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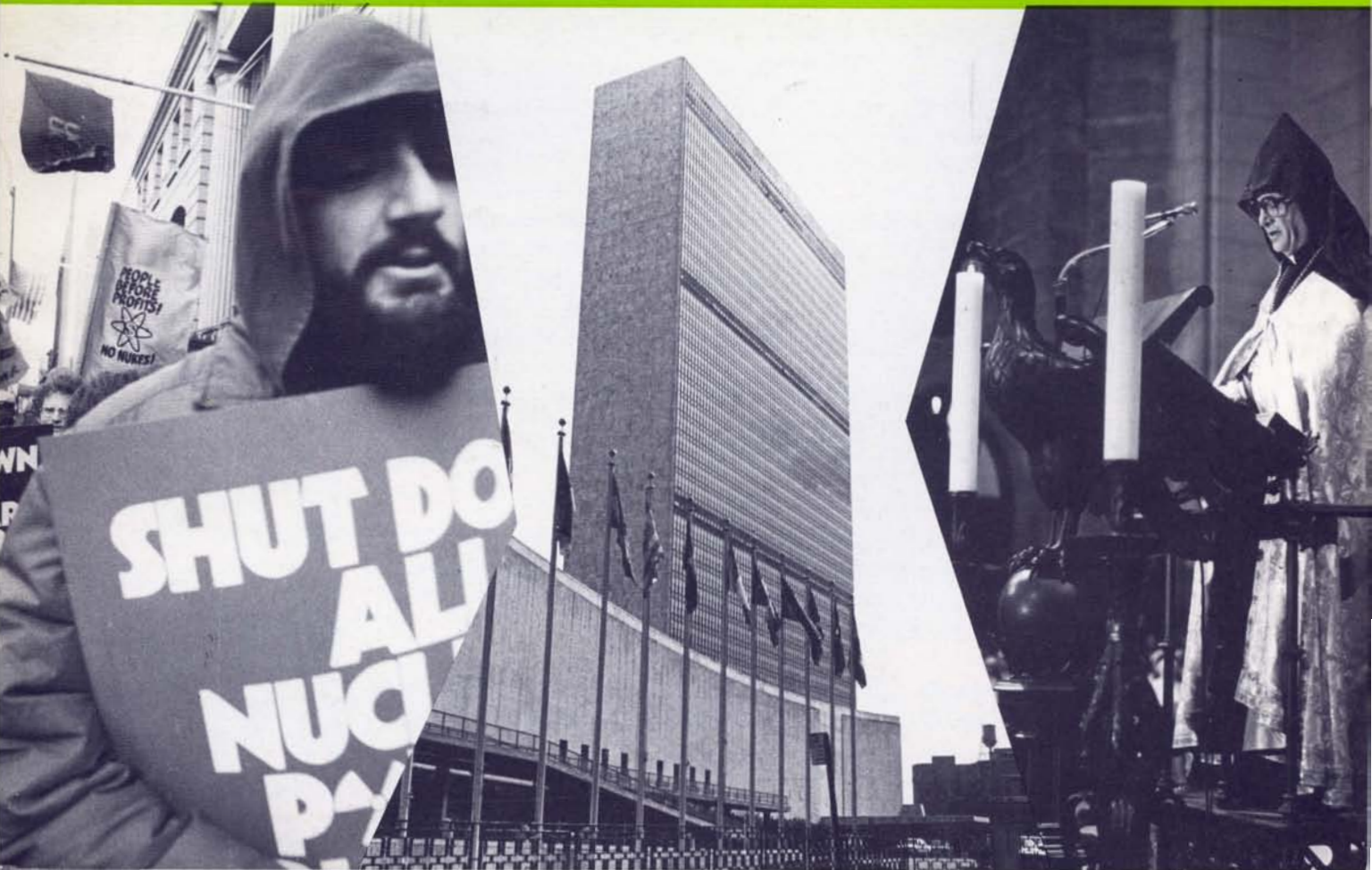
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Venezuelan Gnostics storm Catholics, army  
Philippines NPA: a case of Soviet irregular war

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## From the Editor

I would urge readers to turn first, in this issue, to the three articles which lead the respective news sections. In *Economics*, Chris White sets the context for the much-touted savings & loan crisis facing George Bush, by recounting how the Fed's Alan Greenspan has set himself up to dictate the terms of the northern European central bankers to the new administration.

In *International*, Michael Liebig, who directs EIR Nachrichtenagentur in Wiesbaden, reports on all the signals that the Bush administration may be getting ready to sacrifice Germany on the altar of détente—which is what the Soviets are demanding, after the head of Lyndon LaRouche. Webster Tarpley contributes the lead article in *National* on the latter-day Robespierres of our Justice Department, who represent a well-defined set of private interests and “New Yalta” deal-makers *against* constitutional rule in the United States.

This is the backdrop for our three in-depth reports. The *Feature* includes the first of our file reports on the phenomenon of Satanism, from the standpoint of its top-level controllers, examining the Lucis Trust which runs the United Nations, the Freemasonic faction fight, and the not-so-charming intentions of the British Royals in all this.

Our research and news reporting at present is quite a bit ahead of our space to print what we have on the enemy, so expect to be reading a considerable amount of follow-up coverage.

In a *Music* section which replaces *Science & Technology* in this issue, we present two contributions on the connection between great music and physical science, by Lyndon LaRouche and Carlo Bergonzi respectively, each arguing for reestablishing the “Verdi tuning fork” of  $A = 432$ .

The *Investigation* deals with one of the best documented instances in the world of Soviet irregular warfare—the New Peoples Army of the Philippines: how it recruits, where its strongholds are, and why U.S. policies are playing right into the loss of this critical Pacific ally.

It is the *combination* of these kinds of coverage, naming the names of those who do Evil, and pointing the way to the principles of the Good, that the enemies of LaRouche and *EIR* desire to silence.

Nora Hamerman

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## Fed's Greenspan launches power grab

by Chris White

Federal Reserve chairman Alan Greenspan, a follower of the Russian mystic Ayn Rand, has successfully propelled himself to the fore as the pointman for challenges to the new administration from within the United States, in his capacity as the U.S. representative for the central banks of the northern part of Western Europe.

That, his adopted mission, was the subject of two rounds of congressional testimony in the first week of February, before the Senate Finance Committee and the House Ways and Means Committee. This testimony expanded on the bombshell theme of his Jan. 23 appearance before the House Banking Committee, chaired by Rep. Henry B. Gonzalez (D-Tex.). On that occasion, Greenspan set himself at odds with the new administration, while reminding them that the power is his, and his employers', to determine whether they sink or swim. This was accomplished when Greenspan told the Gonzalez committee that the fight against inflation would remain his number-one priority, and that to wage that fight, he would not refrain from raising interest rates should he have to. The testimony drew a rebuttal from the new President the very next day.

Now, what Greenspan has presented goes very much further. Before the Senate Finance Committee, he laid out what can only be construed as the program of a power grab designed to enhance the institutional weight of the so-called "independent" Federal Reserve Bank and its Board of Governors vis-à-vis both the executive and legislative branches of government. Protesting, perhaps like Hamlet's mother Gertrude, too much, that his remarks of the week before had been "misconstrued," that he is a "close friend" of the new President, that the differences between the two of them were "minuscule," Greenspan went on to demand regular meetings

with Bush and his economic team, the Treasury Secretary, the head of the Office of Management and the Budget, and the chairman of the Council Economic Advisers to the President. He also warned Congress that whatever budget it ultimately comes up with for the year, it would have to meet approval from "international opinion," specifically the creditors of the United States, and he again reserved the right to increase interest rates.

His subsequent testimony Feb. 2 before the House Ways and Means Committee was again on the subject of the budget deficit, warning lawmakers that the deficit was "eroding" the American economy, and would have to be dealt with. Commonplace by now in so-called public opinion, because of the way the matter is shaped by press bombardment, the testimony was also a timely intervention into the Group of Seven meeting set to begin the very next day, on behalf of those European-based financial powers whose objective it is to crush the new administration, through financial crisis manipulation over the coming months.

### The central bankers' game

Internationally, Greenspan's power-grabbing perspective reflects the deflationary objectives of the cabal of central banks organized around the Basel, Switzerland-based Bank for International Settlements (BIS). The central bankers are coordinating especially their interest rate policy internationally, in such a way as to maintain or increase the level of the dollar relative to the West German mark, it being back up near the imputed 1.90 upper level set at the Versailles meeting in January 1988, while the German central bank unloads dollars which the Japanese then buy. The effect is a steady tightening of credit everywhere, leading shortly to the run-

ning down of Japan's reserves.

At the same time, the same central bankers are coordinating administrative or legal action to rein in speculative activity on equity and other markets. The ongoing investigation of the Chicago Board of Trade and Mercantile Exchange appears to be typical of this pattern, which is being conducted as an assault on "insider trading" and related practices. Markets in the United States, Mexico, France, Japan, and Britain have been hit as part of this campaign. In each case, the ostensible political "anti-corruption" scandal-mongering provides the cover for an administrative retrenchment of speculative markets, as part of the central bankers' design coordinated through the BIS.

Some analysts in Europe point out that this coordinated policy of combined credit tightening and administrative reorganization of speculative markets seems designed to bring about, through the back door, the reestablishment of a relationship between the dollar's value on exchange markets, and the price of gold. The two have swung inversely over the last years. Now, the story is that thanks to central bankers' political control, dollar and gold rates are being brought into the range where soon the markets will be able to consider them once more to be pegged to one another.

Internationally, the name of the central bankers' game is called the fight for control over the financial collapse. The new administration's team considers that it too is engaged in an effort to take control, and that with the guarantee of continued financing from especially Japan, time can be bought to establish that control. Both sides—the central bankers and their allies, and those who backed the new team taking over in the United States—are making the same type of blunder, putting themselves in the position of competitors fighting for control over the rearrangement of the deck chairs on board the *Titanic*. No matter who ends up on top, the result will still be the same: The *Titanic* will sink.

From the standpoint of pure power politics, it may well look like the central bankers have an unbeatable hand. While the United States is the largest debtor in the world, they, in combination, are the largest creditor, and more important, the controllers of the terms under which credit is generated. But pure power political combinations will not count for too much as the world economy grinds further into economic breakdown, because of the depression-inducing and depression-aggravating policies which their policies enforce.

### Shifting alliances

Greenspan wasn't the only one to intervene in the preparations for the Group of Seven meeting of finance ministers of the top allied countries. The President, targeted by Greenspan and company, also did, meeting Japanese Prime Minister Noboru Takeshita on the eve of the gathering, to signal a shift in priorities away from continental Europe, toward an alliance of the United States and Britain, backed by Japanese funding, against the nations of continental Europe. The meet-

ing, of course, also indicated that the desired Japanese money is on line, as is reflected in the behavior of the dollar.

But this is only on the level of the governments. Now those the U.S. administration thinks its friends, like the circles typified by former West German chancellor Helmut Schmidt, are working against France, Germany, and Italy, ostensibly for the United States. But, in a short while, when Japan's capacity to finance such U.S. activity is run down, those friends will be the ones who turn against the United States, and stand revealed as part of the central bankers' faction which Greenspan represents.

Their other agenda is being presented to the Group of Seven meeting in the form of demands that the United States adopt a new policy on Third World indebtedness, acceptable to its creditors, which can be adopted for implementation by the time of the International Monetary Fund's Interim Committee meeting in April. The threat is that if these demands are not met, then from then on, the U.S. will be fair game. In April too, Helmut Schmidt's new U.N.-sponsored outfit to promote the flow of funds into the Third World will be holding its first conference in Tokyo. This new organization brings together people like Paul Volcker and Fritz Leutwiler with other former central banking officials.

They and their partisans within the Group of Seven are advocating an overall reorganization of debt under the IMF, the World Bank, or a combination of both. Their plan goes under the name of the Miyazawa Plan, or the Beregovoy Plan, or now the Carlos Andrés Pérez plan, after various officials who have associated with the same blueprint. It is to establish a new agency within the IMF or World Bank to buy out holdings of debt, at a discount, in exchange for long-term bonds; the transactions would be collateralized against debtors' foreign exchange holdings.

This plan has been consistently rejected by the crowd in the United States, especially since last September. The reason is that the sovereignty of the U.S. is over, once it is adopted, for apart from what is done to the Third World in the name of such an agency, it will also be the United States which is then first subjected to the yoke of international financial dictatorship. No one from the U.S. side has opposed it that way. They put forward the usual technocratic blather, about letting the burden fall on the banks not the taxpayer, and preferring a bilateral rather than a multilateral approach.

The European-based multilateralists and the U.S.-based bilateralists will ultimately do the same thing. They both stand for the same policy of ruthless Schachtian austerity. As long as the U.S. crowd refuses to recognize that new monetary arrangements are needed, they must operate within the constraints of their own indebtedness to the bankrupt system they refuse to replace. Greenspan's power grab of the last two weeks is a staking out of the ground for arrangements which will come, sometime after April, as U.S. sovereignty is crushed, and creditors begin to insist on payment of debt, not in dollars, but gold perhaps, or local currencies.

## Savings & loan blowout looms

*Edwin Gray, the head of the Federal Home Loan Bank Board during part of the Reagan administration, was interviewed on Jan. 20 by EIR analyst Kathy Wolfe. Gray witnessed the impact on the thrift industry of the high interest-rate regime of Treasury Secretary and then White House Chief of Staff Don Regan and Federal Reserve chairman Paul Volcker. With their income locked-in primarily in the form of low-interest housing loans, the savings and loans suddenly had to start paying higher and higher rates to depositors to remain competitive, trying to make up the spread by means of highly risky real estate investments and the like. Gray warned of what was happening, but his warnings weren't heeded—by no accident.*

**EIR:** Let me ask you for a little bit more detail on how we got into the mess that we're in, and if you had some proposals for how we can get out of it.

**Gray:** I will send you the testimony that I did before the Senate, in August, and before the House Banking Committee on Jan. 13. I'm, of course, very concerned that the taxpayers have to pay a \$100 million bill, which was unnecessary. And much of my testimony expresses that frustration, and gives a lot of the reasons for why this has happened.

**EIR:** For example, James Baker. What was his role in it? What was former Citibank head Walter Wriston's role in it?

**Gray:** The person whose role you really ought to be focusing on is Don Regan. That's the guy.

**EIR:** I'd very much like to. Is that in your testimony?

**Gray:** Oh yeah. Absolutely. And his twerps, you know. Jim Baker, when he became Secretary of Treasury, I went over to see him, and I remember one of the things he said was, "Well, how does it feel to be an undertaker?" because we were trying to close some of these thrifts that had crazy people in them. He indicated that he understood, and then he appointed an undersecretary of the Treasury, a fellow named George Gould, who was very helpful to me.

But basically it was Don Regan. He tried to smear me and get me out many times of the administration, which is no secret to anybody. And so I talked about that.

I don't know whether you read the interview that I did with *Regardies* magazine. Dave Stockman and the people at the Office of Management and Budget were just—awful. And OMB is in the Executive Office of the President. They are largely responsible for this; they share a great amount of culpability in this. Don Regan, of course, had a position of great power, both in the Treasury and over at the White House. And as a guy who's worked for the President for a long time, I just think he ill-served the President. But the President appointed him, and just kind of delegated him everything having to do with finance in the whole government, in the whole Executive Branch. And Don Regan always wanted it done his way. And I guess I was too independent for him, because he caused me a lot of problems.

**EIR:** I want to ask you about motivations. Do you really think that's all it was?

**Gray:** He wanted to see the demise of the thrift system, that is very clear. I can tell you that this was no secret. I mean, from early on, that's what he wanted, and of course, he got it in the end. Look, Don Regan was in a position where, because he was the chief economic spokesman for the President, he knew exactly what the problem was, and in his position as the chairman of the cabinet Council on Economic Affairs. First of all, he would *never* return my calls. Secondly, he blocked my efforts—and for that matter every effort before me—to go over and brief the cabinet Council on Economic Affairs regularly about the deteriorating situation at the Federal Savings and Loan Insurance Corporation.

**EIR:** Never giving a reason?

**Gray:** Oh yeah! He gave a reason! It was a ridiculous reason. He said, "Well, we can't have people from the independent agencies coming over to the White House, because they're independent agencies, and they can't be a part of the Executive Branch decision-making process." Well, that's just *patently* absurd. We didn't want to become part of the cabinet Council, or Executive Branch decision-making process. We were very proud of our independence. I certainly was.

What we were trying to do is to brief everybody: people in the administration—*notably* the cabinet Council on Eco-



conomic Affairs, which Don Regan chaired the whole time he was there. Just like we were trying to brief the Congress, the oversight committees. Congress, of course, is the great overseer of the thrift system and the banking system, and we were trying to brief them, and we did many, many times. Not that they *did* anything.

But there you have the chief economic person in the administration denying us the opportunity to let them know. We had some expertise in the field, and Don Regan always used that argument! I don't think it was a *real* argument, he didn't want us to come over. I remember back in 1981 and 1982, he was saying—when I was at the White House—things that were very punitive toward the thrift system. This is at a time when he ought to have been indicating some kind of concern, and he didn't. *Many* thrifts, in 1981 and 1982, were in trouble, not because they wanted to be, but because they had been doing what the government presumably had wanted them to do, and that was to make long-term fixed-rate mortgages. Don Regan was contemptuous of the principal reason why they were there. And I believe—these are only my beliefs—that he was contemptuous for many reasons, among them that the thrifts were protected by Congress in their housing-finance role, which apparently he felt other parts of the financial system—well, he felt that nobody should be protected, in other words. And the real reason was that they were protected because they *were* making home finance available to American families.

So afterwards, the spread problem became a bad asset problem, and the OMB didn't provide us the examiners we needed, and the Congress sat on its hands for all this time, and the U.S. League of Savings Institutions said we were exaggerating about the problems of the FSLIC, and so forth.

**EIR:** In 1980, I did an interview with this fellow from Merrill Lynch, and another fellow at the Federal Reserve; the one referred me to the other. They both said, "Yes, we don't want the dedicated lenders to exist, because we think there are too many houses in America, and people are having too many babies." This was overt.

**Gray:** Oh, absolutely! When I was in the White House, we had a lot of people in the administration who believed that, too.

**EIR:** Who?

**Gray:** I think probably Donald Regan to start with. This is my belief. To a lesser or greater extent, the idea was pervasive in the White House and at OMB, that housing was getting a special preference in America's investment.

**EIR:** And shouldn't?

**Gray:** Well, not so much. This was pervasive. I didn't agree with that. Frankly, I don't think the President agreed with it, but I didn't think the President was paying really the kind of attention that—look, if we could have had another kind of

person in Don Regan's position, somebody with a more balanced view of the needs of America and the financial system, we wouldn't have had a lot of these problems. But it wasn't to be. That isn't to say that some of the things still wouldn't have happened, because there was a mind-set back in 1983 that deregulation of the financial system was going to be a panacea, and most particularly a panacea for the thrift system. Of course, it wasn't, because, well, first of all, thrift institutions are not free market players. Public policy has placed them in a unique position, where in return for using government-guaranteed deposits, they would have the resources to finance housing. But deregulation, particularly in some of the states like California, Texas, Florida, and across the Sunbelt, provided through the state charters almost unlimited powers in *any* area—not just housing—and of course, many in the thrift industry were saying, "Gosh, finally we don't have to be locked into housing. Now we can do other things." They sure did other things, and look what happened.

**EIR:** So, everybody was saying we've got too much housing?

**Gray:** I'm just saying it was pervasive enough to have an undue influence on policymaking.

**EIR:** David Stockman, at the same time, was saying things like that, was saying that all the farmers ought to be shut down, and in fact, his mother, who is a farmer, got real mad at him at one point.

**Gray:** Well, Dave Stockman was a total disaster in almost everything that I can think of.

**EIR:** Don't you really think that certain people, such as Don Regan and some of these other very radical free market types, were actually trying to use this idea of the free market to impose zero-population growth, in fact, an environmentalist mentality on the United States, that they did not dare come right out and say the goal that they held? That's what I get from this big attack on housing.

**Gray:** Well, yeah. I sometimes believe that Don Regan wanted to see the thrift system fall on its face and he got his wish, of course. Actually, the U.S. League helped him quite a bit. I believed that he and others felt that way because they really wanted to see the demise of housing finance institutions.

**EIR:** Why?

**Gray:** Because, I believe they felt that housing finance could be provided through other mechanisms, such as we're now seeing in fact—secondary market for mortgages, and the involvement of Wall Street—outside of the "protected" savings and loan system.

**EIR:** So there's a certain element of immediate, personal, business greed—in other words, they wanted to give the

business to Wall Street that the protected lenders were getting preferentially?

**Gray:** I think they wanted to accelerate it. It's already happened, a large part has already happened. I'm just telling you they got their way!

I think there was a mixed bag on Wall Street. I think there were a lot of people who were making money off of thrifts, and are still doing that. I'm sure that some big money center commercial banks had those kinds of feelings. The extent to which they did, I don't know, but a lot of people have considered the thrift system to be a nuisance. To the extent that some of the things that have developed, they're probably right. It's rather a nuisance now for the taxpayer, and when I say a nuisance, I mean a *tragedy*.

**EIR:** You let Jim Wright have it in your *Regards* interview. Who else in the Congress besides Wright was either in on it with the bankers like Don Regan from a policy side, or else was venal or protecting morons?

**Gray:** I can tell you that some of the people tried hard—I remember Chip Pashayan from California. He was lobbying me very hard to do away with our growth regulation and our direct investment regulation back in late 1984-early 1985, in a way that was very unusual, because he was so fervent. And it seemed very strange to me that he was doing this, because nobody else in the Congress did quite that. You remember Congressman Annunzio, who authored a resolution to try to derail our direct investment regulation back in early 1985? And because of his great authority in Congress, and we were trying to get our FSLIC bill passed. There were constant pressures. We were getting letters. I remember I got an awful letter from—who was that senator from Arkansas?—saying we were doing terrible things to the thrifts in Arkansas.

**EIR:** There is a tremendous potential for a crash and for a panic.

**Gray:** Yes. I agree.

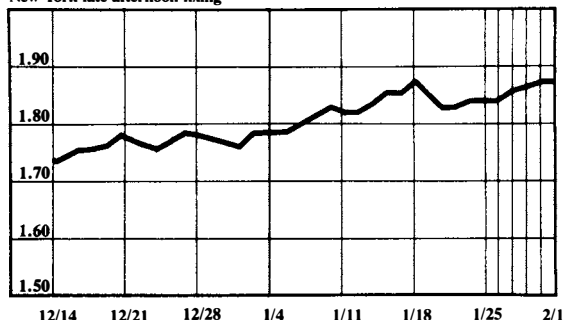
**EIR:** I don't see anyone in the current administration, who would sit down with the interest that you and I have and try to devise a way out of this that could hold up, if people like *U.S. News* and Walter Wriston, and Don Regan, and whoever else there is, all get on their high horse and whip up the justified public outrage at the looting of S&Ls by shysters—which is very justified. It's Wall Street, not Main Street. And those guys are now coming out yelling and saying the trouble is that "S&Ls are dinosaurs." That's a quote. And in the face of *them* doing *that*, I think the S&Ls are going to end up kind of like the Mexican banking system did when Britain invaded the Falkland Islands. Argentina and England went to war, and the next thing you know, everybody was pulling their money out of Mexico and Brazil. They want a panic to wipe out the S&Ls.

**Gray:** That's right.

## Currency Rates

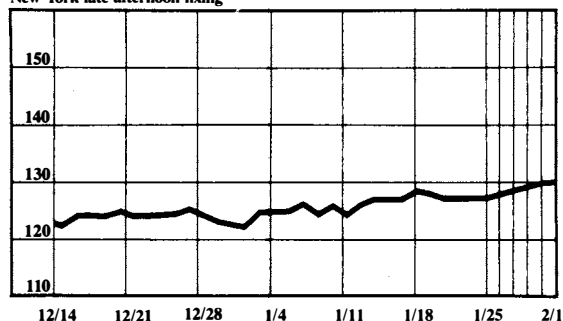
### The dollar in deutschemarks

New York late afternoon fixing



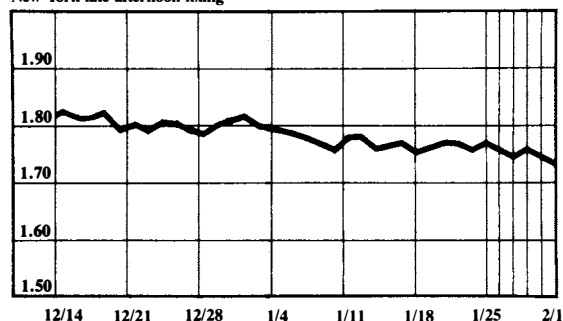
### The dollar in yen

New York late afternoon fixing



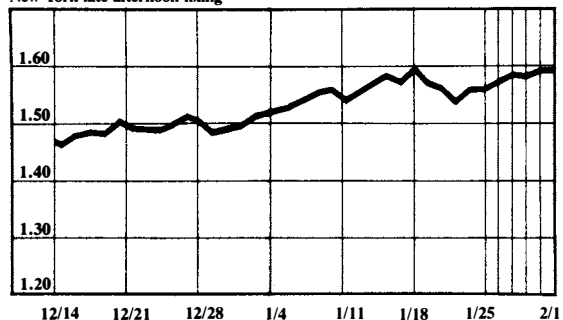
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# USDA sets non-food priorities, outlines 'low-input' agriculture

by Marcia Merry

On Jan. 30 at 1:00 p.m., the curtain went up, in Jefferson Auditorium at the U.S. Department of Agriculture building in Washington, D.C., on a scene so crazy it would take a modern day Hieronymous Bosch to portray the lunacy. It was the opening of a two day USDA conference, entitled: "Listening to Farmers on Low-Input/Sustainable Agriculture."

The affair brought together about 150 hardcore Washington kooks in the environmentalist circuit, some media, and a roster of farmers to speak from the podium, to give an aura of legitimacy to the otherwise crazy speeches. A new element in the proceedings was the representation of banking demands—that credit to agriculture would be tied to following USDA orders on the environment.

The underlying presumption of the conference was that feeding people is not an issue in the world today. Foremost on the USDA agenda will be "saving the environment." There was no mention of the strategic food crisis now facing the world. The conference was conducted almost according to the outline of Soviet President Mikhail Gorbachov's speech to the United Nations Dec. 7 of last year, calling for a coordinated world ecology organization, to supercede economic considerations.

The USDA event marked the release of a new report from the Department, "A National Program for Soil and Water Conservation: The 1988-97 Update," January 1989. Nominally, this report is the latest fulfillment of a mandate to the Secretary of Agriculture to periodically report on the status of conservation programs for private and non-federal lands.

However, the new report goes beyond the bounds of both bureaucratic safeguards on national resources, and beyond the bounds of science itself. The summary of the report states that the two concerns of stopping soil erosion and protecting water quality should be the USDA's "top priorities."

The remainder of the 27-page report is an expansion of what is to be done on these matters, beginning with an introduction that mentions in passing why the USDA is no longer concerned with food output.

In the report's introductory section, "USDA Responds to Changing Conditions," it states, "Conditions have changed markedly since the Resources Conservation Act was first enacted. In 1977, prices of agricultural commodities, exports of those commodities, and the acreage of cropland were increasing. Famine was stalking many countries, and reports

of world resource degradation were increasing. Adding to the concern was a perception that technology, which had provided continuous increases in agricultural productivity for decades, was not likely to provide similar increases in the future.

"In the early 1980s, trends sharply reversed. World demand fell in response to a worldwide recession and serious debt problems in many importing countries. At the same time, world agricultural production was rising. In this country, the increased productive capacity that had been developed in response to a decade of rising demand and prices resulted in surpluses. New technologies, developed in response to higher prices, seemed likely to perpetuate the 'problem' of abundance."

The conclusion of the USDA is that "the public," in response to all this, is now demanding more "stewardship of soil and water resources"—especially because of all the "heightened public awareness" about conservation that has taken place in recent years thanks to the "Resources Conservation Act process." Of course, "the public" is not concerned, and should not be concerned, about its food supply.

This is all bureaucratic doublespeak for the fact that there has been a brainwashing campaign in recent years by government offices in the USDA, the Environmental Protection Agency, and others, and by elements of the private environmentalist lobby, to misinform the public on the nature of food production and environment requirements. So, the public doesn't know what is going on.

## What is going on?

As of this year, the USDA and the international environmentalist lobby is going for broke on local, state, and federal laws to transform the U.S. food production sector from one based on the independent farmer and advanced technology, to a neo-feudalist system, in which virtual serfs toil on large landholdings controlled by the food cartel and related oligarchical interests. Concern for the environment is a cover story.

The deadly irony is that, if food and other essential output of goods and services are diminished by the actions of the "environmentalists," then the global ecosystem will decay to the point that famine, disease, and biological breakdown will threaten the very existence of the human race.

Here are the latest proposals of the USDA, from the conference and the January report.

The USDA report gives guidelines for the programs of eight USDA agencies for the 1988-97 period. These agencies cover agriculture research, the Agriculture Stabilization and Conservation Service (crop programs, and the Commodity Credit Corp.), the Extension Service, the Soil Conservation Service, the Forest Service, the Cooperative State Research Service, and the Farmers Home Administration.

The twofold priority for all these agencies will be to 1) "Reduce the damage caused by excessive soil erosion on rural lands"; and 2) "Protect the quality of surface and ground water against harmful contamination from nonpoint sources and thereby maintain the quantity of water available for beneficial uses."

In both cases, soils and water, the major cause of destruction of resources is considered to be—agriculture!

The Jan. 30 and 31 conference was made up of two series of panels. On the first day, the series covered how credit for farming, inputs to farming (machinery, fertilizer, etc.), research, and marketing must all be approached from the point of view that questions of soil and water supercede food production. The second series of panels gave the "line" on how different types of farming must be approached to minimize presumed damage to the environment. There were sessions on horticulture, livestock, and field crops.

The conference and the report stressed that "partnerships" will now take place between state governments and local soil and water conservation districts to set priorities and define conservation goals. The implication throughout is that penalties will be levied against any farmer or other producer who may be deemed in violation of the new environmental goals.

The conference was conducted by an unprecedented grouping of private lobby groups alongside government agencies and individuals. Official co-sponsors included the American Farmland Trust, the National Audubon Society, the National Wildlife Federation, Rodale Institute, Soil and Water Conservation Society, the Fertilizer Institute, the National Agricultural Chemicals Association, and the American Farm Bureau Federation, as well as the U.S. Environmental Protection Agency.

This is a "cold coup" by the international zero-growth lobby to take over the key farm institutions of the nation—credit, water infrastructure, transportation, and so forth.

Individuals officially participating in the conference and moderating panels included Rusty Jesser of the American Bankers Association, Kenneth Cook of the Conservation Foundation and the World Wildlife Fund, and Stephen Viederman of the Jessie Smith Noyes Foundation. In an attempt to give a semblance of authority to some of these effete personalities, the USDA provided short biographies, which only underlined their personal character. For example, banker Rusty Jesser: "He is single and lives on a houseboat on the Potomac."

The smiling, "obey or else" tone of the conference was set by the keynote speaker, Will Erwin. For the past decade, he has been a consultant to the Environmental Protection Agency, and before that, worked in the Rural Development division of the USDA. In addition to his EPA work, Erwin is also on the board of directors of the Farm Credit System Assistance Board. Describing himself as a "compulsive tree planter," Erwin said, "We want lower cost programs in a safer environment." And, among many anecdotes, he spoke of a meeting last week with the Office of Management and Budget on how to do something about water quality. He stressed that the OMB officials have agreed, "We'll go for some funding, but if [the water quality program] must deliver right now . . . we want 'discipline by conscience' . . . . But if we don't get the job done this way, it will be done by enforcement."

This can mean fining farmers for manure washed downstream, or down a highway during a rainstorm, or almost anything else.

Within the next 12 months, new reports are going to be released by the EPA on traces of chemicals in the ground water. An initial report was released in December 1988 ("Pesticide Detections in Ground Water"). These will be used by the new government environmentalist mafia to undercut farming. Erwin said, "We're in turbulent times. . . . There is real potential for media shock in these upcoming times." He said that there has been success on the sodbuster issue, the swampbuster issue, and there will be success, or else, on the ground water issue.

## And in Europe

The same "farming pollutes" campaign is being waged in the European Community. The EC Commission in Brussels has proposed to EC member nations that they take action to create "water protection regions"—including some of the richest farmland in Europe, such as the Po Valley, and set strict restrictions on farming, subject to heavy penalties and fines. The EC Commission recommends permitting only two cows per hectare, five sows per hectare, and so forth.

What is in reality most threatening to the environment in Western Europe, North America, and in other breadbasket regions around the world, is impoverishment of farmers. They are unable to use desired farming practices that would maintain productivity through *building up soils and herd size and quality*, and unable to maintain their equipment and water infrastructure. The top environmentalist strategists know this, and at the same time, know that the deterioration of domestic water supply and quality is the result of systematic obstruction of water management programs around the world—dams, canals, sewage treatment plants, irrigation systems, etc.

This is Satanic: Pseudo-environmentalism is being used to destroy family farmers and reduce food output—ultimately to cause the depopulation of the planet.

# Heritage Foundation out to revive Mexico's fascist PAN, end 'Cardenism'

by D.E. Pettingell

"There is still an alliance between the left wing of the PRI [ruling party in Mexico] and the LaRouchists," complained David Asman, a member of the editorial board of the *Wall Street Journal*, while waving a copy of the U.S. twice-weekly newspaper, *The New Federalist*. It is published by the political movement of Lyndon LaRouche. The newspaper he was holding bore the title, "Banks Order Raid against Mexican Trade Unionism." Asman was addressing a well-attended audience gathered in the auditorium of the Heritage Foundation, sponsors of a two-day conference on U.S.-Mexican relations Jan. 26 and 27 in Washington, D.C.

Asman, who participated in the session on "Perspectives for Democracy in Mexico," said he had received the copy of *The New Federalist* one week earlier, during a support demonstration for Mexican oil workers leader Joaquín Hernández Galicia ("La Quina"), held in front of the *Journal's* New York offices. "La Quina" was arrested by the illegitimate government of Carlos Salinas de Gortari, for posing a major obstacle to the plan to privatize the state oil company, *Petróleos Mexicanos* (Pemex).

In his presentation, Asman "documented" what, according to him, is an alliance between LaRouche supporters and the "PRI left" to "discredit" the National Action Party (PAN). Asman exhibited to the audience an English-language version of a book published by the Mexican Labor Party (PLM), a Mexican organization guided by the philosophy of Lyndon H. LaRouche, entitled *The PAN: Moscow's Terrorists in Mexico*. Asman explained that the photo appearing on the cover of the book was of none other than José Angel Conchello, the PAN leader and admirer of Nazi Economics Minister Hjalmar Schacht; Conchello was sharing the podium with Asman at that very moment.

The PLM book extensively documents the founding of the PAN by Nazi-sympathizer, anti-U.S. circles in Mexico in the 1940s, and the PAN's witting collaboration with Soviet-linked elements for destabilization today. The book labels the PAN a "Nazi-Communist" threat under direct supervision of a task force at the Eastern Establishment's Council on Foreign Relations and the Heritage Foundation.

In his presentation, Asman later complained that the tactics used by the PRI and "the LaRouchists" against the PAN had successfully sabotaged every effort by official and pri-

vate U.S. circles to collaborate with the PAN, a strong advocate of paying the Mexican debt with the national patrimony and the leading mouthpiece of "free enterprise." Asman acknowledged that, since then, any effort to support the PAN from the outside was "giving it the kiss of death."

In effect, Asman was asserting that LaRouche and his movement's denunciation of the treasonous nature of the PAN makes them responsible for the elimination of the PAN as a viable political alternative in Mexico. The discrediting of the PAN, in the opinion of such mouthpieces of U.S. financial power as Asman, gave rise to the resurgence of the populist nationalist movement in Mexico, centered around Cuauhtémoc Cárdenas. During the Reagan government, Washington had premised its hope of turning Mexico into one large sweatshop appended to the U.S. economy, on bringing the PAN to power. It wasn't until last year when, given the irrepressible rise of the Cardenista movement, Washington opted to "freeze" the PAN, supporting instead the monetarist technocratic faction of the PRI which imposed Salinas de Gortari as its presidential candidate.

## Reviving the PAN

Asman's presentation made it clear that the intention of the Heritage Foundation conference, from the beginning, was to try to resuscitate the PAN. The Heritage Foundation, a bulwark of free-enterprise worshippers, is also considered the epitome of imperialist interventionism à la Teddy Roosevelt. The great fear expressed by one Foundation speaker after another was that the PRI, or the faction of the PRI which imposed Salinas, might lose political control over the country, allowing Cardenism to take power. Six months after the July 1988 presidential elections, these circles still tremble at the thought that neo-Cardenism, in less than one year of existence, has not only displaced the PAN, founded back in 1939, but the PRI itself.

It was no accident, therefore, that participating in the Heritage-sponsored autopsy were leaders of the PAN itself, who have not been seen publicly in Washington since the outbreak of Irangate in 1986, a scandal in which the PAN played a role. In addition to Conchello, the following also showed up for the occasion: Ricardo Villa Escalera, a friend of the avowed homosexual Carl "Spitz" Channell, who gath-



ered funds for Oliver North's illegal operations; Luis Pazos, a compulsive pro-drug defender of monetarism; and Javier Livas, "former PAN member" and "former PRI member" who now claims that his only party is "democracy." In addition, various PANista businessmen attended, including Jorge Ocejo, president of Mexico's business council, Coparmex; Juan Cintrón; and *El Financiero* journalist Sergio Sarmiento.

Delal Baer, an academic from the Eastern Establishment's Center for Strategic and International Studies (CSIS), sought to offer an answer to the "why" of the "Cardenista upsurge." In her analysis, Baer explained that the PRI had functioned for decades as "one big family," in which all factions had political maneuvering room. But, she suggested, with the 1982 presidency of Miguel de la Madrid and the attempt to impose a pro-free enterprise philosophy on the party, the "delicate consensus" that had maintained that political "balance" was broken. The result was a schism in the PRI. "From the entrails of the party emerged the son of Lázaro Cárdenas, availing himself of the image and methods of his father," added Baer.

Cuauhtémoc Cárdenas's success, according to Baer, was due to two factors: 1) his name, which awakens "magical and mystical" powers, and 2) the fact that six consecutive years of "adjustments" had concretized widespread discontent against the government. In this context, insisted Baer, Cárdenas was nothing more than a "catalytic element."

Baer knew her job: She repeated all the spurious charges that Cárdenas is a communist; she claimed that the main groups backing him are the Communists, controlled by Moscow, and the Trotskyists. She conveniently omitted any mention of the moderate tendencies around Cárdenas, such as the Democratic Current of former PRI Secretary General Porfirio Muñoz Ledo and such traditional Mexican parties as the PARM and the PPS. Her intention was to smear Cárdenas's followers as communists, instead of nationalists, before an ignorant and prejudiced public.

On Cárdenas himself, Baer said ingenuously that she was not absolutely certain "who he is" and what he "proposes," and that the most one could say about him is that, "like his father, he is an expression of a peculiar indigenist branch of the Mexican revolution which has gathered the worst elements of the PRI in the past."

Baer expressed her "concern" over Cárdenas's stated position in favor of a negotiated suspension of foreign debt payments until the real amount owed is determined, and concluded with the hope that Salinas de Gortari's "modernization" program is "successful."

Adolfo Aguilar Zinser, a Mexican academic based in Washington, questioned the honesty of the "democratic" commitment of Baer and others of her ilk who, "suddenly, in 1988, became frightened of democracy in Mexico" when faced with the victories of Cardenism. Baer, feeling unmasked, rebutted that it was not the path that democracy was taking in Mexico which worried her, but the uncertainty over

whether the "Cardenista movement is truly democratic"! She added, "The democratic nature of Cárdenas is still in doubt. The jury is still out."

## **Pemex the target**

The campaign to discredit Cardenism and put an end to trade union nationalism has become an unavoidable necessity if the plans of the multinational financial oligarchy to sell Pemex to the creditor banks is to be carried out. This plan, denounced repeatedly by the international LaRouche movement and by nationalist forces inside Mexico, was succinctly presented at the Heritage Foundation symposium by Republican Sen. Phil Gramm (Texas).

"The debt-for-equity deals in Mexico have been timid" and are not what "we had hoped," said Gramm, who demanded that the Salinas de Gortari administration accelerate the exchange of state-sector companies for debt. Among those companies, said Gramm, "Pemex occupies first place." Gramm proposed that further aid to Mexico be conditioned on reforming the foreign investment law to permit foreign interests to become majority stockholders in Mexican companies. Mexico's current foreign investment law prohibits foreigners from acquiring more than 49% of any company. With this law, Mexico has managed to prevent the denationalization of its economy for decades.

Gramm demanded that Mexico join a North American Common Market, an old scheme to loot Mexican natural resources in exchange for turning the country into a massive sweatshop, and rejected as "a ridiculous excuse" the argument that the Mexican economy is too weak to participate, along with the United States and Canada, in a free market arrangement. Former U.S. Ambassador to Mexico John Gaviness seconded Gramm's call.

The political level of those attending the Heritage symposium demonstrates that for the Bush government, Mexico is key to the "restructuring of our geopolitical priorities," as one of the participants commented. Both U.S. administrations, outgoing and incoming, were represented. Among the latter were Rockefeller lawyer Robert Helander, who was under consideration for the post of Assistant Secretary of State for Inter-American Affairs; DEA chief John Lawn; and Robert Pastorini, Assistant Secretary of Defense for Latin America.

There were also various former government officials with bad reputations in Mexico, such as Norman Bailey, linked to the CIA network of William Colby; Constantine Menges, former CIA agent who collaborated with Oliver North in Irangate activities; Daniel James, another CIA agent; and Sol Sanders, apocalyptic "analyst" of Project Democracy.

From the congressional side were Deborah De Moss and Christian Manion, Sen. Jesse Helms's (R-N.C.) two principal advisers who are known to be preparing a new round of hearings like the notorious Mexico-bashing sessions chaired by Helms in 1986.

## Will the debt be paid with drugs?

*The country is being taken over by organized crime as part of its integration into a North American Common Market.*

The world's press trumpeted that the Jan. 10 military raid upon and jailing of the leadership of the Mexican Oil Workers' Union showed President Carlos Salinas de Gortari's dedication to "fighting corruption." The truth is quite the opposite.

Strong, patriotic institutions like the oil workers are being smashed in order to bring Mexico into a North American Common Market with the United States and Canada. Mexico's assigned roles are to serve as a slave-labor sweatshop, to provide its oil and food to a "Fortress America," and to be an open door for narcotics.

As soon as Mexico's strongest labor leaders, with the exception of jailed oil workers chief Joaquín Hernández Galicia (known as "La Quina"), crawled before the brutal power wielded by Salinas, the press announced that Pemex, the state oil company, would fire 40,000 of its 210,000 employees.

Economist Lorenzo Meyer of the Club of Rome's Colegio de Mexico boasted in *Excelsior* Jan. 26 that the labor movement was being liquidated in order to impose Nazi slave labor: "The dramatic arrest of La Quina and his closest aides should be seen not as a normal juridical act . . . but as a 100% political presidential decision covered by a thin veil of legality. . . . The neo-conservative economic model . . . is incompatible with the type of labor movement which today predominates. . . . To compete successfully on the international market, the new Mexican economy requires the kind of labor organization prevailing in most of the sweatshop industry in the north [of Mexico]; i.e., a non-un-

ionized labor force paid the minimum compatible with its survival. . . . The new unionism should be politically and economically weak."

Trade Secretary Jaime Serra Puche announced that Mexico would be integrated "by sectors" into the North American Common Market. At Davos, Switzerland Jan. 28, he said his government planned to open the border to imports and permit foreign ownership of its communications and transportation infrastructure.

The *New York Times* and the *Christian Science Monitor*, always quick to throw the "dictator" label against Ibero-American patriots, lauded what the former called "the Mexican army's rambo-style assault" on the oil workers.

Wall Street oracle Henry Kissinger stamped his approval on Mexico's new fascism in a commentary published in Madrid's *El Pais* Jan. 18. He said, "The United States and Latin America can be thankful the coming to power of President Carlos Salinas coincides with massive transformations profiled in the Hemisphere. No other Latin American leader so much shares the United States' preference for a market economy, private capital, and solutions [to the foreign debt crisis] by means of cooperation."

Kissinger concluded, "Mexico will be the model . . . [but] if political mastery does not prevail, there could be a slide toward populism, nationalism, and anti-Americanism."

Right after the leader of the oil workers was jailed, there were rumors here that the regime would try to prove that its real motive was "fighting corruption" by also cracking down on

stock market speculators, the "300 businessmen" up to their neck in Ivan Boesky-type insider trading swindles. Attorney General Enrique Alvarez del Castillo proclaimed that brokerages launder massive amounts of narcotics dollars and are "under investigation." However, not a single swindler has been disturbed by the law. On the contrary, Mexico is opening up to the money-laundry *par excellence*: gambling casinos.

The *Christian Science Monitor* Jan. 18 boosted such "tourism" as the only way "to rescue Mexico from economic ruin." It quoted Tourism Undersecretary Ezequiel Padilla, "No other source of foreign exchange—not even oil—has the dynamism and potential of tourism."

Padilla and his boss, Tourism Secretary Carlos Hank González, are the heirs of the Nazi spy rings in Mexico during the Second World War. As fully documented in the 1985 book *The PAN: Moscow's Terrorists in Mexico*, Ezequiel Padilla's father protected a big ring of spies and drug traffickers linked to Hollywood. As foreign minister from 1940 to 1946, Padilla, Sr. let Errol Flynn, Hilda Kruegger, Hermann Erben, and Axel Werner-Grenn use Mexico as a base for their anti-American activities.

Hank runs the Columbus Group in partnership with such financiers as Venezuela's Eduardo Cisneros, Peru's Manuel Ulloa, and Colombia's Alfonso López Michelsen) whose links with dirty-money networks were documented in *EIR's* book *Dope, Inc.* It is easy to see why Hank, in proposing Jan. 28 a "popular consultation" on reopening the casinos banned by nationalist President Lázaro Cárdenas in 1936, tagged his project "lovable craziness." Nor is it accidental that publications and journalists paid by Hank have campaigned since mid-1988 for the legalization of drugs.

## Too scared to take emergency actions

*Legislatures in the key farm states have been paralyzed by the environmentalism virus.*

**F**arm state legislatures traditionally convene during the winter months, for the convenience of farmer legislators. As of the end of January, the early indications show that many of the lawmakers are aware of the emergency condition of farming such as farm finance and drought, but they are too stupefied to take needed emergency actions.

There have been intense operations in state capitals by the environmentalist lobby, and by the "mega-banking" lobby which desire the demise of the independent family farmer. These lobbies have put forward diversionary draft legislation, and worse, proposals to facilitate the loss of independent family farms.

The immediate problem confronting lawmakers in both Washington, D.C. and state capitals is that the 1988 killer drought is still here in 1989. The shortage of rainfall in the summer months was not made up last fall or this winter in large parts of the grain-belt—particularly the Northern Plains, and parts of the western Kansas and Oklahoma winter wheat belt.

This poses a crisis, both for the farmer in terms of his costs and financial problems, and for the nation—and for the Western alliance's food supply.

Neither the Congress nor the U.S. Department of Agriculture is even acknowledging the problem right now. Patrick Collins, press spokesman for the Senate Agriculture Committee, said Jan. 30, that the committee is collecting about 20 farm state news clippings a day on the drought, and that

"in early February, there will be a staff meeting" to pool information. That's it.

The USDA continues to assert that grain stocks, beef, and other foods may be tight, but there is no need for compensatory action.

The USDA agency doing the most damage at the state level is the CSRS—the Cooperative State Research Service. They are pumping out money and disinformation about environment protection as the USDA priorities—not food output, not farm preservation. (See article, page 9).

Typical of the looniness taking over is the move in the Iowa legislature last month to outlaw petroleum-based plastic shopping bags in the state; only corn-based biodegradable bags will be allowed. This is part of the New Age "alternative agriculture" movement supported by both Dukakis and Bush.

The new Food for Peace movement is circulating draft bills taken from the 1930s, the war era, and previous food-crisis periods in the nation, for use as models for legislation today. The measures include: 1) a stay on farm foreclosures; 2) parity pricing for farmers; 3) sliding tax rates on farmland to benefit independent family farmers, and penalize foreign and non-family, corporate-owned farmland.

In Virginia, a memorial resolution (not legislation) was prepared for submission to the legislature, and withdrawn at the last minute under pressure. The text stated:

"Whereas, the combination of worsening drought conditions, con-

tinued declining market prices paid to farmers relative to the increasing cost of production, and climbing interest rates have contributed to a devastating loss of family farms both nationally and at the rate of 1,000 per year in the Commonwealth of Virginia; and

"Whereas, the federal government is now carrying out the largest mass foreclosure of family farms in United States history, including initiating 'delinquency procedures,' against several thousand Virginia farmers;

"Therefore, be it resolved that the Commonwealth of Virginia hereby calls upon the Congress of the United States and the Secretary of Agriculture to enact the following emergency measures."

The four measures specified were increased crop planting this spring, a reallocation of scarce U.S. food for use at home and by allies, and an end to shipments to the Soviet Union; the establishment of not less than 90% of parity prices for farm commodities, and an indefinite stay on Farmers Home Administration foreclosures and the provision of new credit at 1% interest to guarantee "a successful production year in 1989."

In Iowa, Gov. Terry Branstad has a stay on foreclosures of farms in place, by an executive order issued in 1985. The state legislature extended it for one year, but now the order is due to expire March 30, and no action has been taken to extend it further. When Branstad issued the resolution, a stay was already in place nationally on orders from a federal court in North Dakota, where farmers had brought a class action suit against the FmHA. In 1987, Congress passed rules on how foreclosures should be handled "fairly" in order to satisfy the court (Agriculture Credit Act), and, unless a new court or federal order comes up, foreclosures will start.

## More dollar shocks ahead

*Behind the dollar's rise are "accidents" in North Sea oil production, which drove oil prices sky-high.*

**C**ontrary to all expectations, the dollar has been booming against the two other major world trading currencies, the Japanese yen and German deutschemark. How could this be, when only hours after the election victory of George Bush, dollar traders scrambled to dump the currency, because of what one Swiss bank calls "budget policy pessimism"?

In the first weeks of January, a sea of dollar "buy" orders began to appear on markets. Nothing concrete had changed from one month earlier in the key international economies. The relative interest rate advantage for a Tokyo bank to speculate in dollar paper had been at the highest in four years, but that had been so for months. The difference can be summed up in one word: oil.

Petroleum is the largest commodity traded internationally. Since 1975, OPEC producers have had a rigid agreement to accommodate, insisting that all sales of their crude be struck in dollars. This rigid policy has cost OPEC dearly, as the dollar collapses or soars on floating exchange rate markets. Under this regime, if the nominal price of oil rises by one-third in a matter of weeks, that means West Germany, for example, must sell deutschemarks for dollars to pay for the "black gold."

Now, over the past decade there has been a little-noticed transformation of world oil pricing. It is not OPEC which today determines the effective international price, but commodity futures or forward markets in London and, to an extent, in New York's Ny-

mex. The most important crude for daily price movement is North Sea Brent, used in most West German and North European refineries.

Suddenly, oil prices started to shoot upward in January. This, only days after reports of OPEC "surplus" production of 23 million barrels/day in December, with estimates that January OPEC output was still at least 1.5 million barrels/day above its agreed 18.5 million ceiling struck only late November to prevent a collapse of prices below \$10 per barrel. The key to the mysterious rise lay in the North Sea. Since the first of December, Brent crude has soared from \$14/bbl to nearly \$17 by Feb. 1, a more than 20% hike in eight weeks.

In the first days of January, North Sea oil was hit by a bizarre string of disasters. By Jan. 5, fully 25% of North Sea production had been shut down temporarily, owing to accidents at a number of major offshore production platforms owned by Shell, Occidental, and Texaco. "The word here in London," noted one trading source, "is that the recent drop in North Sea oil output is not an accident. It was a deliberate move to push oil prices higher, and more importantly, the dollar with it. It has forced the Germans to raise their interest rates in defense and created an uncertain climate for long-term investment in Germany." Panic buying for scarce Brent carried the prices up throughout January.

I don't have any spies on the Piper Alpha or other North Sea platforms, but a sharp rise of the dollar began in the same early January period, and the

rise caught all major trading centers off guard. The dollar began to resume its rise against the mark, so much so that by Jan. 19, the German Bundesbank, coordinated with the French, Swiss, Austrian, Dutch, and Belgian central banks, raised official interest rates by a hefty .5% to discourage further deutschemark dumping by "hot money" speculators. That move did little to dampen the dollar's strength, as the seven largest industrial states prepared for the Feb. 3 Washington meeting of the Group of Seven.

It's too early to say, but clearly there is increasing alarm, if not anger, at the short-term manipulations with which the new administration appears to be managing the perilous situation of international financial market confidence. Beginning 1981, U.S. Treasury Secretary Don Regan, fresh from Wall Street's Merrill Lynch, ensured, in tandem with then-Fed chief Paul Volcker, that the dollar would soar through the ceiling, with annual increases of some 20% in the early 1980s against the deutschemark and yen, in order to suck in staggering volumes of world capital liquidity to finance federal budget deficits.

By March 1985, that rise abruptly began to stop as new Treasury chief James Baker coordinated a massive dollar intervention from worried G-7 allies. That began an equally stunning downslide of the world's most important international reserve currency. While it helped U.S. exports revive by 1987 and 1988, such "single-issue" gimmicks ravaged entire sectors of world production.

Are we now on the brink of new shocks and manipulations to force further concessions from West European and Japanese coffers, to prop up a bankrupt U.S. policy? There are already signs that certain "allies" are not so willing to assist this time around.

# Business Briefs

## Third World Debt

### Venezuela's CAP announces 'solution'

Carlos Andrés Pérez (CAP), the Socialist International's President of Venezuela, has finally made his long-expected proposal for the establishment of a special debt facility that would buy up Third World debts at heavy discounts. Speaking at the World Economic Forum at Davos, Switzerland, CAP introduced this, the latest transmogrification of a proposal that has been kicking around for several years now.

From reports so far available, it is not entirely clear how CAP intends his facility to function, but he appears to call for this new agency to issue bonds to the bank creditors of Third World countries, in exchange for the banks' loans to these countries, at discounts in the range of 50% of face value.

The agency would then pay interest on the bonds at well below market rates. The effect would be lower by as much as 50% of the average interest burden of indebted nations. Thus, even were the banks to accept losing 50% of their interest income, it would leave the debtor countries still paying out enormous sums on a net basis each year.

West German Economics Minister Helmut Haussman praised CAP's proposal, but U.S. Treasury official David Mulford called it "a non-starter."

## Energy

### France to offer India nuclear plants

French President François Mitterrand told a *Times of India* newspaper correspondent in Paris Jan. 27 that when he arrived in New Delhi Feb. 1, he would discuss with Prime Minister Rajiv Gandhi a proposal for France to finance joint-venture nuclear power plants in India. "Every margin of maneuver should be utilized to present an offer enabling France to launch fruitful cooperation with India in this priority field," he said.

According to Rajendra Prabhu, the *Hindustan Times* correspondent, he was given

a tour of French nuclear plants, and Mitterrand would offer two 1,300-megawatt plants, accompanied by an attractive credit package.

Upon Mitterrand's arrival in New Delhi, he and Gandhi promptly signed agreements on cooperation in the life sciences, biotechnology, and medicine. A joint venture agreement was also signed to build a \$66 million plant outside the Indian capital to make polio, measles, and rabies vaccines. Economic cooperation and ways of closing the North-South gap between developed and developing nations dominated the first round of talks between Mitterrand and Rajiv Gandhi, according to Reuters, which did not report any discussion on either suggested French cooperation in harnessing Brahmaputra and the Ganges rivers, or the nuclear deal.

However, the presence of M. Cheret, president of France's Professional Syndicate of Water Distribution, and several top French experts in water management among Mitterrand's entourage suggests that discussions will occur. Nobel Prize-winner Professor Dausset is also part of the team and will speak at a seminar on "Water for Mankind."

## Food

### 'Will the world starve this year?'

"Will the world starve this year?" So begins a feature on the world food crisis in the Jan. 28 London *Independent*, "Rethinking the Politics of Plenty." Washington correspondent John Lichfield answers the question, "Probably not. But the shriveled, wind-blasted condition of much of the winter wheat crop in the U.S. central and southern plains—one of the most important crops in the world—is giving politicians and agricultural analysts food for anxious thought."

Last year's various droughts and/or crop failures around the world have "left global cereal stocks at their lowest level, in relation to world food needs, for 40 years. It would take only one more failure, or even a serious shortfall, in any leading growing region to cause drastic food shortages by the end of this year."

World food stocks, he adds, "have now been drawn to unusually low levels: enough to feed all the people and animals in the world for just under 8 weeks (compared to 14 weeks two years ago). . . . World stocks of wheat—the main human consumption grain in the developed world and parts of Asia—are especially low."

Relative to the "plenty" of the 1980-86 period, the world is undergoing a "biblical transformation," in which, "for the past two years, the world has eaten more grain than it has produced."

## Europe 1992

### 'Merger rules' key to market dominance

Brussels insiders say that the key battle over who will control "Europe 1992" is taking place over the content of 1992 "mergers" rules. In that year, all customs barriers to the movement of goods, people, and capital are to be eliminated, and a process of corporate consolidation is already well under way.

According to these reports, there is a raging battle under way over what rules the European Community in Brussels will adopt to regulate corporate mergers. The EC proposal being debated would give Brussels "yes or no" review power over mergers of companies across EC borders when the sales of the new entity exceed \$1 billion per year.

The West German position is that Brussels' control should only apply to companies above \$11 billion in sales, leaving smaller bids in national hands.

The real issue, say the insiders, is whether Europe 1992 will be a protective bloc dominated by a continental European German-French bloc on industry and monetary policy, in which Britain would be forced to play a subsidiary role; or, whether Britain, with backing of U.S. and Japanese interests, would be able to take advantage of the market deregulation to extend its control over strategic industrial and financial sectors of the EC.

British Prime Minister Margaret Thatcher's new appointee to the European Commission, Leon Brittan, has just secured the key post of Competition Commissioner,



who is responsible for drawing up the new rules for mergers, and is reportedly planning to block emergence of giant European corporate groups.

The biggest concern is over how the EC will define "market share," one Brussels observer notes. "Will Brussels allow major European companies in some industries to merge so they can be world-class size to compete with the Japanese or U.S.? Or, will they try to maintain competition inside the EC?"

### **Corporate Strategy**

## **British try to grab German steel giant**

British Steel PLC is about to buy the important steel trading company, Kloeckner, of Duisburg, West Germany, according to British sources. The move is reportedly coming at the initiative of Deutsche Bank, which took over the Kloeckner trading group last October, following suspicious oil trading losses by the company.

If the takeover goes ahead, German steel companies are expected to wage a major fight against the fact that British Steel just received \$2 billion in government subsidies to prepare it for "privatization" by the Thatcher government, and is now taking undue advantage of its cash position to target the German steel industry, Western Europe's largest and most advanced.

### **Thrift Institutions**

## **Will action on LBOs trigger stock crash?**

Sen. Lloyd Bentsen (D-Texas) confirmed Jan. 29 that one of the reasons Congress is not acting to place strong curbs on leveraged buy-outs (LBOs) is the fear of triggering a stock market crash.

"That's certainly one of the problems" of imposing strong curbs, Bentsen said on ABC's "This Week With David Brinkley."

An LBO involves the purchase of a firm

through junk bond transactions or other forms of borrowing to purchase the majority equity in that firm—in effect converting most of the purchased firm's equity into debt. The firms are then sold off piecemeal (asset stripping) to pay off the debt.

Bentsen said that he was "deeply concerned about the move from equity to debt." His fear, he said, is that the "next recession will last longer, be deeper, and have many more bankruptcies than we have now"—which could mean a "reverse leverage" situation crashing the corporate debt created by LBOs.

### **Asia**

## **Japan: bigger budget for bigger role**

The Japanese government has proposed a budget which provides for the largest increase in spending since 1981. The 60.4 trillion yen (about \$491 billion) budget plan calls for 6.6% increase in total spending.

The level of foreign aid spending will make Japan the largest aid donor in the world, ahead of the United States, and is intended to fulfill a commitment made by Premier Noboru Takeshita last year that Japan would double its overseas development aid for 1988-92 to a total of \$50 billion.

Defense spending will continue its steady increase. The Finance Ministry has proposed a 5.2% rise, but analysts expect the cabinet to up that to at least 5.5%. The approximately \$23 billion defense bill makes Japan the second largest military spender in the free world. Still defense will consume only about 1% of Japan's gross national product.

The budget accomplishes two stated goals of the ruling Liberal Democratic Party: 1) to reduce budget deficit, and 2) to increase the flow of funds for public works and regional development. These goals have been in conflict, but economic growth has brought unexpectedly large increases in tax revenues. The tax coffers are projected to grow by 13.1% next year.

Behind the plan, Japanese analysts see the hand of Takeshita, who is seeking another term as LDP president—and government premier—this fall.

## **Briefly**

● **CHINA** will give Mali an interest-free loan for construction purposes, and repayment of four loans China has made to Mali will be postponed. The announcement was made after Deng Xiaoping met with Moussa Trarore, the President of Mali and head of the Organization of African Unity, in Shanghai Jan. 27.

● **LONDON** banking circles say they are growing alarmed at what is characterized as Bush administration mismanagement of the savings and loan situation in the United States. "The perception is growing, that Bush has already demonstrated he is not competent by the way he allowed his bailout plans to be prematurely leaked."

● **SOVIET** wheat and coarse grain imports through June 1989 will be up a sharp 13% over last year because of its poor harvest, the International Wheat Council forecast Jan. 29.

● **OCCIDENTAL** Petroleum will pay the Energy Department \$150 million in damages to settle an eight-year-old dispute involving violation of federal oil price control regulations.

● **EASTERN AIRLINES'** largest union, the International Association of Machinists, representing mechanics and ground crews, could strike the carrier as early as midnight of March 3, after the National Mediation Board ruled in favor of a 30-day cooling-off period Feb. 1. Eastern has been demanding broad concessions from its workforce to offset losses of \$1 million a day.

● **THE HOUSE** Agriculture Committee Feb. 1 launched its own investigation of illegal trading on the Chicago futures markets, the target of a massive FBI probe. Committee chairman Kika de la Garza (D-Texas) said the panel "will endeavor to insure that these markets are properly regulated and that investors are not the victims of fraud or other trading abuses."

## Scientific tuning taking over in Italy

by Liliana Celani

On April 9, 1988, Lyndon LaRouche's proposal to revive the classical tuning of  $C = 256$  and inaugurate a revolution in culture was launched at a Schiller Institute conference in Milan, Italy attended by world famous singers Renata Tebaldi and Piero Cappuccilli, and by Norbert Brainin, first violinist of the Amadeus Quartet and a close friend of LaRouche. They were the first endorsers of the Schiller Institute petition which demanded that "Italy first, and then the whole world, adopt officially the tuning fork which Giuseppe Verdi already had Italy adopt in 1884,  $A = 432$  corresponding to  $C = 256$ , also rightly known as the 'scientific tuning fork.' "

Since then, LaRouche's proposal has come a long way. The Schiller Institute petition to go back to "Verdi's A," as it has been called in the meantime in the world press, has been endorsed by more than 1,000 musicians from all over the world.

A bill to adopt Verdi's tuning fork was presented in July 1988 by two Italian senators, Carlo Boggio and Pietro Mezzapesa, both belonging to the majority and ruling party, the Christian Democracy, and is currently being discussed by the Senate Cultural Commission, which hopes to be able to approve it in February.

Musical circles in Italy, Germany, and France considered particularly important for the outcome of the legislative proposal the testimony given by Prof. Bruno Barosi of the Cremona Violin Building Institute and by violinist Norbert Brainin, who were able to prove, with the scientific equipment of the Cremona institute, and by performing a famous Bach Adagio at the two pitches of  $A = 432$  and  $A = 440$ , that the Stradivari violin of Professor Brainin, like most old Cre-

mona instruments, gains in timbre and solidity with Verdi's tuning. They showed, too, that the same violins risk cracking with the incredibly high tuning used in many concert halls (which reach and surpass  $A = 450$ , more than half a tone higher than most classical composers wrote for and instruments were built for).

Another crucial proof was given by Piero Cappuccilli, one of the world's great "Verdi baritones," who sang at a Schiller Institute conference in Rome on Nov. 24, 1988 the famous Verdi aria from *Don Carlos*, "Per me è giunto il dì supremo" at  $A = 432$  and at  $A = 440$ , emphasizing how "Verdi's true color and correct register shifts for the voice are possible only with Verdi's tuning."

As the statements we are publishing in this section demonstrate, in fact, it is not true that great opera voices do not exist any longer. They are just being destroyed by high tuning, as music is being destroyed by a totally wrong conception of "artistic freedom." An "artistic freedom" which destroys voices and violins is actually a "crime against art," as Maestro Arturo Sacchetti, a well-known organist and conductor from Rome, put it speaking on Jan. 20, 1988 at the Schiller Institute Martin Luther King Tribunal conference in Rome. "I hope next time we meet we will speak about the progress voices are making thanks to the Verdi tuning legislation," says tenor Carlo Bergonzi in his interview.

The same hope was expressed by soprano Renata Tebaldi, who will address the issue of Verdi's tuning and the urgency of a new renaissance in culture at a Schiller Institute conference in Parma, the ancient center of the Italian "bel canto" tradition, near Verdi's birthplace, on Feb. 10.



## 'There is only one scientific tuning fork, A = 432'

Carlo Bergonzi is one of the great tenors of our era, renowned for his performances of the Italian operatic repertoire of the 19th century; he participated with Renata Tebaldi from the early 1950s onward in reviving many important works of the Golden Age of "bel canto" opera, the era of Rossini, Bellini, Donizetti, and Verdi. Now 64 years of age, he is still a star at the Metropolitan Opera and many European opera houses, and continues to add to his long list of recordings. In addition, he teaches master classes on singing in Europe and the United States, including one in Busseto, Italy, the home town of composer Giuseppe Verdi.

The interview published here was conducted in Boston, Massachusetts by Jeanne Percesepe Bell on Nov. 15, 1988, following a master class given by Maestro Bergonzi in that city, and shortly after his appearance at the Metropolitan Opera in *Lucia di Lammermoor* by Donizetti. The legislation referred to, is a bill introduced in the Italian Senate by Senators Boggio and Mezzapesa, which would mandate the tuning fork of Giuseppe Verdi, A = 432 (C = 256). The proposed law grew out of a Schiller Institute conference in Milan in April 1988, in which soprano Renata Tebaldi and baritone Piero Cappuccilli participated.

Note that in the discussion on vowels, it is the Italian pure vowels that are referred to, not the American ones. Maestro Bergonzi's demonstration of the correct pronunciation of these vowels in singing cannot, unfortunately, be reproduced in print. The interview, conducted in Italian, has been translated by *EIR*.

**Q:** You supported in Italy the petition for going back to Verdi's tuning of A = 432. What difference would it make if Verdi's tuning fork were adopted?

**Bergonzi:** You know that there is the scientific tuning fork, and then there are all the other tuning forks which are worthless; we have to always speak about the scientific tuning fork, 432, the ideal one for voices, for human nature, insofar as the registral passage is not moved around. You know that the passage starts from E-F-F-sharp to G. These are the four notes of the *passaggio*. If the tuning fork is raised higher, the *passaggio* is moved.

I have just arrived from Vienna, where I sang in *Lucia* before coming here to the Metropolitan, and in Vienna we got up to 448-450, which means we're half a tone higher. This means we have to move all the vocal categories one half-tone higher. The bass, the baritone, the mezzosoprano are all shifted up a half-step. Those who get ruined the worst are two categories: sopranos and tenors. Because if there is a D-natural, the light soprano has to sing an E-flat, and if there's an E-flat she has to sing an E-natural.

I already told Mrs. Celani [of the Schiller Institute in Italy] for the conference that will be held on Nov. 24 in Rome and then in Paris, to bring this out very clearly: If we are going to safeguard the world's singing heritage, we must absolutely return down to A = 432. I don't believe that there still is that big problem I discussed with Mrs. Celani a year ago in Busseto, because for the violin I don't think it's so hard to slacken the strings a little. If there is a small problem it is in the brasses and the woodwinds (clarinet, bassoons, horns, and trumpets) but I don't know if it's a real problem. If I'm not mistaken you told me that in New Jersey they put on *Cavalleria* and *Pagliacci* with an orchestra tuned to A = 435; so they did manage to tune down the orchestra.

**Q:** Now they're looking for older instruments in order to be able to perform *Adriana Lecouvreur*. . . .

**Bergonzi:** Good. That's a problem that has to be solved. The oboe for example has fewer problems because you can change the reed.

**Q:** With the lower tuning the oboe harmonizes better with voices, one could say it "sings."

**Bergonzi:** We have to bring the discussions to a conclusion at this point. Also in the [Italian] House and the Senate, because if we want to save the vocal heritage, in which Italy is still in the first rank, we must adhere to the normal tuning, which is 432. We have always been exporters of voices and, even though all the other nations are in difficulty like us, we are still the fatherland of bel canto and I think that it's also in the government's interest to safeguard this heritage.

To preserve it, the discussions should come to an end.

They have to make a decision, not a drastic one, because that would be too harsh a word, but they have to decide to set this tuning fork at 432. Then, given that they already have the instruments ready for symphonic playing, for the symphony concerts they can keep whatever tuning fork they want, but for opera they've got to go back to the Verdi tuning.

Otherwise we will go on not having any more contraltos, mezzosopranos, we will only have light baritones instead of the dark Verdi baritones. With [Piero] Cappuccilli, the era of the Verdi baritone has come to an end. I repeat what I've said for years: If we went back to Verdi's tuning in the course of five years we'd be back to the old days with voices. It's certain.

We should bring in experts, also to the House, the Senate, the government, and give them examples of what the 432 tuning means, because, with all due respect a politician can be a great politician, he can talk about everything, but he can be negative when it comes to music. For him 432 hertz is algebra, he will wonder what 432 vibrations per second means. So we have to explain it to him, so he knows that 432 is the tuning pitch we absolutely have to reach.

Tebaldi said it, Pavarotti agrees, Cappuccilli agrees, we all agree. I have seen in your publications that you've interviewed all these artists and they all agree. Things might be controversial among orchestra conductors, who like high-pitched sounds. But this is madness, because Mozart wrote his operas in the days when there was the right tuning fork. But the voices were what they were, and the human voice has remained the same. We're the ones who are falsifying it, who are bringing in unnatural alterations into the voices. Even those who have special vocal qualities feel strained, and that's not right.

**Q:** Masters like Mozart wrote their instrumental compositions with the voice in mind, too.

**Bergonzi:** Sure, in this sense we're going against what they wrote. We are saying the composers are wrong. We're the ones who are making the mistake. Look at Donizetti, in the 19th century. Donizetti and Bellini who wrote all these very high vocal ornaments. Today the Finale of the duet in *Lucia* is not done any more, because the tenor sings a note higher than the soprano's. I made a recording with Beverly Sills, in which I sing Donizetti's original cadenza, but we had to repeat it so many times, because it's outside what is natural. At one time I did it regularly, because it was within the natural tuning.

**Q:** It's interesting the conductor Richard Bonyngé has now signed our petition.

**Bergonzi:** Good. I am now going to record with Bonyngé *Adriana Lecouvreur* at the beginning of December. We'll talk about it.

**Q:** All the great singers of the world have backed the peti-

tion, Joan Sutherland, Renata Tebaldi, Caballé, Domingo. Some singing teachers in New York have supported it. But I must say that in Boston, one teacher told me he likes the higher 440 tuning fork better.

**Bergonzi:** But this is a singing teacher?

**Q:** Yes.

**Bergonzi:** I don't even want to know the name, because I don't want to talk about singing teachers. If there is a singing teacher in Boston who talks that way, I think he knows very little about voices. He is not even qualified to teach singing.

**Q:** Last night you spoke at the master class of the importance of good diction to sing correctly. I noticed that some of last night's singers sang with very open vowels. This is not really bel canto technique, right?

**Bergonzi:** It's not right. I gave an example, the "e" should never be open, nor the "a," either. They should be supported on the diaphragm and brought forward. Never let out air before the voice is emitted. You have to immediately attack the supported sound, or otherwise the diaphragm won't work.

This is why, getting back to singing teachers, they don't know this rule, and for them 444-448-450 is like playing the lottery. Do they play the lottery here in Boston? Somebody who sings, on the other hand, knows what the tuning fork means. If the note is supported on the diaphragm, the sound is elevated and one sings forward, the sound is projected forward; if you sing without diaphragmatic support, the sound goes backward, and you have to sing with physical force. But you should not use physical force. I don't even use it, and I am 64 years old, and at my age it would be allowed. But a young person, whatever quality of voice has been given to him or her by nature, needs good technique. There is only one vocal technique. It's the most elementary thing there is. We are the ones who going looking for what's difficult.

I was lucky, because I met a great doctor, Professor Frugoni, who was [the celebrated mezzosoprano Giulietta] Simoniato's husband. We were very good friends. One day we spoke about the diaphragm and he told me, "Everybody's wrong. The teachers don't know what the diaphragm means. When we are born, we breathe with the diaphragm. It's a natural breathing." But then when we go to school they start telling you, "breathe low, breathe high, raise your shoulders, stick out your chest," and the diaphragm gets blocked and it stops working. Or there are even people who use weights, as in wrestling. They sing then with the physical side, the voice gets forced, voices get false, and it's unpleasant for the singer too, who can't find the right technique.

I hope our effort succeeds, and we will be able to say: We've helped some young people. We have saved a heritage, we have saved opera, we have saved bel canto. Let's hope that the next time we meet, the tuning fork will be already at the right pitch, and we will be able to talk about how voices are growing. Thank you.

# Tuning and register as policy issues

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*Lyndon H. LaRouche, Jr. locates the issues which have made the current debate on tuning one of the most explosive in music history.*

*The following paper, written in January 1988, played a key role in the process of organizing for the historic Schiller Institute conference of April 9, 1988 in Milan which began the campaign to lower the standard pitch to A = 432 (C = 256). It has since been published, in German translation, in *Ibykus* magazine, and in Italian in *Il Machiavellico* magazine. It is printed here for the first time in full in English.*

The case to be made starts from elementary sorts of empirical fact.

We start with the practical fact of bel canto methods of training and use of the singing voice, that the quality and preservation of the singing voice requires strict respect for predetermined voice-registration for each voice. This is illustrated by the fact, that for the soprano voice, using the C = 256 well-tempered scale of Mozart, Beethoven, et al., the relevant point of register-passage lies between the F and F-sharp, or below F on an equal-tempered scale set at A = 440. The attempt to set tuning at higher tunings is destructive of both the performance and shortens the life of the singing voice.

The upward shift, from a well-tempered C = 256, to an equal-tempered A = 440, is already a problem. This compels the soprano to shift on the F, rather than the F-sharp, which creates a problem of musical interpretation for those portions of the classical repertoire written for shift on F-sharp.

Singers indicate that the elevation to A = 440 also tends to create vocal problems; although I do not think myself qualified to offer firm conclusions on this, I find the report a credible one, one which merits more discussion and documentation.

The tendency has been to train sopranos to shift on the F of A = 440, rather than the F-sharp of C = 256. This introduces problems of interpretation of some classical repertoire, but is indicated to be a manageable sort of accommodation from the standpoint of the trained voice as such. It is the tendency to shift upward to A = 444 and beyond, which is indicated to be disastrous for both singing voices and interpretation.

On those points, I believe we are all more or less agreed. I think we are also united to the purpose of identifying the proper registrations of each quality of singing voice relative to reference tunings of well-tempered C = 256 and A = 440, and the importance of a strict standard of practice for the purpose of defending both musical interpretation and the bel canto quality of singing voice.

I believe we might also agree, that the specification of such standards should be enriched by clarifying review of the characteristic problems encountered wherever deviations from such standards are introduced.

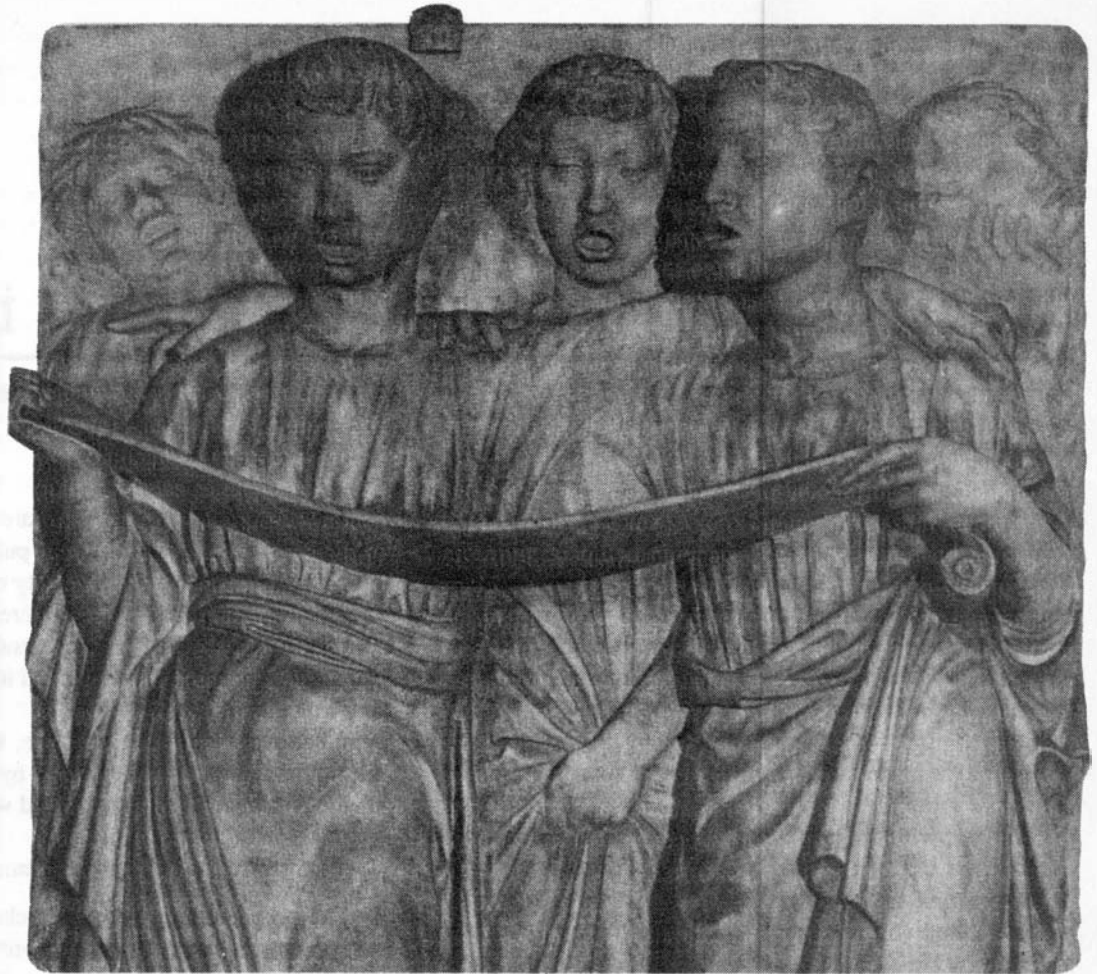
There are three broader implications of that central point:

- 1) The proper tuning and other characteristics of musical instruments, with the included presumption that classical composition, prior to changes in instrumental designs occurring over the 1815-49 period and later, aimed to achieve coincidence with the requirements of what we came to term later the bel canto voice.
- 2) The bearing of singing-voice register upon the principles of counterpoint in classical composition, including the bearing of this upon performance of classical works, from Bach, through Mozart, Beethoven, et al., through Brahms. This includes the way in which classical composers employed register shifts in composing songs.
- 3) The matter of the basis for these principles of tuning and counterpoint in both physics and biophysics.

My own approach to all of these topics has been from the standpoint of the fourth topical area.

If we employ the treatments supplied by Johannes Kepler in light of the more advanced standpoint of nineteenth-century physicists such as Karl Gauss and Bernhard Riemann, we show both that the natural musical scale is the well-tempered one, and that the principle of singing-voice registration, as demonstrated empirically by bel canto practice, is inherent in the natural, Kepler-Gauss-Riemann construction of the well-tempered scale. I.e., the asteroid belt, as determined by reconstruction of Kepler's specifications for this,





*Choirboys singing polyphonic music, from Luca della Robbia's "Cantoria," mid-1430s, Florence, Italy, Cathedral Museum. "Sculpture from the fifteenth century assures us that bel canto methods were in general use in relevant parts of Italy, and doubtless the Netherlands, during that century."*

is the location within which the soprano register-shift occurs.

This poses the question: How does it occur, that the natural potentialities of a properly trained human singing voice coincide with the values for register-shift intrinsic to such a Keplerian construction of the well-tempered scale as the only natural musical scale?

The appropriateness of applying Kepler's method to biological processes was emphasized by Kepler himself, who based his work to this effect on the discoveries effected at Milan by Fra Luca Pacioli, Leonardo da Vinci, and their immediate collaborators. All living processes have the same harmonic characteristics of ordering which underlie both the well-tempered musical scale and the Kepler-Gauss-Riemann laws of astrophysics. Modern optical biophysics, especially empirical work in the field of nonlinear (electromagnetic) spectroscopy of the cell and subcellular processes, shows this connection in a new light.

In short, taking into account all the considerations, including the electromagnetic characteristics of propagation of sound, it is a law of nature that the singing characteristics of the human voice should be as bel canto discipline exhibits the relevant phenomena.

The most natural thing is that what we term today bel canto discipline should have shaped the development of both the design of classical musical instruments and the principles of vocal and instrumental polyphony. Sculpture from the fifteenth century assures us that bel canto methods were in general use in relevant parts of Italy, and doubtless the Netherlands, during that century. What else but the bel canto singing voice's use for the singing of classical poetry, provides man the standpoint of reference from which to perfect the all-sided development of music? What else could guide us properly in the matter of design of musical instruments, or in elaborating principles of composition of polyphony?

Another leading consideration in the development of classical musical composition, is the influence of what were called Augustinian principles of harmonics in art generally, including the cathedral designs of the builders of Chartres and music. The Golden Renaissance, most emphatically during the Milan period of Leonardo da Vinci's work, reexamined more or less exhaustively the principles of aesthetics adopted by the classical Athenians, for whom the harmonic orderings associated with the Golden Section was the metric of beauty of form.

The healthy morphology of all living processes' patterns of growth and function is harmonically congruent with the Golden Section. So, since all life is beautiful, a production in art which does no more than simply imitate such natural beauty, is an important classroom exercise for the training of artists, but this achievement does not suffice to define art.

Art must be defined as that which is consistently faithful to the principles of natural beauty, but which adds something uniquely human. It is on this point that my approach to art, over the past 40 years, has been shaped. The results of that line of inquiry lead me not to contradict what singers report on tuning and voice-register, but rather to show that the issues involved are more profound, of greater urgency for mankind, than might be suspected if this were seen as a matter confined to the domain of singing.

## Two crucial points

My specific contributions bearing upon aesthetics have been two. First, out of my work on the intelligible representation of creative mental activity in the physical sciences, I have been enabled to show the nature of that creative mental activity which distinguishes an artistic musical composition, for example, from an imitation of natural beauty. I have also been able to demonstrate, that creative mental activity of that sort is associated with a very specific quality of emotion, coincident with the New Testament significance of the Hellenic *agapē* or Latin *caritas*, and more simply identified as the emotion of "tears of joy," as distinct from, and opposite to the "erotic" impulse of unbridled romanticism.

If we employ the mathematical physics of Gauss and Riemann in an appropriate way, we are able to supply a rigorous form of intelligible representation of creative mental activity as this applies to valid fundamental discoveries in the physical sciences, and applies also to creativity in classical musical compositions of Bach, Mozart, Beethoven, et al. By examining counterpoint from this vantage-point, we are able to show how creativity is explicitly represented in such compositions, and how the registral characteristics of vocal polyphony function within the well-tempered domain provide the ground upon which creative activity works.

It happens, that creative mental processes have the same characteristic we associate with the classical harmonics of natural beauty. Thus, beauty, so defined, so superimposed upon natural beauty, is the proper elementary requirement of art.

The qualities of the properly trained singing voice are a form of natural beauty. The classical instruments are properly designed to imitate the quality of beauty of such a singing voice. Interpretation of a classical composition flows from this. One must grasp the way in which the composer's creative faculties have imposed a development upon the composition; that characteristic feature of the unifying developmental process becomes the idea of the composition as a whole.

However, this idea is set within certain conventions. The first set of conventions are those pertaining to natural beauty as the registration and well-tempered ordering of the singing voice defines this. The second set of conventions is associated with the principles of classical poetry, in which the classical composers were steeped. Within insight into the creative conception defining the composition as a whole, and by adherence to those conventions of the classical musical domain, an effective interpretation in performance follows, with lesser or relatively greater degree of perfection.

Music is thus enabled to partake of all of the non-plastic arts. It is immediately poetry. Polyphony and poetry embed naturally in music the qualities of classical dramatic tragedy.

Since classical musical composition's situating of the creative processes of mind in a context of natural beauty evokes naturally the sense of *agapē*, the natural emotion of great musical performance is always akin to "tears of joy." Hence, classical musical performance is a sacred, spiritual matter, whether the setting is a religious or secular one. It celebrates and affirms both human creativity and *agapē* in a unified way. It nourishes the soul, strengthens it, brings moments of beauty into a world filled with uglinesses, and evokes among audiences that emotion best suited for fostering social relationships consistent with agapic love for mankind.

There are few instruments so noble, so effective, to reach into the aching mass of humanity, as to teach children to sing by emphasis on bel canto methods, and by introducing to them as they are able participation in some aspects of the great classical musical repertoire. Great poetry, great classical tragedy, and music, are the great companions of a daily effort to uplift the spirits of men and women, and children most emphatically.

We have seen parents of children from families themselves in most reduced circumstances, watching and listening as their children sing in choruses working in such directions. We have seen often enough the approximations and outright expressions of tears of joy from those parents. Seeing this, we know what a precious thing it is we defend, when we work for the defense of sound principles of bel canto, and for the conditions under which those principles are preserved.

If we situate the requirements of the bel canto singing voice so, the larger importance of the issue, to all people, as well as to singers, is posed to us. The participation in beauty made intelligible to performers and audiences, is one of the means by which our imperiled civilization might be rescued from the doom toward which it seems to be proceeding.

On that account, I propose that while we defend what the empirics of bel canto singing show us must be defended, we also reflect upon the more profound implications of that which we defend. It was the classical movement in painting, architecture, poetry, drama, and music which contributed so much to the best which our civilization achieved in the past; we need those qualities, almost desperately, to preserve that which we appear to be on the verge of losing altogether.

## Murder of Roberto Calvi is tied to global Satanist cult

by Jeffrey Steinberg

Recent instances of bizarre murders of prominent Establishment figures in Western Europe, underscore the fact that, at the levels of the elite Freemasonic circles, a "holy war" has broken out:

- On Jan. 27, the *Financial Times* of London reported that a Milan judge ruled that the 1982 death of Banco Ambrosiano director and Propaganda Two (P-2) Masonic bigwig Roberto Calvi was actually murder. A British coroner had "found" at the time, that Calvi's death (he was hung over the Black Friar's Bridge in London in a Freemasonic ritualistic murder) was a case of suicide. The finding in Milan revives what has been described by European and American intelligences specialists as a war between northern and southern European rival Freemasonic factions. The northern faction is associated with British and German Scottish Rite Masonry, which has enthusiastically pushed the "We Love Gorbachov" line, and has been a backer of Ayatollah Khomeini.

The Calvi murder was linked at the time to the P-2 scandal, which erupted in the aftermath of the aborted series of assassination attempts against Pope John Paul II. As the spiritual leader of world Christianity, the Pope is a constant target of "Anti-Christ" underground circles.

- On Jan. 31, a prominent member of the Bourbon royal family of Spain was assassinated in Vail, Colorado. Prince Alfonso de Borbón Dampierre, a first cousin of King Juan Carlos of Spain and the pretender to the defunct throne of France, was killed on the ski slopes when a cable was lowered on him as he was skiing at high speed. Eyewitnesses described it as murder. An international arms dealer, the prince had close ties to Argentina and provided crucial arms shipments during the Malvinas War against England. Exiled in Italy throughout the Franco period, the prince was also believed to have strong Vatican ties.

Several other suspected murders of prominent political figures in West Germany, including state Prime Ministers Uwe Barschel (1987) and Franz Josef Strauss (1988), also have the earmarks of the Masonic-Satanic wars.

These brutal conflicts among the Freemasonic elites pale in significance, when compared with what is being unleashed upon the population at large by the same



*Infant sacrifice in a 17th-century Black Mass. Such Satanic cult rituals are now being promoted for mass distribution, by the kookier Establishment circles of Freemasonic elites.*

degenerate circles. The frightening proliferation of Satanic and Luciferian cults, many of which are engaged in brutal acts of child abuse and murders, and wild sex-drug orgies, is no mere “sociological phenomenon” brought on by the proliferation of Satanic rock videos and the spread of newer and more devastating varieties of drugs.

Indeed, as this *Feature* documents, the proliferation of Satanic cults is a top-down phenomenon. Satanism is flourishing in the schoolyards and suburban shopping centers of America, because an increasingly more visible and powerful minority among the Liberal Establishment has surfaced as practicing Satanists, in some cases engaging in the overt rituals, in the majority of cases “doing Satan’s bidding” through the conscious spreading of chaos and death across the five continents.

Here are some of the most recent examples of their handiwork:

- Just before he was executed in Florida on Jan. 24, Ted Bundy, who is believed to have murdered over 100 young women in a coast to coast rampage that spanned a decade, told an interviewer that pornography had “guided and shaped” his bloodlust. “I have lived in prison for a long time now, and I’ve met a lot of men who were motivated to violence just like me. And without exception, every one of them was deeply involved in pornography.” Bundy was also a heavy drug user throughout his years on the rampage.

- A Canadian court in Edmonton, Alberta, is about to rule on an extradition request by the state of California, which has asked Canada to turn over Charles Ng, a 27-year-old Vietnam veteran who is accused of 25 murders in the San Francisco area in 1984-85. According to prosecutors, Ng and a partner, Leonard Lake, ran a sex-slave kidnaping ring that

used an underground bunker east of the Bay Area to carry out torture murders and ritualistic burials. When Lake committed suicide in police custody several years ago, Ng fled to Canada.

- Richard Ramirez, the “Night Stalker” accused of dozens of murders in California, began trial in early February. An avowed Satanist, Ramirez told police that he had been “inspired” to murder and mutilate the bodies of his victims by the Satanic rock group AC/DC, whose hit song, “Night Prowler” was the basis for his nocturnal murder orgies. Ramirez would break into the homes of his victims late at night, and, after murdering them, would spray paint Satanic symbols on their bedroom walls.

In the 20 years since Charles Manson’s Family—a spin-off of two Satanic cults, the Church of Satan of Anton Szandor LaVey, and the British-based The Process (Church of the Final Judgment)—carried out their infamous massacre, Satanic cults have proliferated in the United States to such an extent that nationwide computer communications grids exist to permit constant “real time” contact among members.

One such computer “bulletin board,” called “BaphoNet” (after the Anti-Christ figure worshiped by the medieval Knights Templar) lists 359 Satanic cells, bearing such names as “Coven of Isis,” “Church of Satan,” “Pagan Circle,” “the Clan of the Cauldron,” “Uranus Coven of the Pagan Way,” “Seven Covens of Lucifer,” and “Church of the Universal Forces.” BaphoNet is run by a former LaVey disciple named Michael Aquino, an active-duty lieutenant colonel in the United States Army, a specialist in psychological operations, who was accused in 1987 by the San Francisco Police Department of being involved in child rapes near the Presidio Army Base.

# The Lucis Trust: Satanism and the new world order

by Scott Thompson

A powerful wing of the Anglo-American Establishment is currently under investigation by this news service for its role in promoting the cults of Satanism and Luciferianism, for spawning an entire subculture of drug-induced violence believed to be behind the recent pattern of hideous ritual murders. As Dianne Core, a leading British expert in the battle against Satanism, put it recently, "We are in the middle of spiritual warfare, and the Satanic weapons are all pointed at the young."

It is no coincidence, that this wing of the Establishment includes many of the leading advocates of a New Yalta deal with Moscow—top figures of the United Nations bureaucracy, and leading elite families. As we document below, they even look to Mikhail Gorbachov as the premier world cult leader in what they call their "Externalized Hierarchy."

In this article, the first of an ongoing series, we present a dossier of some of the principal institutions and individuals behind this evil "New Age" movement.

The reader will learn, how behind the oh-so-nice U.N. brochures and talk about "peace," some of the leading figures of this grouping have been exposed as practising the most obscene homosexual and child pornography rituals imaginable. Take the notorious case of Canon Edward West, the coordinator of the American association of the Most Venerable Order of St. John. Eyewitness accounts indicate that during the 1980s, he was a frequent participant in obscene sexual rituals at homosexual S&M clubs in Manhattan, including the Mineshaft and the Hellfire Club (named after an 18th-century English secret Satanic society). Favorite "entertainment" at the Mineshaft included having children urinate on the patrons. In the mid-1980s, the club was shut down, following an investigation by the New York Police Department, which found links to organized crime circles, including those of John Zaccaro, the husband of 1984 Democratic vice presidential nominee Geraldine Ferraro.

## The evil friends of Bishop Moore

The Cathedral of St. John the Divine, the medieval temple of the Episcopal Archdiocese of New York, has become the mother institution of the New Age movement in the United States, whose goal is to eclipse the Age of Pisces (Christianity) with an Age of Aquarius (Lucifer). The presiding bishop of the cathedral, Bishop Paul Moore, whose fam-

ily is heir to the Nabisco company fortune, has been in the forefront of creating this Satanic "new world order," since at least the late 1950s, when, as a priest in Indianapolis, Indiana, he gave the "People's Temple" cult of Jim Jones its start.

Later in 1977, Bishop Moore rocked the Christian world, when he ordained a militant lesbian, Ellen Marie Barrett, who told *Time* magazine that it was her lesbian love affair that gave her strength to serve God. Bishop Moore claims that the ordination of lesbians, and his other Gnostic heresies, are merely part of the ongoing revelation of God's truth to man by the Holy Spirit, which had been prophesied by the Disciple John.

With this dissembling rationale, Bishop Moore has transformed the Cathedral of St. John the Divine into a Gnostic stronghold for such organizations as:

- **The Lucis Trust**, founded in 1922 by Alice Bailey, a disciple of Theosophist Madame Helena Blavatsky. Originally named the Lucifer Trust, it became a mother institution of the modern New Age movement;

- **The Temple of Understanding**, which is headquartered at the cathedral under its president, the Very Reverend Dean James Parks Morton, dean of the cathedral. It has turned the cathedral into a harbor for Gnostic religions ranging from Tibetan Buddhism to Sufi Freemasonry;

- The medieval village of **Lindisfarne**, New York, which is to be the model for a New Age lifestyle, once the Earth has been purified of its billions of non-white souls;

- A special **ministry to Sufi Freemasons**, who were a historical deployment against the Arab Renaissance, and whose modern-day cathedral affiliates have been linked to the assassination of Egyptian President Anwar Sadat;

- **The Zen Center**, which teaches meditation to the elite of the Liberal Establishment;

- **Gay and lesbian organizations**, which seek to legitimize their sin by arguing that the "beloved disciple" John had a homosexual affair with Christ, or else by creating Mother Goddess religions in the cathedral's crypts;

- A medieval chivalric order known as the **Most Venerable Order of the Hospital of St. John**, which, under the direction of the Duke of Gloucester of the British Royal Family, has inculcated the "Episcopagan" American Establishment in such Gnostic evil as the necessity to spread Shi'ite fundamentalism under the Ayatollah Khomeini in Iran, be-

cause the Shah had "sinned" by trying to industrialize his nation.

The serried ranks of the dead among Jim Jones's "Peoples Temple" cult, who had consumed cyanide-laced Kool-Aid on orders from Jones, are merely the more public casualties of the Age of Aquarius, when those bearing the "Mark of the Beast" (666) are to be unleashed upon the Earth once again.

Throughout the United States, the Satanic New Age movement has grown to become a major threat to the Judeo-Christian tradition upon which our republic was founded. Among the more recent signs of this upsurge are the Atlanta child murders, the case of New York child-beater Joel Steinberg, and the mass murder of school children in Stockton, California by a drug addict wearing a "Satan" T-shirt.

### The Soviet connection

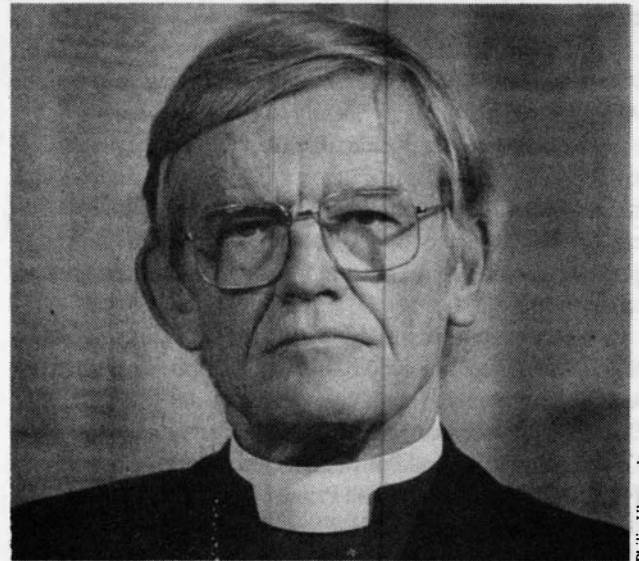
There is a national security dimension to the growth of the New Age movement. Starting in 1982, Bishop Moore returned from the Soviet Union to warn that unless the Anglo-American Establishment carried out appeasement of the Soviets, the Russians would launch a thermonuclear first strike. Moore, who entered the 1970s "peace movement" by visiting with the Vietcong-controlled, underground peace movement in Vietnam, had by 1983 joined with the pro-terrorist Institute for Policy Studies and the U.S.A.-Canada Institute of the U.S.S.R. Academy of Sciences, to mobilize the American peace movement to stop the Strategic Defense Initiative. Thirty top Soviet intelligence officers, who were joined by Bishop Moore, gave marching orders to the American peace leadership to this effect in Minneapolis, Minnesota in 1983.

Last February, the Cathedral of St. John the Divine hosted a "February Fling," sponsored by the Temple of Understanding, which brought together top Soviet officials to meet with their counterparts in the West. Through Fr. Luis Dolan, who travels to the U.S.S.R. every six weeks to get marching orders from officials of the CPSU International Department-controlled Soviet Peace Center, the Temple of Understanding overlaps the Center for Soviet-American Dialogue, which is involved in extensive exchanges, whose purpose is to remove the "enemy image" of the U.S.S.R. being an "evil empire."

Spokesmen for the Lucis Trust believe that Mikhail Gorbachov may be the premier world leader in their "Externalized Hierachy," giving impetus to a "Plan" for a "new world order" of Luciferian values and behavior. The Lucis Trust also carries out exchanges with the Soviet Union, where they believe "Triangle Cells" pray the "Great Invocation" for the coming Age of Aquarius. These Luciferians welcome Gorbachov, who bears the "Mark of the Beast" on his forehead.

### Isis priestess of the Aquarian Age

The New Age movement's enthusiasm for Gorbachov is really no surprise. The roots of this movement date back to the 1870s, when Madame Helena Petrovna Blavatsky (née Princess Hahn in 1831 in Ekaterinoslav, Georgia) was deployed by a combination of "Black Hundreds" forces that



*Bishop Paul Moore has transformed New York City's Cathedral of St. John the Divine into a spawning ground for Satanic cults and weird sexual perversions.*

included the Okhrana (Czarist secret service) and the Russian Orthodox Church, to destroy Augustinian Christianity in the West, through the creation of a Satanic ideology known as Theosophy, which was a syncretism of Eastern religions. As one Theosophical Society brochure made clear, its goal was "to oppose the materialism of science and every form of dogmatic theology, especially the Christian, which the Chiefs of the Society regard as particularly pernicious."

The deployment of Madame Blavatsky into the West had been part of the same effort—called the "Dostoevsky Project" by the Theosophically inspired Frankfurt School—which led the Okhrana to unleash the Scottish Freemasonic forces of the liberal Alexander Kerensky, then the "dark forces" of the Bolsheviks (many of whom, including V.I. Lenin, had been trained on the Isle of Capri in the cult beliefs of the Emperor Tiberius, who murdered Christ), for an assault upon the Petrine state. Among those principally responsible for deploying the hashish-addicted Blavatsky into the West were: Count Alexander Ignatiev, one-time head of the Okhrana as interior minister, whose family later joined with the Bolshevik Revolution; Imperial Privy Councilor Prince Aksakov, whose correspondence with Blavatsky reveals him to be a key controller; Fyodor Dostoevsky, whose writings have regained popularity under Gorbachov, because they were a 19th-century revival of the Russian Orthodox Church's "blood-and-soil" doctrine that Moscow would become "the Third and Final Rome"; and, Mikhail, Vladimir, and Vsevelod Soloviev, who, from such bases as the St. Petersburg Ecclesiastical Academy, propounded the doctrines of Spiritualism that are being revived in Russia today, and who profiled Blavatsky as *A Modern Priestess of Isis*.

Tentacles of the Blavatsky deployment extended quickly



through the West:

- **United States.** In 1873, Blavatsky traveled to the U.S., where with the Spiritualist Colonel Olcott, she founded the American Theosophical Society, whose headquarters became Pasadena, California. Colonel Olcott had been involved in seances at this time on a farm in Chittenden, Vermont, with Mary Baker Eddy, who founded Christian Science as co-extensive with Theosophy. Later, Olcott accompanied Blavatsky to Adyar, India, which became the spiritual center of the cult.

- **Great Britain.** In 1883, Blavatsky's disciple Annie Besant, who later assumed Blavatsky's mantle as High Priestess of Theosophy, was a co-founder of the British Fabian Society (predecessor of the Labour Party) together with Gnostic Christians and Spiritualists, including the Spiritualist Frank Podmore, later British Prime Minister J. Ramsay MacDonald, Soviet agent Lord Haldane, Lord and Lady Passfield, the Freemason William Clarke, Earl Bertrand Russell, Viscount and Viscountess Snowden, Lord Sidney Oliver, Lord Thomson, and others. In the same year, Scottish noble Douglas Douglas Home, who had sponsored Blavatsky as early as 1858 and given seances for the Czar, returned to Great Britain, where with support of the Cecil family, he founded the Society for Psychical Research, whose members included Arthur Conan Doyle, Lord Balfour, Lord Bertrand Russell, John Dewey, and William James.

Another excrement of Theosophy was the explicitly Satanist Edward Aleister Crowley's Order of the Golden Dawn (or, *Stella Matutina*), which overlapped the predominantly Anglo-American *Ordo Templi Orientis* (OTO) and the Thule Society in Munich, which gave birth to the Nazi Party through the good offices of Houston Stewart Chamberlain, Karl Haushofer, Rudolf Hess, and the Wagner Kreis.

- **Germany.** Blavatsky's co-controller, Count Aksakov, established in Leipzig, Germany a Theosophical magazine, *Psychische Studien*, which was influential upon the careers of Sigmund Freud and especially Carl Jung. It also influenced the schismatic Theosophist Rudolf Steiner, who founded in 1913 the Dornach, Switzerland-based Anthroposophy sect, which has lately been a leading influence within West Germany's Free Democratic Party, and also the seed-crystal in southern Germany of the fascist Green party. Meanwhile, in the 1920s, a Berlin-based Theosophist, Graf von Reventlow, founded a European network of the Comintern's Baku Conference of "Oppressed Peoples," which sought to merge Marxism with Sufism.

- **Switzerland.** The Ascona, Switzerland secret base of Theosophy—centered around a cult of Astarte—was the spiritual center of the Frankfurt School, which overlapped the Soviet GRU (military intelligence) through such founders as Hede Massing, Richard Sorge, and Max Horkheimer, who developed the "Authoritarian Personality" dogma to target and destroy those who based their behavior upon natural law. Ascona was also a spiritual center of the "Children of the Sun" gay and lesbian networks, which overlapped the Philby,

Burgess, Maclean spy network in Great Britain. Finally, Ascona was the religious center for the Theosophical psychiatrist Carl Jung, popularizer of the *Gnostic Bible*. Among Jung's disciple-patients were: Mary Bancroft, the mistress-secretary of Allen Dulles, who was OSS chief in Switzerland during World War II; and Mary and Paul Mellon, who, on their return to the U.S. in 1939, founded the Bollingen Foundation to propagate Gnosticism and a study center on witchcraft at Princeton University. Also, Lenin himself participated in cult dances on Monte Verita in Ascona.

## Alice Bailey and the Lucis Trust

Alice La Trobe Bateman was the founder in 1920 of the Lucifer Trust, which represented a syncretism of Gnostic Christianity with Blavatsky's Theosophy. Bailey's Gnostic doctrine transformed God into Nietzschean Will, while Christ is considered merely a lowly part of the many "Ascended Masters," who form a "Hierarchy," that is eventually to be "externalized" to carry out a "Plan" for a "new world order" that is otherwise known to Bailey's disciples as the Age of Aquarius or Age of Maitreya. The Lucis Trust, which today has Non-Governmental Organization (NGO) status at the United Nations and has been given legitimacy by the Cathedral of St. John the Divine, has spawned an array of New Age fronts, including the Temple of Understanding.

Born in Britain, Alice was raised an Episcopalian, before separating from her first husband, a drunken missionary to the United States, who beat her frequently. Relocated from Britain to the West Coast, she was recruited into the Pacific Grove Lodge of Theosophy in 1915. By 1920, she became editor of the American Theosophists' newspaper, *The Messenger*. In this same year she married Foster Bailey (a Scottish Rite Freemason and Co-Mason), and she launched a fight with Annie Besant for control of Theosophy, which Alice Bailey lost, when Besant's man, Louis Roger, was elected president. Immediately after the dust settled, Alice and Foster Bailey founded their own Tibetan Lodge, then the Lucifer Trust, whose name was abridged in 1922 to its present Lucis Trust.

By the 1930s, Bailey claimed 200,000 members, and her faction of Theosophy grew even more rapidly after Krishnamurti in 1939 denounced Besant's scheme to promote him as the Messiah. Throughout these years, Bailey spent her summers in Ascona, Switzerland, where along with Mary and Paul Mellon, she attended Jung's Eranos Conferences.

Bailey established a series of fronts, which include:

- **The Arcane School.** Founded in 1923, the school gives correspondence courses in meditation from its branches in New York, Geneva, London, and Buenos Aires. A brochure states: "The presentation of the teaching adapted to the rapidly emerging new civilization stresses the training of disciples in group formation, a technique which will characterize the discipleship service in the Aquarian Age."

- **World Goodwill.** Founded in 1932, the organization is recognized by the United Nations today as an NGO. Ever



since the dropping of the atomic bomb (which is seen by these kooks as a spiritual manifestation of Luciferian light), Lucis Trust has sought to give the U.N. a monopoly over nuclear weapons with which to impose a "one world federalist empire" upon sovereign nations. World Goodwill works directly with the "world federalists," and is part of the work to "Externalize the Hierarchy" of "Illumined Minds," which will usher in an "Age of Maitreya," otherwise interpreted by Bailey to be the return of Christ prophesied in the biblical book of Revelations.

- **Triangles.** Founded in 1937, Triangles is the name for a global network of cells, whose members pray a "Great Invocation," especially on the night of the full moon, when members of the Triangle can be influenced by the astrological signs of the zodiac.

- **Findhorn.** This is the sacred community of the New Age movement, based in Great Britain. Bailey disciple David Spangler, another explicit Luciferian, became co-director of the Findhorn Foundation, when he formed the Lorian Association. He sits on the boards of directors of Planetary Citizens, the secretariat of Planetary Initiative for the World We Choose (launched at the Cathedral of St. John in 1982), and is a contributing editor to *New Age Magazine*.

But, Lucis is not limited to low-level Satanists. When he was Secretary of Defense in the early-1960s, Robert McNamara prayed to the full moon along the Potomac River, according to journalist Edith Roosevelt. The Lucis Trust endorsed McNamara's tenure as head of the World Bank—which is hardly surprising, since Lucis believes in the Blavatskyian "Great White Brotherhood," which is consistent with the neo-malthusian aim of the International Monetary Fund to exterminate darker-skinned races. Not only does Bailey explicitly seek to destroy the nation state, which she equates with the "idealism" of the Age of Pisces, but in her 1954 work *Education in a New Age*, she also endorses Nazi eugenics and sex hygiene to purify the race. Apart from U.N. Secretary General Javier Pérez de Cuéllar, spokesmen for Lucis view Mikhail Gorbachov as the greatest world leader externalizing their "Plan" today.

## The Temple of Understanding

The Lucis Trust in 1963 founded a more distanced front group, the Temple of Understanding, which also has NGO status and worked out of the U.N. premises directly, until in 1984 it shifted headquarters to the Cathedral of St. John the Divine. The Lucis Trust and the Temple remain covertly entwined to this day.

While the chairman of the Temple is Judith Dickerson Hollister, those involved with its founding were: the late "Isis Priestess" of anthropology, Dame Margaret Mead of the Order of St. John; Order of St. John's Canon Edward West; U.N. deputy secretary general Robert Mueller, who had been involved as well with the Lucis Trust; and one Winifred McCulloch, leader of the New York-based Teilhard de Chardin Society. Dormant for several years after a major exposé

by Edith Roosevelt, the Temple was revived at the Cathedral of St. John the Divine in 1984 at a ceremony presided over by Bishop Paul Moore and the Dalai Lama. According to the past executive director, Priscilla Pedersen, its present board overlaps that of David Rockefeller's Trilateral Commission.

Recent activities of the Temple include:

- **Global Forum of Spiritual and Parliamentary Leaders on Human Survival.** Held in Oxford, England April 11-15, 1988, its luminaries included the Dalai Lama, the Archbishop of Canterbury, and Carl Sagan. Co-organizers of the Global Forum were the Temple of Understanding and the Global Committee of Parliamentarians on Population and Development, which latter advocates neo-malthusian population reduction as the solution to the world's ills. Present also at the conference were four Soviet Communist Party Central Committee members, including Dr. Evgenii Velikhov, Vice President of the Soviet Academy of Sciences. At the Global Forum, Rabbi Adin Steinsaltz, founder-director of the Israel Institute for Talmudic Publications, agreed with Velikhov to set up an institute to gather the Judaica of Russia.

In January 1990, the Oxford Global Forum will be followed by a Temple of Understanding event in Moscow, which is being sponsored by the Russian Orthodox Church, the Supreme Soviet, and the Soviet Academy of Sciences. The main thrust of the follow-on conference will be to get world religious and political leaders working together on such neo-malthusian ecological schemes as the "greenhouse effect" hoax. This is merely a global replay, which has the backing of the Soviet Union, which agreed to a Dartmouth Conference proposal in the 1960s to promote ecology in exchange for unilateral Western arms control deals.

- **The North American Interfaith Network.** It was established last year to bring together the major religions in a theocratic institutional network. Its director is Rev. Daniel Anderson, a Lutheran, who was recently coopted to be executive director of the Temple, working out of the Cathedral of St. John.

- **The Wichita Conference: A North American Assisi.** This conference, held Oct. 30-Nov. 1, 1988 in Wichita, Kansas, was in preparation for the 1993 celebration of the centennial of the launching of the "New Religions" movement by Chicago Round Tabler William T. Stead. Like the Global Forum, the Wichita conference brought together American Indians, Sikhs, Sufis, Buddhists, Islamic fundamentalists, and Jews.

- **February Fling.** This was a two-week celebration at the Cathedral of St. John in 1988, to promote 100 prominent Soviets. It was co-sponsored by the Temple of Understanding and the Center for Soviet-American Dialogue. Catholic priest Fr. Luis Dolan, who sits on the board of both institutions, was the organizer of the tour. Father Dolan is head of the Citizens Diplomacy Center of Wainwright House, which sponsors a multitude of East-West exchange programs oriented toward removing the "enemy image" of the U.S.S.R. as an "evil empire." Wainwright House's Institute for Spir-

itual Development was directed by Judith Hollister, the founding chairman of the Temple of Understanding. Through Father Dolan, Wainwright House has pledged to work on four East-West projects in 1989 with the Temple. Among these is a project on ecology, for which Wainwright House has received funding from Lawrence Rockefeller to promote. Another board member of the Temple is the Rabbi Arthur Schneier, self-described as the "Jewish Armand Hammer." Rabbi Schneier controls the question of emigration of Jewish Refuseniks, and a colleague states that he has lined up with Edgar Bronfman to call for repeal of the Jackson-Vanik trade amendment, because under Gorbachov, Jewish emigration from the Soviet Union has increased.

### Center for Soviet-American Dialogue

The Center is a major back channel between the New Age movement and the U.S.S.R., and has been taken over by New Age leaders including:

- **Barbara Marx Hubbard.** She is a founding member and co-director of the Soviet-American Council for Joint Projects. She co-founded Win-Win-World and is President of the Foundation for Co-Creation. Her name was placed in nomination for the vice presidency on the Democratic ticket in 1984. Hubbard, who entered the New Age movement under the influence of Teilhard de Chardin, created a "human front" in 1967 of those sharing a belief in transcendent consciousness, which became the Committee for the Future. Hubbard called this transcendent consciousness "supra-sex," and she has an extensive network of congressmen involved in the process of haruspication.

- **Willis Harman,** president of the Institute of Noetic Sciences and Senior Social Scientist at the Stanford Research Institute International. The Institute for Noetic Sciences has worked closely with the Temple of Understanding, while SRI has had among its trainees such figures as former Secretary of State George Shultz, who believes not only in global-power sharing "New Yalta" arrangements with the U.S.S.R., but also in convergence through a New Age based upon cybernetics. Harman is the brains behind Marilyn Ferguson, whose book *The Aquarian Conspiracy* sought to popularize Luciferian Gnosticism. Harman is also a founding member of Hubbard's Soviet-American Council for Joint Projects, and he is chairman of the Independent Commission for a Viable Future. Harman's own 1974 *The Changing Image of Man* coined the phrase "paradigm shift" to describe the sought-after transformation from the Age of Pisces to the Age of Aquarius.

- **James A. Garrison,** executive director of the Soviet-American Exchange Program at the Esalen Institute, which has been linked directly to Soviet "psychic espionage" activities of the KGB and GRU, penetrating the U.S. military and intelligence communities. This is the modern work of the Blavatsky-Okhrana intelligence deployment, which works today through the likes of Soviet "spoonbender" Yuri Geller.

## The Royal Family and the Freemasons

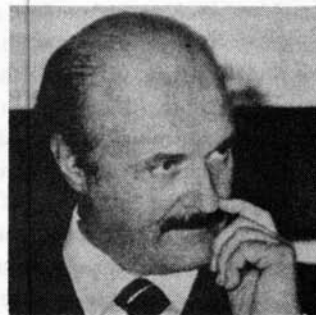
by Scott Thompson

On June 18, 1982, Roberto Calvi, head of the Banco Ambrosiano, was found hung from the Blackfriars Bridge in the City of London, only a few days after his secretary defenestrated herself. Calvi was a casualty of the war within Europe's Freemasonic order; it seems that his bank had penetrated Italy's Propaganda Two Lodge on behalf of the Vatican. As *EIR* was the first to document, the ritualistic murder of Calvi was carried out by the Black Friars Masonic Lodge of Edinburgh, Scotland, working in collaboration with P-2 Lodge members and other British Masonic networks, traditionally run by the Royal Family. Calvi's murder should thus be laid at the doorstep of the Queen and her cousin, the Duke of Kent, who is Grand Master of "The Mother Grand Lodge" of Freemasonry.

The ritualistic murder of Calvi, which has recently been affirmed by an Italian court, is not the first murder scandal implicating the British Royal Family because of their obscene patronage of Freemasonry. British author Stephen Knight, in his book *Jack the Ripper: The Final Solution*, demonstrated that the murders of five prostitutes in the East End of London in the late summer and autumn of 1888 were perpetrated by a Masonic cabal to protect the Royal Family. Specifically, it appears that the prostitutes were witnesses to the fact that Prince Albert Victor Christian Edward, grandson of Queen Victoria and Heir Presumptive to the throne, had illegally married and fathered a child by a Roman Catholic commoner.

The Masonic operation to remove the witnesses to this marriage, where the wife of the prince had already been bundled off to a lunatic asylum, was ordered by Prime Minister Lord Salisbury (Cecil family), through the Physician in Ordinary to the Queen, the unstable Sir William Gull, who had been the instrument earlier for hiding the prince's wife. Secret Home Office files reveal that the subsequent murder of the five prostitutes compares with Masonic ritual murders.

The man responsible for concealing the truth behind the



Roberto Calvi

Ripper murders was Sir Charles Warren, commissioner of the Metropolitan Police and one of Britain's most eminent Freemasons. Among the evidence found in secret files was the fact that the Ripper murderer had scrawled in chalk upon the wall near one victim, the phrase: "The Juwes are The Men That will not be blamed for nothing." Warren washed this phrase off before it could be photographed. But the reference to the "Juwes" is the name of three Apprentice Masons—Jubela, Jubelo and Jubelum—who killed Hiram Abiff, mythical architect of Solomon's Temple. The "Juwes" were tracked down, then executed "by the breast being torn open and the heart and vitals taken out and thrown over the left shoulder," a procedure that parallels Jack the Ripper's *modus operandi*.

The murder of Roberto Calvi follows this tradition.

### **Duke of Kent and Freemasonry**

In 1966, Edward, Duke of Kent became Grand Master of the Mother Grand Lodge of Britain, which was chartered that year. Already on Dec. 5, 1952, His Royal Highness the Duke of Edinburgh, consort of the new Queen Elizabeth II, was initiated into the secrets of Freemasonry by the Worshipful Master of Navy Lodge No. 2612, but he eschewed promotion to the Grand Master post assumed by the Duke of Kent, because his uncle, Earl Mountbatten, opposed it. However, in the history of British Freemasonry since 1737, only two of the Heirs Apparent have failed to become members, and there is significant pressure upon the kooky Prince Charles to take a prominent role in Freemasonry, despite his father and uncle's objections.

The Duke of Kent himself was following in the footsteps of his father, George, who had been Grand Master between 1939 and 1942, when he was killed in the crash of his military aircraft. Some informed British sources believe this accident was a murder, intended to cover up the Duke's earlier ties with the Hitler regime. It is notable that George's brother, the Prince of Wales, who briefly became Edward VIII, has been revealed in Charles Higham's book *The Duchess of Windsor*, not only to have been in covert contact with Hitler concerning the opening of an Anglo-German common front against the Soviet Union, but to have secretly desired to impose a fascist regime upon Great Britain led by himself. The first office which Edward VIII turned over to his brother and successor, George VI, was that of Grand Master of the Scottish Rite in Great Britain. Likewise, his brother the Duke of Kent was not only an alleged co-conspirator in this scheme, but the Kents married into the Airlie family, which controls Schroeder Bank, a major organizer of the Hitler Bounty Fund, used to finance Hitler's 1933 rise to political power. After Edward's abdication, George accompanied his brother, now the Duke of Windsor, on the first stages of his trip to meet with Hitler and Goering, about the possibility of an Anglo-German alliance.

This alliance of the British Royal Family with Freema-

sonry and Fascism is not irrelevant to the Roberto Calvi story. In 1966, shortly after his installation as Grand Master of the Mother Grand Lodge, the Duke of Kent was stationed with United Nations forces in Cyprus, where he initiated the process of returning Licio Gelli, a former member of Mussolini's OVRA secret police, from 20 years exile in Argentina. According to Italian coverage, the Duke of Kent lent his name to Gelli in order to build up the Propaganda Two Lodge, as a "clandestine" or "black" lodge of the Italian Grand Orient. With this backing, Gelli began openly advertising that he favored a military coup d'état that would restore the monarchist rule of the House of Savoy. There followed a series of coup attempts by members of Gelli's P-2 Lodge, as well as a wave of "red" and "black" terrorism constituting a "strategy of tension" to soften up Italy for these coup attempts.

Gelli's P-2 Lodge was merely a resurrection of the earlier Propaganda Lodge of Giuseppe Mazzini, who was part of the Scottish Rite founded in Britain. Like Gelli, Mazzini's activities spanned the simultaneous deployment of Fascist and Communist movements, including a direct controlling role with Karl Marx himself. Italian Grand Orient Masonry was itself first chartered by the Mother Grand Lodge of Britain, which has chartered most of the other Grand Lodges of the world.

The Mother Grand Lodge headed today by Edward, Duke of Kent, would be correctly viewed as the 1717 consolidation of the earlier work of Elias Ashmole, who, during the 17th century, working out of the Oxford Museum, welded together a syncretism of satanic religions—e.g., the "Isis-Osiris-Horus" blood-and-soil cult of Egypt—that were the basis for speculative freemasonry. Ashmole's transformation of operative masonry into a Satanic speculative direction was merely part of the general assault upon the Elizabethan Renaissance that was being carried out by the "Hell-Fire" clubs at this time.

Not only did Edward, Duke of Kent, play a seminal role in the 1960s in the founding of Gelli's P-2 Lodge, but the recreation of the Italian Grand Orient had been an operation of the British Special Operations Executive immediately after World War II. Unlike Adolf Hitler, Mussolini had secretly embraced the Mazzinian "universal fascism," but Italian Freemasonry was still in disarray after the war. Thus, British SOE members of the Grand Mother Lodge played a seminal role in the recreation of the Grand Orient, and they simultaneously mounted an operation through Sicily to launch a separatist movement that would transform that island into a base for an eventual restoration throughout Italy of the House of Savoy. Working on this operation was Joscelyn Hambro, later the chairman of Hambro's Bank, who had served with British SOE in Switzerland during World War II. Hambro's principal accomplice was Lord Carrington, who joined Hambro's board in 1967, after serving as First Lord of the Admiralty. This Sicilian separatist destabilization plot remained a theme of Gelli's P-2 Lodge.

# Charles, Prince of the New Age

by Kathleen Klenetsky

When President George Bush opens the White House doors to Britain's Prince Charles during the latter's mid-February trip to the United States, he will be welcoming one of the world's most prominent embodiments of the Satanic-Gnostic currents now poisoning Western civilization.

Although the Prince—whose immediate ascension to the throne of England has been taken up as a *cause célèbre* by the Druidic order, among other factions of the occult-ridden British Establishment—has never, to our knowledge, openly professed to being a devotee of Gnosticism or other of the so-called alternative religious traditions, there is nevertheless sufficient evidence to merit dubbing him the Prince of the New Age.

Exposing Charles's pagan proclivities takes on special urgency now, given the renewed campaign by the most corrupt elements of the British Establishment to bring the United States under its thumb, through the guise of strengthening the Anglo-American "special relationship."

## The prince and the warlock

It is hardly surprising that the Windsor family, whose history has been marked by extreme forms of occult practices and bizarre beliefs, should have spawned someone like Charles, whose conversations with plants and support of "alternative medicine" have drawn ridicule from some of the British press. But it would be a deadly mistake to dismiss these antics as royal idiosyncrasies. In fact, they are only the most innocuous manifestations of a world-view firmly rooted in the anti-Christian Gnostic heresy.

The most telling clues to Charles's true beliefs can be found in his (and his father, Prince Philip's) association with the British networks linked to the Temple of Understanding-Lucis Trust, and, perhaps more importantly, his frequently professed interest in the work of the infamous Carl Jung, the pro-Nazi Swiss psychoanalyst whose Gnostic beliefs and practices earned him the sobriquet, "The Warlock of Zurich." At various times over the last decade, the prince has praised Jung's work, asserting that it "makes a great deal of sense in many, many areas."

Charles appears to have been led to Jung (whose grandfather headed the Swiss Freemasons) by the South African-born cultist Laurens van der Post, once a political-military aide to Charles's favorite uncle, Lord Mountbatten, a believ-

er in flying saucers.

Van der Post counted Jung among his closest friends, and emerged as one of Jung's most zealous promoters after his death in 1961. Van der Post has not only authored a biography of Jung (*Jung and the Spirit of Our Times*) and made a film version of Jung's life, but has traveled around the globe preaching the virtues of Jung's Gnosticism, in which he sees the guidelines for the New Age to come.

In a revealing lecture he delivered to a meeting of the Jung Institute, held at the Tarrytown Conference Center in March 1982, van der Post insisted that reason—"male rationalism"—is the root of political savagery in modern times: "With the Reformation and the French Revolution, male rationalism is in an upswing and takes over. This is the beginning of the horrible totalitarian upsurge represented by Napoleon. It is the male rationalism of the Enlightenment which led to the French Revolution and to the horrible pillaging of Napoleon, all in the name of 'reason.' "

"Because of the advent of science and technology, there has unfortunately been a great narrowing of man's consciousness," he said. "We must unleash the immense energies of the collective unconscious," as detailed in Jung's system.

The future King of England's closeness to this Gnostic fanatic is underscored by his decision to name him one of his first-born's godfathers.

## Jung and the Age of Aquarius

The implications of Prince Charles's fascination with Jung are highly dangerous. Since Christianity's inception, Gnosticism has been considered its principal enemy, and rightly so. The Gnostics believed that the God who created the material world is evil. They practiced abortion, contraception, and infanticide, because they held that procreation was simply the creation of more evil. In their perverted view, the material world must be destroyed, in order to bring about the triumph of the "higher," spiritual God. Rampant destruction, chaos, and death were "good," because they would usher in the New Age. This hatred of God's creation, and deliberate commitment to destroy it, were eloquently depicted by John Milton in *Paradise Lost*, as the crucial point at which Lucifer, the angel of light, was transformed into Satan.

This Satanic belief structure was Jung's ruling passion, and he did his utmost to spread Gnosticism's tenets, particularly through the Eranos conferences, held in Ascona, Switzerland, during the 1930s and 1940s, which were frequented by the architects of the major "New Age" cults which have sprung up in recent years.

According to one leading Gnostic, Prof. James Robinson, translator of the Gnostic tracts known as the Nag Hammadi library, "Jung's importance in the Gnostic revival of the 20th century cannot be exaggerated. He is the man who updated Gnosticism."

What Jung did, Robinson elaborated, was to establish the basis for the "New Age"—whose beginnings are already evident in the dionysian rock-drug counterculture. Jung firm-

ly believed that the Age of Pisces (Christ) would soon be swept away, replaced by the Age of Aquarius, which would require an entirely new religion of its own, based on the ancient Gnostic heresy.

In Jung's view, Christianity had failed to fulfill man's deepest needs; it was too rationalistic, did not take into account the mystical and "dark" side of the human personality. The religion of the New Age, on the other hand, would acknowledge man's evil side. It would be implicitly demonic, basing itself on the primacy of the irrational, "feminine principle" (the Mother Goddess, or Mother Earth in the parlance of the eco-freaks) over "male reason." And it would seek to "complete" the Trinity, through the addition of Satan.

Jung believed that man could never conquer evil, and must acknowledge the darkness within himself in order to be free. Individual man should submit himself to the "collective unconscious"—a concept totally coherent with the "collective soul" preached by both the Nazis (with whom Jung actively collaborated) and the Bolsheviks.

### Charles vs. the United States

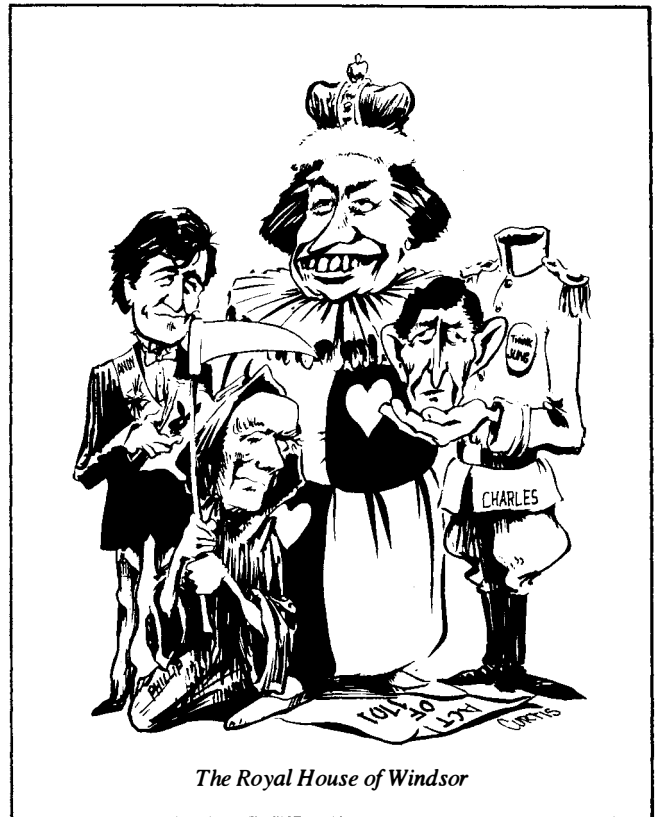
Jung's Gnostic influence is clearly evident in Prince Charles's views, especially in his often-reiterated opposition to science and technology, and support for "green" and neo-Malthusian policies. He backs the "small is beautiful" idiocies of the late E.F. Schumacher, recently launched a broadside against "modern intensive farming," and is one of the leading patrons of the "community architecture" movement in Britain, which is based explicitly on the "back to feudalism" outlook of the Satanic John Ruskin.

These weird little theories all have major, practical consequences: the death by starvation and disease of millions of people across the globe. But, in the sick world of the Gnostics and Satanists, mass destruction and death are victories in their war against God and the good.

Several years ago, there was discussion in the upper echelons of the New Age network, on the prospects that a new Hitler, who didn't share the old Hitler's "nationalist" views and fixation on Jews, would emerge and lead the world into the Age of Aquarius. Reportedly, Prince Charles's friend van der Post attended one of key meetings to discuss the new Hitler project.

Does van der Post envision his protégé in this role? We do not know. But, as the future king of one of the world's most powerful oligarchical families, Charles's intimate involvement with Jungianism poses a clear and present danger to the survival of Western civilization—and to the United States, which Charles apparently views as a major target for his pagan views.

Charles used Jungian terminology in a speech he gave at Harvard University's 350th anniversary commencement in September 1986, in which he called on educational institutions to devote more energies to teaching students about the "dark side" of the human personality, and delivered a Luddite indictment of the evils of technology.



*The Royal House of Windsor*

That was only one of several public interventions which the Prince has recently made against the Judeo-Christian underpinnings of the American system. In 1985, on a visit to Washington, he encouraged efforts by Lloyd Cutler's Committee on the Constitutional System and related groups to overthrow the U.S. Constitution in favor of British parliamentarism. Speaking to a seminar sponsored by the Library of Congress, Charles railed against the separation of powers and other hallmarks of U.S. republican government, and bemoaned the loss of Britain's former colonies.

In March 1988, Charles escalated his war against the American System, at a Pennsylvania conference on the future of the once-thriving industrial city of Pittsburgh, co-sponsored by the American Institute of Architects and the Royal Institute of British Architects. In his keynote, the prince enthusiastically endorsed a conference report which called for "remaking" industrial cities into small feudal entities based on real estate speculation, gentrification, and the service economy. Ron Hackney, a member of the Prince's inner circle and the leader of the "community architecture movement," opened the conference by stating that in Britain, as in the United States, "the reason cities were built"—as industrial hubs—"is now gone."

The British oligarchy may have lost the American Revolution, but Prince Charles and his circles are now waging an even more dangerous battle which, if they win, will result in the loss of America's soul to the Satanic New Age.

## Is Bush planning to 'dismantle' NATO?

by Michael Liebig

In his address to a conference in West Germany sponsored by the military think tank Wehrkunde, U.S. Defense Secretary-designate John Tower declared that the postwar era is definitely drawing to a close. Such statements about the end of the postwar order in Europe, of course, are hardly new; but Tower was delivering a signal about the political orientation of the incoming Bush administration toward Western Europe, and especially the Federal Republic of Germany.

The London *Sunday Telegraph* on Jan. 29 published an article on the new U.S. ambassador to Bonn, Vernon Walters. It reported that the Bush administration is preparing for a "post-NATO era," and that NATO is "in its death-throes." This, the paper claimed, will become clear over the course of this year, when the Soviet Union makes a sensational "Germany proposal." Such a progressive collapse of NATO, however, will be accompanied by a no less dramatic renaissance in the "special relationship" between the United States and Great Britain. The United States will be able to solidly rely on the British, the paper said, as opposed to the West Germans.

Once again, such assertions are nothing new; but whereas the Reagan administration's "grand policy" was substantially aimed at maintaining the status quo in Europe, people in the Bush administration seem prepared to go beyond mere game-plans for new geopolitical realities in Europe, into actively promoting them.

It is no accident that President Bush is first going to meet twice with Japanese Prime Minister Takeshita, then with Prince Charles, and then with British Prime Minister Margaret Thatcher. Only after that, will he meet with other leaders in continental Europe.

The Jan. 28-29 Wehrkunde meeting in Munich fleshed

out the Bush administration's orientation and "new leadership style" toward continental Europe. West Germany certainly bore the brunt of the U.S. attacks, but it was easy to see the entirety of Continental Europe was implied. Toward West Germany, the U.S. delegation continually used the term "We're sick and tired," and made what amounted to ultimatums, particularly on the question of "burden sharing." Western Europe, and especially West Germany, they said, must take on a greater share of the expense of defending NATO and beyond.

If that doesn't happen, then the U.S. Congress will reduce American troop presence in Europe, even if "President Bush were to make efforts" to stop them. Next to be brought up was the "Libyan affair," and then Germany's attitude toward low-altitude training flights of NATO aircraft over West German territory. Finally came the U.S. ultimatum to modernize the tactical nuclear weapons stationed in West Germany.

Lest there be any misunderstanding: All these U.S. demands are in substance quite justified! But at issue here was not—even if it was at one time—the urgency of solving some long-overdue technical problems in the Alliance; rather, this was merely window-dressing for the Bush administration's actual intended policy of a "stepwise withdrawal" of troops from West Germany.

Only a few days following the Wehrkunde conference, Edward C. Meyer, former Chief of Staff of the U.S. Army, stated that a withdrawal of two U.S. divisions from West Germany would be militarily feasible, and that a "thinning-out" of 50,000-60,000 U.S. soldiers would not endanger NATO's security! This still isn't an *official* declaration of withdrawal, but it nevertheless reflects the Bush administration's actual intentions.

## Autumn maneuvers canceled

What is official, is that the Pentagon has canceled NATO's "Autumn Reforger" maneuvers for 1989. These maneuvers, which have been carried out since 1967 and involve the transportation of tens of thousands of American soldiers into Germany, go beyond the usual military exercises, in that they have always had the character of a political demonstration of U.S. commitment to its alliance with the Federal Republic of Germany.

The Reforger maneuvers have been canceled, and overall U.S. armed forces exercises in West Germany have been reduced, so the explanation goes, out of "consideration" for the inconvenience caused to the German people, and also because of growing pressure within the U.S. Congress to reduce defense expenditures.

Admittedly, the federal government in Bonn presents a picture of intolerable weakness and inconsistency on basic questions of national security and of the NATO alliance. The federal government's reaction has been downright pitiful, in the wake of the psycho-political offensive of Moscow, which has been trying to sell its rapid modernization and restructuring of the Soviet armed forces to a credulous West in the cloak of "disarmament" and "peace policy." In Bonn, a crude sort of "appeasement" policy is currently being pursued, under the impetus of Foreign Minister Hans-Dietrich Genscher.

But in this, of course, West Germany is coasting in the wake of the "great" appeasement strategy which the Anglo-American Establishment has decreed for the Western Alliance as a whole since 1985. Since Reykjavik (1986) at the very latest, it has been clear that the policy of forming a condominium with Moscow has been pursued, at the cost of severing West Germany's ties with NATO.

Washington's foreign policy under George Bush is aimed at maneuvering the Federal Republic, as a sacrificial lamb on the altar of the superpower condominium, into a position such that it can be passed off as "the Germans' own fault."

Since the end of 1988, Washington's campaigns against the Federal Republic have been aimed not against the "Moscow faction" in Bonn—not against Genscher, the Social Democracy, or pro-Soviet agents of influence among German policymakers and the media—but rather against the Federal Republic of Germany as a whole. Washington is quite aware that Gorbachov, whose own domestic political situation is growing desperate, intends some time this year to make a "sensational offer," comparable to the "Stalin note" of 1952, to the Federal Republic. Vernon Walters has already been spreading rumors around Washington that before the year is out, Gorbachov will announce some kind of "dismantling" of the Berlin Wall.

Washington is also well aware, that the so-called Republikaner party of Franz Schoenhuber (who is no stranger to Western intelligence circles) is pushing not a "neo-Nazi" policy, but rather a "national-bolshevik" policy of "national neutrality." That is precisely why the Western powers sup-

ported him in allied-occupied West Berlin, leading to his recent stunning electoral success there (see *Report from Bonn*). Even if Washington doesn't want to see the Federal Republic under Moscow's *direct* control, there nonetheless seems to be a solid agreement with Moscow according to which Washington would be interested in creating a situation of quasi-neutral "loosening up" in Germany, and thus in all of continental Europe, in which the United States could gradually cancel its commitments toward the Federal Republic. According to this, U.S. military presence in the Federal Republic is to lose its primarily strategic character.

While the Germans were being upbraided at the Munich Wehrkunde conference for weakness, softness, and appeasement, McGeorge Bundy, a central figure of the U.S. Eastern Liberal Establishment, was in Moscow meeting with the Soviet leadership. They used the occasion of a Soviet-American conference on the 1962 Cuban Missile Crisis to hold talks on fundamental geopolitical questions. The week before, Henry Kissinger and David Rockefeller were also in Moscow for talks with Gorbachov and to deliver the Soviet leader a letter from George Bush. Gorbachov then gave them a letter to the President to take back with them.

## SDI on the chopping block

Meanwhile, Bush and Gorbachov have been holding lengthy telephone conversations with each other. The White House spokesman announced that we can reckon on a Bush-Gorbachov summit meeting occurring sometime this year. U.S.-Soviet talks toward concluding, in the latter half of this year, a START agreement on reduction of strategic ballistic weapons by 50%, are proceeding quietly but steadily.

An important indication of this, is the remarks of Defense Secretary-designate John Tower on the Strategic Defense Initiative. He stated categorically that the conception of the SDI as a comprehensive shield against nuclear offensive missiles is "unrealistic." The SDI, he claimed, is only conceivable as a limited "point protection" for specific U.S. nuclear systems. The "official" U.S. press organs such as the *Wall Street Journal* and the *New York Times* followed up with a squall of articles on the SDI, based on "background discussions" of Bush administration officials, and all reporting in unison about a drastic curtailment of the SDI program.

The intensification of U.S.-Soviet agreements in the context of the global condominium has reached a decisive point. Beyond the issues of "arms control" and "regional crisis management" in the Third World, the Federal Republic and continental Europe have assumed a central role in these agreements. This is occurring at a point, when the worsening of the crisis situation in the Eastern European sector of the Soviet Empire and in Yugoslavia is coming to a head. The Bush administration's intention to "loosen" NATO and to withdraw troops from the Federal Republic will ensure that Western Europe—and especially West Germany—is turned into a zone of disintegration and destabilization. And that's what Gorbachov's successors are waiting for.



## WESTERN EUROPE



## Cry of echoes

Shortly before the Jan. 27 sentencing of Lyndon LaRouche and his six associates (see page 60), supporters marched in Frankfurt, West Germany demanding a reversal of LaRouche's unjust conviction. On Jan. 31, Andreas Ranke (inset), the grandson of former West German President Gustav Heinemann and nephew of Poland's Cardinal Glemp, chained himself to a church entrance in Munster Square in downtown Bonn, the German capital, in protest. He released a statement which read in part: "The conviction and jailing of Mr. LaRouche is politically motivated. No one who believes in justice and the rule of law can tolerate this. Especially the history of Germany and the personal experience of my family, make it my duty not to remain silent, when a person, whom I hold in esteem and know to be innocent, is a victim of political persecution."

## SOUTH AMERICA



On Jan. 27, members of the Rome Tribunal and supporters rallied at the residence of the U.S. ambassador to Peru to demand "Justice for LaRouche." They had marched earlier to the offices of the Papal Nuncio in Lima, to present him with a petition seeking intervention in the LaRouche case by Pope John Paul II. The day before, Peruvian Senator Jossell Muñoz Córdova presided over the founding of the Peruvian chapter of the Martin Luther King Tribunal on Crimes Against Humanity (the "Rome Tribunal") which has taken up a defense of LaRouche's rights as part of its campaign to root out the institutions of genocide globally. Muñoz held a press conference in the Senate Jan. 27 to denounce the sentences against the LaRouche Seven as an "unprecedented violation of human rights in the United States."

# 'Justice for LaRouche' around the world



## UNITED STATES

On Jan. 26, during the downtown rush hour, activists rallied on Chicago's Michigan Avenue in front of the statue of Nathan Hale at the Chicago Tribune to demand justice for LaRouche and an end to appeasers' sales of scarce wheat to the Soviet Union.

On Jan. 31, civil rights activists, religious leaders, members of the Eastern European ethnic communities and others began a vigil at the Tribune's offices to express outrage over a malicious column by the Tribune's syndicated writer Mike Royko, which proposed that other prisoners take revenge on LaRouche as an alleged "cat killer."



Jan. 26, on the eve of the sentencing of LaRouche and his six co-defendants, all-night candlelight vigils began in front of the Federal District Courthouse in Alexandria, Va., where Judge Bryan issued his sentences, and in front of the Old Executive Office Building in Washington, D.C., where a 32-foot banner reading "Pardon LaRouche" was displayed for the entire night. At the Alexandria rally, three huge banners were unfurled, as 30-35 organizers chanted "Kill Satan, Pardon LaRouche" and sang "Va Pensiero," "Battle Hymn of the Republic," and "America the Beautiful." In the early hours of the morning, busloads, cars, and vans arrived from Pittsburgh, Philadelphia, Baltimore, and New Jersey to form a picket line in front of the courthouse.

# Venezuelan Gnostics storm Catholic Church and the Army

by Gretchen Small

Four days before the Feb. 2 presidential inauguration of Carlos Andrés Pérez, Venezuela's Gnostics launched into a rampage against the Catholic Church, the military, and the small but vocal Venezuelan Labor Party (PLV)—institutions which have succeeded thus far in blocking the Gnostics' attempt to secure the state of Tachira, which borders on Colombia, as an unchallenged base for narco-terrorist operations.

Fearing they have come under government investigation as instruments of Soviet irregular warfare against Venezuela, the Gnostics took to the media in a desperate attempt to get the incoming government to prosecute the PLV, top military officers, leading Catholic figures, and agro-industrial interests in Tachira, as the real threats to national security.

Initially, the Gnostics had been confident that once Carlos Andrés Pérez was installed in power, they would have a free hand for their project. Since its founding in October 1987, the primary obstacle to narco-terrorist actions along the border has been a special anti-drug and anti-terrorist force called the José Antonio Páez Specific Command, or CEJAP, and local press had reported in December that sources close to the President-elect assured them that Pérez planned to dismantle the CEJAP as one of his first actions in office.

The situation changed in January, however. Agricultural associations from the area took out advertisements defending the CEJAP, and its commander Gen. Humberto Camejo Arias. Then, a previously unknown Committee in Defense of National Sovereignty began taking out advertisements in the national press detailing the Gnostics' ties to drug running, kidnaping, and terrorism. Walter Márquez, a "bishop" in the Universal Christian Gnostic Church and congressional deputy from Tachira, who has taken the lead in organizing the narco-terrorist takeover plot, was a special target of the advertisements.

The Gnostics concluded that powerful institutions in Venezuela were combining forces to prevent Pérez from supporting the Gnostic plot. The Committee's ads filled out details of the Gnostics' criminal background, which before this only the Venezuelan Labor Party had dared reveal. Then, the leading Catholic paper of Tachira, *Diario Católico*, published several interviews with PLV Secretary General Alejandro Peña, in which he reiterated that Márquez's Gnostic "Church" was a Satanic cult, which recruited on the basis of

perverse sexual practices, and which ran the Colombian narco-terrorist group, the M-19.

The emergence of the Sovereignty Committee and the PLV campaign threw the Gnostics into a tizzy. Since the PLV has campaigned on behalf of various initiatives of the American politician Lyndon LaRouche, the Gnostics feared that their national enemies had upped the ante, and had allied with the international movement associated with LaRouche. That combination, they consider very dangerous.

## LaRouche, the Gnostics' enemy

The Gnostics counterattacked against the man they assumed was leading the campaign against them: LaRouche. On Jan. 29, *El Nacional*, one of the major Caracas dailies, ran a full-page scandal spread, claiming that unnamed "sources in state security" had begun an investigation into the activities of Lyndon LaRouche, the PLV, and the Sovereignty Committee.

The articles read like a dictation from Walter Márquez himself. Their tactic was to allege that the recent attacks on Márquez and his Gnostic church were a cover for a broader operation aimed at military and government institutions. "It is a question of a conspiracy orchestrated and conducted, from various decision-making centers . . . which, in reality, seeks to discredit the Military Intelligence Directorate (DIM), the Permanent War Council in San Cristóbal [Tachira], and economic sectors close to the President-elect, and Carlos Andrés Pérez himself," *El Nacional's* "informants" charged.

The "economic sectors close to the President-elect," are "the powerful Venezuelan group, the Diego Cisneros Organization," *El Nacional* said.

Included in the package was not only a slander article against LaRouche, containing allegations about various PLV members, but also a separate slander piece against the head of the CEJAP, Gen. Humberto Camejo Arias, painting him as a rich landowner, interested only in increasing his own wealth. What seemed most to worry *El Nacional's* sources, however, was the fact that General Camejo—a tough anti-terrorist fighter—has been rumored as a possible head Venezuela's national police, the DISIP, in the Pérez administration.

Three days later, on Feb. 1, *El Nacional* published another

er full-page spread on the alleged state security investigation into the advertisement campaign against the Gnostic Márquez. This, too, proved to be more hype than content. Although “investigative services” remain tight-lipped, *El Nacional*'s sources discovered that 127,430 bolivars were spent in five days, by three people, to pay for the Defense of Sovereignty ads. One of those people, they added, had signed a petition to register the Venezuelan Labor Party, “which the state security agencies link to the organization which economist and philosopher Lyndon LaRouche runs from the United States.”

This article was blunt: the ad campaign against Márquez was intended to create a climate in which incoming President Pérez could not proceed with his plan to “restructure” the CEJAP, *El Nacional* states.

Here again, there were other targets. The “investigative services” have now ordered investigations opened into 10 anti-terrorist actions previously undertaken by the CEJAP, and are examining the “powerful economic and political interests which run ‘a state within a state’ in Tachira,” *El Nacional* says. These agro-industrial interests—not the narco-terrorists—have been carrying out killings, and ordered the attacks on Márquez, because he defends “poor peasants,” they conclude.

This time, however, *El Nacional* carried another side of the LaRouche story. Under the title, “LaRouche Has Those Who Defend Him,” *El Nacional* reviewed for its readers many of LaRouche's ideas, quoting extensively from a pamphlet published by the Schiller Institute, entitled “The Plan Is to Kill Me: LaRouche; Bankers and Bolsheviks Want to Silence the Leader of the Fight Against the IMF.”

“U.S. economist and philosopher, Mr. Lyndon LaRouche, contrary to what many people might think, does have those who defend him in Venezuela, and that is demonstrated by the publication of the magazine of the Schiller Institute, whose international board is presided over by Mrs. Helga Zepp-LaRouche,” *El Nacional* stated.

Yet another article was published the next day in *El Nacional*, this one under the blaring headline, “Representatives of Lyndon LaRouche are Making Contacts in the State of Tachira!” The only scandal here, was that “reliable sources” report that PLV Secretary General Peña (called a representative of the “famous economist and philosopher Lyndon LaRouche”) was visiting San Cristóbal, the capital of Tachira, to meet with people “of high-level political, economic, and ecclesiastical power,” to coordinate further campaigns against Márquez. Rich cattlemen and leaders of the military and Catholic Church—the so-called “state within the state”—are paying Peña's bills, the “sources” claimed.

### **Cross-border base sought**

The Gnostics' drive to seize control of the border region between Colombia and Venezuela exploded in October 1988, after a clash on the border involving forces of the CEJAP in

the area of El Amparo ended with 14 people dead. Gnostic “bishop” Márquez immediately charged that the confrontation was a deliberate massacre of innocent fishermen, and led up a national witchhunt to prosecute the CEJAP as killers.

Amnesty International took up the cause of the “fishermen” also, and on Dec. 29, Márquez announced that he had formed “an international committee of solidarity with the surviving fishermen of the El Amparo massacre,” presided over by Mexican liberation theology leader Sergio Méndez Arceo.

When other congressional deputies began joining Márquez's campaign, military officers warned that the strategic goals of the narco-terrorists are being seriously underestimated. “Many have asked what the Colombian guerrilla would gain by blowing up a Venezuelan oil pipeline, when their objective is to destabilize the Colombian government and institutions. They seem to have forgotten that there has been a regroupment of guerrilla activity at the continental level . . . [as seen with] the so-called International Simón Bolívar Guerrilla Coordinator,” CEJAP Commander General Camejo told the Chamber of Deputies' special subcommission investigating the El Amparo case on Dec. 22.

Nonetheless, on Dec. 26, aides to Carlos Andrés Pérez told *El Diario de Caracas* that Pérez had decided to “annul the Oct. 28, 1987 decree which gave life to the CEJAP.” Faced with that possibility, other forces began rallying to defend the CEJAP. Rafael Poleo, a congressman and director of the Caracas daily *El Nuevo País*, wrote on Jan. 3 that people should remember that the CEJAP “was created to consolidate Venezuelan sovereignty in the plains border region. Before this Command began its operations, the narco-guerrillas were the true government,” he stated. “This abdication of sovereignty to the Colombian narco-guerrillas . . . ended when the Specific Command was created. . . . It is obvious that this subversive network has a support network which includes journalists and politicians.”

It is exactly that support narco-terrorist apparatus which the Sovereignty Committee's advertisements targeted. One ad reviewed how for years cattlemen living near the border with Colombia have been routinely kidnaped for ransom by Colombian guerrillas. When the CEJAP was finally set up, the committee notes, several kidnappings which had gone “unsolved” for years were cracked, leading to the arrest of the kidnapers. Yet in three cases, Walter Márquez intervened personally to secure the release of the kidnapers—including in a case in which it was proven that the kidnapers belonged to the Colombian-based National Liberation Army (ELN). That ad concluded with the warning: The ransoms gained from kidnaping “added to the large-scale support from the drug traffickers of the zone, could serve to corrupt the will of legal, military, or civil entities, finance leftist congressmen interested in destabilizing the democratic system, and purchase journalists to direct a campaign to discredit the institutions, integrity, and the sovereignty of the country.”

# Priests are murdered while Walesa deals

by Konstantin George

The recent murders of two Polish Catholic priests, Father Niedzielak, and Father Suchowolec, leading anti-Bolshevik resistance fighters and Polish patriots, constitute yet another bitter lesson of the price paid for appeasement of Moscow and its satellite regimes. The murders, Jan. 20 and Jan. 27, committed on KGB orders by the Polish secret police (SB), occurred during and after the visit of Polish Prime Minister Mieczyslaw Rakowski to Bonn, West Germany Jan. 20-23. The purpose of Rakowski's visit was openly stated in Bonn by Rakowski himself: to line up billions in credits, state credit guarantees, and debt write-offs, as the financial edge of an East-West goal of stabilizing Rakowski and, as Rakowski himself said, to in turn "help Gorbachov."

Father Niedzielak, 74, was found dead in his home the morning of Jan. 21. He had been beaten and tortured, suffered a broken spine, and had his fingernails pulled out. He had been active in the anti-Bolshevik resistance for decades. He served as a priest with the Armija Krajowa ("Home Army," the patriotic anti-communist resistance during World War II and the postwar years). During the post-1945 period, Niedzielak was a driving force behind the public debate to unveil the full truth on Stalin's mass execution of Polish officers at Katyn forest in Belorussia.

In 1980, he erected a monument for the Katyn victims at the St. Borromaseus Cathedral, as well as commemorative signs for all those Polish officers and soldiers deported to the Soviet Union under the terms of the Hitler-Stalin Pact, and who never returned. Niedzielak worked closely with the most patriotic components of the Solidarity movement. He had repeatedly received anonymous death threats, telling him he would "die the same death as Popieluszko" (the Catholic priest murdered in 1984 by the secret police). The last death threat was a threatening phone call only 24 hours before his murder. On that day, Jan. 19, he had told close friends: "They are going to get me."

Father Suchowolec was a leading Solidarity activist, and had been one of the closest associates of Father Jerzy Popieluszko. From 1983-86, Suchowolec was the priest in the small town of Suchowola, near Bialystok. Suchowola was the home town of the late Father Popieluszko.

The Polish regime, in contrast to the Popieluszko case, where they tried at first to cover up the murder, this time immediately announced Niedzielak's murder, and allowed

the autopsy report to speak for itself of his torture and murder. While pledging a "full investigation" into both cases, the regime has said that there is "no proof" of a political murder in either case. The murder was handled this way to "send a message" to all Polish patriots: "Stay quiet or you'll be next." The message has also been sent to the Polish Pontiff, John Paul II, that the Vatican is not to interfere in Moscow's empire.

Well-informed sources report that both priests had been on the regime's list of 150 clerical "extremists." Polish government spokesman Jerzy Urban, in his Jan. 31 press conference went out of his way to deny that a "list with 150 names" existed. But he then denounced "right-wing extremists" as responsible for a "climate of political provocations," thus confirming the list's existence and adding to the climate of terror.

## Walesa's deal

Lech Walesa, the nominal leader of Solidarity, has been corrupted into accepting Rakowski's "offer" that in return for a meaningless "legalization" of Solidarity, the Walesa wing of Solidarity will emasculate itself, supporting the government's austerity and adopting a strike moratorium. Walesa's organization receives funding from the "Project Democracy" networks of the United States and other Western quarters coordinating the "save Gorbachov" East-West condominium. Some sources see these funding hooks as one of the obvious factors behind Walesa's recent corrupt behavior.

When Popieluszko was murdered in 1984, Walesa and Solidarity organized a wave of national protests and an international campaign of outraged protest. But in the wake of Niedzielak's murder, not only is the total silence stunning, but Walesa, showing how far his capitulation has gone, did not even attend the funeral.

To date, Walesa has actively fulfilled his side of the dirty deal with the regime. For instance, 48 hours before the murder of Niedzielak, a new strike wave began to erupt in Poland, with a textile workers strike in the city of Lodz and a transit strike in Elblag. Walesa representatives were dispatched to both cities, and brought the strikes to an end.

However, as these strikes show, the Rakowski-Walesa deal, a desperate maneuver to buy time, can, at best, hold for some two or three months. Walesa does not control the opposition, and his discredit is growing by the day. The younger generation of Solidarity activists will not tolerate continued submission to austerity and a future which patriotic forces play counterinsurgent policemen for Moscow. Added to this are the effects of the huge January price rises, which have brought even the cheapest, pet food quality meat and sausage—the "meat" consumption for Poland's poor and pensioners—beyond the affordable range for most of the people. On Jan. 31, the next price explosion struck, as all medicines rose between 40% and 2,000%. The Rakowski-Walesa deal has only postponed the next explosion.



# Narco-terror army targets Argentina

by Cynthia Rush

On Jan. 23 the La Tablada infantry regiment on the outskirts of Buenos Aires was taken over by terrorists, producing a 30-hour confrontation with army units and 40 dead before it was over. The 50-person group which led the violent assault on the base was no leftist fringe group: It was of the same narco-terrorist stamp as the Soviet-backed forces which have ravaged Central America and the Andean region.

The incident and its aftermath have weakened Argentina's pro-Soviet "human rights" lobby, and put pressure on President Raúl Alfonsín to explain how such a sophisticated terrorist apparatus could come into being right under his nose.

The further irony is, though Alfonsín's obedience to International Monetary Fund conditionalities has destroyed production and heightened social unrest, his oligarchic backers fear that pockets of nationalist resistance remain within the armed forces and the Peronist movement. They will use the narco-terrorists to dismember all sovereign institutions, and Alfonsín may even find himself expendable.

## Foreign involvement

Among the 17 individuals who surrendered were foreign mercenaries from Nicaragua and Bolivia, who admitted to having been trained in Cuba, Nicaragua, and Spain. Some analysts have also charged that the Peruvian Shining Path was involved. An unconfirmed report published in Lima charged that the Peruvian terrorists had provided \$100,000 to train the attackers.

A 1987 army intelligence report, excerpts of which were published in the Buenos Aires financial daily *Ambito Financiero*, warned that the Nicaraguan government, through the commercial section of its Buenos Aires embassy, provided financial and political support to the Movement of All for the Fatherland (MTP), a "human rights" grouping most of whose members took part in the assault on La Tablada. According to this same report, the MTP kept contact with the Cuban embassy in Buenos Aires as well as with a local representative of the El Salvadoran guerrillas.

Many of the MTP's members formerly belonged to the

Trotskyist People's Revolutionary Army (ERP), one of the bloodiest of the Argentine leftist groups which functioned during the 1970s. ERP bigwig Enrique Gorriaran Merlo, thought to have masterminded the commando raid on La Tablada, fought with the Nicaraguan Sandinistas to overthrow Anastasio Somoza, and then worked with the Nicaraguan Interior Ministry. Sources in Buenos Aires say that Gorriaran also fought with Nicaragua's "Commander Zero," Edén Pastora, whose ties to the drug trafficking apparatus of Costa Rica's Pepe Figueres and fugitive American mobster Robert Vesco have been thoroughly documented by *EIR*.

Jorge Manuel Baños, the MTP lawyer who died in the assault on La Tablada, was a prominent spokesman for Argentina's human rights lobby which has mobilized most recently against patriots in the army who, like Col. Mohamed Ali Seineldín, have taken a firm stand against the U.S. based Project Democracy crowd and their Soviet cothinkers, who seek to destroy the institution of the armed forces. Baños served as Gorriaran's lawyer, and was also a foreign adviser to the Nicaraguan government who assisted in drafting the Sandinista legal code.

Two weeks prior to the La Tablada assault, Baños filed suit against both Seineldín and Peronist presidential candidate Carlos Menem, alleging that the two were plotting to overthrow the Alfonsín government.

Captured documents authored by the terrorists at La Tablada explained that their assault was planned in response to a military coup, allegedly to have been carried out by nationalist army officers on Jan. 23. Calling themselves the People's Resistance Front, the terrorists stated, "We are tired of the arrogance displayed by the military; we are tired of their crimes and coups that have prevented us from living in peace." It called on Argentines to "undertake heroic actions . . . to impose a government of the people . . . to prevent the military murderers from escaping . . . seize power at every level, united against coups, and to achieve social justice and freedom."

## Target the armed forces

In August 1988, the XIV Bilateral Intelligence Conference, sponsored by the heads of the Argentine and Bolivian armies, issued an important document identifying the nature of the "Soviet expansionist threat" and detailing the "inter-relationship of drugs and subversion which generates narco-terrorism." The document, which was violently attacked by the pro-Cuban magazine *El Nuevo Periodista*, a mouthpiece for the MTP, warned:

"The International Communist Movement uses narco-terrorism as a socio-ideological procedure to provoke social disequilibrium, diminish community morale, denaturalize and disintegrate Western society, as part of its strategic goal of promoting the new Marxist order." Explaining that many Ibero-American armies now consider narco-terrorism as a major security threat, the document adds that the "Soviets

## Yugoslavia on brink of partition or coup

by Konstantin George

The final split of Yugoslavia along East-West lines—Serbia pitted against Slovenia and Croatia—has been confirmed by the speeches and outcome of the raucous three-day Yugoslav Central Committee Plenum, Jan. 30-Feb. 1. A showdown has now begun between Serbian party leader Milosevic and the Serbian-run military, versus federal party head Stipe Suvar, a Croat, and the Croatian and Slovenian leaderships. In the not-too-far future, Yugoslavia will either experience a military coup, or fragment along ethnic lines, with Croatia and Slovenia breaking from a Milosevic-led Greater Serbia, composed of Serbia, Montenegro, and Macedonia.

The CC Plénum, while *formally* rejecting Serbia's demand to remove Suvar as federal party head, and for an extraordinary Party Congress in 1989 to elect a new federal party leadership, submitted de facto to the Serbian ultimatum by voting to anticipate the next regular party congress from 1991 to 1989. Croatia and Slovenia have retreated to the fallback position of trying to stall this extraordinary congress until the second half of this year. By that time, at the latest, Milosevic will push to conclude his power play, and move to dump Suvar and all remaining

Milosevic opponents from the federal party Presidium. The showdown may come much sooner.

### Military coup threat

Suvar's opening speech to the Plenum underscored the total division of the country, with a dramatic warning that Yugoslavia "is on the verge of fratricidal war." He declared that Yugoslavia faces two alternatives—that of "democratic pluralism," or, referring to Milosevic and the Serbian leadership, "neo-Stalinism."

No sooner was Suvar seated, when the armed forces' political chief, Admiral Petar Simic, a Serb, spoke, issuing a blunt warning that a military coup is not far off. Simic announced that "from now on, the army will play a more active role" in putting an end to "ethnic conflicts" between the individual republics, and then, dropped a bombshell: "That which is now being called the 'Battle for Yugoslavia' will not be carried out without the Yugoslav Army," because "the situation in the country is fast reaching a crisis point" where "the party is losing battle after battle." Simic flatly declared that the country's "political system" is "dissolving."

The coup threat was repeated by Serbian leader Slobodan Milosevic in different terms. Restating the demand that his foes be expelled from the key ruling institution, the federal party presidium, he thundered: "If the institutions cannot be changed through the institutions, then they must be changed from outside the institutions."

Even before the Plenum began, political leaders in Western Europe and Great Britain were privately discussing the "inevitability" of "the military solution" being exercised in Yugoslavia this year. Talk of a coming mili-

consider it a strategic weapon to [attain] their goals."

What *El Periodista* finds most disconcerting is the document's assertion that "the intervention of the Armed Forces in this context is considered necessary, given that the increase in drug trafficking surpasses individual action." The magazine's editors, in the Jan. 19 issue, expressed outrage that the military document categorizes "Solidarity Organizations," that is, "human rights" groups such as the MTP or the Mothers of Plaza de Mayo, as mere front groups for terrorism.

Immediately after the La Tablada incident, Peronist presidential hopeful Carlos Menem shocked the political establishment when he stated that possible involvement by government or Radical Party officials in the incident should be the focus of a thorough inquiry. Peronists more closely linked to the international social democracy, such as Buenos Aires governor Antonio Cafiero, have toned down Menem's statement somewhat; but it caused a great deal of discomfort among government circles who may have something to hide.

It is no secret that members of the Radical Party's left-wing faction grouped in what is called the *Coordinadora*, sympathize with Argentina's human rights lobby, and have hobnobbed with members of the MTP. Alfonsín himself didn't hesitate to echo the MTP's attacks on Seineldín. Interior Minister Enrique Nosiglia, one of the *Coordinadora*'s visible leaders, has been called before Congress for questioning on the government's handling of the La Tablada incident. Carlos Becerra, secretary to the presidency, and UCR deputy Marcelo Stubrin, are other members of the *Coordinadora* whose sympathies with the MTP make them suspect.

To take the heat off somewhat, Alfonsín ordered the creation of a National Security Council, and announced that the new body would advise the government on antisubversive policy. However, although the council includes the heads of the army, navy, and air force, it reportedly can only deploy state security, not military forces, in the fight against subversion, a fact which considerably weakens it. The fact that



tary coup in Yugoslavia dominated the private group discussions held by Western European parliamentarians, both conservative and socialist, in the corridors between the sessions of the annual military-strategic Wehrkunde Conference in Munich, Germany, the weekend of Jan. 28-29. A high-ranking West German Defense Ministry official said that the Yugoslav crisis "documents the total collapse of the socialist economic and social system," with "destabilizing repercussions throughout Europe." A senior British NATO official stressed the danger of a "disintegrating Yugoslavia," where Moscow could "gain control of the strategically crucial shore of the Adriatic Sea."

That very weekend, a stream of emergency visits to Yugoslavia occurred, including the foreign minister of Italy, Yugoslavia's neighbor across the Adriatic, Giulio Andreotti, and the leading member of the German Social Democracy's Executive, Horst Ehmke. Ehmke's agenda included talks with Serbian leader Milosevic and with Yugoslavia's Defense Minister, Kadijevic.

The alarm bells about a coup began sounding in Western Europe two weeks earlier, after the Zagreb (Croatia) weekly, *Danas*, a popular, wide-circulation mouthpiece for both Suvar and the Croatian party leadership, warned that a Serbian military coup is in the wings. *Danas* declared that the current Yugoslav situation can be compared to "the last four months of 1981 in Poland," referring to the period that led to the Jaruzelski coup and proclamation of martial law in December 1981. *Danas* posed the question: "Will there be a Mr. Wojciech [Jaruzelski] for Yugoslavia?"

Propelling the crisis forward at ever greater speed is the nightmarish economic crisis. Yugoslavia, through years

of capitulation to International Monetary Fund conditions, has been destroyed by Great Depression levels of mass unemployment, combined with a hyperinflation not seen in Europe since Weimar Germany, driving living standards and food consumption down to dismal postwar levels. In the last 10 days of January, food prices for eggs, milk, and dairy products, all cheap cuts of meat and sausage, as well as the most basic staples like beans and cabbage, shot up by 140%, and from November to Feb. 1 the same categories just listed have skyrocketed by 700%. For the first time since the war, bean and cabbage consumption is being rationed by families, who are surviving on jarred and pickled cabbage, stored from previous years.

In this misery, the demagoguery of Milosevic has had an easy time in organizing Serbian nationalist passions for his power play. Last fall's mass Serbian demonstrations that led to the removal of the anti-Milosevic party leaderships in the regions of Kosovo and the Vojvodina, and the republic of Montenegro, were only a foretaste. The next round will be a full-scale Serb versus Croat collision; mass demonstrations are being planned by the large Serbian minorities in Bosnia and Croatia. The campaign for this was launched by the Serbian media shortly before the Plenum, charging that the 600,000 Serbs in Croatia had more rights under Austro-Hungarian rule before 1918, than they do nowadays. The campaign is coupled with the demand that not only Suvar must go, but the Croatian party leadership as well. Given the wartime slaughter of Serbs by the Croatian Ustashi puppet regime, once a full-scale Serb versus Croat confrontation begins, as it is now set to, this dynamic alone guarantees the opening of the final act in the unstoppable disintegration of Yugoslavia.

Interior Minister Nosiglia presides over the body does not augur well for its performance.

Argentina's social-democratic backers aren't pleased that the army's quick repression of the terrorists has earned it new popular respect. On Jan. 27, the *Miami Herald* apologized for the subversives, editorializing that "anyone who has been following developments in Argentina knows that the real threat to democracy there comes not from an insignificant left-wing fringe group made up of holdovers from the 1970s, but from the army."

Statements from the terrorists themselves belie this fantasy. On Feb. 1, the Uruguayan daily *La República* provided extensive front-page coverage on "survivors" of La Tablada, now said to be holed up in Montevideo. Reportedly linked to the Uruguayan terrorist group Tupamaros, *La República* published a communiqué of the People's Resistance Front, which issues a "challenge to the government and the armed forces" of Argentina, warning that it would make the army "pay" for

the death of MTP lawyer Jorge Baños.

The La Tablada "survivors' " choice of Montevideo as a base is understandable. Great Britain literally "created" Uruguay in 1828, by splitting a province off from Argentina. Montevideo had been a center for British contraband and other illicit operations along the Paraná and Uruguay rivers for years before Argentina's independence. After that date, the British ensured Uruguay's creation so as to guarantee their continued dominance in the Rio de la Plata basin.

Montevideo has also been a Freemasonic stronghold for over 200 years, serving as host to an assortment of theosophist, anthroposophist, and esoteric cults which then found their way into Argentina. In fact, practically every coup and destabilization operation launched against Argentina in the last 150 years, has had Montevideo as its base of operations. Uruguayan President Julio Maria Sanguinetti, a top-level Mason who delights in attacking the Catholic Church, presides over this "nation."

### From insider trading to blackmail

*The blackmail is the political kind, and it's seen here as being waged by the United States against France.*

As revelations in the Securities & Exchange Commission-inspired "Pechiney insider trading" scandal in France have proceeded, the political motives behind the SEC's sudden interest in French trading are getting clearer.

President François Mitterrand himself, though not involved in the insider trading, has received a few scratches. The SEC, and now the Commission des Opérations Boursières (COB), consider two of his longtime personal friends, Roger Patrice Pelat and Max Théret, as the main culprits. But this does not directly affect Mitterrand's political standing.

Rather, it's the government elected by Parliament, and in particular the Finance and Economic Ministry led by Pierre Bérégovoy, that is shaky. Bérégovoy's cabinet director, Alain Boubilil, a 1981-88 Mitterrand adviser, had to resign to "be in a position to defend himself."

The broader targets are first, the entire system of trading on the French market; and second, France's "military-industrial complex." The scandal is stirring up a strong motion to transform the COB, of whose existence few were aware besides traders, into some kind of SEC with similar independent powers. Though no one will argue against a better regulation of trading, the issue is obviously elsewhere.

Amid the tense competition among financial markets, and in anticipation of the 1992 deregulated European market, both New York and London are out to neutralize the French markets. And there may be no better way, than to force the creation of a super-

gendarme which, by going from one investigation to another, will scare off or paralyze potential investors.

This has paralleled an attempt at "Americanizing" parliamentary activities. For the first time, the Finance and Economics Committee of Parliament which met to investigate the scandal, did so under camera spotlights, with the finance minister as the accused. This set a precedent that some would like generalized, with parliamentary committees playing the same negative role as the endless investigative committees of the U.S. Congress.

Nor can it be a coincidence that all of those exposed by the SEC have close ties with the military firm Thomson CSF. Pelat was for years the director of a company, Vibrachoc, which sold aeronautical systems. In 1982, Vibrachoc handled some of the key shipments of Exocet missiles to Argentina. Vibrachoc was then directed both by Pelat and by the brother of ex-Defense Minister Charles Hernu, Robert Hernu. It has been strongly suggested that Anglo-American circles never forgave these French networks for aiding Argentina in its war against Britain, but also that the present targeting has to do with the international fight over Argentina's future.

Another intermediary denounced by the SEC is Lebanese trader Samir Traboulsi, an adviser to Thomson-CSF, and a crucial middleman in Franco-Saudi military deals. In October 1988, Bérégovoy decorated him with the Legion of Honor. His nomination had come earlier from Interior Minister Charles Pasqua, under the

Chirac government, as a reward for his role in getting some French hostages freed.

Besides individuals, some of the key companies targeted have the same profile. For example, the SEC pointed the finger at the Geneva-based Soco-Finance, chaired by a group of Lebanese traders, which is actually owned 20% by Thomson CSF. Soco is accused of having bought shares on behalf of the Anguilla based International Discount Bank, of which one of the shareholders would be the Batif, Thomson's banking institution. Just as the scandal broke, Thomson was about to increase its shares into Soco-Finance through Batif, and potentially merge the operations of Soco-Finance with Satoil, a new acquisition of Thomson, in the expectation of a major arms deal with Saudi Arabia—most likely involving financing in kind, such as oil.

Though there has been no report on whether the deal was jeopardized, Thomson will have to use another trading house. On Jan. 25, the Paris weekly *Canard Enchaîné* accused Washington of triggering the scandal for no other purpose than to "sabotage French arms sales in the Middle East and in Saudi Arabia in particular."

The targeting of these layers can also be seen as another episode of the Irangate scandal. For example, Boubilil was one of a group of three Mitterrand advisers who dealt with the secret negotiations between France and Iran, but also the United States and Iran. Oliver North's political associate, Michael Ledeen, who has so far escaped prosecution, was regularly seen in the corridors of the presidential Elysée palace, as Paris was repeatedly asked to help Washington. Needless to say, Traboulsi and a few others, like Lebanese banker Roger Tamraz, also mentioned, played similar roles.

## Old boys, new parties . . . New Yalta

*The Republikaner party's election upset in West Berlin was a joint project of the decouplers from East and West.*

**T**he biggest shock of the West Berlin municipal elections on Jan. 29 was that the national bolshevist Republikaner party (REP) scored 7.5% of the vote, qualifying it for representation in the city government. The party gained, as did the Greens and the Social Democrats, while the Christian Democratic Union lost ground.

The REP, founded in 1983 as a neutralist party with right-wing ideas by the former left-wing journalist Franz Schoenhuber, scored an initial success three years later with 3% of the vote in the Bavarian state elections, but stayed below the 1% level in all following elections. The Jan. 29 elections in Berlin suddenly put the REP in position to shake the system of established political parties.

There is little mystery behind this resurrection of the REP. It was a planned affair, proceeding under the special conditions of the city of Berlin, whose essential functions which are run by the three Western allies and the Soviets.

Given the city's Four-Power status since 1945, everything that happens in the former German capital bears an experimental character in the framework of allied policy changes for the rest of Germany.

Look at how the U.S. State Department and the Soviet Foreign Ministry reacted to the REP victory. An unnamed senior official at the State Department is quoted in the press here: "For us Americans, the development in Berlin is unsettling because the power shift it indicates for all of the Federal Republic brings an element of

uncertainty into our long-term defense planning."

The official said the election signaled a loss of power for the Christian Democrats of Chancellor Helmut Kohl, and an increased influence of the anti-defense Social Democrats. In other words, the REP votes provide a pretext for heating up the debate on U.S. troop withdrawals from Germany.

Also the response of *Izvestia*, the media mouthpiece of the Soviet government, was revealing. The Jan. 30 issue of *Izvestia* wrote that the REP had gained votes because "social problems" had "radicalized voters." And although the REP's program contains a lot of what Moscow views as the arsenal of "West German revanchists," *Izvestia* simply reported that party chairman Schoenhuber is campaigning for a "neutralized, reunified Germany with Berlin as its capital."

Is there, perhaps, some special Soviet interest in this party's rise?

The Republikaners' program is a mix of left-corporatist, ecologist, and national bolshevist ideas. Schoenhuber started out as a journalist working with a Soviet publication back in the early 1950s. In his 1982 book, *I Was There*, Schoenhuber wrote, "In 1953, I visited the World Youth Festival in Bucharest as a freelancer for the left-wing publication *Deutsche Woche*." With a certain pride, he added, "I certainly was among the first German journalists to ever visit the East bloc."

*Deutsche Woche*, established as an anti-Western propaganda weekly in 1951, was funded by the German

Communist Party with 5 million deutschmarks, according to the testimony of its editor-in-chief, Carl August Weber, who was put on trial in 1962 and sentenced for traitorous activities in June 1963.

Remarks made by Schoenhuber at a packed press conference in Munich Feb. 1 prove that he has not changed his views since the 1950s. Answering a question from *EIR*, Schoenhuber elaborated on the theme of German reunification. He said that once West Germany followed the 1966 example of France to withdraw from the military integration of NATO, the way would be free toward a "Germany having the status of armed neutrality." This implies the withdrawal of all foreign troops from the territory of the two current German states. It would be acceptable to the Soviet Union, and German politicians should bring this idea up with the leaders in Moscow on the diplomatic level, he said.

Schoenhuber hinted that he has discussed this with representatives of the United States, France, and the United Kingdom.

Indeed, Schoenhuber seems to have friends in the West. Former REP section chairman in Berlin, Klaus Weinschenk, boasted that good contacts in 1987 to U.S. Mission Chief John C. Kornblum put him on a list of select guests at the official luncheon for President Reagan, who visited the city that year.

There are also indications that Carl "Spitz" Channell, a key operative in the U.S. State Department's "Project Democracy" (a project to destabilize governments abroad), was involved in setting up the REP in Berlin. The REP, a joint intelligence service venture of East and West? The sudden rise of the party seems to fit perfectly within the strategic framework of the New Yalta policy.

## Peru, and the defense of LaRouche

*Top political and military figures have stepped forward to back LaRouche, in the interests of their own nation.*

A Peruvian chapter of the International Martin Luther King Tribunal on Crimes Against Humanity was founded in Lima on Jan. 26, under the sponsorship of Senator Jasmell Muñoz Córdova. The Tribunal was founded in Rome Jan. 19-20, to wage war against the institutionalized powers of Satanism and genocide, and to indict those behind the political persecution of Lyndon LaRouche.

Speaking to 14 representatives of the Peruvian press, including two television stations and several radio stations and magazines, Senator Muñoz underscored that the tribunal would unmask those behind the international drug trade, which is afflicting Peru with economic chaos and terrorism, and explained why he had decided to fight together with LaRouche, "the only U.S. politician who has decided to fight to defend human life."

Among the other founding members of the Peruvian Tribunal chapter are Juan Bernaola, secretary general of the Confederation of Workers of the Peruvian Revolution (CTRP); Carlos Pastor, president of the Association of Retired Peruvian Workers; and Juan Rebaza, the head of Pescaperu, the state-owned fish exporting company (the world's largest).

The news conference was preceded by a special forum one week earlier, discussing "Who is Out to Silence LaRouche, and Why?" That forum was sponsored by *EIR*, and attended by some 90 individuals, at least one-third of whom were high-ranking military personnel, both active and retired. A majority of the participants had "studied Mr. LaRouche's writings for many

years," as one put it, and had come not only to get information on the Soviets' irregular warfare strategy, but also to express open support for LaRouche.

The next day, Senator Muñoz gave a press conference in the Senate after learning that LaRouche and six of his collaborators had been sentenced to jail terms. Muñoz condemned what he termed the unprecedented violation of human rights taking place in the United States. Among the six jailed collaborators is Dennis Small, this news service's correspondent in Peru in 1976, when Henry Kissinger personally intervened to shut the service down. Small returned to Peru during his work on a development program for that country, whose results fed into the book *Ibero-American Integration*, of which Small is a co-author.

Also on Jan. 27, friends and supporters of LaRouche, including the members of the Rome Tribunal, marched to the offices of the Papal Nuncio in Lima, to present him with a petition seeking intervention in the LaRouche case by Pope John Paul II. Members of the Tribunal were interviewed and/or photographed by several newspapers.

The same group of Peruvian citizens proceeded to the U.S. consulate in Lima, also the residence of the U.S. ambassador to Peru, where they rallied in the George Washington Park across the street to demand "Justice for LaRouche." Their numbers rapidly grew over the course of the next hour. Consulate guards threatened the demonstrators with violence, and then appealed to the police to terminate the rally. To their surprise, the police of-

ficial summoned assured the consulate guards that permission was not required for the citizens' rally to take place.

The founding of a Peruvian chapter of the Rome Tribunal is especially timely, in view of the dramatic economic and political crisis currently destabilizing that country. Under draconian austerity restraints imposed by the enforced ostracism of the world financial community and abandonment by its Ibero-American neighbors, Peru is suffering Weimar-style inflation and a collapse in consumption levels.

Simultaneously, Peru's economic, political, and military infrastructure are under escalating assault by Shining Path, the narco-linked terrorists who function as a Soviet irregular warfare battering-ram against the geostrategically critical Andean Spine region of Ibero-America.

The high-level support for LaRouche and his ideas in Peru is not accidental, for these ideas are key to addressing Peru's ongoing institutional crisis. He visited Peru in 1987, and met with senators, congressmen, businessmen, and others concerned for the fate of their nation. LaRouche is famous throughout the continent as the author of "Operation Juárez," which not only advocates the kind of unilateral debt action undertaken by Peruvian President Alan García in 1985, when he ordered a reduction of foreign debt payments to no more than 10% of the country's export revenues, but also details a program for continent-wide economic integration as the means to guarantee survival—and growth—under conditions of imposed isolation. Similarly, LaRouche's exposés of Soviet irregular warfare tactics on the continent explain much of the Peruvian military's interest in LaRouche's future.

## Libyan opposition betrayed again

*While the U.S. was staging its show of hatred for Qaddafi, it was also sending good will messages to Tripoli.*

What was the Jan. 5 dogfight between American and Libyan jetfighters really about? Was it a last attempt by the departing Reagan administration to get rid of Libya's Muammar al Qaddafi? The dogfight, which ended in the shooting down of the two Libyan MiG jets, occurred just as the United States was sponsoring a global campaign against the Libyan chemical plant of Rabta.

Yet, as events since seem to have proven, if a government has been destabilized by this campaign, heralded by the Jan. 7-11 Paris conference on chemical weapons, it is not Libya's, but West Germany's. Topping it all, just before he left office, President Reagan announced that it had never been his intention to bomb the Rabta plant.

The aims were indeed elsewhere. While tensions between Europe and the United States over Libya became public, the French government quietly decided to extend a 7 billion-franc credit to Algeria at the end of January. The credit is a badly needed boost to the Algerian economy, and is helping to settle a dispute over the Algerian-French gas deal, but Paris made its political content quite clear. Less than 24 hours after the loan was ratified, diplomatic sources said that its ultimate aim was to break "Algerian dependency on the United States" for food supplies. With preferential rates, Algeria will be able to buy French wheat.

North Africa's importance for the United States was underlined almost at the same time by U.S. Air Force-Europe Commander, Gen. William L.

Kirk. Reflecting on the tighter limitations imposed on the U.S. Air Force on low-flight training over Germany, Kirk announced negotiations for such training to take place in Morocco. Morocco has already signed similar cooperation treaties with the French and Belgian air forces and is finalizing a similar agreement with the British air force.

In that framework, the policy toward Libya has not been one of serious confrontation. At most, it aimed at making it clear to the Libyan leaders that the Anglo-Americans are serious about their regional stakes, and won't brook interference. Meanwhile, it ran parallel to equally public attempts at mending fences between the U.S. and Libya.

For example, throughout October and November, intense talks went on in Geneva between Libyan and American oil officials. The topic was whether the U.S. oil companies would be resuming operations, since the U.S. embargo imposed in 1986 was running out on Dec. 31. At the peak of the anti-Rabta campaign, Reagan could obviously not afford to drop the embargo. It was renewed, but only for six months, until June 30, 1989—a decision hardly reflecting the commitment of an administration dedicated to overthrowing Qaddafi.

The word is now out that the companies will be resuming operations by June. New drilling contracts are being discreetly negotiated. The U.S. administration has let it be known that it perfectly understood that unless operations were resumed, the bulk of the new Libyan contracts would go to Eu-

ropean firms, besides U.S. assets being nationalized. A compromise may be ultimately found with U.S. firms operating in Libya, not directly but through their European subsidiaries, whereby U.S. oil technology will find its way back to the shores of Tripoli.

Yet, intelligence sources report that Washington has gone further to send signals of good will to Tripoli. Libya was made aware that a worked-out plan of the Libyan opposition group led by Mohammed al Margariaff was being set into motion. The plan called for simultaneous actions in the Oasis of Kufra, one of Libya's key military bases, and in Tripoli and Benghazi. As it has become almost a tradition, the plot was foiled, and its architects within Libya rounded up.

Who told Qaddafi is anyone's guess. So many countries were involved, that the culprits could have hidden their tracks under several layers of cover. Foiling the plot was a further step toward sending the "right message" to Qaddafi. On the one hand, it showed that the U.S. could, at any time, organize a "Contra-like" movement on Libya's southern borders. On the other, it made it clear that Washington was ready to bargain. Obviously the Libyan opposition leaders had been told a different story, but they should have realized that the Gorbachov fans ruling Washington are not about to destabilize a regime which, for all intents and purposes, is still a key Moscow ally in the region.

Hence, intelligence sources stress that the Jan. 5 dogfight was the end of the crisis, not its start. From both sides, it served as a cover for their diplomatic commitments. Ever since, Qaddafi has been making public statements one after the other on his readiness for good relations with both Washington and London. These statements, unlike past ones, reflected no Libyan fear or paranoia toward the United States.

# International Intelligence

## **Israeli war faction makes new moves**

Svend Auken, a leader of Denmark's Social Democratic Party, told Reuters wire service that PLO chairman Yasser Arafat "has intelligence reports indicating without any doubt that Israel is planning a new invasion" of Lebanon to derail peace efforts. The PLO sees "the same pattern of preparation as before the 1982 invasion—ammunition and war matériel amassed in the border region."

Meanwhile, members of the Israeli "crazies" war faction, like Trade Minister Ariel Sharon, have been speaking up. Sharon recently asserted that there "would never be peace in the Middle East as long as Yasser Arafat was alive," according to Reuters. He said that if the Palestinian uprising, or *intifadah*, is not put down, a Palestinian state would be formed on the West Bank. Sharon also called on Defense Minister Yitzhak Rabin to resign for failing to suppress the *intifadah*.

At the same time, "Jewish Nazi" Rabbi Meir Kahane, speaking Jan. 28 at a Jewish community center in Brooklyn, New York, urged suppressing the Palestinian uprising in the occupied territories by "any means necessary." "We must allow Israeli soldiers to use their weapons freely against the stone-throwers. . . . The land belongs to the Jewish people. If the Israeli government won't declare it, we will! We will ensure that there will never, never be a Palestinian state."

## **Panchen Lama of Tibet dies**

The Panchen Lama, the second-highest spiritual leader of Tibet after the Dalai Lama, died "suddenly" in Beijing of what the Chinese authorities called a heart attack Jan. 29. He was 50 years old.

While the Dalai Lama fled Tibet for exile in India, the Panchen Lama made his peace with the Chinese invaders, and went to live in Beijing. However, just on Jan. 23, he returned to the city of Xigaze, Tibet for a religious ceremony where he stated that the

price Tibet had to pay for its development over the last 30 years was greater than the gains, the *China Daily* reported Jan. 25.

Since "Liberation"—the Chinese invasion—Tibet has seen considerable development, but "we have also paid a high price which is a mistake we should never repeat." The economic gap between Tibet and China's eastern coastal regions has enlarged over the past five years, he said.

The Panchen Lama, who was himself in jail for over a year during the Cultural Revolution, said that the damage caused by "leftist mistakes" was more harmful than that of rightist wrongdoings. Almost every temple and shrine in Tibet was wantonly wrecked during the Cultural Revolution, including the *stupas*, or tombs, for previous Panchen Lamas that have just now been restored. The Panchen was in Tibet to rededicate the repaired tombs.

The Panchen made his statement at a "high-level discussion" among top party and government leaders, the *China Daily* said.

## **Soviet delegation meets with Pope**

On Jan. 16, a Soviet Peace Committee delegation, led by its chairman, Genrikh Borovik, the brother-in-law of KGB chairman Vladimir Kryuchkov, had a meeting in Rome with Pope John Paul II. The meeting was only revealed by *Pravda* on Jan. 27, which said that the talks focused on "examining questions of peace," and "the European process."

The *Pravda* article is extraordinary for its positive treatment of the Pope—not even a hint of criticism. It noted that such a meeting "could never have happened in the past. . . . A Vatican meeting with Communists? What's up?" and then cites the Pope saying that "a new situation is occurring in the world, a new climate has been created. I'm following *perestroika* in your country," which is helping to "overcome barriers" and increase understanding—and so forth.

*Pravda* also reported that the Pope has traveled to 78 countries, and devotes one paragraph to giving the number of Catholics by continent. The Pope is praised for his

commitment to disarmament and peace, and his specific praise for the INF treaty is cited and stressed. The Pope is also cited saying that "systematic contacts are necessary between the U.S.S.R. and the Holy See."

## **'When the British pushed drugs' in China**

Italy's newspaper of record, *Corriere della Sera*, ran a major feature Jan. 30 on the British East India Company's pushing drugs in China. Intelligence sources report that the article may be "one shot fired in political warfare" between "southern" (e.g., Italian) and "northern" (e.g., British) factions of international Freemasonry.

*Corriere* author and noted economic historian Carlo M. Cipolla's article was published under the headline, "When the British Pushed Drugs in China."

The British had a trade deficit with China in the 18th century, and the British East India Company, under the dictate of the then-hegemonic "free trade" philosophy, studied several systems to overcome the problem. First they tried to penetrate China with pornographic material, but this was not enough. "At the beginning of 1760, the East India Company elaborated and realized the diabolical design to introduce Indian opium into China."

In 1796, when the Chinese emperor banned the opium trade, the East India Company bypassed this obstacle using private merchants controlled by the company. The article then gives the figures on the tremendous increase in profits for the company thanks to opium, and reports that more than half of the public administration of China was staffed by drug addicts.

Besides the British, in 1820 the Americans began to send Turkish opium into China. The article then details the struggle in China against the drug trade which led to the 1838-39 Opium War.

Cipolla concludes, "Today, the West pretends to be shocked vis-à-vis the Latin American production of drugs which goes to North America. They easily forget that just a century ago, the West played the same game against China."

## ***U.S., Soviets called 'close' on Namibia***

The United States and the Soviets "have reached incredible closeness at the United Nations on the Namibia issue," a collaborator of former German Chancellor Helmut Schmidt reported.

"Both countries are simply working together on all the details, cutting forces by one-half, elections, defense arrangements, and the like. The decision to do this has been taken at a high level on both sides.

"What is important, is that it brings East-West collaboration beyond theories and discussions, to the level of concrete details. The level of cooperation on detail is unprecedented."

He said the same intensity of cooperation could soon be applied to other regional crises, Kampuchea being the most likely next one. "If that means bringing in the Chinese, too, all the better."

## ***Mexican congressman defends LaRouche***

Mexico's Federal Congress was filled with murmuring on the morning of the Feb. 1 session of its Permanent Commission, when Rep. Oscar Mauro Ramirez, spokesman for the congressional delegation of the Authentic Party of the Mexican Revolution (PARM), defended Lyndon LaRouche against his persecutors in the United States.

Said Representative Ramirez, "In the United States, where they talk about great freedoms and great rights, there are also dark realities, realities which cannot be left without comment in any country of the world. They speak of political freedom; but right there, in the United States, there is also political repression. Otherwise, how can they explain the arrest of U.S. politician LaRouche, who is currently being prosecuted for several crimes? Why all of this? Because he has taken a political stand against the policies of Henry Kissinger and other Americans."

Congressman Ramirez's defense of LaRouche occurred during a speech in which he lambasted the "interventionist" policies proposed at a recent Heritage Foundation conference in Washington, D.C., where Mexican and U.S. "free market" ideologues planned the dismemberment of the Mexican economy (see article, page 11).

Ramirez also stated his party's opposition to the payment of Mexican debts by auctioning off Pemex, the national oil company.

At the end of the session, representatives of the neo-Nazi National Action Party (PAN) approached Ramirez to tell him that LaRouche is "indefensible, because he ripped off little old ladies."

Ramirez replied, "It isn't so. I've studied the LaRouche case, and it's very simple: The sentence he got is all out of proportion to the charges brought against him, and to me that is proof that he is being politically persecuted."

## ***Soviets recruiting slave labor for Siberia***

A Soviet parliamentary delegation that recently visited the Philippines discussed the possibility of sending Filipino labor to the Soviet Union to work on projects in Siberia. The Soviet delegation included Gen. Vladimir Lobov, first deputy chief of the Soviet general staff.

If the offer is accepted, the Filipinos would be joining over 10,000 Chinese laborers already in Siberia.

The Soviet revival of the "coolie" policy of 19th-century British imperialism would not only endanger the lives of the laborers, but would represent a serious security threat to the Philippines.

Following World War II, the Soviets used over half a million Japanese prisoners of war for slave labor in Siberia, refusing to repatriate them until after 1950. Not only did tens of thousands die, but those who returned had suffered brainwashing, with a considerable number becoming Japanese Communist Party members and Soviet agents.

● **B'NAI B'RITH** has set up a lodge of 38 members in Moscow, the first time an international Jewish organization has been officially represented in the U.S.S.R. Discussions of establishing a permanent B'nai B'rith office in the Soviet capital are now ongoing.

● **MARSHAL OGARKOV**, commander of the Red Army's Western Theater and former chief of general staff, may have a new plan for a strategic first strike against the United States, says a senior European military analyst. The plan reportedly calls for expanding and upgrading the Soviet submarine fleet with "noiseless" propulsion systems, and armed with missiles carrying *non-nuclear* warheads with a destructive power comparable to the atomic bomb dropped on Hiroshima.

● **SOVIET** doctors will test 3,000 children for AIDS infection after 27 toddlers were apparently found to have contracted the disease in a hospital from dirty needles, *Komsomolskaya Pravda* said Jan. 28. According to the labor newspaper *Trud*, one of the children has subsequently died.

● **SOUTH KOREAN** opposition leader Kim Dae Jung will visit Moscow in April, the *China Daily* reported from Pyongyang. Kim, who leads the "Peace Democratic Party," said in a meeting with a member of the Japanese Diet in Seoul on Jan. 26 that he had reached an agreement with Moscow. He will be the first South Korean political leader to visit Moscow.

● **KING HUSSEIN** of Jordan told to the Kuwaiti daily *al-Siyassah* Jan. 29 that international moves toward a Middle East peace conference would surface "in about two months," after the Bush administration had "settled in."



## Philippines NPA: a case of Soviet irregular warfare

by Linda de Hoyos and Dean Andromidas

In an interview with *EIR*, Philippines Sen. Alberto Romulo stated his belief that unless the Philippines economy is given a reprieve in the form of a limitation set on its annual debt service, the government will be unable to defeat the Communist insurgent New People's Army. As the documentation produced here shows, this concern is no exaggeration.

The NPA's expansion took off in 1985-86 with the agitation against then-President Ferdinand Marcos. However, despite ceasefire, negotiations, and rehabilitation projects under the last three years of the Corazon Aquino administration, the NPA has continued to flourish. As of even a year ago, the overall estimated strength of the Communist Party/New People's Army was placed at 25,200, with a total mass base of 2,055,288.

But the actual fighting force of the NPA may be stronger. According to Communist Party founder Jose Ma Sison, in his soon-to-be-published book, *The View from Within*, the NPA has now a total fighting force of 230,000. This includes, says Sison, 10,000 full-time guerrillas, 20,000 part-time soldiers (farmers by day, fighters by night), and 200,000 militiamen (hard-core party members that represent the political backbone of the NPA in the countryside). The full-timers, says Sison, are "armed with automatic rifles," and the part-timers are "carriers of about 8,000 inferior arms."

As of March 1988, the CPP/NPA had built 68 guerrilla fronts deployed over the extent of the country, in nearly every province. Of the total 41,630 *barangays* (districts) nationwide, 18,090, or 19% are affected by the NPA, with 3,066, or 7%, influenced by the NPA, and 4,993, or 12%, infiltrated. Another 7,704, or 19%, of the *barangays* are threatened

with Communist Party expansion.

Militarily, as the Filipino government report indicates, "the active regular mobile force is the leading fight unit of the NPA . . . [which is] used in launching big military operations against government troops; in defending district bases against the 'search and destroy campaign' of the Armed Forces; and the leading force of the independent 'armed regiment' which the CPP/NPA establishes." According to captured documents, the NPA has two battalions and 14 *coys* (100-man formations) in Luzon; one battalion and six *coys* in Visayas; and 13 *coys* in Mindanao. These formations, however, are rarely grouped together for long, but break down into their sub-formations. These mobile regular striking forces are then augmented by militia units (see below) in any area into which they strike.

Given that it takes a government force-to-insurgent ratio of 15 to 1 to defeat an irregular warfare insurgency with a mass base, the challenge that the NPA poses to the Philippines government, under conditions of extreme economic deprivation for the population, is formidable. Sison says that he expects that the NPA will take power within the next decade.

### A Soviet asset

Nor should there be any illusions that the NPA does not represent a deployable asset of the Soviet Union, despite the promises of Soviet Foreign Minister Eduard Shevardnadze to Malacanang Palace that Moscow will not support the insurgency.

*EIR's* published investigation has already debunked the



Carlos Wesley

*A Communist demonstration in Manila in 1985. Since that time, the New People's Army has grown to the point that it poses a formidable challenge to the central government.*

myth that the NPA is an “indigenous” organization of the Philippines, which sprang out of spontaneous rage among peasants. The party’s leadership is university-educated and includes the sons and daughters of prominent Filipino landowners. Sison himself is a former professor of the University of the Philippines and a scion of a family belonging to the big landlord class of Ilocos Norte. Another leader, Monico Atienza, is the scion of a rich family in Cuenca, Batangas.

Moreover, the NPA has been funded heavily—mostly through the National Democratic Front and its various front groups—by organizations, including those government-sponsored, in Western Europe, Canada, the United States, Australia, and New Zealand. Many of these organizations function as fifth columns for the Soviet Union in their respective countries.

The model for the Theology of Liberation-tinged NPA is the Sandinistas of Nicaragua, and in the last few months, evidence has emerged of more direct links to the Soviet Union. In his book, Sison reverses the Communist Party of the Philippines’ 20-year rejection of the Soviet Union, stating, “The CPP has decided to regard the Soviet Union as a country in the process of building socialism and has ceased to call it social imperialist.” Sison claims that the party’s previous charges against Moscow were not based on direct research by CPP members themselves, but came from “secondary sources.”

“Highly informed sources,” cited by the *Philippine Daily Globe* on Dec. 27, 1988, said that the reversal of the CPP’s perception of Moscow is likely to pave the way for early negotiations on cooperation, and that party-to-party relations

may soon be restored.

This is not idle speculation, since some relations already exist. The June 7-9, 1988 conference of the East German-backed West German Communist Party included among its guests Luis Jalandoni, a Central Committee member of the Philippines Communist Party, and a national executive committee member of the party’s National Democratic Front. Also attending were Patricia Verdad, an NDF National Committee member, and Bryan Bocar, a member of the party’s international commission and deputy director of the NDF’s international liaison office in Utrecht, the Netherlands.

### U.S. policy failure

The idea that the NPA is a home-grown insurgency has been used as cover by the U.S. State Department for carrying out a policy of malign neglect toward the poorly equipped Philippines Armed Forces and toward the Philippines economy. However, as the *Philippine Daily Globe* editorialized recently: “After years of wrestling with the insurgency, the nation has come to realize that the Communists cannot be met merely by force of arms, but also through nonviolent, long-term means. The government needs to implement true social reform and strive for tangible economic growth in order to pull out the roots of rebellion. It has to hear and heed not only the voices of the elite, but those of the masses who truly make up the nation.”

This will not be done, however, if the Aquino administration adheres to a policy of debt obligations first, in pursuance of approval from the International Monetary Fund and other foreign creditors.

## Hunger as a tool of destabilization

*On Dec. 4, 1988, Col. Ismael Z. Villareal of the Army of the Philippines presented a speech to the Schiller Institute's Food for Peace conference in Nauheim, West Germany. In vivid detail, Colonel Villareal described how the Communist insurgent New People's Army has used food—or the lack thereof—as a weapon to expand its subversion and insurgency. Colonel Villareal is currently the Philippines military attaché in Bonn, West Germany. Below are excerpts from his speech.*

It is a distinct privilege to speak before this body on an issue which is of deep importance to the current stability of my country, the Philippines. I am referring to nationwide hunger which the Communist Party of the Philippines today is attempting to develop in order to cause a national crisis in preparation for the overthrow of the existing government.

What does nationwide hunger mean? Simply, it means the desire or craving for a better quality of life. By creating an apparent or perceived scarcity in food, personal security, education, health services, and livelihood means, the Communist Party of the Philippines is gradually promoting this growing desire or craving for a better quality of life which, when not fulfilled by the current government, will lead to mass frustration and hence a national crisis conducive to a revolution. . . .

Despite its abundance in natural and human resources, the Philippines has remained a poor country since its independence in 1946. Its per capita Gross National Product averages \$600, far below its neighbors like Singapore, Thailand, and Taiwan. An agricultural worker receives an average daily minimum wage of \$2.50. His white-collar counterpart, particularly in the urban areas, earns roughly \$3.00. Unfortunately, the unemployment rate is still high at 20%, while underemployment remains at 25%.

The poor economic conditions of the country and its attendant socio-political problems since its independence from colonial rule in 1946 have been one of the major causes of the growth of Communist insurgency.

The current insurgency situation in the country is a continuation of the so-called "People's Democratic Revolution" which our local Communist Party launched openly in 1946. Through the years, the party managed to sustain its struggle by political and military action, mostly in the countryside. By the sixties, however, young party members broke away from the party and established a new party in 1968 under the

supreme guidance of Marxist-Leninist-Mao Zedong thought. Its armed component, the New People's Army, was organized the following year.

The Communist Party and the New People's Army have grown from only 245 regulars in 1970 to around 25,000 as of mid-1988. The party's firearms have also increased and improved from a few World War II vintage firearms in 1969 to 12,000 small arms and high-powered firearms as of mid-1988. As a result of political and violent activities, the party has increased its influence to 7,631 villages out of the 41,630 villages nationwide. In the urban sectors, it has also infiltrated the labor, student, and professional organizations in its political efforts.

### The Communist strategy

In its effort to advance the revolutionary struggle, the CPP utilizes three complementing strategies, namely: party building, army building, and united-front building.

Party building aims at the expansion of the party network to all areas of the country to lead the "People's Democratic Revolution." Army building aims at improving the New People's Army in order to launch the armed struggle which the party considers as the primary form of struggle in the furtherance of its objectives to seize political power. Finally, united front building aims to expand the mass base of the insurgency and to convince the greater mass of the people to unite in and/or support the "People's Democratic Revolution."

The strategies of party building, army building, and united front activities cannot take place without the support of the people. It is therefore important that the people are motivated so that they can be mobilized to participate in party building, army building, and united front activities. How does the Communist Party motivate people?

The methodology resorted to by the party in motivating the people is basically the manipulation of tangible issues affecting the people in their daily lives. In going about this task, the party keeps in mind the primary aim of developing unrest in the country as the preparatory stage for the "People's Democratic Revolution."

Manipulative or exploitative efforts are centered on issues concerning the economic situation of the country. As mentioned earlier, these efforts are geared to the promotion of nationwide hunger through frustration and starvation. The expected effect, of course, will be nationwide strife and unrest. Apparently, the party believes in the adage that goes, "When a man is hungry, he is angry." The "angry" people will then look for a rallying point, and find the party as the answer to their plight.

In order to cause the development of nationwide hunger and eventually a national crisis, there must be control over the flow of the economy. The party, hence, has outlined a simple strategy to control the flow of economic activities from the villages to the processing or marketing points in the

urban centers. First, the party has created guerrilla units as control units adoptable to specific geographical requirements. The local militia and guerrilla units, for instance, would control the lowlands; the regular units in the highlands; and provincial/regional party committee and armed city partisans in the urban areas. Second, it has opened itself to two forms of control, namely: coercion and persuasion.

The control measures—coercion and persuasion—adopted by the party aim to directly starve and pressure the people who in turn put pressure on the government to undertake reforms or hasten development. If the government fails, the pressured or hungry people would become angry and seek and push for an alternative that would be spearheaded by the people themselves under the guidance of the party. The alternative solution can be the overthrow of the existing government by the people through an armed struggle to be led by the party.

How successful has the party been in its efforts to control the flow of economic activities in order to develop nationwide

hunger and hence an angry population?

As I have explained earlier, the party today has succeeded in establishing its influence in 7,631 villages or at least 19% of the country's total number of villages. It has succeeded in threatening with expansion another 19% of villages in areas adjacent to the influenced villages.

In both these influenced and threatened areas, the party has implemented by means of coercion and persuasion its so-called "progressive taxation program," targeting individual farmers, small businessmen, agro-industrial firms, commercial establishments, and rich persons. For instance, the party extracts per family in the rural areas either one to three pesos in cash or 4 kilos of rice per month. Farmers give at least 3% of the total produce and fishermen, coconut and vegetable planters pay from P30 to P500 per week. Big landowners are taxed annually at the rate of P1,000 per hectare of total landholdings. Big fish pond owners contribute from P15-20,000 per month, while rice mill operators are charged a monthly quota of P3-5,000. Big business firms contribute

## Where the NPA gets its money

On Dec. 22, Soviet Foreign Minister Eduard Shevardnadze made an official visit to Manila to meet with Philippine leaders, including President Corazon Aquino. As reported by Reuters, Shevardnadze "pledged the Soviet Union would not support Communist rebels in the Philippines." Shevardnadze did not add that thanks to the funding of the NPA by organizations from the West, it is not necessary for the NPA to seek direct support from Moscow. Based upon its own investigations and documents seized from the NPA in the Philippines by the armed forces, *EIR* has drawn up the following list of organizations in the United States and Canada responsible for funding or channeling funds to the NPA, through its various front organizations:

- National Council of Churches
- United Methodist Church
- The Maryknoll Order (Catholic Foreign Mission Society of America)
- United Church of Christ
- Church Coalition For Human Rights in the Philippines
- Union of Democratic Filipinos (Katipunan ng mga Demokratikong Pilipino—KPD)
- People's Aid Project
- International Association of Patriotic Filipinos
- Alliance for Philippine Concerns

- Philippine Resource Center
  - Philippine Workers Support Committee
  - Philippine Support Committee
  - Funding Exchange
  - Vanguard Foundation
  - Resist Foundation
  - The Philadelphia Philippine Working Group
  - Methodist Federation for Social Action in New York City
  - Ohio Coalition for Philippine Concerns
  - Church Committee for Philippine Concerns in Chicago
  - The Minnesota Church People for Justice and Peace in the Philippines
  - Southeast Asia Committee of the Women's International League for Peace and Freedom
  - Pacific Asian Center for Theology and Strategies in San Francisco
  - Columban Fathers
  - Clergy and Laity Concerned
  - Pax Christi
  - Mennonite Church
  - Sisters of Mercy
  - Canadian Catholic Organization for Development and Peace
- The aid ranges, in form, from sponsoring tours in the United States and Canada for National Democratic Front leaders or leaders of NDF front groups and sponsoring conferences, to financing projects in the Philippines which are linked to NDF fronts or whose funds are finding their way to the NPA.

taxes ranging from P75,000 to as much as P1.2 million per year.

Confiscation of livestock, poultry, rice and corn, medicines, and other goods from the middle class and big farmers also adds considerably to the control of the economy. For instance, farmers who have five cows are left with two and those with three are left with one.

Transportation companies moving goods and services between the rural and the urban areas have not been spared by the local party. For instance, private bus operators contribute from P500,000 to P1.5 million yearly to be able to have their buses and trucks ply their assigned traffic routes.

Taxation and confiscation activities of the party executed by means of coercion and persuasion have provided the lifeblood for the growth of the insurgency in the Philippines. But more importantly, it has disrupted economic activities in almost all provinces in the country with the following consequences:

a) It has cowed the farmers and businessmen who would rather comply with the party's demands than lose their lives or property.

b) Several farmers and businessmen have already chosen to give up their businesses or farming, believing that the initial party demands would lead to bigger payments in the future.

c) Residents of certain areas have chosen to evacuate

rather than comply with the demands of progressive taxation.

d) There has been a slowdown in the production and delivery of goods and services in the countryside and in the urban areas.

e) The lack of food exists in certain rural areas as borne out by the fact that the people in these areas are able to eat only two meals a day.

f) The growing malnutrition of children in the rural areas. The indications of increasing frustration of a hungry population are highly visible in the Philippines today. Strikes in the factories are continuing. Recently, there was a massive transportation strike in the Philippines which paralyzed economic and social activities in major urban centers.

In the rural areas, there has been an increasing participation of the people in the armed struggle as evidenced by the appearance of larger and more numerous guerrilla units.

The Communist Party is still far from its goal of developing a national crisis. However, if the trend continues, and through the skillful use of nationwide hunger as a tool of destabilization, a crisis situation might exist at anytime in the 1990s. . . .

Let me end my presentation with the information that my government is of the belief that to neutralize the "People's Democratic Revolution," the best weapon is still an integrated program of social, political, and economic reforms for the betterment of the quality of life of the people.

## NPA fronts

### In Luzon:

Ilocos Northern Front  
Northwestern Front  
Southwestern Front  
Eastern Cagayan Front  
Western Front  
Eastern Front  
Benguet Front  
Dulnuan Front  
Dex Front  
Beltran Front  
Isidro Front  
Estrella Front  
Ilaban Front  
San Mariano Front  
Kimat Front  
DRT Front  
Front Off Shore  
GF2  
GF6  
KLA I  
KLA 2  
Kamagong Front

Romulo Jallores Front  
Camel Front

### In the Visayas (Antique, Iloilo, Negros, Samar, Leyte):

Northern Front  
Central Front  
Southern Front  
Eastern Front  
Northern Negros Front  
Central Negros Front  
South Western Negros Front  
South Eastern Negros Front  
First Fighting Front  
Second Fighting Front  
Third Fighting Front  
Northern Leyte Fighting Front  
Southern Leyte Fighting Front


### On Mindanao:

Front Jvisis (A1)  
Front Arma (A2)  
Front I (BBC)  
Front U (77)  
Front 6

Front 8  
Front 0  
Front 12  
Front 16  
Front 21  
Front 4-A  
Front 4-B  
Front 2  
Front 3  
Front 14  
Front 15  
Front 18  
Front 19  
Front 23  
Front 27  
Front 30  
Front 71  
Front 73  
Front 72  
Front 51  
Front 52  
Front 53  
Front A  
Front B  
Front C

# NPA fronts in the Philippines as of June 1988



NPA front covers the entire province 



# How NPA recruits: barangays and labor

*The NPA's active and armed fighting force could not operate were it not for the NPA's penetration of Philippines society. In June 1988, the Philippines government published a report on the NPA based upon thousands of documents seized in raids on NPA installations and hideouts. A section of that report is reprinted here, showing how the NPA builds up disguised organization in the barangays (districts, villages) and labor unions:*

The process of CPP (Communist Party of the Philippines) organization in the *barangays* is derived from the idea of Mao, wherein organizing cells are set up. In the labor sector, the methods are taken from the concept of Marx on dialectical materialism. In cases where there are target organizations, the cells infiltrate the said organizations. As the cells expand, members are broken up and later tasked to organize other cells in other target *barangays* and/or labor groups.

Conversely, core groups or collectives were also expanded to gradually become CPP organs within the labor group and/or *barangay* with its level of organization corresponding to the number of its membership. Developments in the *barangay* or countrysides are directed toward the organizations of the NPA components, while in the urban centers, united front building is emphasized. Political cadres are chosen from both efforts.

## 1) Barangay module

The farmers, women, and youth sectors are the principal targets of the CPP in its recruitment work and establishment and expansion of party organization in a *barangay*. . . . CPP penetration in a target *barangay* is done as follows:

First, a Semi-Legal Team (SLT) or *Sandatahang Yunit Pampropaganda* (SYP), through its Barangay Liaison Group (BLG), will conduct a class analysis and social investigation in a target *barangay*. The BLG, composed of contact men in a *barangay*, is the group approached and organized by the SLT when a *barangay* is targeted for CT expansion. The SLT will later establish an Organizing Group, wherein members will be subdivided into sectors, subsequently the OGF (farmers), OGW (women), and OGK (youth). Using the level of a sectoral organization as basis, "special courses" or "sectoral studies" are given to members. These courses discuss the immediate problem of a particular class sector being aroused and organized; the present enemies of the party, the roots of

the people's problems/hardships (analysis of the problems arising from the basic social conditions that affect a particular sector), and the "correct" method of struggle in order to bring about the immediate attainment of the economic and legitimate rights of the class/sector being organized. . . .

Further, potential leaders and members of OGs will form the Barrio Revolutionary Committee (BRC). BRC is the party organization in a more or less CT-affected *barangay* which acts as the local government and supervises all party work and activities. BRC members are considered as "militias" in the said *barangay* who defend the masses in the rural areas without separating themselves from daily productive work. Said elements, categorized by the CPP/NPA as "mass activists," play a main defensive role but serve as the vast reserve and support for the regular mobile force and guerrilla units. . . .

The three to six most advanced elements (most reliable and trustworthy) or the mass activists from the BRC are recruited for full-fledged membership in the party, army, or National Democratic Front in the *barangay*, who will then form the Party Branch (PB). . . . Among the responsibilities are to carry out propaganda and organizational work, to muster material and moral support for the armed struggle, to recruit new party members and Red Fighters, and to collect dues of party members. . . .

## 2) Labor module

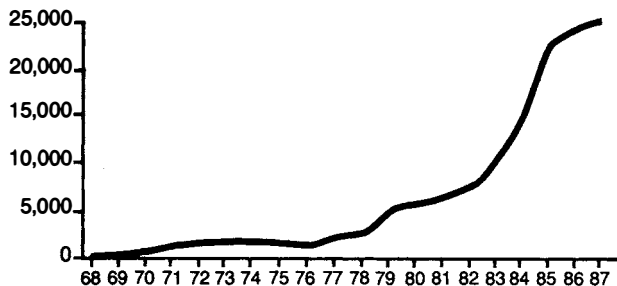
The country's labor force is currently placed at about 23 million, 20.8 million of whom are employed and 2.2 million unemployed. This is translated into an employment rate of 90.5%. However, only 10.52% or 2.2 million of the total employed workforce are organized. Registered active unions nationwide are recorded at 2,824. Because of this numerical force and its potential to seriously affect the country's economy, the CPP/NPA sees labor as one of the vanguards in its "People's Democratic Revolution" . . . . The main cause waged by the insurgents in this sector is to adversely affect



*Farmers and the urban labor force are primary targets for Communist Party organizing.*

FIGURE 1

**Growth of the CPP/NPA strength  
1968-87**



the country's economy to foment economic starvation or nationwide hunger, resulting in nationwide strife or unrest.

The major CPP organs directly involved in attaining these objectives are the National United Front Commission (NUFC) and the National Democratic Front (NDF). The NUFC and the NDF complement each other's efforts to raise the ideological consciousness of the labor force and forge a broad alliance of several groups against the government. The NDF's National Democratic Underground Mass Organization (NDUGMO), the *Kilusang Rebolusyonaryong Manggagawa* (KRM), and its influenced May First Movement (KMU) spearhead the organizational and infiltration efforts in the labor sector. . . .

CPP cadres gain influence in a particular establishment/factory through the infiltration of the existing labor union or by the formation of its own front groups to serve as legitimate cover for party-directed activities. Initially, the insurgents, using the Labor Cadre Team (LCT), which is similar to the Semi-Legal Team operating in the *barangay*, select a target. Usually, the firms chosen are those with the following characteristics: owned and controlled by monopolists/capitalists; with a large number of workers; presence of economic and political issues that arouse workers' emotions; and manned by discontented workers. This condition is considered the most ideal for infiltration. The gathering of data about the operations of a target firm is undertaken by a worker's liaison group, which also makes the initial contacts among laborers. Members of the liaison group initiate the political and organizational activities and determine the possible organization of the Propaganda-Organizing Study Struggle Team (POSST). The POSST, the first level of the underground organization in the labor sector, is composed of three to six members who have been oriented, educated, activated, and investigated. Accordingly, the POSST's task is to gather additional data about the factory while undertaking propaganda activities such as holding of classes/seminars on unionism and launch-

ing of meetings that play upon the emotional grievances of workers against capitalists or pro-management labor leaders. . . .

When the number of POSST members reaches 15-35, the KRM provisional chapter is then established through the recommendation of the Labor Cadre Team (LCT) to the CPP section committee operating in the community where the factory is located. The KRM provisional chapter is actually the increased and expanded membership of the POSST. Subsequently, the formal KRM chapter emerges when the members of the KRM provisional chapter reaches 30. The KRM chapter should be strong enough and one that could influence/control the whole labor union force in order to qualify as a KRM chapter. When there is already a KRM chapter, the factory could now be considered infiltrated where more than 25% of the workers are wittingly or unwittingly supportive of leftist trade unionism.

If two or more chapters already exist within the factory, a KRM factory chapter is organized. This chapter has control over the majority of the workers in the factory, which is now considered influenced, meaning 50% or more of the workers are knowingly or unknowingly supporting the cause of the leftists. Later, 3 to 14 members will be selected from the KRM factory chapter to form the party branch (PB) within the factory. The PB will perform the political and organizational activities of the CPP among the workers. Thereafter, members of the PB will be developed toward NDF, PPC/ACP, and NPA lines of struggle. By this time, the firm's labor union is supposed to be CPP-controlled, such that the factory operations can be totally hampered by strikes, lock-outs, pickets, or slowdown of work.

TABLE 1  
**CPP/NPA affected barangays**  
(June 1988)

| Region       | Total barangays | Influenced        | Infiltrated        | Total affected     |
|--------------|-----------------|-------------------|--------------------|--------------------|
| 1            | 3,949           | 83 (2%)           | 142 (4%)           | 225 (6%)           |
| 2            | 2,660           | 199 (7%)          | 321 (12%)          | 520 (19%)          |
| 3            | 2,981           | 289 (10%)         | 488 (16%)          | 777 (26%)          |
| NCR          | 1,690           | 3 (.2%)           | 3 (.2%)            | 6 (.4%)            |
| 4            | 5,039           | 64 (1%)           | 160 (3%)           | 233 (4%)           |
| 5            | 3,452           | 548 (16%)         | 661 (19%)          | 1,209 (35%)        |
| 6            | 4,052           | 346 (9%)          | 781 (19%)          | 1,127 (28%)        |
| 7            | 2,983           | 86 (3%)           | 326 (11%)          | 412 (14%)          |
| 8            | 4,376           | 803 (17%)         | 682 (16%)          | 1,485 (33%)        |
| 9            | 2,567           | 168 (7%)          | 396 (15%)          | 564 (22%)          |
| 10           | 2,411           | 207 (9%)          | 565 (23%)          | 772 (32%)          |
| 11           | 1,610           | 156 (10%)         | 295 (18%)          | 451 (28%)          |
| 12           | 3,860           | 114 (3%)          | 164 (4%)           | 278 (7%)           |
| <b>Total</b> | <b>41,630</b>   | <b>3,066 (7%)</b> | <b>4,993 (12%)</b> | <b>8,059 (19%)</b> |

## Justice Department 'Reign of Terror'

by Webster G. Tarpley

Concomitantly with the illegal jailing of opposition political leader Lyndon LaRouche, the U.S. Justice Department has launched a judicial reign of terror, an orgy of political prosecutions designed to facilitate the totalitarian reorganization of American society through the suppression of political dissent and the concentration of economic power in the hands of a small number of international cartels. In the Chicago commodities markets investigation in particular, lawless federal prosecutors are using the infamous Racketeer Influenced and Corrupt Organization (RICO) statute with such wild abandon as to frighten the *Wall Street Journal* and even the usually pro-regime *Washington Post*.

Last October, Attorney General Thornburgh, who has given the press instructions to call him "Dick," made a speech in which he theorized the role of the Department of Justice as a separate branch of government, independent of the President and enjoying its own autonomy of mission. Thornburgh at that time described Justice as "the agent of the American people in federal criminal prosecutions and civil suits." Such sentiments amount to an assault on the Constitution, which places the Attorney General and the Justice Department directly under the authority of the President, with no mandate whatever from the people except through him. But Thornburgh did accurately reflect the mentality that motivates many of the "dictators of virtue" in his department.

As the *Wall Street Journal* pointed out on Jan. 26, most of the 93 United States Attorneys have failed to obey the order issued by President Reagan some months ago to tender their resignations in order to give President Bush the decision of whether or not to accept them. The one exception that proves the rule was New York City's aspiring Robespierre, Rudolph Giuliani, who did quit his post, but attempted to name his own successor, one Benito Romano. As the paper commented, the U.S. Attorneys evidently "feel allegiance

not to election outcomes but to whatever individual vision they each hold of justice and progress." One need only add that the vision is likely to be a totalitarian one, dictated by giant international cartel interests. The *Wall Street Journal* concluded that "a new President's authority is under attack."

### 'Crime in the suites'

Although Bush had declared the war on drugs to be the leading law-enforcement priority, Thornburgh was unimpressed. Flanked by Anton R. Valukas of Chicago and by Giuliani as acolytes, he called a press conference to announce the creation of six special task forces in New York City, Chicago, Los Angeles, San Francisco, Kansas City, and Denver to combat "the kind of criminal activity that's carried out under the guise of respectability in the financial and securities markets"—or, as he also phrased it, "crime in the suites." Thornburgh said he was singling out securities and commodities fraud to give "further evidence of the commitment of the Department of Justice to focus on those offenses that tend to undermine the integrity of our institutions."

Giuliani, serving his last day in office before leaving for what some speculate may be an attempt to become mayor of New York City (a career move that recalls Thomas E. Dewey), gloated that "this is exactly what we need." Giuliani is supposed to be a fan of Italian opera, and if this is so, there is no doubt that his favorite role must be that of Barone Scarpia in Puccini's *Tosca*.

Thornburgh also announced that almost \$90 billion of taxes remain unpaid to the Internal Revenue Service, and that he will see to it that all this be collected. It is interesting to note that this proposal was the election campaign stock in trade of one Michael Dukakis, but was rejected by President Bush as a call to put an IRS agent into every citizen's home. Bush would seem to have won the election, but elections, as

the papers are noting, mean nothing to the totalitarians at Justice.

What Thornburgh is promising with his crusade against white collar crime is visible in Chicago, where Valukas's myrmidons are engaged in hideous excesses of police-state intimidation and extortion. The context is Valukas's sting operation against the futures traders of the Chicago Board of Trade and the Chicago Mercantile Exchange. This operation, as it turns out, was invited and solicited by Dwayne Andreas's Archer-Daniels-Midland, a very nasty component of the international grain cartel enjoying an excellent relationship with the Soviet government, to which it is an imperial purveyor of grain. FBI agents, wired for sound, disguised themselves as futures traders in the Chicago pits, ostensibly to ferret out wrongdoing. Some 300 subpoenas have been issued to traders.

Valuka's myrmidons have been terrorizing their victims with the threatened application of that feature of the criminal RICO statute which allows the government to confiscate, in effect, all the assets of those indicted under criminal RICO. (Naturally, the presumption of innocence until guilt is proven does not fare well under this police-state law.) Standard procedure is to bring the subpoena to the home of the target of the squeeze play. According to the *Wall Street Journal*, the FBI agent then says something like the following to elicit cooperation: "You like your house, you like your car? Your wife likes her jewels? Well, they're ours now." Or, as the *Washington Post* quotes one defense attorney: "They can be very heavy-handed. These are not dispassionate conversations about possible prosecutions. These are sometimes direct threats—we're going to take your home, ruin you—and an abuse of power."

The *New York Times*, for its part, quotes a reported threat by Chicago Assistant United States Attorney Ira H. Raphaelson to one defense counsel: "Your guys are in a lot of trouble. Those who were trading were bagging trades." As another defense lawyer commented, "They continue to try to establish a stable of witnesses."

Valukas vowed on appointment that white-collar criminals would be the main targets of his office. "I believe in prosecuting not only corrupt public officials, but also the businessmen who pay the officials." "Chicago has had a long and grand history of corruption and a certain tolerance for it," says Valukas. Valukas began his service to the finance oligarchy at the National Defender's Project, a program of the Ford Foundation to provide lawyers for indigents. He was later a part of Jim Thompson's "kiddie corps," a task force of young lawyers who prosecuted white collar defendants for fraud and corruption. He likes the *Nacht und Nebel* tactic of sending his heavies to the homes of defendants late at night to request "cooperation," and he boasts that he has indicted 327 persons on corruption charges and has obtained convictions in 97% of the much smaller number of cases actually brought to trial. Friends of Valukas quoted by the *Washington Post* indicate that he thinks he is fighting "the members of a

privileged class."

The interesting questions raised by the Valukas police-state exercise include: Was it the taxpayers' money that was used by the FBI traders in their trading activity? Did they get to keep their profits? Did they, as seems to have been the case, profit from the resale of their seats in the futures markets? And, as the *Wall Street Journal* asked, "Since when does a U.S. prosecutor's office strike a secret alliance with a politically connected private market competitor like Archer-Daniels-Midland?" There is also the question of flagrant violation by the Department of Justice of its own 398-page handbook of guidelines for prosecutions under the RICO statute, which explicitly rules out the use of RICO as blackmail in plea bargaining, as a club with which to coerce testimony, and the like.

### Cartels benefit

Why is it happening? Representatives of the European financial oligarchy around the Bank for International Settlements have announced that by the beginning of the next century there will be not thousands of banks in the world, but little more than a dozen. That means cartelization and conglomeration, with thousands of little fish and even large losing cartels to be swallowed up by the winners. The "crime in the suites" program is clearly designed to enforce and facilitate the triage choices of who will live and who will die, made by the Eastern Liberal Establishment and its international cartel partners.

The Giuliani "insider trading" cases in New York evidently serve the same goal. Drexel Burnham Lambert, which has agreed to plead guilty on charges that include conniving with Ivan Boesky, is going to be a loser in the coming second crash. The "deal" stipulated between Giuliani's office and Drexel Burnham Lambert stands in any case as a monument to illegality and prosecutorial caprice. The target of the deal turns out to be Michael Milken, the yuppie junk bond king, and politically anathema to this publication. But the law has to be there for all persons. Giuliani's office concocted an arrangement by which Drexel pled guilty and agreed to pay \$650 million to the government. The same settlement binds Drexel to fire Milken, and to refuse to pay him the funds he is owed by the firm under his contract of employment—approximately \$200 million. Milken has not been charged with any crime, and maintains that he has committed none.

Even the *Washington Post* found that this was "a highly peculiar deal," reflecting the "ferocious power" which the RICO law "bestows on federal prosecutors." The seizure of the defendant's assets here meant the confiscation of Drexel Burnham Lambert, which responded by expropriating Milken. The *Washington Post* commented: "Now the prosecutors are going further and imposing punishment on people whom they view as accomplices, before even charging them. It's time for Congress to take another look at RICO, and ask itself whether this law is not distorting the fundamental principles of justice."

# Government seeks to silence LaRouche with life term for 'arrogance'

by Nancy Spannaus

Judge Albert V. Bryan did his job for the treasonous cabal in the U.S. Establishment on Jan. 27 in Alexandria, Virginia, when he bowed to the government's request and immediately threw international political figure Lyndon LaRouche and his six associates in jail. Bryan sentenced LaRouche to 15 years, and denied both self-surrender and bond on appeal, saying that he found no substantive issues on which an appeal of the conviction for conspiracy could be made.

Bryan imposed five-year sentences and fines of \$1,000 per count on William Wertz and Edward Spannaus, two close LaRouche associates who were in charge of fundraising and legal work for the National Caucus of Labor Committees. The four fundraisers who were convicted—Michael Billington, Paul Greenberg, Joyce Rubinstein, and Dennis Small—were each sentenced to three years in prison, and \$2,000 fine per count.

In response to statements made by the defendants on their own behalf, Bryan and prosecutor Kent Robinson showed some of the animus which lies behind the denial of bail and the murderous sentence for LaRouche. Both attacked the defendants' alleged "arrogance" for declaring their innocence, and made clear that their intention was to prevent the defendants from carrying out their political organizing.

Although Judge Bryan said that he had read and considered the letters sent to him on behalf of LaRouche, which came from prominent citizens all over the world, he clearly dismissed them out of hand.

LaRouche's attorney Odin Anderson told the court that the trial had only proved that LaRouche has spent the past 20 years working solely for the benefit of his fellow Americans and the citizens of the world, and that the letters submitted testified to that fact. This means that LaRouche's activities cannot afford to be diminished, he added.

Anderson then urged the judge to reject jailing LaRouche, but that if he did jail him, to limit the sentence to one year. Even one year for a person of LaRouche's age is a life sentence, he said. Additionally, Anderson requested a recommendation for a level one facility (minimum security and maximum access), self-surrender to prison, bond pend-

ing appeal, and a 60 day delay in the sentencing in order to permit LaRouche to have a necessary eye operation.

LaRouche then issued a statement on the role of top levels of British intelligence in predicting and arranging the political frameup, and urged the court to consider the negative international repercussions of following through on the political persecution. He named a top-level British intelligence operative, Kenneth DeCourcy, as an individual who delivered a "message" to LaRouche, that he either cut a deal with the Establishment, or expect to have his political movement dismembered piece by piece. It's time this persecution was stopped before more damage is done, LaRouche said.

LaRouche's statement led Assistant U.S. Attorney Kent Robinson to issue a long diatribe against him and all the defendants. Robinson accused LaRouche of being "cynical" and of setting the tone for the fundraising by saying that "anyone who doesn't give money is not morally fit to survive." Since LaRouche refuses to show remorse or take responsibility for his "crime," Robinson said, it is clear that "they" could do the whole thing again. Therefore the sentence should be substantial, he said, and LaRouche should be denied both the time for private medical treatment, and bail pending appeal.

Judge Bryan didn't waste any time in response. Declaring that he was "unwilling to accept the idea that the end justifies the means in this case, he said that incarceration was warranted. Without explanation, he also denied self-surrender, and insisted that there is no substantive reason for appeal, and therefore no right to bond pending appeal.

The next defendant to be sentenced was William Wertz, represented by Brian Gettings. Gettings addressed the court on Wertz's moral character and absence of greed. Wertz then read a statement stressing his devotion to the American System, and his pride in working side by side with LaRouche on this goal. He said that he had always acted in good faith and truthfully, and followed the one true law, that of love of God and love for mankind. He will continue to follow that for the rest of his life, he concluded.

AUSA Robinson took this occasion to spew out his main

complaint about LaRouche's movement in response. These people are "arrogant," he said, claiming that they are only doing the public good in their activities. They think they are the only ones who know what the public good is, and don't have regard for the good of the people whose money they take.

Robinson pretended to answer Wertz's additional statement that he would work to repay lenders' money if he had the power, by saying that it was too little, too late. He neglected to repeat what he had said in response to LaRouche, that the government itself had shut down the corporations which owed the debt—thereby preventing the potential for any repayment.

Judge Bryan then imposed sentence, and sent Wertz immediately off to jail.

### 'Political persecution'

Edward Spannaus then appeared before the bench for sentencing with his attorney Kenly Webster. Webster made extensive remarks at first, noting in particular that the government had just dropped its Boston case against Spannaus, and was likely to drop the New York case.

Webster also elicited from the judge some of his reasons for denying self-surrender. Bryan said that he was still not concerned with flight of the defendants, but claimed that the defendants' freedom would be a "danger to the community" since they would carry out the same activities as before.

Since the defendants have not taken loans for two years, this argument could only mean the political activities of the defendants, and any fundraising at all.

Spannaus then read a statement, declaring his innocence, and underlining the fact that the whole trial was a "political prosecution," the "targeting of individuals, not crime." He particularly contrasted the Boston case with that held in Judge Bryan's court, including the fact that the jury in that case polled itself in favor of acquitting all the defendants due to the flavor of government misconduct.

The statement was sufficiently sharp to provoke Judge Bryan into responding with sarcastic venom to both Spannaus and LaRouche on the issue of "political prosecution." The idea that this is a political prosecution is "arrant nonsense," Bryan said. The "idea that this organization represents a sufficient threat" to anyone to make the government want to shut them down "defies human experience." He then imposed five years, and sent Spannaus immediately to jail.

Lawyers for the fundraisers all spoke on behalf of their clients by underlining their unselfishness, dedication, and good faith. Speaking on his own behalf, Dennis Small described the basis for his association with LaRouche and his fundraising as the "elementary moral precept, that we must each use our brief mortal lives to leave something of lasting worth behind us for all of humanity."

Rubinstein delivered a brief statement declaring that she was innocent and proud of her association with LaRouche

and the other defendants.

In response, Kent Robinson argued that the fundraisers were all liars. Judge Bryan had already decided he agreed, it seems, as he sent all three immediately to jail, denying even the request to recommend a low-security prison for Billington, who has to prepare for trial in Loudoun County, Virginia in the next months.

The final official act in the hearing was a question from Wertz's attorney Gettings, who asked that the judge reconsider his decision against self-surrender since it was prejudicial against the defendants for their treatment in prison. Judge Bryan said he was aware it was prejudicial, period.

Overall, legal observers found the sentencing for LaRouche in particular to be steeper than any other fraud cases. They were also shocked at the denial of self-surrender.

The only concession to reason which Bryan gave was his decision to strike from the government's sentencing report, the statement that the defendants were responsible for raising \$32 million by fraud. Only \$294,000 was "proven" at trial, and that is the figure that will be included in the report.

### Motion for bond denied

On Jan. 31, defense attorneys sought unsuccessfully to overturn Bryan's ruling and have the defendants released from jail pending the results of an appeal of the Alexandria verdict. The defense argued that there are four substantive issues that will make up the appeal:

1) The inadequate *voir dire* process, which prevented defense attorneys from adequately questioning prospective jurors. The "rocket docket" method of choosing a jury in about two hours, resulted in a jury packed with government employees and their spouses, including the jury foreman, who is a middle-level employee of the U.S. Department of Agriculture.

2) The failure of Judge Bryan to grant a continuance, rushing the defendants to trial in just 38 days after their indictment, and depriving defense attorneys of adequate time to prepare their case;

3) The failure of the judge to sever the tax and loan fraud conspiracy cases, which further prejudiced and confused the jury;

4) The insufficient evidence for the case altogether.

Following a hearing in the Fourth Circuit Court of Appeals in Richmond, Virginia, Judge John Butzner denied the motion. Judge Butzner commented that it would be "presumptuous" of him to accept the defense's argument on the *voir dire* without reviewing the transcript. He said he thought 38 days was sufficient time for preparation of the case.

It is expected that the defendants will appeal for bond at the next highest level, a two to three judge panel of the Fourth Circuit. In the meantime, all seven are still in jail, as of this writing, and a powerful international political mobilization is under way to free them—and rescue the United States from the self-destruction that is inherent in this trial.



# CIA's Webster joins 'I love Gorby' club

by Herbert Quinde

If CIA Director William Webster's declarations in an interview with *USA Today* are indicative of the Bush administration's policy orientation on combating international terrorism, we have already lost the war.

In the *USA Today* interview, published Jan. 12, 1989, Webster was asked if he believed Soviet intelligence would share with the U.S. any information it might develop concerning the authors of the bombing of Pan Am Flight 103, which crashed near Lockerbie, Scotland, in December. Webster said, "I would guess they would. It's a view that I have held that conflicts with many who have thought that the Soviet Union was monolithically responsible for most of the terrorism around the world, particularly a decade ago. To whatever extent their involvement in training and supplying and shielding terrorists a decade ago may have been true, there have been a number of things that have happened in the world to change that."

According to Webster, "Mikhail Gorbachov's increased interest in having the Soviets play a significant foreign policy role as leaders in the world, works against their sheltering or encouraging, or harboring terrorists. We've had intimations of a desire of the Soviets to work in the world arena to reduce the threat of terrorism."

## Webster's answer

Director Webster's answer would have been considered outrageous in early 1981; but in today's world of 'détente II,' it is praised as enlightened.

His view is not unique, but reflects the increasing influence of the "multi-polar world" strategists who are selling Gorbachov as "our man in the Kremlin." Asked if his assessment is that Gorbachov's "noble" experiment is doomed to failure, Webster said: "It's easy to say it's going to fail, because there are so many obstacles that he has to overcome. But it would be a great mistake if we just declared him lost. He's an extraordinary leader. He's demonstrated cleverness and boldness, and he has moved aggressively to obtain the sinews of power, to reorganize the Soviet government so that it will not be blocked by bureaucracy. He has opened up with glasnost. . . ."

Has the director of the CIA been taken in by a Soviet strategic deception? Yes and no.

Webster indicates his awareness that the Kremlin chief is playing us. Gorbachov, he says, "has kept us at times off

balance by his surprise foreign policy initiatives. We're always reacting to him, and that all works in his favor."

So the United States should "play" Gorbachov to extract concessions and stall for time to upgrade our strategic position. "We are not naive. We know the Soviet Union has not changed fundamentally. But the Russian Empire is crumbling and we must exploit the weaknesses," argues a former senior intelligence official. Besides, there might be some counterintelligence benefits.

Exemplary is the recent reunion in Moscow of U.S. and Soviet officials who had squared off during the 1962 Cuban Missile Crisis, for a "historical review" of the affair. The U.S. delegation was led by the "Dean of the Establishment," McGeorge Bundy, and occultist Robert Strange McNamara. The several days of meetings were in fact policy discussions aimed at reviving the old Kissingerian idea an American-Soviet condominium.

## U.S. stumbles

While the United States continues to stumble about for a coherent counterterrorism policy, the recently reorganized and upgraded agencies of Soviet intelligence are effectively deploying their perfected knowledge of modern irregular warfare: Phony unilateral disarmament involving obsolete conventional forces and tactical nuclear weapons; phony troop pullouts from Afghanistan and Angola; phony human rights concessions.

The Nomenklatura, the Soviet Establishment, has an able public relations manager in its front office who is skillfully maneuvering the U.S. Establishment into outsmarting itself. The Soviets know modern irregular warfare is 99% cultural, political, and economic. Yet, terrorism and national insurgencies against our allies will continue to be a "tar-baby" so long as the U.S. treats the 1% of modern warfare that is lethal, as an isolated sociological phenomenon.

Lest we leave the impression that we have unfairly singled out CIA Director Webster for criticism, witness the "new thinking" of the U.S. elite on how to respond to the problem of drug trafficking. Last week's *EIR* reported that the Inter-American Dialogue (IAD), a hemispheric policy group modeled on the Trilateral Commission, basically stated of the drug mafia. If you can't beat 'em, join 'em.

In its latest report, presented to the incoming Bush administration Jan. 17, the Inter-American Dialogue (whose members include Sol Linowitz, McGeorge Bundy, Robert McNamara, and the new head of the New York Federal Reserve, Cyrus Vance) argues that a war on drugs is *as dangerous as drug-trafficking itself*; that narco-terrorism does not exist; and proposes that the Medellín Cartel should be tapped as an ally against the "guerrillas." According to the press release accompanying the IAD report, "incoming Bush National Security Advisor Brent Scowcroft called the report 'significant' and said it should receive 'careful study.' "

Whom the gods would destroy, they first make mad.

# How the defense budget cutters are planning strategic collapse

by Leo F. Scanlon

The graphs accompanying this article are provided by the Department of Defense in the public relations material distributed in support of the 1990 budget proposal. The Pentagon typically uses the graphs to illustrate the reasonableness of the defense budget requests, relative to overall federal spending—a typically defensive argument which is not nearly as interesting as the story the graphs tell about the economic crisis which is causing the budget crisis in the first place.

The big issue hanging over the heads of congressional and Pentagon planners is the projected budget deficits which the Bush administration will be forced to deal with in the coming months. Optimistic estimates from the Reagan team looked to deficits of \$126 billion, while the Congressional Budget Office forecasts \$141 billion in deficits, and that figure itself is likely to be a big underestimation. In either case, any deficit figure which is in excess of \$10 billion over the Gramm-Rudman-Hollings limit of \$100 billion, will trigger automatic sequestration cuts which scale from the 5% cut, which would be mandated by a \$111 billion deficit, to a cut of nearly \$26 billion, which would be mandated with a deficit of only \$141 billion.

In previous years, combinations of statistical tricks and reorganization of the finances of executive agencies allowed the administration to side-step the threat of automatic sequestration. These devices are less available now, as was indicated by the panic provoked when Richard Darman leaked that the administration would avoid new taxes by allowing the Gramm-Rudman axe to fall. Likewise, as was described in *EIR* Vol. 16, No. 5, there are no bookkeeping tricks which could cushion the blow such a policy would bring on the military.

## Two roads to disaster

Virtually any substantial reduction in the proposed defense budget will bring changes in the force structure of American defenses which will make it impossible for the United States to meet its current international treaty obligations. The most obvious way in which this would occur is through the wholesale withdrawal of American troops from their overseas bases, as a result of a reduction of personnel and operations and maintenance budgets. The various proposals along this line center on the arguments articulated by House Armed Services Committee chairman, Les Aspin (D-Wisc.), who is calling for a “readiness cut” to

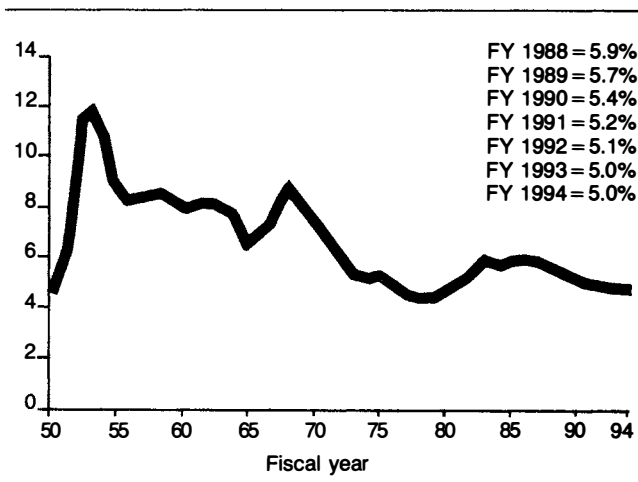
reduce the defense budget.

Mr. Aspin proposes that Army and Air Force units be transferred from the active force into the reserves, reducing the personnel and supplies available to most active duty units, leaving a select few units combat-ready to respond to “emergencies,” and reducing the flying hours for military aircraft, steaming time for ships, and exercise for ground troops. The theory is that the lost manpower can be mobilized to man the weapons which will be purchased with the savings. The reality is that this proposal will produce a “hollow army” which is no deterrent, but an encouragement to war.

The Comptroller General, Charles Bowsher, has articulated the other path to national suicide in a proposal submitted to George Bush, wherein he argues, “In defense, it is already evident that the budget cannot finance all the weapons systems now being developed while also maintaining the present force structure with adequate readiness and sustainability. . . . These adjustments need to be accompanied by a thorough reexamination of our international commitments and our defense goals, strategies, and force structures.”

Unfortunately, over recent weeks, Defense Secretary-designate John Tower has hinted that he is considering both

FIGURE 1  
Defense outlays as a share of GNP



Source: Department of Defense.

strategies—he considers personnel cuts a viable approach to the budget problem, and he is willing to forego the SDI, and implicitly, the range of advanced weapons associated with the program, as a further ploy.

More importantly, Mr. Tower made a series of remarks at the recent Wehrkunde meeting of NATO defense experts, which deepened the belief among the allies, that the United States is planning to accelerate its de facto unilateral reduction in its financial commitments to alliance defense. It has been the ironic secret for several years, that the allied nations, especially West Germany, have disproportionately increased

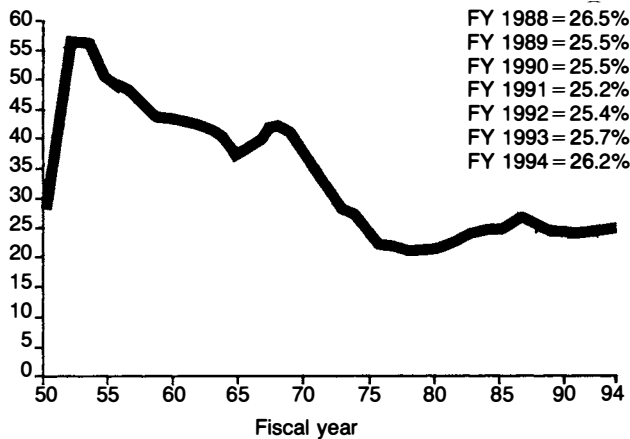
their defense burdens, while the United States has steadily refused to do the same. Congressmen such as Pat Schroeder have made no secret of the fact that “burden-sharing” is a code word for U.S. troop withdrawals justified by budget deficits. What is becoming clear is that an administration which cannot deal with the economic crisis behind the budget problems, will not be able to sustain its commitments to the NATO alliance—all rhetoric aside.

### The 1969 parallel

Now look at the final graph Figure 3 supplied by the Department of Defense, which tracks the recent history of defense spending. The only parallel to the cutbacks which have been initiated by the second Reagan administration, is the cutbacks which were initiated by the second Nixon administration. It is widely assumed that the collapse in defense readiness which was cause for such serious alarm in 1981 was the by-product of the end of the Vietnam conflict, and the election of Jimmy Carter in 1976. As the graph indicates, the collapse in defense spending occurred circa 1969, just as President Nixon, under the tutelage of Henry Kissinger, announced the “Guam Doctrine,” thus signaling U.S. intentions to withdraw its strategic commitments to Southeast Asia.

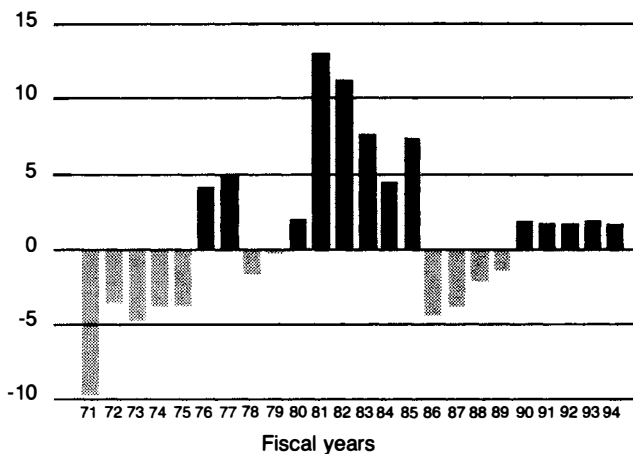
Then as now, this strategic reorientation occurred in the midst of a deep financial crisis which signaled the beginning of the end of the Bretton Woods system. The present economic catastrophe facing the United States is orders of magnitude worse than 1969, so it is not surprising that the cuts in present defense spending are accompanied by equally sweeping changes in U.S. alliance commitments.

FIGURE 2  
**Defense as a share of federal outlays**



Source: Department of Defense.

FIGURE 3  
**Real growth in defense budget authority**



Source: Department of Defense.

### Hardware cuts also mean changed strategy

A brief look at the hardware cuts which will accompany Gramm-Rudman sequestration—or any voluntary equivalent—will show that taking troops out of the European or Asian bases is not the only way to redraw the strategic map.

It is often asserted that the cost of a major capital ship, an aircraft carrier and its air wing and battle group, is far out of proportion to its utility, and it is then argued that a major budget saving can be achieved by cutting the Navy down from its planned 15 carriers to a more modest 13, and similarly cutting back the spending on the next generation of nuclear missile submarines—all of which would be necessary under Gramm-Rudman.

The real consequences of this strategy begin with the effect it would have on the Soviet Navy, which is aggressively positioning itself to control the major sea routes of the world. The Soviet Navy contains three submarines for every one fielded by the United States. Their latest ships are much quieter and faster than ever, and it is now no secret that they are employing super-silent MHD drives on certain classes of boats. In one recent incident, an American submarine was allegedly rammed by one Soviet sub, while tracking another—it never detected the ramming sub!

Aircraft carriers perform a vital role in containing the Soviet Navy, by virtue of the formidable anti-submarine warfare capabilities associated with a battle group. This is the hidden side of "gun boat diplomacy" in the modern world. If you don't intend to defend the sea lanes from the Soviet threat, treaties with transoceanic allies are worth very little.

Similarly, the reduction of the Air Force by 200 or so tactical fighters and bombers which would result from Gramm-Rudman, would mean that it would be physically impossible to maintain air superiority in the far-flung Pacific theater, where Soviet naval air operations are undergoing a steady build-up. Neither would it be possible to maintain the flying tempo in Europe necessary to provide deterrence in that challenging environment.

It has long been the solace of many, that Soviet air force units suffer a congenital inferiority by virtue of their deficit in flying hours, and their consequent rigid tactics. This defect would allow the better trained and more experienced NATO pilots to maintain air superiority despite an inferiority of numbers. The effect on this equation of the recent ban imposed on low-altitude training by NATO pilots, is obvious, and bad enough in itself. A deeper look is even more shocking.

The Soviet military has made a close study of the devastating effectiveness of Israeli surprise attacks on Syrian air defense missile batteries and air fields in the 1982 battle in the Bekaa Valley. The success of the Israeli fighters, closely directed by AWACS aircraft, came in large part because they were able to place spotters and saboteurs on the ground in close proximity to each targeted facility and its communications post. Israeli pilots were in some cases actually informed of the tail numbers on Syrian fighters scrambling to meet the attack. Needless to say, most of the Syrian MiGs never got off the runway, and those that did were demolished by Israeli fighters flying air-cover for the attacking fighters.

Now take up the question posed by one military analyst in an article published by *Armed Forces Journal*: "Is the Warsaw Pact, or NATO, more likely to have covert observers around enemy air bases, to launch overwhelming aerial wave attacks, to hit command and communications facilities with saboteurs and *spetsnaz* troops, to thrust armored units directly against forward air bases, not to mention employing numerically superior forces and utilizing a surprise attack?" The answer is, "Marshal Ogarkov"—but the picture gets worse.

NATO has only 200 interceptors dedicated to the central front and ready for immediate employment. One-third of each Soviet fighter regiment is composed of experienced "aerial snipers" who boast flight time and skills equivalent to their NATO opponents. Cut back the flying hours and aircraft available to the U.S. Air Force, as is being proposed, and there simply will be no pretext of a threat to Soviet air power.

Thus every road to budget cuts is a short path out of a vital strategic commitment to our allied defense. It is the alliance which defends the United States, and it is fair to say that such budget policies are the core of appeasement.

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# Democrats' 'Citizens Corps': slave labor

by Kathleen Klenetsky

The U.S. Congress has been in session less than a month, and already that body is proposing measures that stink of "fascism with a democratic face."

A case in point is the new "Citizenship and National Service Act of 1989," which Sen. Sam Nunn (D-Ga.), Sen. Chuck Robb (D-Va.), and Sen. Barbara Mikulski (D-Md.) introduced into the Senate Jan. 25. The legislation—which is being sponsored on the House side by Rep. Dave McCurdy (D-Okla.)—will wipe out the federal student loan program, which has enabled millions of needy and middle class youth to obtain college educations, and replace it with a low-paying, forced work program.

This cynical proposal, cooked up by Northwestern University sociology professor Charles Moskos, has been given wide publicity, thanks to the efforts of the Democratic Leadership Council, which Nunn and Robb helped found in the early 1980s to represent "centrist" Democrats. The DLC has held a nationwide series of forums over the past several months to build support for the measure, and is scheduled to hold another in March.

The three legislators have vowed to make the legislation a top agenda item.

## Work first, vouchers later

In its present form, the bill will not only deal a deadly blow to the cause of higher education in the United States, but would also establish a dangerous precedent for coerced labor.

Under its provisions, the federal student loan program will be eliminated for 17-25 year olds. It will be replaced by a tuition "voucher" program, which will work like this: If a would-be college student wants to qualify for federal tuition assistance, including loans, Pell grants, etc., he must first "volunteer" to join the military for two years, or to work in a nursing home or other community-service job for one year. At the end of his service, he would be eligible for a voucher (ranging from \$10,000 to \$24,000, according to type and length of service performed) which he could apply to college expenses, a down payment on a house, or vocational training. He would also then be eligible to apply for a student loan.

Stripped of its rhetoric about encouraging more "civic spirit," the net result of the measure will be that millions of

poor and middle-class youth, who had counted on getting a federally backed student loan to finance their college educations, will see their dreams evaporate overnight—unless they are prepared to go to work at subsistence wages.

Proponents of the "Citizens' Corps" measure claim it will build character, and give American youth a sense of responsibility. Interviewed about the measure on NBC's "Today" show Jan. 4, Senator Robb, a strong contender for the 1992 Democratic presidential nomination, bitterly complained that the current federal loan program is "essentially an entitlement program that doesn't have any reciprocal obligation."

House co-sponsor McCurdy claims that the bill's aim is to "reinvigorate citizenship; to reinforce that citizenship is a two-way street; that the benefits of this great country come at a price."

Robb, Nunn, and McCurdy seem to be forgetting that the current student loan program is not a "freebie"; the loans must be paid off, with interest. Moreover, the spiraling cost of college tuition means that all but the wealthiest families must seek assistance to finance their children's education.

The legislation's backers have also apparently forgotten their history. The reason that the federal student loan program was established in the first place, was to help ensure U.S. scientific, military, and economic leadership, by spreading the essential benefits of higher education to as many U.S. citizens as possible. If the program's results seem disappointing, that can be blamed on the decline of educational standards and collapse of the economy.

## Cheap labor pool

The "national service" measure isn't the educational program it pretends to be, but is actually a scheme to create a huge pool of cheap labor. To put hundreds of thousands of kids to work in so-called community service jobs at \$100 a week, as the bill proposes, will drive down the wages of those already employed in these jobs, or will put them out of work altogether.

That is underscored by New York City's Volunteer Corps, which Professor Moskos cites as a model for his nationwide proposal. The New York program employs 17- to 20-year-old volunteers to work in various community-service activities—and pays them the royal wage of \$81 per week, followed by \$2,500 cash or a \$5,000 college scholarship after one year.

One of the legislation's specific objectives is to cut defense spending, by lowering the wage levels of enlisted men. According to Representative McCurdy, the national service program will help fill army combat branches at a lower cost, because those participants who opt for military service will be paid less than the current pay-scale allows.

McCurdy spokeswoman Leah Alexander said that the stipends which would be given those who enroll in the Armed Forces under the "national service" bill, will be only one-half to two-thirds of current military pay-scales.

## Will Jesse Jackson run for D.C. mayor?

Speculation swirling around the District of Columbia for months has broken out into the open, with the public prediction by a local TV commentator that Jesse Jackson might make a run for mayor next year.

The present mayor, Marion Barry, has been under fire for a long time. It is well known that two of the most powerful (and cynical) members of the city's elite, *Washington Post* publisher Katharine Graham and the late Edward Bennett Williams, spearheaded the "Get Barry" effort.

Nonetheless, few paid attention to the attacks on Barry, because the general consensus was that he was getting what he deserved. No one has been happy with the functioning of city government, and when the mayor stayed in sunny California for the Superbowl while his city was paralyzed by a near blizzard two years ago, his popularity plummeted.

A steady stream of convictions of former Barry friends, aides, and officials for fraud, embezzlement, and other charges played into the general view that the local government was corrupt. Added in the past year has been the alarming rise in the murder rate in the city. In one year, the total leapt to more than one murder per day, as drug-pushing gangs from Los Angeles and New York competed for turf in the District.

In the new year, Washington General Hospital announced that it could no longer handle the overload of cases referred to its trauma unit every day.

Some in Washington are beginning to wonder if there is not some

sinister design to all of this. Last year, Jesse Jackson changed his official residence from Chicago to Washington, ostensibly on the idea that if Dukakis won the election, then the District of Columbia would become the 51st state and Jackson would get elected a U.S. senator.

So he is now a registered voter in the District, and eligible to run for mayor in September 1990. Jackson's ego, some say, craves elected office. His advisers also say this one achievement which has eluded him so far, election to a public office, will shore up his image as a credible presidential contender in 1992.

Some have even gone so far as to speculate that the introduction of organized drug gangs into the District, and the resulting rise in the murder rate, is not an accident. What if it were all choreographed for Jackson to become mayor and, with the help of Louis Farrakhan's Nation of Islam, gain national fame as a real anti-drug fighter by setting the Muslims loose in the ghettos to blow the dope pushers away? The result would be a new level of national respect for Jackson, and new credibility for Farrakhan and other para-military thugs taking over law enforcement functions in cities.

It wasn't until an obvious federal sting operation against Barry was tried in December that this scenario began to be taken seriously by many insiders here. The sting was aimed at catching Barry in the act, as it were, in the hotel room of a friend carrying drugs. It apparently didn't come off as planned, even though a grand jury investigation into the incident is still under way.

Jackson is playing the role of Barry's friend for the time being, at least until some serious charges come down against Barry. You can be certain that Jackson's advice to his "friend" includes some firm words against the idea of running for reelection next year.

Many insiders here point out built-in liabilities for Jackson if he were to move on the above scenario. There is an old axiom against running for an office you don't really want, but only view as a stepping stone. Richard Nixon fell victim to this when he thought that running for governor of California in 1962 would set him up to another try at the presidency. He lost the race, and it almost finished him off for good.

In Jackson's case, there is little doubt he could win running for mayor in the District. But he could suffer so much political damage in the process that the net result would be fatal to his national ambitions.

When he ran for President, he had the whole country to bob and weave around in, never staying anywhere long enough to get pinned down. But in D.C., with a population of 630,000, Jackson could not duck someone who decided to run a really relentless campaign, nailing him again and again on the issues. Jackson the symbol could be undone by such means, exposing Jackson the ultra-leftist, badly out of step with most of his constituents.

## State Department speechless on Berlin

Spokesman Charles Redman was unable to answer my question at the U.S. State Department's daily briefing Feb. 3, when I asked him why the U.S. government sanctioned the placement of a former member of the SS Leibstandard Adolf Hitler in the recent elections in West Berlin—namely, Franz Schoenhuber of the Republikaner party.

Officially, West Berlin is still under the control of the U.S. Occupational command, along with the French and British, and no candidate can appear on the ballot there without explicit U.S. approval.



## Senate celebrates new EPA head

It was all lovey-dovey in the Senate when William Reilly was appointed the head of the Environmental Protection Agency on Jan. 31. Reilly was characterized as the first nominee as EPA head who came "from the ranks of the environmentalists." He has been the head of the Conservation Foundation since 1973 and merged it with the World Wildlife Fund in 1985.

Reilly was introduced by no fewer than five senators, who fell over one another praising this champion of the environment.

Reilly promised aggressive and timely enforcement of environmental laws. "We no longer have the time or luxury of allowing the bitterness, the polarization, the wasted resources, and other excesses" that have marked the conflicts in recent years between environmentalists and industry, he said. Reilly said that the administration is working on a "credible and realistic" plan for cutting acid rain pollutants, but he did not give any specifics on the issue.

No outside testimony was permitted, and the only groups to submit written testimony opposing the appointment were the National Democratic Policy Committee and *21st Century Science and Technology* magazine. Their testimony will appear in *EIR* next week.

## Kemp vows effort to fight homelessness

Jack Kemp, President Bush's nominee to the post of Secretary of Housing and Urban Development, in hearings on Jan. 28, characterized homelessness as a "national tragedy of appalling proportions" and promised to make it his top priority.

Kemp said that he would "fight for increased funding" and "for reordering the priorities" in the Reagan budget. He added that his program would involve a campaign for tax credits to encourage businesses in depressed areas and programs to give poor tenants greater choice in the private housing market.

The proceedings were interrupted when six demonstrators from an advocacy group for the homeless rose shouting that Kemp's policies have hurt the homeless. The demonstrators were escorted from the hearing room by Capitol Police.

## Hills points to more trade war ahead

Carla A. Hills, the Bush nominee for U.S. Trade Representative told Congress on Jan. 27 that she would "get tough" with U.S. competitors. Hills said that she would seek markets in Japan, South Korea, Taiwan, the European Community, and elsewhere, "either with a crowbar or a hand-shake."

"We are going to talk very firmly with Japan," said Hills, "and make clear that we will be forced to use retaliatory measures, including 301, super 301, and special 302, if we do not get results." The numbers refer to a section of the Trade Act of 1974 that gives the trade representative strengthened authority to cut off markets in the United States to countries that maintain unfair barriers against American exports.

Hills also implicitly criticized a recent technology-transfer deal in which the United States will help Japan build an advanced fighter aircraft known as the FSX.

The Hills confirmation breezed through committee with unanimous support, and it is expected to easily

pass the full Senate when it comes up for a vote.

## Bush economic aide okays high interest rates

Bush's nominee to head the Council of Economic Advisers told the Senate Banking Committee in hearings on Jan. 26 that he had no quarrel with the Federal Reserve's policy of boosting interest rates to keep inflation in check. Michael Boskin, a professor of economics at Stanford University, said that the nation's number one economic priority must be to reduce the federal budget deficit.

On the previous day, President Bush had admonished the Fed for trying to slow economic growth because of fear of inflation, expressing concern over Fed chairman Alan Greenspan's warnings that the growth targets of 3% should perhaps be lowered in order to avoid inflation.

Boskin tended to support the Fed chairman's policy. "If we let inflation get much higher, the eventual pain of disinflating the economy would be quite severe and we should not allow that," Boskin said.

In other debate on the financial crisis, House Banking Committee chairman Henry Gonzalez warned on Jan. 27 about a possible run against the dollar. Commenting that "while Europe is integrating, we are disintegrating domestically," he said, pointing specifically to the S&L crisis. If the Federal Home Loan Bank Board continues its "noxious course of compounding on a geometric, progressive basis," said Gonzalez, the size of the needed funds grows, at perhaps \$1 billion per month.

This instability within the domestic economy is aggravated, continued Gonzalez, by the fact that foreign dollar holders "may lose confidence even

further." This means that the United States "will have to pay our debts, not in our currencies, but in their currencies. And I cannot begin to tell my colleagues what that implies."

Gonzalez added that "the average non-banker could have shown a lot more wisdom, than the leading bankers have revealed in the last two decades."

## **W**ill Soviets break the ABM Treaty?

A top-secret report requested by Congress on the Soviet version of the Strategic Defense Initiative is still being held up, according to a report in the *Washington Times* on Jan. 30, due to a disagreement within the Defense Department on how to interpret the intelligence data.

This year's defense budget bill requires President Bush to assess the status of the Kremlin's numerous anti-missile projects—dubbed "Red Shield" by former President Reagan—to see if they would undercut the American nuclear deterrent. The study was due Jan. 1, but has been indefinitely delayed.

The reason for the delay, according to the *Washington Times*, which cited anonymous officials, is disagreement between the office of the Secretary of Defense and the Defense Intelligence Agency over the effectiveness of the ground-based defense deployed around Moscow. The DIA, along with the Joint Chiefs of Staff, submitted a draft report which concluded that the Moscow system will not be a serious threat once the United States completes modernizing its nuclear arsenal, claimed one administration official.

The office of the Secretary of Defense seems to view the situation differently. Analysts reportedly have determined that the 100 Soviet missile

interceptors could defend about 20 installations in the Moscow area, out of about 6,000 facilities throughout the Soviet Union targeted by U.S. nuclear missiles. One former intelligence official commented that if the Soviets launched a first strike and the United States had just a fraction of its original arsenal with which to retaliate, "even a relatively small defense like the [ABM] treaty permits . . . starts to look interesting."

The President must also determine whether the Soviets have in fact broken out of the ABM Treaty or are on the verge of doing so.

## **P**ay raises may be nipped in the bud

The Senate is scheduled to vote on a bill that would reject the recently proposed pay raises for congressmen and top federal officials. The bill is expected to pass the Senate overwhelmingly, after which it will go to the House.

In order to avoid a total scrapping of the pay raise, House Speaker Jim Wright (D-Tex.) is introducing a proposal by which the pay raise will be reduced from 50% to about 30%. The "big potato" will be whittled down somewhat by such a measure, although the congressmen will not be going home empty-handed. The 20% reduction may also look somewhat better to the voters than the full 50% hike—or so its sponsors hope—come election time.

## **T**ower confirmation hitting some snags

Secretary of Defense-designate John Tower was still not home free after several days of hearings on his nomination. Paul Weyrich, chairman of Coalitions for America, an umbrella

organization of 300 conservative groups, expressed grave misapprehensions concerning Tower's moral qualifications, accusing him of having an alcohol problem and being a womanizer.

Much of this testimony was regarded as hearsay, although Senators Sam Nunn (D-Ga.) and John Warner (R-Va.) prolonged the hearings several days more to hear further evidence on these issues. Tower had already gone through what was described as the most thorough FBI examination ever, before he was nominated by President Bush.

## **A**dministration blames Congress for S&L leak

The White House is trying to save face by blaming Congress for "leaking" the briefing given them by Treasury Secretary Nicholas Brady on the administration's proposed savings and loan "rescue plan," which would impose a "fee" on investors.

"The most disappointing part of the whole thing," said White House Chief of Staff John Sununu, in an interview on ABC-TV's "This Week," "is that the effort that was being made to get to Congress early enough to let them be a part of crafting alternatives, resulted in a firestorm on one alternative that was not necessarily the leading candidate."

The proposal in question called for an increase in the insurance premium of 25¢ per \$100 added to the present 12¢ per \$100 now charged to banks and S&Ls for insurance. Not only was the premium increase labeled a tax by President Bush's opponenets, and thus a violation of his "no tax" pledge, but it well-nigh caused a run on the S&Ls. The proposal has been put to the side for the moment, by a rather embarrassed administration.

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# National News

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## Teamsters offered DoJ dictatorship

The International Brotherhood of Teamsters labor union has reportedly been offered a "deal" by U.S. Attorney Rudolph Giuliani which would result in the Department of Justice dictating who can and cannot hold union office. In exchange for surrendering control over internal union affairs, the racketeering suit brought against the union by Giuliani would reportedly be "settled."

According to the *Cleveland Plain Dealer*, the deal calls for direct elections of top Teamsters officials, instead of elections at delegated conferences, with an independent panel named to oversee the process.

The *Los Angeles Times* reports that Giuliani is demanding the resignations of 5 of 16 international vice presidents, including Robert Holmes from Detroit, Harold Friedman of Cleveland, Joseph Trerotola of New York, Joseph Morgan of Hallandale, Fla., and Ted Cozza of Pittsburgh, allegedly because of their organized crime ties.

The effort to seize control of the Teamsters' leadership drew blood on Jan. 28 when Robert Holmes of Detroit resigned his position without comment. Teamsters General President William McCarthy has called the 16 vice presidents into Washington to discuss the offer.

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## Sullivan, Yeutter nominations delayed

The confirmation hearing for the nomination of Dr. Louis Sullivan to become Secretary of Health and Human Services, which had been scheduled before the Senate Finance Committee on Feb. 1, has been postponed indefinitely at the request of the White House pending completion of the background check. Dr. Sullivan stirred controversy when he reportedly told Sen. Bob Packwood (R-Ore.) that he did not want the Supreme Court decision *Roe v. Wade* which legalized abortion, overturned.

The Senate Agriculture Committee has also not rescheduled its hearing on the nomination of Clayton Yeutter to become Secretary of Agriculture. As *EIR* reported last week (p. 13), the Yeutter hearing, scheduled for Jan. 26, was postponed after Sen. Tom Harkin (D-Iowa) asked for an investigation of Yeutter's role as president of the Chicago Mercantile Exchange. His term of office overlaps the stated FBI probe of the years 1983 to 1985.

The Senate Energy and Natural Resources Committee chaired by Sen. Bennett Johnston (D-La.) joined the rest of the Senate in dramatically limiting the ability of constituents to testify on the Bush administration nominees. After allowing all who requested to appear before the committee in the case of Manuel Lujan's nomination to become Interior Secretary, the committee abruptly changed plans and disinvited witnesses on the nomination of Adm. James Watkins to become Secretary of Energy.

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## Admiral warns of Soviet Pacific buildup

Adm. David Jeremiah, the commander of the U.S. Pacific fleet, has charged that the Soviet Union has broken Mikhail Gorbachov's pledge not to increase the number of nuclear weapons in the Pacific, and is also increasing the use of spy ships in the waters around Hawaii.

According to statements reported in *Stars and Stripes* Jan. 29, Admiral Jeremiah also warned that in recent months the Soviets have added a new attack submarine to their Pacific fleet, in contradiction to a speech Gorbachov made in September. This submarine raised the total of Soviet delta-class strategic subs in the Pacific to 17.

Said Jeremiah in a speech in Honolulu, "While those of us in senior military positions welcome the new era of openness with the Kremlin, we remain concerned about the disparity between what we hear from the Soviets and what we actually see in the fleet."

On the spying in Hawaii waters, he stated, "The presence of Soviet intelligence-collections ships in the near vicinity of Ha-

waiian Islands has grown from 60 days in 1986 to more than 250 days in 1987 and 1988."

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## Pro-life activists to be shunted aside?

With the Supreme Court signaling its intention to reconsider its decision in *Roe v. Wade*, which legalized abortion, seasoned political observers report that the Bush administration's welcoming of the Court's move is a calculated effort to decrease the impact of Right to Life activists on the national Republican Party and relegate their impact to the state level. Such a development would, of course, mean less interference with the "Establishment" nature of Bush's tenure.

U.S. Attorney General Richard Thornburgh signaled this desired outcome on the TV news show "Meet the Press" on Jan. 22, when he expressed his belief that the Court would likely put the issue of the legality of abortion back into the hands of the states. Thornburgh said that this was just one option the Court would have, but it was the one he considered most likely.

White House Chief of Staff John Sununu echoed this assessment on the TV news show, "This Week With David Brinkley" on Jan. 29. Sununu said that 45 states would be expected to make abortions illegal, and that it made perfect sense for Right to Life proponents to be active on the state level where they could do some good.

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## U.S. Attorney McNamara forced to resign

Boston U.S. Attorney Frank L. McNamara, Jr., resigned his post on Jan. 30 after U.S. Attorney General Richard Thornburgh reportedly decided on Jan. 27 that he would suspend McNamara if he did not resign. McNamara had been an opponent of his predecessor, William Weld, who initiated attacks on Lyndon LaRouche and the Pentagon. The Thornburgh Justice Department,

## Briefly

which is probing whether McNamara lied in alleging that Weld smoked marijuana, has announced that its investigation will continue.

McNamara told the *Boston Herald* on Jan. 29 that he was being forced out of office by local promulgators of conventional wisdom who see politics as "a secular religion." He named "the [*Boston Globe*], the Kennedy School, the Cambridge elitists, and the bow-tie liberals" as in this category.

McNamara's resignation followed reports a week earlier that "he had repeatedly urged federal drug enforcement agents to probe allegations of casual drug use by U.S. Rep. Joseph P. Kennedy, II (D-Mass.) and former Dukakis fundraiser Robert Farmer," according to the Jan. 31 *Boston Globe*. This information was contained in a confidential memo written by John Coleman, special DEA agent in charge for New England, and leaked to the press, but which McNamara denied. The *Globe* also cited sources who reported that McNamara "had pushed prosecutors to investigate whether the Dukakis administration had broken the law in buying land for the New Braintree prison."

McNamara, a member of Opus Dei, a Catholic lay society, had also angered opponents last September, when he debated Alan Dershowitz, a libertarian Harvard law professor who advocates drug legalization. McNamara said that drugs not only ruined the mind but also "destroy love."

### Court of Appeals OKs political organizing

A three-judge panel of the U.S. Fourth Circuit Court of Appeals ruled in the case of *U.S. v. Kokinda* on Jan. 31, striking down a Post Office ban against political organizing on federal property and reversing the convictions of Marsha Kokinda and Kevin Pearl. The two were arrested in August 1986 at a Post Office in Bowie, Maryland, while organizing support for the policies associated with the National Democratic Policy Committee and Lyndon LaRouche, and charged with violating postal regulations banning solicitation and "electioneering," and

subsequently convicted in federal District Court.

The panel, with one dissent, upheld the First Amendment doctrine of the primacy of expressive activity in a free society, and struck down the regulations as being unconstitutional.

Jay Alan Sekulow, a nationally known First Amendment and public forum attorney, who argued the appeal, said after the decision that "the Fourth Circuit has today touched the heart of protecting the rights of those who wish to exercise their political, religious, or social beliefs as is guaranteed by the Constitution, this in a courageous departure from the majorities in other Circuits."

The Court stated, "The sidewalks have hosted groups . . . who would bring the issues of drug abuse or POW's, acid rain or SDI, into public view. What the debate has lacked in decorum, it has supplied in vitality, and it is important to the dialogue of a democratic system. Without the streets and sidewalks, there might have been no civil rights movement. . . . Today the sidewalk may harbor the religious dissenter, the cultural iconoclast, the political maverick; tomorrow it may stage a movement of social protest whose message no one can foresee. Thus, sidewalks should remain available for speakers whose access to the public's ear and pursestring would otherwise be incomplete. . . ."

"Kokinda and Pearl . . . had available literature warning of an economic 'blow-out,' calling for an end to the 'AIDS cover-up,' and discussing the problems of drug abuse in government. Theirs was classic political speech pursued peacefully in a place that traditionally has been held open for expressive activities and is clearly within those areas of public property that may be considered, generally without further inquiry, to be public forum."

The Court concluded that the regulation "acts only to suppress speech. It prohibits all solicitation anywhere on postal property. It sweeps an entire category of expressive activity off a public forum solely in the interest of administrative convenience. . . . No thought was given to accommodating these speakers, only to removing them. For the foregoing reasons, their judgments of conviction are reversed."

● **LEE ATWATER**, chairman of the Republican National Committee, was presented a guitar by Ron Woods, guitarist for the satanic Rolling Stones rock group, during the inaugural celebrations. Atwater, Bush's former campaign manager and a former rhythm and blues musician, vowed to cherish the guitar always.

● **JESSE JACKSON** met with U.S. Attorney General Richard Thornburgh on Jan. 26 and was asked for his recommendations on who should head the Justice Department's Civil Rights Division. "For the first time in eight years, the lights have been turned back on in the Justice Department," Jackson said.

● **PRESIDENT BUSH**, in his first message to the troops while visiting naval ships in Norfolk, Va. on Jan. 31, joined the attack on the military. Bush said he will seek "tighter controls and higher standards in weapons procurement" and to "wring the last drop of waste and mismanagement out of the way we buy our weapons."

● **LANE KIRKLAND**, AFL-CIO chairman, complained on Jan. 25 that President Bush has refused to extend the life of the National Economic Commission beyond March 1, thereby eliminating its role in the imposition of austerity on the United States. Kirkland doubted that the NEC would issue a report.

● **THE WAR ON DRUGS** took a further setback in an interview with the *New York Times*, in which President Bush said that because of the budget deficit it may be too expensive to try to cut drugs off at the source or as they come into the United States. In his Jan. 27 press conference, Bush modified this, saying he will have to see what resources the administration has to throw into the war.

# *They shall not prevail*

There are two grave issues of injustice in the LaRouche case. The first is the Stalin and Hitler style "show trial" by which the conviction of statesman and economist Lyndon LaRouche and his six associates was railroaded through the Alexandria federal court.

The second is the unprecedented sentence to death in jail, or life imprisonment—which is what a 15-year term for a 66-year-old man means—to which Judge Albert Bryan condemned LaRouche on Jan. 27. Bryan among other things refused to allow LaRouche to undergo an eye operation before his incarceration; and if he becomes blind in jail, the chances of killing him there increase further.

On the trial itself, we quote from one of many statements of outrage from around the world, the Jan. 30 editorial printed in the *Daily Nation* of Barbados.

"The free world may have to rethink its attitude to press censorship and repression in places like Nicaragua, South Africa, and the Soviet Union. Oddly, it is a United States court (in Alexandria, Virginia) which, by condemning editor Lyndon H. LaRouche and six writers to prison in highly controversial circumstances, will cast dark shadows on that model democracy.

"Until judgment was passed on those contributors to *Executive Intelligence Review* last Friday, few people would have believed the U.S. federal system capable of denying defendants the use of evidence which its newspapers ordinarily have no difficulty obtaining or publishing. It counts for nothing that Mr. LaRouche has vigorously supported America's finest cultural traditions, been in close contact with world leaders or warned about an AIDS epidemic long before its widespread lethal impact.

"It is hardly accidental that other news media have drawn a veil of silence on what insiders suspect is a result engineered by a foreign government.

"In due course the American public will discover whether it was in their country's best interests to heed *EIR's* persistent warnings and revelations about that nation's enemies abroad—and their penetration of sensitive areas at home.

"Critics will wonder whether *EIR's* outspokenness was really on trial, and not, as claimed, its fiscal trustworthiness. To prosecute on grounds of intention to default on payments after denying any opportunity to settle accounts, would seem much the same as applying a technicality to achieve a hidden agenda. . . .

"The Soviet Union is not so shy. It makes no secret of its interest in having *EIR* silenced.

"Imprisonment is not the end. It is precisely such confinement which assured the elimination of other people whose lives *EIR* believed threatened for opposing America's enemies. . . ."

On the second point, a 1986 study by the Federal Judicial Center in Washington reviews punishments given to individuals convicted of tax fraud, and mail fraud. The relevant sections of the study show clearly that Judge Bryan's sentence for LaRouche of 15 years and \$13,000 in fines was meant to send a political message internationally about what happens to anti-Establishment leaders.

The study reviews individuals convicted of tax felony, and finds that of 730 cases, seven individuals received only a fine, 356 got probation, and 367 received imprisonment. Not a single individual got a sentence of more than four years, in a total of 166 cases.

In the convictions for mail and wire fraud, out of 1,584 cases, 890 were given probation, three fines only, and 661 prison terms. No prison term was longer than seven years. Of those who, like Lyndon LaRouche, had never been convicted of anything before, only *one* individual of 236 got a six-year term. Most were given under three years.

One thing is clear: The Establishment means to have LaRouche out of the way forever. As the *Nation* editorial suggested, they intend that *EIR* shall be silenced, so that America "might be destroyed by the combined machinations of clever parasites, avowed adversaries and acquiescent politicians, not to mention those Satanic cults now resurgent in several states." That is the deeper reason why the Alexandria verdict and sentence cannot be allowed to stand.



# LaROUCHE

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YOU MAY HATE HIM

**BUT**

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



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## ***“Europe 1992”: Blueprint for Dictatorship***

Since the single European Act was passed and ratified by member states of the European Community, Europe has been split down the middle over what “Europe 1992” will really mean for economic welfare and national security. In France, Britain, and Switzerland, the promoters of “Europe 1992” are paying homage to the ashes of Jean Monnet, the man who dedicated his life to dissolving the nations of the European Community; the Soviets have already voiced their approval of the “opportunity” the Single European Market will afford them. But British Prime Minister Margaret Thatcher, citing Gen. Charles de Gaulle’s years-long fight against a “single Europe,” has repeatedly warned that this “airy-fairy” Europe 1992 is a threat to the sovereignty of nation states.

The European Commission sells 100,000 tons of beef to Russia—but the Russians pay only one-tenth of the price European citizens pay for meat. The EC subsidizes the difference.

West German Agriculture Minister Ignaz Kiechle and his French colleague Henri Nallet endorse sending huge food stocks to the Soviets, even as European farmers go bankrupt. “Peace,” they say, must have priority over “petty issues of European agriculture.”

Mrs. Thatcher warns that Europe is financing the “incompetence of the Soviet economy.” Europe is also financing the Soviets’ military buildup—the biggest in world history.

The European Commission enjoins the West German government to stop subsidies to the coal industry. The result: Unemployment in the Ruhr will soar from 15% to 20%, to the great benefit of the communist destabilizers.

# **What is Really Going On?**

The “Single European Act,” which is already law in all the EC countries, will deprive the national Parliaments of their sovereignty. European Commissioner Jacques Delors is not content even with this. His goal: “a European government by 1992.”

The European Commission wants to enforce privatization of energy, transport, and communications—industries which employ 16 million in Europe. Who has enough capital to buy up all the infrastructure of Western Europe? Only a handful of international cartels and some 10 “mega-banks.”

The destruction of Europe’s agriculture and heavy industry could rapidly reduce this continent, with the world’s greatest industrial potential, to the same status as the debt-ridden United States. None of the non-communist nations, from the industrialized or developing sectors, seems aware how much Europe 1992 will also affect their national sovereignty and trade.

***Executive Intelligence Review*** has compiled the authoritative dossier on Europe 1992, the first, to our knowledge, written by anyone outside the EC bureaucracy itself. The dossier documents the “Who’s Who” of Europe 1992, organized in nation-by-nation profiles: Who is behind the integrated Europe, what Europe will look like if it goes into effect, and what it will mean for Europeans, and for their allies and trade partners.

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