The Association of Southeast Asian Nations (ASEAN) are mounting a joint defense against environmentalist organizations who are trying to stop their logging operations, an important part of their economies. The ASEAN nations will send delegations to the U.S., Europe, Australia, and New Zealand in July, Malaysian Primary Industries minister Lim Keng Yaik announced May 21.

Western environmentalist groups are urging bans on tropical hardwoods—of which Malaysia and Indonesia have the biggest supplies outside Brazil—but both these nations have government-sponsored forestry programs. Lim said the delegations would meet



## Briefly

with the environmentalist groups "to tell them the real situation about our tropical forest management policy." He also announced that Malaysia will limit exports of rubber wood timber to 70% of last year's exports. The curb will ensure timber supplies to local industries while cutting exports to Japan, Taiwan, and South Korea.

A report by an international mission called in by the Malaysian government to look into the logging industry in Sarawak, reported that forest management techniques in Sarawak are "without doubt of a much higher standard than in most other tropical timber producing countries, and even in some developed countries," the London *Daily Telegraph* reported May 21.

### Debt

#### Japanese report sees P.R.C. debt flashpoint

Communist China may fall into a political crisis under the weight of huge government debt, the result of loans it took out in the early 1980s, a Japanese private think tank, the Nikko Research Center, predicts.

In a report quoted by Kyodo news service, the Nikko Center says China is set to enter an era of principal repayments on its outstanding government bonds now that it is already under pressure from interest payments on the national debt. The debt burden is likely to force the Chinese government to raise taxes and re-schedule debt payments to its people, a move which may lead to political turmoil, it says.

### Political Economy

#### Economist sees struggle over choice of model

With the Cold War over, the struggle is now between brands of economics, Iwao Nakatani, professor of economics at Osaka University, Japan, said in the June 7 *Journal of Commerce*.

In a commentary entitled "Japan's Black Sheep Capitalism," Osaka wrote, "The victo-

rious West will be less unified in the 1990s. Varieties of capitalism will battle like medieval sects," Nakatani asserts, noting that "Japan's future as an economic superpower depends on its form of capitalism being accepted as valid. Otherwise, our exports and overseas investments will be labeled unfair and targeted for sanctions."

Nakatani contrasts the Japanese model of economics with U.S. capitalism "driven by violent market forces."

### Britain

#### Collapse of R&D creates 'national emergency'

Britain faces a "national emergency" because its basic research and development has been obliterated, Ivor Owen, director general of a British scientific and engineering group, has warned. "There is no strategic debate about what to do about the failure in high-volume, high-technology, high-value-added products, and many still hold the view that manufacturing is not necessary to the health of the economy," Owen said, decrying the post-industrial outlook of British elites.

Britain spends less per capita on R&D than any other major industrialized country. George Gray, a British professor who pioneered liquid crystal display technology, told the June 7 *Financial Times*, "Some of the best ideas develop from fundamental research and they are in danger of being starved out in a climate which certainly would not have allowed me to follow the path I did."

A group of British industrialists is similarly urging investment in transportation infrastructure. The June 7 *Financial Times* reported that Sir Brian Corby, newly elected president of the Council of British Industry, attacked the financiers of the City of London at the annual Lord Mayor's City Banquet. Corby denounced the short-term outlook forced upon industrialists by financiers demanding quick returns. "Any visitor to France or West Germany will confirm that our apparent allergy to thinking strategically about infrastructure could place the U.K. at a very serious disadvantage," Corby said.

● **JAPAN** has unveiled a plan to build 40 nuclear power plants over the next 20 years and almost double the country's reliance on nuclear power, the Bangkok daily the *Nation* reported June 6.

● **THE ENERGY** Department announced the week of June 8 that its oil and gas R&D programs will be "refocused" out of long-term and basic research into "near-term" technologies such as "reversible plugging" of wells so they can be reentered.

● **CZECHOSLOVAK** Deputy Prime Minister Valtr Komarek, who was recently relieved of his leadership of the cabinet's economic team, has attacked the "free-market" reform policies forged by Finance Minister Vaclav Klaus. The Polish-modeled reforms would create a wave of inflation and unemployment, he said. "People would be disappointed. . . . It would then be very difficult to muster any enthusiasm for reform ever again."

● **BRAZIL** will spend \$1 billion over the next 10 years to prepare satellites for launch in 1993 which will, among other things, be used for Earth remote sensing to study the Amazon, according to NASA.

● **THE EARTH** has cooled by one-third of a degree in 70 years, according to a study released in May. Sherwood B. Idso, a physicist in the USDA Agriculture Research Service, said that the study does not prove that Earth is either cooling off or warming up. "We have not yet begun to feel global warming due to the greenhouse effect," he said.

● **THE U.S. COMMERCE** Department warned that the U.S. electronics industry will be eclipsed by Japan in the next few years, the June 9 *New York Times* reported. The report begins with a disclaimer that it only reflects the views of the Commerce Department and not the Bush administration.

## Must men lie? ADL founder gives his version of history

by Arthur G. Murphy

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### **Must Men Hate?**

by Sigmund Livingston  
Crane Press, Cleveland, 1945

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*Sigmund Livingston founded the Anti-Defamation League of B'nai B'rith in 1913; B'nai B'rith itself was founded as a Masonic-type lodge on Oct. 13, 1843. Livingston chaired the Anti-Defamation League until his death in 1945. Although the ADL is enjoying a revival of late, Livingston's book has been out of print for some time.*

"Must men lie?" is the appropriate response to this deceptive work. If Sigmund Livingston's purpose were merely to catalogue the abuses, and the historic origins of anti-Semitism, and other racist persecution, the book would be fine. Since the book was written in 1944, while Hitler's regime was being crushed by the Allies, a thorough attack on the philosophical underpinnings of Nazism and fascism would certainly have been appropriate. However, to twist the argument around to the terms that the only solution is to accept some form of world government, is the height of evil. That the author would cite such an Anglo-Saxon supremacist as Teddy Roosevelt as a "friend and defender of Jews," or to uphold the Austro-Hungarian imperialist Count Coudenhove-Kalergi, as a serious critic of anti-Semitism, is a cruel joke at best.

Livingston begins this ostensibly thorough analysis by jumping right into the middle of the symptoms of the problem, and never truthfully examines the real causes of racist thinking. Anecdotal references to mothers teaching their children anti-Jewish attitudes, do nothing to dissect the origins

of fascism, or anti-Semitism. Comparing the persecution of Jews to the "persecution" of dangerous cults like the Gnostics, the Arians, or the Manicheans by the early Christian Church only muddies the picture. His falsification of history, however, gives insight into his true allegiances. Livingston claims that under the Roman Empire, while Christians were being fed to the lions, Jews were treated as ordinary Roman citizens. Was Herod the freely elected leader of the Israelites in Palestine, and not a Roman stooge? Could he have been truly ignorant of the desecration and the demolition of the Temple of Jerusalem by Roman legions in A.D. 70?

Why does he hold the barbarous Roman Empire in such high regard?

Perhaps the best answer is that the single greatest oppression of Jews stems from the fact that the oligarchical families who run empires employ the likes of Livingston as apologists. In Livingston's day, the ADL helped to stop attorney Jacob Chaitkin of the American Jewish Congress from launching a nationwide boycott against Nazi Germany, using the excuse that Hitler might take it out on the Jews. Today, we have ADL honorary chairman Edgar Bronfman's World Jewish Congress publicly protecting the state-sponsored anti-Semitism of Pamyat from attack, because that might undermine the Third Rome aspirations of Czar Mikhail Gorbachov! Just as Livingston and his gang were covering for the financial interests of Hjalmar Schacht's business partner S.G. Warburg, so today, the ADL's appeasement of Gorbachov protects the business interests of Henry Kissinger's clients.

### **The cultural roots of fascism**

Fascism is the policy of empires from the most ancient, to the Roman, to the 19th- and 20th-century variety; the policy of empires is always to play up ethnic and religious

differences between the various constituents of the empire. "Divide and conquer" is the familiar maxim. Heaven forbid, Livingston should discuss the economics of fascism and empire, and why such economics lead to looting populations, and enforcing conflict among "peoples." The essential dignity of the individual, and the concept of a universal standard of morality, which both Judaism and Christianity are based on, is anathema to any empire. Although Livingston takes time to mention Hitler's hatred of Christianity as the product of a Jew, Jesus, he never attacks the cultural roots of fascism.

Livingston drags out the example of Shylock in *The Merchant of Venice*, to argue that Shakespeare did immense damage to Jews in creating such a character. Livingston never discusses the real argument of the play: the evil caused by usurious practices, nor the resolution of the drama through the mercy of the "judge," Portia. Instead, the play, and also Marlowe's *The Jew of Malta*, are held to be just ignorant stereotyping of Jews in evil roles.

Interestingly, he relates an account of the origin of the "pound of flesh" theme, from Gregorio Leti, biographer of Pope Sixtus V. In this account the Jew, an insurer, wagered a pound of his own flesh, in an argument over a claim. When the claim proved valid, the merchant, a Christian, demanded the literal "pound of flesh." The matter was resolved by Pope Sixtus giving the same ruling as Shakespeare's Portia: The pound of flesh could be taken, "but not a scruple more or less," or they both would be put to death.

Some have also similarly argued that Shakespeare's *Othello* is "anti-black" for portraying the Moor as passionate and impetuous, but easily fooled by Iago's manipulation of his jealousy. What is conveniently ignored, is the point Shakespeare makes in setting both dramas in Venice, the seat of oligarchical finance and political intrigue. The characters of Shylock and Iago are merely focal points for exposing how the Venetian oligarchy employs degraded individuals as usurers and manipulators, while leaving its own dirty hands quite clean.

### **The case of Venice's Coudenhove-Kalergi**

Livingston's softness on oligarchical policy is revealed to be an actual preference by his constant citing of Austro-Hungarian aristocrat Count Heinrich Coudenhove-Kalergi, as an expert on anti-Semitism. Coudenhove-Kalergi is quoted confessing to have harbored anti-Semitic views earlier in life, "and this for excellent reasons, because I had had the most unpleasant experiences imaginable with Jewish usurers. Had I been asked a few years ago, when I decided to study the Jewish question and to write a book on it, whether this work would turn out anti-Semitic, my answer to this question would most probably have been in the affirmative. A serious and, as I believe, a thorough study of the subject has set me right."<sup>1</sup> Naturally, since the Nazi "experiment" was about to fold, and such a large portion of European Jewry had already been killed off, there wasn't much point in

maintaining "anti-Semitic" views.

Count Heinrich's son Count Richard Coudenhove-Kalergi, was a founder of the Pan-European Union, and an ardent eugenicist. In his book, *Crusade for Pan-Europe*, Coudenhove-Kalergi discloses the ideal society envisioned in Pan-Europeanism: Imperial Austria.<sup>2</sup> He describes how wonderful it was that so many different ethnic and language groups could so happily co-exist under the sheltering benevolence of such an enlightened empire.

Extolling Vienna for its great musicians such as Mozart and Beethoven, or for performances at the Opera or the Burgtheater, where "the tragedies of Schiller and of Shakespeare had a deep influence on my moral evolution," Count Richard does not specify the *direction* of this "moral evolution." Coudenhove-Kalergi was hardly a partisan of the passionately anti-oligarchical Mozart, or Beethoven, nor could he have ever gotten the point of Schiller's plays *Don Carlos* or *Wilhelm Tell*. In fact, the family had been major sponsors of Richard Wagner: Countess Marie von Coudenhove (née Kalergi) was a patroness; Wagner spent his last years, and died, at Casa Vendremann-Kalergi in Venice.

Coudenhove-Kalergi's actual proposal for Pan-Europe includes some real gems. First, he cites "the political philosophy of Alexander Hamilton and the inspiring example of the United States of America"<sup>3</sup> in his call for a United States of Europe. Then, he would create a "federal army" under the direction of Swiss officers, because "for as long as national armies exist in Europe as an instrument of national policies, no federal organization can remove the threat of new wars with all their disastrous consequences."<sup>4</sup> In a chapter titled "World Peace through Air Power," he writes: "Many people recommend that after the war an international air force be established to police the globe. The idea certainly corresponds to the evolution of technology. But it demands a world government directed by a common program, a single will, and a common political creed."

Under such a benevolent world government, Jews would certainly enjoy the same status as any other group of subjects, or slaves, just like in the good, old Roman Empire, so why is Livingston so enthralled with the Coudenhove-Kalergis? Another writer on the subject of anti-Semitism, Alan T. Davies, did not see it that way: "Older writers, such as . . . Count [Heinrich] Coudenhove-Kalergi, frequently tried, sometimes superficially, to attach the whole blame to the stubborn religious particularism of Judaism, but the fact that the Nazi *Endlösung* ("final solution") was unleashed in a nation with the most thoroughly assimilated Jewish population in Europe is proof that ordinary xenophobia can never be more than a partial explanation."<sup>5</sup>

Livingston completely obfuscates the issue of the Nazi agenda of world empire, in fact, modeled explicitly on the Roman example. Livingston and the Anti-Defamation League are clearly partisans of precisely that universal imperialism, or fascism, which the Romans, the Nazis, and the

Couldenhove-Kalergi all represent.

In a similar vein, Livingston takes pains to portray Teddy Roosevelt as a great friend of the Jews. Colonel Roosevelt, after San Juan Hill, gives commendations to Jewish officers; President Roosevelt sends petitions to the Czar to stop a bloody pogrom. Never mind the WASP supremacy of TR's support for eugenics. Never mind his hatred for classical German culture, which was the world's model for true religious toleration among Jew, Catholic, and Protestant. And certainly never mind TR's "gun-boat diplomacy" in defense of usury, against the emerging South American republics.

With an ideological pedigree like this, it is no surprise to find the Anti-Defamation League of Sigmund Livingston to be one of the most fanatic enemies of the LaRouche movement worldwide.

### Notes

1. *Anti-Semitism Throughout the Ages*, by Count Heinrich Coudenhove-Kalergi, Hutchinson & Co., Ltd., London, p. 18. This edition was "edited and brought up to date by Count Richard Coudenhove-Kalergi, translated by A.S. Rappoport, London, 1935," according to a footnote by Alan T. Davies in *Anti-Semitism and the Christian Mind*, Herder & Herder, 1969, New York.
2. *Crusade for Pan-Europe, An Autobiography of a Man and a Movement*, Count Heinrich Coudenhove-Kalergi, London, 1943.
3. *Ibid.*, p. 252.
4. *Ibid.*, p. 296.
5. *Anti-Semitism and the Christian Mind*, by Alan T. Davies, *op. cit.*, p. 26.

## Kahane was a shared asset of ADL, FBI

by Paul Goldstein

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### **The False Prophet Rabbi Meir Kahane: From FBI Informant to Knesset Member**

by Robert I. Friedman

Lawrence Hill Books, Brooklyn, N.Y., 1990  
282 pages, hardbound, \$19.95

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This book rates as one of the best products of investigative journalism written in the past decade. Through a careful culling of the background of the pseudo-prophet Rabbi Meir Kahane and weaving a coherent, though limited historical picture, the author has done a unique job of exposing the depth of corruption in both the United States and Israel, concerning the terrorist founder of the Jewish Defense League.

The author uses his interviews and background research into Kahane's family to show both the psychological motivation as well as the political-messianic quality of Kahane. Friedman goes through great detail to show how every major U.S. and Israeli intelligence agency not only played with Kahane, but actively supported his efforts when it suited their needs.

For instance, the little-known story about how one of the Mossad's top officials in the late 1960s, Yitzhak Shamir, now Israel's prime minister, actively initiated and promoted Kahane's terrorist actions against the Soviet Union as part of the Zionist effort to get Soviet Jews to emigrate. Shamir's support for Kahane's activities involved training and recruiting both young American Jews and Israelis in the deadly game of international terrorism.

It is no less a tragic irony that these methods of developing and promoting a transatlantic terrorist underground created the precondition for unleashing terrorism against innocent Arab-Americans, such as the killing in Los Angeles of a Palestinian Arab-American community leader, Alex Odeh. This criminal capability was also developed to target opponents of the Anti-Defamation League of B'nai B'rith-dominated American Jewish lobby, such as political prisoner Lyndon LaRouche. This network, almost on a daily basis, threatens to "kill LaRouche." One of Meir Kahane's little terrorist clones, Mordechai Levy, was identified by Friedman as being potentially implicated in at least one assassination and another attempted one. Levy has long been deployed as an FBI stringer against LaRouche.

### **How the ADL funded the JDL**

The most spectacular revelation was the fact that the Anti-Defamation League directly financed Kahane's activity, a fact that, aside from *EIR*, no one has had the guts to expose. A wealthy stockbroker named Bernard Deutsch, who ran the Brooklyn, New York chapter of the ADL, details how he financed the Jewish Defense League.

Moreover, Friedman directly links the employment of Kahane to the pro-Vietnam war faction of U.S. intelligence that used Kahane and his compatriot Joseph Churba, now of the International Security Council (a front organization for Rev. Sun Myung Moon) in running penetration operations against the legitimate dissent against the war in Vietnam. There was a fear among many pro-war Jewish leaders that the American Establishment would see the anti-war movement as being dominated by Jewish intellectuals and lead to a wave of anti-Semitism. As a counter, the leaders of the ADL sought to prove their worth to the Establishment by actively courting the intelligence elites.

Friedman identifies Kahane's controllers in this part of his career as the late Comintern operative turned CIA agent, Jay Lovestone, and his partner Irving Brown, who headed the International Division of the AFL-CIO. Friedman also explains Kahane's work as an informant for the Federal Bu-

reau of Investigation, and how he made alliances with one branch of the Italian section of organized crime.

But one of the most fascinating and key figures in this incestuous circle of so-called “anti-communists” is Roy Godson. Godson, who continues to fool many honest patriotic military and intelligence figures, was an active partner with Meir Kahane in working with Lovestone and Brown. Godson was exposed in recent courtroom testimony by Richard Morris, the former executive assistant to one-time Reagan National Security Adviser William Clark, as one of the most outspoken opponents in the National Security Council of Lyndon LaRouche’s proposal for a ballistic missile defense based on “new physical principles.” Not surprisingly other testimony identified him as an active member of the “Get LaRouche” task force.

Despite the solid investigative journalism by Friedman, his lack of understanding of how this game is played at a higher level is extremely clear—in other words, how the policy parameters of the Establishment define the options for certain individuals like Kahane to be utilized. If the majority of the American intelligence and law enforcement institutions would see Kahane as part of the forces of evil who are trying to bring about chaos and the destruction of civilization through their messianic actions, then such a threat could be easily eliminated.

## The ADL and the Mary Phagan case

by Katherine Ransohoff Notley

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### **The Murder of Little Mary Phagan**

by Mary Phagan

New Horizon Press, Far Hills, N.J., 1989

316 pages, hardbound, \$21.95

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The publishers of *The Murder of Little Mary Phagan* decided to sensationalize this book’s existence by saying it was the case around which the KKK was revived and the ADL was founded to bravely fend off this evil. The book is only partly about the founding of the ADL. More importantly, it is about the decision of a famous murdered girl’s family to “go public” and oppose the ADL’s politically motivated efforts to secure a posthumous pardon for the convicted killer. What makes this book rather interesting, is that author Phagan and her

family had good relations with the ADL, and nonetheless staunchly opposed the pardon effort on the grounds that the ADL’s effort did not aim at seeking justice but was self-interested. In the course of their amicable opposition, this book usefully, if not entirely wittingly, exposes the revolting sophistry and emotionalism the ADL deploys to get its way.

The 13-year-old little Mary Phagan was murdered during an attempted rape at the pencil factory where she worked in Atlanta, Georgia in 1913. Her accused attacker was the office manager, Leo Frank, who happened to also be the head of Atlanta’s “Jewish” Freemasonic organization, the B’nai B’rith. Frank was convicted and sentenced to death for Mary Phagan’s murder, largely on the testimony of the janitor Jim Conley—the first time in history a white man was convicted on the basis of a black man’s testimony. After all appeals, and even an unusual attempt to seek a writ of *habeas corpus* from the Supreme Court, were denied, Frank’s death sentence was commuted to life imprisonment by Georgia’s Gov. John Marshall Slaton. Frank was sent to prison, and in one vicious assault, nearly died when his throat was slashed. After nearly two years, a group of reconstructed Klansmen calling themselves the Knights of Mary Phagan kidnaped Frank from prison, with the intention of driving him back to Marietta to hang him. Caught by dawn, the men lynched him on the outskirts of town.

There can be no question that injustice, grave injustice was done. Neither was the victim avenged, nor the criminal punished. That is one fact that is undeniable.

The Anti-Defamation League helped to make sure that happened. During the trial, the B’nai B’rith determined to take the opportunity, ostensibly by seeking a fair trial for Frank, to found its Anti-Defamation League, in the charged atmosphere, which, they claimed was largely racially motivated. What added fuel to the fire—which they must have known—was the fact that most of the sentiment against trying Leo Frank was whipped up in the North, and bore all the earmarks of accusing Georgians of “collective guilt.” Naturally, this engendered great resentment among the Georgians who were attempting to solve a shocking and vile murder case. (There is another side to the founding of the ADL: By its own account, the ADL was already in its embryonic form before the Frank trial. Some sources have suggested that the ADL claimed its inspiration from the Frank trial only after associates of Lyndon LaRouche had exposed that it had been founded in order to smear New York’s police commissioner as anti-Semitic at the point he began to pressure Jewish members of the mob. The ADL used the same *modus operandi* against LaRouche when he went after Dope, Inc., and earned itself the sobriquet of the “American Drug Lobby.”)

There is no small irony in the fact that the chief claim of Frank’s attorneys, the *New York Times*, and the newly inaugurated ADL, was that Frank could not have received a fair trial in an atmosphere where the depravity of the crime and the fact that the accused was Jewish created too much

prejudice in the jury for a fair trial to take place.

Seventy-seven years later, Lyndon LaRouche's associate and co-defendant Michael Billington is sentenced to 77 years in prison in a Virginia court, by Judge Clifford Weckstein, associated with the Anti-Defamation League, as Mira Bolland, the Washington representative for the Anti-Defamation League, looks on approvingly. One would think the ADL's great victory over someone they branded for a decade as a "hate-monger," "anti-Semite," "political extremist" (whatever that means), would be advertised to the four corners of the globe: Not so. Like the cowardly regime of Deng Xiaoping, the shameful attempt to crush a political dissident by giving him a life sentence has been covered up. Any Jew worth the name would rise up in revolt against such oppressors—as did the Chinese students once Deng's lies were exposed.

In October 1982, the Anti-Defamation League as part of a typical fundraising ploy, formally filed with the Georgia State Board of Pardons and Paroles to secure a posthumous pardon for Leo Frank. The ADL trumpeted its purpose: It did not intend to prove that an innocent man was convicted; it intended to brand the state of Georgia collectively guilty of anti-Semitism unless it "repudiated" racism in the way dictated by the ADL. The ADL could care less about justice: The ADL wanted the use the law to "send a message," like a bunch of sick mafiosi. Author Mary Phagan cites one ADL memo to that effect:

I agree entirely that our constituency—the literate world—knows that Frank was railroaded. Our constituency also knows that the Holocaust was real, but we continue to counteract Holocaust denial. We have also proceeded on the assumption that it was important for the German nation to come to terms with the past and acknowledge the terrible crime committed in days gone by. Likewise some of us here in Atlanta think it is important that the State of Georgia acknowledge its sins in the Frank case, and repent.

And while the ADL was loudly proclaiming that the Frank pardon took on the urgency of Georgia repudiating a resurgence of the Ku Klux Klan around the case, they never seemed to feel the same way about their own deployment in 1979 of Jimmy Rosenberg and Mordechai Levy into the Klan to arrange firebombings against NAACP offices.

In December 1983, the Board of Pardons and Paroles denied the pardon, stating that Frank's innocence had not been "conclusively" established, as required.

On March 11, 1986, after a year of secret negotiations with what Phagan refers to as "the Jewish community," granted Frank a pardon on the political grounds that the state failed to "protect the person of Leo M. Frank and thereby preserve his opportunity for continued legal appeal of his conviction [and] . . . to bring his killers to justice, and as an effort to heal old wounds. . . ."

## Investigative leads

Mary Phagan raises the question whether it can ever be known who killed her great-aunt at the end of her book. Perhaps unconsciously, she may have laid the basis for an answer, earlier on: If Leo Frank did not kill little Mary Phagan, then it is possible that he was framed. She cites her attempts to get an *Atlanta Journal* commentator to substantiate his claim that "Ten years after the murder, a journalist working for the *Atlanta Constitution* uncovered new evidence proving Frank's innocence, but prominent Atlanta Jews, fearing the story would only bring on new repercussions, persuaded the newspaper to withhold the publication." He never did. Is it possible that some among them knew the nature of the evidence, and feared the retaliation from the killer or killers, more than from their fellow Atlantans?

Second, Mary Phagan reports that the lynching party went to great pains to carry out its plan to kidnap Frank from the prison and drive him 150 miles back to Marietta, and hang him over little Mary Phagan's grave. However, by dawn they had only reached the outskirts of town, and fearing discovery, proceeded with the murder of their captive. Yet, she then reports, "The Knights of Mary Phagan stood guard for at least one day and one night at the tree from which they had hung Leo Frank. . . ." If they so feared the dawn, that they killed Frank as it broke, why did the killers then spend all day guarding his body?

If Mary Phagan wants to know who was the killer of her great-aunt Mary Phagan, she should ask who wanted the killing covered up enough to kill Leo Frank.

## Books Received

**Edward Teller, Giant of the Golden Age of Physics**, by Stanley A. Blumberg and Louis G. Panos, Charles Scribner's Sons, New York, 1990, 306 pages, hardbound, \$24.95.

**A History of Cytology**, by Arthur Hughes, Iowa State University Press, Ames, Ia., 1990, 168 pages, paperbound, \$12.95.

**A History of Biology to About the Year 1900: A General Introduction to the Study of Living Things**, by Charles Singer, Iowa State University Press, Ames, Ia., 1990, 616 pages, paperbound, \$22.95.

## Two important works now appear in English

**Justice, Not Vengeance** by Simon Wiesenthal, trans. from German by Ewald Osers, Grove Weidenfeld, N.Y., 1990, 372 pages, \$27.50.

I am very happy to report that two books we reviewed last year, which at the time only existed in German and French, have now been translated into English: Viktor Suvorov's *Icebreaker*, and Simon Wiesenthal's *Justice, Not Vengeance*.

One man who has certainly rejected the simplistic explanations for World War II is one of its personal victims—Simon Wiesenthal. And now, Americans can see for themselves that the proper attitude for a real Nazi-hunter is not the sort of “cowboy” approach employed by the Justice Department Office of Special Investigations. We first reviewed this book last fall (*EIR*, Nov. 10, 1989) when it was translated into French, and our reviewer Laurent Murawiec quoted Wiesenthal's advice to young Germans: “Try to disassociate this question from the Jewish question—it is genocide per se that interests me. . . . Genocide is the crime that most fatally threatens mankind.”

Murawiec described the portraits Wiesenthal paints from the war: the physician who refused to perform medical experiments on concentration camp inmates; and the two Nazi Party members who saved Wiesenthal's life (“they prove the absurdity of the idea of collective responsibility”). Wiesenthal also depicts the sickening, cynical exploitation of war trauma by

the Austrian Socialists and Edgar Bronfman's World Jewish Congress to brand Kurt Waldheim a Nazi, and the KGB-Polish intelligence lie that Wiesenthal himself was an SS collaborator in the camps.

It is refreshing, if not surprising, therefore, that a man of Wiesenthal's honesty would also draw a bead on Germany's foremost euthanasia advocate: the “Cyanide Doctor” Julius Hackethal. “I do not make hasty comparisons, but . . . it was medical ethics that demanded murder, in order to avoid something worse—in the event of the Judaization of Germany, or the spread of hereditary diseases.”

## Whither disarmament?

**Icebreaker, Who Started the Second World War?** by Viktor Suvorov Hamish Hamilton, London, 1990, 364 pages, £16.99, (Can. \$35). *Icebreaker* will be available in the U.S. Viking Penguin edition for \$22.95 in September.

Hamish Hamilton plugs its other publications by the same author on the back cover, quoting reviews of two of Suvorov's books, *Spetsnaz* and *Aquarium*, from the *Independent*, the *London Review of Books*, the *Times Literary Supplement* and *EIR*. The text quotes from *EIR*'s review of *Spetsnaz*: “This book from a former military intelligence officer is perhaps the best introduction to the subject of Soviet military special-purpose forces so far available to the general public.” That review was by Lyndon LaRouche and appeared in *EIR*'s Sept. 4, 1987 issue.

The front cover of *Icebreaker* has a famous cartoon of Hitler and Stalin respectfully doffing their hats to each other and Hitler saying “The scum of the earth, I believe”; to which Stalin replies, “The bloody assassin of the

workers, I presume?” The cartoon couldn't be more appropriate in these days of “Gorbymania,” when carefully orchestrated, adoring crowds shout “Gorby! Gorby!” because “Mikhail! Mikhail” sounds too much like *Sieg heil*.

One year ago, Michael Liebig wrote (*EIR*, May 19, 1989): “This latest book, on Soviet Russia's political and military strategy during 1939-41, not only provides crucial new insights into that period, but also confronts us anew with the Soviet leadership's remarkable ability to successfully misinform the world about its true aims over a 50-year time-span—a circumstance which becomes all the more shocking, given that many of the essential facts which Suvorov presents in his book must certainly have long been known by military historians in the West. . . . Suvorov proceeds from the assumption that the Soviet leadership under Stalin obviously did not believe in their own propaganda formula on the ‘peaceful construction’ of ‘socialism in one country.’ They believed that Soviet Russia could only survive and secure a strengthened geopolitical position, as an outcome of a ‘second imperialist world war.’ Lenin himself repeatedly spoke about the ‘inevitability’ of a new world war. . . .”

“In this respect the crucial Soviet diplomatic breakthrough was attained with the signing of the Hitler-Stalin Pact on Aug. 23, 1939. With it, the Soviet leadership had cleared the way not only for the military liquidation of the Polish state in collusion with Nazi Germany, but also for the outbreak of the entire ‘second imperialist war.’ . . . Hitler's remaining scruples over provoking war with France and Great Britain, both of whom had guaranteed Poland's integrity, had been swept aside through Stalin's political and military complicity.”



## Supreme Court tramples on human dignity

by John Sigerson

Monday, June 11, will go down in history as the day when the United States established fascism as the official policy ruling over the land and its citizens—at least, for the time being. The signal event was a decision by the U.S. Supreme Court not even to consider an appeal filed by statesman, philosopher, and former presidential candidate Lyndon H. LaRouche, Jr. and six of his associates, who sought to reverse their blatantly political frameup trial and their imprisonment in January 1989—a juridical travesty that has been compared to the Dreyfus Affair which set the stage for the outbreak for this century's first world war.

The Supreme Court's decision not to consider the Virginia Fourth Circuit Appeals Court's upholding of the 15-year sentence for LaRouche, means that henceforth, there is no such thing as a fair trial by jury in the United States. The highest court has in effect approved the practice of establishing joint government-private task forces for the purpose of eliminating political opponents and corrupting the judicial system from top to bottom in order to achieve that end.

The decision is also the end-result of a pattern of abuse of the U.S. Constitution and suppression of fundamental human rights, as embodied in such practices as the Thornburgh Doctrine, which denies the existence of a higher law—natural law—to which the nation's law is answerable. On the same day as the LaRouche appeal was denied, the Court also scrapped Fourth Amendment protections against unlawful search and seizure, by upholding the right of police to perform searches without a warrant, solely on the basis of tip-offs from anonymous informants. This is the stuff of Soviet and Nazi "justice." As the dissenting opinion filed by Justice John Paul Stevens pointed out, "The Fourth Amendment was intended to protect the citizen from the overzealous and unscrupulous officer as well as from those who are conscientious and truthful. This decision makes a mockery of that protection."

Also on the same day, the Supreme Court gave the "LaRouche treatment" to the Teamsters, by refusing to hear arguments on the unconstitutionality of the Justice Department's conspiracy to bust the union and put it into federal receiver-



Suzanne Kiebe

*Supporters of political prisoner Lyndon LaRouche hold a vigil outside the U.S. Supreme Court on June 7 as the request to hear his appeal was being filed by former U.S. Attorney General Ramsey Clark.*

ship, using the Racketeering Influenced and Corrupt Organizations (RICO) law under which many political dissidents in the United States have been railroaded.

The LaRouche precedent therefore opens wide the gates to political witchhunts against any political leader who has the potential to crystallize opposition to the bankrupt economic policies to which the Bush administration stubbornly adheres. The FBI's illegal entrapment of Washington, D.C. Mayor Marion Barry is just one of a pattern of such outrages, which are especially aimed at black political leaders.

There is also a fascist political party loose inside the United States, a movement which is receiving substantial help from within the leadership of the Democratic Party and the financial elite that backs President George Bush. It is called "Project Democracy," and it operates through such organizations as the Anti-Defamation League of B'nai B'rith, the American Family Foundation, and Freedom House. Although it is not a full-fledged mass-based fascist movement, it has precisely the form of what top Anglo-American financier circles have long been cultivating as "fascism with a democratic face": an adaptation of the corporatism which was used by Italy's Mussolini and Hitler's economics minister Hjalmar Schacht to impose otherwise intolerable economic hardships on a depression-racked people.

### **The Resistance builds**

Nevertheless, there are strong grounds for optimism that the reign of the Bush administration's fascist policies will be

a short one, as huge chunks of the \$20 trillion in unpayable U.S. indebtedness begin to make their way toward oblivion, and millions around the world are impelled out of a stupor by harsh economic reality.

It was with that reality in mind, that political leaders from both the United States and abroad gathered in Silver Spring, Maryland on June 2 and 3 for the Schiller Institute's Freedom Day Tribunal, and founded a new institution, the Coalition for Human Rights, dedicated to the defense and furtherance of the principle of creative reason and the sacredness of the individual, and to shaping new institutions in accordance with natural law as the old, discredited ones are rejected. The coalition will give a voice and a strong right arm to those who have been thrown out of work, or who have been deprived of health care and worse, or who have been thrown off their farms, as a direct result of the policies enforced by Edgar Bronfman, the ADL, Project Democracy, and the assortment of environmentalist and New Age "animal rights" movements which are the paper-thin mask of fascism today.

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## **Documentation**

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*Virginia congressional candidate Lyndon LaRouche released the following statement on June 11:*

I have just received the information that the United States Supreme Court has denied a writ in my appeal from the travesty

of justice which occurred in late 1988, in Alexandria, Virginia. I'm not surprised by this; as I said to the court in Virginia on Jan. 27, 1989, I had been previously advised, by very high levels, including one I referenced, that the political fix was in to send me to prison to ensure that I remain in prison for not less than 10 years in order to get me permanently out of the way politically; and I was told that the United States government, the executive branch, was fixed on this account, and that I could expect that the federal courts would probably be fixed all the way up to the Supreme Court.

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*“We see recently what has happened in the Soviet Union, as well as in Communist China, that the planet is getting a bit tired of prolonged injustice; and the U.S. has decided to go for dictatorship . . . at about the time the world is getting tired of it.”*

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Every indication since that time has confirmed that warning given to me by these sources, that the case was fixed, politically, all the way from the bottom, up through the Supreme Court and the White House. I think that is obviously the case.

In this case, it should be remembered, the prosecution knew that the charges against me were fraudulent, so did the judge, Judge Albert V. Bryan, Jr. He personally was the person who did it—that which I did not do, but of which I was accused: He did it. Obviously, the Circuit Court was well aware that I and my co-defendants were innocent, but they determined to pull what they did.

The Supreme Court must recognize the importance of this case, not only as it pertains to my case, so-called, but as it pertains to the entire nation. This is an absolutely crucial case. Here we have a case, in which the United States government—including the President, Bush personally, including the court involved, including the Circuit Court, including the prosecution, the entire Justice Department—knows that they have deliberately convicted innocent people on nothing but political reasons. The Circuit Court upholds it, the Supreme Court engages in this kind of thing. What does that say about justice in the United States?

Forget it! No one in the United States, in general, can expect justice as long as we have a Thornburgh-Rehnquist court. The entire federal system is corrupted beyond belief. The fact that this could happen—remember, I'm a political figure, an international political figure. All of these fellows, all the way up, including President Bush, including the Supreme Court, know that this is a political case and that my

friends and I are completely innocent. They also know the means to convict me amounts to one of the worst travesties of justice in modern U.S. federal court history. And yet, faced with this in a most conspicuous case—not an oversight, not a mistake—they decide to deny a [writ of] *certiorari* at the Supreme Court level. What does that say?

### **Injustice shall not prevail**

What does that say about justice in the United States? It says that as of this moment there is virtually no justice for anyone in this United States. Do I think that will last? No.

We see recently what has happened in the Soviet Union as well as in Communist China, and elsewhere, that the planet is getting a bit tired of prolonged injustice; and the United States has decided to go for dictatorship-type in justice at this time, at about the time the world is getting tired of it.

Unless the United States changes, unless this Thornburgh-Rehnquist pattern is reversed, very quickly, by the means provided by the Constitution, I think we can be sure that it will occur by means provided by the street, outside the constitutional processes.

Only as long as the law remains the law, at least a semblance of the law, does the law have authority. A perpetuation of what happened in the Supreme Court today in the United States, means the United States is no longer a nation of law, but is a jungle; and the remedy lies with the jungle then, and not with the law.

How will this be brought about? The United States is bankrupt. It is as bankrupt as many Third World nations. The U.S. economy has been collapsed. The U.S. financial system is on the verge of collapse. Most of the banking system will be wiped out very soon under continuation of present policies. Savings of most Americans will be wiped out very soon under continuation of most of these policies. Unemployment will spread. Farms are collapsing. There will be food shortages. Industries are collapsing. Infrastructure is collapsing. There is a lack of the means to reconstruct. The United States has been destroying itself for about 25 years, in these ways, with fraudulent bad policies—economic policies, financial policies, other policies. The past 12 years have been particularly bad, since the introduction of deregulation into banking and transportation. We've been on the skids. The introduction of the Volcker measures in 1979 was the beginning of the end for the United States economy. What was done in 1982, in unleashing “creative banking” was even worse.

We're now wrecking the West out of intent to propitiate a Gorbachov who is becoming indefensible in his own country.

The signs are out. This policy, and any administration or any institutions in U.S. federal government that are trying to defend the continuing trend of bringing about the collapse of the United States: In the rage which infects the population as a result of that collapse, that abuse, many things are going to be changed, including the Thornburgh-Rehnquist system of injustice.

# The hope of mankind lies in a global moral renaissance

by Helga Zepp-LaRouche

*Helga Zepp-LaRouche is the chairman of the international Schiller Institutes and the wife of Lyndon LaRouche. She delivered this address to the June 2 Martin Luther King Tribunal via videotape, from West Germany.*

Dear participants at the Martin Luther King Tribunal:

From Europe, I'm sending you my warmest greetings.

There can be no question that we are in a very dangerous strategic situation. One could even say that the world is approaching, very rapidly, an apocalyptic crisis. And if the political events are not changed quickly, if the direction in which things are going is not reversed, we probably could reach soon a point of no return.

Most political developments, in nearly all the countries on this planet, are going very much in the wrong direction. The leading governments and politicians are either incompetent or sometimes very evil, or just the sin of omission of those people who could do better is contributing to these bad developments.

One can foresee right now, that down the road, not very far away, we could reach an irreversible catastrophe for all of mankind. We are in this sense, at a *punctum saliens*, the point in classical drama when the main actors can change the course of action if they courageously intervene and turn the situation around.

Today, we are not in a classical drama, but we are in world history. And therefore, we must be these actors. It is we, represented in this room, representing a very broad coalition of people in many countries in this world, who have to cause this change to happen. Unless we—you, I, all of us—realize the true moral renaissance, a global moral renaissance, I do not think that mankind has a lot of hope. On the other side, if we are able to accomplish such a moral renaissance, I think there is not only hope, but the prospect of a just world more worthy of the dignity of man and a new Golden Age.

## The superpower condominium

What is the immediate problem we are facing right now? Well, you know, that just this weekend, in Washington, is this summit between Gorbachov and Bush. And we know

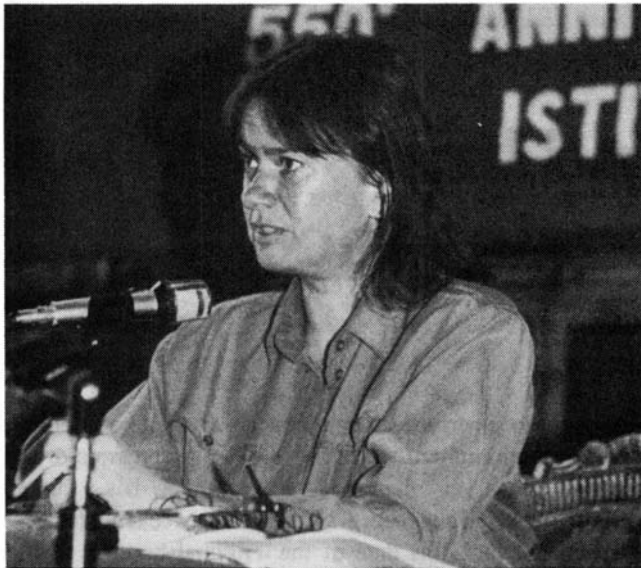
that the two superpowers right now are trying to consolidate their condominium of world rule based on repression of any opposition—a very dangerous development. It's a certain irony that our Tribunal occurs on this same weekend, because we did not pick this date of the Tribunal because of this summit, but because it is the anniversary of the massacre of the Tiananmen Square, and because we wanted to honor those martyrs who gave their lives for principles which are the most valuable to all of mankind, and who have inspired so much the freedom movement and the democracy movement which have become so strong since last year.

It was one year ago, that Lyndon LaRouche—who was then, and is now, innocently sitting in jail—said that when the Tiananmen Square massacre occurred, that the basis for the condominium between the superpowers, between the United States, the Soviet Union, and, in a certain way, China, had been already destroyed, because the Chinese regime had lost the Mandate of Heaven. Lyn said, in a very passionate comment on this horrible massacre, that from now on, the world would be divided forever by a river of blood. On one side, stand the martyrs of China. On the other side, stand tyranny and dictatorship.

Lyn was very prophetic in saying this; all the developments in Eastern Europe in the last year have proven that Lyn was absolutely correct. The revolution in Eastern Europe has demonstrated, among other things very clearly, that communism, as an ideology, is dead. If you look at the situation in the Soviet Union right now, it couldn't have been more traumatic. Gorbachov has been exposed as being really not a peace-loving person, but being a very efficient public relations salesman for the communist regime. What the truth is, he has clearly shown in Lithuania. One should remember that the denial of independence for Lithuania by both superpowers, de facto, has occurred on the basis of the Hitler-Stalin Pact.

## U.S. and Soviet Union in crisis

Now look at the other developments in the Soviet Union. In the Transcaucasus, again, the army is brutally clamping down. The death rate is already in the dozens against the Armenians. In Ukraine, the situation is ready to explode.



Nora Hancerman

*Helga Zepp-LaRouche speaks in Rome at a conference on the 550th anniversary of the Council of Florence, May 6, 1989.*

There is starvation, and, after the price increase, panic-buying; millions of people going to the stores in long, long, queues. There was just a movie produced in the Soviet Union, which shows in an absolutely unbelievable way how miserable life is in the Soviet Union. The crime rate is increasing; police brutality is unbelievable. And, concerning the general economy, the Soviet Union is reaching exactly right now the scissors crisis Lyn warned of in his presidential campaign statements during 1988.

We are, in the Soviet Union, on the verge of a horrible starvation crisis, civil war, chaos, and, as the British think tank IISS [International Institute for Strategic Studies] has just warned, military actions out of all this can no longer be excluded.

But then you look at the situation in the United States. There is a gigantic banking crisis looming, which can bring down the entire banking system any moment. There is increasing poverty among an ever and ever larger group of people. Crime is horrible, here in Washington; we see also the increase of the drug plague, violence, police brutality. The United States right now, very similar to the Soviet Union, is using repression toward the inside, and imperialist aggression toward the outside, like recently in the case of Panama. This is called the Thornburgh Doctrine: the idea that the American Army and FBI can go anywhere in the world, kidnap people, kill innocent people, and totally violate international law. But, as recent developments have shown, Thornburgh is like all tyrants: He can be very tough against [Washington, D.C. Mayor] Marion Barry, but when it comes to his own assistants who are involved in the drug business, then he's all of a sudden quite soft.

What is developing right now, is something Lyn has correctly called judicial fascism: the idea of using the appa-

tus of the state, especially the justice system, for political purposes and repression. This is what was used against Lyn. One can say that the condominium between the two superpowers is exactly based on what the Pope once called the "structures of sin."

The Pope recently, in Mexico, reiterated that, very much to the dismay of many people in the West, who arrogantly think that they're better than the East, the evils of capitalism are as dangerous as the evils of communism. If you look at the tremendous repression that the financial institutions, those structures of sin are committing, for example, in Africa, where they are condemning an entire continent to death, I think it is a correct description.

### **Taking back our inalienable rights**

In the face of all of this, a little bit less than a year ago, Lyn called for an international anti-bolshevik and anti-fascist resistance movement. The developments in Eastern Europe have shown, in a very clear way, that when the governments are totally evil, when they do not respect individual life anymore, when they're totally corrupt, then there is only one way: That way is that the people have to take the power to the streets, and take back their inalienable rights, which are in the stars, given by natural law for all eternity. It is exactly the kind of moment expressed in the Declaration of Independence in the United States.

We are at this moment in history once again, and this time for all of mankind. We have to build a mass movement. All the different groups represented in this room and others have to build a mass movement around essentially one fulcrum. For all of these different groups from China, from Tiananmen Square history, from Lithuania, the civil rights movement, the pro-life movement, all these others, this is the idea of the sacredness of the individual human life, the idea of human freedom and inalienable rights of all people on this planet. We have to recognize our world historical responsibility to realize that.

The key is to reintroduce the idea of morality into the economy. The key obviously is to feed people; because if people don't eat, they cannot exist. Therefore, we have to ensure that the economic existence of all people living on this planet is guaranteed. That is the essence of economy.

This is possible only through the application of scientific and technological progress. Then, and only then, is the economy consistent with an image of man as *imago viva Dei*: man in the image of God. Only when the individual develops his or her creative potential to the fullest, can he or she contribute in the best way to the well-being of society as a whole. Therefore, we, and society, have to focus a lot on the development of education; education meaning first, the development of the character of the individual, and then, the specific skills added to that.

We are talking about the economic tradition of Leibniz, Alexander Hamilton, Friedrich List, and Lyndon LaRouche,

who has developed this even further. This tradition is based on the idea that the only source of wealth is technological progress, and the increase in the productivity of labor caused by that increase in technology. Therefore, the development of the creative potential of the individual, to produce and assimilate this technological progress, is key. Therefore, society must strengthen the capacity for creative reason for all individuals.

This can be done through the teaching of science, but also through exposure and understanding of the great classical arts, great music, to study how the composer composed, and through the great drama, the great poetry of universal history. But it means especially, and essentially, also the strengthening of agape and the capacity for agapē of all people. Agapē means the love for God, the love for mankind, and the love for your neighbor. Agapē is the essence of man. All human activity must be centered on this fact, including the organization of the political and economic life. The protection of the family is very important in this respect.

### Man in the image of God

Politically, I'm talking about the fundamental difference between oligarchism and republicanism. Oligarchism means the rule of a small power elite, some evil establishment over a mass of backward and exploited people. We do not want that, and mankind can no longer afford to suffer from it.

We are fighting for republicanism, in the way of self-government by all the people through a representative system; that each person relates to the other on the basis of respecting, in the other person, the *imago viva Dei*—the image of God.

We will build a worldwide international mass movement on that basis, and by teaching people self-government. We will conduct, in the immediate future, many, many, town hall meetings; we will start precinct organizing; and all of this will occur on the basis of the concept of non-violence.

How shall we react to suppression, violence, and brutality? Exactly in the same way that it was done by Mahatma Gandhi against the evil British colonial masters; that it was done by the great Martin Luther King, in whose tradition we are celebrating this Tribunal; and as it has been demonstrated by the students in Tiananmen Square, in Lithuania, the people in East Germany, and in Czechoslovakia.

There are many, many poor people in the world today, and we have to organize them for the same reason Gandhi and Martin Luther King did. We will build a mass movement around the idea of man in the image of God; we will build on that basis the new, just world economic order, and the idea of the inalienable right of self-government. If we do this, with this Tribunal as a launching point, we shall overcome; and not only overcome, but we will win this fight for mankind. When we will have acted at this *punctum saliens* in the right way, then we will realize a world worthy of the dignity of man. I ask you all to join in this noble fight.

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## Conference Report

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# A worldwide outcry for human rights

*More than 350 people from many nations and walks of life attended the Schiller Institute's Martin Luther King Freedom Day Tribunal on June 2. Here is a brief rundown of the speakers.*

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## Panel I: Democratic movements and the fight for freedom

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Dr. Frederick Wills, former justice minister of Guyana and ambassador to the United Nations, vice president, Commission to Investigate Human Rights Violations, opened the conference with a welcome to participants from all over the globe. "There's no other organization I know, now, in these United States, that can get so many people of diverse cultures and views and attitudes together, under the banner of Justice."

Our mobilization, he said, is a *moral* mobilization. The people here are dedicated to moral causes, like the right to life. "What distinguishes mankind from the animals, is his capacity to identify the moral issues. That's what makes you human beings. And the day you leave the moral high ground, is the day you return to the bestiality of the Middle Ages. . . .

"If somebody told you three years ago, that people would be coming from Eastern Europe and from Romania, and wherever, if somebody had told me on Jan. 1, 1989, that we'd be able to speak of a German reunification, and that Mandela would be out of jail, I'd have said, 'You're a kook; you must be one of those LaRouche kooks.' You know, those 'kooks' who have the enormous capacity to be right in the long run."

He appealed for all present to work to free those who are unjustly imprisoned. "Frederick the Great was once asked, 'How long can you carry on this battle, and fight?' He said, 'I will fight until my damn enemies give up!' And that is what I want to say to you: We have to fight until the enemy cannot afford any more casualties."

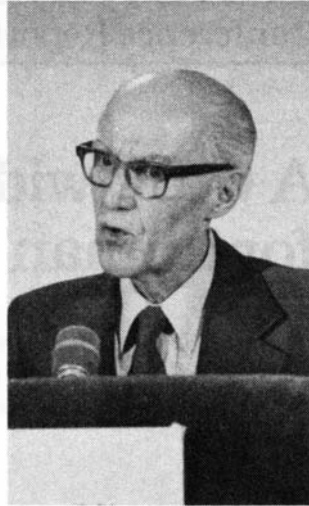
Helga Zepp-LaRouche, Federal Republic of Germany, the chairman of the Schiller Institute, addressed the conference by a videotaped presentation, published above in this *Feature*.

Lyndon H. LaRouche, Jr., candidate for Congress in Virginia's 10th district, political prisoner, delivered a





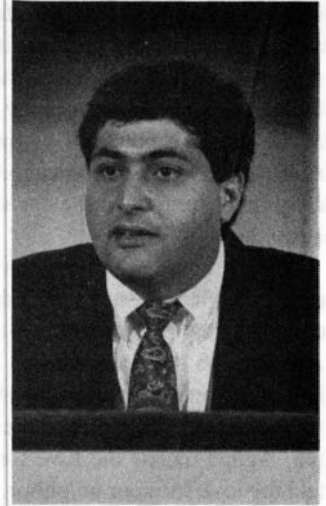
*Frederick Wills*



*John Kolasky*



*Eugenia Useriu*



*Kamal Hamdan*

speech by audiotope, which was featured in last week's *EIR*. He dedicated his remarks to "the late martyr, the Reverend Martin Luther King." He addressed the fundamental principle that only man, among all of God's creatures, possesses the power of creative reason, a power which distinguishes him from, and raises him above, the beasts. This principle, said LaRouche, is "the essence of all proper law, inclusive of relations among states and people," and has been the "motive for all of my public activities."

"We must insist on the right of the individual, and of the nation, to those conditions which are in accordance with natural law, and in accordance with the sacredness of all individual life, and which are in accord with the fact that there is only one race of the human species; and that race is the human race. These are natural rights."

**John Kolasky, Ukraine, author, resident in the United States**, documented the violation of human rights in the Soviet Empire, with particular attention to his native Ukraine. "A great many people in the West do not seem to realize that the present popular movement in the Soviet empire for democratic reform was not initiated by Gorbachov," he said. "He only opened a small dike in the dam of repression, as a safety valve and as a means of enlisting popular support in his struggle with the bureaucracy, which was blocking the introduction of greater efficiency in the economy. The popular tide of discontent that surged in a flood of criticism was the outburst of pent-up frustration that had accumulated over a period of 70 years, and could no longer be contained."

**Eugenia Useriu, Romania, now resident in the United States, former senior librarian, Romanian section, Library of Congress**, described the effects of 45 years of communist dictatorship on her country. "Romania has a zipper on her soul, and cannot say what she is thinking. The Iliescu regime in Romania is carrying on very much as the

professedly communist regime did before it."

**Rehin Babaoglu, Azerbaijan Organization of America**, asked the chairman to read excerpts of a letter he wrote to President Vytautas Landsbergis of Lithuania, describing how the communists have organized ethnic hatreds in Azerbaijan, and condemning the free countries of the West which "instead of helping the people who are fighting for their freedom, are giving help to the enemy, like Gorbachov, to destroy the demonstrators who are fighting for freedom."

**Very Rev. Monsignor Vytautas Balciunas, Lithuania**, sent greetings to the conference. "My heartfelt hope is that your deliberations today will aid the force of the Good to achieve freedom for all the Baltic Republics. God bless you all."

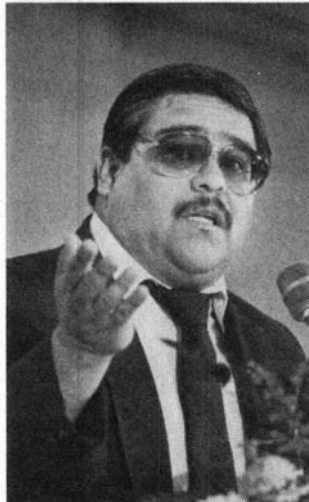
**Kamal Hamdan, Soviet Central Asia, representing the Muslim Political Action Committee of Southern California**, described how all the Soviet Central Asian republics have been conquered at least twice by Russia, once under the czar, and again following the Bolshevik Revolution. "The Soviet policy was to impose political and military control, to create new borders that crossed all previous homogeneous lines (to break down earlier political and cultural lines), and to install Slavic, that is, Russian, elements as the controlling political force. . . . The conflicts in this region are all the outgrowth of Soviet policies of conquest from the 1920s, not of inter-ethnic rivalries."

**Prof. Cecilio Simon, Panama, Dean of the School of Public Administration, University of Panama**, reported that, since the U.S. invasion of Panama, political repression in his country has worsened. "Political leaders opposed to the invasion are being persecuted. Over 2,000 have been indicted. The U.S. occupying forces have stripped the Panamanian military and police of their arms. U.S. policies con-





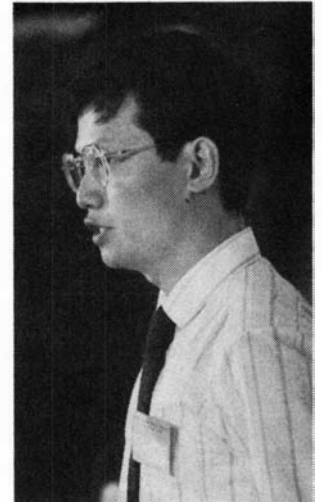
*Cecilio Simon*



*Ed Saldaña*



*Leonardo Sidnez*



*Yadi-Hu*

sist of drugs, 'democracy,' and demilitarization. The U.S. claims 202 civilians were killed—that's all. Well, others, including two bishops of the Church, have concluded that over 3,000 were killed. The Red Cross, off the record, tells us that they estimate 4,000."

**Elmo Martínez Blanco, Panama, Ministry of Commerce and Industry in the former government**, sent a message of greetings to the conference. "Your organization grows in stature as it zealously guards over the rights of people all over the world. 'I have a dream' has become, 'We share a dream.'" In Panama, he said, "the systematic persecutions and harassment against members of the previous government are directed to convince public opinion that the invasion of Panama by American troops and the thousands of innocent Panamanians killed are justified."

**Leonardo Sidnez, Panama, Ninth of January Committee**, polemicized against the fictions with which Panama's history has been obscured. "One is that Teddy Roosevelt founded Panama at the beginning of the century. In fact, Panama was founded in 1502, long before the American Declaration of Independence. The canal was built, yes, by American and other foreign engineers and technicians, but primarily by the backbreaking labor, under horrible conditions, of tens of thousands of workers, mainly black, many imported from the Caribbean islands."

**Ed Saldaña, United States, Mexican-American League Against Crime**, discussed the selective efforts of gun control enthusiasts to deprive minorities of their constitutional right to bear arms. "I believe that gun control targets racial and economic minority communities in this country, especially the Mexican-American and black community." He gave the example of a proposal by a California legislator to set up highway checkpoints, like drunk-driver checks, to inspect vehicles for "assault rifles." "Of course, this legisla-

tor didn't propose setting these checkpoints up in Beverly Hills; he wanted to set them up in what he calls the 'high crime areas': The Mexican-American community of East Los Angeles, and the black community of South-Central Los Angeles."

**Yadi-Hu, Chinese student**, recalled the image of a single man, student Wang Weilin, who stood before the column of tanks in Tiananmen Square on June 3, 1989. "Thousands are ready to give their lives," he said. "Millions took to the streets for freedom. Is this a miscalculation?" he asked. He outlined the history of communist leader Deng Xiaoping, and the "double standard of the U.S. government," which, he said, is complicit in Deng's atrocities.

**Ngoc Q. Nguyen, Special Forces Association of the Army of South Vietnam**, called for a redoubled international fight against communism. "Millions of Vietnamese people have left their beloved homeland in searching for freedom, many of whom have died on the high seas, or along the borders of the Indochina nations. As Vietnamese refugees abroad, we will fully support our people inside Vietnam in our continued fight against the communists. We shall not accept the presence of communism inside Vietnam, and we shall not, under any conditions, negotiate with them. . . . May this Freedom Day be our first step toward victory over communism."

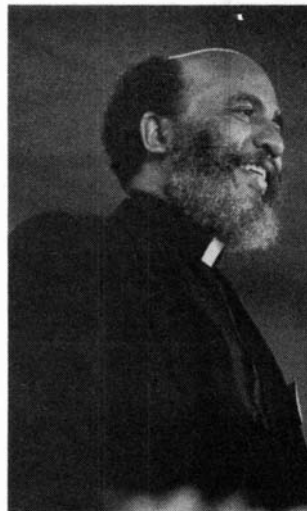
**Kassie Neou, Cambodia Genocide Survivors' League**, described Cambodia's nightmare of 1975-78. "Two million out of 6 million died, killed by a regime supported by the Soviets and Chinese. I don't know how I survived. At one point, out of 36 people held captive with me, I alone survived, all others were killed. . . . The Cambodian situation grew out of foreign intervention, it was not a domestic affair. . . . Some try to tell us today to accept the lesser of two evils, and tolerate the regime in power now. After all, they argue, there have



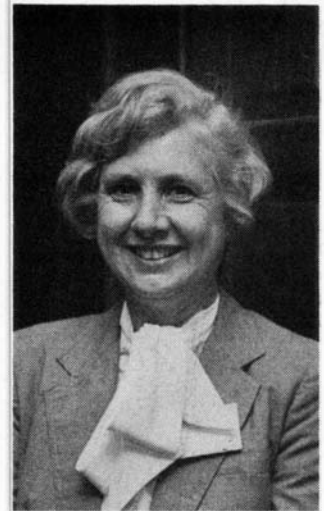
Kassie Neou



Amelia Boynton Robinson



Rev. James Bevel



Pat Coyle

been no mass killings since 1978. But this is like choosing Stalin over Hitler. We want none of it. We are caught between a crocodile and a tiger—they're both flesh-eaters."

## Panel II: Stopping genocide and the fight for life

**Amelia Boynton Robinson, United States, civil rights leader**, called for the founding of a Coalition in Defense of Human Rights. Her speech focused on AIDS and the battle to defeat it worldwide. "AIDS is the greatest medical threat to the human race. It is a lethal, incurable disease. It has no respect of race, people, or color. It is caused by ignorance, unsanitary conditions, poverty, and drugs. . . ."

"Tens of millions of Africans will die of AIDS over the next decade. This is how the oligarchy plans to inherit the Earth's riches. The entire continent is to be depopulated. And once it is, there will be people who go in for the spoils. . . ."

"We cannot pass the buck any longer. We must go out into communities and demand more money for research, and we must begin at once to found a coalition to do this throughout the world."

**Sheila Jones, United States, former activist with the Martin Luther King, Jr. youth movement, Midwest coordinator of the Schiller Institute, Chicago mayoral candidate**, called for the establishment of an international Genocide Watch in America. "Because of the negotiations of scores of secret protocols between the Anglo-American elites and Czar Mikhail Gorbachov of Russia, unless the international community, particularly the European community, unearths and halts the present holocaust against America's minority and poor populations, the world will face a Dark Age from which it will take centuries to recover." She detailed

the figures for infant mortality, disease, and homelessness in the United States among the black and Hispanic communities, concluding, "These statistics reflect an ongoing genocide carried out against American minorities by the architects of the State Department's *Global 2000* doctrine."

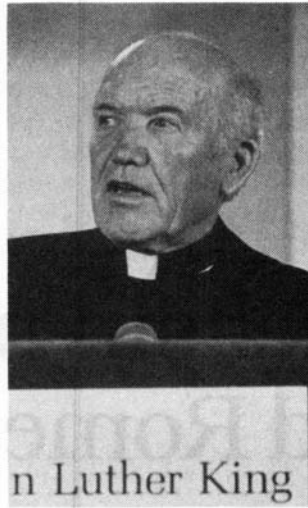
**Rev. James Bevel, United States, former associate of Dr. Martin Luther King, Jr.**, described freeing LaRouche from prison as critical to continuing the struggle for human rights. "It is an embarrassment for me to be out of jail when a man like Lyndon LaRouche is in jail." He stressed two principles: First, God gave man dominion over nature, but "we never seconded the motion." We must "join God to make man in the image and likeness of God." Second, is that embodied in the U.S. Declaration of Independence: "We hold these truths to be self-evident. . . ."

**Pat Coyle, United States, anti-euthanasia activist**, outlined a horrific picture of doctors calling patients "brain dead" in order to steal their organs. She recounted numerous cases of supposedly "brain dead" people who totally recovered, including a grandfather in Canada who had been "brain dead" for 10 weeks. As the family gathered to pay their last respects, one of his grandsons called out, "Grandpa," at which point the man sat up!

**Cecile Hecker, Pittsburgh, United States, educator and researcher**, documented how pro-abortion activist groups, such as Planned Parenthood, have been at work in our schools since the 1960s, to corrupt the minds and bodies of God's children. "Their latest tool in the battle to change the minds of our youth is the implementation of school-based clinics, which provide pro-abortion sex education, contraceptives, and abortion to the students." Black children have been targeted first, she said, citing the example of Pittsburgh, where in 1985, "the pro-death people claimed that there was a pregnancy problem in Pittsburgh, contraceptives given out



*Cecile Hecker*



*Father Pat Magnier*



*Nancy Spannaus*



*Mary Cox*

in school-based health clinics would alleviate the problem, and they tried to put the clinics into the schools. . . . The solution to the problem of teen pregnancy is complex, and the answer to the problem does not lie in the establishment of sex clinics. These clinics are ineffective, are dangerous to the physical and emotional well-being of God's children, will foster promiscuity, can cause the breakdown of family relationships and lead to genocide of the black community. . . .

"In my years of working with children, I have found that children respond to the truth, can learn self-control, and can understand the dignity and sacredness of every human life. Sex clinics address a symptom (pregnancy) rather than the underlying cause, which is a breakdown of teenage morals."

**Father Pat Magnier, United States, Chapter of Mount de Sales Academy, Baltimore,** said that "the proof of the intellectual integrity and honesty of a person is his attitude toward abortion. The greatest cop-out is not to admit that this is a human life. Six million Jews were killed in the Holocaust. Fifteen million Ukrainians were killed in the Ukraine Holocaust. This pales by comparison to 28 million Americans done to death by abortion."

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### **Panel III: The fight against administrative and judicial fascism**

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**Lyndon H. LaRouche, Jr.:** Portions of LaRouche's videotaped testimony before a court in Roanoke, Virginia, were played, documenting "government bad faith and selective and vindictive prosecution" of himself and his political associates.

**Nancy Spannaus, United States, candidate for U.S. Senate, Virginia, president of Club of Life, North America,** described the unmasking of the public/private "Get LaRouche" strike force, in recent court hearings in Roanoke, Virginia, where "government agents were compelled to reveal their filthy collusion with the so-called private agency which has served as the glue for the strike force since at least 1978—the Anti-Defamation League of B'nai B'rith. . . . As the history and the funding of the ADL shows, this group is nothing but a protection racket and dirty-tricks arms for dirty drug and thug operations for the Anglo-American banking establishment."

**Mary Cox, United States, attorney and Democratic Party activist,** denounced the judicial and administrative fascism being employed by the U.S. Justice Department in its ongoing prosecution of the District of Columbia's Mayor Marion Barry. She reported that, earlier in the week, a petition was filed with the United Nations, alleging human rights violations by the Justice Department against Mayor Barry. She told the Tribunal that she was convinced that the people behind the attacks on Barry intended to use the capital's drug situation to do things which would turn Washington into "a police state," for which they needed to destroy the mayor's support among his constituents.

**Gerald Kopp, North Dakota, United States, farmer, candidate for Congress, and a founding member of the Food for Peace organization,** documented the imposition of police-state repression against American farmers, by the Justice Department and its allies in the Anti-Defamation League.

**Lloyd Old Coyote, Montana, United States, representing the 6,000-person Crow Indian reservation,** spoke on the deteriorating situation on Indian reservations across the country, where malnutrition is widespread.

# Gorbachov, Yeltsin move toward 'Third Rome' model

by Konstantin George

A strategic shift has occurred in Soviet domestic policy, motivated by Moscow's urgent need to prevent the grave internal crisis of mass unrest, both in the Slavic core and in the non-Russian republics, from going out of control in the near future. The shift is denoted by four singular events during the first half of June, three of them compressed into a 48-hour time frame, June 12-13: first, the election of Russian-nationalist populist Boris Yeltsin as President of the Russian Federation; second, the near-unanimous vote on June 12 by the Russian Parliament declaring Russian sovereignty; and third, a meeting right after that vote of the U.S.S.R. Federation Council, composed of President Gorbachov and the presidents of the 15 Soviet republics, which decided to create over this summer a new structure of empire, discarding and replacing the "Union of Soviet Socialist Republics."

Finally, on June 13 the U.S.S.R. Supreme Soviet voted not to implement on July 1 an extremely unpopular plan for food price rises, which would include a tripling of the price of bread. On Gorbachov's recommendation, the rejection took the form of demanding that the plan be "re-drafted," thus preventing an outright rejection, which would have forced the immediate resignation of the prime minister and his government.

The backdrop to the Moscow decision to implement this strategic shift now, is the speed by which the situation in the Slavic core is threatening to move out of control. Popular discontent, following the mid-May announcement by the Ryzhkov government of its plan to raise prices, is at an all-time high. Strikes that could cripple the vital energy sector could erupt at any time. As the Federation Council was meeting, the news arrived from Ukraine's Donbass mining region, that the Donbass strike committees which had spearheaded

last summer's nationwide coal strike, had now formed the Soviet Union's first independent trade union, modeled on the Polish Solidarnosc.

News from the "oil front" was no less alarming. A symbolic slowdown in production had begun in the West Siberian Tyumen region, which produces some 75% of Soviet oil. Tyumen oil workers had announced that on June 15 they would be holding a mass meeting which would decide whether to begin an oil strike. Thus, the "waste no time" move to kill the July 1 price increases.

## **New arrangement for the Soviet republics**

The most dramatic component of the ongoing strategic shift is the June 13 announcement by Gorbachov's presidential spokesman Arkady Maslennikov, that Gorbachov is preparing to terminate the "U.S.S.R.," and replace it with a "Union of Sovereign Socialist States." Each state will be linked to Moscow, which would function as the hub of the empire's power, but each would have differing degrees of "independence," ranging from federated to very loosely confederated status. Maslennikov made no attempt to disguise the fact that the shift in strategy had been forced on Moscow by the Baltic republics' declarations of independence, and the growing independence movements in the non-Russian republics: "We're no longer talking of renewing the union, but of creating a new one. The situation is different from what it was, not just five years ago, but even last year."

Maslennikov stressed that any republic desiring it could have a loose, confederative link with Moscow, employing as examples the complete domestic "sovereignty" status that had been granted to Finland and the Central Asian Khanate of Bokhara in the pre-1917 Czarist period: "We're talking of a multiplicity of options, taking historical, cultural, and

economic circumstances into account." Maslennikov's remarks left the clear impression that the broad outlines of the policy involve a loosely affiliated "outer tier" of the Baltic, Transcaucasia, and Central Asia (not including Kazakhstan), with in some cases, as in the Baltics, total independence (albeit only after some years) would not be ruled out. The Slavic core of Russia, Ukraine, and Belorussia would be more tightly federated.

### **The Volodin Plan**

The Maslennikov press conference confirmed that Gorbachov has adopted the content of what is known as the Volodin Plan to save the empire with the least territorial and economic losses. The plan is named after its author, Eduard Volodin, co-founder and director of the Slavic Culture Fund and one of the leading behind-the-scenes policy-shaping personages in the Russian elite. The plan was presented in an article by Volodin in the Jan. 22 issue of the Russian literary weekly, *Literaturnaya Rossiya*.

Volodin argued that the systemic crisis had already gone too far for Russia to totally avoid some losses in the form of some republics achieving independence. He stressed that Russia had no recourse but to adapt, quickly before it was too late, to the process by establishing a mixed confederation-federation scheme. The counterpoint to his program was for rapid enactment of Russian sovereignty, to achieve a political-psychological regeneration of Russia, as the only means of stabilizing the crisis over the longer term.

*EIR* and its founding editor Lyndon LaRouche had predicted such a course of events back in 1983, when the Soviet Union's violent reaction to the U.S. adoption of LaRouche's Strategic Defense Initiative indicated that the Soviets were dumping the old "Brezhnev model" for good, and were launching on a new course which would probably involve the dumping of the Communist Party and the establishment of Moscow as a "Third Rome" which would rule the world forever on the model of ancient Rome and Byzantium.

This is what has come to pass. During the spring, the content of this Volodin Plan became the platform for Boris Yeltsin's successful acquisition of the Russian presidency. And now, the contents of the Volodin Plan have become policy of Yeltsin's erstwhile rival, Mikhail Gorbachov. The time, which Moscow buys through the avoidance of outright confrontations with non-Russian republics, will be used to foster a regeneration of Russia, without which no future re-consolidation of the empire from disarray is even possible. That is at least the intent of Gorbachov, Yeltsin, and the Russian leadership of his Presidential Council and the Russian Federation.

Intent and reality, however, can be two quite different matters, as the extremely volatile and unpredictable Soviet crisis situation has demonstrated time and time again in the recent weeks and months.

The "sovereignty" formula being presented is, as Maslennikov

himself confirmed, a return to the imperial model of the last period of pre-1917 Czarist times, where, in terms of all domestic affairs, certain entities, such as Finland and the Central Asian Khanate of Bokhara, enjoyed complete "sovereignty," leaving defense, foreign policy, and certain areas of economic relations in the hands of the Russian center. Such a formula had also existed in earlier periods of Czarist Russian history, such as in the Transcaucasus, where, from 1783-1803, the Kingdom of Georgia was domestically "sovereign" with a protectorate status within the Russian Empire.

### **The economic core of the crisis**

The cardinal question that will determine Gorbachov's fate is the question whether the Slavic core does or does not go totally out of control. This has led to considerable embarrassment for Gorbachov, who had been attempting to suppress the emergence of Yeltsin, the front-man for a broad spectrum of non-Communist political currents which are now experiencing rapid growth within the Russian Republic. But by the time of Gorbachov's return from the Washington summit earlier this month, adopting Yeltsin's policy had become a matter of sheer survival.

The hard facts of the days leading up to the June 12 Federation Council meeting document the curious symbiotic relationship which has developed between the two. Gorbachov, faced with a potential crippling outbreak of mass strikes in Russia and Ukraine, wasted no time in utilizing Yeltsin. He authorized Yeltsin to make a nationally televised live address to the Soviet population, which was delivered June 9, directly after the main news program.

Yeltsin's address was presented as "an appeal for national unity," in these times of crisis and turbulence. The watchword of that address was, "Be patient and things will get better, you have *my* assurance," as he announced with great fanfare—though with no details—his own economic program that would set everything right: "We have a program for two, at most three years, that will not only stabilize the situation, but also raise living standards. . . . For that we need your trust in us."

It is possible that with political-demagogic operations of this sort, a certain amount of time can be bought strictly for the short term. But these rhetorical maneuvers contain one and the same fatal flaw: They provide no solution to the economic breakdown crisis in the Soviet Union, which is underlying the systemic crisis. If Moscow follows the same course as Poland and adopts free market "shock therapy" à la Adam Smith—and there are many indications that this is precisely what the Soviet leadership has in mind—it is doomed. With no sane economic policies coming from the West, a point of maximum instability could easily be reached—not immediately but sometime in the future—in which some military faction would attempt to solve the empire's crisis through military conquest of new imperial realms.

# Ratzinger sees Europe's future based on concept of 'continuing creation'

*A remarkable sermon, with implications in the current political debate that go far beyond the Roman Catholic faithful, was delivered on June 3 by Joseph Cardinal Ratzinger, the Vatican's Prefect for the Congregation of the Faith. The German cardinal was celebrating the solemnity of Pentecost in the historic German city of Speyer, now commemorating its 2,000th anniversary.*

*Ratzinger, who is known to be extremely close to Pope John Paul II, took the occasion to reiterate and enrich the concept of the unique role assigned to the human race and the human individual in the Judeo-Christian tradition, of participating in a crucial manner in the ongoing work of God's creation through cooperating in the divine plan.*

*This is not an esoteric theological issue. Indeed, Britain's Duke of Edinburgh, Prince Philip, has recently escalated his campaign to displace the "revealed religions" (which include Judaism, Christianity, and Islam) with a fervid revival of nature cults in which animals, plants, insects, and other creatures are given not merely equal status, but indeed priority over man, based on a vision of entropy and limits to growth.*

*Prince Philip, whose (unearned) personal wealth as the consort of the world's richest woman Queen Elizabeth is practically limitless, styles himself as an adviser to the Vatican after a meeting he held with the Pope in his capacity as the president of the World Wide Fund for Nature. According to newspaper interviews, the Prince claims to have urged the Pope to renounce traditional church teachings on the sanctity of life, and instead to throw its weight behind a campaign to increase the animal population and decrease the human population. These philippics go far beyond the crimes of Adolf Hitler, for the Nazi regime at least felt obliged to keep its mass murders secret from the world, whereas Philip and the WWFN openly propagandize for such genocide.*

*Cardinal Ratzinger's speech not only rejects this hideous outlook, but it is intended too as a guide for the emerging reunification of Eastern and Western Europe. His plea on behalf of national sovereignty, with its implied support for the independence of Lithuania and the other Baltic states, is clear. In attacking the Babylonian model of imperialism, Ratzinger echoes the formulations often made by American thinker Lyndon LaRouche, who has shown in numerous writings*

*that the historic political conflict is between the oligarchist model first exemplified by the Babylonian model, and the republican nation-state that emerged in Solon's Athens. The full text of Ratzinger's speech follows.—Nora Hamerman*

In the Gospel according to St. John there is a significant word of Jesus, by which he defends his working on Sabbath, but implicitly also his being born into the household of the worker Joseph, which many misused as an argument against his messianic dignity. Against this Jesus argues: "My father worketh hitherto, and I work" (St. John 5:17). With this the Lord wants to say, that God has not withdrawn, after an act of creation that presumably occurred a long time ago, into the retirement of an unlimited Sabbath leaving the world among its own. Because God is eternal presence, His act of creation comprehends all times and all history. God is continuously struggling for this world, shaping it. He has not once, in a far distant past, given the clay His spirit, but is continuously working so that the Spirit penetrates the clay, so that Man becomes God-like and thereby, the aim of creation is fulfilled (Rom. 8:19). In a continuous way, Christ is working on us, struggling for us, in order to make us adopt the form of the Son.

The pentecostal report of St. Luke (Apostles 2:1-11) shows the new phase of God's work on this world which began with the Resurrection of Christ. From him, the Man who is God's son, now God's breath, the Holy Spirit, is flowing into mankind with new force. What happens thereby? Unity is created, understanding grows, where alienation was before. The dispersed limbs of the body of mankind are being assembled. The single ones, touched by the Spirit, are drawn this way into the community with Christ, so that they become a new subject with him—one body, as St. Paul says: the Church. The effect of God's work on man is unity. By that He is recognized. And therefore the Church's first imprint on history is its universality. In the first moment of its coming into being the Church, speaks in all languages. Before there were local churches there was the whole Church, and the local churches are its daughter, which always have to measure themselves according to unity and universality. It is one of the essentials of the Church, that it transcends political and cultural borders. It is not by itself some kind of a new unitary state, but it is a ferment of unity which cuts right across all



borders drawn by man. Out of this a very concrete measure for our Christian life is born: Each seclusion into one's own ideas and forms is a signal of departing from the Holy Spirit. Particular acts of the local churches always have to flow into the common stream. Sure, the unity which is created by the Holy Spirit, has nothing to do with egalitarianism. That was the model of Babylon: the technical standard culture. Egalitarianism does not unite, but separates. While in Babylon, according to the Biblical report, only *one* language for all people was allowed, the Apostles speak in all languages, and the unity of the Spirit gives comprehension exactly in multiplicity. If the Church lives in all people and in the different institutions of society, it will become multi-colored by itself. But it always has to be characterized by its comprehension of all the others. Particular forms of local churches may never have an exclusive character; they always have to be open towards the whole. The Church fulfills its reconciling and unifying function only if it never identifies itself with a state or a cultural area. In all states and in all locations, it nevertheless must remain the Catholic one, the common house of all people, in which all recognize themselves.

If we read the report of St. Luke carefully, he tells us something much more concrete. In order to underline the universality of the Church from the first moment on, Luke presents a list of 12 peoples which he has taken over from Jewish or Hellenic reports. Twelve, the number of signs in the Zodiac, always is considered to be an expression of universality. But there something significant is being demonstrated: The horizon of the Hellenic circles, which ostensibly had drafted this list, is limited to parts of Asia and the western part of Northern Africa. It is the world of origin of Christendom which is being shown very clearly to our eyes. By way of its creation it absolutely is not, as can be seen, a Western entity. But Luke sees through the limitation of this alleged universality and adds to it three parts, which really have shaped history: As number thirteen he lists the Romans and by this broadens the view into the entire Western world up to Britannia and Germania—into those areas, which centuries later slowly became Europe. He also speaks about the Jews and Proselytes, i.e., the new unity of Israel and the peoples of the world; and finally he lists “Cretans and Arabs” as the symbol of West and East, for islands and mainland, in order to express again the universality of the new Man, the entire Christ. That means: The Holy Spirit breaks down all walls, which separate mankind. Christ passes through locked doors and gives peace.

What is being said here, is essential for every effort to create a renewed Europe of the future. Firstly: Europe was only created because of its meeting with Christ. Whenever it disengages from Christ, it dissolves itself. Europe came into being, because Christ passed through locked doors. Therefore one of the essentials of Europe is to look beyond itself. It has to take responsibility for the whole. It has to be the place for truth and peace for all people, because truth and

peace are inseparable. It came into being, through a process of unification of the divided, and therefore has to remain in the dynamics of unifying if it is to last at all. At this point, we really have to listen to St. Luke very carefully, in order not to come to false conclusions. To unify was also the program of Babylon. But the Babylonian way of unifying is subjugation, since uniformity always includes subjugation under a human form becoming hegemonic. Europe in its history has increasingly worked with this model of unification: Colonialism is a form of unifying, which in its historic effect has mounted abysses of separation, which apparently cannot be bridged. Technical civilization itself has led to a uniformity of thinking, wanting, living and shaping, which threatens to strangle the very uniqueness of different cultures. But it doesn't create unity. With it at the time the alienation of people among each other is growing, a new provincialism is rising up, the suspicion and the animosity of everyone against all is coming into being. Unity cannot be created by merely a human thought, by merely a human concept, because it would only help to bring to power just a part. True unity, true peace, can only come from Him, Who embraces us all from the most inner part of our being: from God's Son. Only He has the authority to say to all of us: Peace be with you. Only peace with God can give man peace with himself, and only thus can real peace among each other grow. This method illustrates how the Evangelical Message of today conveys something indispensable for our querying of today: without the conceiving of sin and the forgiving of it, there is no peace. Forgiveness is the method by which God works on us. And only He can unify the divided limbs of mankind through this particular work of his.

All this has gained a living meaning at this historic hour of ours, which should make the deaf hear and the blind see. Christ has instantly entered through the closely locked doors of the atheistic systems, and, from the eternity of His mercy and from the fraternity of His passion, has called to the fearful: peace be with you. The doors between East and West are open again. No skill of negotiating nor violence has been capable of throwing them open. He, the resurrected and living, He was capable of doing it. He is working on us every day, working on the world so that it becomes the Kingdom of God. It would be a tragic vision to imagine that Europe closed its doors to Him at this very hour, opting, instead, for the Babylonian model, the skill of making things without the involvement of God and the Holy Spirit. An arrogance of this type would be a victory of nihilism and thereby result in the rendering of mankind to the force of dispersion and destruction under which only the fight among antagonistic egotisms would prevail. But this nightmare does not have to become reality, however. Christ is in our midst. He also says to us: Peace be with you, and He shows us His pierced hands and His opened side. Let's open the doors for Him. Let's accept His peace. Let's participate in His creative work, so that His Kingdom come, God's Kingdom.

# LaRouche case a test for CSCE

by Poul Rasmussen

When the foreign ministers of 35 European and North American nations arrived on June 5 at the Bella Center in Copenhagen for the opening of a conference on the Human Dimension held by the Conference on Security and Cooperation in Europe (CSCE), they received an unexpected welcome. Up in the sky, two bright red helium balloons carried a huge banner reading "Free Lyndon LaRouche, political prisoner of the United States," next to a photo of LaRouche.

The May 31-June 3 Washington summit meeting between Presidents George Bush and Mikhail Gorbachov only two days earlier made this welcome an appropriate reminder to the foreign ministers not to forget the original purpose of the Copenhagen meeting: to further the development of human rights in the signatory nations to the CSCE's Helsinki Final Act of 1975.

## **Soviets want new Congress of Vienna**

The Soviet proposal in Washington for the establishment of a permanent secretariat of the CSCE as a League of Nations-type replacement of the Warsaw Pact and the Atlantic Alliance in Europe, created a palpable euphoria at the opening session in Copenhagen. The attention was totally focused on the talks between U.S. Secretary of State James Baker III and Soviet Foreign Minister Eduard Shevardnadze. The corridors of the conference were buzzing with excitement. The hundreds of bureaucrats and delegates from 35 nations gathered at the 500-foot-long conference table had trouble hiding their great expectations: "Are we going to become more important?" "Will we be the new administrators of Europe?" Only the sterile cement walls of the modern Bella Center destroyed the illusion that this was 1815, at the Congress of Vienna.

Despite the euphoria surrounding the opening session, Danish Foreign Minister Uffe Ellemann-Jensen to a large extent stayed with the original theme of the conference in his opening speech. Ellemann-Jensen pointed to the dramatic developments in Eastern Europe as a positive movement toward new democracies.

But, in full coherence with the program of the conference, he stressed that a free nation is more than just democracy. "The concept of democracy based upon free elections and free and fair competition among political parties and organizations is an indispensable element of such a system.

It is equally important to ensure for our citizens the basic guarantees of the rule of law. This applies in particular to criminal proceedings," he declared.

A week earlier at a press conference, Ellemann-Jensen emphasized that the CSCE process also includes having countries "check up on each other." In other words, how does each nation live up to the principles of the Helsinki Final Act of 1975, which established CSCE as an ongoing process? This often touches upon areas that many countries normally would regard as their "internal affairs," Ellemann-Jensen said. Therefore, it cannot be helped, if some countries feel offended if specific problems regarding human rights in their country are brought up, he said.

During the first week of the conference, it was repeated by many delegations that the input from the so-called Non-Governmental Organizations—private groups with United Nations recognition and offices, something like lobbyists—plays a crucial role. Therefore, a number of meetings and events by "parallel activities" was scheduled at various locations around Copenhagen for the duration of the conference, which ends on June 29.

## **Ramsey Clark to address 'LaRouche case'**

One such parallel activity is the scheduled June 19 meeting sponsored by the International Commission to Investigate Human Rights Violations, where former U.S. Attorney General Ramsey Clark, the leader of Lyndon LaRouche's defense team, will speak. In addition, Lewis du Pont Smith—whose wealthy family had a court declare him mentally incompetent and deprive him of his civil rights because he supports Lyndon LaRouche's politics—is expected to present his case to the CSCE conference attendees.

Observers on the scene have stated that the LaRouche case is a true test of the sincerity of the CSCE Helsinki Accords' human rights provisions. If fear of retaliation from the United States prevents smaller countries from addressing the LaRouche case, CSCE cannot be the instrument of defense against human rights violations it is thought to be. Unfortunately, after only a few days of meetings, representatives of the International Commission to Investigate Human Rights Violations report that some delegations indeed have expressed fears of U.S. pressure.

Another test of the CSCE conference's seriousness has been the question of the Baltic republics of Estonia, Latvia, and Lithuania. Here the CSCE has already failed. On the first day of the conference, the three governments of these countries, which were annexed by the Soviets under the Hitler-Stalin Pact's secret protocols, collectively applied for observer status, which had been given to Albania only a few days earlier. As expected, the application was denied, because the Soviets vetoed it. Unfortunately, support from the Western nations was limited to inviting the three foreign ministers to present their case at a press conference at the Bella Center.



# Superpowers push European 'New Yalta'

by Gabriele Liebig

The claims which the condominium partners—the United States and the Soviet Union—are making on many “external aspects” of the establishment of a unified Germany, are going much too far. Indeed, West German Chancellor Helmut Kohl would be well advised to act quickly and pull his foreign minister, Hans-Dietrich Genscher, down from the Soviet clouds where he has been hovering of late. For what Germany and all of Europe need urgently at this point, is some stubborn resistance against U.S. and Soviet plans to control it from the outside. Presidents Bush and Gorbachov, for all their differences over which strategic alliance a unified Germany will belong to, nevertheless fully agree that Germany, Western Europe, and the nations of Eastern Europe, which are on the verge of throwing off the yoke of the “old Yalta,” should now be tied into a “new Yalta” system, presided over by the U.S.-Anglo-Soviet condominium.

Of course, there would be little reason to object *per se* to upgrading the status of the Conference on Security and Cooperation in Europe (CSCE), having regular meetings of the 35 heads of government, and establishing a CSCE secretariat along with institutional mechanisms for conflict prevention, etc.—provided that the United States and the Soviet Union did not strive to exert joint dominion over Europe. Unfortunately, it seems that that is precisely what they intend to do in the framework of the new CSCE institutions on essential questions of foreign, security, and economic policy.

And in order to be able to exert pressure as required, U.S. troops will remain in the western part of Germany, while Soviet troops will remain in the eastern part. Gorbachov, whose stated goal heretofore has been the complete withdrawal of all U.S. troops from Europe, declared after his Washington summit meeting that the Soviet Union now has no objection to the continued presence of U.S. troops in Europe, since “Soviet-American cooperation” is one of the “pillars on which Europe’s political security rests,” reported the daily *Frankfurter Allgemeine Zeitung* on June 13.

## Sovereign nations should decide

This should cause Europeans and their friends to prick up their ears. What questions are these, which the Germans and the other Europeans should exert their sovereign and independent right to decide?

- Foreign policy relations with the countries of Eastern Europe—for example, effective support for the political opposition in Romania.

- Defense policy cooperation between France and Germany, as well as integrating Czechoslovakia, Hungary, and Poland into a common European defense policy.

- The troop strength and armament of the future unified German armed forces, which are supposed to be reduced to 200,000—far below the current level of the West German Bundeswehr. (The condominium’s argumentation on this question is reminiscent of the U.S. argument that Panama should no longer have an army, since U.S. troops are there now to protect it.)

- Europe’s economic and financial policy, which Washington and Moscow want to “co-determine.” But here, at least, there is some difference in interests between the economically decaying superpowers: Moscow would like the most massive possible economic support from Germany and Europe, and thus has a burning interest in creating a second European economic miracle; whereas the U.S. financial establishment, and officially the Central Intelligence Agency, sees Europe only as a dangerous economic competitor.

- Europe’s policy toward the Third World. It would conflict with the aims of the superpower condominium, if one or more European governments hit on the idea of using the reconstruction of East Germany’s economy as a model for a similar reconstruction policy toward countries in Africa or Ibero-America. Doing that would mean a fundamental break with Bush and Gorbachov’s view that it would be a catastrophe if living standards in the Third World were raised up to the level of the industrialized countries.

## Partnership with equal rights

It would be much more in keeping with actual economic relations, and with the rules of civilized intercourse among nations, to have a relationship of equal partnership with the United States. And in this connection, the elected representatives of Europe and the CSCE ought to take special care that the United States, in the process of its rapprochement with the Soviet Union, does not itself rapidly degenerate into a police state.

Europe’s relationship to the Soviet Union will certainly change for the better with the transformations in Germany, Eastern Europe, and the Soviet Union itself. But Europe’s attitude must also be tempered by great circumspection regarding the continued existence of the Soviet Union’s modernized military power, the expanded activity of the Soviet KGB in the West, and possible sudden shifts in the Moscow leadership. The Soviet Union should receive massive economic help from the West, in order to increase the productivity of the Soviet economy and to overcome the economic misery caused by the communists—but only if this is based on actual “westernization” of the Soviet economy, and not on Kissinger-style superpower deals.

# European arms control: hostage to Gorbachov?

by Our Special Correspondent

A May 31 seminar on arms control held in Utrecht, The Netherlands has revealed, in rather brutal terms, the new Soviet tactics particularly following the “more human” summit between President Gorbachov and President Bush. In the past, the expanding military capabilities of the Soviet Union and its Warsaw Pact allies were designed to speak much louder than any Soviet diplomatic initiatives, as a means to achieve Soviet arms control objectives. With the collapse of the communist regimes in Eastern Europe and the momentum toward the German reunification, these tactics have changed. The propaganda value of the threat of the Red Army has been replaced with the image of civil war in Russia, “with all its uncertainties and dangers,” and the bogeyman that a united Germany supposedly poses to the West’s darling President Mikhail Gorbachov. Rather than simply being hostage to the Red Army, the West must now become hostage to Gorbachov.

The seminar, “Defensive Technology, Conversion, and Arms Control” brought together arms control experts and peace researchers, depending on which side of the political spectrum they were from. Two leading Soviet arms control experts were in attendance—Aleksander Konovalov of the U.S.A. and Canada Institute of the Soviet Academy of Sciences and B. Komzin of the Institute of the World Economy and International Relations (IMEMO). Konovalov was the first Soviet arms control specialist to brief the U.S. Senate Armed Services Committee and Foreign Affairs Committee. He has also briefed the NATO staff in Brussels.

## Western aid for the Red Army

The Soviets’ new line became obvious in an exchange that occurred when a Dutch parliamentarian suggested that the Netherlands government help finance the Soviet troop withdrawal. One of the very pro-NATO speakers declared the proposal a “scheme and a lot of bula [sic]”; Konovalov jumped to the microphone and blurted out: “I am asking whether the West is interested in unleashing civil war on one-sixth of the planet who have stockpiled 10,000 nuclear warheads with unpredictable consequences. . . .” He, of course, then demurred, “I am only speaking for myself as a Soviet citizen.” The pro-NATO speaker sharply retorted that we in the West “do not in any way support the Soviet military. There are other ways to help your economy, such as relaxation of the CoCom rules, or other means, but the military is your own problem, like our military is ours.”

Konovalov’s outburst might also have been prompted

by an earlier presentation by Prof. G.C. Berkhof, a retired lieutenant general of The Netherlands Royal Army and current professor of strategic studies at the University of Leyden. Speaking on strategy and technology Professor Berkhof explained how a revolution in the military field is taking place, where technologies are being developed aimed at mastering the electromagnetic spectrum, including lasers, particle beam weapons, and electromagnetic weapons. Berkhof brought forward ample evidence that both the United States and the Soviet Union were deeply involved in researching these technologies.

Konovalov vigorously, if not convincingly, denied that the Soviet Union was engaging in such unpeaceful endeavors. Nonetheless, the presentation prompted comments that the Soviets’ unilateral troop withdrawals and the demobilization of 500,000 soldiers were going slowly. Konovalov returned to his original threat: “Be serious; this is a very serious question, because now we are in a situation of very serious tension, the nationalities, the economy—we are in the marginal area of very high instability and uncertainties, and if we add to these problems 500,000 soldiers and their families who are very dissatisfied and are trained to use machine guns, this could be the last drop that could create a social explosion.”

In his formal presentation, Konovalov launched into an attack on the potential of a united Germany to be a threat to the internal stability of the Soviet Union and hence the ability of Gorbachov to survive. “The potential military danger of a united Germany is a very important internal question for the Soviet Union, because, up until now, we have had some sort of idiosyncracies about the military threat of a united Germany. We saw Germany at the gates of Moscow and participated in two wars. . . . A change at the genetic level for the Soviet citizen would be required to change his view, that the German threat is the permanent threat, especially when we allow them [Germany] to reunify, and especially if the Western side insists on a united Germany in NATO. I admit the current level of threat is not serious, because of nuclear weapons . . . but this is not an argument for the Soviet public, and I think we have to discuss the problem of a new security system . . . where neither a NATO nor a Warsaw Treaty will exist . . . in which Germany and the Soviet Union will be included.”

## Emasculating the new Germany

In private, Konovalov elaborated on the German question, indicating that within the framework of the Vienna talks—specifically with respect to the so-called Central Zone—which include both Germanys, the United States, and the Soviet Union, proposals are possible: “We can indirectly establish very strong limits on the potential of the Bundeswehr or a united German army. This situation must be fixed into the future because, as I said, we have some sort of idiosyncrasy and some sort of genetic feeling that the military threat is associated primarily with Germany. This is still the

## Albrecht arrest sheds light on Stasi-terror tie

Susanne Albrecht, a key figure in the assassination of Dresdner Bank chairman Jürgen Ponto in June 1977, was arrested by East German police on June 6, a few days after her return from a two-year stay (she says) in the Soviet Union. For the eight years before that, she had lived under the false name of Ingrid Jaeger in East Berlin and worked as a chemicals specialist in a laboratory.

The arrest of Albrecht, and, by June 15, six other safehoused "first generation" Baader-Meinhof terrorists, sheds new light on the role of the East German State Security police—the hated Stasi—in running "Western" terrorism. It also reopens the file on the targeting of Lyndon LaRouche by Communist secret police for well over a decade.

LaRouche was informed in 1977 that his name was high on the same terrorist hit-list with Ponto, a hit list now revealed likely to have been East German- or even Moscow-inspired. Ponto had been involved in mapping out infrastructure investments in the developing sector in ways that dovetailed with LaRouche's famous International Development Bank proposal of 1975.

Albrecht, a friend of the Ponto family, gained access

to the household for the terrorists. After Ponto's murder she went underground and later was reportedly spotted in the Mideast, at Syrian-controlled terrorist safehouses. It turns out now that she also spent some time in Czechoslovakia, entered East Germany from there in 1980, and applied for citizenship—which was granted her in an unusually short time. This affair alone indicates that the ubiquitous Stasi had an active interest in letting her into the country.

Albrecht rose in the intervening years to the level of the privileged *Reisekader*, who were sent abroad by the regime to work. It is rumored that in fact she has worked in Syria for the past two years, and not in the U.S.S.R., whence she returned to East Germany by plane a few days before her arrest.

For years, the role of the DKP, the West German-based Communist Party, and other front organizations of the East German SED regime, was well known in the radical anti-nuclear movement in the Federal Republic of Germany and in the Berlin-Kreuzberg terrorist scene. It is also well known that selected DKP cadres were trained in secret East German camps in conspiracy and sabotage methods, which are strikingly similar to those of the terrorists. The "first generation" of West German terrorists around Ulrike Meinhof had direct contacts back into the German Democratic Republic, and their rise in the West German radical left enjoyed powerful backing from East Berlin.

fact of real life." Reiterating that the Soviet position is that a united Germany "will not become a military power" and a united Germany must "bear the burden" of East Germany's economic commitments to the Soviet Union.

While claiming he "supports Lithuanian independence," Kononov thanked the West for not coming to the support of the Baltic states, because it would "undermine Gorbachov." This elicited the sharp response from one of the Western panelists, "Do you mean to say that the West let you off the hook?"

Directly reflecting thinking within the Bush administration and the Soviet Foreign Ministry to turn the current Vienna confidence-building and conventional forces in Europe (CFE) talks into a Congress of Vienna-style system, Kononov proposed that such superpower cooperation would help solve the "balkanization" in Eastern Europe, particularly Romania. He concluded by again stating in foreboding terms that the Soviet Union should not be pushed too hard on conventional arms control, because "I am absolutely sure everyone in Europe will enjoy a very dangerous result."

As frequently happens, the most interesting portion of the seminar was during the drinks afterward. The chairwoman, "peace research manager" from the University of Amsterdam,

proceeded to distribute an "International Experts' Statement on German Unification," dated May 25, 1990. Among the "expert" signatories were Dr. Frank Barnaby, former director of the Stockholm Institute for Peace Research (SIPRI); Rear Adm. Elmar Schmähling of the West German Navy, who was suspended for violating the official NATO secrecy codes; Dr. Paul Walker of the Institute for Peace and International Security in the United States; Maj. Gen. Valentin Larionov (ret.), Soviet Academy of Sciences; and Dr. Aleksander Kononov.

The statement, subtitled "German armies must become non-offensive," declares that a united Germany within NATO "can easily be perceived as a grave disturbance of the existing balance of forces on the continent," and proposed that the German army, by international mandate, be converted to a totally defensive force without sophisticated aircraft and other weapons systems considered "offensive." According to the document, this situation would be permanently guaranteed through a Berlin "crisis management center" that would include the Four Powers.

Our "peace research manager" guaranteed that this statement had been given to the highest circles in time for the Washington summit.

# TV show on Jenninger rips ADL-backed hoax

by Liliana Celani

A West German television documentary has finally aired—a year and a half later—an honest report about the shocking “Jenninger Affair,” in which a respected political leader was driven from office for no good reason, and pilloried in the world press. That incident was so troubling it prompted U.S. economist and freedom crusader Lyndon LaRouche to call, in November 1988, for a worldwide anti-Bolshevik resistance to come into being.

It took only two minutes and 17 seconds to force Dr. Philipp Jenninger, the former head of the German Parliament, out of politics. It happened on Nov. 10, 1988, the 50th anniversary of the Nazi pogrom known as *Kristallnacht*, (Night of Broken Glass), because Jenninger dared to give a speech before the Parliament telling the truth about the horrors of Nazism. He had just greeted the Jewish guests attending the parliamentary session, when a Green parliamentarian started to shout “all lies” and stormed out of Parliament.

From that moment on, Philipp Jenninger, who comes from an anti-Nazi Catholic family and is a longtime friend and political associate of Chancellor Helmut Kohl, knew that someone had decided to dump him. “Did Jenninger pay for the fact he had refused to have Heinz Galinski, president of the Central Jewish Board in Germany, speak at the Parliament?” This question was posed by German journalist Werner Hill during a two-hour broadcast on the West German TV channel Sudwestfunk this past May 26. The documentary showed that Jenninger was forced to resign, not because he “defended Hitler in the German Parliament” as the major world press, the accomplices in his ouster, wrote the next day—but because “you are not supposed to tell the truth in the Parliament.”

As Jenninger himself told Hill in an interview aired during the broadcast, “You cannot name things by their name.” Jenninger had been told by Galinski that he should just make a short political statement, and then turn the podium over to Galinski during the commemoration ceremony.

Galinski, by the way, was recently criticized by the German Jewish magazine *Semit* as an accomplice of boozing baron Edgar Bronfman, one of the top controllers of the American Anti-Defamation League organized-crime front, in supporting East German dictator Erich Honecker (see *EIR*, May 11,

1990.) The broadcast of the TV program may be one more sign that patience with the ADL crowd, which promoted the hoax against Jenninger and is doing everything to shore up the communists in Eastern Europe, is wearing thin in Western Europe.

## A careful study of history

Given the solemnity of the occasion, which recalled the first open, mass violence by the Nazis against Jews in 1938, Jenninger had decided not to repeat what had been said before him by all German politicians, including President Richard von Weizsäcker, on the Nazi period. Instead he wanted to prepare a deep study of the reasons which led to the Nazi horrors, in order to make sure they will not be repeated. He studied extensively to write his speech, he said, reading all Nuremberg trial proceedings. “Maybe I read too much,” he said in the interview, “because you are not supposed to say the truth.” When he was interrupted, after 27 seconds of his speech, by the Green parliamentarian, Jenninger said he understood they were planning to dump him, particularly Galinski, and “to present to me the act of my decision.” But the parliamentary president decided to keep speaking.

*EIR*—alone among major English-language periodicals—published the full text of Jenninger’s thoughtful analysis of the Nazi phenomenon, in its Nov. 25, 1988 issue.

## Letters of support

Journalist Werner Hill reported quotes from more than 10,000 letters of support which Jenninger received from all over the world, including from American Jews, all congratulating him for his courage. A common theme was, “Since they dumped you in the Parliament, I will never vote any more.” The former Israeli ambassador to Bonn, Ben-Ari, was also interviewed, and said that he was a friend of Jenninger’s, knew him as a profound connoisseur of Jewish culture, and considers him a very honest politician. A sample of the letters quoted included one from a German Jew and Israeli citizen who felt the need for “expressing his thanks for your speech in the Bundestag, which despite its importance for us Jews, I could not read in any Israeli paper. Your speech was given at the right time but in the wrong place.”

“I feel it is my moral obligation to express to you my thanks for your honest, deeply moving speech,” wrote a Jewish professor from New York. Many Germans wrote to him to express their disgust at the way the world press had manipulated his words in order to give the opposite impression of his speech, alleging that he defended Nazism. These letters emphasized that a politician who says the truth will always be attacked by the media.

During the two-hour show, Hill showed parts of Jenninger’s speech in the Parliament, emphasizing how dangerous for democracy is the fact that such an honest and profound man can be driven out of politics because of a media set-up—and because he is disliked by Heinz Galinski.

# S. Korea's gamble to neutralize North

by Lydia Cherry

Following a successful trip to Japan and consultations with that government on reunification of the Korean peninsula, South Korean President Noh Tae Woo moved his "Northern Policy" a major step June 4, with his San Francisco meeting with Soviet President Mikhail Gorbachov. Speaking to the Korean people on June 8, President Noh conveyed his optimism that the meeting with Gorbachov would bring about further motion toward Korean reunification. "Now that the Soviet Union is moving toward realistic relations with us, the North has no choice but to change its heart," he said. President Noh is of the belief that neither North Korea, nor even the current Chinese police state, will be able to resist the revolutionary changes in the world that began in Eastern Europe.

In October 1988, President Noh enunciated his "Northern Policy"—offering North Korea the full benefits of South Korea's economic strength and a full development program, if the North would open up and begin negotiations toward reunification. The South's paved roads, Noh pointed out, become dirt roads as soon as the border into the Democratic People's Republic of Korea is crossed.

Though much of the Korean media coverage was almost ebullient, reaction among some South Koreans, including business executives in Seoul who have been trying to collect \$30 million in overdue trade bills from Moscow, was mixed as it became clear that, for whatever deal made, Seoul would be forced to "pick up the tab." The June 7 *Korea Times* noted that Gorbachov had absented himself from the news conference after the San Francisco talks and issued statements that made no reference to South Korea. Gorbachov, the *Times* insisted, "was not faithful to the protocol worthy of a historic summit." Gorbachov, the paper added, kept Noh waiting for an hour and then treated him "as if he was a private economic patron and not the head of state who had flown thousands of miles to confer on crucial matters of mutual concern." Han Sung Joo, a Korea University professor of political science, told the *New York Times*: "They knew what we wanted and that we want it so badly, that they are going to get the last ounce of what we have to offer," before actually establishing diplomatic relations.

In the talks, South Korea communicated that it was willing to grant the Soviet Union \$5 billion in loans and carry out economic cooperation with the latter after establishing

diplomatic relations with the communist giant that supplies 80% of the heavy military hardware of the North Korean forces on the other side of the DMZ.

Though the export-dependent South Korean economy desperately needs more export markets—particularly in light of the U.S. effort to shut down America as a major export market for the Koreans—Korea seems to have few illusions about the Soviet economy. President Noh acknowledged June 6 that it would be difficult for Korean businesses to seek economic cooperation with Soviet firms because of their many structural differences and because "the Soviet economy is seriously ill. Before the private sectors begin to seek economic cooperation, the two governments have to work out the systematic support such as agreements on investment guarantees," Noh said. In order to expedite Korean exports to the Soviet Union, the government will expand the export insurance fund from \$42.25 million to \$140.84 million. The government will give incentives to companies exporting ships and plants to the Soviet Union, including funds for exports on a deferred payment basis.

## U.S. brokers the deal

The United States was intimately involved in brokering the Gorbachov-Noh meet, in spite of U.S. State Department assertions that "we're just providing the turf," and a report by the Korean news service YONHAP that President Noh had directed his cabinet on April 7 to talk to Soviet officials about a meeting with Gorbachov after hearing that a U.S.-Soviet summit would be held in late May. According to the June 6 *Los Angeles Times*, not since World War II has the United States tried so hard to encourage top-level contact between the Soviet Union and an American ally in Asia. The *Times*'s speculation that the "U.S. was willing to do this because the Noh-Gorbachov meeting would enhance the stature of its South Korean ally," however, is not likely—in that U.S. policy seems to be to destroy every ally it has. The answer is more likely found in the U.S. desire to have the competitive "Tiger" share the burden of holding up the Soviet economy while the United States remains "on the inside" of a Korea settlement.

All indications are that Moscow made no attempt to discuss the San Francisco meeting with the North Koreans beforehand. In 1961, the Pyongyang government had signed identical treaties of friendship, cooperation, and mutual assistance with Moscow and Beijing which bar one party from aligning with the other's opponents. The pacts, which allowed heavy aid to Pyongyang from rival communist giants, also obligate the signatories to consult with each other on major international issues. "The summit has in effect wrecked the treaty," said Pyong Chin-il, editor of the Tokyo newsletter *Korea Report*.

Though it has not been positively substantiated by North Korea—one of the most closed-off countries in the world—it has been rumored for several weeks that Moscow has cut off its

crude oil supply to North Korea. A South Korean TV station reported on June 9 that the Soviet Union, which provides about 40% of Pyongyang's crude oil, had stopped supplies just before the Noh-Gorbachov meeting. Unquestionably, North Korea is one more communist economic disaster which Moscow is seeking to unload, while at the same time scoring significant glasnost propaganda points for its next foray—Asia.

### South worried about leverage

President Noh, speaking in Washington after meeting with President Bush on June 7, attempted, as he has in the past, to control the activities of the various players. Noh cautioned against a "hasty U.S. move to improve its relations with North Korea, noting that such a move should be taken place in accordance with due change in Pyongyang's attitude and the security situation on the Korean peninsula," according to presidential spokesman Yi Su-chong. Bush was advised by Noh, according to YONHAP, to ensure that North Korea sign the nuclear safeguard accord of the International Atomic Energy Agency and renounce terrorism and communitization of the Korean peninsula by force, *before* Washington seeks to improve ties with Pyongyang. The South Korean newspaper *Hanguk Ilbo* on June 7, however, quoted Spence Richardson, chief of the Korea desk in the U.S. State Department, that the United States was ready to open telephone lines with North Korea, admit North Korean emigrants wishing to settle in the U.S., allow North Korean citizens to visit the U.S. on the basis of invitations, and to promote mutual exchange of scholars and students.

George Bush reportedly promised Noh that there will be no change in the U.S. commitment to the security of the peninsula, but this is a pledge which South Koreans seem to have little faith in. YONHAP reported on March 28 that Washington, despite its repeated pledges to the contrary, unilaterally decided in January to close three air bases in South Korea and make a partial troop reduction. It seems that after Seoul was finally informed of the unilateral decision, to save face, a statement was concocted and simultaneously issued by both sides, to smooth over the U.S. action.

South Korea's wariness of the U.S. agreeing to a settlement for the peninsula without Seoul's input is deep-seated, as was made clear by an editorial in the Seoul daily *Choson Ilbo* last October. "We are concerned about the possibility that the United States, being less familiar with the North Korean authorities' way of thinking and way of behaving than we are, could fall victim to the fraud of the 'Kim-Il-Sungists,' " said the Oct. 8 editorial. "Even when the negotiations were under way for an Armistice Agreement, we objected to being a signatory to it, because we knew very well that it would provide the communists with an opportunity to reorganize and strengthen themselves. As a result, the United States signed it alone. Of course, we believe that the United States would not repeat the same mistake."

## Canada drowns at Meech Lake

by EIR's Canada Staff

"To have 11 first ministers, sitting around a room, making suggestions and cobbling expressions of words for the constitution . . . it's just incredible that any country should build a constitution that way. It boggles the mind." Clyde Wells, premier of the Province of Newfoundland, openly stated what many observers, inside and outside Canada, know to be true.

Canada's media have now proclaimed the solving of a constitutional crisis that could, in fact, still dismember the country whose land mass is the second-largest in the world. Prime Minister Brian Mulroney, whose popularity ratings plummeted to 15% earlier in the year as a result of disenchantment with his Thatcherite economic austerity policies, stated, "While I do not want to underestimate the divergences, what is in dispute is modest when compared with what is really at stake. What is at stake is Canada."

In fact, the six-day pow-wow held by Canada's leaders June 4-10 did not "sew up" an accord: Both Manitoba and Newfoundland Provinces could still reject it. However, for the time being, financial panic in the Canadian markets has abated. During May, the Canadian government spent \$900 million to prop up the Canadian dollar, which had plummeted in value because of persistent rumors of the imminent dissolution of Canada. This prompted Canadian Finance Minister Michael Wilson, in a speech made to the Montreal-based branch of the International Fiscal Association, to complain that the uncertainties surrounding the Meech Lake Constitutional Accord, were affecting financial markets and shaking investor confidence in the country.

### Gorbachov needs Reichmann

The timing of the crisis was highly impolitic. On May 27, Soviet leader Mikhail Gorbachov met Canada's Albert Reichmann, head of the Olympia and York enterprise and of the Canadian-Soviet business council, prior to Gorbachov's trip to Canada and the United States at the end of May. Radio Moscow featured Reichmann on its "New Market" show. Preserving the aura of political and economic stability is essential for Canada to reliably play its role in Anglo-American "perestroika."

So, that meant that everyone had to head back to the

negotiating table, to hammer out what would pass for a constitutional agreement that the public relations firms in London, Washington, and Moscow could boost.

### **What is Meech Lake, anyway?**

Canada's Constitution is an act of the British Parliament called the British North America Act of 1867. In 1980, the government of Prime Minister Pierre Trudeau initiated the process of "patriation" of the Constitution, suggesting the first major additions to the 1867 document.

Two acts were passed by the House of Commons in 1982.

First, the Canada Act of 1982 transferred to the Canadian Parliament power to amend the Constitution, a power previously vested only in the British Parliament—thus, "patriation."

Second, the Canadian Charter of Rights and Freedoms for the first time made part of the Constitution the protection of individual rights and freedoms, including freedom of religion, assembly, association, and the press.

Predominantly French-speaking Quebec, which in 1980 was the scene of a province-wide (defeated) referendum on the right to negotiate an ostensibly independent "sovereignty-association" status with the rest of (English-speaking) Canada, refused to sign this Constitution in 1982. In 1986, the premier of Quebec presented five conditions to be met, before Quebec would agree to sign. Although these conditions were initially agreed upon, and Quebec signed an accord in 1987, several other provinces then dissented. The signing was postponed until, first 1988, then June 23, 1990.

Though the original purported intent had been the reintegration of Quebec into the Canadian fold "with dignity and enthusiasm," instead, the talks were soon expanded to include a series of Provinces' Rights, Native People's Rights, Equality of the Sexes clauses, etc. For example, in Manitoba Province (population approximately 1.2 million) Elijah Harper, a legislator and former Chief of the Red Sucker Lake band of Indians, has led a filibuster after the accord's June 9 signing, declaring, "It's about time that aboriginal people be recognized." Premier Clyde Wells of Newfoundland, who received wild applause when he finally signed the accord on June 9, only minutes later told a CBC correspondent, "I did not sign it; all I signed was an undertaking to submit it, either through the legislature, or to a referendum." Under the 1987 rules, only provincial legislatures, or a popular referendum, can legalize the document.

Substantive issues, such as a proposal for reform of Canada's non-elected Senate, now appointed by a Privy Council (which reports to a governor-general, who reports to the Queen of England) have been deflected. There is not even a commitment to an actual Constitutional Convention. In fact, only sex equality rights managed to be inserted into the Constitution!

Polls published by the *Toronto Star* on June 14 give a partial indication, at least, of the mood of the country. To

the question, "Should Newfoundland pass or block the Meech Lake Accord?" 46% voted to pass, 40% to block. In Manitoba, where the same question was asked, 46% voted to pass, 51% to block. In Quebec, the vote was 41.9% "yes to Meech Lake," 36.3% "no." Man-in-the-street interviews in Montreal, Quebec have reported that in the aftermath of the June 9 signing, there is universal confusion. "People do not understand the Meech Lake process, what it's all about. It's something 'up there,' which the lawyers and politicians fight about," said one source.

### **Distinct—and disappearing—societies**

A "Distinct Society Clause" in the Meech Lake Accord reads, "The Constitution . . . shall be interpreted in a manner consistent with (a) The recognition that . . . French-speaking Canadians, centered in Quebec, but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Quebec, but also present in Quebec, constitute a fundamental characteristic of Canada, and (b) The recognition that Quebec, constitutes within Canada, a distinct society."

Quebec passed a law in the late 1970s, declaring French the only official language of the province. Canada's Supreme Court declared this law, Capital Law 101, unconstitutional in 1989. Quebec's Premier Bourassa contended, however, that a clause in the constitutional accord of 1987, a predecessor to Meech Lake signed by Quebec and six other provinces, contained a "notwithstanding" clause. That clause was interpreted to mean that, "notwithstanding" the court's decision, the province had a right to "control matters in their area."

The "distinct societies" clause is a weak attempt to postpone the inevitable and impending conflict between French and English-speaking Canada, as well as to ward off the implications of "provincial override" for the already questionable central government structure.

There is a definite parallel—although not an equivalence—between the "nationalities reorganization" now proposed by Gorbachov's presidential office, and Meech Lake's handling of the Quebec question. Behind the conception that is now emerging lies the attempt to organize an imperial "North American Common Market," in the wake of a subjugated Mexico, shattered Canada, and bankrupt United States. As *EIR* has emphasized, such a Common Market is in the national interests of none of the three nations concerned.

An alternative program—including construction of a high-speed transcontinental rail system, the North American Water and Power Alliance (NAWAPA) project, mass production of nuclear power plants for domestic use and export, credit and monetary reform—such ideas would be the useful basis of a profitable discussion of economic and, hence, political independence.

Nationalists would do well to combine efforts to derail the "Common Market" plan now, before Canada drowns itself in pathetic diversions such as Meech Lake.



# Peru elections say no to Thatcherism

by Luis Vásquez

The top news of Peru's June 10 presidential elections was not the victory of "Japanese" candidate Alberto Fujimori, but the defeat of Thatcherism. The most costly and spectacular media propaganda campaign in Peru's history could not induce the exhausted Peruvian population to vote for the kind of International Monetary Fund (IMF) devastation being imposed on countries such as Poland and Mexico. Candidate Mario Vargas Llosa, who promised to implement "economic shock" policies, was defeated 2-1 by the relatively unknown Alberto Fujimori.

Had Vargas Llosa been elected, his government would have been one of the most important peons of the Bush administration in its strategy of imposing an inter-American "common market," based on ending all protection for Ibero-America's weak domestic industries. Such "free trade" liberalism, now being imposed by Washington's "Project Democracy" puppets in most Ibero-American countries, has been used to facilitate genocidal looting by the Anglo-American creditors.

In contrast to the position expressed by Fujimori, Vargas Llosa was willing to allow U.S. troops to roam the Peruvian Amazon on the pretext of fighting drugs. Vargas Llosa is a conspicuous member of the Inter-American Dialogue, an Establishment planning group which has set out to eliminate Ibero-American armed forces. That would leave Peru at the mercy of the Sendero Luminoso narco-terrorists, who have murdered 17,000 people and have done \$15 billion in damage during the past decade.

The Bush administration also counted on a Thatcherite government in Peru to block all efforts to begin economic conquest of Peru's vast Amazon territory. One may recall that Mario Vargas Llosa was one of the continent's leading supporters, for "ecological" reasons, of President Bush's veto of Japanese plans to build the final small highway link integrating Brazil to Peru and the Pacific Basin.

## Will Fujimori be any better?

There is great uncertainty, however, over how Fujimori will tackle Peru's awesome problems. The almost-unknown candidate of Japanese descent won the elections without presenting a coherent program for Peru's economic recovery. His few isolated proposals range from promising economic "gradualism" in financial aspects, to encouraging small business. The former could lead him into the policies of the World Bank, from which he has drawn many of his advisers.

Fujimori's victory can be understood as a rejection of the country's old oligarchic structure, the small group of families which has dominated the country for centuries. His victory came from the votes of a number of social minorities including small industrialists, unemployed, and dispossessed peasants who have been marginalized from the country's political life until now. The Fujimori vote was a vote *against* Peru's oligarchy, more than a vote in favor of any program.

In this heterogeneity and programmatic poverty lies the weakness of "Cambio 90," the electoral alliance which brought Fujimori to power. Two key elements in that alliance leave open the possibility that the new government might turn against its mandate, and impose a retooled version of Vargas Llosa's liberal economics.

The overall strength of the political machine of fundamentalist evangelical groups within Cambio 90 represents a significant force pushing economic liberalism within the Fujimori camp. Although the fundamentalist sects represent a small minority in Peru (less than 300,000 members nationwide), by working feverishly inside Cambio 90, they have grabbed a disproportionate slice of political power, taking a surprising 9% of the seats in the national parliament. Fujimori's second vice-president, Carlos García, for example, is a former director of World Vision, the international evangelical association which became notorious for its backing of the government of crazed evangelical killer, Gen. Efraín Ríos Montt, who ruled Guatemala briefly in the 1980s.

Another Trojan Horse in the coming Cambio 90 government looks to be Hernando de Soto, a champion of the so-called "informal economy" whose National Endowment for Democracy-funded Institute for Liberty and Democracy put together Vargas Llosa's program in the first place. On June 14, World Vision's García reported that De Soto would be invited into the cabinet amid press rumors that he might even be named prime minister.

But Fujimori's victory could also open the possibility for the development of Peru and the South American continent. Fujimori recently adopted one of the proposals which had a big impact during the election campaign promoted by the Independent Solidarity Movement. This 100-candidate slate issued a comprehensive development program which included a proposal that Japan help build a high-speed railroad corridor linking the Amazon Basin with the Pacific Basin. Fujimori announced that he would propose this railroad during his late-June visit to Japan.

The Japanese have recently shown interest in investing in great projects in Peru and Brazil, including building trans-continental transportation routes between Peru and Brazil to unite the Brazilian economy with that of the Pacific Basin. Brazil and Peru have the largest concentration of descendants of Japanese origin outside Japan itself, and the Fujimori election aroused great sympathy in Japan. Peruvian television showed scenes of jubilation in Japan on news of Fujimori's victory.



## Carter's drug policy Bourne-again

*Jimmy Carter's former drug czar urges Colombia to "rescue its sovereignty" by legalizing the drug cartels.*

**P**eter Bourne, Jimmy Carter's former drug adviser, who was forced to resign his post for illegally prescribing quaaludes to his staff, has called on Colombia's outgoing President Virgilio Barco to suspend that country's anti-drug war, legalize cocaine, and bring the drug cartels into respectable society as a way of rescuing Colombia's national sovereignty.

Using a writing style virtually indistinguishable from that of the Medellín Cartel, Bourne released his "open letter" to Barco on June 4, during the Colombian head of state's two-day visit to Washington, D.C. In it, Bourne argued implicitly for a military surrender to the drug lords, saying they "have more than sufficient funds and enough access to the international arms market to compete in any arms race."

Bourne was writing in his capacity as chairman of the board of the left-liberal Council on Hemispheric Affairs. "You don't need a war on drugs," Bourne insisted. "You need the reverse: a carefully orchestrated plan of de-escalation and disarmament. Suspend the extradition program and make a good-faith effort to reintegrate into society leaders of the cartel."

Bourne wrote that fighting drugs is "anti-democratic," because it gives too much power to the military. "In the name of the drug war, human rights violations have dramatically risen in Colombia and democracy itself is severely threatened. . . . U.S. military aid to your country's armed forces, allegedly to fight drug trafficking, will in all likelihood end up

mainly escalating repression."

Explaining his letter to the press, he further pushed the line of the free-market extremists that the Colombian economy should be based on cocaine, not industry. "It's in the interest of Colombia to make cocaine part of the legitimate economy," said Bourne on June 9. "If cocaine were part of the legitimate economy, it would transform the economy of Colombia dramatically for the better. If Colombia were able to negotiate an arrangement where cocaine was taxed, was made part of the legitimate economy, was legalized, it would immensely benefit the economy of the country."

Bourne also supported the efforts of former President Alfonso López Michelsen, known as the drug cartels' political godfather, to force a pact with the drug lords, under U.N. auspices. "I think that proposal is along the right lines, that I would support," said Bourne.

President George Bush compounded Bourne's insults by sending his Colombian colleague home without even a promise of the assistance Colombia urgently needs to fight the drug lords. In fact, Barco's efforts to extract trade concessions from the Bush administration, as a means of easing the financial burden of his anti-drug measures, were rudely rebuffed. U.S. Special Trade Representative Carla Hills was reportedly lobbying to get Colombia placed on a "watch list" of unfair trading partners, causing one Colombian official in Barco's retinue to comment, "Carla Hills is becoming one of the most difficult foes of the drug war."

Barco's visit, in the company of both his own economic advisers and those of President-elect César Gaviria, was focused on winning U.S. approval for the application to Colombia of a special "subsidies code" that grants preferential export subsidies to Third World countries. Colombia had the backing of almost all the countries belonging to General Agreement on Tariffs and Trade, except the United States. One day after Barco's departure, the U.S. rejected Colombia's appeal.

The U.S. Congress was little better. The House Foreign Affairs Committee opened its doors June 7 to so-called human rights activists dedicated to the dismantling of Ibero-America's military institutions. They were headed by the executive director of the Washington Office on Latin America, Alexander Wilde, who insisted that U.S. support for the Colombian Armed Forces was a terrible mistake, which would "deepen, not diminish, the problem of narco-terrorism," and would "fuel further the crisis of human rights abuse and undermine political stability."

Wilde, who conveniently ignored the fact that Colombia's anti-drug victories have been entirely military, and *not* legal or economic, told this reporter that the "ideal model" for Colombia should be Costa Rica, where there is no army and where U.S. security forces are the only protection.

The support offered Wilde and his ilk at the hearings by Democratic congressmen suggests that the miserable \$80 million in military and civilian aid the Bush administration provides Colombia may yet be further reduced. Between the Democrats' "human rights" pretexts, and the Bush "free-trade" obsession, Colombia's anti-drug President-elect, César Gaviria, may be left high and dry when he assumes office on Aug. 7.

# International Intelligence

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## **British intelligence shapes U.S. policy**

The visit to the United States in April by British Joint Intelligence Committee head Sir Percy Cradock and the recently appointed head of MI-6, Sir Colin McColl, helped institute a far-reaching review of U.S. global policy, according to a former staffer of the U.S. National Security Council.

The British team emphasized in their discussions in Washington that the unraveling of events in Eastern Europe and the Baltics meant that "Gorbachov is in danger," and should be supported. Sir Percy argued that if the West imposed sanctions over Soviet bullying of Lithuania, then not only would the suffering of the Russian population increase, but it would make things more volatile for Gorbachov.

Three camps emerged on the U.S. side, the source reports. One, associated with CIA chief William Webster, argues that the U.S. must concentrate upon competition with Western Europe and Japan; a second, associated with banker David Rockefeller, calls for an emphasis upon a Western Hemispheric policy, including settlement of the Ibero-American debt issue; and the third, dominant grouping, led by Secretary of State James A. Baker III, sees U.S. relations with the U.S.S.R. as the pivot of world history, arguing that everything possible must be done to save Gorbachov.

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## **Mischa Wolf wants deal to whitewash the Stasi**

Markus "Mischa" Wolf, who headed East Germany's foreign intelligence and special operatives section for almost 30 years, now wants a grand deal between the two German governments that would clear the Stasi espionage apparatus of charges of crimes and terrorism.

In an interview with the *Süddeutsche Zeitung* published on June 8, Wolf, who is currently resident in Moscow under his new born-again identity as a "critic" of the former East German communist regime, said

he is not afraid of going on trial for his past, because what he did was a plain intelligence job, as the intelligence service of any state would do. Wolf has been indicted by West Germany for his espionage activities.

He said that although he quit his job in 1987, he intends to protect the better part of the Stasi, the straight intelligence section, from false charges. Wolf said he would not recommend anything specific, but would think that a grand arrangement between the two German governments that offered a "perspective" for former Stasi agents, would be most desirable, to settle this part of German-German history.

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## **Sandinistas to join Socialist International?**

Venezuelan President Carlos Andrés Pérez and Spain's President Felipe González, both stalwarts of the Socialist International (SI), met in Spain at the beginning of June, to further the Socialist role in protecting Soviet assets in the Western Hemisphere, notably the Nicaraguan Sandinistas.

In an interview published on June 6 in the Spanish newspaper *El País*, CAP, as the Venezuelan President is known, said that his Democratic Action party "favors Sandinista entrance into the Socialist International," adding that the decision will be made at the next SI conference. "Central America has definitely entered into a détente," he said, praising the efforts of González toward this end. CAP insisted that although Salvadorans and Guatemalans have made big efforts to find solutions by holding "dialogues" with guerrilla movements, the real merit belongs to the Sandinistas, who "have given an admirable proof in fulfilling their commitments to the Nicaraguan opposition."

Both Presidents said at a press conference in Madrid that they had met with Cuba's Fidel Castro in Brazil during the inauguration of President Fernando Collor earlier this year, and that they discussed with Castro "the necessity that Cuba not be left behind by the new winds blowing in Latin America and the process of détente opened by the U.S. and the U.S.S.R."

CAP went on to praise President Bush for "starting to develop wide cooperation with Latin America." He added, however, that "there are still some perturbing factors inherited from the former administration, which focused its relation to Central America from a military standpoint."

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## **Anti-nuke lobby attacks French 'elitist thinking'**

France has come under renewed attack for not having signed the nuclear Non Proliferation Treaty (NPT), which is up for renewal in 1995. A new pamphlet released by the Southampton University's Center of International Policy Studies is the first of an expected series of attacks on the issue, arguing against the "elitist thinking and self-confidence" of the French nuclear lobby, notably the Atomic Energy Commission (CEA), which originally rejected the NPT as an "Anglo-Saxon-Soviet plot against France."

The pamphlet complains that Paris remains as adamant as ever in its refusal to allow the International Atomic Energy Agency (IAEA) to inspect its facilities. It then goes on listing a series of cases where France, because it has not signed the NPT, has helped spread nuclear weapons and energy, from the original cooperation between France and Israel, to deals with Pakistan. The pamphlet is particularly unhappy about the fact that the CEA is "anxious to promote a kind of Marshall Plan for civilian nuclear energy, based on East-West cooperation, the recipients of which would be the major Third World countries."

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## **'Gorbachov's best bet is the Social Democrats'**

The Milan daily *Il Giornale* on June 11 charged, in a front-page editorial, that the Kremlin is seeking to use the German Social Democrats to regain its foothold in Europe.

"For tens of years now," the article states, "the Soviets have been aiming at splitting West Germany from the West, at least spiritually if not institutionally, and

therefore it has bet on the political party that represents this temptation: the Social Democracy. The polls say that the SPD has a good chance of winning in the all-German election in January, and excellent chances of winning the December election in West Germany.

"If this were to happen, Gorbachov would get back in one shot a large part of the terrain he lost to the Western world, with the collapse of his empire in Europe. To split Germany away from NATO is really worth giving up the entire Warsaw Pact: already Brezhnev and Stalin knew that; to help the German Social Democrats, Moscow can do principally one thing: make Kohl's life difficult, to increase the price of their acquiescence, to strengthen the already-existing idea that a Social Democratic government would be able to get more from the Russians, and at a lower price."

If this fails, according to the editorial, Gorbachov's alternate program is "to ask for money." Rumor has it that Moscow will demand \$20 billion, as the price for letting East Germany choose its own destiny.

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## ***Germans see national unification by year's end***

East German Prime Minister Lothar de Maiziere met with Mikhail Gorbachov in Moscow on June 7, during the summit of the Warsaw Pact countries, and reportedly became convinced that Gorbachov's plan for finalizing a united Germany this year "will achieve a breakthrough in the negotiations on the future of Europe," the West German newspaper *Süddeutsche Zeitung* reported on June 11.

Under the new Gorbachov Plan, united Germany would be in NATO, but NATO would become a political alliance, no NATO troops would be allowed on East German territory, and Soviet troops would remain there for some years. NATO and the Warsaw Pact would proceed towards dissolution, with a new "European collective security system" taking their places, under the banner of the Conference on Security and Cooperation in Europe (CSCE).

The plan is "linked to massive economic assistance for the Soviet Union." German economic assistance has already been agreed to, as indicated by statements by West German Foreign Minister Hans-Dietrich Genscher, after a meeting with Chancellor Helmut Kohl and before his departure for a meeting on June 10 with Soviet Foreign Minister Eduard Shevardnadze.

Genscher declared that, 1) Bonn is ready for "comprehensive economic and financial cooperation with the Soviet Union. . . . We want the Soviet Union to see German unity as entailing a gain for it"; 2) the "institutionalization of the CSCE process is no longer a utopia." There will be "regular meetings" of heads of state, foreign ministers, defense ministers, and chiefs of the general staffs; the creation of a CSCE Secretariat, a CSCE Center for Prevention of Conflict and Mediation. "In all these questions," he said, "there is broad agreement with the views of the Soviet Union."

Not stopping there, Genscher stressed that troop reductions in Germany cannot be confined to American and Soviet forces, but must involve all forces located in Germany. "That also holds true for the German Armed Forces."

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## ***Sharon to oversee immigration to Israel***

Ariel Sharon, the ultra-hardline anti-Palestinian politician who led the Israeli invasion of Lebanon in 1982, has been named "the immigration czar" in the new Israeli government headed by Prime Minister Yitzhak Shamir. As housing minister, Sharon will have broad control over the absorption of the 250,000 Soviet Jews expected to arrive this year.

Sharon has come under fire from Palestinians and from Labor Party leader Yitzhak Rabin, who warned of a disaster like the Lebanon invasion. "There was a premier, but the dominant force was someone else, who brought about the Lebanon war and who will certainly bring about other grave things—first and foremost an end to the peace process," Rabin told reporters.

● **HUNGARIAN** Defense Minister Lajos Fur announced on June 8 that Hungary would not take part in Warsaw Pact military exercises this year, and wanted to leave the Soviet-led alliance by late next year. Fur was speaking in Moscow after a Warsaw Pact summit conference. Hungary also wants a faster timetable for the full withdrawal of Soviet troops.

● **PAMYAT**, the Russian chauvinist organization, was the target of an *EIR* press conference in Paris on June 7. Speakers exposed the fact that Pamyat is an official creation, initially set up and financed by the Aviation Ministry, and later an instrument of the KGB.

● **KURDISH** separatist terrorists launched their most deadly attack in two years on June 10, killing at least 20 civilians in a village in southeastern Turkey.

● **THE DALAI LAMA**, Tibet's exiled leader, said the Chinese Communist regime could collapse within two years. He told the newspaper *Svenska Dagbladet* of Sweden on June 11, "If all other totalitarian, communist regimes are crashing, why should the one in China hold out? It can happen in many different ways, and there is a risk that much blood could be spilt."

● **EIR** on June 7 held the first of a series of European seminars—this one in Bonn, West Germany—on Lyndon LaRouche's proposal for a "Productive Triangle" of intensive development (Paris-Berlin-Vienna).

● **A SECRET RESHUFFLE** of China's Armed Forces is under way, the *Daily Telegraph* of London reported on June 9. Several older generals have been retired, but officers who carried out the assault on Tiananmen Square last June have been promoted. The promotions are consolidating the power of President Yang Shangkun and his brother Yang Baibing.

# Barry case sparks resistance to frameup of black leaders

by Mel Klenetsky

On June 13, Washington, D.C.'s Mayor Marion Barry announced that he would not seek re-election, as the selection of jurors continued in the Department of Justice case against him. The announcement came in the midst of a growing citizens movement, angered at the selective prosecution and entrapment tactics of U.S. Attorney Jay Stephens and the Department of Justice.

Supporters of Barry have filed a petition with the United Nations resolution, and a Citizens Grand Jury began to mobilize political forces to stop the injustices perpetrated against the black mayor of the nation's capital. Days after Barry made his announcement that he would not seek re-election, Stephens announced the convening of a new grand jury, targeting alleged corruption in the Barry administration as a whole.

Both Jesse Jackson and D.C. delegate and mayoral candidate Walter Fauntroy had urged Barry to resign. Jackson, a friend of Attorney General Richard Thornburgh, also urged Barry to cop a plea, and indicated that his announcement not to run would pave the way for a plea bargain.

Jackson has long been a player in the effort to oust Barry from office. For months, prior to the government "sting" against Barry, rumors were constantly surfacing in the media that Jackson would seek the office that Barry held. Jackson, with his national reputation, playing coy throughout, angered many D.C. citizens when he so openly asked Barry not to seek re-election.

When Barry's announcement finally came, he stressed, "This is not related to my legal situation, but to my recovery and my wife and son, who have suffered painfully." Barry sought rehabilitation from substance abuse, after he was caught in a federal sting through which a former friend of his, Rasheeda Moore, lured him into a hotel room and offered him cocaine.

Barry has been involved in D.C. politics since 1972, when he began serving a term on the D.C. Board of Education. In 1974 he was elected to the City Council, and he became mayor in 1979. Barry has had strong support from his constituents, especially senior citizens, which makes the Department of Justice efforts to oust him appear all the more political. If Mayor Barry is seeking rehabilitation, why force him to resign? Why put him in jail? These are the questions to which Barry's constituents are demanding answers.

## Anger in the black community

The malice and vindictiveness of the federal targeting of Barry were the subject of a Citizens Grand Jury convened by Rev. James Bevel's Citizens Committee for Constitutional Government. Washington's five black daily newspapers have also picked up on the issue of the targeting of Mayor Barry and other black elected officials by the Department of Justice.

The *Washington Times* on June 13 reported on the sharp increase of circulation of the black dailies, as D.C. citizens became fed up with the coverage of the mayor in the *Washington Post* and *Washington Times*. Black newspaper headlines expressed the growing view that the Justice Department is running a rotten political frameup to destroy Barry. One example is the *Capitol Spotlight*, which headlined its coverage, "Bait-gate: U.S. government, Jay on trial."

Several weeks before Barry decided not to seek re-election, Mary Cox, a Washington, D.C.-based attorney, submitted a complaint to the United Nations. Cox explained how justice for Barry was sought through Congress and the White House but was not obtained, so the case of the political witchhunt against the mayor was taken to the Secretary General of the U.N. Addressing a 500-person rally in Washington on June 13, Cox announced that she would take her petition

to the Conference on Security and Cooperation in Europe (CSCE), now meeting in Copenhagen, where the issue of human rights is being addressed.

Cox described how the Department of Justice had targeted Barry since 1984, spending more than \$40 million to bring him down. She described how the mayor, his wife, and son were harassed, how his life was endangered with the sting operation, and how his phone lines were tapped and all his moves monitored in this six-year effort.

### **'Investigate the investigators'**

Reverend Bevel, in calling for the Citizens Grand Jury, maintained that those who manufacture crime, ensnaring political targets as Barry was ensnared, are not morally, spiritually, or legally capable themselves of investigating crime. Bevel's call set into motion a Citizens Grand Jury that will continue to monitor the Barry trial and raise the issues of the unjust targeting of black politicians and other groups by U.S. Attorney Jay Stephens, Attorney General Richard Thornburgh, and the Department of Justice generally.

Former D.C. Superior Court District Judge Harry Tousseint Alexander began the discussion at the Citizens Grand Jury by outlining the intended role of the grand jury in American jurisprudence, in protecting citizens against indictment by corrupt and politically motivated prosecutors. In Alexander's words, there is no room for taps, tapes, and bugs, which infringe on individual freedoms in this process. Alexander asked the audience to look into the source of the illegal leaks to the press from the grand jury that eventually indicted Barry, and also to look into the certification of the grand jury in the first place, to pinpoint responsibility for prosecutorial misconduct.

Dr. Robert Hamilton, a baptist minister and chairman of the ministers committee of the mayor's office, testifying at the Citizens Grand Jury on June 12, and expressed his concern about the prosecutorial violations in the prosecution of Marion Barry. Hamilton indicated how blatant the Department of Justice, President Bush, and certain press were in openly announcing their efforts to force Barry out of office.

Hamilton denounced the costly, elaborate, and illegal sting operation and the attempt to convict Barry in the press through rumors and slander, prior to trial. "There's a clique that wants to decide for whom we can and can't vote," Hamilton said. "If Attorney General Thornburgh wants to run D.C., let him run for office, not be a dictator." Hamilton called for an "investigation of the investigators."

### **Selective and racist prosecution**

Others testifying before the Citizens Grand Jury raised the broader issue of the targeting of black officials. Beverly Neil of the D.C. Voter Education and Research Action Group cited a 1977 study by Prof. Mary R. Sawyer of Iowa State University, entitled, "Dilemma of black politics." That study, since updated, documents the harassment of black

elected officials, giving case studies of the more prominent examples like New York's Adam Clayton Powell, former Illinois congressman Ralph Metcalf, and former Massachusetts senator Edward Brooke. More than 61% of black elected officials were under indictment or are being harassed, according to the Sawyer study.

Fay Williams, from Rep. Mervyn Dymally's (D-Calif.) office, presented the audience with documentation from the *Congressional Record* of an affidavit that showed the existence within the FBI of a policy, called "Frühmenschen" (German for "aboriginals"), that justified the routine investigation, without probable cause, of black elected officials on the racist premise that these officials were intellectually and socially incapable of governing.

Schiller Institute President Webster Tarpley also spoke, demonstrating the selective and vindictive nature of the prosecution. Tarpley described how Thornburgh is not investigating his own long-term aides, David Runkel, accused of slanderous and illegal leaks against Rep. William Gray (D-Pa.), and Henry Barr, a 21-year aide to Thornburgh who has been accused of cocaine dealing, while he perpetrated the political persecution of people like R. Budd Dwyer, the former treasurer of Pennsylvania, who blew his brains out during a 1987 press conference after being convicted by a Thornburgh-initiated witchhunt. Dwyer had accused Thornburgh of going after him for not signing travel vouchers for Thornburgh's wife, for a trip she took to Europe, when Thornburgh was governor and Dwyer treasurer of the state.

Tarpley likened the "Get Barry" task force to the "Get LaRouche," "Get Martin Luther King," and "Get Hoffa" task forces, and described the Jay Stephens prosecution as a coup d'état in the nation's capital.

Carlos Wesley, an *EIR* journalist specializing in Panama, described the use of the Thornburgh Doctrine in justifying the U.S. invasion of Panama. Wesley described how thousands of innocent citizens, mostly black, were killed in order to capture one man, whose alleged drug involvement was based on such things as testimony by convicted drug dealers who testified against him in order to have their sentences reduced. Wesley warned that this unconstitutional use of force against Panama can be used in the cities of the United States, against urban populations.

The growing sentiment in the black communities is that they are the target of political repression and economic genocide. Race riot tensions are exploding in New York City and other urban centers, fanned by FBI informants such as Al Sharpton.

Reverend Bevel's call for the Citizens Grand Jury and his emphasis on non-violence (Bevel was an associate of the late Dr. Martin Luther King, and a prominent leader of the civil rights movement) were designed to productively channel the growing political dissent in the black community into concrete forms of political protest, which demand an end to the injustices being perpetrated.

# Violinist Norbert Brainin plays tribute to LaRouche at C-256

by John Sigerson

In the spirit of the advice from Lithuanian President Vytautas Landsbergis that the best way to help the world's freedom movements would be through performances of great classical music, one of the world's greatest living violinists, Norbert Brainin, who led the Amadeus Quartet for 40 years, traveled to the United States early this month to play a single concert dedicated to his good friend, political prisoner Lyndon LaRouche. Together with the fine German pianist Günter Ludwig, Brainin played Bach, Beethoven, and Brahms at the Lisner Auditorium at George Washington University in Washington, D.C. on June 6, at the tuning of C=256 cycles per second which those composers demanded, and which Lyndon LaRouche has "resuscitated," as Brainin put it during brief remarks he delivered from the stage.

Among the audience were scores of Chinese students, who had just been involved in commemorating the first anniversary of the Tiananmen Square massacre.

Their program consisted of three sonatas—Mozart's Sonata in E-flat major, K. 481; the Brahms Sonata in A major, Op. 100; and Beethoven's Sonata in G major, Op. 96. It also included the first repetition in the United States of Brainin's unique demonstration of the superiority of the lower tuning, in which he played the same piece—in this case the Saraband and Double from J.S. Bach's First Partita for Solo Violin—both at the common modern pitch of A=444 and at A=432 (about C=256). Despite the less than optimal acoustics in the auditorium, the richness and subtle shaping of phrasing for which Brainin is justly famous, became the focus of the listeners' attention at the proper tuning, against which the high-tuned version seemed but a distant echo.

Hopefully, a wider audience will be able to hear this demonstration, since the concert's sponsor, the Schiller Institute founded by LaRouche's wife Helga Zepp-LaRouche, had arranged a professional recording of the concert with a view toward issuing a compact disc.

## Friends in science and art

Brainin's bond with LaRouche is based on the same personal qualities which made the Amadeus Quartet such a unique institution in postwar history: his loving and uncompromising dedication to the discovery of truth, and his unceasing drive to accurately transmit those discoveries to a wider audience. Brainin gave his own view of how the pro-

cess worked within the quartet, during a half-hour interview with Martin Goldsmith of National Public Radio. Brainin reported that the members of the quartet had many arguments, but that they were always aimed at convincing the others that something was true, and not in working out some sort of compromise. "You have to know how to argue; you have to try and convince, and be ready to be convinced, but also you must be ready to be convinced. *But never compromise.*" He observed that whenever a string quartet begins to function on the basis of compromise, this inevitably leads to the break-up of the group.

Just prior to LaRouche's railroading and imprisonment in January 1989, Brainin stated on a nationally televised broadcast in the United States on Nov. 5, 1988: "I met LaRouche through my work with the Amadeus Quartet, of which I used to be leader until one of my colleagues died last year. I was always astonished about Lyn's knowledge of music, which was far above that of many practicing musicians and certainly way above that of most laymen. He displayed the kind of analytical mind, the kind of truth-seeking which one associates with a real scientist."

## Saving the Strads

In written comments included in the June 6 concert program, Brainin explained why he had become convinced that LaRouche was entirely correct on insisting upon reviving musical performance at the scientific tuning: "It has become a universally recognized fact, that the lower tuning of A-432 is a great help for all singers. On the other hand, the advantage that the lower tuning offers instrumentalists is not so well-documented. It is universally accepted that for wind instruments—brass and woodwinds—the difficulties in playing in the lower tuning are insurmountable and, in fact, will require a complete reconstruction.

"With string instruments there is, obviously, no problem. They need only be tuned somewhat lower. This has several consequences. The burden of the tension on the instrument is less—the tone is richer in substance, that is, it is broader, since it is possible for the player to draw the bow nearer the bridge, without there being unavoidable 'scratches.' That means a more economical use of the bow, which increases the breadth of tone-color and the dynamics. Of course, the projection is diminished—but only minimally. Everyone

knows that the higher tones have a greater projection than lower—but high tones sound uniformly the same. The greater multiplicity of sound that is produced by the lower tuning is therefore worth the sacrifice, if it really is a 'sacrifice.' The lesser tension on the instruments in the lower tuning also means a substantial extension of the lifespan of these irreplaceable instruments.

"I myself can remember many recordings, which have subsequently become historic, of great performances by Casals, Heifetz, Elman, Milstein, Kreisler, Huberman, Adolf Busch, Enesco, Kulenkampff, Menuhin, etc. Anyone who has heard these can remember their tonal quality. In all these performances, the tuning was considerably lower than is customary today. Certainly it was not higher than A-440 Hz. This is a fact that can be easily proved, because we have these records and can compare them with today's recordings.

"I am personally of the opinion, that the trend to an ever higher tuning is simply senseless and will only lead to the complete destruction of voices and instruments."

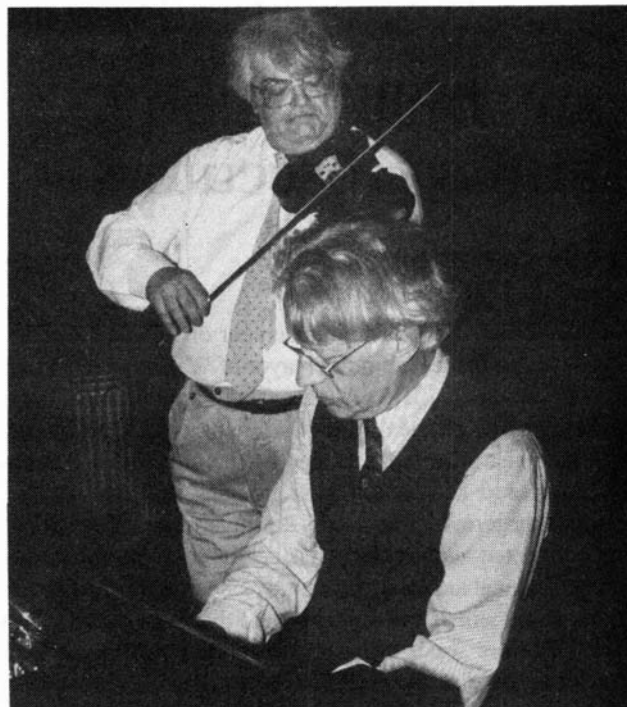
No amount of scientific evidence, however, would have been sufficient to convince the Establishment's local mouthpiece, the *Washington Post*, of the correctness of those views—particularly if they are associated with Lyndon LaRouche. The *Post*'s review of the June concert was so laden with hostility that it couldn't even keep its facts straight: "Music theory makes for strange bedfellows," the reviewer wrote, "and Wednesday night's recital . . . was a strange affair. The issue Verdi once argued—the same one LaRouche, Brainin, and others argue today—is that the middle C we have known and loved for 200 years is too high. A great deal of literature written by LaRouche was handed out before the recital explaining why a lower pitch had a closer affinity to God-given values. But based on the slender musical evidence in this 'correctly' low-key recital, it is hard to be convinced the issue's worth so much fuss."

In fact, if this incompetent reviewer had been alive in 1790, he would have searched Europe in vain to hear music played at the tuning he falsely claims "we have known and loved for 200 years," since high tuning was only first introduced 25 years later, following the defeat of the republican forces in Europe at the 1815 Congress of Vienna, and not even then was it universally accepted.

### **A musical treat at the Smithsonian**

On the morning of the concert, Brainin and Ludwig had a rare treat, when the directors of the musical instrument collection at the Smithsonian Institution opened doors and display cases for the two artists to play on the two best Stradivarius violins in the collection, as well as a number of keyboard instruments dating from Mozart's and Beethoven's time.

Brainin took up the "Greffuhle" Stradivarius, built in 1709, like an old friend, since he had played on it before when it was part of a private collection in Switzerland. Brainin was



Kathy Wolfe

*Violinist Norbert Brainin and pianist Günter Ludwig rehearse backstage for their June 6 concert at C=256 Hz in honor of Lyndon LaRouche.*

able to compare this with his own Stradivarius which dates from around that time, and with the 1689 "Ole Bull" Stradivarius, which dates from the very beginning of the revolution which the Cremona violinmaker Antonio Stradivarius introduced by basing his design on the principles of acoustics and optics discovered by Leonardo da Vinci about two centuries before.

Brainin had praise for the museum's work in preserving these instruments, and noted that contrary to popular belief, fine instruments are not harmed by being kept in museums, provided they are properly maintained. "All it takes is a couple of days' playing by a qualified player, and they open right up again," he observed.

Meanwhile, Günter Ludwig played on a 1788 fortepiano, an 1830-32 fortepiano by Conrad Graf, and finally on a 1794 London Broadwood fortepiano—a model particularly liked by Beethoven. Brainin then also stepped over to the Broadwood, was immediately taken with its musical qualities, and, oblivious to the museum visitors who gathered around, the two played the entire first movement of the Beethoven Op. 96. "With this fortepiano," Brainin commented afterwards, "we don't have to worry about the volume and the balance between the violin and the piano. You [turning to Ludwig] don't have to worry if you're too loud. You can lose yourself completely in the music. This way we can both feel completely free and concentrate on the expression of the musical line—which is the most important thing."



# 'Jury nullification' haunts prosecutors

by Leo F. Scanlon

Despite Marion Barry's announcement on June 13 that he would not run for reelection as mayor of Washington, D.C., the problems facing U.S. Attorney Jay Stephens have only just begun. The political show trial being conducted by the Bush administration is threatened by the probability that no jury composed of black Washingtonians will convict the mayor on the terms demanded by the government. The witch-hunt conducted against Barry has catalyzed popular outrage at the tyrannical tactics of the Justice Department. So fearful of this sentiment is the government, that it is questioning potential jurors about their religious beliefs, asking which church they attend, and probing for any sign of a predisposition to leniency toward the accused.

The specter haunting the prosecution is the threat of "jury nullification"—an old legal concept in English and American law which is enjoying a revival among political and social movements. Organized support for the notion is being nurtured by a western states-based coalition of libertarians, gun owners, farmers, and others, who have been the target of political prosecutions. This group is supporting the Fully Informed Jury Amendment (FIJA). The Barry case has brought black political machines and civil rights activists into this fight as well, laying the groundwork for an explosive rebellion against the use of the courts to suppress political speech.

## Destruction of the jury system

The right of a jury to determine *the facts and the law of a case presented to it* is a fundamental principle of the jury system in Anglo-American law, and is the mechanism by which a jury may curb excesses and tyrannical actions on the part of a politically corrupt prosecutor. During this century, as the U.S. Justice Department and federal judiciary have worked to extend their jurisdiction and power, they have evolved a concept of the jury which strips it of this basic function.

The typical charge to a jury by a judge contains some version of this phrase: "It becomes my duty as a judge to instruct you concerning the law applicable to this case, and it is your duty as jurors to follow the law as I shall state it to you. . . . You are to be governed solely by the evidence introduced in this trial and the law as stated to you by me." These words are buttressed by pre-trial motions *in limine*, which proscribe the jury from hearing whole categories of

evidence. This "one-two punch" is the key to framing a political prosecution.

The scheme is illegal as well as onerous, and there is a long tradition to recommend the banning of such admonitions by any judge. The right of a jury to negate a political prosecution was established in 1670, when a jury was asked to convict William Penn for preaching Quakerism to an unlawful assembly. Four of the 12 jurors voted to acquit, and were then imprisoned, starved, and fined by the judge, who demanded a guilty verdict, since the Quaker had indeed done what he was accused of. The jurors prevailed, thus establishing that a juror could not be punished for his verdict, and that a jury could disregard a judge's instructions. The same issue arose in the famous sedition trial of revolutionary publicist Peter Zenger, whose lawyer, Alexander Hamilton, convinced a jury to acquit his client, even though the judge ruled that truth would be no defense in the trial. John Adams expressed a sentiment widely held in the 19th century when he said of the juror: "It is not only his right, but his duty . . . to find the verdict according to his own best understanding, judgment, and conscience, though in direct opposition to the direction of the court."

As a consequence, four state constitutions instruct judges to inform juries of their power of nullification, and the Constitution of Maryland states: "In the trial of all criminal cases, the Jury shall be the Judges of Law, as well as of fact, except that the Court may pass upon the sufficiency of the evidence to sustain a conviction." It was not until the 1895 case of *Sparf v. U.S.* that the Supreme Court, responding to widespread acquittals won by union strikers and farm activists, ruled that defense teams could not inform jurors that they could judge law and fact, and that judges did not have to tell jurors of their powers to do so.

Nullification has been an issue during every time of turmoil in the history of the republic. It was the common form of resistance to the oppressive navigation acts and other commercial regulations imposed on the colonies by England. The hated, jury-less Admiralty Courts of the 17th century have their parallel in the proceedings of the Environmental Protection Agency and other regulatory agencies today. Nullification was widely used against the fugitive slave laws in the pre-Civil War period as well.

The suppression of this vital political function of the jury in the 20th century has created distortions which are badly in need of correction. Chief among these are the abuses brought upon the civil rights movement by the FBI and its adjunct Ku Klux Klan. In the climate of violence organized in large part by these agencies, corrupt juries convicted innocent civil rights workers.

The intent of the FIJA is to prevent such a breakdown of the legal system today, by forcing every juror to responsibly judge the application of the law. This poses no threat to an honest prosecution, and can help to make a civic virtue of mercy, a great weapon against tyranny.

## New illegal attacks on LaRouche movement

The same cast of characters that sought to destroy the LaRouche political movement and publications in an illegal Chapter 7 bankruptcy procedure in 1987 has reemerged in a flagrant effort to kill the LaRouche movement, setting the precedent for destroying all First Amendment rights in the United States.

A series of illegal “collection” actions initiated in late May against publications and businesses managed by Lyndon LaRouche’s associates, parallels the steps taken in April 1987 this time through private means. On that earlier occasion, the multi-jurisdictional “Get LaRouche” task force used an unrecorded *ex parte* hearing—a secret hearing where the targets were not even represented—and convinced a bankruptcy judge to summarily shut down *New Solidarity* newspaper, *Fusion* magazine, and Caucus Distributors (the national distributor of these and other political magazines and books). Later, John Markham, the satanist-linked prosecutor, told a judge in Boston that he was prepared to drop charges against LaRouche and his associates because “justice” had been done—the bankruptcy proceedings had killed the LaRouche publications.

But in October 1989, Judge Martin Bostetter overturned the bankruptcy actions, ruling that the government had acted in “bad faith.”

### ADL gives the signal

The latest escalation against the LaRouche movement was begun in May 1989, when the so-called Anti-Defamation League (ADL) published an article in its *Bulletin* by Mira Boland. Boland complained that even though several corporations were bankrupted, and LaRouche himself was in jail, these people were still politically organizing. In fact, pro-LaRouche candidates won double-digit votes in recent Democratic primary elections (see p.70). Boland called for creative efforts to stop “them” from getting contributions for their legal defense.

A series of civil lawsuits began at that time, in which the tax-exempt ADL and Mira Boland have played the roles of prompters and controllers. The ADL practice is to prey on the greedy heirs of senior citizens who have made large financial commitments to publications associated with LaRouche’s ideas. The heirs are urged to virtually kidnap their mothers, fathers, or grandmothers and force them to admit that their financial commitments were in error, that they were coerced, or that they were not of sound mind when they contributed.

Having won such a civil suit in Pennsylvania with the ADL’s help, attorneys for Elmer Yoder moved to shut down EIR News Service, publishers of the magazine *Executive Intelligence Review*, in Virginia. Paralleling the 1987 bankruptcy procedure, on May 21, 1990 these attorneys held an unrecorded *ex parte* hearing before Loudoun County’s Judge Thomas Horne. Even though the Pennsylvania case is currently being appealed, and under federal law the case cannot be moved into another state while being appealed, Yoder’s attorneys moved into the corrupt court system of Loudoun County to illegally collect \$261,000.

After hearing the testimony of Sheriff’s Deputy Lt. Don Moore—a member of the multi-jurisdictional “Get LaRouche” task force—Judge Horne agreed to waive the normal 21 days that EIRNS would have to respond. Yoder’s attorneys then garnished the funds of not only EIR News Service, against which they had a judgment in Pennsylvania, but also the funds of Publications & General Management, a management services company; KMW, Inc., the publishers of *New Federalist* newspaper; World Composition Services, a typesetting firm; and PMR Printing Company. The legal pretext, allowed by the corrupt Loudoun County court system, was that EIR was “doing business as” (“dba”) those four other companies and also five other entities.

On May 24, Judge Robertson of neighboring Fauquier County threw out the “dba” clause of the garnishments, forcing a return of the seized funds to PGM, KMW, and PMR Printing Company and World Composition Services. The judge made clear in his ruling that this was an extraordinary and improper garnishment outside the bounds of what is allowed under the United States legal system, which guarantees due process of law.

On June 4, the same attorneys, holding on to their illicitly granted garnishment against EIR, moved to garnish any money that PGM might owe to EIR.

Lyndon LaRouche, a candidate for Congress from Virginia’s 10th District, on June 7 denounced the “unlawful, evil conspiracy” against First Amendment rights, and charged that “key in the operation has been . . . the so-called Anti-Defamation League, an organized crime-linked organization which is politically allied with drug lobbyists, which defends satanists from investigation, and so forth. This Anti-Defamation League worked in conjunction with Lt. Don Moore, Sheriff John Isom, and others of the Loudoun County Sheriff’s Department, in a conspiracy with no proper law enforcement basis, to construct harassment and other actions to deny persons in Loudoun County their First amendment civil rights.”

He stressed, “I do not believe this kind of criminal action, which many people would fairly call fascist, should be lawful in the United States. . . . If necessary, new laws must be enacted to stop this this kind of nonsense. People have a right to be free; as long as we allow the sort of thing that I have referred to, to go on, people in our country are not free.”

# Thornburgh, ADL 'thought crimes' legislation threatens Constitution

by Joseph Brewda

U.S. Attorney General Richard Thornburgh, with the aid of the Anti-Defamation League (ADL) of B'nai B'rith, is leading efforts to impose a new category of criminality on the U.S. legal code known as "hate crimes." The category is the same as that called "thought crime" in George Orwell's famous novel, *1984*, which celebrated the techniques of a totalitarian state.

The first phase of the effort by the Bush administration and the ADL was completed on April 4, when the Congress passed a new act mandating compilation of statistics on crimes motivated by hate. The second phase, imposing added penalties against those convicted of any crime if hatred is judged to be a factor, is now being pushed in the New York State legislature. The third phase, which has not yet begun, is to enact legislation modeled on two amendments to the Canadian criminal code which make the expression of hatred, *per se*, a criminal offense.

What is being planned is a creeping assault on the U.S. Constitution, particularly those provisions allowing freedom of speech and assembly. Since any rational person is repelled by racist hatred, the administration has slyly decided on imposing police state decrees under the pretext of combatting such hatred. Measures which are dangerously unconstitutional are often acceptable in many quarters when the legal targets chosen are correctly or incorrectly considered reprehensible.

## Birth of the hate crime

On April 4, the House of Representatives passed the Hate Crimes Statistics Act, which requires that the Justice Department collect and publish data on so-called hate crimes based on race, religion, ethnic background, or sexual orientation. The bill, which passed the Senate in February, had as its primary sponsor Sen. Paul Simon (D-Ill.), whose office has long worked with the ADL on various legislation. Rep. Charles Schumer (D) of Brooklyn, New York, a chief sponsor of the House bill, asserted to the *New York Times* on April 4 that "It is important to understand that cross burnings are more than arson and that swastikas painted on synagogues are more than vandalism."

Representative Schumer's rhetoric shows that mere statistical compilation is far from the ultimate objective of the

legislation. Already, the bill before the New York State legislature would make "bias related violence and intimidation a distinct criminal offense." That is, assaults allegedly motivated by hatred could be separately and selectively prosecuted, judged, and penalized in distinction from assaults *per se*. Congressional efforts are also already under way to make Ku Klux Klan cross-burnings a five-year felony offense solely on the basis that cross-burnings express hate. The offense would be stripped of the only legitimate reason that such acts should ever be outlawed—that they incite violence.

U.S. Justice Department spokesmen immediately hailed passage of the Hate Statistics bill, and said that its provisions would be quickly implemented. A few weeks later, Attorney General Thornburgh appeared on the ABC News program "This week with David Brinkley" on May 20 to state that "I will concentrate on hate crimes." Since that time, Thornburgh has repeatedly said that "hate crimes" will be the "top priority" of the Bush administration. But what are these crimes?

The Justice Department has now installed an "800" toll-free "hate hot-line" to assist its statistical compilation effort. The Justice Department has included homosexuals and lesbians in with the category of "oppressed minorities." One of the first complaints to the Justice Department, was that the chairman of the Federal Deposit Insurance Corporation said that he would get so tough on thrifts that he would make "Attila the Hun look like a faggot."

For its part, the ADL is enthusiastic about the bill's passage. "It will give us a confirmed, authoritative base to judge what direction these crimes are going in, and I suspect it will help in knowing what remedies would apply," the ADL's Washington, D.C. regional director David Lehrer reported. Among the "remedies" being pushed by the ADL is the creation of new divisions within the FBI and Justice Department devoted to monitoring and prosecuting those whom they have targeted as "bigots."

Michael Lieberman, the ADL's Washington counsel, told the *New York Times* on April 5 that he now envisages the ADL becoming more involved in training local law enforcement. "We call it a trickle-up effect. It starts with reporting by local law enforcement, but in order to report a hate crime you have to have training in how to identify a hate crime." The ADL has already begun training law enforce-

ment on such issues. For example, the ADL has participated in several seminars for law enforcement agencies where it has claimed that when bankrupt farmers denounce grain cartels and banks they are expressing anti-Semitism.

### **A typical Big Lie**

The Hate Crime Statistics Act was originally proposed in 1984 by Rep. Barbara Kennelly (D-Conn.). After the passage of the bill, she proudly told the press that "When I first proposed this, people were not convinced there was a need. Now we have all kinds of groups telling us how much prejudice there is." Spokesmen for Representative Kennelly's office report that they have worked closely with the ADL in enacting the legislation and want the "government to do what the ADL has been doing privately" in monitoring hate crimes.

Kennelly's bill was introduced shortly after a series of mysterious arsons began in her district in 1984. These arsons included the burning of Young Israel Synagogue and Emmanuel Synagogue of Hartford, Connecticut, as well as the homes of Rabbi Solomon Krupka and State Representative Joan Kemler, who is Jewish. The incidents were immediately the subject of nationwide media attention, fanned by the ADL. Kennelly's bill was one result of the incidents. The Congresswoman claimed that such "hatred" necessitated a whole new legal approach.

Unfortunately for the ADL, Barry Don Schuss, a 17-year-old Jewish student, soon confessed to all four arsons. The media campaign was abruptly buried, Schuss received a suspended sentence, and the Kennelly bill was quietly postponed.

This is not the only case of alleged anti-Semitic or other racist "hate crimes" hoaxes, as researcher Laird Wilcox has determined. Such hoaxes prepare the climate for hate crimes legislation.

For example, the president of the Jewish Student Union at the State University of New York at Binghamton, James Oppenheim, led demonstrations against anti-Semitism after the group's building was defaced with anti-Semitic graffiti in 1988. Oppenheim was later arrested for painting the graffiti himself. Similarly, a massive housing co-operative in the Bronx was defaced with anti-Semitic graffiti daubed on 51 apartment doors and walls during the same period. The incident received wide publicity and a reward was offered for the perpetrators, who were presumed to be "neo-Nazis" or "skinheads." Later, two Jewish teenagers were arrested for the incident.

The most significant and sensational publicized hoax recently, was the alleged defacement of a Jewish cemetery in the small town of Carpentras, France, on May 10. According to the international media and the French justice minister, 30 Jewish gravestones were desecrated with swastikas that day. The grave of a freshly buried 81-year-old Jew had been exhumed, and the corpse impaled with a shaft of an umbrella,

it was said. This horrifying—as reported—incident, led to mass demonstrations in France condemning anti-Semitism, and massive publicity in the United States. It has since been determined by the local coroner's office that the body had not been impaled, there was no desecration of gravestones with swastikas, and the exhumation of the corpse probably had a mere criminal motive, local law enforcement officials now report.

### **The Canadian model**

If Orwell's 1984 is the model for making hate, *per se*, an offense, a pair of amendments to the Canadian legal code, adopted back in 1971, is the more recent model adopted by the Bush administration. The amendments, 181, pertaining to "spreading false news," and 319, pertaining to "hate propaganda," throw freedom of speech and assembly out the window.

The two amendments make the expression of hate, *per se*, an indictable offense subject to two years imprisonment. The amendments had been suggested by the Royal Commission on Hate Propaganda which had been convened in 1964 and chaired by Maxwell Cohen, a long-time operative of the Bronfman family. The ADL, with which Cohen and the Bronfmans are closely allied, lobbied for the amendments. They were adopted through the efforts of Prime Minister Pierre Elliott Trudeau, who had sat on the commission, and who was first brought into politics by the Bronfman family.

The ADL also ran the publicity campaigns surrounding the three test cases brought forward under the Orwellian amendments.

In 1985, an Alberta High school teacher, James Keegstra, was found guilty of promoting hatred merely by stating in his class that "Jews were out to destroy Christianity." That same year, two neo-Nazis in Toronto, Don Andrews and Robert Smith, were convicted for writing that non-whites are responsible for violent crimes. Similarly, another neo-Nazi, Ernst Zundel, was convicted of "spreading false news" for saying that the Holocaust was a hoax. Representatives of the ADL, and their allies at the Simon Wiesenthal Center, were brought forward to testify in the sensationalist court trial.

The contrived debate surrounding the trials is shown by the fact that Andrews and Zundel, at least, are well-known Canadian intelligence operatives tied to the ADL and to several other international intelligence agencies. In 1971, Andrews worked with the U.S. Bureau of Alcohol, Tobacco and Firearms, the U.S. National Security Council, and the Central Intelligence Agency, in establishing a purportedly Arab terrorist organization in Toronto, according to sworn reports. He has since been implicated in an FBI and Royal Canadian Mounted Police "sting" effort to launch a KKK invasion of the Caribbean island of Dominica in 1981. Likewise, Zundel is known to be associated with the Mexican National Action Party, a party funded by the National Endowment for Democracy, among other U.S. agencies.

# Poindexter sentenced; will Bush be next?

by Herbert Quinde

Admiral John Poindexter was sentenced to six months in prison on June 11 for his role in the coverup of the Iranamok fiasco. Although the sentence is ridiculously lenient, this makes Poindexter the only person given prison time of the seven convicted of Iran-Contra crimes. His was the last major case pursued by the special prosecutor from the initial grand jury empaneled to look into the case.

Former National Security Adviser Poindexter, the highest-ranking member of the Reagan administration to face trial in the scandal, was convicted of five felonies on April 7: two counts of lying to Congress, two counts of obstructing congressional investigators, and one of conspiring to cover up the sales of arms to Iran and the diversion of profits to Nicaragua's Contras. The maximum sentence for the crimes of which he stood convicted was 25 years in prison and \$1.25 million in fines.

In imposing the sentence, Judge Harold Greene said that white-collar criminals and public officials of Poindexter's former high stature must not be allowed to believe that the law does not apply to them.

Poindexter never took the stand in his own defense, leading some to speculate that the defense had been led to believe that if he kept his mouth shut and let the "buck stop here," as he had previously told Congress it did, he would not get jail time. Sources close to the defense team say that the admiral was being scapegoated, and, with no pardon expected from President Bush, this could lead to Poindexter's greater cooperation with a new grand jury looking into the culpability of both Presidents.

## Cracks in the coverup

President Bush should be worried. The bipartisan wall of conspiracy to protect the President from the implications of the worst foreign policy disaster of the Reagan era, is developing cracks.

Spending blood in the water, the liberal *Washington Post* opened its editorial page on June 10 to Tom Blanton, the deputy director of the National Security Archive and editor of *The Iran-Contra Affair: The Making of a Scandal*, a compendium and chronology of the affair.

"Bush played a major role in Iran-Contra from the beginning," wrote Blanton, based on reviewing several thousand pages of Oliver North's diaries that were recently declassified and obtained by the Archive and Public Citizen, a public interest group. Blanton's signed commentary, titled "Where

was George?" is a useful report detailing all of the lies told to protect the now-exposed President.

Blanton reported how the many investigations concerning Iran-Contra never were interested in finding out about Bush's role, despite the fact that, for example, the Tower Commission report "placed Bush at more than a dozen key meetings or briefings on the arms-for-hostages deals." Strangely enough, "in the end the Tower interpretation reserved all its slings and arrows for former White House chief of staff Donald Regan along with McFarlane, Poindexter, and North."

"None of the official investigations of Iran-Contra implicated Bush . . . but new material from Oliver North's diaries combines with previous evidence to paint a different picture of Bush's role," wrote Blanton. "North's detailed and often cryptic notations—names, meetings, phone calls, action lists—fill in many gaps in the official record and provide added context to the thousands of pages of previously declassified documents. . . . [Bush] passed up repeated opportunities to cut the transactions . . . NSC advisers McFarlane and Poindexter and their busy aide Oliver North went to Bush over and over, and every time, Bush watched the deal go forward without objection. While the secretaries of state and defense were both cut out of the arms-for-hostages deals after objecting to it, Bush attended almost every key meeting. And in the summer of 1986, at a time when the arms-for-hostages deals were collapsing of their own failure, a Bush meeting with a key Israeli official in Jerusalem seems to have provided the official blessing Oliver North needed to keep dealing. On the day he returned from Israel, Bush met with North—a meeting never acknowledged until the diaries were released last month."

Blanton also touched on the issue of impeachment. Sen. Daniel Inouye (D-Hawaii), chairman of the congressional panel that probed the affair, when asked why Bush's role was not investigated, "explained that the committees cared only about Reagan's knowledge of the [funds] diversion. If Reagan knew, the committees would have moved quickly to an impeachment resolution." What will happen now, if it turned out that President Bush not only knew, but directed, much of the diversion?

## Durenberger targeted

Meanwhile, some are suggesting that the watergating of Sen. David Durenberger (R-Minn.) on trivial ethics charges may be related to the coverup. It seems that in the early phases of the Iran-Contra investigation, Durenberger told the press, "I trust Elliott Abrams as far as I can throw Ollie North." Durenberger had also criticized the administration's "public diplomacy" in support of the Contras as racist. He said it was wrong to scare up backing for the Nicaraguan rebels by saying that failure to do such would result in hundreds of thousands of brown-skinned refugees spilling across the Mexican border.

# David Duke: State Department socialist

by Kathleen Klenetsky

David Duke isn't just any fascist. He's a particular brand of fascist that is becoming increasingly prevalent on the U.S. political scene: a green fascist.

The former Ku Klux Klan leader and American Nazi, who was elected to the Louisiana legislature in 1988, turns out to be a radical environmentalist who supports measures such as the Clean Air Act amendments, which will wipe out the very white working-class and other disaffected constituency to whom he has attempted to sell himself as some kind of champion. In this, Duke is simply following in the footsteps of another green fascist, Adolf Hitler, whose Nazi movement was rooted in the back-to-nature paganist revivals of the 1920s.

Duke's abiding interest in ecology dates from the period in which he worked for the liberal pantywaists at Henry Kissinger's State Department. It seems that these days, if you scratch a neo-Nazi, you find just another State Department socialist.

Duke makes no attempt to hide his pro-environmentalist views. He recently asserted that he if he wins his current race for the U.S. Senate seat held by Sen. Bennett Johnston (D-La.), he intends to compile a "record as the best defender of the environment" in Congress. He said that he works with a number of environmentalist groups, and that he has extensive contacts with greenies in Europe and Canada.

Nor is Duke shy about recommending the police-state measures which the environmentalists are promulgating. "We have to adopt much stricter laws, with tougher penalties" to stop pollution, and get a "lot tougher" by ending economic assistance to countries that don't adopt strong anti-pollution measures, Duke said.

## 'Where left and right meet'

Duke insists that the question of curbing population growth, especially among the world's darker-skinned peoples, is of paramount importance. He believes that the United States should not only cut off its own financial assistance to Third World countries that aren't slashing their birth rates at a fast enough rate, but should also pressure Japan and Western Europe to do the same. "You can't solve environmental problems without stopping this excess population growth in the Third World," he says. "Why should we give aid to Brazil, when it is destroying the rain forests? Why shouldn't we halt aid to Kenya unless it takes steps to save the great elephant?"

Duke recently asserted that ecology "is the place where

right and left meet." That is definitely true. In the environmentalist movement, "left" fascists and "right" fascists find a basis of agreement in their common hatred for creative human reason, and its reflections in science and technology.

Duke admires Garrett Hardin, the neo-malthusian who came up with the cynical concept of "lifeboat ethics," based on the premise that there will never be sufficient resources to support all the world's people, and thus, the less fit should be triaged.

That philosophy—and not his supposed concern for guaranteeing "equal rights" for white Americans—is what drives Duke. Duke has repeatedly called for terminating welfare to people who continue to have children, and for making sterilization of welfare mothers a precondition for their continuing to receive public assistance.

Duke's appeal, of course, is blatantly racist; his underlying message is that he will see to it that blacks and Hispanics are prevented from reproducing. But his real agenda is to use his slick combination of racism and populism to convert to the green movement those who wouldn't touch environmentalism in its liberal form.

## Henry Kissinger's friends

Duke is a far cry from the "average white working-class Joe" image that he has carefully cultivated. That is underscored by his affiliation with Foggy Bottom. Duke worked for the State Department as a teacher in Laos in the 1970-71 period, which was not only during the height of the U.S. war in Indochina, but also during Henry Kissinger's tenure as secretary of state.

Duke revealed recently that he first started writing articles on ecology (under a pseudonym he refuses to divulge) while employed by the State Department.

His connection to the State Department, coupled with his eco-fascism, tends to support the analysis that Duke is nothing but an intelligence operative deployed by the U.S. government's counterinsurgency apparatus, for the twin purposes of whipping up racial tensions, while spreading the greenie disease to recalcitrant constituencies.

Observers point out that two of David Duke's close associates in the past, Bill Wilkinson and Donald Black, were both admitted government agents, and that the Louisiana-area right-wing/neo-Nazi nexus was organized by Guy Bannister, the former head of the FBI's Division Five in the New Orleans region.

The Anti-Defamation League, with its history of fomenting anti-Semitism, is having a field day with Duke's campaign. Duke is getting tons of free publicity from a group called the Louisiana Coalition Against Racism and Nazism, which has links to the ADL. During Duke's state legislative campaign, terrorist Mordechai Levy of the Jewish Defense Organization came to New Orleans to denounce him. That created resentment about "outside interference," which translated into an election victory for Duke.

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# Mira Boland: Wall St. meets Project Democracy

by Herbert Quinde

In recent court testimony, anti-LaRouche Mata Hari Mira Lansky Boland, nominally the Washington, D.C. Fact Finding director of the Anti-Defamation League (ADL), testified to a canard. She said her prominent role in the "Get LaRouche" task force was motivated, in part, to expose "anti-democratic movements." Truthful testimony might have been for Boland to say her assistance to the judicial railroading of Lyndon LaRouche and associates was on behalf of her Project Democracy colleagues, and a crew of Wall Street scavengers and spook bankers.

By marriage and political affiliation, Boland is linked to the Wall Street financial arm of the Anglo-American "secret government" apparatus, which played a central role in the Iran-Contra scandal.

Mira Boland's husband is **John C. Boland**, a widely published financial investment journalist who writes from Baltimore, Maryland. On occasion, he can be seen on a Financial News Network cable TV show expounding on recent market trends. He publishes in the *New York Times*, the *Wall Street Journal*, *Financial World* and *Barron's*, among others. He also fancies himself a writer of fiction, as is the case these days with yuppies who know basic grammar, having published some short stories in Ellery Queen's *Mystery Magazine*.

He is also an investor and investment adviser. He is listed on the masthead of *Sylvia Porter's Personal Finance Magazine* as a contributing editor. A subsidiary product of the **Sylvia Porter Organization** is the *Active Retirement Newsletter*. Both the magazine and the newsletter target the elderly, who frequently have substantial discretionary savings. The publications and John Boland's articles give advice on how to invest in speculative activity such as the stock market, warrants, futures, and options.

Although Sylvia Porter's nationally syndicated newspaper column portrays her as a "folksy" Ann Landers-style adviser on financial matters, she is a much bigger player than that. The March 1989 issue of her magazine highlights the presentation of "The Sylvia," a glass sculpture award, to none other than Paul Volcker, the first recipient of the award. The former Federal Reserve chairman and Trilateral Commission member is the single most responsible figure in what he once boasted would be the "controlled disintegration" of the U.S. economy.

Boland himself published an investment newsletter, *Value Investing* until November 1989, when he could no longer maintain enough subscribers to keep putting the publication out. He now publishes *Bankruptcy*, a newsletter which profiles firms that are in Chapter 11 and advises which firms to speculate on. The newsletter's annual subscription price reportedly is \$5,000.

Boland maintains working relations on bankruptcy issues with **Jack P. Kneafsey**, a senior vice president of Prudential-Bache in Baltimore. Kneafsey has been investing his clients' money in the bonds and stocks of what he calls "undervalued bankruptcies" for over 10 years, according to *U.S. News and World Report* (Jan. 11, 1988). Kneafsey advises, "If you do your homework, bankruptcies can entail much less risk than some of the big Dow Jones stocks."

**Daniel R. Long**, president of Corby Associates, a Baltimore firm, which manages about \$150 million, is also a collaborating analyst. Corby Associates manages the Greenspring Fund. In November 1987, shortly after the "Black Monday" stock market crash, Long was holding about 60% of the average client's account in cash or equivalents, some raised during the 508-point crash on Oct. 19.

John Boland is author of the 1985 book *Wall Street Insiders: How You Can Profit With the Smart Money*. The book's dedication is "For Mira." Mr. Boland is an established authority on the inner workings of Wall Street. The thesis of the book seems to be that the Securities and Exchange Commission interferes with free trade in the markets. Attempting to control insider trading is ridiculous, Boland argues, since smart buying is the result of good intelligence. The book highlights the gray areas of the law on insider trading and then gives semi-populist advice about how you, too, can approximate playing with the big boys on Wall Street.

## Spook bankers

One of John Boland's sources and colleagues in monitoring financial trends is **Walter Schloss**, a Wall Street money wizard and treasurer for a think tank that was at the center of the Iran-Contra affair. In the March 1989 issue of *Sylvia Porter's Personal Finance Magazine*, Boland features Schloss in an article titled, "Voices of experience: Four veteran investors tell how they're dealing with today's turbulent markets."

Schloss is the treasurer of Freedom House, an important Anglo-American propaganda arm, widely accused of being a CIA front. In intelligence community parlance, it is known as a “quango” (quasi-autonomous non-governmental organization) and one the more important U.S. intelligence “black funds” conduits. Carl Gershman, director of the National Endowment for Democracy (NED) and a former staffer with the ADL, has publicly bragged that the NED, which gives about 40% of its budget to Freedom House, can now do openly what the CIA has been prevented by law from doing covertly.

Freedom House was identified in documents released by the congressional panel that probed the Iran-Contra affair as the recipient of hundreds of thousands of dollars used to finance a domestic propaganda campaign in support of the Contras. This was known as a covert program of “public diplomacy,” which employed political manipulation techniques normally used against “banana republics” on the American population.

Freedom House has long been under the directing influence of its honorary chairman **Leo Cherne**, who was the patron of Irangate’s CIA director William Casey, who passed away leaving the intelligence agency in shambles. Cherne, as vice chairman of President’s Foreign Intelligence Advisory Board (PFIAB), is still an important influence within the Bush administration and the intelligence community.

Schloss, along with Wall Street investment adviser **John Train**, are the financial angels who facilitate Freedom House operations on behalf of Project Democracy.

John Train, Mira Boland, Leo Cherne, and the Freedom House apparatus are elements or officers in the National Security Council’s Public Diplomacy apparatus. That apparatus, spawned in 1983 and directed by **Walter Raymond**, conduited black funds, and otherwise directed domestic and international propaganda operations, as well as “counteraction” programs for the Reagan-Bush White House, as Raymond’s sworn testimony before the Iran-Contra hearings documents. Raymond, who helped draft President Reagan’s 1982 speech proclaiming Project Democracy, is a career CIA officer whose most recent employment at the agency was as its director of propaganda.

In 1982, Raymond formally left the CIA to become the National Security Council’s director of intelligence. He was later the NSC officer in charge of Project Democracy. There he oversaw NSC operations against Lyndon LaRouche and associates, as former NSC official Richard Morris testified in court last month. Raymond is currently the U.S. Information Agency’s deputy director.

### Schloss’s financial profile

Walter Schloss handles a mysterious \$70 million private investment house, which releases approximately zero information on its activities, partners, and clients. The only information released on his private partnership, in fact, is that his company has had an average rate of return of 21.3% over 28

years—an astonishing rate, to be sure. Schloss’s company has only two staff members, of which he is one: He even handles many of his incoming calls personally.

Schloss’s account of his “good luck” is as follows. He came to Wall Street in 1934, just after graduating from high school. He became a clerk at Carl Loeb Co. (now Loeb Rhoades), and took night school courses at the New York Stock Exchange Institute. There he hooked up with **Benjamin Graham**, the author of *The Intelligent Investor*. In 1946,

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*By marriage and political affiliation, Mira Boland is linked to the Wall Street financial arm of the Anglo-American “secret government” apparatus, which played a central role in the Iran-Contra scandal.*

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Schloss went to work for Graham at Graham-Newman, a securities analysis firm.

Another figure who came to work for Graham during the same period is **Warren Buffett**, who remains a close associate of Schloss. In 1956, Schloss set out on his own, after co-authoring various of Graham’s books, and established Walter J. Schloss Associates. Buffett also set up a firm in this period—a firm later destined to become one of the most important media operations in the country.

Buffett and Schloss claim to have become filthy rich through following that great Wall Street investment principle “EMH”—or, “look for companies that are undervalued and hold the stock for as long as it takes for the market to see their value.” One of Buffett’s companies had a 29.5% annual rate of return in its 14 years of operation. John Train has praised Buffett and Schloss as being among the greatest investors on Wall Street, through their great knowledge of the “science” of investment.

Warren Buffett’s Berkshire Hathaway owns, or has the following investments, in the companies below:

- *Buffalo News* of New York: 100%
- Capital Cities/ABC: 17% of voting stock (\$1.6 billion)
- *Washington Post*: \$486 million in shares
- Coca Cola: \$2 billion in shares
- RJR Nabisco: \$300 million
- U.S. Air: \$15 million (11%)
- Buffett’s partnership, which is 25 years old, has \$9.5 billion in assets as of 1989. He also is a member of the board of directors of the *Omaha World Herald* of Nebraska, whose publisher is soon to be highlighted as a player in a nasty affair related linked to the Iran-Contra scandal.

# Kissinger Watch

by M.T. Upharsin

## Dr. K peddles 'Holy Alliance'

Henry Kissinger, sans wife Nancy, was a fixture at the recent U.S.-Soviet summit, despite the fact that in late January he was forced to resign from the President's Foreign Intelligence Advisory Board under a cloud of charges that he was "a thief." What with these vicissitudes of fortune, one would have thought Henry would keep a low profile for awhile. But before, during, and after the summit, he has been promoting a project dear to his heart for decades, namely, the resurrection of the 1815 Holy Alliance that employed Russia as a battering ram to crush republican revolutions in Europe.

This was the implicit theme of his May 29 syndicated column, entitled "U.S. strategy in a new world." In it he endorsed Secretary of State James A. Baker III's December proposal to transform NATO from a military to a political alliance—a proposal which President Bush said might be possible under Article II of the NATO Charter, in his concluding press conference with President Mikhail Gorbachov. But, complains Kissinger, this idea of "a new political role for NATO" has "run up against the historic suspicion of some Europeans that the United States is manipulating NATO to undermine European unification."

Kissinger also called for a review of East-West strategy—apparently along lines called for during the April visit to the United States of British

Intelligence Committee head Sir Percy Cradock (see *International Intelligence*). On June 1, Kissinger told BBC that the Bush-Gorbachov summit should go beyond arms control agreements, to "visualize where we want Europe to be five to ten years from now." The summit, said Henry, presents "an opportunity to shape a new international order," and that's what the two sides should discuss.

## Kissinger's cronies join the chorus

The same words were uttered by National Security Adviser Gen. Brent Scowcroft, on CBS News "This Morning" show on May 31. The former vice chairman of Kissinger Associates, Inc., said that beyond traditional summit concerns like arms control, "For the first time, [the Soviet and U.S. leaders] will consider re-making the face of Europe." Scowcroft confirmed that the fate of a unified Germany would be high on the summit agenda, and stuck to the President's contention that a unified Germany ought to be a member of NATO. However, Scowcroft added, as for Soviet demands for limits upon German armaments, "I think this question should wait until the next NATO summit, when the U.S. will advance the idea for a total re-shaping of NATO military doctrine in line with the changes on the Warsaw Pact." On the surface, Bush and Gorbachov seemed to agree to disagree on unified Germany's membership in NATO and its sovereign right to determine its military level of armament.

A similar line was peddled by former Kissinger National Security Council deputy William Hyland, currently editor of the Council on Foreign Relations quarterly, *Foreign Affairs*.

Writing in the May 26 *International Herald Tribune*, Hyland said that the Bush-Gorbachov summit must deal with a way to "manage" the breakup of the Soviet empire by creating a "new balance of power" for Europe, in which the question of German unification is key. Hyland said the Soviets require "far-reaching guarantees from the U.S." and therefore the U.S. "must reassure Moscow," while advocating German reunification.

Hyland showed just how he would bargain for such issues when, on June 3, he appeared on NBC News to tell Soviet Foreign Ministry official Vitaly Churkin, "While we must first settle the German question, it would be desirable eventually to create an umbrella organization like CSCE [Committee for Security and Cooperation in Europe]. I think something like that is in the works."

Perhaps the clearest indication that what the Soviets mean by strengthening of CSCE was provided on June 3 by Soviet official Valentin Falin, who called for the creation of a "pan-European Council" that would combine East and West in a mutual security system and that would dictate terms of German reunification. While that Soviet bargaining position "received a chilly welcome" in Washington, according to Reuters, the counterproposals of the Kissinger gaggle appear to contain differences only over which side of a Persian Empire-style model—i.e., East or West—will be the dominant power in an imperial arrangement that overreaches the sovereignty of all existing nations.

The Kissinger gang clearly has the ear of Secretary Baker, whose policy is to give Gorbachov everything he wants "to save him." And some of President Bush's statements during the summit indicate that he entertains bargaining along these lines as well.

## Senate upholds Bush veto of Amtrak bill

By a margin of three votes, the Senate on June 12 upheld President Bush's veto of a measure that would have continued federal subsidies for Amtrak, the nation's passenger rail system, and expanded the government's regulatory power over railroad freight.

The prime reason for the Bush veto was that it would allow the Interstate Commerce Commission to review proposed takeovers of railroads by investors who are not in the rail business. This measure was included in order to prevent possible takeovers of portions of the country's rail network by corporate raiders, who might use the acquisition to strip the railroad of its assets and sell the real estate, thus dismantling large chunks of the nation's already severely battered rail system.

The House overrode the Bush veto on June 7 in a 294-123 vote, but the Senate vote of 64-36 on June 12 fell three votes short of the two-thirds necessary to override. Federal subsidies for Amtrak end with the current fiscal year on Sept. 30, and so Congress will now have to take new action to continue the subsidies past that date.

## Super Collider funds approved

The Energy and Water Development Subcommittee of the House Appropriations Committee, meeting behind closed doors, approved on June 7 the administration's request for the multi-billion-dollar Superconducting Super Collider as part of the Congress's first major spending bill.

Of the \$318 million approved, \$169 million was earmarked for construction. The entire measure, howev-

er, could still be affected by the budget summit negotiations between Congress and the White House.

## Gonzalez begins inquiry into Panama death toll

Rep. Henry B. Gonzalez (D-Tex.) introduced on June 11 a resolution of inquiry which demands that President Bush, within seven days of the adoption of the resolution, submit to Congress a record of all payments made "by or through the direction of the United States government or an agent of the United States" to Gen. Manuel Noriega or to U.S.-installed President Guillermo Endara, and "an accurate accounting of the number of Panamanian civilians killed during, or by virtue of, the United States' invasion of Panama."

The Gonzalez resolution requests information of "any and all contacts between any Director of the United States Central Intelligence Agency, any United States President, or any United States Vice President, at any time, and General Manuel Noriega." It also requests any information relating to activities Noriega in support of the Contras.

## Bush flip-flops on porno authorization

In the face of general outrage over the financing of pornographic exhibitions by the government-financed National Endowment for the Arts, the White House has given up its efforts to prevent restrictions on NEA disbursements and has instead begun talks with members of Congress on the extent of such restrictions.

President Bush's attempts to pre-

vent restrictions on NEA disbursements were apparently partly in deference to NEA's chairman John Frohnmayer, a brother of one of President Bush's foremost supporters. The compromise with Congress would involve requiring the endowment to impose penalties on grant recipients if their work leads to a conviction on obscenity charges. Such a compromise is, however, not acceptable to conservative opponents.

"Unless there are standards that would prevent the subsidy of anti-religious and morally reprehensible art, then it's going to be defeated," said Rep. Dana Rohrbacher (R-Calif.).

The outrage over the issue has become so overwhelming, according to sources, that some House GOPers, flooded with letters from constituents after descriptions of some grants were published, have inquired whether they should organize a public effort to oust Frohnmayer.

A White House official said that Bush "would have none of that." The bill will be sent to the full Education and Labor Committee, which will then have to act on the legislation.

## Flag amendment proposal clears committee

A proposed constitutional amendment to ban flag burning was voted out of the House Civil and Constitutional Rights Subcommittee on June 13, in spite of concerns by Subcommittee Chairman Rep. Don Edwards (D-Calif.) that it is a wrong-headed assault on the Bill of Rights.

The flag amendment proposal, which was floated earlier by Republicans with the support of the White House, was considered an ideal issue for Republicans to "wave" during the upcoming election campaign. Demo-

crats, expressing concern about unnecessary "tinkering" with the Bill of Rights, passed a law making flag burning illegal.

On June 12, the Supreme Court declared that law unconstitutional, thus reviving the issue of a constitutional amendment. Although the subcommittee gave its approval to the amendment and will now pass it on to the full Judiciary Committee, Edwards urged that the committee reject the amendment and instead pass a separate non-binding resolution condemning flag burning.

Republicans, facing elections in the middle of a dire economic situation for which the Bush administration bears the prime responsibility, were overjoyed that, thanks to the Supreme Court, they could now use the flag amendment for 30-second campaign ads with which to bludgeon Democrats this fall. "I'm not sure this amendment is about flag burning," said Rep. John Conyers Jr. (D-Mich.). "It is about the politics of reelection, it is about the politics of hypocrisy and manipulation."

## **Riegle says \$50 billion more for S&L bailout**

Sen. Donald Riegle (D-Mich.), chairman of the Senate Banking Committee, said that Congress may have to provide a new savings and loan bailout fund of about \$50 billion this year.

The Resolution Trust Corp., the agency responsible for the bailout, "appears to have plenty of money to meet its immediate needs," said Riegle on June 12. "But Congress will have to act, probably later this year, to provide additional funds."

Riegle noted that there was little evidence of any real progress in selling assets the government has inher-

ited from failed S&Ls. Riegle also criticized the Treasury Department for failing to provide current information on the financial condition of the thrift industry.

The Riegle estimates received corroboration a few days later when L. William Seidman, chairman of the RTC, announced that they would need an infusion of cash by the end of this year, at least six months sooner than expected. "We will be out of funds and unable to do transactions some time in the third or fourth quarter," Seidman said. "When you don't have money, you can't continue."

At the same time, the Congressional Budget Office released an estimate that as many as 1,700 savings and loans may eventually collapse, two-thirds more than previously thought. "Clearly, the savings and loan pit is becoming wider, deeper, and much more slippery as the RTC moves into its critical phase," commented House Banking Committee Chairman Rep. Henry Gonzalez (D-Tex.). "The CBO projections clearly will require the administration to drastically rethink its cost estimates."

## **House okays AIDS bill minus mandatory reporting**

The House on June 13 approved by a 408-14 vote a bill which would give emergency relief to the cities hardest hit by AIDS. The bill would provide \$4 billion over five years to care for people with AIDS, primarily in clinics, homes, and hospitals in all states and in the 16 cities with the greatest number of AIDS cases.

An amendment by Rep. William Dannemeyer (R-Calif.) which would have required doctors and health officials to report the names of all those who test positive for the AIDS virus

so that state officials could trace their sexual partners, was rejected on a 312-113 vote after a heated debate.

The White House has opposed the bill because the President considers it too costly and because it is limited to a single disease. The Office of Management and Budget issued a statement saying that the measure would "set a dangerous precedent, inviting treatment of other diseases through similar ad hoc treatment."

The bill emphasizes "preventive services" which include testing and counseling of those who are tested, followed by early treatment of those who test positive. The House bill provides a mere \$400 million for each of the next five fiscal years to pay for preventive services. Half the money would go directly to clinics and programs in the chosen cities, and half to the states to distribute.

## **Appropriations committee works without guidelines**

The House Appropriations Committee began work on June 13 on the first of 13 spending bills which will make up the heart of the federal government's budget for the fiscal year beginning Oct. 1. This year, more than others, they are starting out on an uncertain venture.

The Congress has not yet completed work on a fiscal 1991 budget which would have set limits to spending in the various areas. At the same time, the much-touted "budget summit" between the Congress and the White House has slowed to a crawl since the two parties are so far apart. As a result, the appropriators are free to proceed without any limiting instructions.

# National News

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## Novak warns U.S. becoming police state

Columnist Robert Novak said that the United States is becoming a police state, on the CNN show "Capitol Gang" on June 9.

Novak, with columnist Mark Shield, Alan Ritter of the *Wall Street Journal*, Patrick Buchanan, and special guest Jesse Jackson, were discussing the case of Washington Mayor Marion Barry. Jackson said he believed there was a Department of Justice campaign targeting black politicians.

"But I would say this, Jesse," responded Novak. "You mentioned a lot of black mayors, black politicians that have been targeted by the IRS. I can tell you a lot of white businessmen who've been targeted by the IRS. I can tell you a lot of people who have been persecuted by the IRS with mistakes. It's getting so that the U.S. is beginning to look like a police state."

Cable News Network, operated by Ted Turner, omitted Novak's police state comments in their published transcript of the program.

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## Alleged Noriega drug running lacks evidence

Despite an unceasing search to find physical evidence of drug dealing by Gen. Manuel Noriega, U.S. officials say they have found almost no documents that conclusively prove General Noriega trafficked in drugs, the June 10 *New York Times* reported.

American officials say they had expected to find a damning paper trail among General Noriega's private and official papers, most of which are thought to have been seized by American troops who invaded Panama last December, said the *Times*.

So far, the most damaging "evidence" is a letter "discovered" in May by Rogelio Cruz, the Attorney General of Panama, who is tied to the Colombia's Cali and Medellín cocaine cartels and has defended narco-trafficker Gilberto Rodríguez Orejuela, written to Noriega by a convicted American drug

dealer, Steven Kalish.

The government has also secured the testimony of Enrique A. Pretelt, a 47-year-old Panamanian jeweler who has agreed to testify against Noriega as part of a plea bargain conviction for laundering drug money.

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## Bush Democrats ceding 1992 presidential election

The U.S. Democratic Party leadership has essentially decided to concede the 1992 presidential election to George Bush, according to a European insider who has spent time during May and June in the United States.

"Cuomo is the boy of the day, but he might not last long. Nobody else is being put forward. I'm absolutely certain that they've come to a decision not to mount a serious challenge to Bush," he said. "The Democrats' attitude is that Bush will easily win a second mandate, and that the Democrats have six years to reorganize themselves. Not two years, but six."

The Democrats' mood is all the more peculiar, he said, since Bush will become more vulnerable because of the growing banking crisis and the likelihood that his leading supporter, Gorbachov, will be thrown out of power. Once Bush becomes more vulnerable, all the old files, whether it be Irangate, Bush's dealings with Red China, or his sellout of the Baltics, could be used against him in a devastating way.

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## Science education advocate ousted

Bassam Shakhshiri, one of the nation's leading advocates of science education, has resigned as the assistant director of the National Science Foundation's education directorate and will be replaced by Luther Williams, the June 1 *Washington Post* reported.

"I am puzzled why in essence I am being fired," Shakhshiri stated. "I came here

when science education was decimated. I have rebuilt it. I am committed to that. I have dedicated my life to that." During his leadership funding for education has gone from \$55 million in 1985 to President Bush's current request for \$251 million.

Williams, as chairman of an NSF policy committee, recently recommended dividing the duties and money of the education directorate among the seven science directorates, each of which support different disciplines and compete for funds, a move which Shakhshiri said would "emasculate" science education.

Bill Aldridge, executive director of the National Science Teachers Association, said, "It's an outrageous thing to do, especially when everyone, including Congress, has been calling for more support of science education."

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## LaRouche Dems score in Calif., N.J. primaries

Four candidates for the U.S. Congress campaigning in support of Lyndon LaRouche and his policies, received vote totals in the 20-35% range, and more than a score of LaRouche Democrats were elected to party central committee positions in the June 5 California and New Jersey primaries.

Voters in California turned to LaRouche candidates to an unprecedented extent, despite years of intense Anti-Defamation League-inspired hate propaganda against LaRouche and his movement. In Democratic congressional primaries, Art Hoffman (38th C.D.) took 34% of the vote; Robert Ingraham (14th C.D.), 21%; and Scott Gaulke (26th C.D.) 14%. In northern California's 4th C.D., LaRouche-backer and Food for Peace activist Edward Anderson won 32% of the vote, finishing second in a four-way race for the GOP nomination.

In Los Angeles County, LaRouche candidates won 17 seats on the Democratic Central Committee and now constitute 8.6% of the largest Democratic Party machine in the state. Nine more LaRouche backers won committee seats in Los Angeles and surrounding counties, including six Republicans. In northern California, more than a dozen LaRouche Democrats in

seven counties were elected to party central committees.

Longtime LaRouche foes, Attorney General John Van de Kamp and Los Angeles County District Attorney Ira Reiner, lost bids for the Democratic gubernatorial nomination, to former San Francisco Mayor Dianne Feinstein by 52-41%, and for Attorney General, to San Francisco D.A. Arlo Smith, respectively.

Two LaRouche congressional candidates in New Jersey's Democratic primary also scored in double figures, with the slogan "Freedom for LaRouche" printed on the ballot. Michael DiMarco, running in the rural 13th C.D. won 20% of the vote, finishing second in a three-way race. He defeated an environmental activist who has called for shutting down the Oyster Creek nuclear reactor.

In the 11th C.D., Mary Frueholz was officially credited with 14% of the vote against lawyer Michael Gordon, a member of the state's environmental enforcement advisory committee. Gordon's ballot status has been challenged, however, for filing after the deadline and using on-duty sheriff's officers as "couriers" of his petitions. Frueholz maintains that, under the law, she is the Democratic nominee.

## Bork denounces RICO as legally intolerable

Former federal judge Robert Bork in a commentary in the June 6 *Wall Street Journal*, condemned the abuse of due process in the Racketeering Influenced and Corrupt Organizations act case against Ed Meese associate, E. Robert Wallach.

"RICO is constitutionally intolerable. The due process clause of the Fifth Amendment forbids Congress from enacting penal statutes that are so vague and indefinite as to deprive a person of ordinary intelligence of notice of prohibited conduct, and to afford unfettered discretion to prosecutors," Bork wrote in an appeal filed on Wallach's behalf, which he included in the commentary. "As Wallach's prosecution demonstrates, RICO grants essentially unbridled discretion to judges and juries and affords no notice of what conduct it prohibits. . . .

The existence of an 'enterprise' and . . . 'pattern of racketeering' have no limited definition in the statute."

## Columnist on target against Dr. Kevorkian

The June 4 killing of a supposed victim of Alzheimer's disease Janet Adkins of Portland, Oregon by Nazi doctor Jack Kevorkian, was strongly condemned by Patrick Buchanan in a June 9 column.

Kevorkian watched as Adkins allegedly pushed the button on Kevorkian's "suicide machine" releasing thiopental to induce coma, and potassium chloride to stop the heart. The killing is being used as the kickoff for the Hemlock Society's campaign to legalize euthanasia.

"Few may acknowledge it, but we are far along in a process that is altering the character of our nation," Buchanan warned. "The first, critical step was to deny that all life is a gift from God, and that no man can take it; and to assert, instead, our right to decide when a human being is a 'person.'"

"The second step was to assert that some persons are better off dead, such as comatose victims of accidents. . . . The third step is to assert a 'right to die' and a concomitant duty to assist individuals who seek to exercise it. . . .

"Indeed, if a lethal injection is the dignified way out for Mrs. Adkins, why is it not also a dignified way out for the homeless, who, enfeebled, rummage through garbage cans for food? (To quote Dr. Kevorkian, 'What kind of a life is that?'). . . .

"And, if Mrs. Adkins' decision was rational, why is it not equally rational to ask all those with Alzheimer's, Parkinson's and terminal cancer. . . . Perhaps Dr. Kevorkian has, in his machine, the final solution to the AIDS problem? . . .

"Inexorably we reach the fundamental question: Is there a higher law, call it God's law, or natural law, to which man-made law must conform, or be invalid? And if no higher law exists, on what moral ground do we stand to condemn the German doctors whose 'crimes against humanity' consisted only of doing to the feeble-minded exactly what we seek to do today?"

## Briefly

● **THE WASHINGTON** summit: The worst strategic miscalculation since Yalta," is the title of a White Paper written by former Reagan administration arms control staffer Sven Kraemer. Not since Roosevelt and Churchill allowed "Eastern Europe to be regarded as a Soviet 'sphere of influence' has an American President accepted greater risks," Kraemer writes.

● **AMB. EDWARD ROWNY**, who resigned as President Bush's special adviser on arms control, denounced strategic arms concessions to the Soviets as "unnecessary" and ones that "will come back to haunt us," in a speech to the American Bar Association, the June 8 *Washington Times* reported.

● **OHIO GOVERNOR** Richard Celeste insisted his wife, Dagmar Celeste, is not a lesbian after she spoke at a gay and lesbian political rally, the June 11 *Washington Times* reported.

● **TED TURNER**, owner of Cable News Network, said June 13 he plans to apologize for calling Christianity "a religion for losers" but added he might say other things we might not like, according to the June 8 *Washington Times*.

● **THE WASHINGTON Post** defended George Bush's refusal to eat broccoli in several articles in early June. The *Post* does not mention Lyndon LaRouche, nor his campaign slogan, "Eat It, George," by name, but runs thousands of words of copy arguing against forcing children to eat broccoli and other vegetables.

● **A DU PONT CO.** "refrigeration expert" fled a debate with *21st Century Science & Technology* spokesman Roger Maduro sponsored by the Vermont Chapter of the American Society of Heating, Refrigeration, and Air Conditioning Engineers in Burlington, on June 6. Maduro exposed the global warming and ozone depletion hoaxes which has led to the ban on chlorofluorocarbons.



## Editorial

### *Lessons of the Carpentras affair*

On the tenth of May of this year, an extremely ugly incident occurred in the French village of Carpentras. The grave of an elderly Jewish man was desecrated. This was immediately seized as a pretext for hysteria about a presumed new wave of anti-Semitism sweeping France, Eastern Europe, and of course, always lurking in Germany.

At the time, we warned that whatever the actual occurrence, this incident was being hyped by Bronfman-connected ADL circles who were working hand-in-glove with the KGB, with the full approval of Mrs. Thatcher and the Bush administration, to put a spike into German reunification.

Since the reported atrocity occurred right after a meeting of the World Jewish Congress which particularly targeted French national fascists of Le Pen's National Front, and scurrilously claimed that associates of Lyndon LaRouche were associated both with Le Pen and with the virulently anti-Semitic Pamyat group in the Soviet Union in promoting a new international wave of anti-Semitism, we smelled a rat.

At the time, Lyndon LaRouche warned that the exploitation of Carpentras was "organized and in motion before the event itself occurred," at the meeting of the World Jewish Congress in Berlin. He described the ADL faction of the WJC (and its British sister group around the magazine *Searchlight*) as a conduit for "Moscow's KGB, by way of Bronfman and his cronies."

Now we learn that we were more right than even we guessed. Many of the gruesome details which the mass media used to throw France into hysteria were sheer lies. The autopsy of the corpse of 81-year-old Felix Germon, whom the perpetrators had exhumed from his grave, showed no signs of having been impaled, as had been claimed. The alleged swastikas and anti-Semitic slogans smeared on the gravestones were also invented. Indeed, the May 10 incident was on the model of earlier desecrations of Christian graves in Carpentras.

Even before this was revealed, French and British Jewish leaders had condemned the hysteria being fanned by the mass media and even by some members

of the French government. In vain, the head of the Carpentras Jewish community, Freddy Haddad, had asked that the cemetery desecration not be retailed in the mass media. But the media campaign rolled right on, and reckless politicians threw fat on the fire. Interior Minister Pierre Joxe rushed to the scene by helicopter and announced: "We know the culprits. They are anti-Semitism and racism. No need to look much further." What he meant, was Le Pen and his National Front—who, in fact, had nothing to do with the crime.

Fanned by Bronfman's networks, the results of the campaign, if not the operation itself, reached far beyond France. A provocateur painted Nazi slogans and swastikas in a cemetery in Haifa, Israel. In England, the *Mail on Sunday* played up the desecration of a Jewish cemetery. The executive board of the Conference of British Jews protested that the photo run by the paper showed the cemetery after it had been hit by a hurricane—no desecration had occurred.

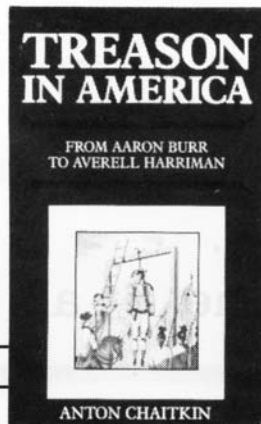
One line of investigation now being followed in Carpentras leads to youthful followers of a heavy metal rock group, who are thought to be practicing satanists. Apparently they were known to frequent cemeteries. The fact that the Bronfman gang was running cover for satanists makes perfect sense, since in the United States, the ADL has taken the lead to stop law enforcement from bringing satanists to justice.

The ADL has a well-documented history of commissioning anti-Semitic atrocities, such as the painting of swastikas on Jewish places of worship, in order to strengthen their control over the Jewish community. Since the 1930s they have been an unofficial arm of the U.S. Justice Department. As our readers know, they have been at the center of the dirty operations against Lyndon LaRouche and his associates, run through a multi-agency "Get LaRouche" task force.

The coincidence of their role in railroading LaRouche and their complicity in fanning the flames of the Carpentras affair is easily explained by their political world view. They have always functioned as a thug operation for the Anglo-American establishment, which has proven itself willing to go to any lengths to protect its perceived ally, Mikhail Gorbachov.

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U.S.A. vs.  
Lyndon LaRouche, et al.

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**“I SHOULD GET A CIGAR. . .”** bragged the judge after railroading through the frameup and conviction of presidential candidate Lyndon LaRouche.

Judge Albert V. Bryan was the judge who finally accomplished what a federal government “Get LaRouche” Strike Force had been attempting to do since 1983. That task force swung into motion using the resources of the FBI, CIA, IRS, and private agencies, at the instigation of Henry Kissinger, who bragged in the summer of 1984 that “we’ll take care of LaRouche after the elections.”

The first federal case against LaRouche and his associates, held in Boston before Federal Judge Robert Keeton, backfired on the government. A mistrial was declared, and the jury said they would have acquitted everyone on *all* charges.

But in Alexandria federal court, the “rocket docket” did the job. Judge Bryan hand-picked the jury in less than two hours, excluded all evidence of government harassment, and rushed the defense so rapidly that convictions were brought in on all counts in less than two months from the indictment.

LaRouche was sent to jail for 15 years, on January 27, 1989, a political prisoner. The conviction and imprisonment have provoked protests of outrage from around the world. In this book, you’ll see why.

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