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Last week in this space I mistakenly spoke of 1 million people reported demonstrating against the Communist regime in East Berlin, whereas the figure was really the estimate for the whole country. But I hope readers will forgive me—the events of the past week have overwhelmed any possible exaggeration. We dedicate this special issue of *EIR* to the spirit of anti-bolshevik resistance so splendidly displayed now in Germany.

The *Feature*, expanded to double the usual length, begins with Lyndon LaRouche's discussion of the ideas that lay behind his appeal to bring into being a worldwide anti-bolshevik resistance, one year ago (for the text of that famous call, see the back cover). We include a report on the German developments; LaRouche's indications for a policy on reunification; and maps and a chronology of inflection points in the challenge to tyranny over the last year. Also, we include some of the voices representing institutions that are fighting for the ideals of republican freedom, from Ukraine, from China, and from Cambodia, discussing their fight in their own words. These particular spokesmen all addressed the conference of "Food for Peace," a mass movement launched by LaRouche, on Nov. 4-5 in Chicago.

In the *Economics* section, we present a complementary package, absolutely crucial to the success of the Eastern European fight for freedom. The focus is on Poland, with Helga Zepp-LaRouche's five-point program, the continuation of a news analysis by Webster Tarpley, and a guest commentary from Italy, by Aleksandr Minak.

You will no doubt notice that this special issue has been expanded to 80 pages from our usual 72. This is in order to accommodate two further reports, beyond the expanded cover story: a ten-page insert on the history of the Fusion Energy Foundation, reprinted from *Fusion* magazine, to honor the upcoming 15th anniversary of the foundation on Nov. 23.

Second, we bring a report from our New Delhi bureau on the national elections upcoming in the world's largest democracy, as 500 million Indians go to the polls. This is the best coverage you will read anywhere outside of India itself, and we are proud to bring it to our readers as part of an ongoing commitment to seeing the news as "current history."

Nora Hamerman

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Gorbachov's dangerous ignorance of economics

by John Hoefle

According to reports in the *Financial Times* of London, two days of "brutal debate" were recently concluded in the U.S.S.R., involving Mikhail Gorbachov, economists, industrial managers, elected deputies of the Supreme Soviet, and others, on the policies needed to deal with the deepening Russian economic crisis. Gorbachov rejected the idea of free-market-style price gouging, warning that the population would not tolerate unrestrained price increases amid the chronic shortages of food and goods.

"I know only one thing," Gorbachov said. "That after two weeks of such a 'market,' all the people will be on the streets, and will smash any government, even one which declares its devotion to the people." He announced that plans to reform prices had been postponed, "out of fear of sharp social reaction to some radical decisions."

Gorbachov complained that the U.S.S.R. lacks a coherent economic program, and appealed to the Soviet scientific community to help in formulating one. He insisted that what was needed was a "new strategy for *perestroika*."

Gorbachov's statements follow an article in the Soviet magazine *Ekonomicheskaya Gazeta*, charging that *perestroika* up to now has been too "timid," and that "radical" new price-reform and other "market" measures must be implemented. The article insists that prices be allowed to rise during the course of 1990, that various state industries and farm monopolies be broken up, and that a stock market be created.

Responding to this confusion and turmoil in the Russian empire, congressional candidate and political prisoner Lyndon H. LaRouche, Jr. cited the lack of understanding of the fundamentals of economic science among the Russian elite. "We see again," LaRouche said, "in the hysteria and desperation of Soviet President Mikhail Gorbachov's recent address

to the economists in Moscow, the nature of Gorbachov's failure to grasp the ABCs of physical economy, and his terrible ignorance of economics generally. The problem here is not only that Gorbachov is ignorant of economics, but that a number of Soviet economists, including perhaps himself, swallow the kind of monetarist dogmas that are otherwise known as Thatcherism, Keynesianism, Friedmanism, Hayekism, and von Neumannism, in the West. This is reflected, aptly, by the absolutely disgusting proposals for radical pro-market reforms put forward in the *Moscow Economic Gazette*. The issue here is a simple one, which nonetheless bears repeating, that you cannot manipulate an economy to grow through monetarist manipulations: It is impossible. Sometimes, economies under the influence of monetarist manipulations grow, but they grow for reasons which are contrary to and in spite of the monetarist manipulations.

"The point is," LaRouche continued, "that monetary processes are, relative to economy, intrinsically linear. The inevitable result of the manipulation of an economy by any form of monetarism, even a zero monetary profit monetarism—that is, a case in which all real profit taken in a monetary form is put back into the economy as productive investment—is entropic, leading toward cyclical collapses and recoveries at best. This is because of the nature of the monetary process, which defends itself against the intrusions of impulses of physical economy.

"The problem in the Soviet economy," LaRouche stated, "is, first of all, in the broadest terms, an allocation problem, the failure to understand the ratios of employment and capital-intensive employment in infrastructure, agriculture, and industry required, at existing and projectible levels of physical productivity, to maintain a balanced and growing economy, an economy which is balanced and growing in physical

economic terms referent to physical market baskets of producers' and consumers' goods measured in per capita, per family unit, and per hectare terms."

LaRouche compared the collapse of the Soviet economy to similar activity in the West, saying, "There has been no economic growth in the Western economies generally, except for Japan, in the the West since about 1965-66, and most emphatically since 1970-72. It never happened! What has grown has simply been the growth of monetary aggregates, and to the extent that this shift in monetary aggregates seems to have made some people more wealthy, this has occurred only at the expense of others who are not only correspondingly less wealthy, but at the expense of an overall contraction of the rest of the economy as a whole, compensating for any real component to growth in monetary aggregate income in any restricted sub-sector of the economy."

Monetarism or mercantilism

"So," he continued, "we come to the point where the choice is, essentially, either between monetarism, which means the death of the world economy and the death of nations, crises of an apocalyptic character, or the scrapping of monetarism, in return for a resumption of mercantilist or Hamiltonian models of economy. The issue then, is not merely between the monetarists; once we put the monetarists aside, the issue becomes one between different conceptions of physical economy, as distinct from monetarist models of physical economy.

"This is not to say that monetary processes don't function at all—monetary processes are a regulator of flows of physical goods, whose purpose is to use this means of price/monetary aggregate regulation, as a way of accomplishing physical economic objectives. That is, if one puts into the monetary process, including the fiscal process—the government tax and spending processes, and so forth—if one puts in the correct axiomatic assumptions, and builds a monetary process based on those correct axiomatic assumptions, the result of monetary flows will tend to be in that case, a promotion, or tendency to promote, real—that is, physical—economic growth, per capita, per hectare, etc. This is not because of monetary processes, but this is because the correct physical-economic axioms have been embedded as the lawful criteria regulating monetary processes. Thus, without a monetary process regulated to conform to an appropriate set of criteria of physical-economic change and performance, monetary processes don't work.

"We always put the monetary process on the subordinate side, almost the 'also ran,' and concentrate on the physical-economic process. Once we have settled the requirements for the physical-economic process, we return to the monetary process, including fiscal features, and design the monetary process by aid of central banking or national banking criteria, by aid of general monetary criteria, by aid of tax policy criteria, by aid of governmental spending criteria, and so

forth, to conform to the physical-economic objectives adopted. Thus, the conscious adopting of a physical-economic model is a crucial factor."

Creativity of the individual

The Soviets, he said, "don't understand the essential principle of Western Christian civilization, a *Filioque*-keyed civilization, upon which foundation the success of capitalism, insofar as it has been successful, is entirely based. The crucial factor in physical economy, once all the other structural features, axiomatic features, of this geometry are understood, is the creative mental powers of the individual and the development and application of those creative mental powers. And the entrepreneur fanatics are correct in placing the value upon the individual, upon individual freedom in economy; however, they don't understand what the word freedom means. It means precisely *not* the populist irrationalism, the freedom to be irrational; it means the freedom to exercise reason, to innovate, to create new technologies, to assimilate technologies and to implement them in a better manner than somebody else has implemented them—that sort of thing.

"This is the engine of growth; the function of physical economy is to create the structure and to impose upon monetary processes that structure, to such effect that the factor of individual intelligence, creative mental powers, that which distinguishes man from the beast—and from the ecologists too—that that quality is the quality which is served, and to unleash and motivate that quality to produce the highest possible rate of capital-intensive, energy-intensive scientific and technological progress, and fostering the productivity of labor as expressed in per capita and per hectare terms, in terms of the market baskets of producers' and consumers' goods corresponding to that level of technology. It may be a little bit complicated for some of the dumber people to read and understand; but if you're not capable of understanding—if you're not interested in understanding, if you cannot motivate yourself to understand that and reject all simplistic alternatives—then you're not qualified to be an economist. If you're not qualified to be an economist in that sense, you should shut your mouth when it comes to trying to pass judgments on economic policy.

"The essential point, in summing up, relative to the Soviet crisis: It is impossible that Gorbachov and his associates could ever devise a reform which would lead the Soviet Empire's economies to anything but hell at this point. Similarly, on the Western side, to the degree that the belief in monetarism—or let's call it Thatcherism, for example, or Von Hayekism—prevails in Western policy-shaping circles, or these policy-shaping consensus circles—then the West is doomed for a breakdown crisis without hope. And this, combined with ecologism, as it is presently understood, means the extinction of everything resembling civilization, and possibly, as the HIV virus warns us, possibly the extinction of the human species."

A five-point program to save Poland

Helga Zepp-LaRouche, chairman of the Patriots for Germany party in West Germany, appeals for a worldwide mobilization.

Despite the tremendous difficulties confronting Poland, the Solidarity movement's electoral victory on Aug. 24, and its participation in the Mazowiecki government, is a historic opportunity not only for Poland, but for developments throughout the East bloc, and thus for all of Europe. But this opportunity will only be seized if we succeed in the short term in effecting a dramatic turnaround in the rapidly worsening economic situation, so that even before this winter sets in, we can achieve palpable improvements in the supplies these people need. We therefore call upon the governments of the Western nations, as well as Western bankers and entrepreneurs, to assist in the realization of the five-step emergency program presented below. This program's adoption would represent a complete rejection of the bitter medicine which the International Monetary Fund has heretofore prescribed for this country.

There is not a moment to be lost. Lech Walesa has repeatedly warned that civil war will break out in the near future, unless urgently needed investment is forthcoming from abroad in order to stabilize the situation. And in fact, things have already considerably worsened since the Mazowiecki government came to power.

After 40 years of socialist economic policy has sucked the Polish economy completely dry, leaving behind a heap of rubble, the situation has grown even worse under the influence of all sorts of monetary advisers from the West. As a result, supplies of even the most basic essentials of daily life, especially food, are in absolute catastrophe. The price of meat has grown approximately sevenfold since this past summer, putting it beyond the means of the great majority of Poles. Just now, as the cold winter months begin and the energy shortages start to crop up, popular sentiment could rapidly swing toward desperation; and if that sentiment becomes directed against the government and against Solidarity, it would spell the quick end of all hopes for freedom for Poland, and, consequently, for all of Europe.

They don't need Sachs

The last thing Poland needs, is some sort of "economic shock program," as is being proposed by Harvard-trained consultant Jeffrey Sachs: namely, a combination of wage cuts,

price hikes, increased levels of unemployment, and factory closings. "Liberalization," "deregulation," and privatization of infrastructure and state-owned firms—these are all potions in the wizard's kitchen of this economic sorcerer which will only succeed in subjecting the entirety of Poland's economy to the same brutal procedures which the IMF has already applied to the developing countries. Under the pretext of fighting inflation, the value of Poland's currency would become so debased, that its par value would guarantee maximum exploitation, while at the same time all of Poland's production would be focused onto exporting goods at cheap prices—solely in order for Poland to repay the foreign debts incurred by the previous Communist government. The ones to suffer will be the Polish people, who, in the view of these financial circles, can die a silent death after taking this medicine.

What Jeffrey Sachs proposes for Poland, is deliberate genocide. Interviewed in the Oct. 29 *Washington Post*, he admitted that he believes it will be possible to implement his brutal austerity program, because the repressive apparatus in Poland is still firmly in the hands of the Communist Party and remains beyond Solidarity's reach. Thus, Sachs is revealed as standing directly in the tradition of the Nazi economics of John Maynard Keynes: In the foreword to the first German-language edition of his *General Theory*, Keynes likewise boasted that Nazi Germany would be best suited for the realization of his economic theory.

One thing is clear: If Sachs ever actually succeeds in imposing his recommendations on developments inside Poland, that will mean Poland's ruin, and will vastly increase the likelihood of a desperate Soviet intervention. It will escalate the sort of destabilization which will hasten the fall of Mikhail Gorbachov, and which in the years ahead will lead to an aggressive Soviet military action outside the Soviet Union's own borders, and thus to a general world war.

The sole alternative to this path to certain catastrophe, is the immediate implementation of an economic program in the tradition of Alexander Hamilton and Friedrich List. The key to Poland's economic revival is the creation of an expanding internal market, which must be shielded with protectionist measures in order to achieve self-sufficiency in agricultural production and in the most important consumer goods, as

quickly as possible. This will be possible only if from the outset Poland systematically fosters new small and medium-sized industrial firms which can function as the source of fundamental technological innovations.

A program for survival

The most important thing for Poland, is the rapid formation of a functioning *Mittelstand* [small and medium-sized industrial interests]; and the best thing the West could do to save Poland, would be to assist it in that undertaking. Hence, it would be of utmost urgency to make Western medium-sized entrepreneurs available as consultants to Polish groups, instead of sending this discredited Harvard graduate Sachs. If West German, Italian, and French medium-sized entrepreneurs brought their knowledge to bear in this way, so as to help build up a *Mittelstand* in Poland, that would soon enable Poland to build up sufficient economic substance to permit it to redefine its pricing mechanisms and to carry out a successful monetary reform. And, if the Polish government could present such a perspective to the Polish population, it would spread the optimism which is the indispensable prerequisite for solving the crisis.

The 40 years of socialist mismanagement—which was made even worse by Moscow's looting of Poland's economy—led to the development of a pricing structure which bears no relation whatsoever to the actual costs of production. No problems are solved, therefore, by simply getting rid of state subsidies to Poland's agricultural production; all that does, is fan the inflation which we already see there. The solution to this difficulty, for industrial production as well as for agriculture, will lie in setting parity prices which correspond to the actual costs of production.

In order to attain self-sufficiency and an expanding internal market as rapidly as possible, it will be necessary to eliminate the bottlenecks in farming and in transportation. Thanks to the misguided policies of the past few years, there has been an enormous exodus of people out of rural districts, leading to a considerable scarcity of skilled labor for the food-processing and packaging industry. The only way to compensate for this labor shortage is by introducing highly developed food-processing technology, which should therefore be assigned a high priority.

The most obvious absurdity in today's situation, is the fact that the hungry Poles are forced to export their geese, ducks, and hogs at low prices, even though these items are so urgently needed at home. And it is precisely these cheap imports into the West, which the European Commission of the European Community and the international food cartels are using to drive farmers in the West into bankruptcy, so that we all get the short end of the stick—except, of course, the cartels.

Five points for development

In view of the immense strategic implications which the future course of Poland holds for the entire world, we here-

with propose the following package of measures:

1) An immediate halt to the practice of bleeding Poland of the consumer goods which it urgently needs for its own use. All agricultural goods produced in Poland must remain in Poland, in order to improve the supplies to its own population.

In addition, the European Community's planned emergency program for supplying Poland with food must be expanded and carried through, in an unbureaucratic manner, before the cold season gets under way.

2) In order to ensure that next year's harvest can actually overcome the shortage, it is necessary to introduce now, all those measures required to eliminate existing bottlenecks, especially in the areas of transport, food processing, and spare parts for agricultural machinery. Credits must be made available so that next spring's harvest can be optimally prepared and yields maximized.

3) A list should be drawn up of all obvious production bottlenecks, and measures taken, in an unbureaucratic fashion, in order to remove these difficulties. State guarantees from Western governments, but especially the initiative of private businessmen, will be required to accomplish this.

4) A general economic program for Poland must be drafted, on the basis of the economic theory of Leibniz's concept of physical economy and the Cameralism of Alexander Hamilton and Friedrich List. The program must define priorities such that maximum increases in the productivity of the economy and of labor can be attained by means of technological progress. The economic reconstruction of the Federal Republic of Germany following World War II, and the industrial revolution in Japan, can serve as general guidelines.

5) A five-year moratorium on the payment of all debt service. Poland needs this relief period in order to develop the necessary economic underpinnings which must form the basis for repaying the debt.

At the same time, the West should extend at least \$10 billion in credits—the amount which Walesa has said is indispensable. Additionally, Western banks should open branches in Poland so that Poles' private savings can likewise be invested in reconstructing the economy.

Provided that the West decides to adopt this packet of measures, and constitutes itself as a strong lobby which recognizes that developments in Poland can determine strategic developments globally, then we have every reason to be hopeful. Poland has one great advantage over the West. Namely, over the past 20 years it has been less afflicted by the process of cultural and moral degeneration. If now, in Poland, the inalienable rights of all human beings and their right to conditions befitting human dignity are successfully realized, thereby bringing morality into greater harmony with economic policy, this will have been a gain of inestimable value for the world as a whole.

Polish cataclysm will destroy the 'New Yalta' deal

by Webster Tarpley

Second in a two-part series. Part I documented the structural weakness of the Polish economy under successive communist regimes up to the current year.

Enter, toward the end of 1988, the pro-Gorbachov "reform Communists" around Mieczyslaw Rakowski, determined to graft the worst excesses of Western usury onto the worst failures of Stalinist centralized command economy. By early 1989, during the roundtable talks with Solidarnosc, according to minister Wilczek, "Poland is now paying what appears to be the highest rate of interest on capital in the world"—9% on long-term hard currency deposits. According to Rakowski's deputy prime minister, Ireneusz Sekula, "Polish enterprises have one basic and major task: to make money." Other ministers were promising a stock market, a bond market, a capital market, auctions of hard currency, and treasury bills.

Poland was already proceeding under the draconian "structural adjustment" dictates of the International Monetary Fund (IMF) and the World Bank, which were demanding that the standard of living be lowered by about 12% immediately. The reform communists began to shut down non-profitable state firms, and fire their "redundant" employees. The magic of the marketplace was introduced for foodstuffs in the last days of Rakowski, on Aug. 1, with all price controls and most subsidies removed. Franciszek Gaik, minister and head of the Central Planning Office, said that his "planning is rooted in moving from material planning to integrated long-term financial material plans; . . . We believe that focusing exclusively on the material side of the plan makes no sense. We should aim at a purely financial nature of plans in such a short time span."

In short, the Rakowski "reform communist" regime was already going monetarist with a vengeance, with predictable social explosions looming. In August, Gorbachov and KGB chief Vladimir Kryuchkov forced Solidarnosc ministers to assume the government virtually at gunpoint, against the advice of Lech Walesa and his Catholic associates. Tragically, once the Solidarnosc ministers had taken over their portfolios, they had nothing to offer in terms of economic policy except more of the same—the continuation of the Rakowski

reform communist monetarist line.

In mid-October, Solidarnosc unveiled a deflationary economic program calling for free market mechanisms, sales of state property, elimination of food subsidies, a credit crunch for industry, shutting down part of the state sector, holding down wage increases, an income tax, a value added tax, and currency, capital, and stock markets. Solidarnosc Finance Minister Balcerowicz, described as a free trader, is predicting 10-20% unemployment and an industrial recession for at least one year.

It might be argued that hyperinflation would be occurring now in Poland no matter what the policies of the Solidarnosc coalition government were. There is much truth in this. But the political damage is done when the Solidarnosc ministers defend the austerity measures, and assume full political responsibility for them, letting the Communists and the Russians off the hook.

What kind of a movement comes to power to implement this kind of a program? Of Solidarnosc much could be said, starting with the fact that it is not a movement united around a coherent world-outlook, but rather a grab-bag of heterogeneous factions united by various shadings of opposition to the Communist regime. Solidarnosc has Christian Democrats, of the De Gasperi or Adenauer variety, and Roman Catholic clergy continue to play an important role, despite the numerous assassinations of priests carried out by Gen. Czeslaw Kiszczak's Interior Ministry. Then there are social democrats, free-market liberals, freemasons, Trotskyists, anarcho-syndicalists, and crypto-communists, many of whom joined when the exercise of power was imminent. The influence of the Socialist International and of the U.S. AFL-CIO has been strong in making Solidarnosc what it is: The CIA, acting together with Willy Brandt and Lane Kirkland networks, has done everything in its power to wreck the Roman Catholic pro-natural law faction, especially by funding the latter's rivals. The Anti-Defamation League and Edgar Bronfman have contributed the past summer's Auschwitz affair, which was engineered to isolate Cardinal Jozef Glemp, the Roman Catholic Primate of Poland.

Given these institutional forces, and with a little help

from the International Institute for Applied Systems Analysis (IIASA) in Laxenberg, Austria, the economic line of Solidarnosc is coherent with the demands of the IMF and World Bank. But the biggest embarrassment for Solidarnosc has been Harvard economics professor Jeffrey Sachs. Sachs has attached himself to Solidarnosc like the proverbial capitalist leech, claiming to be its leading economic adviser, with eight visits to Warsaw since last April.

Sachs is a Yuppie version of Hjalmar Schacht, Hitler's economics minister. His program is a savage monstrosity that will fail in every respect, except perhaps in reviving some nostalgia for the Nazi SS, whose depredations will seem pale by comparison.

U.S. abrogates its responsibility

Part of the desperation of Solidarnosc is the refusal of the United States, the world's largest debtor nation, to provide meaningful aid. When Bush went to Poland, he promised a miserable \$100 million in aid, just \$2.50 per head for 40 million Polish citizens. Of that, only \$10 million was actually in last year's budget. The Congress wanted to increase that figure by four to five times, so on Oct. 4, Bush agreed to provide an additional \$100 million for agriculture and \$100 million for the private sector, but only if IMF conditionalities are strictly observed. U.S. emergency food aid as of Sept. 14 was set at a pathetic \$100 million, just \$2.50 worth of food for each Pole.

Instead, the Bush administration has been prodigal with advice. Walter Mondale was sent to explain democracy, as was Sen. Bob Dole (R-Kans.). Secretary of Agriculture Clayton Yeutter, an agent of the grain cartel, union-busting Secretary of Labor Elizabeth M. Dole, leveraged buyout corsair and Secretary of Commerce Robert Mosbacher, and LBO ideologue Michael Boskin of Bush's Council of Economic Advisers will now be sent over, along with Lane Kirkland of the AFL-CIO and several academics. That was the centerpiece of Bush's Rose Garden extravaganza for Polish-American Day. If the Poles want lessons in fast-buck speculation, financial parasitism, and political hucksterism, they will be getting the right team.

The principal economic policymaker of Solidarnosc, Prof. Witold Trzeciakowski, had hoped for something better from the United States. He had asked for an aid package of \$10 billion, later scaled down to bank branches with \$10 billion in deposits to furnish credit. Finance Minister Balcerowicz has now scaled that down even further to a stabilization fund of \$1 billion from all Western governments.

I had the occasion of meeting Professor Trzeciakowski in Warsaw back in April of 1983. We talked in his office at the Polish Academy of Sciences, before which there stands a statue of Copernicus. Trzeciakowski listened politely for more than an hour while I presented an outline of the LaRouche-Riemann economic method, and offered some prognostications for the Western world that clearly struck

him as pessimistic. Later, he kindly offered me a ride across early springtime Warsaw in his small Polski FIAT. Professor Trzeciakowski is a Polish patriot, as reflected in his bitter disappointment in the failure of socialism and his remarks that the Soviets had deprived Poland of its army, its national economy, and much of its wealth, including by such stratagems as raising the price for Soviet petroleum deliveries. He asked me if I had been in contact with the IIASA, about which I offered a very negative opinion. Trzeciakowski's views seemed to have been formed during the heyday of the illusions around Thatcher-Reagan economics, and would thus appear increasingly dated as the Thatcher-Reagan policies were revealed as bankrupt.

Shock fronts through economy

The effect Communist-Solidarnosc reforms has been to unleash a series of shock fronts through the Polish economy, especially in terms of inflation and shortages. Inflation during 1988 was estimated by the Mieczyslaw Rakowski government as about 70%, but it has now risen to over 40-45% per month and, in the opinion of visiting former French President Valéry Giscard d'Estaing, is now in danger of reaching 1,000% for all of 1989. Many Poles earn between \$30 and \$50 per month.

The first shock wave came right after food prices were decontrolled by the Rakowski regime on Aug. 1. This is a step that reform Communists have always been reluctant to take on their own responsibility. In August-September of 1988, the Communist Chinese regime led by Deng Xiaoping turned back from this precipice, rejecting the demands of Zhao Ziyang for "price reform." During his first few years in office, Gorbachov and his lunatic "economists," Viktor Abalkin and Abel Aganbegyan, talked about decontrolling the prices of bread and other staples. Those radical price increases and related marketization measures, according to the latest word from Abalkin, have been postponed until the start of the next Five-Year Plan in 1991.

But Rakowski, knowing he was about to cede power to a non-Communist political formation, made the fateful step. A shock front began to propagate through the Polish economy. By mid-August, widespread panic was reported among consumers. By mid-September, the price of milk had risen by 1000%, the price of beef by 800%, and the price of sugar by 40%. Also in mid-September, the price of diesel fuel, one of the key energy inputs into Polish agriculture, was up by 60%. This price hike was immediately condemned by the Union of Farmers' Circles and Organizations, which said it had not been consulted. At about the same time, liquor prices went up by 120% and cheap vodka by 100%. In mid-October, tobacco prices went up 65%.

A second shock wave seems to have appeared during the first days of October, with the implementation of further price increases on the order of about 500% in the dairy sector. These came as all remaining food subsidies were abolished.

These brought the price of butter up to a 900% increase over the Aug. 1 price level. On the single day of Oct. 2, the prices of milk and other dairy products went up 70% in Wroclaw. According to *Gazeta Wyborcza*, the Solidarnosc paper, of Oct 1., "prices have gone crazy." On the same day, it was reported that the price of bread in Warsaw had jumped for the fifth time, in this case by 20%. On Oct. 3, Giscard told *Le Figaro* that he had seen an "economic earthquake" in Poland.

Farmers, already reeling under the impact of higher fuel prices, are now experiencing shortages of fertilizers and animal fodder. In mid-October, Ursus announced price increases on its tractors.

A third shock front seems to have hit during the last days of October in the fuel and heating area. On Oct. 30 the government announced that coal subsidies were being cut. Previously, the government had kept the domestic price of coal at 60 to 70% below the \$45 per ton commanded by Polish coal on the international market. The domestic price would now levitate sharply upward. In addition, the cost of electricity was raised by 150%, natural gas by 100%, and heat and hot water by 50%.

An eloquent apostle of austerity is Trotskyist Jacek Kuron, now the labor minister. Kuron now gives a nightly fireside chat on television, urging the population to stand firm in the face of privation. Food stamps, which have been introduced in an attempt to cushion the impact of the galloping price increases on the poorest Poles, have been dubbed *kuronki* by the Poles. After a visit from an IMF representative, Kuron ranted that "the most urgent issue of today is to balance the budget and that we must cut the real wages in the first place, since no one in the world has so far managed to curb inflation without cutting real wages." That may be what the IMF and Comrade Trotsky preach, since both of these agree on the need for primitive accumulation, but the real world looks different. The physical phenomenon of inflation has only one cause: insufficient production. It has only one cure: to increase production, and cutting real wages is no way to go about increasing the productivity of a labor force.

The Polish currency, the zloty was quoted six years ago, in September 1983, at about 95 to one U.S. dollar. By Aug. 19 the dollar was trading at 7000 zlotys, and since then the Polish currency has been subjected to three devaluations amounting to about 40%, including a 20% devaluation on Sept. 29 and a 12.6% devaluation at the end of October.

The volume of sold production in the state sector declined by some 6.7%, according to government reports. Coal production, in particular, is expected to be down 1.5 million tons in the fourth quarter of this year, compared with the fourth quarter of 1988. It is estimated that Poland may experience an electricity shortfall of 3,000 megawatts, the equivalent of 15% of the capacity presently on line. Brownouts and blackouts will be unavoidable.

Solidarnosc forced to take responsibility

It is clear that, after the period of the roundtable talks, Solidarnosc was forced to assume the responsibility for government ministries under orders from Gorbachov and his thug enforcer, Kryuchkov, who visited Warsaw during the formation of the Tadeusz Mazowiecki government.

The most lucid observer of these matters has been Lech Walesa himself, who resisted Solidarnosc's participation in a coalition government in the first place, and then loyally shouldered the task of convincing workers to end their strikes and support the new government. He has repeatedly called on the entire Western world, and especially on such countries as the Federal Republic of Germany (which he visited) and the U.S.A. to meet their responsibilities in aiding Poland. At the same time, he has warned against the "evil aspects of capitalism," which should not be imitated by Poland. Walesa has described Poland as being "on the brink of an economic catastrophe," and has singled out foreign debt payments as one all-important factor. On Aug. 27, Walesa noted that "Poland's situation is dramatic; the Poles have only a half-year, maybe a year, to solve their economic problems." On Oct. 5, Walesa told a press conference: "Society is furious and fed up. People curse Mazowiecki and Walesa because they do not understand what is going on. I repeat once more that Poland is threatened with civil war, like the whole bloc."

As for the Communists, they are preparing their counter-attack. In an Oct. 20 statement, the Communist OPZZ trade union leadership began posing as the true defenders of the living standards of the working masses: "It is not enough to appeal for easing the hard life of the jobless and the poorest through charity aid, which offends dignity. Healing our economy will not be successful if it is introduced against society and without its acceptance." Some days later, a Radio Moscow commentary picked up a similar threatening note: "The honeymoon is over in Poland between the Solidarnosc government and the [Communist party] Polish United Workers Party. . . . The party's Politburo is particularly set against attempts by the government to eliminate state property . . . and the Warsaw party committee has charged that the poorest people are bearing the brunt of the crisis. Many people see Solidarnosc as engaged in the restoration of capitalism."

With the Communists still in firm control of the defense and interior ministries, plus transport and foreign trade, and with all government bureaucracies staffed by dyed-in-the-wool Communist appointees, the arbiter of the situation appears to be Gen. Wojciech Jaruzelski, the President of Poland and former Communist Party boss. From this point of view, everything is ready for a bloody crackdown, far surpassing the imposition of martial law in December 1981.

When might such a crackdown come? This depends on events which are unforeseeable. But it is certain that this is what the hard-line Communists are contemplating. In the spring of 1983, in Warsaw, I had occasion to pay a visiting journalist's courtesy call on the Communist press relations

official Konopacki, who at that time was the deputy to Jerzy Urban, the spokesman for the martial law regime. Konopacki described his principal job as monitoring the psychological mood of key circles and strata of society in the Polish capital. Konopacki described the Poles as emotional and unpredictable, tending usually—but not always—towards depression in the winter, and toward outbreaks of euphoria or rebellion in the springtime and warmer weather. Konopacki added that the most dangerous time of year was the second half of April, when spring could burst upon the capital with the most unpredictable political consequences.

A chance for Poland

A rational recovery program for Poland would include a commitment by the government to provide infrastructure, and to provide cheap credit for agriculture, industry, mining, construction, energy production, scientific research, and other strictly defined productive activity—not for speculation or financial services. The economy must be seen in strictly physical terms, in terms of market baskets of producer goods and consumer goods needed to reach an overall level of productivity of labor. Poland needs immediate freezing of all foreign debt payments, followed by the opening of long-term lines of credit for the purchase of capital goods abroad. The priorities for those capital goods must be determined according to the bottlenecks of Polish production, with a view to increasing productivity of labor. Poland will run a foreign trade deficit for many years, and balancing imports and exports cannot be a policy goal for the foreseeable future. Bank branches set up by Western banks make sense if they are staffed by real bankers, capable of judging the viability of development projects. Because of the world economic crisis, swaps and barter deals for key commodities with other countries should be set up, all outside IMF surveillance.

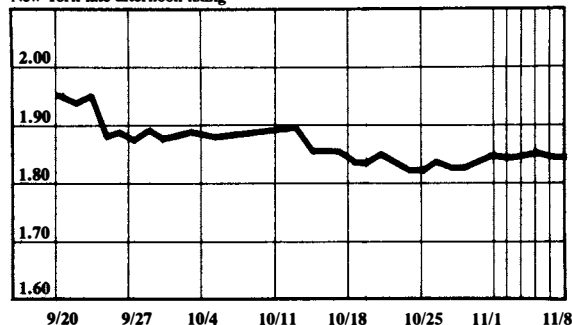
The last chance for aid to Poland that might head off a tragedy of world-historical proportions would seem to be around the middle of November. Mazowiecki, visiting Pope John Paul II in Rome, stressed that Poland needs emergency aid, and that, in order to be meaningful, that aid will have to begin arriving by the middle of November at the latest. Mid-November is the time when Lech Walesa will be visiting the United States, the time when a direct appeal to the American people and to the Congress, going over the head of the Bush administration, might produce results *in extremis*. Mid-November is also when the German federal chancellor, Helmut Kohl, visited Warsaw. He will return Nov. 11 and will sign a 3 billion deutschemark government-backed credit line on Nov. 14.

Mrs. Helga Zepp-LaRouche has proposed a five-point program to save Poland (see page 6). All persons of good will around the world must now join in an eleventh hour mobilization to make this program a reality.

Currency Rates

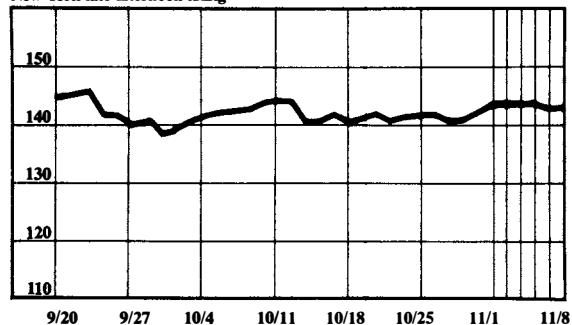
The dollar in deutschemarks

New York late afternoon fixing



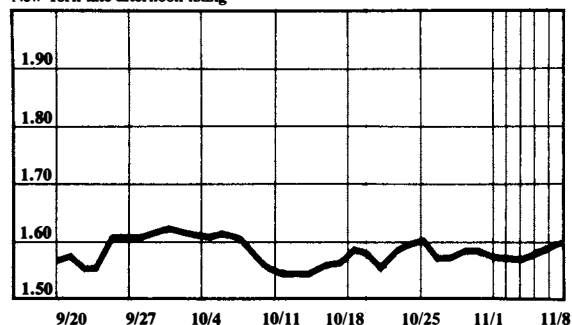
The dollar in yen

New York late afternoon fixing



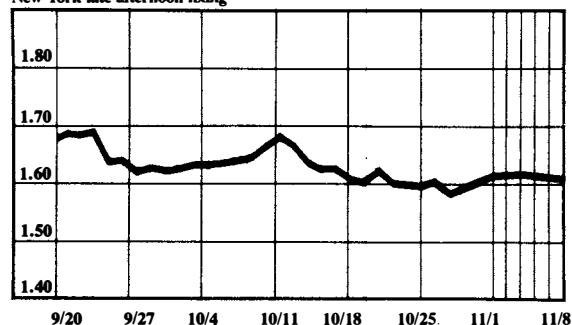
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Poland needs the 'Italian Model'

by Aleksandr Minak

We are pleased to print the following guest commentary submitted to us from Milan, Italy. It has been translated from the Italian original by the editors of EIR.

In its risky, precarious flight from the "socialist" economic system, Poland risks becoming ensnared in no better a condition: that of a tributary to transnational financial capitalism.

International usury already has in hand, the end of the solid rope by which Poland is bound. The country has a debt contracted with the foreign banks (mostly American) which is estimated at \$37 billion. With an economy in disastrous condition, it is obliged to entrust its hopes for economic recovery and a better standard of living to further, future loans of foreign capital, to be invested in productive activities. For this reason—to maintain the confidence of the international banks—it must continue to pay interest on its previous debts.

Moreover, and tragically, Poland (out of inexperience or necessity) has been listening in these months to the "advice" which its usurers are generously serving up to it, masquerading as world experts. These people put the accent on the "need" for Poland to increase its exports; and the new Polish government is asking all those who are helping it, to form mixed companies, part Polish and part foreign, capable of producing sophisticated quality goods such as the world market requires: exportable goods with high valued added, which supply hard currency, to be destined, it is implied, to make interest payments on the debt.

That, manifestly, is in the creditors' interests. It is no accident that the Rockefeller family (Chase Manhattan Bank, one of the biggest creditor banks) created, for example, an institute to provide managerial assistance to Polish agriculture, one of the few sectors in which the country seems capable of producing exportable goods. Further, the transnational "advisers" identify the "competitive advantage" of Poland in the low cost of its manpower: Fiat, for example, envisages building automobiles in Poland, from parts that are made abroad. It is no surprise that the advisers applaud

the speedy "integration" of the country into the "free world market," that they wish for a de facto integration of Poland and Hungary into the European Market, that they recommend resisting any "protectionist temptation," and that they suggest aiming at "interdependence." All of this corresponds point for point with the interests of those whom the Trilateral Commission Report (*The Crisis of International Cooperation*, New York, 1974) defined as "the international production of multinational integrated companies." In fact, "one-fifth of the industrial product of the countries with market economies is today controlled by corporations which plan their investments, their use of productive capacity, their sales policy, etc., on a transnational basis" (*ibid.*), "taking the raw materials in one group of countries, transforming them into salable goods with the workforce of other countries, and selling these to a third group of countries," to use the words of George Ball, founding member of the Trilateral and director of Lehman Brothers (ex-Kuhn Loeb) and all this, "according to the criterion of profit, the objective measure of efficiency."

From this perspective arises the "advice" of keeping the borders open to free trade. "The borders of national states are too narrow for the goals and activities of the modern corporation," George Ball goes on. But what is the right solution for Poland? The country already suffers, because of the miserable status of the national currency, accompanied by a de facto liberalization of currency regulations, from an acute dollarization of its economy.

The 'nouveaux riches' in Poland

Within the misery of Poland, a new class of rich people is prospering, speculators in commodities, and foreign currencies on the (tolerated) black market. It is feared that in repressing this class (but by what means, given that the present government cannot command the police, which remains in the hands of the party?) one would suffocate a future entrepreneurial class. The scarcity of business skills is all too real, and here is the Polish risk and illusion. On the one hand, an outside observer doubts that the new rich, with their pockets full of speculative dollars, might be turned into the missing business class: It is more likely that they are the core of a semi-criminal, parasitic class, similar to those that pervert the South American economies, which not accidentally are similarly dependent on foreign debt and on usurers' "advice." But the solution does not appear to be that of asking for a "loan" from the managers of the big international corporations, to obviate the penury of local managers. The IBM or Chase or Ford or Nabisco managers are essentially *financial specialists*, concerned with showing quarterly profits and thus keeping the interest of investors in the big world stock markets in the stocks of their corporations alive. Poland has no stock market (nor does it need one in this phase, never mind certain "advice") and it does have *needs*.

The contrast is, in fact, between a "sophisticated" econo-

my of financial manipulation, and a *concrete* economy of needs. A healthy Polish neo-entrepreneurial class must arise from the realization that the Polish people have “needs,” and must aim at satisfying such needs for consumer goods and food. These are extraordinarily evident needs, given the poverty of the country; there is no commodity, however humble, that cannot count on the demand of the domestic market. It is the demand of the domestic market that must be heeded. To produce above all for the internal market (and not for export) means to move toward the solution of many of the real problems of Poland’s economy: to improve the standard of living, create jobs, train an incipient business class which one hopes tomorrow will be capable of competing on vaster markets.

But naturally in this first phase, “free marketism,” the “opening of the borders” to foreign commodities is ruinous. The national production of goods, industry, and agriculture are too weak to compete with foreign goods. To keep the borders open means to keep Poland open to looting by the multinationals, for whom the only thing appetizing about Poland is its low-cost labor, and to open a potential “market” for Coca Cola, Sony televisions, and Nabisco crackers. The opening of the borders implies, for sure, the colonialist perpetuation of a condition of weakness and dependency, of which the clearest examples are Peru and Colombia.

On the contrary, despite the “mythology” spread by the multinationals’ economists, the countries that have shown the most prodigious development—Japan and Korea—owe their development to *protectionism*, which is still enforced there despite international “advice” and “pressures.” Even Western Europe owes its prosperity to a relative protectionism, adopted after World War II, and still partly in effect.

Behind the customs and protectionist barriers, in fact, Japan developed a national industry that *first* satisfied domestic needs, and only *afterwards*—as the result of its development and its growing sophistication, the result in turn of an experience acquired over time—did it dedicate itself to export. Few know that seven out of ten Japanese industries work even today *only* for the domestic market, and that the basic farm products (such as rice) have triple the price on the domestic market as they do on the world market. For Japan there never was a sudden passage from the ruins of war to the worldwide sale of electronic circuits and computers; much less will there be for Poland, a leap from backwardness to the capacity to compete on the world markets.

What Poland must demand

Like nature, the economy does not make leaps. Every economic rebirth must begin first of all with agriculture, the sector that satisfies the primary needs *even of capital*; and the enrichment of the farmers (in any case a relative enrichment) is what provides the first accumulation of national capital,

the first nest-egg which makes the need to depend on foreign capital less urgent. Also on the debt issue Japan should be cited: The state went into debt but with its own citizens, *in their own currency*, not in dollars (the United States today, on the contrary, is the biggest world debtor vis-à-vis Japan, as a result of the anti-protectionist philosophies prevailing there.) The farmers are also the first “natural” businessmen. The example of Italy in the 1950s shows that it is the rural class that undertakes the passage to industry, often via the manufacture of modest products worked up in the home, with simple machines. The aim should be the creation of a fabric of small businesses, not the attraction of the multinationals’ assembly plants.

What Poland should therefore demand from its international interlocutors is precisely the opposite of that which they are “advising”: in the first place, a *suspension* of the already accumulated debt, such that the foreign currency earned with exports may remain in the country and serve national investments, rather than go to fatten foreign creditors; in the second place (but not in order of importance), to obtain the consensus to keep a *margin of protectionism*, to develop, under the shield of customs duties, one’s own economy suited to satisfy internal needs, even if at higher costs than those of the world markets. In the third place, to seek forms of international aid to safeguard its own currency; such that, while undervalued abroad (which facilitates exports) it nonetheless earns the confidence of Poles internally. These are exigencies that a small country will find it hard to impose, given the power of its interlocutors, usurers, and “advisers”: Such exigencies, moreover, contrast sharply with the greed and the designs that the speculators nourish in regard to the East undergoing “liberalization”; the multinationals see the East as a market for their products, while it ought to be the opposite: The wealthy West should be a market for the underdeveloped East.

The principal problem however—in the opinion of this writer—lies in Poland’s apparent incapacity to formulate the right demands in its own national interest. As we are seeing, Poland is formulating the demands suggested to it *by others*, in *their own interest*.

The positive opportunity rather comes from the fact that Poland today can represent a “model” even for the U.S.S.R., which is surely watching the Warsaw experiment with suspicion but also with attention. The Soviet ruling class, too, suffers from the same inexperience, the same incapacity to discriminate between one and another “capitalist” project. The example of Poland—a Poland that makes “the right demands”—can help Russia to follow the same path, rather than the one “suggested” by the advisers they have in common. And the U.S.S.R. can pose the same questions with a completely different political weight. Paradoxically, a Soviet Union with clear ideas about its Western interlocutors can be a precious ally in the economic negotiations which Poland is conducting.

Thrifts riding into the sunset

Despite the much-touted 'bailout,' U.S. savings and loan institutions are dying.

The nation's thrifts continued their free-fall into oblivion in the third quarter. The Office of Thrift Supervision, the new entity created to regulate the thrift industry, revealed on Nov. 6 that 800 savings and loan institutions—nearly one-third of the 2,600 remaining solvent thrifts—currently fail to meet the new capital standards.

The new standards, which take effect Dec. 7, call for a minimum of 3% core capital—including 1.5% in tangible capital—and an additional capital reserve based upon a risk analysis of assets. These 800 thrifts, which hold some 45% of the total \$1.3 trillion in thrift assets, fall short of the capital requirements by about \$20 billion. They will have until Feb. 5 to file plans with the agency that detail how they intend to bring their capital-to-assets ratios up to the required level.

There are two ways thrifts can increase their capital-to-assets ratios. The best way is to increase the amount of equity capital in the thrift, either by putting profits back into the institution, or by attracting additional funds from investors. Since the thrifts are losing money at an alarming rate, there are few profits to reinvest, and investors are hard to find. The second way is for thrifts to reduce assets by selling them off, and by reducing the level of deposits. This self-cannibalization goes by the name "downsizing" and is considered clever in some circles.

The thrift business is, in fact, downsizing just as fast as it can. James

Barth, the chief economist for the OTS, told the annual meeting of the U.S. Savings and Loan League in Chicago Nov. 4-5, that preliminary OTS data shows the thrifts reduced their assets by a record \$15 billion in September. The previous record was for the prior month of August, when assets dropped \$13.4 billion. S&Ls reduced their deposits by \$9 billion in September, on top of a \$5.1 billion drop in August.

Thanks to the fire sale of assets, the thrifts lost just \$2.5 billion in the third quarter, the best figure since the third quarter of 1988—a period of massive government intervention—when they lost "only" \$1.8 billion. Thus, neither quarter's figures reflect the depth of the crisis.

The yearly figures, suffering from the same manipulations, are nonetheless staggering. In 1988, the savings and loans lost \$13.4 billion, and have lost \$9.7 billion through the first nine months of 1989.

While the thrifts continue to lose money, the Resolution Trust Corporation, the new agency charged with liquidating the assets of thrifts closed by the government, has already accumulated \$94 billion dollars of assets—of which \$16 billion is foreclosed real estate—from 273 failed thrifts. Those figures are certain to jump dramatically.

The RTC has a major problem on its hands, since in an environment where everyone is selling, it is difficult to find buyers. The RTC won't be able to move these assets unless it sells

them at rock-bottom prices, but doing so would collapse their market value—especially the real estate. Such action would prevent many still-solvent thrifts from selling sufficient assets to meet the new capital requirements, and thus they ultimately face going under themselves.

The solution the RTC is favoring, is to borrow another \$50-100 billion in capital—on top of the \$50 billion already authorized by Congress for the first three years—to allow the agency to hold on to the assets long enough to sell them at a reasonable price. RTC chairman William Seidman told the House Ways and Means Committee on Oct. 31 that those additional funds would be needed, and that his agency has identified an additional 223 troubled thrifts—with assets of \$164 billion—that would likely be closed during the next three years.

Just like the Federal Home Loan Bank Board's much-touted "Southwest Plan," the new bailout is doomed to failure because it completely ignores the reasons for the thrift industry collapse in the first place.

Thus far, the Bush administration has responded with a series of increasingly bizarre and unworkable schemes. In October, a Resolution Trust Corporation delegation was dispatched to Japan, to try to convince the Japanese to buy RTC bonds. Seidman, in his congressional testimony, floated the idea that the administration might create a "resolution bank" to securitize the foreclosed thrift assets and sell them on the securities markets, or to issue junk bonds using those assets as collateral.

But without a change in policy, another bailout is inevitable. As Allan Bortel, a thrift analyst with Shearson Lehman Hutton, said recently, "All of this is simply laying the groundwork for Bailout Bill II. The first one was just the down payment."

Milk shortage becomes official

Supplies are so scarce, that the 'fresh milk' you buy in New Jersey may have come all the way from the West Coast.

This past spring, *EIR* forecast that by the fall, U.S. milk shortages would show up dramatically. It didn't take a crystal ball: Fluid milk needs increase when schools reopen in September, and at the same time, the policy of the U.S. Department of Agriculture has been to depress national milk output by keeping farm milk prices at only 50% of parity (parity is a fair return level), and therefore to force farmers and dairy herds alike go out of existence.

As if that weren't enough, milk shortages were guaranteed by the USDA "Dairy Herd Termination" program of the mid-1980s, which induced farmers to take a government fee in exchange for eliminating their herds, and pledging to avoid dairy farming for at least five years. One and a half million milk cows were eliminated—over 10% of the national milk herd.

At first, in September, the reporting of milk shortages was strictly in the local news media, in accordance with the code in Washington, D.C. to continue the "rosy recovery" myth. With very few exceptions, such as parts of Texas and California, milk shortages were reported locally everywhere from Iowa to New Jersey.

Farmers reported incredible long-distance hauls of milk to fill unmet urban demands. Milk came from Washington State all the way to New Jersey (Johanna Farms) for processing as "fresh" milk.

Finally, in the first week in November, the national press reported the months-old "news" of the milk shortages. The Nov. 5 *New York Times* carried an article headlined,

"Record Milk Prices Are Expected to Rise Further; The Northeast Is 'Dealing with a Critical Shortage.'" The Nov. 7 *Wall Street Journal* headlined, "Milk Shortage Has Broad Implications, Boosting Prices for Variety of Products."

The scramble is on by food-processing firms to obtain milk products of all types, milk powder, cheese, evaporated, as well as fluid milk. According to the Bureau of Labor Statistics, the September consumer price index for dairy products jumped a whopping 6.6% from the same time period a year earlier.

National milk output is down over 2% from a year ago, when levels were already depressed by the drought.

The entire food supply pipeline in the United States is undergoing the same emptying-out process. The food isn't there as it should be—vegetables, fruits, meats.

However, the fluid milk supply is a dramatic indicator of the overall national—and international—food pipeline crisis, because milk is so perishable. When it isn't available, there is no stock to draw upon for "fresh milk."

The stocks of stored dairy products are gone. Whole nations—the Dominican Republic, Jamaica, and many Asian countries—which relied on milk powder to add animal protein for nutrition in the diet, now can obtain none. The international price has gone through the roof.

The USDA cannot obtain any powder in its own storage or on the open market for its food relief assistance to such organizations as the Women's, Infants' and Childrens' Program. For the past two months, no

food brokers have even bid on supplying government contracts for milk powder, because there isn't any to be had.

In August, the USDA announced it would no longer give free cheese to school lunch programs, because the USDA "cupboard is bare."

Enter the speculators. In Western Europe, formerly the home of the reputed "butter mountain," there are no "surplus" dairy commodities. In spring of 1988, whatever reserves were in the European Community pipeline were bought up by a consortium of "mystery" buyers, which everyone knows to be the international food cartel companies such as Nestlé, Unilever, and a few others.

In the United States, the Bronfman (Seagrams) family interests, through the Canadian LaBatts Brewery, have bought up so many dairy processing plants in the Northeast, that they control over 50% of the fluid milk sales in the Philadelphia and New York City markets.

In September, Eli Jacobs, principal shareholder in the Baltimore Orioles, moved to become a Midwest milk baron, by acquiring the Pace dairy processing facilities of the Kroger food chain. Pace plants manufacture cheese and package natural cheese.

All the while, the USDA and the Department of Justice are doing nothing to expand and safeguard the national milk supply, nor the supply of other vital commodities. The USDA is projecting that milk output will increase next spring, and that prices to the consumers will drop dramatically. There is no reasoning offered for this government view.

The Department of Justice has refused to take any anti-trust action in the case of the Bronfmans, who are now skimming millions off the farmer and consumer.

Business Briefs

Gold

Japan-U.S. accord seeks to stabilize prices

A tacit accord between Japan and the United States to raise world gold prices in order to help stabilize Soviet *perestroika* has been reached, according to West European gold analysts.

The secret agreement involving the U.S. Federal Reserve, Japan's Ministry of Finance, and large insurance companies is to force the world price of gold significantly higher in coming months in order to indirectly help Soviet hard currency earnings for imports and to help stabilize *perestroika* without having to offer new bank credits to Moscow.

Best estimates are that a gold price of \$450 will be the minimum needed to help Soviet needs. The gold price has been hovering at a recent two-year low of some \$360 per ounce, largely because of extraordinary amounts of Soviet sales to the West to get hard currency.

The Japanese Ministry of Finance has reportedly already begun to implement the new policy by revising the rule which limits the amount of assets large Japanese reinsurance companies are allowed to hold in gold, from the current 1% level up to 3%. Based on their current asset valuation, this shift alone would allow the Japanese reinsurance companies to purchase some 25% of total world annual supply. Sources also point to the Sept. 4 speech by Federal Reserve Board member Wayne Angell to the U.S.A.-Canada Institute in Moscow, in which he spoke of a commodity "anchor" to prepare ruble convertibility by linking the value to gold, among other commodities.

Asia

World Bank lauds China anti-inflation measures

Peter Harrold, senior economist of the World Bank resident mission in the People's Republic of China, is quoted by Chinese news service Xinhua Oct. 16, saying that this bank congratulates China for taking "drastic measures" to solve the inflation problem.

Speaking at a seminar on world develop-

ment in Beijing, Harrold said, "China can be justly proud of its use of interest rate policies to solve the banking crisis that was developing last year at the time of the bank runs of August and early September. The problem is not to let those drastic measures which were taken in the short run interrupt the long-run economic reform."

Harrold suggested the Communist Chinese government intensify economic reforms as inflation is falling "very rapidly." He warned, "The tighter austerity program could generate economic recession." He added, "Now is the time that the government could be very serious in deepening reform to prevent inflation that could come back again."

Nuclear Energy

Pakistan calls for expanded cooperation

Pakistan has called for a North-South and South-South cooperation program to bring the benefits of nuclear energy to developing nations.

Munir Ahmed Khan, chairman of the Pakistan Atomic Energy Commission, said on Oct. 21 that the wider use of nuclear energy would be a great help in checking environmental pollution. He said that nuclear power provided the only source of clean, safe, competitive and inexhaustible energy for developing countries, and that to deny them nuclear power in the name of non-proliferation and force them to use fossil fuel was to invite ecological disaster. He said the proposal for a nuclear cooperation program should not be rejected because it came from a Third World country.

Debt

U.S. bishops ask relief for Third World

U.S. Catholic Bishops called the burden of the Third World debt "economically unsound, politically dangerous, and ethically unacceptable," in a report issued by the U.S. Catholic

Conference, the official organ of the American Catholic bishops.

The report questions whether the Third World debt should be repaid, given the human suffering it engenders. "Is it merely a rhetorical question to ask how many infants and children die every day in Africa because resources are now being swallowed up in debt repayment?" the document asks. While saying there is generally a moral presumption that debts should be repaid, the bishops add, "we believe that in many instances the presumptive obligation to repay should be overridden or modified because of the social costs imposed on the poor."

The bishops grounded their analysis on the theme of "solidarity" emphasized by Pope John Paul II. The debt crisis, they say, is not simply a technical problem, "but a failure to [practice] solidarity."

Trade

Soviet raw materials exports dropping

The Soviet Union aims to freeze raw materials exports at 1985 levels and double exports of manufactured and processed goods by the year 2000, Ivan Ivanov, deputy head of the Soviet Foreign Economic Commission said Nov. 4, according to Reuters.

Ivanov was speaking at the end of a two-day conference on how to improve the performance of Soviet exports. "By the turn of the century, half of Soviet exports must be processed goods . . . the current level is between 25 and 30%," he said. Igor Faminsky of the Foreign Economic Commission added that this target is "a complex difficult matter. One of the reasons we're not exporting goods is because they're of low competitive quality."

European oil traders also report that Soviet exports of heating oil to Rotterdam and other European cities have dropped by roughly 30% since August. Soviet exports of heating oil, normally averaging 230,000 barrels per day, have dropped by at least 30% on average in the past three months, and perhaps by as much as 50%. Coal strikes and infrastructure breakdowns inside Russia are believed to be the reasons for the declines.

Briefly

Black Economy

Center for money laundering is the U.S.

"The U.S. [has] the dubious distinction as the international center for money laundering," the *Chicago Tribune* reported on Nov. 5 in a front-page article. New laws and increasing pressure on traditional hot money havens "have radically shifted the trail of the laundering of profits from the \$100 billion narcotics trade in the U.S."

U.S. Attorney for Connecticut Stanley Twardy told the *Tribune*, "Traffickers prefer the stability of the U.S. and the safety of our banks. They know the authorities are inundated by the [currency transaction] reports so they have become bolder."

A Senate investigator said, "The government has allowed itself to be swamped by not hiring the people it needs to do audits. We have been told by insiders that the IRS [Internal Revenue Service] has assigned 50% of its auditors to reviewing" the reports that banks must submit on transactions over \$10,000.

The associate general counsel for Citibank claimed Citibank "willingly" assists in investigations of drug money, but complained, "We have been served in the United States with subpoenas, freeze orders and other legal processes issued by U.S. courts exercising some form of control over assets of our customers held by Citicorp entities outside of the U.S."

Environment

Studies refute ozone depletion hoax

Frederick Hallett, vice president of White Consolidated Industries, writes that the scientific evidence shows that the levels of ultraviolet radiation reaching the United States have decreased dramatically, in a letter to the editor of the Nov. 3 *Wall Street Journal*. Why therefore, he asks, is there all the hullabaloo about increased cancer because chlorofluorocarbons are supposedly depleting the ozone layer?

"There are studies by Norwegians, Rus-

sians, and the Max Planck Institute that show either unchanging or declining UV-B at the surface," Hallett said. "This calls into question the validity of the Rowland-Molina theory and hence the whole CFC replacement effort. This, in turn, threatens the massive vested interests" of the environmentalists."

Hallett said his questions on this with environmental groups "were greeted with derision. . . . When I expressed amazement that no one was undertaking a more current and credible UV-B study, I was urged to get back to the agenda topic, which was, ironically, a schedule for getting rid of HCFCs, the so-called soft CFCs that are such an important part of the CFC substitution scenario. . . . To my knowledge, no government entities, including the Environmental Protection Agency, are pursuing UV-B measurements. The topic never comes up in ozone-depletion 'establishment' meetings, of which I have attended many. It seems to me that such measurements are a vital part of any intellectually honest evaluation of the threat posed by CFCs."

Oil

U.S. crude in largest decline since 1970s

The Independent Petroleum Association of America (IPAA) forecasted the largest decline in crude oil production for 1990 since the 1970s, in a news release of Oct. 29.

The IPAA said its Supply and Demand Committee projected U.S. crude oil production to decline by 329,000 barrels per day (bpd) to 7.4 million bpd, in 1990, while imports are projected to rise more than 10%. The IPAA forecasts an import level of 8.1 million bpd for next year, comprising 46% of domestic supply.

The IPAA noted that U.S. crude oil production in 1989 has already declined 460,000 bpd, as compared to 1988.

The IPAA release also stated that "Nuclear generation of electricity is expected to decline in 1989, due to a number of unscheduled shutdowns and a slowdown in new capacity additions."

● **INSURANCE COMPANIES** have raised their rates in the wake of Hurricane Hugo, the California earthquake, and the refinery fire in Texas, the *Wall Street Journal* reported Nov. 6. Increases were expected for commercial property insurance and reinsurance, but "several insurers are raising all commercial rates," the *Journal* said.

● **A NATURAL GAS** agreement whereby Iran will supply gas to the Soviet Transcaucasus republics has been signed between the Soviet Union and Iran during a visit of Soviet Minister of Foreign Economic Relations Katushev to Teheran, according to Radio Moscow Nov. 1.

● **FRANCE AND GERMANY** will intensify cooperation in the energy sector, including protecting industries of both countries against a new oil crisis or cuts in natural gas supplies from the Soviet Union, under agreements signed at the 54th Franco-German consultations in Bonn Nov. 2.

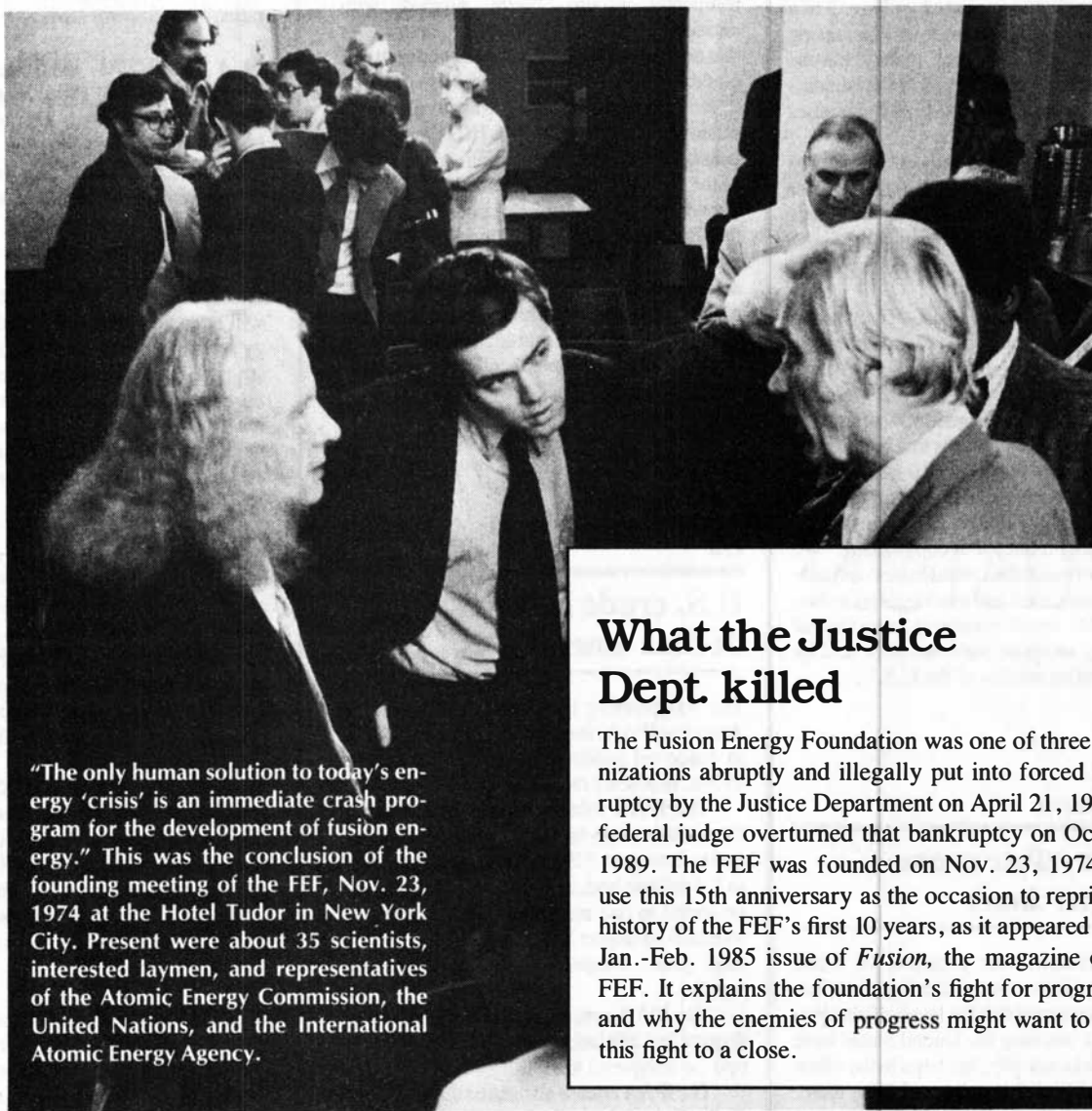
● **3 MILLION SOVIET** workers have lost their jobs since 1986 because of the economic reforms introduced by Mikhail Gorbachov, the Soviet Communist Party daily *Pravda* reported Oct. 31. *Pravda* reported that unemployment will total between 15 and 16 million by 2005.

● **SUGAR SHORTAGES** are growing as world sugar consumption has outpaced production for the fifth consecutive year, the *Wall Street Journal* reported Nov. 6. The most recent forecasts indicate production could lag behind consumption by 1.7 million metric tons this year.

● **HEAVY INDUSTRY** employment fell sharply in October in the U.S., paced by auto manufacturing, which cut 15,000 jobs for a total of 50,000 jobs lost in the auto sector for 1989, according to Labor Department figures.

The Fusion Energy Foundation

10 Years of Fighting for Progress



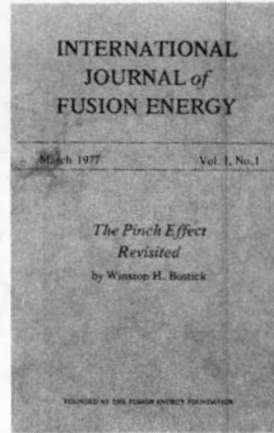
"The only human solution to today's energy 'crisis' is an immediate crash program for the development of fusion energy." This was the conclusion of the founding meeting of the FEF, Nov. 23, 1974 at the Hotel Tudor in New York City. Present were about 35 scientists, interested laymen, and representatives of the Atomic Energy Commission, the United Nations, and the International Atomic Energy Agency.

What the Justice Dept. killed

The Fusion Energy Foundation was one of three organizations abruptly and illegally put into forced bankruptcy by the Justice Department on April 21, 1987. A federal judge overturned that bankruptcy on Oct. 25, 1989. The FEF was founded on Nov. 23, 1974. We use this 15th anniversary as the occasion to reprint the history of the FEF's first 10 years, as it appeared in the Jan.-Feb. 1985 issue of *Fusion*, the magazine of the FEF. It explains the foundation's fight for progress—and why the enemies of progress might want to bring this fight to a close.

Above: Charles B. Stevens (center), FEF director of fusion engineering, at the founding meeting talking informally with Dr. Robert Moon (left) and Dr. Winston Bostick, both members of the initial scientific advisory board.

In early 1975, the FEF began to sponsor conferences promoting fusion energy, nuclear power, and industrial development in major cities around the country, and by spring 1975, a bi-monthly FEF newsletter circulated to a few hundred subscribers. A theoretical journal, the *International Journal of Fusion Energy*, made its debut in March 1977, featuring Winston Bostick's discussion of plasma filaments—the self-ordered structures in fusion plasmas that many scientists said could not exist. Dr. Morris Levitt was the FEF's first executive director.



The Pinch Effect Revisited
 Dr. Winston H. Bostick

The pinch effect is the self-constriction of a column of deformable conductors which is carrying an electric current. The pinching effect on the column is produced by the magnetic field pressure resulting from the current, as well as by the Lorentz force produced by the current flowing in an external magnetic field. This is a 19th-century phenomenon and the pinch effect type of constriction magnetic field is associated with the current flowing in the plasma itself.

In the experiment, the effect of a Lorentz force on a magnetic deformable plasma conductor was observed by William E. Bell, the current laboratory in Stuart, Elizabeth I of England. He noted that a stable filament was deflected away from a magnet when the magnet approached the filament. This effect was later named the pinch effect by the name of the physicist who first reported it in an analysis in a paper published in 1862 for a 19th-century journal. In the experiment, a copper tube which had passed a current of about 100 amperes, the copper tube had been crushed in the middle, and the current had been deflected in the direction of the pinch effect. The current, if it could be sustained, the current pressure had been about 100 psi, and the current had been about 100 amperes. Photographs of the experiment of the crushed filament, which was shown in Figure 1, under a microscope, indicated that the filament was a solid cylinder of diameter 1.5 mm, and the current was about 100 amperes.



FUSION

MAGAZINE OF THE FUSION ENERGY FOUNDATION

Conference on Nonlinearity Launches FEF Biological Sciences Division

\$1.50 July-August 1977

In July-August 1977, the FEF launched *Fusion* as a monthly magazine. The first issue featured presentations from the founding meeting of the FEF biological sciences section at Columbia University in New York, at which 200 biologists, mathematicians, physicists, and engineers discussed the need to take up the achievements of Riemann and Cantor and apply them to biological processes.

The FEF News section in the first issue reported how Energy Secretary James Schlesinger had waged a campaign to intimidate participants at an April 1977 conference on energy and technological development in Pittsburgh. The FEF obtained a temporary restraining order against such harassment, and 120 people attended the conference in a city that President Carter had selected as a model to set the pace for his deindustrialization and conservation policies.



Conference on Nonlinearity Launches FEF Biological Sciences Division

The conference on Nonlinearity, held at Columbia University in New York, was a landmark event in the history of the FEF. It brought together leading scientists from various disciplines to discuss the implications of nonlinear dynamics for biological systems. The conference was organized by the FEF Biological Sciences Division and was a major success for the organization.



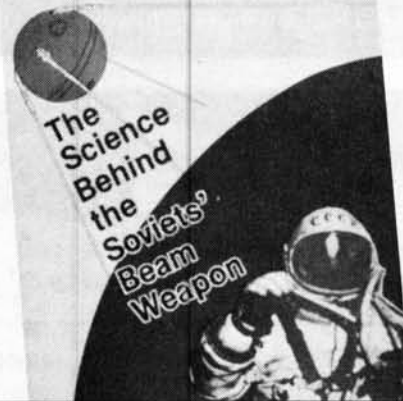
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"So you see Mr. President, there's no such thing as the E-beam."

As early as 1977, the FEF advocated beam defense research. This pamphlet reported on how far in advance the Soviets were in beam research, and a cartoon in *Fusion* suggested one of the reasons that the United States lagged behind.

SPUTNIK OF THE SEVENTIES



A



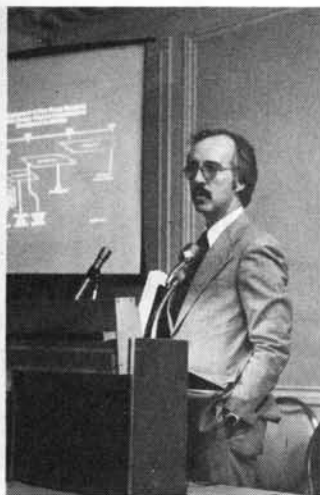
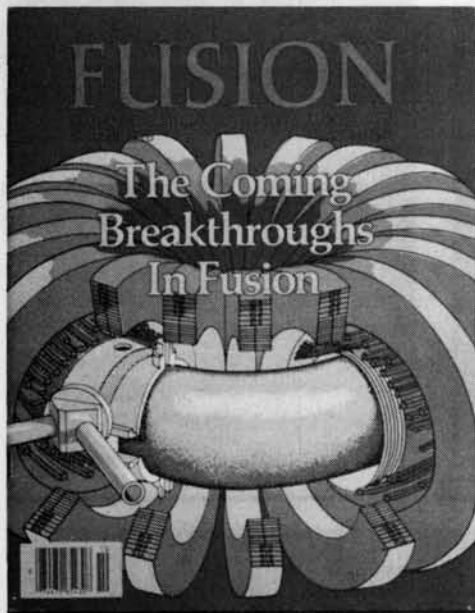
B



C

The FEF campaigns for nuclear power, industrial development, advanced science and technology, and against the Malthusian ideas of the environmentalists quickly became international and *Fusion* magazine was initiated as a quarterly in German, French, Spanish, Italian, and Swedish.

(A) Nuclear power, yes! reads the buttons of FEF organizers in Sweden shortly before the March 1980 referendum on nuclear development there. (B) Cecilia Soto de Estevez, director of the Mexican Association for Fusion Energy, shows visitors the fusion technology display at a 1981 industrial fair in the state of Sonora. (C) Mayor Seib (at podium) joins Helga Zepp LaRouche (left) at a 1981 mass meeting in West Germany to support the Biblis nuclear plant.

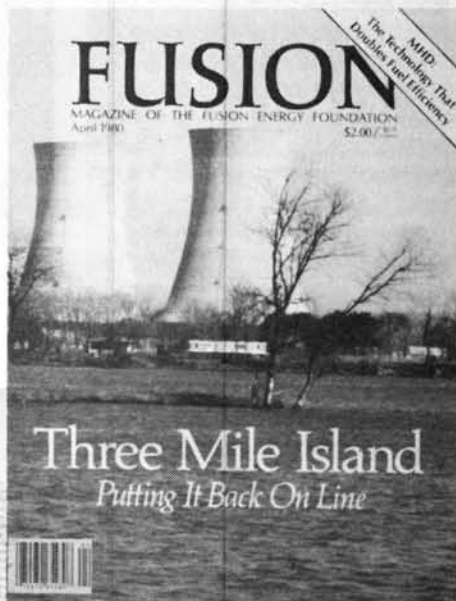


Above: John Clarke, associate director of the DOE Office of Fusion Energy, speaking at the FEF's annual meeting in 1978.

When the Princeton Large Torus reached record tokamak temperatures, upwards of 60 million degrees, during summer 1978, the FEF made sure that this news became world headlines instead of being kept in Energy Secretary James Schlesinger's closet. Pressure from the FEF forced the DOE to break its blackout with a press conference. The FEF followed up with a special *Fusion* issue on "The Coming Breakthroughs in Fusion" to let the world know the importance of the research result. At the same time that Schlesinger was downplaying fusion, he nixed a \$1 billion proposal from the Japanese to jointly develop fusion. Schlesinger's alternative? Coal liquefaction.



Above: The Fusion booth at the Houston airport.



Special Report

The Harrisburg Hoax

All-Out War on Nuclear Energy

1. The FEF States the Case for Sabotage
2. What Happened at the Three Mile Island Plant
3. The Crisis Chain of Command
4. Harrisburg: Facts and Fiction
5. The Big Lie About Radiation
6. The Lower Fonda Satellite

1 The FEF States the Case for Sabotage

The FEF states the case for sabotage in its special report on the Harrisburg Hoax. The report is a scathing indictment of the nuclear industry and the government's handling of the Three Mile Island incident. It argues that the industry has been engaged in a deliberate campaign to mislead the public and the government about the safety of nuclear power. The report calls for a complete ban on nuclear power and for the government to take responsibility for the safety of the nuclear industry.

2 What Happened at the Three Mile Island Plant

The report details the events of the Three Mile Island incident in March 1979. It describes how a series of failures, including a stuck valve and a broken pipe, led to a partial meltdown of the reactor core. The report criticizes the industry's failure to properly maintain the plant and to disclose the extent of the damage. It also criticizes the government's initial response, which was slow and incomplete.

The Three Mile Island incident in March 1979 marked a turning point for the nuclear industry and for the FEF, which led an aggressive fight to expand the U.S. nuclear industry and debunk the propaganda of the environmentalists. *Fusion* organizers became a familiar sight at airports around the country, and the picket sign "Feed Jane Fonda to the Whales" became American history. *Fusion* sales reached 200,000 as it became the nation's only pronuclear science magazine.



Carlos de Hoyos

The FEF won the Freedoms Foundation George Washington medal for its *Fusion* magazine series exposing possible sabotage at Three Mile Island. Jon Gilbertson (right), then FEF nuclear engineering director, holding the medal at the award ceremony in June 1980. With him (from left) are Dr. Morris Levitt, then FEF executive director; Robert W. Miller, president of the Freedoms Foundation; and Marjorie Mazel Hecht, managing editor of *Fusion*.

When President Carter signed the Magnetic Fusion Energy Engineering Act into law Oct. 7, 1980, it provided the potential for the United States to launch another Apollo Project, this time to move the economy into the 21st century with an unlimited energy source and uncountable technology spin-offs. The law specified an engineering reactor to be built by 1990 and a commercial prototype by the year 2000. The FEF had waged a vigorous eight-month educational campaign to make the "McCormack bill"—known for its chief sponsor, Washington Rep. Mike McCormack—a reality.



Carlos de Hoyos

Above: Rep. McCormack addresses a May 1981 FEF seminar in Washington, D.C., on how the science budget cuts threaten national security. Right: One of the thousands of postcards fusion supporters sent to President Reagan urging him to implement the 1980 fusion law.

FUSION

President Ronald Reagan
The White House
Washington, D.C. 20500

Dear Mr. President:

Indiscriminate budget cuts coupled with the high interest rate policy of Federal Reserve Chairman Paul Volcker threaten economic and military disaster. The United States is now in danger of losing its scientific and technological edge in space, fusion, and nuclear energy.

Continuing the commitment to progress that has made America great requires making long-term investments in science and technology research and development.

We urge you to act now to:

- (1) lower interest rates
- (2) fully fund the fusion budget to ensure that the nation can build a commercial reactor by the year 2000
- (3) provide full...



Carlos de Hoyos

Above: Dr. Gottlieb at the podium. Seated at left is FEF research director Uwe Parpart Henke.

More than 350 fusion supporters gathered at a banquet sponsored by the FEF in February 1981 to honor Dr. Melvin Gottlieb, who had recently retired as the director of the Princeton Plasma Physics Laboratory. On hand to recount the history of the fusion program and Gottlieb's pioneer role were three generations of fusion scientists—including Gottlieb's college physics teacher, Dr. Robert Moon, and one of Gottlieb's former graduate students, Dr. William Ellis, then director of the Mirror Systems Division at the DOE Office of Fusion Energy.



TABLE 1
INDIA'S ENERGY CONSUMPTION

INDIA'S ENERGY CONSUMPTION IN 1978 (in million tons of oil equivalent)

Electricity	1.5
Coal	10.0
Oil	1.5
Natural Gas	0.5
Hydro	1.5
Other	0.5
Total	15.0

INDIA'S ENERGY PRODUCTION IN 1978 (in million tons of oil equivalent)

Electricity	1.5
Coal	10.0
Oil	1.5
Natural Gas	0.5
Hydro	1.5
Other	0.5
Total	15.0

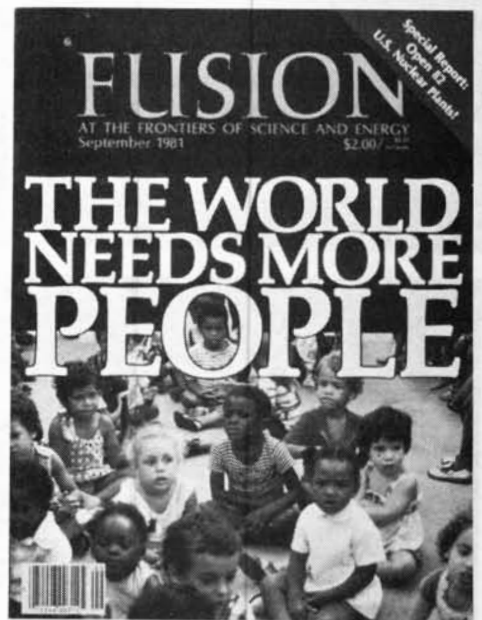


Around the world, the FEF countered the gloom and doom of the zero-growthers by demonstrating that there are no limits to growth. As long as economies operate with a science driver, introducing new technologies into industry at a rapid rate, they will create new resources. The FEF jointly developed the LaRouche-Riemann economic model with the *Executive Intelligence Review* magazine and used the model to design specific development strategies for several countries.

The science behind the LaRouche-Riemann model was introduced in the July 1979 *Fusion*. A 40-year plan to make India into an industrial superpower was presented in May 1980. The FEF showed that Malthus and his successors at the International Monetary Fund and the World Bank were wrong: Cutting population growth and barring investment in high technology would not even hold the miserable status quo. Instead, the FEF proposed a bold program in investment in high technology and infrastructure and a vast upgrading of the population's material and cultural level to transform India.



世界人口は足りない
西暦2000年の地球の虚偽を斬る
フュージョン誌の「世界人口は足りない」



The *Fusion* feature was reprinted in Japanese in the popular science magazine *Cosmos 82*. Inset: FEF research director Uwe Parpart Henke (at podium) debated Nicholas Yost, one of the principal architects of the Carter administration's *Global 2000 Report*, before an audience of diplomats, government officials, and university professors. Yost stated, "We have to choose between despair, hopelessness, and total extinction," while Henke documented why "a newborn child is the principal asset of the human race, not a threat to the existence of the living."

With its September 1981 *Fusion* cover proclaiming "The World Needs More People," the FEF took center stage in attacking the Carter administration's *Global 2000 Report*. The critique made headlines around the world.



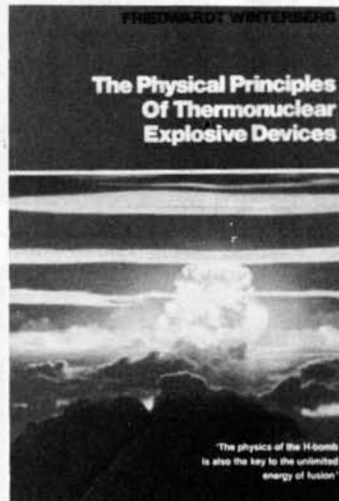
Stuart K. Lewis

Above: Marsha Freeman, Fusion's Washington editor, with astronaut Crippen.



With the successful flight of the Columbia Space Shuttle in April 1981, the FEF opened a renewed campaign for space development. *Fusion* published an exclusive interview with astronaut Robert Crippen, pilot of the first Shuttle flight, and issued a special report "On to the Next Frontier: The Space Program in the '80s." The report outlined an aggressive NASA program including a manned space station, colonization of the Moon and Mars, and accelerated planetary exploration. "The final issue is, where are we going with our civilization? . . . We are talking about the movement of civilization into space," said Sen. Harrison Schmitt in his introduction to the report. The details of how to do this were elaborated in the December 1981 *Fusion* in a cover story by renowned space scientist Krafft Ehrlicke on colonizing and industrializing the Moon.

In August 1981, the FEF published a book by fusion scientist Friedwardt Winterberg demystifying the science of the H-bomb and describing the basic physical principles upon which the most concentrated energy source—inertial confinement fusion—as well as the most destructive weapon are based. As Winterberg says in his introduction to *The Physical Principles of Thermonuclear Explosive Devices*: "there are no secrets surrounding thermonuclear explosive devices. . . all the basic physics is accessible in the open, published scientific literature. . ."



Stuart K. Lewis

Busemann chats with Carol White, then FEF education director.



Carlos de Hoyos

Above: Adolf Busemann at the podium. "I am very pleased to sit here today and hear that my ideas from many decades ago are still working and doing more than I ever would have thought about," he said with characteristic modesty and humor. He briefly described his early work at Ludwig Prandtl's institute at Göttingen in the mid-1920s on supersonic flows and his prediction of the behavior of crossing Mach waves during high speed flight. With him (from left) are Dr. Krafft Ehrlicke, Mrs. Ingeborg Ehrlicke, fusion scientist Dr. Friedwardt Winterberg, and plasma physicist Dr. William Grossman.

In November 1981, the FEF brought together an outstanding group of scientists at an awards dinner to honor Dr. Adolf Busemann, a pioneer in aerodynamics and one of the most outstanding exponents of Bernhard Riemann's hydrodynamic method in this century. The FEF tribute to Busemann in his 80th year was both a celebration of the classical tradition in science that Busemann represents and a call to renew the commitment to restore excellence in American science education.



One of the weapons the FEF used in the war against scientific illiteracy was a new magazine, *The Young Scientist*, which is now incorporated into *Fusion*. The magazine got rave reviews—except from the ultraliberal environmentalists who thought it was “biased” to teach children that progress and growth were good.



Stuart K. Lewis

Above: Two New York junior high school students, Michael Masterov (left) and Yaroslav Shoikhet, who, inspired by the first issue, built a model tokamak and won first prize in the national SEER science competition sponsored by the National Energy Foundation.



NDPC NDPC POLICY DISCUSSION MEMORANDUM

Only Beam-Weapons Could Bring to an End The Kissingerian Age of Mutual Thermonuclear Terror:

A Proposed Modern Military Policy of the United States

By Lyndon Hermyle LaRouche, Jr.

NDPC Advisory Committee New York City March 1982

Above: LaRouche's March 1982 pamphlet on beam weapons.

More than a year before President Reagan made his historic March 23, 1983 speech proposing the development of new technologies to overturn the era of Mutual Assured Destruction, the FEF, led by board member Lyndon H. LaRouche, Jr. had been advocating a crash program to develop directed energy beam technologies, and the FEF wrote proposed legislation to carry out this new Apollo program. The FEF also waged a vigorous organizing campaign against the nuclear freeze movement.

Left: The Seattle Daily at Washington University featured the FEF campaign against the freeze.

While much of Washington and the scientific community was stunned by the President's speech, and the press immediately began to ridicule it as "Star Wars," the FEF quickly mobilized to educate the nation about beam defense. FEF executive director Paul Gallagher appeared on CBS national television news supporting the President's proposal, and showing graphics drawn by the FEF depicting what beam weapons are. The FEF launched a national campaign with scores of media interviews and debates on the subject, plus a major conference in Washington April 13 that drew more than 600 people. Additional conferences were held in all the capital cities of Western Europe, involving many scientists and military representatives.



Stuart K. Lewis

Top right: An Associated Press story featuring Uwe Parpart Henke. Inset: Paul Gallagher interviewed at the FEF office by CBS TV. Above: Steven Bardwell (at microphone) debates anti-beam-spokesmen Richard Garwin (left) and John Parmentola. The event was sponsored in April 1983 by the N.Y. chapter of the American Institute of Aeronautics and Astronautics.

In October 1983, Aero Publishers released the FEF's *Beam Defense: An Alternative to Nuclear Destruction*, the first popular book on the subject. *Beam Defense*, which has also been published in Japanese by Jiji Press, won the top award of the Aviation/Space Writers Association in May 1984.

Laser weapons

Scientist claims they'll provide foolproof missile defense soon

By Fred S. Hoffman
AP Military Writer

WASHINGTON (AP)—The United States could have within 10 to 12 years a space-based system of laser weapons that would afford the entire country a "foolproof" defense against missile attack according to the research director of a foundation, which has explored the concept since 1977.

A non-restricted ground-based team that could defend key command centers and important bases, could be achieved in years, said Dr. Uwe Parpart, who heads research for the Fusion Energy Foundation in New York.

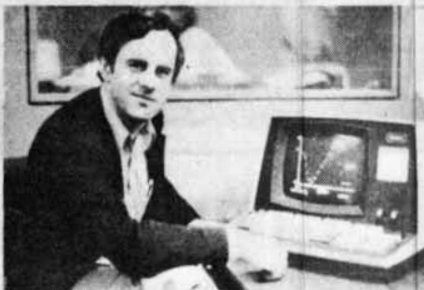
Parpart said he could not estimate total cost of such a defense, guessed it ultimately might cost the United States to spend about \$5 billion.

His projection for a national space-based laser against missile attack, though, is considerably more optimistic, President Reagan's. Last week he expressed hope for such a defense of the century. He did not label this program a high priority.

Parpart said the foundation is interested in what are called Energy Weapons in 1977 as from its principal concern to science.

Defense shift

"A ballistic missile defense era would begin to shift strategic equation and get us mutually assured destruction and policy," said Parpart in a phone interview.



Dr. Uwe Parpart of the Fusion Energy Foundation (AP Wirephoto)

"If we want a full, foolproof area defense of the United States, that clearly is at least a decade in the future, possibly 12 years," Parpart said.

On the other hand, a more limited system that could defend key targets, he would estimate the United States could be accomplished in five to seven years, probably more.

Parpart said the first phase of such defense could be built around a ground-based laser device which would shoot laser beams into space to be reflected off orbiting mirrors to strike Soviet missiles as they rise upward in their ballistic trajectory enroute to the United States.

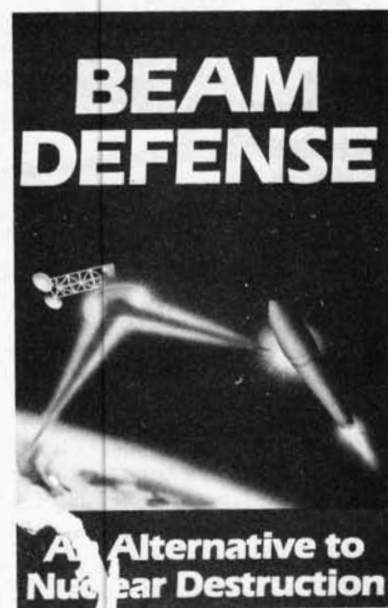
X-ray lasers

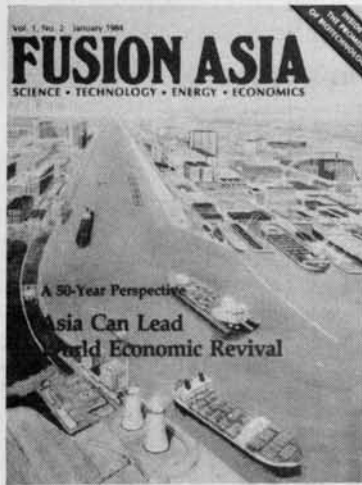
In a second phase, Parpart said the United States could put in operation a space-based system using X-ray lasers. With such X-ray beams, Parpart said, "You would only have to point and shoot."

He said a laser eye quick-setting, setting off a shock wave when striking the jet engine.

Directed Energy Beam Weapons Technologies Can End the Era of Mutual Thermonuclear Terror

The Military, Economic, and Strategic Implications of Energy Beam Weapons





During 1983-1984, the FEF greatly expanded its organizing presence in Asia with the addition of *Fusion Asia* magazine, an English-language quarterly edited in New Delhi, India, by Ramtanu Maitra, and distributed throughout Asia. The FEF opened an office in Bangkok, Thailand, and sponsored two large and successful science conferences there, one on beam defense and the other on the development of a sea-level canal through the Isthmus of Kra. In addition, the FEF held several seminars in Japan on beam defense and a conference on laser technology in Bombay.

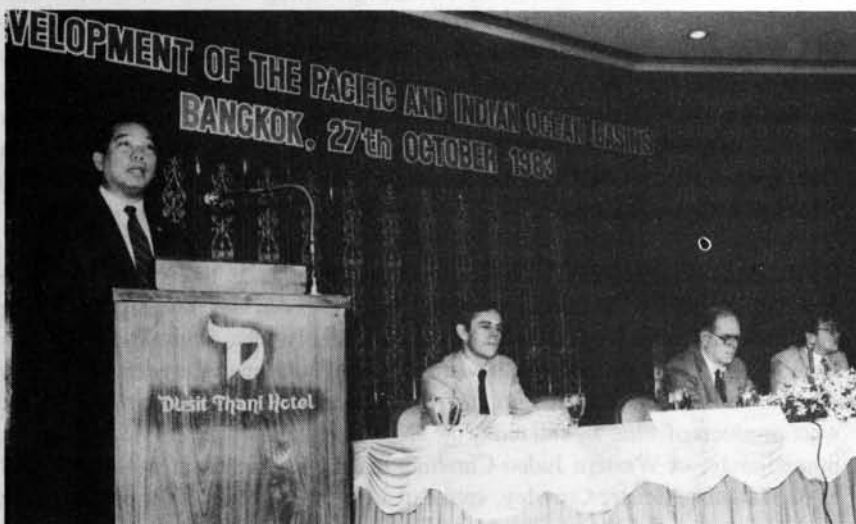
In Memoriam Dr. Robert J. Moon

Robert James Moon, professor emeritus at the University of Chicago, a scientific collaborator of imprisoned statesman Lyndon LaRouche, and a founding member of the Fusion Energy Foundation, died in Chicago on Oct. 31, at the age of 77. Dr. Moon, a great scientist and devout Episcopalian, is survived by three daughters and a son, and will be buried in his boyhood home town of Springfield, Missouri.

In the days before his death, Dr. Moon was busy collaborating with friends from the FEF, on plans to revitalize the foundation's work, following the Oct. 25 court ruling dismissing the government's 1987 involuntary bankruptcy of FEF. He had greeted the news of the reversal with characteristic joy: "Hallelujah, and Praise the Lord! Now let's get him [LaRouche] out" of prison.

Dr. Moon was a member of the Manhattan Project, and continued for five decades to work in frontier areas of nuclear science. In a 1985 interview in *Fusion* magazine, he told why he helped found FEF in November 1974.

"First, I wanted to bring before the public worldwide the fact that energy is a key ingredient in the well-being of any society and that we had to increase our energy resources in order to expand our populations. Second, energy from combustion had reached a state of equilibrium. . . . Third, we wanted to encourage a greater exchange of ideas on advanced nuclear energy—fission and fusion—among those engaged in research in these fields. The fourth point, very important, is that we wanted to encourage new ideas and an understanding of phenomena on the frontiers of science, especially fusion energy and related processes."



Top: LaRouche (center) and Henke visit the High-Energy Physics Laboratory at Tsukuba City in Japan. FEF's theoretical publications have influenced the development of Japan's laser fusion program, in particular. Dr. Chiyo Yamanaka, head of the Institute for Laser Engineering at Osaka University, is on the scientific advisory board of Fusion and Fusion Asia. Above: Thai communications minister Samak Sundaravej speaking at an October 1983 conference on the development of the Pacific and Indian Ocean Basins. With him (from left) are Uwe Parpart Henke, Lyndon H. LaRouche, and FEF coordinator in Thailand, Pakdee Tanapura.

My worldwide anti-bolshevik resistance initiative

by Lyndon H. LaRouche, Jr.

On Nov. 14, 1988, American statesman and philosopher Lyndon LaRouche issued the "Call for a worldwide anti-bolshevik resistance" which is reprinted on the back cover of this issue. One year later, the inhuman system which he rallied people to resist, has been shaken by a series of events provoked by the breakdown of the physical economy which LaRouche was alone in forecasting. The editors of EIR asked him to comment on the first anniversary of his initiative. He dictated these thoughts from his prison cell in Rochester, Minnesota, where he has been imprisoned since January 1989, the victim of a judicial frameup by the Western partners of today's rulers in Moscow, who made LaRouche the most prominent U.S. target of their hatred since he shaped the military doctrine that became Strategic Defense Initiative.

Benito Mussolini referred to bolshevism and fascism as twins, and Mussolini forecast, of course, at that point, that fascism was in the process of eclipsing bolshevism in much the fashion that earlier in Italian myths, Romulus had eclipsed Remus. Both fascism and bolshevism, together with many aspects of socialist theories and socialist movements as such, like sections of the Mazzini movement, were products of what we call today the "New Age," the attempt to rid civilization, immediately, of Western Judeo-Christian traditions. Nietzsche and others, such as the Satanist Aleister Crowley, spoke in astrological terms of the passing of the Age of Pisces—the age of Christ and Socrates, they said—to bring into its own the Age of Aquarius, the Age of Dionysus and Lucifer.

However, bolshevism has taken on a distinct form. Fascism, as a movement in its own name, has disappeared; as a matter of fact, a good deal of it has disappeared into bolshevism, as sections of the old Nazi International have become assets of the Soviet Cheka, and so forth. Now, while bolshevism is not the only evil on this planet—nor is it a principal evil—as the child of the mother of all evil, bolshevism is the most deadly enemy of humanity on this planet, the most deadly



Dean Andromidas

Helga and Lyndon LaRouche visit the Berlin Wall at the Brandenburg Gate in West Berlin, Oct. 11, 1988, a month before LaRouche issued his call for a worldwide anti-bolshevik resistance movement. Just one year later, in one of the turning points of world history, the popular upsurge in East Germany is bringing the wall down.

child of the New Age, the most deadly child of Satan's mother. And thus, it is necessary to mobilize a planetary resistance to bolshevism, to recognize that more than simply a peculiarity in the Soviet system, it is a worldwide form assumed by this particular type of evil, once the Bolshevik Revolution had established its authority in Russia.

But in fighting bolshevism we are describing something else. Let me go to the root of the matter, as I understand it. I have come to accept as more convenient than my own earlier formulations and images of this, Friedrich Schiller's contrast of the models of society and philosophy represented on one hand by Solon of Athens, and the opposite hand, by Lycurgus's constitutional form for the Spartan slave society. On the one hand, Solon, as we understand Socrates from a Christian standpoint, upheld the essential distinction which sets man not only apart from, but above the beasts. That only man is capable of those forms of creative reasoning which are typified by valid, scientific discoveries pertaining to a less imperfect comprehension of the permanent lawfulness of the universe. By means of this faculty, which is also the faculty by which we create classical art forms, and by which we enjoy the classical art forms, man is capable of transforming his behavior, his knowledge, and uplifting the condition of the human species, and also taking a hand in reshaping the universe, from modest beginnings on the surface of this planet to our present outreach toward the Solar System and on to the stars.

Man in God's image

This quality of man, which shows us that man is created in the image of the living Creator, thus becomes the central

distinction of all moral, all good human society. In the good human society, the center of the conception of values, is the fact, that the human individual, by virtue of creative reason, setting man apart from and above the beasts, defines man as cast in the image of the living God. For that reason, all individual human life is sacred. For that reason, society must be directed to accomplish several things, above all else.

First, society must recognize the sacredness of individual human life, that this planet and the inferior living forms on it, exist for the convenience and necessity of the human species. Secondly, the function of society is to recognize the human person in this sacred character, to recognize it not only in the abstract, but in practice, in fostering creativity within the child and the adult, in fostering opportunities for trades and professions to which the individual developing his creativities may express them for good in some way, even to the point of being a parent who produces the children and grandchildren who are the future generations. And that the society takes the good which is contributed thus by individual members in this way, to protect it, to nourish it, for the benefit of present and future generations, for posterity, as our Constitution of the United States stipulates.

And when man constructs institutions of society which come into conflict with the sacredness of the individual human life, which come into conflict with humanity's primacy above all the inferior species; when men make laws which interfere with the realization and development of this creative potential, which frustrate the protection of the good contributed so, to the advantage of present and future generations—then, by the highest authority recognizable by mankind,

those laws and conditions must bend, and bow down in humility before the sacredness of individual life and that which the sacredness of individual human life portends.

Thus, in such a society, every individual, while his immediate relationship to universality is through the rest of society, is also in an efficiently direct relationship to the universal as the One. And thus, every society is compelled to bow to the sacredness of the individual, even the single individual. Thus, in the same society, if one single individual is right, and all of the others of that society have a contrary mistaken opinion, society must bend to the will of that one, *if* that one can be shown by intelligible means to be right.

Rule by oligarchical families

On the opposite side is the image of Lycurgus's Sparta. We have a group of families which cares not for God nor Earth nor Man, except to set their society above slaves and other folk deemed inferior. The ruling families of this society, this ruling *oligarchy*, constitutes itself a law unto itself, and deems its own independent will, the only law, and the only recognized law, that will imposed upon other parts of society and upon nations around them. Thus did the Spartans keep helots in helotry, and thus did the children of the Spartans torture, torment, and even murder helots at their pleasure, and were encouraged in so doing, by their parents.

So, in the history of all European civilization since the time of Solon in particular, there are two philosophical currents which confront us. Schiller insists, that every conflict of any importance in that civilization is a reflection of an underlying continuation of the conflict between these two currents: between the Christian heritage of Solon and Socrates, and the opposing, oligarchical heritage of Sparta, of rule by families which consider themselves and their families a law unto themselves, in defiance of any natural law. That is the essential issue.

Out of this process of 2,500 years or so, there emerged out of Christian civilization in Europe, and in North America projected from Europe, the highest level of civilization which mankind has ever achieved on this planet—not the highest in absolute terms, but the highest in terms of *potential* for continuing development. This form of society, let us call it republican, typified by people like Dante Alighieri as well as Augustine before him, by Nicolaus of Cusa, in a certain very important respect by France's King Louis XI, by Leibniz, and others: This form of society prospered too well. Because it threatened to bring all mankind, all nations, not just European nations, and all individuals, into a state of their proper equality, equality in the respect that each person is cast in the image of the living God. That each person, while having a relationship to nature through society as a whole, also has a personal and direct relationship, immediately, with the universality of the Creator.

This arrangement, and the development of men and women to become citizens with such *political* equality, constituted a threat to oligarchy, that is, the capricious rule of aristocratic, noble, and similar families, which considered themselves, as a collection of families unto themselves, an oligarchy ruling over mankind. So as in the case of George III's liberal friends who sought to crush what was developing North America, so before then and after, there has been an oligarchical movement throughout Europe and elsewhere, seeking to exterminate the tradition of Solon and Socrates, particularly as their contributions are to be viewed from the Christian standpoint.

So, in about 1814-16 or slightly afterward, at Vienna and elsewhere, the oligarchy of Europe brought the barbarians of Moscow—mad Alexander I's hordes—to become the policemen of Europe, in the effort to exterminate everything identified with the American Revolution or with what the American Revolution *bespoke*, more than what it was. So, at a later point, the forces of the New Age emerged, determined to exterminate the cultural tradition of Solon, of Socrates, of Christ, of Western Christianity, in order that the seeds of republicanism there implanted, might be exterminated permanently from the surface of this planet. And these evil fellows turned to the evil aristocracy of Boyar Russia and conspired to overthrow the Romanovs, who were accused of being too soft, periodically, on Western Christian civilization, and bring up from the bowels of Hell, the most backward, bestial, and brutish, of all Russians, the Raskolniki.

So with the aid of the Okhrana, controlled by these anti-Romanov Boyars, the Raskolniki emerged to power renamed Bolsheviki. They returned a cultural movement typified by what was born of the Satan-worshipping Grotto of Capri. And so bolshevism was born. And so those wealthy, powerful families who desired an oligarchical form of rule, who desired to eliminate large portions of the human race in the name of neo-malthusian ideologies, had conspired with the devil they brought forth in Moscow, to the intent of exterminating from this planet the heritage which we in Europe know best in terms of Solon, Socrates, and the legacy of Western Christianity.

Thus we must choose: Do we want an oligarchical society, or do we want a republican society? Do we wish to defend the sacredness of individual human life, or do we wish to exterminate as much life as we please, (or as pleases the World Wildlife Fund's oligarchs)?

So we must rally, I thought a year ago, the peoples of the world, suffering grave oligarchical injustice, to attack the chief instrument by which all oligarchs, or nearly all of them, have sought to destroy Western Christianity's benefits and contributions to this planet: bolshevism. And thus, in order that future generations may live as human, we rally the peoples of the world against oligarchism, by rallying them against bolshevism.

Germany's future lies in freedom, not in reformed communism

by Rainer Apel

The reshuffle of the East German communist party leadership and the government on Nov. 7-8 spared the one person whose resignation from power mass protest rallies of several million people in many East German cities had called for in the first place: Egon Krenz stayed in the key power positions, did not step down, and even played the role of key arbiter behind the sweeping purge.

In his untouched triple function as secretary general of the ruling Socialist Unity Party (SED) and chairman of both the state and the defense council, Krenz dismissed and appointed the new Politburo, having it voted in by the special SED Central Committee plenum in a matter of only two hours. This reshuffle, advertised as a "step toward reform," in reality strengthened the power position of Krenz at the top of the regime. He never left any doubt about the fact that he does not intend to abolish the leading role of the SED, nor give way to any other regime than communism. "I am a communist, first of all," he declared in Moscow on Nov. 1.

And in his address on East German television Nov. 3, Krenz said the "reforms," which were still to be defined, should proceed in strict concordance with the existing socialist system and not interfere with the needs of the military: "Our neighbors and allies in the Warsaw Treaty Organization are looking to, and count on us." Krenz didn't forget to stress, either, that "no defamation of officials in responsible functions will be tolerated." In other words: Criticize who never and whatever you want, just leave me and my policy alone.

For the people of East Germany, who are revolting against the regime and its 44-year reign, the way the shakeup proceeded was just another signal that with Krenz in power, none of the fundamentals of the SED's rule, its control of the state, the army, the economy, and the education system, will change.

Trust has run out

"This man just doesn't have the trust of the people," explained Sebastian Pflugbeil, an initiator of the New Forum opposition group in East Berlin, on Nov. 5, referring to the

broad expression of popular disgust at the protest rally of almost 1 million in East Berlin the day before.

The rally on Alexanderplatz Square, which featured prominent SED officials alongside opposition spokesmen, will go down in history as the biggest-ever public manifestation of anti-communist sentiments in the eastern part of Germany since it was made the Soviet Zone of Military Occupation in 1945.

Speakers for the opposition got the most tumultuous applause when calling for free elections, freedom of the press, of speech and political association, the abolition of political prosecution laws, and for economic-political reforms. Calls were issued also to dismiss the government, the Politburo, and to abolish the clause in the constitution of the German Democratic Republic (G.D.R.) that affirms the eternal leading role of the SED in the politics of the country.

Prominent SED party leaders taking part in the rally, in an effort to coopt the ferment by making it look like a cross-party event, met quite a different response: They were booed at, as the rage accumulated over more than 40 years against the regime spilled into the open.

Günter Schabowski, for example, Politburo member and chairman of the prestigious SED section of East Berlin, was met by continuous hissing, whistles, and cat-calls when he spoke on "the reform that came too late but has become irreversible now," but defended the party's leading role in that very same reform process.

Lt. Gen. Markus Wolf, the longtime head of the notorious foreign intelligence service, the Stasi, was met by the same expression of popular disgust, when he confessed in his speech that he was proud of having served the Stasi at its top for more than 30 years, defending his former colleagues at the Stasi against being made "scapegoats for everything." When he voiced the opinion that "reform and renewal are nothing new, hundreds of thousands of communists have fought for them before," the crowd booed.

But the rage of the crowd targeted not only the SED, but communism as such, including the Soviet Union as the main supporter of the regime. No "Gorbymania" could be observed on Alexanderplatz Square. Günter Schabowski

got a full dose of public fury, for example, when he began his speech by stating: "There's reason for optimism, because we have now a very close shoulder-to-shoulder relation between Krenz und Gorbachov." "Cut it out!" the crowd yelled. "Get lost!" Schabowski said he wanted to "use an old party slogan: Forward to ever new victories, together with our Soviet friends." Also this provoked a flood of jeers and whistles, forcing Schabowski to interrupt his speech for a minute.

"Even if Krenz granted free and fair elections, the people wouldn't believe him," opposition member Pflugbeil declared. "He is seen as a representative of the very same old regime that the people don't want to stay around any longer. Whatever Krenz does, it will be too little, and too late."

Mistrust of Krenz is heightened by the fact that he is not taking any part in the "dialogue with the people" which he promised, that he chooses to speak only over television and radio, and that he is staying holed-up in his closely guarded compound outside of East Berlin.

The reaction to the television address on Nov. 3 which Krenz used to announce "changes," speaks for itself: 50,000 refugees left for the West in the following five days. One refugee interviewed on West German television Nov. 5, voiced what both the refugees and those who are still staying in the G.D.R. think: "Krenz? Either he goes, or the whole people will flee the country." The crisis of confidence among the East Germans is complete: No Krenz, no Gorbachov either, will turn things around.

The crisis of confidence in the regime has created a policy vacuum in the country, with the SED leadership and the various opposition groups in a race against time, to devise solutions to the country's problems. Unlike Poland, where Solidarnosc developed over years into an institution that could govern the country, the East German opposition is not prepared for that task. Spokesmen for the New Forum said in radio interviews on Nov. 8 that they find themselves faced with developments proceeding at a much faster pace than anyone could have anticipated. The opposition groups do not have the qualified people required to define the needed reforms and fill the vacuum of competence left by the communists. The leaders of the New Forum, for example, are largely artists and intellectuals, with little contact to labor and little practical administrative experience.

Kohl on the reunification of Germany

This basic point was also addressed in the "State of the German Nation" speech which Chancellor Helmut Kohl gave to the West German parliament in Bonn on Nov. 8. The address reflected the strong anti-communist ferment injected into German and international politics by the refugees, and the mass protest of millions of East Germans, most of all the rally of 1 million in East Berlin on Nov. 4.

"The events of the last few days in East Germany," said Kohl, "the escape of tens of thousands of predominantly

young people from the G.D.R. to the free part of Germany, have shown to the eyes of the world that the division of our country is unnatural, that walls and barbed wire cannot endure. . . . We have less reason than ever to be resigned to the long-term division of Germany into two states.

"Free self-determination for all Germans was, is, and will be the cornerstone of our Germany policy. . . . Our compatriots who are taking to the streets day by day to call for freedom and democracy, they are proof of a longing for peace that has not ceased even after 40 years of living in a dictatorship.

"Even if we are only at the beginning of a broader development and nobody can predict or underestimate the risks of a failure and the dangers stemming from that, still there is a live perspective for a profound change in all of Europe, for an all-European order of peace, for a Europe based on freedom and self-determination."

Thanking U.S. President George Bush and especially French President Francois Mitterrand for their recent statements backing a reunification of Germany, Kohl said, "Without a deep attachment to the community of values of free peoples, we could not have gained the confidence of our Western partners, who have always supported us in our efforts to create a German policy.

"The aim of our policy," Kohl went on to say, "must be to contribute to a development in East Germany which matches the wishes of the people there; in other words, to help them achieve freedom and self-determination.

"For us in the Federal Republic, it is an obvious national duty to demand from our neighbors and from our partners in the world the right of all Germans to decide for themselves. No one in the East or the West can ignore a vote of all the Germans in favor of the unity of their country."

As for the current situation in East Germany, Kohl said: "The political leadership there is not freely elected, and that is why our compatriots cannot identify with that state; the SED must agree to renounce its monopoly on power, allow independent parties and pledge to hold free elections.

"The people in the G.D.R. will not be satisfied with a simple reshuffling of the leadership and the resignation of some leaders. . . . The new secretary general of the SED will have to allow himself to be measured by whether he really opens the way to thoroughgoing reforms in the state, society, and economy.

"Cosmetic adjustments won't suffice. We don't want to stabilize a state of affairs that has turned unbearable. But we are committed to comprehensive assistance, on the condition that an in-depth reform of the political and economic system in the G.D.R. are defined in unmistakable terms."

Under conditions of such thoroughgoing reforms, Kohl said, his government is "committed to a new dimension of economic assistance" to the G.D.R., to "help improve the quality of life of our German compatriots, and achieve freedom for them."

U.S. policy toward German reunification

by Lyndon H. LaRouche, Jr.

The following has been edited from verbal remarks made by Mr. LaRouche on Nov. 9:

The policy of the United States toward the present situation in central Europe should be essentially this: The United States government and people should support the dialogue between France's President Mitterrand and Germany's Chancellor Helmut Kohl. It is the German-French cooperation in progress through the initiatives of Mitterrand and Kohl which defines the possibility of a workable basis for dealing effectively with the currently developing situation.

The United States is now in reduced circumstances militarily, economically, and politically, and thus cannot undertake the kind of effective role which it might have in previous years. It must play some role, and its best role is to support Mitterrand and Kohl or things in that direction, while distancing the United States, as Mr. Bush has done recently, from the disgusting spectacle of anti-German xenophobia culminating from Conor Cruise O'Brien and like-thinking folks around London.

There is no problem among continental Europeans of any significance on the prospect of reunification of Germany. That is not the primary question for the United States. I think Mr. Bush has stated that his words are an adequate policy for the time being; let the French and the Germans define a European solution for this, but keep the United States, which will tend to be tied up with special negotiations with Moscow, out from too direct an entanglement in these affairs.

Now, that said, the particular point to address is the question of relationship of France, the two Germanies, and Poland in respect to the physical economic breakdown crisis which is spreading throughout the Soviet bloc.

The Soviet bloc crisis

We must remember that there are three aspects to the Soviet physical economic crisis.

1) It flows essentially as a potential from the flaws in Great Russian culture, particularly Raskolnik-flavored Bolshevik version of Great Russian culture and other problems of the Soviet economy as such. The reforms undertaken by Gorbachov which have begun of late to be implemented have made the problem worse.

2) The immediate cause of the realization of this potential problem in its present form has been, as I forecast in 1983 and began to forecast publicly in 1985, that as long as the

Soviet government continued its commitment to a pre-war military buildup, as it has done, then under a mode of military planning and development which I dubbed Plan A back in 1985, the Soviet economy must go into a physical economic breakdown crisis approximately 1989-90. That was my forecast in 1985 and it seems to have borne up very well.

3) The Soviet physical economic crisis has been accelerated and the Soviets, or some Soviet agencies, have been pointing out quite correctly, by the collapse of the economy in the West, especially the economies of the United Kingdom and of the United States, which contrary to all talk about the boom in the United States, has been collapsing at varying rates, generally now accelerating since about 1970-71 with the events of that period. There has been no real net physical economic rate of growth in the United States or the United Kingdom, since that period. There have been some spotty exceptions within continental Europe, and of course, Japan, and a few other places around the globe. But in general, the Western economies have been collapsing. Now this has affected both prices of Soviet exports and has affected the potential scale of markets of Soviet exports, so the Soviets have been faced with an aggravated internal problem as a result of the shock effect transmitted through a decaying world market.

Poland and German reunification

What comes into play now is the question of how we manage this crisis. Last year, on Oct. 12, 1988, I proposed that the United States support the Federal Republic of Germany in an effort to engage the East Germans in a massive effort to save the economy of Poland. I did that because we must select a natural avenue of demonstrating what we can do on the politically tolerable basis for stopping the physical economic bloodletting which is going on in the East bloc in general, and that we should tell Moscow we're prepared to take on the Polish question in certain definite terms and that we would do so with German cooperation, by giving our political and other support to German efforts in this direction. Now obviously the role that President Mitterrand has taken with Chancellor Kohl in Germany makes this a much more feasible proposition.

There are also other things which most Americans tend to forget, and many others tend to forget: Poland is culturally a part of Western European civilization, and apart from the fact that it was under Russian subjugation so often and so long in previous times, nonetheless the essential structure of everything which is industrial potential in Poland flows from Poland's cultural association with Western European civilization. For that and for other reasons, there is a natural line of logistics, a natural line of flow of technology, especially through Germany, and somewhat through what's called Scandinavia, into Poland. This is the path of least resistance for delivering a physical economic development aid. What the United States must do is support a European utilization of that natural channel

The Rütli Oath

The Rütli Oath from Friedrich Schiller's play of freedom, Wilhelm Tell, has been chosen as the proposed oath of allegiance to the worldwide anti-bolshevik resistance. Hear that oath in its original German, and its English translation:

Nein, eine Grenze hat Tyrannenmacht,
Wenn der Gedrückte nirgends Recht kann finden,
Wenn unerträglich wird die Last—greift er
Hinauf getrost den Mutes in den Himmel
Und holt herunter seine ewigen Rechte,
Die droben hangen unveräusserlich
Und unzerbrechlich wie die Sterne selbst—
Der alte Urstand der Natur kehrt wieder,
Wo Mensch dem Menschen gegenübersteht—
Zum letzten Mittel, wenn kein andres mehr
Verfangen will, ist ihm das Schwert gegeben—
Der Güter höchstes dürfen wir verteidigen
Gegen Gewalt—Wir stehn vor unser Land,
Wir stehn vor unsrer Weiber, unsrer Kinder! . . .
—Wir wollen sein ein einzig Volk von Brüdern,
In keiner Not uns trennen und Gefahr.
—Wir wollen frei sein, wie die Väter waren,
Eher den Tod, als in der Knechtschaft leben.

—Wir wollen trauen auf den höchsten Gott
Und uns nicht fürchten vor der Macht der
Menschen.

* * *

No, there is a limit to the tyrant's power,
when the oppressed can find no justice, when
the burden grows unbearable—he reaches
with hopeful courage up unto the heavens
and seizes hither his eternal rights,
which hang above, inalienable
and indestructible as stars themselves.
The primal state of nature reappears,
where man stands opposite his fellow man.
As a last resort, when not another means
is of avail, the sword is given him,
The highest of all goods we may defend
from violence, Thus stand we before our country,
thus stand we before our wives, our children! . . .
Now, let us take the oath of this new league.
We will become a single land of brothers,
nor shall we part in danger and distress.
We shall be free, just as our fathers were,
and sooner die, than live in slavery.
We shall rely upon the highest God
and we shall never fear the might of men.

of flow of logistics and technology into Poland.

We do not need to put up front, at least from the standpoint of the United States, any political timetable or political criterion projecting a unification of the East Zone of Germany with the Federal Republic of Germany. That is not where we should put the emphasis at this point. That is the German and European question, more than the U.S. question. What we must concentrate on is the implementation of a successful rescue effort in Poland, before the opportunity to do so is destroyed by the effects of a miserable, cruel winter.

Therefore the issue today is not how the two Germanies shall be linked in political abstract terms, but rather how they shall cooperate in assisting the salvation of Poland. And obviously there can be benefits to be shared, not to be despised, to the East German economy, from other parts of Europe, to the specific purpose of ensuring that the East German economy is able to deliver its part effectively in that rescue operation toward Poland. That should be our focus.

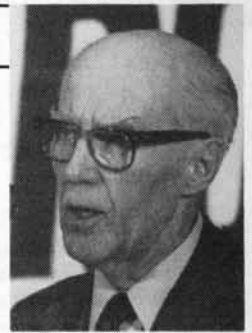
Politics must catch up with reality

Finally on this matter, there are some, including Secretary of State Baker, who reject the tempo of events and wish it were much milder, that it could all be nicely managed withing condominium summitry, like the kind which is ap-

parently planned for Malta. This is wrong. This is faulty. Politics cannot hold back the tempo of events in a period such as this one. Rather the tempo of political events and political decisions and institutional change must race to catch up with physical reality.

The causes for the explosion in Eastern Europe and elsewhere today are not meddling by politicians as such, at least nothing recent, nor are they immediately the decisions of governments or interventions by governments. The cause for the spread of international political and economic crisis is very simply the global physical economic breakdown crisis process, the crisis process which has been energized by 25 years of persistent folly in the drift of the economic, monetary, and financial policies of the United States and other relevant nations. We have nobody but ourselves to blame, and the Soviets have no one but themselves to blame for the mess.

Now the exigency of the hunger crisis and general economic breakdown crisis has gripped us all. We must respond to the tempo of events dictated by physical reality, not to try to impose upon physical reality, like King Canute, our mere subjective whims. Men and women who cannot keep pace politically with the physical requirements of events should step out of the position of leadership to make room for those who are qualified to undertake these tasks.



Ukraine wants liberation from the Soviet Empire

by John Kolasky

From the speech delivered by John Kolasky, author of Education in Soviet Ukraine, Two Years in Soviet Ukraine, Partners in Tyranny—The Nazi-Soviet Non-Aggression Pact, and other books, to a conference of Food for Peace on Nov. 4 in Chicago, Illinois.

. . . I am very, very much obliged to the LaRouche movement for inviting me here today to present the case for Ukraine. There's a lot of injustice in the world, and I'm going to talk about some more injustice. The campaign to free Lyndon LaRouche, and the campaign to feed the people of the world, and the campaign to free those who are oppressed, merge into one campaign for freedom and justice. . . .

Let me make one thing clear: When we are talking about the U.S.S.R., when we are talking about the Union of Soviet Socialist Republics, or the Soviet Union, we are talking about the Soviet Russian Communist Empire. If you don't understand that, then you won't understand what I'm talking about. We are dealing with an empire. I had the privilege—or the misprivilege, whichever way you want to look at it—of studying at the highest Communist Party university in Ukraine from 1963 to 1965, and the slogan there was, "One world socialist system, under the leadership of the most revolutionary proletariat." Now, how do you translate that? It means one Russian empire. . . .

The second concept that I wish to deal with here is this word that we deal with, "soviet." What in the world does "soviets" mean? In Russian, it means "councils." Now, when we say "soviets," what do we mean by that? Do we mean the Russian empire, do we mean the Russian people? Or, do we mean all the people of the Russian empire? If we are trying to lump all the people of the Russian empire together, we are doing a great injustice to those who are being oppressed there. . . .

Now, a third concept that I want to deal with here is the question of the word "Ukraine" itself. The Russians would like us to believe that Ukraine is just a territory, and so they call it "the" Ukraine. But actually it is a nation, called simply

"Ukraine." There was a civilization in Ukraine when wolves stilled howled on the spot where the Kremlin now stands. And that civilization accepted Christianity a thousand years ago. That civilization was destroyed by the Tartar invasions in the 12th century. In the period after that, the settlers, the farmers in the area that is now Ukraine, formed armed bands, or groups, called the Cossacks, to defend themselves against the marauding Tartars. In the 17th century, the forces of the Cossacks were carrying on a war against the Polish armies, and because they became hard-pressed, in 1654, the Cossacks signed an agreement with Russia as two equal partners, two equal countries, two equal states. Since the Russians were stronger, it was not very long before they began taking the upper hand, and by the end of the 19th century, the Russians were dominating Ukraine, the Ukrainian language was disallowed, publishing in Ukrainian was not allowed, and for all intents and purposes, as far as the Russians were concerned, there was no such thing as a special Ukrainian language or a Ukrainian nation.

In 1918, Ukrainians declared their independence. In 1921, they were overrun by the Red Armies, and integrated into the Russian empire.

Let me give you an idea what they were subjected to under the Russian empire. There began the process of the destruction of the Ukrainian intelligentsia. The Russians were fearful that the Ukrainians would want to become independent, and they were going to wipe out any feeling of independence that existed among the Ukrainians. In 1929 and 1930, you had the destruction of the middle farmers, called the *korpuks*. They were the nationally conscious element of the Ukrainian nation, they were the backbone of the Ukrainian nation. You also had the destruction of the Ukrainian autocephalous, or independent, Orthodox Church. And when I say destruction, I mean the total destruction: The hierarchy, all the priests, were exiled, and they perished in the gulag, or were shot in the process of elimination.

Then, in 1932, you had the premeditated, organized famine in which 10 million people perished. Population of

A rally against Soviet tyranny in Washington, D.C., during Gorbachov's visit to the United States in December 1987. Gorbachov "wanted the workers to work a little harder, to produce more, and to improve the quality. And then there would be glasnost, which means, not openness, but advertising. In other words, the workers are going to work harder, and they're going to talk about it."



Stuart Lewis

Ukraine at that time was 40 million, so one of every four persons perished in the famine of 1932-33. Then, in 1934, in December, you had the murder of the secretary of the City Committee of the Communist Party, Sergei Kirov. This unleashed a campaign against the intelligentsia of the various nationalities. The Ukrainians and the Byelorussians suffered the most. And in 1934, after the murder of Kirov, 37 Ukrainian intellectuals were arrested. The head of the military tribunal from Moscow came to Kiev, and in a few days, 28 of the 37 were sentenced to death and executed, and nine were to be further questioned. Of those nine, one survived; when I lived in Kiev from 1963-65, one was still living. I didn't have the opportunity to meet him. His son, however, was in Kiev University, he was expelled, along with four others, for demanding that Ukrainian language be used in a lecture.

The 'KGB-ization of the Soviet Union'

When Yuri Andropov was appointed [head of the Soviet secret police in 1956], no one dreamed he would ever aspire to sit on the throne. But he was very able—very vicious, of course, but also very able—and very ambitious. But all the paths to the Politburo were closed. Under Khrushchov, the head of the Soviet secret police was not even a member of the Central Committee. And this man wants to be on the Politburo! (The Central Committee has 400; the Politburo has 11, 12, 15.) So he began, through the KGB, to pave a way to the Politburo. The head of the KGB in Azerbaijan was a man by the name of Gen. Geidar Aliyev. He had been brought up and educated in the KGB from the age of 16 or 17, in the branch called Smersh. Now, Smersh trained

professional killers. He was a professional murderer. He was the head of the KGB in Azerbaijan.

Andropov conspired with him. Aliyev gathered information on the first secretary of the Central Committee of Azerbaijan, whose name was Akhundov, proving that Akhundov was corrupt. Of course, they were all corrupt; but they only used this when they needed something on somebody. Andropov then persuaded Brezhnev to remove Akhundov. And who do you think became first secretary? You guessed it: Aliyev. So one republic was already in Andropov's pocket.

Then began the reign of terror on a Stalinist scale in Azerbaijan. The appointees of Brezhnev were ousted. Some were killed, some were sentenced to the gulag. In their places were placed men from the KGB, and you had the beginning of what is called KBG-ization of the government.

If it worked in Azerbaijan, it might work elsewhere. In Georgia, the head of the police—not the KGB, but the regular police, called the *militia*—was a general of the KGB. His name was Shevardnadze. Well, if it worked in Azerbaijan, let's apply it to Georgia: The first secretary of the Central Committee was Mzhavanadze, so Shevardnadze gathered materials showing that Mzhavanadze was corrupt . . . and presented it to Brezhnev, and Brezhnev, again, had no alternative: He had to fire Mzhavanadze. And again, guess who became the first secretary? Shevardnadze. And then heads began to roll in Georgia, and you had the same process. Over 30,000 people lost their positions or their heads in Georgia. In their places were appointed men mainly from the KGB. So, Andropov had a second republic in his pocket. . . .

Then, Andropov began looking for men in various re-

gions who would support him. He came from an area called Stavropol Krai [Territory], which is in the southwestern part of Russian, bordering on the Caspian and Georgia. He used to go there every summer, to a place called Kislovodsk, where there was a summer stock. The man who chauffeured him around when he was there was a man who had been a student in the law faculty in Moscow, he was then the first secretary of the regional committee of Stavropol. His name was Gorbachov. . . .

Now, why am I telling you this? I telling you this to give you some idea of Gorbachov's background, and what you can expect from him. When Andropov became ill, the duties of first secretary were performed by Gorbachov. When Chernenko was elected first secretary after the death of Andropov, Chernenko was an invalid. Gorbachov carried on the task of first secretary. And when Chernenko died, the Central Committee met to elect a new first secretary. It was a foregone conclusion whom they were going to elect, but just listen to how they elected him: He was nominated by no other than an old Stalinist, Gromyko. Gromyko said, "Don't mind his smile; behind that smile are steel teeth." And who do you suppose seconded the nomination? No other than the head of the KGB, Chebrikov. And who else supported the nomination of Gorbachov? The minister of defense, Ustinov, and the ideological boss, Suslov.

Now, there's a combination you can't beat. Tell me, did these people, these old die-hard Stalinists, all make a mistake and nominate a liberal, a democrat? Or did they know what they were doing? The first to raise the question of the insecurity of the empire was Andropov. Andropov said the problem is the bureaucracy, drunkenness, and the dissidents, and he proceeded to attack all three. When Gorbachov came to power, he announced he was going to follow the policies of Andropov; no question about it. . . .

There were other problems, too. There was the national question, the problem that within the Russian empire, half the people were not Russians, and they wanted out. . . .

Gorbachov announced that there would be *perestroika*, which means reconstruction. Now, what does that mean? It means that he wanted the workers to work a little harder, to produce more, and to improve the quality. And then there would be *glasnost*, which means, not openness, but advertising. In other words, the workers are going to work harder, and they're going to talk about it.

Well, this got out of hand. The workers, they wanted to talk all right, but they had other things to talk about. One of the first things that was raised was the national question. At the plenum in January 1987, Gorbachov announced that those who wanted to play on national sentiments could not expect any leniency. In other words, "You're going to get it, if you raise the national question." So we already knew then where he stood, and we were not fooled.

Since then, of course, he's become more specific. He's announced there's going to be a law on nationalist, chauvin-

ist, and other extremist organizations. "The entire force of Soviet laws will be applied"—you know what that means: the gulag and the firing squad. And he denounced those who shout about the "rubbish of independence." . . .

However, in spite of these announcements, the people of the Soviet Union, the non-Russians, are demanding more rights, with the final end in view of leaving the Soviet Union.

The Ukrainian churches

Let me limit myself to Ukraine. First of all, when *perestroika* and *glasnost* were announced, you had voices raised demanding that Ukrainian be made the official language of Ukraine; now, Russian's the official language. Second demand: the Ukrainian ministries to have control over the economics of Ukraine. . . . And, of course, the final demand, is for independence.

There are also some other questions now on the agenda that are quite prominent, like the question about the revival of the Ukrainian churches, the Ukrainian Catholic Church in western Ukraine and the Ukrainian Autocephalous Orthodox Church in eastern Ukraine. Now, ladies and gentlemen, I confess to you that I went to the Soviet Union quite indifferent to religion. I never attacked it, but I was indifferent; I used to make fun of it sometimes. But I came back in an entirely different mood.

Let me just dwell for a minute on what brought about the change. I broke down emotionally more than once when I was over there. There was a small church, an Orthodox Church, it was working one night. In the morning, it was gone. The army had come at night, and all you saw in the morning was a pile of rubble. . . .

I had a cousin. When the Red Army came to his native village, they tied him up, and they took him away, and my aunt never saw him again. She was very, very religious. And they closed the church. Does a just society have to take even the church away from a person? These are the kind of things that influenced me.

Now, ladies and gentlemen, here we are, faced with another injustice, and this is another struggle for human rights, for peace with freedom, for justice. What can we do? Well, I ask you first of all—I presume that you're Christians, I presume that you go to church, I presume that you pray—there might be some who don't think that prayer has any efficacy, but I'm not of that opinion—and I ask you first of all to pray.

The second thing you can do: Give this injustice as much publicity as you can. If you can write a letter to somebody in Ukraine or some other part of the Soviet Union, saying, "We're with you." If you hold a big demonstration, if you can pass a resolution and forward it on to the papers and forward it to the Soviet embassy, that does a lot. And if you can send any Bibles to any of the individuals behind the Iron Curtain, that, too, will help. Don't send them to the government agencies, because they don't get distributed.

Unrest in Eastern Europe and European U.S.S.R.



← refugees ⚡ labor strikes ▽ mass demonstrations 🔥 terrorism and sabotage ⚔ ethnic conflicts ■ armed repression

The anti-bolshevik resistance explodes

Since Lyndon LaRouche issued his call for an international anti-bolshevik resistance movement one year ago, the world political scene has been transformed by explosive developments in one country after another. In the map on the following page, we highlight some of these.

1. Federal Republic of Germany: Nov. 10, 1988—Bundestag President Philipp Jenninger delivers speech on the 50th anniversary of *Kristallnacht*, when Hitler launched his attack on the Jews. Moscow and its fellow-travelers in the West orchestrate a slander campaign

against him, distorting his remarks, which ends in his resignation the following day.

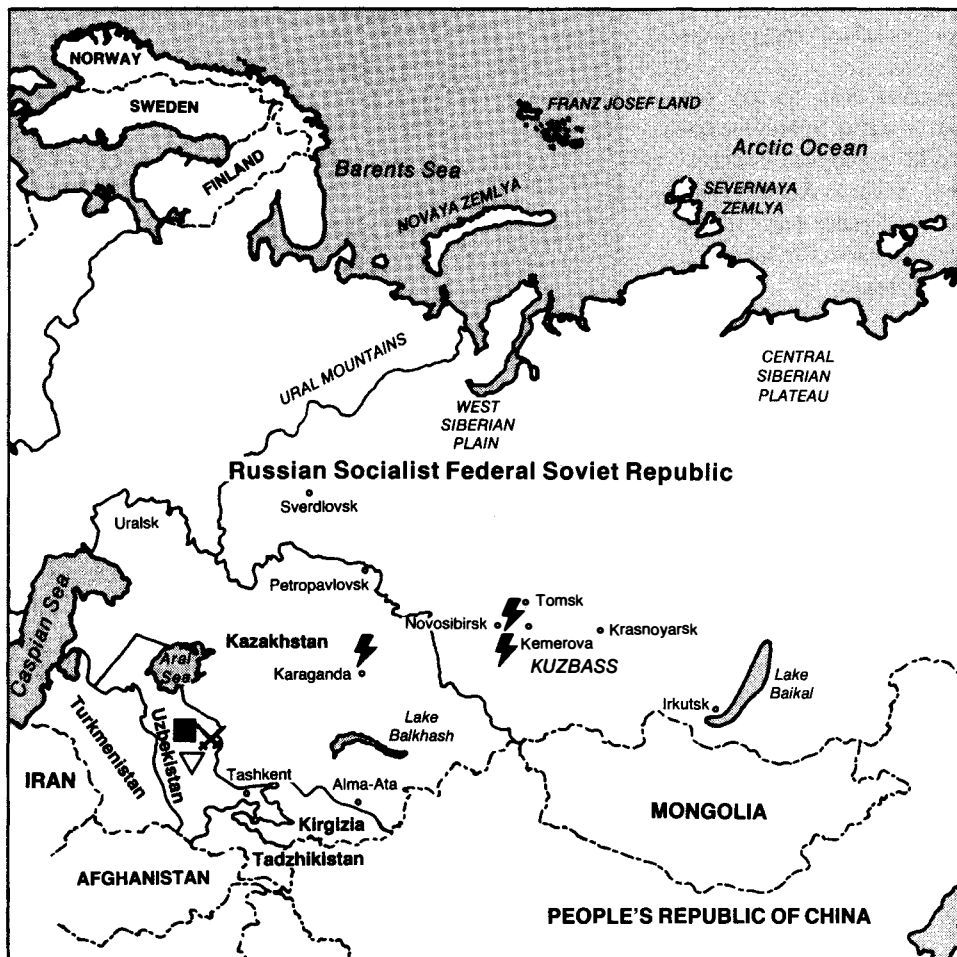
2. United States: Nov. 14, 1988—Lyndon H. LaRouche, Jr. issues call for “A Worldwide Anti-Bolshevik Resistance Struggle.”

Jan. 27—LaRouche and six associates are jailed after a “rail-road” trial in Alexandria, Virginia federal court. The jailing sparks an international outcry that will intensify.

3. Yugoslavia: Nov. 19, 1988—Ethnic conflict threatens to dissolve this socialist state on the southwestern border of the Soviet empire. Following a Serbian ultimatum to the Albanian ethnic leadership of the Kosovo autonomous region, 1.3 million Serbs demonstrate in Belgrade, demanding control over Kosovo.

4. Transcaucasus: Nov. 23, 1988—Azeri Shi’ite mobs launch pogrom against Armenians in Azerbaijan; state of emergency is declared in the region, where non-Russian republics of the U.S.S.R. are set off against each other.

April 9—Soviet Army and Interior Forces units crush demonstration of Georgian nationalists in Tbilisi, killing 40-50 and wounding 150. Tbilisi is placed under military rule.



Unrest in Asian U.S.S.R.

Key of Symbols

- ⚡ labor strikes
- ▽ mass demonstrations
- 🔥 terrorism and sabotage
- ⊗ ethnic conflicts
- armed repression

August—Bloody clashes between Armenians and Azeris in the predominantly Armenian region of Azerbaijan called Nagorno-Karabakh. In Baku, Azerbaijan, demonstrators demand political and economic autonomy.

Sept. 2—General strike in Azerbaijan. Soviet Interior Troops are deployed to “keep order.”

October—Mass demonstrations against military draft in Azerbaijan, Georgia, and Armenia.

Oct. 11—Soviet troops fire on Armenian protesters in Nagorno-Karabakh, following a government order for an end to Armenian-Azerbaijani clashes and to the two-month-old Azerbaijan rail and road blockade of Armenia and Karabakh.

5. Argentina: Dec. 2, 1988—Col. Mohamed Ali Seineldín, hero of the Malvinas War, launches a limited military rebellion, demanding an end to the dismantling of the country’s military forces, which are the prime target of Soviet-backed narco-terrorist irregular warfare.

6. Italy: Jan. 19-20—Founding of the International Martin Luther King Tribunal on Crimes Against Humanity, at a conference in Rome. The tribunal vows to reverse the political frameup of Lyndon LaRouche and associates.

7. Venezuela: Feb. 27—Riots erupt in 17 cities in protest against the government’s austerity program, imposed on orders from the International Monetary Fund, by President Carlos Andrés Pérez, a professed admirer of Gorbachov’s *perestroika*.

8. Brazil: March 17—President José Sarney denounces foreign designs on the Amazon basin, upholding national sovereignty against “One World” ecological fascists.

9. Lebanon: April—Gen. Michel Aoun closes down ports through which Syrian intelligence has run the Lebanese drug traffic for more than a decade. Soviet-allied Syria responds with terror-bombing of Beirut.

10. Ibero-America: May—One hundred congressmen, from all shades of the political spectrum, sign and circulate a statement demanding freedom for LaRouche.

11. People’s Republic of China: May 15-18—Mikhail Gorbachov goes to Beijing, but is swept aside by massive demonstrations by students and workers, which continue throughout the month.

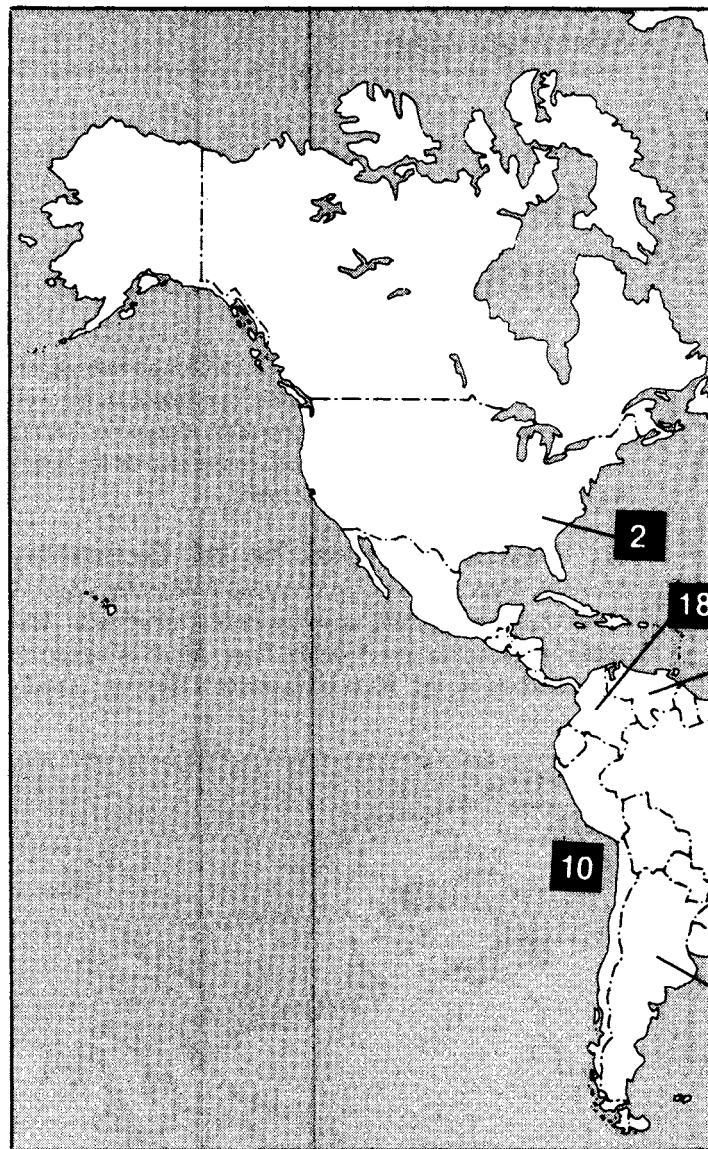
June 3-5—Massacre at Beijing’s Tiananmen Square.

June 11—Exiled Chinese democracy leader Wuer Kaixi, and Yan Jiaqi, formerly of the Chinese Academy of Sciences, call for economic sanctions against the Beijing regime. In the United States, the National Democratic Policy Committee (LaRouche wing of Democratic Party) circulates 1 million leaflets demanding a U.S. embargo of the P.R.C.

12. Poland: June 4—Massive defeat for Poland’s ruling communists in parliamentary elections; Solidarnosc emerges as decisive force.

Aug. 24—Poland’s first non-communist prime minister in 45 years, Tadeusz Mazowiecki of Solidarnosc, is elected by parliament.

13. Uzbekistan: June—Riots over lack of food



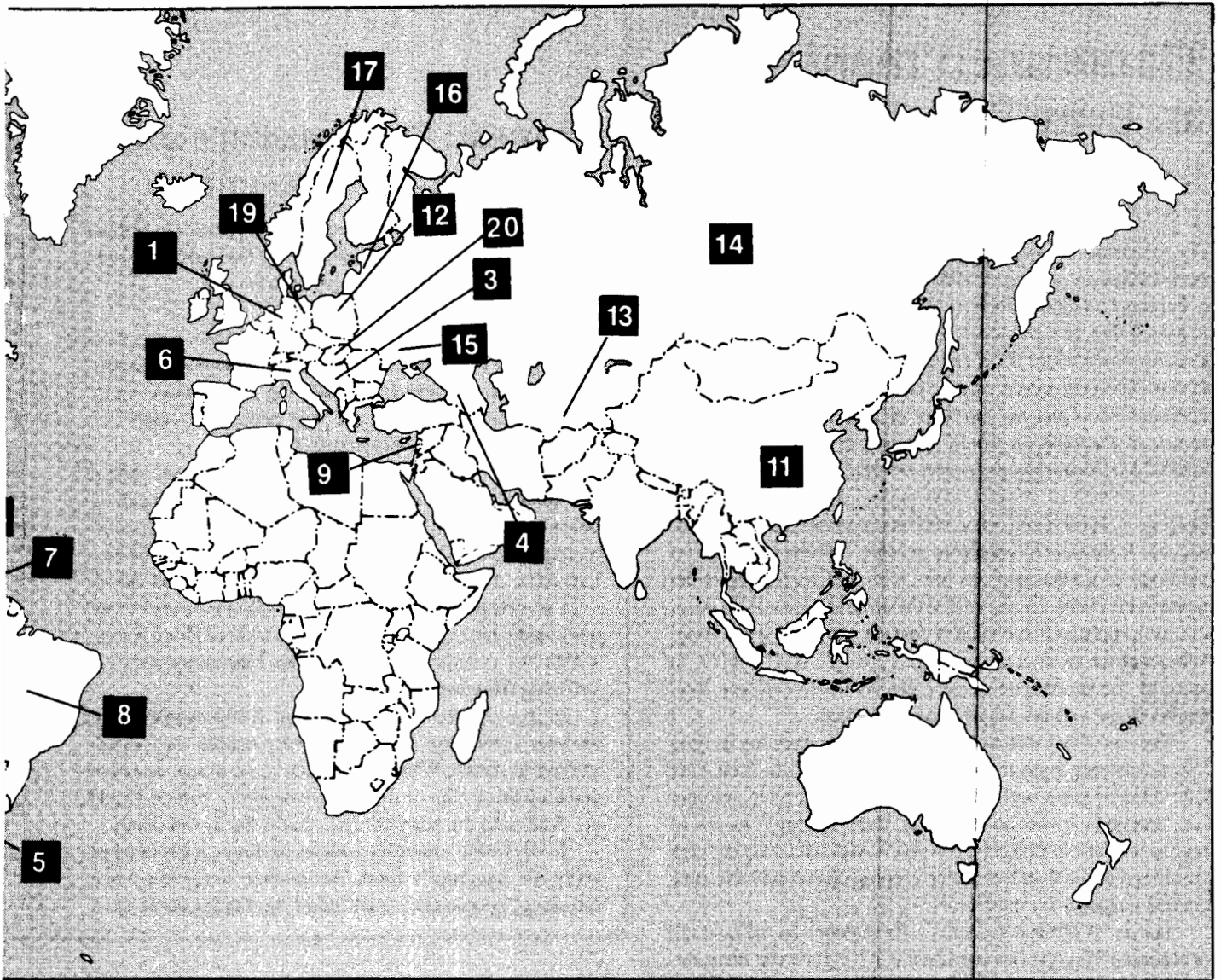
and over ethnic disputes.

14. Soviet Union: July—Strikes hit the principal mining regions: the Kuznetsk Basin (Kuzbass) in central Siberia, the Donetsk Basin (Donbass) in eastern Ukraine, and Karaganda in western Kazakhstan. A general strike is declared in Soviet Georgia, while Russian workers in the Baltic republic of Estonia strike against “repression” by Estonian authorities.

Oct. 23—Coal miners in Vorkuta, north of the Arctic Circle, go on strike, with both economic demands and demands for political freedom.

15. Ukraine: August—Demonstrations in Lvov and Kiev demanding freedom for the Uniate Church.

Sept. 8—Founding of new Ukrainian mass national movement, the Narodni Rukh, with support from Poland’s Solidarnosc.



Sept. 17—Demonstration of over 150,000 Catholics in Lvov, demanding legal status for the Ukrainian Catholic Church.

16. Baltic Republics: Aug. 23—Anniversary of the Hitler-Stalin Pact. Culminating months of agitation for autonomy, two million demonstrators in the Soviet-occupied Baltic states link arms in a human chain starting in the Latvian capital of Riga and extending in either direction to the capitals of Estonia and Lithuania, in protest against Soviet annexation of their nations under that pact.

17. Sweden: Aug. 24—Swedish intelligence circles leak to the press the information that the Soviet KGB knew in advance of the planned assassination of Swedish Prime Minister Olof Palme.

18. Colombia: Aug. 25—Following the assassination of anti-drug presidential candidate Luis Carlos Galán,

Colombian President Virgilio Barco declares war on the “narco-terrorist” mafia. Mass arrests of drug traffickers begin.

19. “German Democratic Republic”: September—Exodus of East Germans to the West, which has been building since the spring, now picks up steam.

Oct. 6—East Germany “celebrates” its 40th anniversary by imposing virtual martial law in an attempt to suppress freedom demonstrations all around the country, including a rally of 70,000 people in Leipzig.

Nov. 9—East Germany lifts restrictions on emigration by its citizens.

20. Hungary: Oct. 7—The ruling Hungarian Socialist Workers Party votes itself out of existence and creates a socialist party that says it supports a transition to “democratic socialism.”

Tiananmen massacre: an eyewitness report

by Hanyan

The following is a personal account of the massacre in Tiananmen Square on June 4, 1989, reported by an eyewitness—a Beijing University student who escaped from China and is now living in Vancouver, British Columbia, in Canada. Because the student fears reprisals against relatives still in China, her real name cannot be used. Because the Bush administration and the butchers of Beijing have agreed to return to business as usual, we believe it is important to remind our readers of the events related here.

On June 4, 1989, I and other students accompanied a Chinese tricycle from one university to another. On the tricycle was the body of a nine-year-old boy, who had six gaping bullet holes in his chest. He lay stiff in the arms of his mother, who, totally unprepared for such a fact of life, had gone mad. Wherever we went with the tricycle, people wept openly, in spite of the immediate danger that sympathy of any kind shown to the victims might bring upon them.

The next day I watched several students from the Beijing Sports Institute fight the martial law troops with their bare fists. One of them was killed right before my eyes, another was arrested. It was not that they were so stupid as not to realize the futility of fighting firearms with fists, but that they would rather die than live under a regime that would use guns against peaceful demonstrators.

The deeds of these students were matched by the courage of students from the Beijing Chemical Engineering Institute, who used home-made gasoline bombs against the tanks in Tiananmen Square.

Immediately after the massacre, the Communist Party propaganda machine began issuing stories and showing pictures and scenes of Beijing citizens sending gifts and provisions to the martial law troops, supposedly expressing their gratitude to the army.

The truth behind such scenes is that these citizens were assigned to do this, against their will. At the University of Beijing, for example, all the professors were summoned by the Communist Party secretary for the university. They were told the mission and volunteers were called for. Since no one seemed eager to volunteer, the secretary asked party members among the professors to take the lead. Still nobody responded. So lots were drawn. On the day when those who were selected to undertake the “honor” of taking provisions and gifts to the martial law troops performed their duty, they went about it as if they were heading for the gallows.

Chinese Communists use food to control people

From the speech to a Food for Peace conference in Chicago, Nov. 4-5, by Ying Tsui, member of the National Committee of the Chinese Democratic Party:

Friends, brothers and sisters of the human race: You amaze me! You come here to care for the poor people. You care for the people in suffering. You amaze me! I thought nobody cared for the poor people. I thought nobody cared for the people in suffering.

Before I was 16 years old, I never had more than a half-pound of meat each year. For two of these years, I never had any food but garbage! I ate, not the sweet potato, but the leaves of the sweet potato. I ate anything edible. I ate mice, I ate cockroaches, I ate the afterbirth of cattle.

I was 60 pounds at 16 years old, when I escaped from mainland China. I ate so much when I got to Hong Kong, within two months I was 90 pounds. This is my personal suffering from lack of food.

In my village, which was about 1,000 people, from the year 1959 until '63, almost every month, one person starved to death. When people starve so much, near the end they drink a lot of water, and the whole person swells up. And once the body shrinks, that is the day of death.

In starvation, morality goes so far down, a father takes away his daughter's food; the mother steals her son's rationing; people trick each other for food; people steal

The disgust with the Communist Party regime is not only manifested in such public acts of defiance, but is also seen in family disputes and complete changes in individuals' personalities.

People changed overnight

I have a friend whose father is a District Mayor in Beijing. For decades he and his wife have been living in perfect harmony. But after the June 4 massacre, when I went to visit them, his wife talked tearfully with me for over three hours about the massacre. She told me that she had given her husband her ultimatum—“If you continue to work for this government, I will divorce you; and will not permit my children to any longer call you ‘Father.’ ”

An old professor who used to teach us Chinese was known on campus for his fondness for his young wife and his son, who was born when the professor was already over

by all means, because the government steals everything from the people.

They use food to control the people. We saw it under communism. You only have your rationing in the place where you get your assignment. That is the only place you can get your rationing.

Human rights, human dignity—what are they? There's no such thing as human rights, no such thing as human dignity! People are like dogs, like pigs. In the last 40 years, the Communists have managed to maintain the population in slavery, in ignorance, so that they can handle them with ease. They intimidate the will of the people. They laugh at the people. They are liars, as the whole world knows these days. Communists can say anything they please. . . . They promote the ugliness of human nature. Kindness is condemned.

There is a necessity for some organized opposition party in China. The people's agony is very clearly observed in Tiananmen Square on June 4. The people's force and the people's power is also clearly observed in Tiananmen Square on June 4. The success of the Poles, the success of the Hungarians tell us there is a necessity for an opposition political party. We believe that.

The doomsday of all inhuman tyranny will come soon. We just need to fight hard, and work hard. The end of our enemy is coming. God helps those who help themselves. We need to help ourselves. We'd like help from all over the world. . . .

We'd like to build a society of justice, of kindness, of hard-working people. Without justice, people don't know what they're working for. . . .

We need to learn how to educate, based on wisdom



Ying Tsui of the Chinese Democratic Party.

and love. We need to learn how to make a sound economy with strong infrastructure for energy, for transportation, for education. . . .

We need to face this world of injustice, of inhumanity. I am a member of the Chinese Democratic Party. Our objective is to build a democratic China for the Chinese people, and for the peace of the world. If China is in the wrong man's hands, there's no way the world can have peace—from Cambodia, from Vietnam, we can see that.

I have no more to say, except to work hard, to fight hard, and to learn hard. Let's do it together. Thank you.

50 years old. He therefore always stayed home except for his time in the classroom. But during the demonstrations he walked all the way to the campus to listen to news from the student-run radio station. Several times I saw him so engrossed in listening to the broadcasts that he even forgot he was standing in the rain!

Under the pervasive "white terror" of the regime against the democracy movement, the struggle has gone underground. An astute observer noted that an article in the government's *People's Daily*, several weeks after the massacre, which explained the function of tear gas, actually disclosed in an indirect way the hideous crimes of the current regime. No wonder the party is still increasing its control over any means of public discussion by closing down more and more newspapers and journals.

A Chinese proverb goes: "Where there is oppression there is rebellion." It sums up both the way the Chinese people

look at events in the world, and the principle by which they live.

Do not think that the Chinese people have been intimidated into submission. As a matter of fact, my talks with people who have arrived in Vancouver more recently, have convinced me that only the extremely gullible are buying the government's story of the Tiananmen Square massacre.

Forty years' experience under the rule of the Chinese Communist Party has taught the Chinese people to read newspapers in a unique way: If the newspapers say that things are normal, they are actually abnormal; if the government says that there were no deaths in Tiananmen Square, there must have been many casualties in that very place.

People have learned, and are learning, to fight back in every conceivable way. In this sense, we may say that the Chinese Communist Party sounded its own death-knell on June 4, 1989.



'The people of Cambodia hate and mistrust all Communists'

Heng Cheng, former President of Cambodia, entered national politics in 1958. He served in several capacities in the cabinet, including Secretary of Agriculture from 1960 to 1962. He was elected President of the National Assembly for two one-year terms, serving from 1968 to 1970. In 1970, he was elected President of the Republic of Cambodia, serving until 1972. He left Cambodia in 1975, shortly before the takeover by Pol Pot's Khmer Rouge. He presently lives in Houston, Texas, and is president of Khmer Unity for Peace and Freedom. This interview was conducted by Harley Schlander on Oct. 31.

EIR: Would you comment on the situation facing Cambodia following the breakdown of the Paris Conference?

Heng Cheng: The world now realizes that the Cambodian peace conference collapsed because of the Communist government of Hun Sen, backed by Vietnam and Russia, and the Khmer Rouge backed by the Chinese. These communists have already caused the Cambodian people to suffer one of the worst tragedies in the history of the world. The Khmer Rouge killed over 1 million in their insane attempt to return Cambodia to an agrarian society. It is believed that they planned to kill as many as 5 million more, if necessary, to consolidate their plans.

The only thing that prevented further massacres was a purge within the Khmer Rouge that forced Heng Samrin to separate from Pol Pot and ask the Vietnamese Communists for their support. The Vietnamese responded by ousting Pol Pot in December 1978. Before Pol Pot's ouster, he and Heng Samrin not only savagely massacred Cambodians who resisted them, but they also destroyed the social, political and cultural framework of the nation. This may have been the worst holocaust in the history of man.

These events led the people of Cambodia to hate and mistrust all Communists regardless of their origin. The people strongly oppose the continuation of Communists in power.

We appeal to the United Nations and particularly to the American people for help.

EIR: What would happen if elections were held now?

Heng Cheng: The Vietnamese Communists tried to exploit

the Paris Conference to consolidate and legitimize the position of Heng Semrin. If elections are held in the next six months, Heng Semrin will win. After the Vietnamese troop withdrawal, they will still keep 2,500 military in each province in Cambodia. There are more than 1 million Vietnamese civilians in Cambodia who will stay, so we could not win an election.

EIR: We have seen in China recently, that even after 40 years of Communist rule, millions of people demonstrated against the Deng Xiaoping government. Do you see the same in Cambodia, that, given the chance, people would vote against the Communists?

Heng Cheng: Most of the Cambodian people don't like the Communists, they have been the victim of the Communists, they know the Communists killed their families, they emptied our cities and ruined our agriculture, creating food shortages. Many people were worked to death and many starved. There are people starving today.

EIR: You must be very disappointed with the U.S. role at the Paris Conference, since the Bush administration has been more interested in promoting good relations with the Soviet Union, which is backing Vietnam, and China, which supports the Sihanouk-Pol Pot coalition, than in helping the Cambodian people.

Heng Cheng: Yes, this is true, because they don't know very well the real situation. As I told President Bush, the Communists exploit indirectly, and the U.S. and our other friends from the free world, they don't know the ploys of the Communists.

EIR: What about the role of private individuals, such as Henry Kissinger and others, who are using their influence to shape U.S. policy?

Heng Cheng: He is not popular, but he has his connection with Chase Manhattan Bank. They can do this because the American people do not know the real situation. The Communists are smart in making propaganda. That is what happened in the Vietnam war, they exploited the opposition of some Americans [to the war], we didn't lose the war, we

abandoned it, when the Congress stopped military aid to Cambodia, Vietnam, and Laos and these countries fell down. The Communists had no support, they have no support now, but they spend money to make propaganda.

EIR: What do you think the U.S. should do to help the people of Cambodia?

Heng Cheng: In my opinion, the U.S. has to support the wishes of the majority of the Cambodians to apply democracy. U.S. policy must not continue to be dependent on agreements made with Moscow and Beijing, but must respect the wishes of the Cambodian people for national sovereignty.

The American people have a long and rich tradition of human rights, freedom, and respect for other people. We plead for support of our cause, which, simply stated, is to let non-communist Cambodians participate in the next peace meeting. We represent the majority of the Cambodian people and we do not owe allegiance to any country.

We have to prepare for Cambodian reconstruction, to attract help from other countries and loans from international banks. For this, we need first, security. Secondly, we need democracy, real democracy. Third, we need a constitution, to form a basis for good government.

Then, we must rebuild infrastructure. This means roads, streets, telephones, all communications, electricity. We can export agricultural provisions which are frozen, like fish and fruit, but if we do not have enough electricity, we cannot do this. We need big electrical generators, so we can have a low price for the people. Now, we have generators from Communist countries, they are small and expensive, so we cannot compete with other countries. We have to build a modern port for trade.

EIR: One of the most serious problems facing the region is that of starvation. Cambodia was once a food-exporting nation. What policies did you promote as secretary of agriculture which enabled Cambodia to produce a food surplus?

Heng Cheng: When I was secretary of agriculture, I encouraged expansion of agriculture through new technologies, such as selection of seed, use of tractors to replace oxen, use of fertilizer and insecticides, and also, a policy to protect the price paid to the producers. I was the first secretary of agriculture to explain to the government that, for example, to have rice, you have to spend 160 days from planting to harvest. You must know each day what you have to pay to produce the crop, so you must know if you will have the price.

EIR: In other words, what we used to have in the United States, a parity price, to cover the cost of production?

Heng Cheng: Yes, that's right. In industry and commerce, when you buy something from another country, you have insurance, so when you have problems, if the ship sinks, when you lose the product, you have insurance pay . . . in agriculture, in five years, you may have only two or three

good years. Meantime, you may have flooding, drought, insects. How much does the farmer get then?

Then, when you have a good crop, the price drops. So you must impose a price that protects the agricultural producer.

EIR: What results did you achieve as secretary of agriculture?

Heng Cheng: When I first became secretary we had no tractors. We soon had more than 4,000 tractors. In a new area, the land is overgrown; to plow, to exploit by oxen, it takes five years to exploit one hectare, to clear the land and make it productive. This problem restricted land use to areas previously exploited. With the tractor, it takes one day to prepare a hectare. This meant we could increase land use. To help people buy tractors, we protected the price [of the tractors], with an exemption tax, and we gave an exemption from tax for buying fertilizer.

With these policies, we had a such a large increase in food production, that I had to go to other countries to look for markets to export food.

EIR: So you provided incentives for them to modernize?

Heng Cheng: Yes. We also introduced diversification, which lowered the risk we faced from being too dependent on only one or two crops, and to grow some crops that we previously had to import. We developed cotton and rubber. We encouraged and supported increased production of existing crops, such as fruit trees, citrus trees (limes, lemons, grapefruit, and oranges) and corn. We started producing coffee for export. I encouraged people to grow jute to make bags for rice, so that we did not have to import bags from India. Then we built a factory to produce the bags. Productive agriculture allows a transformation of an economy to develop small and medium industry.

We encouraged the production of beef cattle. I asked Americans to send us the Brahma bull, because the cow in my country is very small. When I bred it with the Brahma, it became big.

EIR: Since your reforms showed that Cambodia could be a food exporter, what could we do today with the correct government policies?

Heng Cheng: We could be a major food exporter. We know how to produce the food. We must have good relations with other countries to have markets. We must have money to exploit these potentials. For example, the situation we have with fresh fish is special, we used to export a lot, but now we don't have enough money to exploit this resource.

From the Great Lake to the south, all along the Mekong Delta, there is very rich land, it is easy to earn money here, this is the area the Vietnamese occupy. The Mekong flows from Tibet, and flows for 4,000 kilometers. The land around this river is very fertile. In my opinion, if we have real security and some aid, we could rebuild very fast.

International plot to stop Colombia's anti-drug war

by José Restrepo

The Colombian government's declared war against the drug cartels came under violent attack from former President Alfonso López Michelsen, during a Nov. 3 speech to a gathering of Colombian legal experts in the city of Paipa, Boyacá. In his speech, López went to the extreme of saying that "the so-called war against the drug trade" constitutes "a new element of destabilization" in the country.

López Michelsen's speech coincided with the appearance—in publications worldwide—of an article by his friend, writer Gabriel García Márquez, advocating government "dialogue" with the narcotics mafias. It also coincided with tours through Europe of presidential candidate Ernesto Samper Pizano, the most visible head of the drug legalization lobby in Colombia and political heir to López Michelsen, and of so-called "human rights" advocates deployed by the Colombian Communist Party.

These deployments were denounced Oct. 26 as "a genuine international conspiracy" of the drug mafia and its left-wing apologists, by the lead editorial of Colombia's leading anti-drug daily *El Espectador*. That editorial referred specifically to an upcoming "human rights" extravaganza in Amsterdam, at which narco-terrorists of all stripes will be congregating to point the finger at the Colombian government for allegedly using the pretext of a war on drugs to mount a "dirty war" of repression against the Colombian left. The most recent report issued on Colombia by the London-based Amnesty International, which charges Colombia's government and Armed Forces with all manner of human rights violations in their anti-drug operations, was the first major salvo of that international conspiracy.

The conspirators were also denounced *by name* as traitors, in a signed Oct. 25 editorial by *El Espectador*'s director Juan Guillermo Cano. Warning President Barco that he is

being betrayed by his own political colleagues, Cano urged that López Michelsen, Samper Pizano, and their ilk be brought before a "summary trial" on charges of treason and desertion in time of war.

The face of treason

In his Paipa speech, published Nov. 4 in the Conservative daily *El Siglo*, López Michelsen asked rhetorically, "Why is it that only in Colombia has the fight against the drug trade turned into . . . a war between the State and the mafias? How has it come about that a problem to be handled between the local police and criminals, as occurs in other countries, has become a great national concern, affecting the economic, social, and even political life of the entire citizenry? . . . What came first, the Ministry of Justice classifying the war against the drug trade as a problem of state, or the chain of homicides that terrorizes society?"

López replies: "It seems to me that to claim it was the assassinations that forced us to raise the level of the conflict inverts the terms; it was by giving it the character of a war that Colombia has become the only country where such atrocious events have spread throughout the national territory." López's message is clear: if Colombia had struck a deal with the drug mafia back in 1984, when López served as the emissary of the cartel's amnesty proposal, there would have been no problem today. He then concludes with the argument that if, indeed, this is a "real war," then the drug traffickers have every right to seek peace negotiations with the government.

It were appropriate here to refresh Sr. López's memory a bit. The power of the drug mafia did not, in fact, derive from the Barco government's declaration of war against it. Rather, the cartels took root in Colombia through the creation

of various speculative and money-laundering capabilities—including the so-called “sinister” or black-market window at the Colombian central bank—facilitated by the infamous “tax reforms” under López Michelsen’s 1974-78 administration.

Further, the drug cartels began to infiltrate and capture the institutions of state through the purchase of congressmen and investment of “narco-dollars” in electoral campaigns. The most celebrated case, of course, is that of López Michelsen’s re-election bid in 1982, when the treasurer of his presidential campaign accepted 20 million Colombian pesos from Medellín Cartel mafioso Carlos Lehder, currently serving a life sentence in a U.S. jail. In 1983, Lehder told reporters that the 20 million peso contribution had been a cartel downpayment on legalization of the drug trade, were López to have been re-elected. López’s campaign treasurer admitted to taking Lehder’s money, but denied that any strings were attached. That campaign treasurer was, of course, legalization lobbyist Ernesto Samper Pizano, currently making his own bid for the country’s top office.

Promoting legalization

Samper’s European tour, which took him to Spain, France, and Sweden, was intended to deliver a single message: that drugs must be legalized worldwide. On Oct. 27, during a Bogota press conference on the eve of his departure for Europe, Samper reiterated that “If there exists the perception that the war against the drug trade is not going to be won, the way will be opened to reach a negotiated solution. . . . Legalization is the viable alternative.” That theme was repeated on every European stop, along with the argument that “We will not permit Colombia to be turned into the Vietnam of a war against drugs in Latin America.”

At the conclusion of his European tour, Samper descended on neighboring Venezuela, where he joined with his fellow drug-lobbyist Gabriel Garcé Márquez in a meeting with Venezuelan President Carlos Andrés Pérez, and promoted his arguments for surrender to the mafia in numerous press interviews. Asked at a Caracas press conference what he is doing to guarantee a victorious war against the drug cartels, Samper responded: “Once upon a time, a French colonel (at war with England) said he would fight until the last Briton was dead. . . . I cannot say that we will fight the war against the drug trade until the last Colombian is dead.” Journalists at the conference were heard to ask each other whether Samper’s simile meant he was on the side of the drug traffickers, or of Colombia.

Gabriel García Márquez, Colombia’s Nobel laureate who resides in Mexico, has joined forces with the Samper/López campaign. A long-standing advocate of drug legalization, García has not only publicly appeared with Samper during his Venezuela tour, but has just published a lengthy article—appearing, among others, in publications of Spain, Mexico, Venezuela, and Colombia—accusing the United States of

sabotaging efforts to reach a negotiated settlement with the drug cartels and of using the Colombian war on drugs as a pretext for sending in U.S. troops.

In his article, García furiously denies that such a thing as the “narco-guerrilla” exists—perhaps in deference to his good friend Fidel Castro, whose financing of both the ELN and M-19 narco-terrorists in Colombia is as well known as his sponsorship of Havana’s long-term guest, Medellín Cartel financier Robert Vesco. If the U.S. can prove that the drug traffickers and guerrillas are one, argues García, “the rest is just a question of sending troops to Colombia under the pretext of capturing the one and battling the other. In the end, sooner or later, all of us Colombians could be extradited.”

“The war against the drug trade in Colombia will be long, ruinous and without a future,” warns García, who laments that efforts to establish a dialogue between the drug cartels and the Colombian government have repeatedly failed, including his own mediation effort in late 1985. He hints that the drug traffickers have, perhaps, been provoked into their violent deeds.

García is not the only one shedding tears for Colombia’s poor misunderstood drug traffickers. The “human rights lobbyists” are mobilizing internationally, just as *El Espectador* has denounced, against Colombia’s anti-drug war. On Oct. 30, in a press conference given in Bonn, West Germany, the president of Colombia’s National Association of Judicial Employees accused the Barco government of using his anti-drug war as a “smokescreen” for violating human rights. Antonio Suárez is, not accidentally, a leading member of Colombia’s Communist Party (PCC).

The Communists are active inside Colombia as well. On Oct. 25, the PCC newspaper *Voz* said editorially that “the alliance of important sectors of the drug trade with militarism is the principal obstacle to a negotiated political solution to the national crisis.” On Oct. 26, all the leaders of the Patriotic Union—the electoral arm of the narco-Communist Revolutionary Armed Forces of Colombia (FARC)—published a statement opposing the extradition of drug traffickers, using the mafia’s own argument that “extradition violates national sovereignty and allows extraditables to be given sentences not considered within Colombia’s legal guidelines.”

And on Oct. 29, the *The Washington Post* published a front-page article supporting the notion of dialogue with the Colombian drug cartels, and arguing that “the war will never be won until consumption inside the United States is controlled.” The article also lies that “if Barco continues to lose support between now and next May’s (presidential) elections, and offers no new results, such as the arrest of (cartel chieftains) Escobar and Rodríguez Gacha, it will be still more difficult for his successor to continue with a hard line” against the drug trade.

The *Post*’s message to the drug traffickers is clear: hang on until the next President comes in. If it’s Samper Pizano, you’re home free.

Samper Pizano flails in European tour

by Our Paris Bureau

Presidential pre-candidate for Colombia's Liberal Party, Ernesto Samper Pizano did not exactly get the red carpet treatment when he visited Paris at the end of October. Samper, whose spokesmen in Colombia pretended would be meeting with President François Mitterrand, was only able to meet "functionaries" at the interior and foreign ministries, as well as party representatives.

One can only suspect that despite all his efforts to appear as supporting Colombian President Virgilio Barco's war on drugs, Samper's reputation as the head of the pro-drug legalization lobby of Colombia was too strong for anybody important to meet with him.

Many journalists, mainly from Ibero-America and Spain, but also from France attended his press conference at the Latin American House. All had received a press communiqué from the French Anti-Drug Coalition recounting Samper's career as the head of Colombia's pro-drug legalization effort. Between 1977 and 1980, Samper headed the Association of Financial Institutes of Colombia (ANIF), which he described in public statements as the "Latin American coordinator for the International Cannabis Alliance for Reform (ICAR)." In 1982, while Samper was campaign manager for ex-President Alfonso López Michelsen, Carlos Lehder, one of the leaders of the Medellín Cartel, said he contributed a million pesos to the López campaign!

After the murder this past August of frontrunner Luis Carlos Galán, however, Samper Pizano became a top contender for the Liberal Party's presidential nomination, and this seems to have led to some changes in his speech. The purpose of his European trip, he said in his press conference, was to discuss Colombia's problems, in particular the war on drugs, with political figures. Samper, who paid lip service to Barco's war on drugs throughout his remarks, demanded that a "global" approach be taken in this war, to include three main points: 1) Military aid must be "redirected" toward equipment useful to an "intelligence" war, not toward a brute force war. Colombia needs electronics surveillance equipment, sophisticated bomb detectors, etc. 2) Samper demanded financial and economic aid not only for the "war on drugs" but also for the "peacetime." Huge costs incurred in the course of the war and because of the destruction of the war economy can be counterbalanced, he said, only if the Europe-

an Community, for example, proposes to Colombia a Marshall Plan similar to that being proposed to Poland. 3) Finally, with 40 million drug consumers in the world, the war on drugs cannot be an effort directed only toward the producing countries, but must be accompanied by a similar war in the consumer countries.

While we can hardly attack such proposals, which in themselves could be useful, the lack of will to fight the war against the mafia seems to plague this presidential hopeful. Samper said several times in Paris, and elsewhere in Europe, that if the war on the mafia is not successful, "the only alternative is legalization." That the problem of drug legalization is not a moral issue for Samper but a technical question became clear after he stated several times that the problem of legalization cannot be dealt with as a "unilateral" problem because there is the producer and the consumer end. The solution can only be "multilateral," he stated, showing his willingness to legalize if all such technical conditions are fulfilled.

Samper's image as a drug fighter was not convincing to many. The first question shot at him by a journalist from Radio France International was "Mr. Samper, in the past you were associated with the pro-legalization lobby. Can one interpret your remarks from today as meaning that you have changed your line?" After Samper professed that this was indeed the case, Christine Bierre, president of the Anti-Drug Coalition in France, said she was a bit astonished to hear about this sudden change of line, since she had received information concerning an interview he granted to RCN Radio just after the murder of Galán, rather than supporting Barco's emergency measures, Samper had criticized extradition of indicted drug criminals, had called for a dialogue with the gangsters, and had finally declared that the only alternative to not winning the war against drugs, would be legalization!

Ernesto Samper Pizano was quite furious at being "uncovered" and just kept repeating that he had never made these statements and demanding that Mrs. Bierre read actual quotes from him, if she had them. Christine Bierre proceeded to read the exact quotes from his speech, while pandemonium broke out in the room with several aides to Samper denouncing the Anti-Drug Coalition as having been founded by Lyndon LaRouche, an American statesman currently in prison.

Many of the questions which followed, however, were aimed at trying to pin down the "ambiguous" Mr. Samper: "What kind of drug policy will you conduct if you are elected President?" "Would you favor investigations into the links to top-level government and other elected officials and the drug runners?" "What would you do if you found your children consuming cocaine?" While Samper pretended he was against drugs, when Christine Bierre asked him if he would legalize in the case "prohibition" against drugs stopped in the consumer countries, this chameleon who otherwise dared to denounce the "moral" evil of drugs, immediately stated that in that case, he would be in agreement with legalization.

Free Lebanon fights for survival

by Thierry Lalevée

Unfortunately, historical comparisons abound to describe what happened on Nov. 4, when a group of aging Lebanese parliamentarians, under the protection of Syrian intelligence, and claiming to represent Lebanon's national and sovereign interests, appointed one of their colleagues as Lebanon's new President. The best comparisons may be the elections held by the Soviet Union in occupied Eastern Europe in the late 1940s, or the discredited parliamentarians of the French Third Republic who gave power to Philippe Pétain to make peace with Hitler.

Completing the cynical farce is the person they chose, René Moawad. The most diplomatic among Lebanese observers have described him as an "affairist"; others have spoken bluntly of his swindles while he was chairman of the parliament's finance committee, and of his role in the drug-trafficking activities of former President Suleyman Franjeh.

This farce has received the political and spiritual blessings of all the major international powers, ranging from the United States to the Soviet Union and France, and even the Vatican. Each power had its own divergent reasons for doing so. Washington's message of congratulation to the newly elected President was the least surprising: It was the end-result of more than a decade-long policy guided by Henry Kissinger and aimed at courting Syria's favor, both within the context of the American-Soviet entente, as well as on the delusion that Syria could play a "constructive role" in solving the Israeli-Arab conflict. Likewise, Moscow's behavior does not require much explanation. Whatever tension may exist between Moscow and Damascus, Syria remains firmly in the Soviet camp, and Syria's victories strengthen Moscow's power and bargaining position.

What of France and of the Vatican? Certainly, its sudden turnabout has been felt more painfully by most Lebanese, who took it almost for granted that both powers would remain on their side. It seems that Lebanese Maronite Patriarch Nasrallah Sfeir had a personal hand in influencing the Vatican hierarchy to support the agreement which the parliamentarians made in Taif, Saudi Arabia. Whether this was prompted by the fear that refusal to do so would mean further and devastating massacres, or by more sinister motivations, remains to be seen. In any event, Sfeir does not seem to have been able to master the events, and chose the route of compro-

mise, accepting life under Syrian control as the "lesser evil."

Not accidentally, the Vatican's turnabout coincided with most of the Vatican diplomats being hectically involved in talks with the Moscow regarding Mikhail Gorbachov's upcoming visit to Italy, to the end of negotiating a consensus over the Catholic communities in the East bloc countries. On the morning of Nov. 4, the Papal nuncio transmitted to Prime Minister Gen. Michel Aoun, a Papal message urging Lebanese Christian unity, and advocating that this was the time for "necessary concessions."

France's posture is no better, with both the ruling socialists and the conservative opposition supporting the Taif arrangements. Opposition leader Jacques Chirac went even further, calling on the French government to use all "means available to the state" to pressure Michel Aoun to submit to the Syrian puppet government. Such a posture smacks of double-dealing, and may be connected to the Gaullist party's contacts with Syria to obtain the release of the French hostages.

The French government seems to have acted from the same motivations, fed by fears that the bombing of a French passenger jet on Sept. 19 may be followed by additional terror activities on French territory directly.

Who will support a puppet?

However, events since the Taif agreement show that General Aoun has good reason to continue resisting Syrian occupation. Few Lebanese in their right mind consider René Moawad as a serious President. He is a Syrian puppet and nothing else. The first one to congratulate him was Syrian intelligence boss in Lebanon, General Ghazi Kana'an, the man who manipulated the Abdallah brothers during the 1986 terror wave in France. Moawad's first political consultations were held on Nov. 8 in Damascus, where he was not even considered important enough to meet with President Hafez al-Assad, but only with Vice President Abdel Halim Khaddam.

Communiqués from the meeting indicate that Damascus is now waiting for an official appeal from the so-called "legitimate government" to launch a new military assault against East Beirut and the areas controlled by Michel Aoun.

Yet, there are several factors to consider. For their own tribal reasons, Syria's Druze and Shi'ite allies are opposed to the Taif agreement. In the final analysis, Syria is obviously concerned that the "political process" set in motion by the Taif agreement—i.e., a two-year deadline after which the Syrian presence will have to be questioned, does not reach maturation.

Hence, despite all odds, Michel Aoun and Lebanon do have a chance of survival, given their ability to play on these obvious divergences among Syria's so-called allies. The essence will be time, and Aoun's ability to survive both the immediate attempts at assassinating him, an upcoming military assault, and a period of siege and of blockade of the regions under his forces' control.

Argentine generals retire Seineldín

by Cynthia R. Rush

The high command of the Argentine Army has completely ignored the recent pardon granted to military officers by President Carlos Menem and forced the retirement of Col. Mohamed Ali Seineldín, leader of the Army's nationalist wing. On Nov. 1, Army Chief of Staff Gen. Isidro Cáceres announced the decision of the Army's Promotions Board that Colonel Seineldín would be retired because he was "unfit to continue in active service." The colonel will also reportedly be subject to 60 days in jail, as punishment for violating specific Army regulations.

On Oct. 6, President Menem granted a full pardon to Seineldín and 180 other officers who had been involved in military action against the policies of Menem's predecessor, Raúl Alfonsín. Also freed from jail at that time were several leftists who had participated in armed warfare against the government during the 1970s. Menem told the Argentine people that the pardon was necessary to achieve the "reconciliation of the nation," whose recent history has been marked by civil strife and economic chaos.

The reasons cited by the Promotions Board for retiring Seineldín are the very grounds on which Menem pardoned him. The board charged him with having abandoned his post in Panama "without authorization," "entering the country clandestinely," and "acting contrary to regulations against the government's military policies."

These charges refer to Seineldín's December 1988 attempt to force the Alfonsín government to reverse its anti-military policies and restore dignity to the armed forces. The colonel left Panama, where he was serving as military attaché and adviser to the Panamanian Defense Forces, and returned to Buenos Aires, where he briefly led troops in a takeover of the Infantry School at the Campo de Mayo Army base, and subsequently at the Villa Martelli Army base. The action was taken to publicize the demand that then-Army Chief of Staff Gen. José Dante Caridi resign his post, and that the Alfonsín government make changes in its policies toward the armed forces.

The action came to a peaceful conclusion, following Seineldín's meeting with General Caridi, who subsequently resigned and was replaced by Gen. Isidro Cáceres. Cáceres was the guarantor of what was called the "Pact of Villa Mar-

telli," an agreement which laid the basis for beginning discussions on how to restore dignity to the armed forces.

Pardon nullified

The effect of the decision to retire the nationalist leader and several other officers is to nullify Menem's pardon of those who, like Seineldín, have fought to defend the institution of the armed forces and the Constitution. There are few officers who can make the claim that the colonel did recently, when he stated that "I have always been a defender of the constitutional order." General Cáceres was forced to admit in a Nov. 2 speech before a group of officers that Seineldín had effectively helped to prevent "the Lebanon-ization of the country."

The only real beneficiaries of the pardon are the terrorists like the Montoneros, who waged savage war against the nation in the mid-1970s, and those officers who "disappeared" thousands of citizens during the same period. An article in the Nov. 2 issue of the Buenos Aires daily *La Prensa* reported that Army nationalists are commenting that the decision to retire Seineldín should "be contrasted with the case of the subversive delinquents, the 'Montoneros,' who, with the pardon, fully recovered the capacity to exercise their rights as citizens, while with the military, the opposite is the case; they are punished for doing their duty."

Seineldín's promotion to the rank of general, for which he was eligible in December of this year, has been the object of an intense fight within the Army during the last year. The nationalist colonel, a hero of the 1982 Malvinas War, is widely respected by especially middle-level officers for his efforts to halt the dismantling of the armed forces demanded by the U.S. "secret government" and Project Democracy apparatus. These latter groupings see the existence of any independent political or military movement in Ibero-America as an obstacle to their "New Yalta" deals with the Soviet Union. U.S. policymaking circles, particularly those associated with former Secretary of State Henry Kissinger, have lobbied hard for the removal of Seineldín from active duty.

Seineldín has said publicly that he will not contest the retirement order, "for the sake of the unity and cohesion of the Army." The Buenos Aires correspondent for the Mexican daily *Excelsior* reported that Menem is considering naming Seineldín to head up an elite rapid deployment force to combat drug trafficking and subversion. The elite team would reportedly be made up of officers from all three branches of the armed forces.

While there has been no official confirmation of this fact, in comments to the press made on Nov. 5, President Menem emphasized that Colonel Seineldín "was retired by the Army, but not by the Argentine people. He belongs to the people, and if the government needs him, it will require his services." In Argentina, the President said, "everyone, absolutely everyone, is called upon to work for the greatness of the Fatherland and the happiness of the Argentine people."

Korean 'settlement' may be in the works

by Lydia Cherry

Numerous behind-the-scenes meetings which took place in Beijing the week of Nov. 6 are believed to have revolved around the future of the Korean peninsula and Eastern Europe. Reliable Taiwanese sources say that a four-hour meeting took place between Henry Kissinger, North Korean hard-liner Kim Il-Sung, and senior Chinese leader Deng Xiaoping, who stepped down from his last official party post Nov. 9.

Also in Beijing—though reports are unclear if he attended that meeting—was the foreign minister of Bulgaria, Petar Mladenov, who was named Bulgaria's new party chief on Nov. 10, replacing hard-liner Todor Zhivkov. Officially, China is denying the meeting took place, insisting that Kim Il-Sung left Beijing before Henry Kissinger arrived on Nov. 7. But earlier, the Chinese were denying that Kim Il-Sung was in Beijing at all. All Chinese media sources have been mum on the Kim Il-Sung visit which was reported by Japanese news services, quoting reliable sources in Beijing.

Beijing has been the scene of at least four rounds of contacts between "influential diplomats" of the United States and North Korea in the last year. Such diplomacy has increased in frequency and tempo since James Lilley, who previously served as U.S. ambassador to South Korea, was named ambassador to the People's Republic of China in May, and even more so since Bush insider Donald Gregg was finally confirmed as ambassador to Seoul in early September.

U.S. unilateral action on Korea

U.S. diplomacy to North Korea culminated during the last week in October with a visit by Gaston Sigur, formerly the State Department's top official on Asia. After the supposedly "unofficial" seven-day visit to Pyongyang, Sigur went to Seoul where he announced: "I came away firmly convinced that the paramount goal of the D.P.R.K. [Democratic People's Republic of Korea] is to reunify Korea, and it was emphasized to me that this was to be achieved through peaceful means." Sigur, however, did acknowledge that Ho Tam, chairman of the North's "Committee for the Peaceful Reunification of the Fatherland," at least indirectly admitted that the incident in which the Korean Airlines (KAL) passenger aircraft was shot down in September 1983 occurred as a result of North Korea's manipulation, the Seoul newspaper *Hanguk Ilbo* reported Nov. 1. Sigur acknowledged to a *Tong-a-Ilbo* reporter Oct. 30 that the most important issue he discussed

with the North Koreans was the subject of withdrawal of U.S. troops from South Korea, but he refused to elaborate.

"The U.S. and the Soviet Union are greatly expanding their contacts with the North and South of Korea—evidence that the trend of détente initiated mainly from Europe is rushing toward the Korean peninsula," reported the South Korean newspaper *Hangyore Sinmun*, a pro-opposition daily, on Nov. 2. In recent months, Moscow, which does not have diplomatic relations with Seoul, first sent Georgi Arbatov, director of Moscow's U.S.A. and Canada Institute. Next came Soviet Vice Foreign Minister Mikhail Kapitsa, and most recently, the third week of October—coinciding with the Sigur's visit to Seoul—Viadlen Martynov, director of the Soviet Institute for the World Economy and International Relations (IMEMO).

Korean opposition takes initiative

In each case, the contact point for Moscow in South Korea has been Kim Young-Sam, who heads the Reunification Democratic Party, and is one of three "Kims" heading opposition parties who in recent weeks have joined forces to attempt to bring down the Noh Tae-Woo government. The three opposition leaders, Kim Dae-Jung, Kim Young-Sam, and the supposedly more conservative Kim Chong-Pil, huddled together Oct. 19 when President Noh was visiting the United States to impress upon President Bush and Congress that arbitrary U.S. troop cutbacks would spell disaster. The three Kims, who seldom agree on anything, announced that in concert they would bring down the government and keep legislation stalled in parliament unless the ruling party agree to "the thorough liquidation of the [previous] Chon do-Hwan government," and to the release of pro-North Korean dissidents who have been attempting to negotiate a Korean settlement with North Korea behind the government's back.

This opposition consolidation against the government has moved still further, according to the *Korea Times* Nov. 1, with a decision by Kim Young-Sam's Reunification Democratic Party and Kim Chong-Pil's New Democratic Republic Party to merge. According to Yi Sang-Su, an unhappy spokesman from the third opposition party, the Party for Peace and Democracy, "The two parties are said to be merged into one. Now I must sink to being the spokesman of the second opposition party."

In early October, Kim Chong-Pil, who previously was aligned with the ruling camp, began turning on Noh Tae-Woo, harshly criticizing him for his supposed lukewarm attitude in solving "Fifth Republic problems." Kim Chong-Pil, according to Seoul publication *Iryo Sinmun* Aug. 13, is a close friend of Donald Gregg, and met with Gregg when he visited the United States last February. *Iryo Sinmun* notes that Kim became a "very good friend of Gregg during his stay in Korea from 1973 to 1976. Political observers believe that they met regularly while Kim was prime minister from June 1971 to December 1975."

Indian voters to choose between Gandhi, and no government at all

by Ramtanu Maitra and Susan Maitra

On Oct. 17, Prime Minister Rajiv Gandhi brought months of speculation to an end with the announcement that the ninth elections to India's lower house of parliament, the Lok Sabha, would be held on Nov. 22, 24, and 26. The announcement allowed the Election Commission sufficient time to issue notification to the parties and give the contestants the stipulated 31 days notice. Gandhi also said that all Lok Sabha seats will be contested on those three days, except for the 14 seats in the state of Assam, because its electoral rolls are not ready.

In all, 529 Lok Sabha seats are up for grabs. Assam, with 14 Lok Sabha seats, will go to the polls in the first or second week of January. A number of states, including Uttar Pradesh, Andhra Pradesh, and Karnataka, will also have legislative assembly elections along with the Lok Sabha elections.

The alternative facing Indian voters is between Gandhi's Congress-I party and no government at all, since the opposition consists of an unviable amalgam of dissimilar and contending political forces and constituencies. An opposition victory would increase the instability of the nation, thereby weakening India's sovereignty, its defenses, and its domestic programs.

It is widely acknowledged that Gandhi's announcement caught the opposition on the wrong foot. Apart from the fact that the tenure of the present government would expire by the end of the December in any case, for the last two years, as a corruption scandal involving the Bofors gun deal bubbled around the administration, the opposition leaders have been demanding the instant resignation of Rajiv Gandhi. One would hardly expect such demands to be made without some preparations for going to the polls at a short notice. This is, it must be said, illustrative of the elementary credibility problem that continues to dog the opposition.

In spite of the halting start, however, by Oct. 31, the last day for filing nominations, the opposition had managed to unify at the top level, a qualification of some significance as we shall see—leading to a two-party contest in most of the Hindi belt. The final list of candidates showed that the Janata Dal will be contesting 240 seats, Bharatiya Janata Party (BJP) 205 seats, Janata Dal's other constituents of the National Front (not a party) 75 seats, and the Communists (of two kinds—CPI-M and CPI) 122 seats. In about 400 constituencies, electoral contests will be one-to-one between the Congress I and the opposition with electoral alliances.

The Janata Dal, a combine of the Janata Party and the

Lok Dal, minus their respective rumps, has found it extremely trying to keep both the Communists and the Bharatiya Janata Party within an electoral alliance (the BJP is the party of the Hindu zealots who proclaim the need for a *Hindu Rashtra*, a state that follows the precepts of Hindu religion.) Janata Dal leaders were goaded by the fact that the BJP has been gaining ground significantly in Madhya Pradesh (40 Lok Sabha seats), Rajasthan (25 seats), Gujarat (26 seats), and Maharashtra (48 seats). But even if electoral arithmetic made the seat adjustment with the BJP a priority, the Janata Dal could not afford to let the Communists ally with the Congress-I because of the Communists' decisive strength in West Bengal (40 seats) and Kerala (20 seats). Thus, it became evident from the outset that the Janata Dal would have to make as many seat adjustments as possible in the Hindi belt, because it has been historically proven that whoever wins big in the Hindi belt controls New Delhi. Support of the Communists in the east and south is more important in a negative way—to prevent their alliance with the Congress-I.

The ideological differences between the Communists and the Hindu zealots have been a subject of much dismay to the opposition leaders, who were eager to proclaim "opposition unity," and may yet sink the opposition effort. CPI-M leader and chief minister of West Bengal, Jyoti Basu, and the veteran CPI-M leader from Kerala, E.M.S. Namboodiripad, have repeatedly made speeches targeting the BJP as enemy number one. Speaking from the other side of the mouth on other occasions, the same leaders proclaimed that the first priority was to oust the Congress-I and Rajiv Gandhi. Confusion was further enhanced when the Congress-I, buoyed by Basu and Namboodiripad's anti-BJP speeches, began to woo the Communists by raising their attack on the BJP one more decibel. The BJP, for its part, has been enjoying its place under the sun, and has not hesitated to make perfectly clear to the Janata Dal that the party is willing to discuss seat adjustments, but if such talks fail, are quite happy to go it alone.

A case in point is the NJP's stance on the Ram Janambhoomi issue. In Ayodhya, Uttar Pradesh, it is said that Lord Ram was born there. Hindu fanatics claim that the first Mughal emperor, Babar, in the 16th century had leveled Lord Ram's temple and built a mosque instead at that location. The dispute is an old one, although very little historic documentation exists to back up the Hindu claim. British rulers, by means of court orders, had to cool the issue out. But the

Statewise Lok Sabha seats: 1989

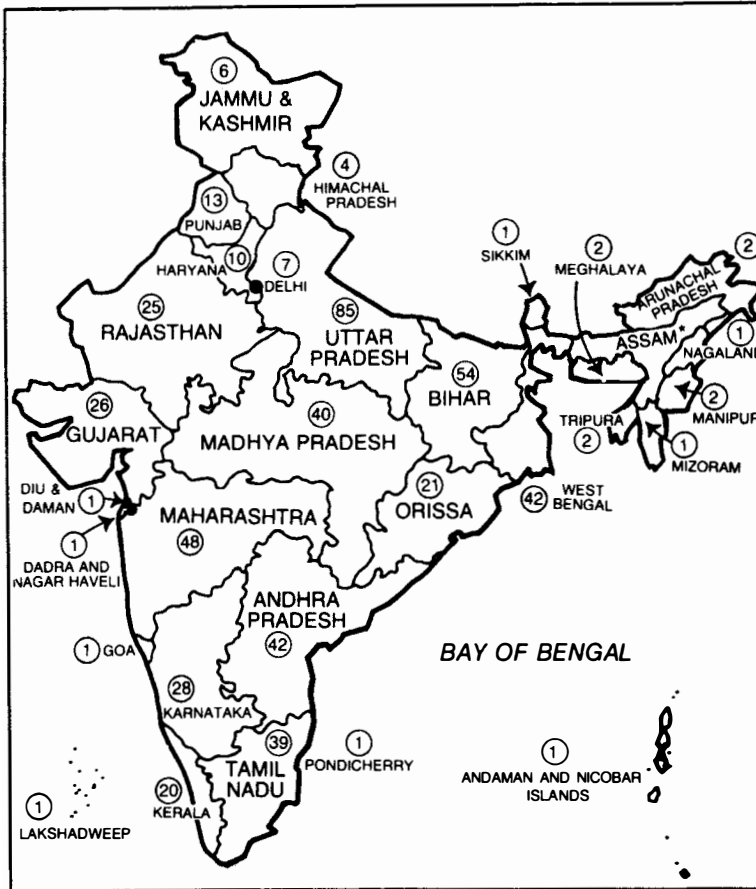


TABLE 1
How the Hindi Belt voted in previous elections

State	1967	1971	1977*	1980	1984
Haryana					
(C)	7	7	0	5	10
(O)	2	2	10	5	0
Uttar Pradesh					
(C)	47	73	0	51	83
(O)	38	12	85	34	2
Bihar					
(C)	34	39	0	30	48
(O)	19	19	54	24	6
Rajasthan					
(C)	10	14	1	18	25
(O)	13	9	24	7	0
Madhya Pradesh					
(C)	24	21	1	35	39
(O)	16	19	39	5	1

(C)=Congress/Congress-I

(O)=Non-Congress/Non-Congress-I

*In 1977, there was an electoral sweep by the Janata Party—a combine of Bharatiya Lok Dal, Jan Sangh, Congress (O), and the Socialist party.

*Assam has 14 Lok Sabha seats, but will not be going to the polls at this time due to unsettled conditions in the state.

subject was opened up in 1986. Hindu fanatics demanded that the mosque be demolished and Lord Ram's temple set up at the same location. BJP provided the political backing and began using the issue to organize its backers. The dispute, since 1986, has unleashed waves of communal violence throughout the Hindi belt, killing hundreds of people.

Although the Hindu zealots have since given up their demand to demolish the existing mosque, they are now in the process of setting up Lord Ram's temple less than 100 yards from the mosque. The BJP has used the issue as a political campaign and has thrown all the opposition leaders into total disarray.

Who is in the fray?

The ruling Congress-I party, which has controlled India's central government since 1947 for all but a brief three years, is perhaps the only national party in the country. Formed in 1885, Congress Party was in the forefront of the independence movement against the British colonialists. Since the

early years, the party has been able to attract individuals with differing ideologies into the party, because of its relaxed organizational structure and ability to respond to almost all segments of India's population. Since independence in 1947, the party has gone through a transformation and particularly so during the tenure of the late Mrs. Indira Gandhi, India's third prime minister, when the party split twice and the mainstream came to be known as the Congress-I ("I" for Indira).

Yet some basic characteristics of the party remain the same as before. The party still appeals to the minority communities—be they religious or within the Hindu caste system, individuals with a progressive outlook and with a mild dose of populistic ideology—and also the poor. The Congress-I organization is controlled from the top, but because of its massive size, many local barons and powerbrokers have continued to flourish as always. In some states such as West Bengal, the CPI-M has made it a minority party; in the south, regional parties, such as the Telegu Desam in Andhra Pradesh, DMK and ADMK in Tamil Nadu, and ideology-cen-

tered parties such as Janata Party in Karnataka, have pushed the Congress-I from the premier position. Still, the Congress-I remains a force to reckon with in all these states with a 25% vote bank which just does not seem to go away.

But it is in the Hindi belt where the strength and weakness of the Congress-I are exposed to the full. In 1977, the year Congress-I lost control of the seat of power, the party secured only two of the more than 200 seats it contested. In 1984, when Prime Minister Rajiv Gandhi came riding on the back of the Hindi belt to a triumphant victory, the party captured 212 of the 221 seats. It is in this Hindu belt that the Congress-I has strength. While Orissa and the northeastern states have strong Congress-I bases, the CPI-M is expected to give it a bloody nose once again in West Bengal. Similarly, in the the west, Maharashtra will vote overwhelmingly Congress-I. Gujarat, however, may not do the same. Gujarat is another state where the BJP has grown significantly in the last few years.

Congress-I will face its strongest opposition in the Dal—a party which, with the exception of the state of Karnataka, has focused its entire strength in the Hindi belt. The Janata Party, part of which joined the main segment of the Lok Dal to form the new Janata Dal, consists of socialists who left the Congress Party when they realized that the Congress Party would not allow any ideological group to dominate the party. In 1977, the party saw its best days; since then it has been all down hill. In 1984, Janata Party could muster only 10 Lok Sabha seats (4 of which came from Karnataka) and its top leaders such as Chandra Sekhkar and George Fernandes were soundly beaten in and outside of their turf. Its present incarnation as the Janata Dal is based on the support of the north Indian farmers and certain castes such as Rajputs and Thakurs, in addition to the worn-out socialists. While the party leaders swear allegiance to the socialistic form of economy, it is more than likely that what they mean is to enhance rural allocations through the existing planning process.

Lok Dal, the Janata Dal's other constituent, is a party of well-off farmers with a strong rural bias. The party lost all but two seats in 1984 and was heading toward oblivion after splitting into Lok Dal (B)—captured by a socialist, the late H.N. Bahunguna—and Lok Dal (A)—under an MIT-educated computer scientist, Ajit Singh, whose father, the late Choudhury Charan Singh, was an old Lok Dal patriarch and prime minister of India for a few weeks. But the rise of Devi Lal in Haryana following his sweeping victory in the state assembly elections in 1986 gave the party a second lease on life.

There is no doubt that Devi Lal, a rustic farmer with a militant posture and higher ambitions, and V.P. Singh, once the number-two man in the Gandhi cabinet, until he resigned from the party in 1987 protesting government corruption, have brought life back into the opposition. Their initiatives and spade work helped in the formation of the Janata Dal.

The third force is the BJP, which has grown significantly since 1984. Backed by a highly motivated and organized cadre formation, the RSS, the BJP has promoted Hindu supe-

riority in the Hindi belt, making minority communities uneasy. In recent years, it seems, it has been able to rouse the Hindi chauvinists, and if noise and din are indicators, BJP will do well in the coming elections.

BJP cadres and organizers, more than the leaders, are ideologues who believe and preach that India must be a nation whose socio-political setup reflects Hindu ideology. Using Hindu mythology effectively, the BJP tries to evoke the memory of the "superior" Hindus and their innate relationship with the glories of ancient India.

The economic issues at stake

The 1989 elections seem to be a hodge-podge, at least, to observers of the campaign. The opposition is vociferously complaining that the Rajiv Gandhi administration is the most corrupt that ever governed. In retaliation, the Congress-I is accusing the opposition of being soft toward communalism and terrorism, which are tearing the country apart. While the population neither condones corruption, nor likes anyone being soft on terrorism and communalism, people generally believe that what they are hearing is simply election rhetoric.

The economy is the real issue, but it is not as straightforward as one might think. The Rajiv Gandhi administration took a strong stand to enhance the growth rate of the country's economy. This has been achieved as the GNP growth rate has gone up significantly and so has the growth in the industrial sector. This was done by liberalizing import of various finished and intermediate products, modernizing some industries and deregulating and de-licensing a whole range of industries. However, due to an inadequate infrastructure, which has continued to remain inadequate, and an inadequate rise in productivity in the public sector and in the large agricultural sector, the country's economy is far from healthy, faster growth notwithstanding. India's foreign debt has gone up quickly and steadily; foreign exchange reserves have come down to 15 weeks of import costs; and the prices of some basic food items, in spite of the fact that the country experienced two bumper food crops in a row, have gone up significantly. More importantly, because of weak infrastructure facilities, wealth generated through the increased growth of the GNP continues to be accumulated among a few. The result: a widening gap between rich and poor.

Not unaware of this disparity, the government has made many gestures which have resulted in channeling more money into the rural sector, without necessarily creating productive assets. These measures perhaps more than any other single factor, have fed the inflationary flame. Two more populistic programs, the Jawahar Rozgar Yojana and the Nagar Palika Bill, which would have funneled a little more money to the rural sector, got bogged down by the intransigence of the opposition and did not make it through the parliament. In this confused milieu, both the Congress-I and the opposition are trying to exploit each other's failures. While the opposition is keen on blaming the Congress-I for

The Indian parliamentary system: how it works

The Indian parliament, set up as a cross between the British and American models, consists of the Lok Sabha ("House of People" or lower house) and Rajya Sabha ("Council of States" or upper house). Members of the Lok Sabha are elected directly by the people every five years, unless the ruling party or coalition loses its majority. In such a case, elections for a new Lok Sabha are held following the collapse of the government. In 1980, only three years after the general election of 1977, the Janata Party lost its majority in the Lok Sabha and a new election was held.

Apart from several which the President appoints, members of the Rajya Sabha are elected (on the basis of population) by the elected members of the state legislative assemblies. Every two years, one-third of the Rajya Sabha is reconstituted. The Rajya Sabha functions as the representative of state interests in the center. Unlike the Lok Sabha, the Rajya Sabha cannot be dissolved. In case of

differences on pending legislation with the Lok Sabha, the Rajya Sabha has to have a joint sitting with the Lok Sabha and iron out the differences. Although the members of both houses have one vote each, the Council of Cabinet Ministers is made collectively responsible for the Lok Sabha. As against 542 seat in the present Lok Sabha, Rajya Sabha has 246 seats.

The prime minister, leader of the Council of ministers elected by the elected parliamentary body of the majority party or coalition of parties, is responsible for the day-to-day running of the government. Like the British prime minister, the Indian prime minister is highly visible. Nonetheless, the power that the Indian President wields is extremely broad. Included among his functions is the power to appoint the prime minister, cabinet ministers, judges of Supreme Court and the High Courts, and other important central officials and members of commissions. The President is also required to approve or disapprove all bills passed by parliament, including money bills, and bills passed by state legislative assemblies under specified conditions. The President, who is elected indirectly by the elected members of both Houses of Parliament and of the State legislative assemblies, is vested with all executive powers, including the supreme command of the defense forces.

the rise in prices, the Congress-I has unleashed strong attacks on the opposition for blocking the legislation which would have transferred "power to the people."

Who will win?

While the price rise and charges of corruption are serious and may sway some voters, the Congress-I can more than counter this by exploiting the deep-rooted fear and suspicion the people harbor about the Janata Dal leaders, who in 1977 involved themselves in a spectacle so bizarre and so dangerous that most of them lost completely the respect of the people. The spectacle was the intense struggle, following the overwhelming defeat of the Congress-I, by almost every Janata Party leader to pull the other down so that he could sit on the Delhi throne. People remember that some of those leaders are now actively promoting the Janata Dal unity. This is one of the ABCs of Indian politics that makes mincemeat of much overexcited analysis.

The foreign media's pronouncements, for example, that corruption charges against Rajiv Gandhi by the opposition, and that Defense Minister K.C. Pant's refusal to accept the seat he was offered instead of the one he wanted to contest, are major indicators that the Congress-I is in trouble, are to be dismissed out of hand. Corruption is a serious enough charge,

but the voters are also aware of the large-scale corruption involving some of the opposition leaders.

In fact, there are hundreds of factors that account for the election of a particular candidate from any constituency in India: The candidate's personal reputation, his or her family connections, the caste the candidate belongs to, religious and caste composition of the voters, candidates' contribution to economic development in the constituency, the party the candidate represents, are only a few. More importantly perhaps, in rural areas, which make up 70% of India, the village headman decides on election eve how the village should vote. His words carry a lot of weight. All these factors can be negated by a burning issue—such as the policy of forced sterilization adopted by the Congress-I during the period of emergency rule, which decided masses of votes in 1977, or the public display of power greediness by Janata Party leaders in 1979 that sealed their fate in 1980. Under such circumstances, the Indian electorate, particularly in the Hindi belt, acts in a unified manner, and it is this that constitutes the "wave" that the opposition wishes to set into motion today.

But the people's lack of interest in the election campaign shows that no "wave" has yet formed. And there is a reason for it. It is not certain at this point that the seat adjustments made by the opposition leaders in the quiet of the back room

India's senior politicians in the election fray

Congress-I party

Rajiv Gandhi: Contesting his old seat in Amethi, a rural eastern Uttar Pradesh (UP) constituency. He is going to win big.

P.V. Narasimha Rao: a political lightweight from Andhra Pradesh who has chosen to contest from Ramtek, eastern Maharashtra, the seat he won last time. Congress will do well in the state, and that is his hope.

Vasant Sathe: A strong politician from eastern Maharashtra. Sathe will win his old Wardha seat but with a reduced margin.

Balram Jhakar: A weak politician who has been further weakened by corruption charges. He is being challenged by the Haryana strongman, Devi Lal at Sikar. A toss-up.

Sheila Dixit: Belonging to an old Congress family, Dixit is contesting from the historic Kannauj in central UP. She won this seat last time and will win again.

Sheila Kaul: A member of the Nehru family, Kaul is contesting from Rae Bareilly, UP—a seat of Mrs. Gandhi and later, of Arun Nehru. She is a winner.

Rajesh Pilot: Contesting from Bharatpur where Congress-I is in trouble, Pilot's ability to put together a strong campaign may win him this difficult seat in Rajasthan.

Madhvrao Scindia: Scion of the Gwalior royal house, Scindia is a sure winner.

H.K.L. Bhaqat: The "uncrowned king" of Delhi

Congress, Bhagat is known for his capability to wield money and power. He is expected to win big from East Delhi.

Buta Singh: Another political lightweight who has left his traditional state of Punjab and is seeking votes in Jalore, Rajasthan. He may win because the opposition has failed to back the candidate they had chosen.

A.R. Antulay: The former chief minister of Maharashtra was in the wilderness for a while after he had left Congress-I. He is expected to win the South Bombay seat.

The opposition

V.P. Singh: The projected prime minister if the Opposition wins, Singh has left the Allahabad seat he had won in 1988 and has found a safe seat in Fatehpur, UP. Excuse: so that he can campaign for others and spend little time among his own constituency. He will win big.

Arun Nehru: A member of the Nehru family and a political lightweight. Left his seat to Sheila Kaul and went to the adjacent constituency of Bilhaur where Brahmin votes may see him through.

Chandra Sekhhar: A perennial loser from Balia, eastern UP. He is now contesting from Balia as well as from another constituency in Bihar. A big win for opposition in the Hindi belt may carry him through.

George Fernandes: A member of the Socialist International, the evergreen George is a loser. He lost two elections between 1984 and 1989. He is contesting from Musaffarpur, Bihar, a traditional stronghold of the socialists. Still, no hope.

Devi Lal: The "Haryana supremo" is contesting from three seats: Sikhar in Rajasthan, Rohtak in his home state, Haryana and Ferozepur in Punjab. Devi Lal's venture into neighboring states is to establish himself as a regional leader and not simply a leader of a small state. Devi Lal will win at least one seat, if not more.

will receive the enthusiastic support of the volunteers of each party on the ground. In many cases, particularly in the Hindi belt, wherever the Janata Dal contests the Congress-I in a straight fight, a significant chunk of BJP votes may not go to the Janata Dal candidate, but to the Congress-I. Similarly, where the Janata Dal has given up the seat to the BJP to contest the Congress-I, a large section of the Janata Dal supporters, who strongly resent the Hindu zealots, will cast their votes in favor of the Congress-I candidate. This has happened before, and in the absence of a wave, will certainly happen again. It is quite likely that the Congress-I will gain from straight fights as much as the opposition.

So far, neither the opposition nor the Congress-I's campaign has touched any real chord among voters. People are

warily watching the show, not quite sure whom to vote for. In the absence of last-minute surprises—not to be ruled out—such indifference is going to help the Congress-I and make the task of the opposition that much more difficult. In the present Lok Sabha, the Congress-I has a majority of about 143 seats (415 of 542), which is more than the entire opposition has at present. The opposition will have to win these 143 seats, which means it will have to do better than doubling its score. Under the circumstances, the Congress-I can afford to lose as many as 130 seats and still come out with an absolute majority. Since the opposition has not clicked with its campaign, the task is uphill and time is too short. It is more than likely at this point that the Congress-I will enjoy another tenure of five years in Delhi.

Is this how China policy is made in Washington?

by Lydia Cherry

The Institute of Sino-Soviet Studies of George Washington University hosted a conference Sept. 15-16 entitled "Mainland China and Taiwan: Comparisons and Interactions." Participating were various academics, many of whom have a pipeline into policymaking, including through Gaston Sigur, director of the Institute and former National Security Council staff member and Assistant Secretary of State for Far Eastern and Pacific Affairs.

The conference was organized to exchange ideas on how the People's Republic of China and the Republic of China (Taiwan) might improve their bilateral relations, and how Washington might encourage such a development. In reality, the conference's main accomplishment was to offer yet another demonstration of why the subject of "political science" should be banned from the nation's universities and replaced with the study of universal history as defined by Friedrich Schiller and the classics.

The method, presumptions, and conclusions of the conference were nonsensical.

The most informative of the conference presentations was that of June Teufel Dreyer of the University of Miami, an unofficial consultant of Sigur's who presented a short history of the military relations between Taiwan and the P.R.C. However, even Dreyer's presentation was rife with "poli sci"-like definitions. She opened by "theorizing" that "strategic interaction can be either cooperative or hostile in nature, and both cooperation and hostility may occur in either active or passive forms." This is evidently the yardstick with which we will now view military hostilities between the R.O.C. and the P.R.C.

Shortly thereafter, she states the basic assumption of the conference: "*The most important source of discord*" between R.O.C. and P.R.C. "*is each government's claim to be the only legitimate government of one China, and to have administrative jurisdiction over each other's territory.*" In other words, *obstinacy* is the chief reason for the hostilities between the R.O.C. and the P.R.C. If only both sides would cease being so stubborn, then the "discord" could be eventually dissolved.

With this assumption, the entire history of 20th-century China, the absolute irreconcilability of the ideas of Sun Yat-sen and Mao Zedong, and the brutal criminality of the Beijing regime are simply swept off the table as so many irrelevancies.

The assumption that there is an identity between Taiwan

and the P.R.C. was carried further by Suzanne Ogden, an Associate in Research at the Fairbank Center for East Asian Research at Harvard University. The way to gauge the degree to which Taiwan and the mainland might reduce their hostilities is to see the degree to which they are both evolving into the same type of entity. Ogden opened her presentation by asking: "Key Question: Can we see similarities in Taiwan and P.R.C. in the evolution of political institutions and ideology from a Leninist, democratic-centralized, revolutionary and authoritarian party to a more democratic system?" Both the Kuomintang and the Chinese Communist Party were "rigidly hierarchical, authoritarian, dogmatic, and elitist," she asserted.

To be sure, Ogden indicated, the evolution into more democratic forms has been more successful in the R.O.C., which at least combines "Leninism" with an economic system that "promotes the values of liberal democracy in socio-political life." This is an exercise in Western "convergence theory," which the Beijing regime has been raving against ever since the June 4 Tiananmen massacre.

The implication is that since the R.O.C. has been moving faster toward political liberalization, it will become more accommodating toward Beijing, which is positive. This was underlined by Arthur Hummel, a former U.S. ambassador to Beijing, who asserts that "Taiwan no longer believes it can re-capture the mainland" and "Taiwan no longer thinks the P.R.C. will collapse." There were other references by conference participants to the fact that a "neanderthal" faction in Taiwan that continues to believe the government of the R.O.C. is the lawful government of the mainland, is receding.

The wishful thinking that ran as the unifying streak throughout the conference was taken to the hilt by Chien Min-Mao, from the Taiwan Institute of International Relations and now a resident at the Heritage Foundation. Hoping for a breakthrough in relations, he stated:

"The R.O.C. has been dependent on the P.R.C.'s blunders and irrationalities for breathing space. Future competition is based on both nations' efforts in rationalizing their political and economic systems to be smoothly incorporated into the world system, also, on Peking's avoidance of incidents like the Great Leap Forward, the Cultural Revolution, the Peking Spring, Anti-Spiritual Pollution, and the Tiananmen Square Massacre. The rigid zero-sum game, however, might be gone forever."

To assess the reality of such hopes, we need only listen to the Beijing leaders themselves. In defending the Tiananmen Square "incident" against attacks from the West, Beijing spokesman Yuan Mu stated Sept. 6: "The various principles and policies we are pursuing and the various measures we have adopted, including putting down the counterrevolutionary rebellion in our country, are matters within the limits of our country's sovereignty. Countries with different social systems have different concepts of value. This is an objective fact."

Exactly.

Who's responsible for Vietnamese refugees?

by Mary M. Burdman

In Asia as in Europe, huge numbers of refugees are fleeing their own countries—the greatest number since the end of World War II. Tens of thousands of people have already fled Vietnam, where, according to reports in September, some 10 million people faced starvation. Vietnam has been cut off from loans or aid from the International Monetary Fund or World Bank on U.S. orders, a spokesman for the U.N. High Commission for Refugees (UNHCR) told *EIR*.

Most “boat people” have fled in the past year, and most of them have gone to the British Crown Colony of Hong Kong, which itself is watching thousands of its citizens prepare to flee, after the reality of Hong Kong’s future under the control of the People’s Republic of China was made clear to the population following the Tiananmen massacre of June 4.

The great problem is that both Vietnam and Hong Kong are being shunted aside by the industrialized nations, the United States and United Kingdom in particular, as Hong Kong Legislative Council member Martin Lee states in his interview with *EIR*. British Foreign Secretary John Major, with the full backing of Prime Minister Margaret Thatcher, announced on Oct. 24 that the U.K. government is preparing to repatriate all those Vietnamese refugees who arrived in Hong Kong after June 1988, by force if necessary. Hundreds of the some 57,000 refugees in Hong Kong, who have been held for months in unsanitary, overcrowded conditions, have demonstrated against forced repatriation, some going on hunger strikes to avoid being sent back. Malaysian Prime Minister Mahathir Mohammad announced the next day that Malaysia is ready to send boat people back by force.

Since 1986, the industrialized nations, especially the United States and Australia, have unilaterally reneged on the policy of guaranteed resettlement of all refugees from Vietnam, committing themselves only to take—over many years’ time—“genuine” refugees, who can prove they fled political persecution, the UNHCR spokesman said. This leaves the nations of Southeast Asia to provide for the “economic” refugees, or send them back home. There are some 107,000 refugees from Vietnam in the region: 57,000 in Hong Kong, 23,000 in Malaysia, and the rest in the Philippines and Thailand. Thailand already has tens of thousands of Cambodian refugees in camps on its borders. Free Asia also faces another flood of refugees—from China. At least 100 people a day attempt to enter Hong Kong from the P.R.C., although almost all are caught and handed back.

Since August, Japan has reported that many of the several thousand “boat people” reaching its harbors are actually from mainland China, and is preparing to send at least 700 people back to China immediately.

Britain’s determination to forcibly repatriate at least 40,000 Vietnamese refugees before February—which will be the next calm sailing season—certainly smells of a deal with Beijing. The UNHCR spokesman said that Communist China is “desperate that the Vietnamese refugee problem in Hong Kong be solved by 1997.” Britain has backed down to Beijing over Hong Kong. At the last meeting of the Sino-British Joint Liaison Group in London in late September, the British government made a “subtle” pledge to the P.R.C. negotiators that the Hong Kong government will deal with the outspoken opposition to Beijing there, Hong Kong sources report. The Chinese demanded that Hong Kong disband the groups speaking out against Beijing, and keep tight control on the anti-Beijing press. While publicly rejecting the proposal, Britain actually acquiesced.

Martin Lee is one of Beijing’s principal targets—for good reason. His view on the future of Hong Kong under Chinese rule is, “Hong Kong puppets ruling Hong Kong,” the London *Sunday Telegraph* reported Nov. 5. He and Szeto Wah, the secretary general of the Hong Kong Alliance in Support of the Patriotic Democratic Movement, which brought out 1 million people in demonstrations supporting the Chinese students at the end of May, were booted off the Basic Law Drafting Committee by Beijing, which has complete control of the committee. Lee, whose father was a Kuomintang general who fled to Hong Kong from the Communists in 1949, told the *Sunday Telegraph* that he decided to take a stand against China, when he saw Britain back down to Beijing’s demands, beginning in 1985, to control moves toward greater democracy in Hong Kong before 1997. In October, the Chinese National People’s Congress warned Martin Lee that he could be found guilty of sedition when Hong Kong reverts to Chinese rule after 1997—a charge which carries the death penalty. Lee has stated his commitment to staying in Hong Kong.

Interview: Martin Lee

Hong Kong’s dilemma

Mr. Lee is a member of the Hong Kong Legislative Council. He was interviewed by telephone from Wiesbaden, West Germany on Oct. 25, 1989.

EIR: You have stated that the critical situation around the 57,000 Vietnamese “boat people” now in Hong Kong, is

being manipulated by the British government.

Lee: At the moment, the Hong Kong people and Hong Kong government are getting a very bad press, particularly in the United Kingdom and the U.S.A. I am aware of numerous articles being written pointing out very clearly that we, the people of Hong Kong, would like the other free countries to take us by the millions, because we do not like to be returned to a Communist regime in 1997; yet at the same time, we are being “uncharitable” to the over 50,000 unwanted people from Vietnam—we would like to send them back to Vietnam against their wishes, and return them to another Communist regime.

I am terribly worried about the reputation of Hong Kong overseas, because that is going to result in these other countries not wanting to take more people from Hong Kong, and not giving us passports and so on. Yet I take the view that this is entirely the responsibility of the British government, because the Vietnamese refugees and the problems they have created fall within external relations and must be a matter for the sovereign state, which is Great Britain. I have been trying very hard to persuade the people of Hong Kong not to urge the Hong Kong government and British government to adopt the mandatory repatriation policy.

My suggestion is that since the U.S.A. is so very much against this program, the U.S. government should either provide the island of Guam, or arrange with the Philippines to provide a big island, so that all these boat people can be shipped safely to this island which can be used as a holding center, and those who are found to be genuine refugees will be taken by other countries, and those found not to be genuine refugees will be allowed to live and work on that island until the time comes that the Vietnamese economy can be put right again, in which case they can all be sent home to Vietnam. . . .

The unfortunate thing about Hong Kong is that we are a very tiny island, overpopulated [Hong Kong includes the most densely populated areas on Earth—ed.], and we have been paying for all of these people coming from Vietnam until half a year ago, when we decided we would not pay anymore. The British government is now paying, but even now the British government’s total payment is less than one-tenth of Hong Kong’s payment. But at the same time, the British government has been telling various countries, the U.S.A. and so on, on an “off the record” basis, that it doesn’t really wish to pursue such an inhumane policy, but that it is pushed into doing so by the people of Hong Kong. That puts us in a very bad light indeed, and everybody puts the blame on us.

True enough, the great majority of the people of Hong Kong do not see the serious implications for them. They thought they could solve the problem by scrapping the policy of “first asylum.” I told them, in vain, unfortunately, that even if we were to scrap that policy, international law still requires us to take these people, at least by giving them

temporary refuge, so as to ascertain who are the genuine refugees and who are not. Then there is another principle, under international law, that we cannot return them anyway, unless we are sure that they will not be persecuted back home. . . . Unfortunately, these messages are falling on deaf ears. The people of Hong Kong are getting a little impatient, and they just want to get rid of them.

EIR: Is not Hong Kong itself a refugee city? Some 2.5 million of its 5.5 million people came from China since 1949.

Lee: Yes, of course most of us are here because we have run away from a Communist regime, or were born of such parents. Hong Kong is a refugee city, but it is typical of the refugee mentality that, once I am here, I don’t want anyone else to come.

EIR: Your solution would be action from the U.S. and British governments?

Lee: I think they should take it collectively. All the governments concerned should put their act together, because this is a problem that will take years to resolve. I do not agree with the mandatory repatriation policy. But unless this other proposal that I have described to you is taken on board, there is no other alternative.

The U.S. government is taking a very illogical stance, because they agree with screening, in accordance with United Nations practice. But those screened out, what do you do about them? There is no answer at all from the U.S.A. They are not willing to take them, not willing to provide an island, and yet they say “no” to Hong Kong, when we want to repatriate them to Vietnam.

The British government’s attitude toward refugees can be summed in a short sentence: They don’t want them, and they don’t want to pay for them. So, today they are trying to send the Vietnamese people home, against their will, and in 1997, they will be quite happy to hand us over to the Chinese Communist regime. The trouble is, Great Britain is getting away with it.

EIR: It appears that the Hong Kong colonial government is backing down to Beijing. The Political Adviser of Hong Kong, William Ehrman, has said that Hong Kong will not become a center of subversion against Communist China.

Lee: I don’t think it is backing down. He is agreeing that Hong Kong must never be allowed to be used as a base of subversive activities. I agree with him there. But, the point is, we are *not* being subversive at all in Hong Kong. We are exercising our freedom of speech, we are criticizing the Beijing government like the rest of the world. But, of course, we are too close to them, and we are being handed over to them soon, so they are now trying to bully us into silence, even under the Brits, and we will not allow that to happen, because we know only too clearly, that, if today I lose my freedom of speech, tomorrow, it is your turn.

LaRouche slate tilts Rome elections

The electorate set the Greens back and rebuffed the traditional parties. "Freedom for LaRouche" ran its first slate.

Three days after the Oct. 29 municipal elections in Rome, precise figures on the percentages and preference votes cast were still not available. National dailies that came out on Tuesday, Oct. 31, with banner headlines promoting the victory in Italy's capital city of the Christian Democracy and the five-party ruling coalition, soon were reporting on polemics, charges of fraud, and uncertain figures.

The Communist Party, which had at first howled over the fact that some 33,000 votes had been mistakenly assigned to the Christian Democrats, has gotten very quiet. Now, the Christian Democracy accuses the board of elections of being some kind of "Communist coven" run by a Communist with an ultraleft past.

If the figures currently available stand up, all the parties, except for the Socialist Party, both in the government and the opposition, should be worried. The analysis of the vote shows an obvious disaffection on the voters' part. If one looks at the vote not from the standpoint of the percentages, which have grown thanks to the smaller number of voters, but in absolute numbers of votes won with respect to the last municipal elections in 1985, the protest is loud and clear.

The largest party, the Christian Democracy, has actually lost about 60,000 voters, and another 40,000 have dropped away from the smaller Republican, Social Democratic, and Liberal parties, adding up to 100,000 votes lost, or 6% less, for four of the five parties that make up the present national government. The Socialist

Party, thanks to the decline of the Communist Party, and to its own hefty financial resources, is the only one that gained 50,000 votes—not enough to outweigh the loss of the other members of the five-party coalition.

The Communist Party-led opposition also declined. Despite a shrill and aggressive campaign, the environmentalist, anti-working class New Communist Party of party boss Achille Occhetto lost 110,000 votes.

There was also a setback for the Greens, who ran for office with the backup of an alliance with the Radical extremists and the top leadership of "Proletarian Democracy," a left split-off from the Communist Party. Their top candidate, Gianfranco Amendola, had released statements to the daily *La Repubblica* where he claimed to expect over 10% of the vote. The slate did not even reach 7%, which means a loss of 45,000 votes in Rome in comparison to last June's European Parliament elections.

The "Anti-Prohibition League" headed up by Radical Party leader Marco Pannella, campaigning for drug legalization, was also trounced, and may not have attained the minimum to seat a single candidate.

The mood of citizen protest expressed itself in not voting (there was a 20% abstention rate), blank and spoiled ballots, which were 92,000 (about 5%), and in smaller formations which collectively garnered some 53,000 votes.

A good result was obtained by the 220-candidate slate called *Pensionati—Libertà per LaRouche*, (Retir-

ees—Freedom for LaRouche), running for the first time in the notoriously difficult, polarized Roman electoral contest. The 5,000 votes given to this group are important, considering that parties with representation in Parliament and a national daily paper, such as Proletarian Democracy, only got 10,000 votes.

The slate is a coalition between the LUPA, a retirees party begun in 1979 by attorney Mario Raccagna, collaborators of Lyndon LaRouche in Italy, and others sharing the principles of freedom from injustice, economic austerity, and cultural decadence; candidates ranged from journalists, teachers, and musicians, to bus drivers. Its vote may be compared to the 800 votes the LaRouche-linked European Labor Party had received in the last local elections held in Rome in 1985. This fivefold gain was despite the presence in the race of five "senior citizens" parties; the other four had been created by the big parties, and received a lot of help, money, and television coverage, in order to split and dilute the vote of Rome's 600,000 retirees.

The vote breakdown is very interesting since people had to choose both the municipal representatives, and the district ones: *Pensionati—Libertà per LaRouche* got almost 1,000 votes more in the districts than in the City Hall race. This means that people voting traditionally for the big parties at City Hall, voted for "Libertà per LaRouche" in their local districts, showing in this way a recognition of the candidates personally.

Moreover, the great merit of the electoral decline of the Greens must be ascribed to the Freedom for LaRouche movement. It was the only slate to denounce the fraud of so-called environmentalist parties, with its posters, "No to Ecological Taxes," pasted up all over Rome.

The truth about Manuel Noriega

George Shultz's campaign for drug legalization proves again that Noriega's opponents are the real drug pushers.

For several years, starting with Ronald Reagan's administration, the United States has been trying to force out the commander of Panama's Defense Forces (PDF), Gen. Manuel Antonio Noriega, claiming that he is

"a corrupt, drug-running dictator." But as *EIR* reported in its "White Paper on the Panama Crisis," a Special Report prepared by a team of investigators, the campaign against Noriega, if successful, "will hand the Panama Canal over to Soviet-directed narco-terrorists." We also noted in that report that the opposition to Noriega promoted by the U.S. State Department is largely composed "of frontmen working for the drug mafia: drug-money launderers, lawyers for cocaine and marijuana traffickers, terrorists, and drug runners."

Once again *EIR* has been proven right. George Shultz, during whose tenure as secretary of state the campaign against Noriega was launched, has now revealed himself as a drug partisan (see article, p. 75).

Shultz's activism in favor of drugs is not due to a recent conversion. Throughout his tenure at the State Department, Drug Enforcement Administration (DEA) officials bitterly complain, Shultz only gave one speech against drugs, even though drug eradication was supposedly the number-one foreign policy concern of the Reagan administration.

Shultz's pro-drug policy also buries all illusions that the United States has ever conducted a serious war on drugs. How could the Reagan administration ever fight such a war, if two of the top "generals," namely, Shultz

and Treasury Secretary Donald Regan (who covered up drug-money laundering at his former place of work, Merrill Lynch), were so much against fighting that war?

The push to oust Noriega was launched by Shultz's State Department when the commander of Panama's Defense Forces began to dismantle the drug apparatus, which had been installed there largely by Shultz's friends. Chief among those friends is a former student of Shultz at the University of Chicago, Nicolás Ardito Barletta.

As documented in *EIR*'s "White Paper," it was Barletta's resignation from the presidency of Panama on Sept. 28, 1985—after Noriega refused to use the PDF to crush the growing unrest from both labor and business sectors upset by Barletta's austerity economic policies—which drew the wrath of Shultz and the U.S. Eastern Establishment against the Panamanian general.

Barletta, the creator of Panama's offshore banking center, bragged that he had designed a banking code which allowed for transactions in Panama to be not only tax-free, but "more secret than Switzerland," according to a 1982 *Wall Street Journal* article. That secrecy attracted to Panama most of the top banks in the U.S. and the world, including Chase Manhattan, Marine Midland, Citibank, Banque Nationale de Paris, Bank of America, and Crédit Suisse.

It also turned the country into a haven for the drug mafias, as everyone knew at the time. "A lot of Panama's deposits are the proceeds of neighbor-

ing Colombia's burgeoning illicit trade—tainted money that the banks wouldn't be able to touch if they were properly regulated," said the *Wall Street Journal*.

After much lobbying, General Noriega got Panama's Congress to modify Barletta's secrecy regulations, and on May 6, 1987, he moved against the drug-money laundering banks in a joint operation with the DEA, "Operation Pisces," which led to the seizure of 139 drug money accounts in a score of banks of various nationalities. One month later, Shultz's State Department escalated its "get Noriega" drive.

Barletta saw his role in Panama as "a little like that of a Kissinger," and, as *EIR*'s "White Paper" documented, was installed into Panama's presidency through the manipulations of Henry Kissinger. Barletta is regarded as a "brilliant economist" by his American banker friends, says Sol Linowitz, whose Marine Midland Bank benefited from Barletta's offshore banking center. In his autobiography, Linowitz talks about Shultz's feelings for his protégé Barletta: He "remembers him well and affectionately."

In 1986, Barletta signed a report put out by Linowitz's Inter-American Dialogue, calling for drug legalization with the same arguments now propounded by Shultz. Besides Barletta, the document, called "Rebuilding Cooperation in the Americas," was signed by the cream of America's Liberal Establishment, including McGeorge Bundy, Robert McNamara (Barletta's former boss at the World Bank), Cyrus Vance, and Elliott Richardson. Claiming that "Waging war on drugs cost money . . . and will inevitably result in the loss of jobs, income, and foreign exchange that the drug trade provides," the Inter-American Dialogue demanded "selective drug legalization."

Walter Márquez defends assassins

Venezuela's Gnostic deputy has confirmed charges that he defends narco-terrorism, and is an enemy of the Church.

Speaking at a press conference in front of the Venezuelan Supreme Court Oct. 30, Venezuelan congressman Walter Márquez insisted that the terrorist bombing four days earlier of a jeep carrying five National Guardsmen was not the work of the Colombian National Liberation Army (ELN), but rather an operation on the part of military or military-linked circles to perpetuate a coverup of an alleged military massacre the previous year. Márquez clung to this coverup, despite the fact that the ELN—a Cuban-sponsored narco-terrorist band of cut-throats which had just murdered a Catholic bishop in Colombia—itsself has already assumed full responsibility for the bombing!

Signing themselves the "Domingo Laín Sanz Front of the ELN," the terrorists sent a communiqué to the press immediately following the Oct. 26 bombing, claiming authorship of the murders, which, they declared, were revenge for the death of one of their guerrilla commanders at the hands of army troops one year earlier.

The secretary general of the Venezuelan Labor Party (PLV), Alejandro Peña, issued a statement Nov. 7, noting that Márquez's defense of the priest-killing ELN was not surprising, given the congressman's involvement with a Gnostic cult dedicated to the destruction of the Catholic Church. Márquez is a founder of the Universal Christian Gnostic Church in Venezuela, which in Colombia has well-documented links both to the terrorist M-19 and to the drug trade. Last year, Márquez conducted a tour together with fellow Gnostic Jairo Slebi, a Co-

lombian congressman whose visa has just been canceled by the U.S. State Department because of his links to the drug trade.

This was certainly not Márquez's first defense of narco-terrorists. In October 1988, members of a specialized elite counterinsurgent force known as the CEJAP killed 14 suspected terrorists in the border region known as El Amparo. Márquez not only flouted Venezuelan law at the time by harboring two of the escaped terrorist suspects, but deliberately fostered anti-military sentiments by irresponsibly charging that the armed forces had murdered innocent fishermen instead of guerrillas, as the CEJAP claimed. His recent press conference in front of the Venezuelan Supreme Court was to demand that the Court re-open a trial against the military personnel allegedly responsible for the El Amparo deaths.

Congressman Alfredo Vethencourt Plaza, a spokesman for the Defense Commission of the Chamber of Deputies which is supposed to be investigating the murder of the five guardsmen, declared, "I believe that the information of the Armed Forces is correct, until proven contrary." However, Márquez still insists that claims of ELN authorship of the bombing are a lie. On Nov. 2, the daily *El Diario de Caracas* published a note saying that "Deputy Walter Márquez, in a debate in the lower House, argued that this operation of the Colombian guerrilla is false, because it was 'mounted' by those who would like to manipulate the consequences of the El Amparo massacre which oc-

curred in the region one year ago."

On Sept. 14, Colombia's IV Army Brigade command revealed that it had captured 28 ELN members who had been carrying out various terrorist actions in the area of Medellín, in collaboration with the cocaine-trafficking Medellín Cartel.

By covering for the ELN, says the PLV's Peña, Márquez is not only backing a narco-terrorist group, but also the assassins of Catholic bishops. In early October, the ELN first kidnaped, then murdered the bishop of Arauca, Monsignor Jesús Emilio Jaramillo Monsalve, according to a spokesman for the Second Division of the Colombian Army. On Oct. 3, peasants in Arauca—which is on the Colombian side of the border from El Amparo—found Monsignor Jaramillo's body, with two bullets through his head. The ELN admitted that it had kidnaped the bishop one day earlier, with the intention of using him as a message-bearer to Colombian President Barco.

Peña pointed out that in view of Márquez's latest defense of the ELN, the possibility of his winning a bid for governor of the border state of Táchira presents a serious threat to Venezuelan national security. Márquez's candidacy is backed by the Movement to Socialism (MAS) party, whose magazine *En el Ojo del Huracán* ("Eye of the Hurricane") just published an article by Colombian drug legalization advocate and novelist Gabriel García Márquez, in which he attacks the Colombian war on the drug trade and proposes a negotiated pact with the traffickers.

Venezuelan cattlemen and growers from the region bordering Colombia have also repeatedly accused deputy Márquez of defending the narco-terrorists who have been murdering, kidnaping, and rampaging on both sides of the border.

An electoral 'white coup'

"New Age" cultists are pulling a scam on the Brazilian electorate, with dangerous destabilization the result.

Less than 15 days before its first direct presidential election in 29 years, Brazil has suffered a "white coup," with the launching of the candidacy of synthetic television entertainer Silvio Santos, whose true name is Senhor Abravanel. Worse than the announcement of the candidacy itself—which thrusts upon the country an absolute neophyte committed to a monetarist economic program—is the fact that it was sponsored by a group of politicians linked to Brazilian President José Sarney.

Santos, a glitzy television personality who is popular among the poorest and most ignorant Brazilians, made an immense fortune—including through his own television chain SBT—by manipulating and selling illusions and false hopes to that miserable and semi-literate majority who constitute more than half the country's 82 million voters.

The visible coordinators of the Santos scam were the three senators, Marcondes Gadelha, Hugo Napoleão and Edson Lobão, known in this country as "the three little pigs." To launch Silvio Santos, these three used the name of the on-paper-only Brazilian Municipal Party (PMB), whose leaders are members of an evangelical sect, and several of whose principal leaders—according to *Jornal do Brasil* of Nov. 5 and 6—face multiple criminal charges.

For example, on Nov. 5, *Jornal* revealed that the PMB's Múcio Athayde, political mentor of Armando Correia who had been the party presidential candidate before Silvio

Santos's entrance on the scene, has been charged with land invasion, racketeering, and fraudulent bankruptcy. In 1986, Athayde's candidacy for the federal Senate was prohibited due to accusations of abuse of economic power. Another PMB leader, state deputy from Paraná José Felinto, has been indicted for allegedly issuing false checks and participating in the trafficking of children to Israel.

This destabilization of the electoral process represents yet another skirmish in the long-standing battle for power inside Brazil.

As far as is currently known, the real brain behind the outrageous maneuver is Augusto Marzagão, who until last June headed the multimillion-dollar Televisa enterprise in London, in his capacity as international vice president of that powerful Mexican television network. He abandoned that post to come to Brazil and take on the apparently secondary role of press adviser to President Sarney, in the pathetic final phase of his administration. *Jornal do Brasil* on Nov. 7 emphasized: "Alongside the dozens of journalists who are following the progress of Silvio Santos was an unexpected presence: two Televisa representatives."

Marzagão and Culture Minister José Aparecido are prominent members of a powerful group of Gnostic intriguers of the "New Age" variety. Both men are confidants of the equally Gnostic former President of Brazil Janio Quadros, who resigned from his post in 1961, provoking a constitutional crisis which brought on the

1964 military takeover.

Until recently, Aparecido used his position as governor of the Federal District to decree the construction of a mystical city inside Brasília, which would house dozens of esoteric and secret societies. At the same time, he sponsored a major international conference on "holism," the cult philosophy which directly attacks Socratic reason and is attempting to create a New Age sect within scientific circles in the country, as part of the Satanic mass movement promoted by UNESCO and the Cini Foundation of Venice, among others. Not accidentally, Marzagão through Televisa, and Silvio Santos through SBT, have played a pivotal role in the spread of New Age ideas.

This faction of "magicians," whose monetarist economic proposals carry a threat of fascist genocide against the Brazilian population, first attempted to regroup around ex-President Quadros, whom Marzagão unsuccessfully attempted to talk into a new presidential bid while in London. After that failed effort, the group tried to use false polls to inflate the weak candidacy of deputy Afif Domingues, the candidate of the Liberal Party linked to the circles of the U.S. secret government known as "Project Democracy."

It is rumored in the Brazilian press that if national pressures force Silvio Santos to withdraw his candidacy, he and the circles promoting him will reconstitute themselves as supporters of the Afif Domingues candidacy.

Whatever the outcome of the Santos candidacy, his sponsors have already succeeded in destabilizing the electoral process, which could lead to a dangerous political radicalization in the country. On the other hand, the country could finally decide to purge itself of these "New Age" networks once and for all.

International Intelligence

New Dutch unity government formed

After nearly two months of negotiations between the Netherlands Christian Democratic Appeal Party and the Dutch Labor Party, a new coalition government was formed on Nov. 6. The "grand coalition" represents a government of national unity. The Prime Minister will be Ruud Lubbers, the Christian Democratic leader who had been Prime Minister in the former government. The posts of Foreign Minister, Economic Minister, and Ministers of Environment and Social Affairs will be held by the Christian Democrats. The posts of Deputy Prime Minister, Finance, Interior, Defense, and Development Cooperation Ministers will be held by the Labor Party.

According to Dutch observers, many of the Labor ministers are moderates and are not expected to initiate any dramatic shifts in government policy. One observer commented that "people are too concerned with the unstable situation in Eastern Europe" to initiate a drastic change in government policy concerning NATO or security policy.

A senior Dutch military source commented that from a security and NATO point of view, "it is a workable government."

Kissinger wants 'respect' for China

The United States must resume a normal dialogue with the People's Republic of China if it wants to ensure stable politics in Southeast Asia, Henry Kissinger said in Hong Kong on Nov. 6, addressing a conference on the future of Asia-Pacific economic relations. "I notice that the Japanese are increasing their military efforts. . . . If now America cuts itself off from China it will affect all our relationships in Asia," Reuters quotes Kissinger as saying. "We do not have to approve what took place. . . . but we have to deal with the future, and the future requires the resumption of a dialogue based on mutual respect."

Kissinger said he is optimistic that

Beijing will not interfere too closely with Hong Kong affairs after 1997, and that, as Beijing still wants reunification with Taiwan to work, it would make a serious effort to make sure that the Hong Kong experiment worked.

From Hong Kong, Kissinger traveled to Communist China, where he met on Nov. 8 with Politburo members Vice Premier Yao Yilin and Li Ruihan. Chinese state television described the meetings as "friendly" and "sincere." Kissinger is also expected to meet with Deng Xiaoping and President Yang Shangkun.

Czechoslovakia the next hotspot?

The most likely potential world trouble-spot for the immediate future is Czechoslovakia, a British strategist said in a discussion with *EIR*. He said there is an irreconcilable dilemma in Czechoslovakia, because it is one country where the Soviets are fully backing the hard-line crackdown, at the same time that pressures for social and political change are growing all the time. The fact that Czechoslovakia borders on so many countries, East and West, makes it a likely flash-point for a crisis, although probably short of something that would precipitate a military confrontation.

On Nov. 4, Czech dissident Vaclav Havel warned in interviews given to France's *Le Figaro* and Britain's *Independent*, that a major crisis is about to erupt in Czechoslovakia. He said that the country is like a "pressure cooker" and "nobody knows when it will explode. . . . There is no reason for the government to wait for the crash before starting dialogue with the nation. That would just cause needless suffering."

Hungary in economic emergency

Hungary's Finance Minister Bekesi declared on Nov. 4 that Hungary is at the brink of being unable to meet its foreign exchange payment commitments. Bekesi issued a de-

claration effective Nov. 20, drastically reducing the amount of Western money any Hungarian citizen can acquire in exchange for his forints.

Under the existing law, every Hungarian citizen can purchase up to \$480 equivalent in Western currencies, over three years. The new law sets a maximum per person of \$300 equivalent for four years, thus reducing the amount by more than half.

Another emergency measure, announced yesterday by Prime Minister Miklos Nemeth, provides for wage increases of 16% above inflation for Hungary's 25,000 scientists and research workers, to prevent the current brain drain from turning into a hemorrhage. The Hungarian news agency MTI reported that each year 12% of the R&D workforce have been accepting "job offers from abroad," i.e., from the West.

A bankrupt national economy has now been joined by a bankrupt party, both politically and economically. Of the old Communist Party's 720,000 members, a mere 20,000 have become dues paying members of the new Hungarian Socialist Party, created at the extraordinary party congress on Oct. 6-7. This catastrophe was revealed yesterday in a declaration by the president of the party's financial control commission, citing a party "economic crisis." MTI reported on Nov. 3 that the ruling Hungarian Socialist Party has formally applied to join the Socialist International, and that HSP chairman Rezso Nyers, "has signed a corresponding application."

Mexico to shut down unsold public firms

Mexican Secretary of Energy, Mines, and Industry Fernando Hiriart Valderrama said in the first week of November that "the public companies that aren't sold in the next months will be closed and their workers will be fired according to law." His threat coincides with reported plans of President Carlos Salinas de Gortari to introduce legislation to repeal the existing labor laws and replace them with laws similar to those now in force in the *maquiladora* industries along the U.S.

Briefly

border which are cheap labor, runaway shops. *Maquiladora* laborers earn a very low wage, and it is difficult or impossible for them to form unions.

'Hidden war' against Vietnam

"There is a hidden war" against Vietnam still, British reporter John Pilger wrote in a feature on Vietnam in the British daily *Independent* on Nov. 4. Pilger has recently visited Vietnam. "Having sought to 'bleed Vietnam white on the battlefield of Cambodia,' U.S. policy is now clear in its aim to 'destabilize' Vietnam with American support for the Chinese-backed, and Khmer Rouge-led, 'resistance' and an international embargo which few American allies dare to break," Pilger wrote. "Ten years ago, Thatcher's government cut off powdered milk supplies for starving Vietnamese children. The U.S. still runs a propaganda war against the Vietnamese by attacking them for 'invading' Cambodia; it was actually a defense of their Western border against Pol Pot, aided by China."

Now Vietnam must submit to "free enterprise" subjugation, Pilger wrote: The head of the new Commercial Bank, *laissez-faire* capitalist Dr. Nguyen Xuan Danh, who used to run the Bank of South Vietnam, offers "free enterprise zones" with cheap labor to all foreigners.

In the hospitals, records show that 44% of the pediatric patients are malnourished, and one-third of them die. The U.S. still enforces the Trading with the Enemy Act against Vietnam, forbidding sales of new hospital equipment, medicine, and so on. Many people are near starvation in north and central Vietnam.

Khmer Rouge on the march

Large-scale fighting is continuing in Cambodia as the Khmer Rouge seeks to recapture its former stronghold at Phnom Malai, the *Bangkok Post* reported Nov. 3. At the

same time, the Khmer Rouge has announced that its guerrillas are advancing down Route 10 from Pailin, the border town they took a month ago, toward the provincial capital of Battambang.

The Khmer Rouge also claimed that it has temporarily cut another highway and railway linking Battambang with the national capital, Phnom Penh. The Khmer Rouge says it is coordinating its offensive with the Khmer People's National Liberation Front.

It is also reported in Bangkok that the Cambodian guerrillas trained by Britain's elite Special Air Services are now effectively under the control of the Khmer Rouge. The guerrillas were trained nominally under the auspices of Prince Sihanouk, but reporters for Independent Television Network in London claim that the trained sabotage team is run completely by the Khmer Rouge.

Libya pressures Italy for more aid

Libya's extremely precarious financial situation has been the prime motivation behind its launching of a propaganda campaign against Italy. In an attempt to blackmail Italy into granting more economic assistance, Libya has threatened assertion of its legitimate right to annex Venice, described as a former Libyan town, and has sent several hundred Libyans into Italy on Oct. 26 to demonstrate against the Italian Fascist regime's execution of Libyan prisoners during the war. Libya was probably tied to the murder of an Italian engineer on Oct. 25.

Topping it all off, Libya has requested several hundred million dollars worth of "compensation" for the decades-long occupation of Libya by Italy. Italy did actually pay close to \$10 million of compensation in the 1950s. However, the crisis is hitting a raw nerve since Italy has major investments in Libya, and Tripoli is still one of its main oil suppliers.

The strange turn of events in the last weeks has led to speculation in the Italian press that there may be more to the crisis than a mere Libyan outburst against Italy, with some mentioning a possible involvement, yet undefined, of the CIA in the crisis.

● **ZBIGNIEW BRZEZINSKI**, formerly Jimmy Carter's national security adviser, met in Moscow on Nov. 1 with Soviet foreign ministry spokesman Gennady Gerasimov, as part of a two-week tour.

● **JUAN REBAZA** has been appointed as Peru's new minister of fishing. Rebaza is a founding member, along with Helga Zepp-LaRouche, of the Schiller Institute Labor Commission.

● **WILLY BRANDT**, head of the Socialist International, announced on Nov. 4 that the Socialist International's European branch will send delegation to Moscow in early 1990 as a followup to Brandt's own visit to Moscow in October.

● **NICOLAE CEAUSESCU**, the President of Romania, has sacked his foreign minister and minister of economic planning. According to the *Daily Telegraph*, Ceausescu fired Economic Planning Minister Balan as a scapegoat for Romania's growing economic problems.

● **THE 'BLACK SABBATH'** Satanic rock group received warm praise from the Soviet weekly *New Times*, which said that the group's leader Tony Iommi "is very modest in his everyday life, has no bad habits, and is said to possess quite a few virtues."

● **GRETCHEN SMALL** received major coverage in Mexico City's *El Dia* Nov. 9 for her press conference there on the political imprisonment of her husband, *EIR* Ibero-American editor Dennis Small, with Lyndon LaRouche and five others in the United States. *El Dia* quotes her charge that Amnesty International seems "more interested in defending Colombia drug fighters than fighters for social justice."

Elections highlight crisis of 'Buckwheat' Bush

by Webster G. Tarpley

On Nov. 7, one year after George Bush defeated Michael Dukakis for the presidency, Americans went to the polls for what is now billed as an off-off-year election. It was certainly no coincidence that in all three of the most important races of the day, Republican gubernatorial and mayoral candidates for whom Bush had personally campaigned were defeated. The next day, all the President could manage when asked for a reaction was a lame "wait till next year," and press spokesman Marlin Fitzwater skulked in his office and declined to appear to brief the press.

The negatives for Bush amount to far more than a few elections. The defeats merely crystallize the impotence and ineptitude of the "can't do" Bush administration. Bush's support, always a millimeter thick even when it seemed to be a mile wide, has now almost totally evaporated, whatever doctored polls may still purport to show. Two crises—the deflationary spiral inside this country, plus the breakdown agony of the Russian empire—have now combined with the catalyst of bungling to make a third: a political crisis of the Bush regime. Bush is now very far gone along the road that leads to Carterization, Hooverization, or even Nixonization.

Bush has shown a crippling inability to make important decisions of any kind; in this, he is prey to the chief occupational hazard of the bureaucrat, which is his self-conception. The Soviets have doubtless noticed this, and will get a chance to observe Bush up close at the Dec. 2-3 Malta summit. Malta on the model of the 1986 Reykjavik sellout is bad enough, but how about the spring 1961 meeting of Kennedy with Khrushchov in the Schönbrunn Palace in Vienna, when the Soviet dictator profiled the U.S. President by physically attacking him? The conclusion of Khrushchov and his pal Walter Ulbricht was that Kennedy was a coward, and this led directly to

the 1961 Berlin crisis and the 1962 Cuban missile crisis.

Bush is also subject to public tantrums when he does not get what he wants. Since his deserved humiliation on the CIA's botched Panama coup, the tantrums have been coming thick and fast. There was the one in Costa Rica, when tinhorn Danny Ortega announced that he intended to wage war on the remnants of the Contras. There was the tantrum provoked by a reporter's question concerning the refusal of the rightful leader of Lebanon, Gen. Michel Aoun, to accept the "settlement" turning Lebanon over to Syrian domination. There have been tantrums about the Democrats in Congress every time the question of Bush's insane cut in the capital gains tax has come up, with Bush accusing the Congress of blocking everything that he is trying to do. There was a tantrum on the afternoon that the Berlin Wall was opened, this time because Bush had been blind-sided once again by a great world event, and also because his Anglo-American outlook cannot come to terms with the irreversible dynamic toward German reunification. Bush has been repeatedly taken by surprise in his supposed *forte* of international affairs, but still refuses to fire the ineffective and inflammatory CIA director, William Webster. The word among the White House press corps is that Bush still thinks that he is vice president, and that he is trying to win an unprecedented fourth term in that office.

As reflected in his election-day press conference, Bush is supporting Gorbachov and East Germany's Egon Krenz, paying hard cash to Iran's Hashemi Rafsanjani, appeasing Syria's Hafez al-Assad, and courting Deng Xiaoping, while snubbing Israeli Prime Minister Yitzhak Shamir and threatening Aoun. (According to British press reports, Bush is also flirting with Muammar Qaddafi, through secret talks in Amsterdam and Brussels.)

Domestically, Bush is threatening to make devastating

Gramm-Rudman automatic sequestering permanent, cutting more than 220,000 active duty servicemen and a carrier battle group. As far as Bush is concerned, if the Pentagon can't live with that, they should tell it to the Congress.

Bush is denying reality at every turn. Thus, the administration, staffed by the most experienced and consummate group of professional bureaucrats in U.S. history, is paralyzed and adrift.

Policy by consensus

Bush now inhabits the free-fire zone of cartoonists and political satirists. Even more ominously, Henry Kissinger noted in a recent column that the Bush administration can have no policy on Eastern Europe because Washington is being run by a consensus. Naturally, Kissinger is bidding to fill the vacuum, as he has in the past. Bush stands for nothing but a deal with Moscow on the lowest common denominator of bureaucratic consensus.

On Nov. 8, political prisoner Lyndon H. LaRouche, speaking from a prison cell in Minnesota, compared Bush to buckwheat, the grain whose stalks are often broken by strong winds because it refuses to bend. "This is the state of affairs of a government which will crack and be crushed by any crisis which divides the consensus, or by any crisis which forces the situation to the point that major forces left out of the consensus must come into play. Thus George Bush is like buckwheat, his administration ready to be crushed in the next political storm, and the storms are brewing. What is going to happen? Is George Bush going to be given the treatment which outshines even that given to Nixon after 1972? Because I see the vultures clacking their beaks. I see the hyenas lurking, the coyotes lurking. Is George Bush doomed unless he quickly changes his ways and comes to realize that ideas, clear thinking, and not consensus, are the basis upon which sound government is led?"

Which brings us back to the elections. Bush had planned a CIA knuckle-dragger presidency based on Lee Atwater's theory that a U.S. fascist police state should not be bipartisan (as some Democrats would contend), but rather must be Republican, because of that party's domination of the Executive branch, the seat of looming totalitarian control, and because of the need to extirpate any constituency politics still surviving in the House of Representatives and the big city machines, most of which are controlled by the Democrats. With the watergating attacks on Jim Wright, Tony Coelho, and several Democratic senators, especially around alleged savings and loan irregularities, Atwater and company hoped to move toward a one-party state. This theme was expressed by this clique's man in the House, Newt Gingrich, with his insistence that the main line of attack must be that "Democrats are corrupt."

Accordingly, the first months of Bush were marked by an organized campaign by the intelligence community and its assets to put a lid on internal dissent, with stepped up

attacks on unionists, blacks, Hispanics, farmers, anti-abortion groups, defense and patriotic circles, television evangelists, and especially on anti-bolshevik resistance leader Lyndon LaRouche and his co-workers. Bush, like Prince Metternich before 1848, was holding down the lid of a boiling pot by sitting on it. Now the pot is boiling over, and Bush is about to take off with the lid. Factional ferment, for good or ill, is sure to increase.

Bushmen's bets are off

On election day, Democratic Rep. James Florio defeated his Republican colleague Jim Courter for governor of New Jersey by a lopsided margin in a race that chose the successor to the Republican blueblood Tom Kean, and in which the Democrats also captured the State Assembly. In New York City, it was moderate black Democrat David Dinkins for mayor over the would-be GOP avenger Giuliani, whose main campaign gambit was to attempt to nail his opponent for tax irregularities. In Virginia, black moderate Democrat Douglas Wilder eked out a paper-thin margin over union-busting right-wing ideologue J. Marshall Coleman, who demanded that tanks be sent to fight strikers at the state's coal mines. In Seattle, New Haven, Durham, Cleveland, Detroit, and other cities, black mayors were either elected or returned to office. Wilder is the first black elected governor in U.S. history, while Dinkins in New York and Norman Rice in Seattle are the first black mayors in the history of these cities.

Over the past years, a symbiosis between Bush and Jesse Jackson has been evident, with Bush relying on Jackson to scare moderate white voters away from the Democratic column. This strategy is also now in crisis. Wilder and Dinkins pointedly kept their distance from Jackson, and both were elected. Jackson is thus eclipsed, and must contend with two successful moderate black spokesmen on the national stage. The Bushmen are likely to respond by stepping up their campaign to watergate Washington, D.C. Mayor Marion Barry, with the intention of opening up an election that Jackson could win. Earlier this year, as labor ferment began to emerge across the United States, the Eastern Liberal Establishment instinctively reached for its principal counter-insurgency card, the provocation of race war, as reflected in racial incidents from New York City to Virginia Beach, Virginia. The success of so many black candidates now makes that card harder to play for the ruling elite.

Many commentaries on this vote have focused on changing public views on the issue of abortion. Here one thing seems certain: Bush is seeking a way to shift to a pro-abortion stance. In March 1980, Bush used the pages of *Rolling Stone* magazine to endorse the *Roe v. Wade* decision of 1973: "I happen to think it was right." This baggage was later jettisoned in order to board the Reaganite conveyance. It now looks as if Bush is getting ready to endorse abortion, and to raise taxes. Meanwhile, the storms are brewing, and the hyenas are lurking.

Dump William Webster before the summit

by Jeffrey Steinberg

If President Bush wishes to demonstrate his “personal diplomatic” skills at the Dec. 2-3 Malta summit with Soviet President Gorbachov, he would do well to replace his current director of the Central Intelligence Agency well before he sets sail for the Mediterranean.

Since trading in his FBI director’s chair for that of America’s chief intelligence officer, Judge William Webster has racked up a series of intelligence failures and bad judgment calls that qualify him for immediate induction into the Bloopers’ Hall of Fame. Moreover, his problem does not seem to lie with the boys at CIA headquarters in Langley, Virginia. According to recent accounts in the *Washington Post* and elsewhere, Judge Webster spends so little time at the CIA’s headquarters that no one there knows whence or from whom he is getting his intelligence briefings. Some intelligence community oldtimers refer to him as the “101st senator”—a reference to the fact that he spends a tremendous amount of time up on Capitol Hill courting his Democratic Party backers.

Webster’s most memorable intelligence miss occurred last spring as events began to explode in the People’s Republic of China. His information on the situation inside the P.R.C. was so off that he failed to foresee the mass student upsurge, and when the Tiananmen Square massacre did take place, he tried to downplay the role of Deng Xiaoping, just hours before Deng surfaced publicly to claim credit for the slaughter. That gaffe was compounded by the fact that President Bush had gone public with Webster’s version of the events.

On Sept. 19, Webster delivered a major public speech before the World Affairs Council in Los Angeles in which he said that the prime focus of U.S. national security concerns has shifted away from the Soviet Union, and toward economic competitors of the United States, such as Japan. It was Webster’s implicit view, that greedy industrialists in Japan and West Germany and Third World dictators are seeking to bust up the superpower harmony by weakening the United States economically.

Proceeding from that oddball geopolitical world map, one might have at least expected Webster to be “Johnny on the spot” when the CIA was approached in September to give aid and comfort to coup plotters to overthrow Panama’s Gen. Manuel Noriega. But Webster was nowhere in sight, off on a European junket. Nobody from CIA was even present at the White House Situation Room as that crisis unfolded.

Webster’s playing the “innocent abroad,” as the Panama coup plot fizzled, may yet prove to be the crowning accomplishment of his tenure as Director of Central Intelligence.

Judge Webster’s latest problem stems from the fact that recent allegations made by attorneys for Pan American Airlines suggest a coverup of mammoth proportions of the Dec. 20, 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland, in which 279 people, including at least three CIA officers, perished. Pan Am says that the CIA had advance warning of the planned bombing, but failed to act because its team in Frankfurt, West Germany had been compromised by dealings with a Syrian-backed drug-running ring.

Whether the Pan Am allegations prove to be accurate or not, there seems to be little doubt at this point that the Lockerbie bombing was carried out by agents of the PFLP-General Command, a group more or less run by Syria’s intelligence chief Ali Duba through a “former” Syrian military intelligence service major named Ahmed Jibril. Syria, along with Bulgaria, is Moscow’s chief asset in running international narco-terrorism.

Protecting the CIA’s terrorist assets

Back in the days when Webster was America’s top cop over at the FBI, he rejected the idea altogether that there was a link between terrorists and drug traffickers. More recently, in his new role at the CIA, Webster has sponsored the idea of open collaboration with the KGB in combatting drugs and terrorism, deploying a top adviser, ex-CIA director William Colby, to hold private talks with senior KGB officials during a week-long seminar at the Rand Corporation in Santa Monica, California in September. Back in February, he enthusiastically pushed CIA collaboration with the KGB, supposedly to crack the Pan Am 103 case.

He is still sticking to his guns on the issue of CIA-KGB collusion. On Friday, Nov. 3, as the first reports of the Pan Am accusations were being surfaced by Rep. James Traficant (D-Oh.) at a crowded Capitol Hill press conference, Webster turned to the *Washington Post* to give him front-page “damage control” coverage in an impromptu interview in which he blamed everyone from West German and British intelligence to the American media for the failure to come up with the Pan Am 103 culprits.

Webster is now caught up in a potentially damaging coverup of Soviet client-state Syria’s hand in the biggest international terrorist incident in years. This is a pretty sorry state of affairs for President Bush, as the latter prepares his upcoming summit with Moscow’s cagey chief of state. An awful lot of benefits might thus be derived as the summit rapidly approaches if the President moves to dump Judge Webster and replace him with a seasoned intelligence professional who at least knows enough to remain skeptical about Moscow’s expressed intentions, and who has at least read the files on Syria’s well-known role as Moscow’s leading narco-terrorist surrogate.

Representative Traficant calls for investigation into PanAm 103 disaster

At a packed press conference held at the Cannon House Office Building on Nov. 2, Rep. James Traficant (D-Ohio) charged that there may be a coverup by officials of the United States government on the bombing of PanAm Flight 103. On Dec. 21, 1988, that flight was blown up by a terrorist bomb over Lockerbie, Scotland, killing a total of 270 people. In the intervening year, American, British, and West German security services have carried out extensive investigations into the bombing, attempting to determine who carried out the attack, for what motives, and where the bomb was planted aboard the plane.

Pan American airlines has been sued by relatives of the victims of the bombing who claim that lax security by the air carrier was a key factor in the attack. PanAm stands to pay out over \$300 million in damages if the federal court in Brooklyn, New York finds that it was indeed responsible.

Congressman Traficant has charged that PanAm may have been, in part, a victim of dirty dealings by American and other intelligence services, and that the CIA may have been tipped off at least hours in advance of Flight 103's departure from Frankfurt airport about the danger of a terrorist attack.

At a second Capitol Hill press conference on Nov. 6, Traficant produced a five-page section of a 27-page report prepared by an insurance investigator which detailed the existence of a CIA unit which allegedly was involved in protecting a drug-smuggling ring that emanated from Syria and Bulgaria. The drug-trafficking unit, according to the report, had recruited baggage handlers who worked for PanAm at Frankfurt, who would regularly place suitcases full of drugs aboard the plane. And it was members of that ring who placed the bomb aboard 103. These explosive allegations, made at his second press conference held within the week, caused a firestorm of controversy within the media and the various intelligence agencies responsible for investigating the terrorist operation.

Accompanying Congressman Traficant at the press conference was former CIA official and critic of the CIA's covert activity, Victor Marchetti. Marchetti, co-author of the best-seller *The CIA and the Cult of Intelligence*, stated that he had received the investigative report through contacts in the intelligence community and provided the report to the con-

gressman. He added that the report in terms of its investigation was a "full field based report" and was not only credible but required an in-depth investigation to ferret out the truth about whether the CIA had advance warning about PanAm 103. Marchetti praised the courage of Congressman Traficant, who is one of the few members of the House to go against the "regular channels" for handling these matters, because the chances of a congressional coverup were too high.

The substance and reaction

What Traficant released was five pages of the report. Despite some of the press's initial negative reaction to the limited version, what was released was potentially explosive. One excerpt states, "Ali Racep, a Syrian living in Sofia, Bulgaria . . . reportedly arranged the bomb components and their shipment to West Germany in November 1988."

Furthermore, the report states that a terrorist safehouse in Neuss, West Germany was raided by the West German Criminal Police (BKA) and Intelligence Service (BND), which led to the arrest of 13 terrorists, most of whom were later released. The information for the arrest was given by a Syrian drug runner named Monzer al-Kassar, who not only worked for Syrian intelligence, but apparently was under CIA protection. This CIA protection of Al-Kassar is one of the key factors behind Representative Traficant's charge of a massive coverup.

Although the limited version of the report does not delve into all the terrorist drug- and gun-running operations of the Syrians, it mentions two other critical individuals implicated in the PanAm bombing: Marwan Khreesat and Ghandanfar Dalkamoni. Delkamoni is identified as the second-in-command of the PFLP-General Command. Khreesat was not only a member of the PFLP-GC network in the Frankfurt area; he has been identified as an agent of the West German criminal police, the BKA.

This identification of Khreesat as a BKA informant was publicly corroborated in the Nov. 5 London *Sunday Times* in an article entitled "The Lockerbie Plot Uncovered." The *Sunday Times*, however, goes with a different version of the bombing incident, stating that there was a Maltese Airline connection to the incident. Nevertheless, the investigator's

report states that the Israeli intelligence service, Mossad, and the BKA had tipped off the CIA at least two or three days in advance and again 24 hours before, the atrocious slaughter over the skies of Lockerbie, Scotland.

Two drug-terror networks

It identifies two competing terrorist and drug networks which had overlapping networks and interests: the al-Kassar operation and Ahmed Jibril's Popular Front for the Liberation of Palestine-General Command. Al-Kassar was being used by a CIA unit described in the report as CIA-1. CIA-1 protected al-Kassar even though he was running drugs to support terrorist operations, because al-Kassar was "helping on the hostage question."

Further in the report, the investigator claims that CIA-1 did not want to unmask or "blow" their asset al-Kassar, since he was informing on Jibril's terrorist operations. According to Western intelligence experts, both al-Kassar and Jibril are Syrian agents under the control of Syrian military intelligence chief Ali Duba. Complicating the investigation was the fact that another CIA unit led by agent Gannon and Special Forces Major McKee began investigating al-Kassar and reported to CIA headquarter in Langley, Virginia. Langley did nothing about the report and McKee wound up being killed on PanAm 103.

Representative Traficant called for a full congressional investigation to determine, among other things, the circumstances surrounding the deaths of McKee and other members of his team aboard PanAm 103. The implicit question posed by Traficant was whether the Beirut team had been targeted for assassination because of what they had unearthed about U.S. collusion with Syrian narco-terrorist Al-Kassar.

Variations on a theme

Whether all the information in the report is accurate remains to be determined. Upon the release of the report, CIA spokesman Mark Mansfield called the report "ridiculous" and termed as nonsense the claim of CIA protection of the drug network. Moreover, upon release of the report by Traficant, intelligence community sources began putting out the line that the British investigation into PanAm 103, which apparently contains some glaring key contradictions with the Traficant-released report, was the closer to the truth. Not so coincidentally, after Congressman Traficant is first press conference, CIA director William Webster gave a front-page interview to the *Washington Post* stating that the British had the critical information concerning PanAm 103 and that the BKA was not fully cooperating.

Webster's reaction and the subsequent battle among various intelligence services only underscore the fact that there is a huge discrepancy between what is publicly being stated and what is privately and officially known. The families and relatives of the victims of PanAm 103 have been trying for one year to find out what happened. It was not until Traficant

and Marchetti began to push this report that some movement began toward unearthing the truth.

EIR correspondents in Paris report that French intelligence was tipped off by the Israelis in advance of the terrorist incident. The French could not confirm the CIA protection of the Syrian drug running network, but the essentials of the Jibril and al-Kassar involvement in the terrorist incident were absolutely, they say correct. Now there is a political intelligence war between the British secret services and the West Germans, in which the British are blaming the West Germans for bungling the Khreesat affair. In the meantime, Israeli intelligence is content to report the British theory on the Malta connection. The bomb supposedly was placed on an Air Malta flight headed for Frankfurt, where it was loaded on to the PanAm flight.

Israeli disinformation?

Sources in one faction of U.S. intelligence have told *EIR* that the report issued by Traficant is Israeli disinformation, aimed at disrupting attempts by U.S. intelligence to place on-the-ground operations inside Lebanon and throughout the Middle East. These sources believe that a special unit in the Knesset, Israel's parliament, deployed under the direction of Trade and Industry Minister Ariel Sharon and spymaster Rafi Eytan, are using this report for their own purposes, relating to growing tension between the United States and Israel. These same sources also stated that the tipoff of the CIA by the Mossad was too vague to be acted on.

The political establishment in Washington is trying to run "damage control" on the revelations of Traficant and Marchetti, by announcing that the Presidential Commission on Air Safety will handle the investigation. Senators Alfonse D'Amato (D-N.Y.) and Arlen Specter (R-Pa.) called for the creation of this commission right after the first press conference by Traficant. According to Marchetti, these presidential commissions do nothing but cover up what the establishment does not want to come out, witness the notorious Warren Commission on the JFK assassination, or the Rockefeller Commission on the CIA. One well-founded fear is that this Commission will go even beyond the Tower Commission's whitewash of the Iran-Contra "parallel government" operation that traded arms to the Iranians in exchange for promises to release hostages.

Also at issue is the whole policymaking structure behind the U.S. support for the Syrian butcher, Hafez al-Assad, a Middle East policy which was fashioned by former Secretary of State Henry Kissinger. This orientation, which has locked U.S. intelligence into a no-win situation, is the underlying cause of the PanAm atrocity. As long as the United States continues to ally with the narco-terrorist Assad, terrorism and drugs will continue to plague the United States; and intrigue, coverup, and murder will surround the intelligence community, engulfing even those operatives who may be patriots.

U.S.-U.S.S.R. officials seek to join worst of two worlds

by Scott Thompson

"Out of the frying pan and into the fire," goes the proverb about the idiot who opts for a solution worse than an already very bad problem. The saying is descriptive of the remedies prescribed to Soviet party boss Mikhail Gorbachov, at the fifth annual meeting of the "Chautauqua Conference," where from Oct. 30 to Nov. 3, over 250 Soviet officials and citizens gathered at the campus of this year's conference co-host, the University of Pittsburgh. Presuming that the U.S.S.R. is ready to chuck Marx and Lenin off the Kremlin balcony, Gorbachov's advisers and their Western interlocutors appeared ready to invite Marx's economics teacher Adam Smith in the front door, to deepen the economic disaster that is currently the greatest threat to world peace.

Meanwhile, the Soviets played heavily on the theme that the United States must bail out Mikhail Gorbachov economically, in order to "save *perestroika*."

The tacit agenda item raised by the Soviets outside the official sessions was the danger and opportunity raised by the physical economic breakdown crisis in the Soviet Union, which, they concede, Gorbachov's *perestroika* policies have only worsened to date. Key economic advisers to Gorbachov acknowledged to *EIR* in the corridors, that jailed U.S. statesman Lyndon H. LaRouche is right when he warns that lack of food and other consumer goods means Gorbachov is facing a cold and bleak winter, which his ruling faction might not survive.

Little of this reality filtered into the formal proceedings, where discussion instead focused on the restructuring of the East bloc to obey the "magic of the market mechanism"; environmental policing that will only worsen matters by closing down farming and industrial production; and the terms for a global partnership between the U.S. and the U.S.S.R., to carve up the world between the two superpowers in a new version of the Yalta accords at the close of World War II, which are now being torn up in the streets of Eastern Europe.

In general, the conference was focused on topics dear to the hearts of the appeasement-minded architects of the global superpower deal, including trade, the environment, arms control, and "human rights." A sampling of the panel titles suggests the tenor of the meeting: "Prospects for Increases in Trade and Economic Relations Between the United States

and the Soviet Union"; "The Environment: Cooperation of the United States and the Soviet Union in Solving Global Problems"; and "How We View Each Other: Are the Images Changing from 'Enemy' to 'Partner?'"

Soviet Justice Minister Yakovlev, Sen. John Heinz (R-Pa.), and U.S. Information Agency Director Bruce Gelb were among the featured speakers at this latest East-West "love-in."

'Yes, there is a breakdown crisis'

Among the Soviet officials who echoed LaRouche's view of the gravity of the situation was People's Deputy Pavel Bunich, who advises Gorbachov on economics, as vice chairman of the commission on restructuring, and chief of the department of "Economic Mechanism of Managing the Socialist Economy" at the Moscow Institute of Management. When asked by *EIR* whether the Soviet Union had entered a "physical economic breakdown crisis," Bunich admitted, "Yes, that is so. It is a crisis of underproduction."

In a later panel discussion on restructuring, Bunich was asked to comment on Boris Yeltsin's prediction that Gorbachov had only two years to carry out *perestroika*. "Yeltsin is too optimistic," Bunich came back. "If nothing changes soon, then it has no future. It has less than a year. The new system must be working by the beginning of next year or else there may be a popular revolt. Only by implementing the new system rapidly can we build confidence in the population to gain two to three years. If not by January, there will be less than a year. We are in a race against time."

Bunich also ascribed the principal cause for the revolts of non-Russian nationalities in the Soviet republics and the crisis among Eastern European states to "the crisis of underproduction, especially for food and consumer goods."

But revealing the barbaric mentality of the Russian leadership, Bunich repeated Gorbachov's stated view, that this does not mean the Kremlin will rush in to alleviate the crisis with Western imports or stockpiles. On the contrary, "Our strategy is to let this crisis worsen," Bunich said, "so that when it reaches the boiling point, then we can force through our restructuring program."

If this is really his plan, party boss Gorbachov is walking

a tightrope, hoping to turn popular anger against his opponents in the state apparatus (Nomenklatura) before it is turned on him. Cynical, to say the least.

The invisible hand

Mikhail Gorbachov's economic restructuring policies, as outlined by Bunich and others at Chautauqua, imbibed deeply of the elixir of "market magic" by which the latter-day apostles of Adam Smith have turned whole regions of South America into empires of drug-running, overtly Satanic crime families. Bunich said that next January, a package of "two-tier" structural reforms will be pushed through the Supreme Soviet. Although Bunich and other officials paid lip service to meeting the "crisis of underproduction" by stepped-up development of industries, farms, and infrastructure, Gorbachov is advocating precisely the structural reforms demanded by big Western money interests as the precondition for financial credits.

Among the measures prescribed were the following:

1) A scheme for shifting 70% of industrial concerns from the central government to the republics, which, in turn, will either lease or sell these enterprises to workers' collectives, which will be responsible for acquiring investment capital from abroad, from Soviet banks, or else from other more profitable enterprises. (Students of history will recognize this classic from Mussolini's 1927 Corporatism—part of the economic prelude to World War II.)

2) Restructuring of Soviet banks to provide capital previously supplied by the central government, and the creation of a stock market that will be a means of channeling workers' savings into enterprises.

3) A system of taxation of these enterprises and the creation of an insurance industry.

4) An austerity program for closing marginal enterprises and redirection of capital investment from sectors such as construction in Siberia, which, Bunich said, "will create as much as 20% unemployment." He was perfectly blunt about the murderous implications of this shock treatment: "The Soviet Union will have the highest unemployment in the world," Bunich added, before "bad" Soviet workers are retrained to work in a non-productive service sector that will capture Soviet investment—because services require less investment than real industrial, agricultural, and infrastructure programs!

5) A hybrid price system, to include both centrally fixed prices and a market pricing system, which will impose further austerity by abolishing subsidies on items like food and housing. While food rationing is seen as a stopgap measure and significant homelessness is expected, this reform of pricing combined with the revaluation of the ruble, are seen as essential steps toward creating a convertible ruble for attracting more foreign investment.

Gorbachov's advisers at the Chautauqua Conference appeared ignorant of the facts known to every *EIR* reader,

namely that the West has a financial collapse arising from the need to roll over \$20 trillion in debt. Without radical policy reversal, this financial crisis, which has masked an even earlier physical economic breakdown crisis in the West, means that there is not sufficient food or capital to bail out Gorbachov, even if the will be there.

Soviets peddle eco-fascism

On top of this list of monetarist structural reforms that would only add high unemployment, homelessness, and a booming black market to the grave ills of East bloc economies that may face actual starvation this winter, several panels at Chautauqua were devoted to U.S.-Soviet cooperation for imposing an environmental police state on the globe, above all for the purpose of drastically reducing human population. Bush administration officials present openly called for the "post-industrial" society, as when Deputy Assistant Secretary of State for the Bureau of European Relations Curtis W. Kamman heralded the emerging "Age of Information," in which mere physical goods have little relevance. "We have clearly moved out of the industrial age and into a new era characterized by information and communication transcending national borders," blathered "New Age" yuppie Kamman.

Soviet environmentalist Boris Laskorin showed that the barbaric Soviet leadership not only endorses, but is ready to lead the way in promoting such genocidal gibberish. Laskorin called for a total shift in production technology toward so-called organic farming (with its low inputs of technology, Soviet farming is far too "organic" now to feed its people) and energy production based upon the absurdly low-energy "renewable, no-waste sources such as solar, wave, and wind power," which Laskorin incongruously pretended to derive from the late Russian scientist V.I. Vernadsky's conception of the biosphere. Coming to his real point, Laskorin called for population control as an essential means to eliminate the "contradictions" between man and nature.

Laskorin's U.S. counterpart, Alan Hecht, who is deputy assistant administrator, Office of International Activities, Environmental Protection Agency, crowed about the burgeoning growth of U.S.-Soviet cooperation on environmental issues since 1972, when an "Environmental Agreement" had been signed at the height of détente. The environment is now an established part of the U.S.-Soviet "basket five" dialogue around "transnational issues" that includes terrorism, narcotics, and environmental law enforcement to close down allegedly polluting industries.

There were occasional glimmers of sanity from the Russian side. Alternate Politburo member Yevgeni Primakov, for example, was prudent enough to tell the U.S. participants, "Keep your economists like Federal Reserve chairman Alan Greenspan at home; what we need are real food and products." Greenspan recently visited the Soviet Union, presumably to advise them on how to have a nice, stable stock market like the United States does.

New York mayoral campaign failed to face issues

by Dennis Speed

“And of much of Madness, and more of Sin,
And Horror, the soul of the plot. . .”

—Edgar Allan Poe, *The Conqueror Worm*

New York City has chosen a new mayor, a replacement for the 1977-89 reign of Ed Koch, as Democrat David Dinkins defeated Republican-Liberal Rudolph Giuliani in the Nov. 7 elections. The horrifying, but unavoidable truth of this election, is that the citizenry failed to impose a standard of reason and decency upon the candidates, the political parties, and communications media, to force the greatest crisis in urban American history to be at least confronted, if not solved.

The campaign was criticized universally for its mud-slinging and failure to focus upon the impending catastrophe facing New York, manifest in collapsing hospital care, labor unrest, homelessness, and crime. Yet one cannot doubt that the financial and cultural controllers of the city—the Anglo-American establishment—shaped this campaign in precisely that way. The media fixated the electorate’s attention on the easily found flaws of both candidates, to the exclusion of discussion of the most important issue to face voters in this city since 1896—the total overhaul of local government proposed by the city’s Charter Revision Commission. This was approved by voters by a 3-2 margin.

Revolution from above

The charter revisions may be the final step in the destruction of this once-great city. The new charter will do away with the city Board of Estimate, and turn the vast powers associated therewith over to the mayor, a nest of unelected city agencies, and a part-time City Council. It will virtually eliminate the borough president system of government which has administered the five counties that make up New York City throughout the 20th century.

New York City’s Board of Estimate, in existence since 1898, was ruled an unconstitutional body by the U.S. Supreme Court in March of this year. The Board of Estimate had significant power over city contracts, the awarding of city franchises, and the municipal budget. It was a body which included the mayor, the Comptroller, the City Council president, and five borough presidents.

The Supreme Court ruled this body unconstitutional on the grounds that it violated the “one man, one vote” principle.

This decision was touted as a defense of minorities and the poor; the borough president of Staten Island and Brooklyn each wielded the same power on the board, yet Brooklyn’s population was over twice that of its sister borough. But apparently, it was conveniently “forgotten” that this problem had been solved prior to 1958 by giving the presidents of the most populous boroughs (Manhattan and Brooklyn) two votes each, and giving the other borough presidents one vote each. Why was this earlier-adopted system of “weighted voting” not simply re-proposed?

The Board of Estimate was originally created to *halt* corruption in New York City. The new system, with its creation of a drastically strengthened mayor and a multitude of unreachable bureaucracies, threatens to drown the city in a cesspool of graft and influence peddling. The charter revision will: 1) abolish the Board of Estimate; 2) expand the city council from 35 to 51 members, shrinking each councilmanic district; 3) create a 13-member city planning commission. Power over contracts will now shift over to the office of the mayor and the City Planning Commission. Seven of the commission members will be appointed by the mayor. The City Council will now approve the city budget, and will also decide any land siting questions.

Traditionally, however, it has been through the offices of the borough presidents that ethnic groups and minorities have risen to prominent political status in New York City—including black Mayor-elect David Dinkins, formerly Manhattan borough president. Moreover, the borough president essentially received “on the job training” as a “mayor” of his borough, while at the same time deciding upon essential financial and economic decisions for the benefit—or detriment—of the city as a whole. This “unifying” function will be destroyed by the revisions; already, elements in Staten Island have placed a bill in the state legislature calling for secession from New York City. The city will be “Vietnamized” into “strategic hamlets” to be managed by faceless technocrats, such as Robert Kiley, present head of the Manhattan Transit Authority, and the “mechanic” for the genocidal Operation Phoenix scorched-earth policy in Vietnam.

New York City faces what will emerge as its worst fiscal crisis since 1975. By the time Mayor Dinkins takes office, there will be a \$1 billion budget deficit. Mayor Koch has

already proposed the following budget reductions:

- \$3 million in library cuts, expected to lead in reduction of hours;
- \$3 million in cuts to cultural institutions;
- job cuts including the elimination of 455 civilian positions in the Police Department; 151 street cleaners; 68 fire marshals; 175 park maintenance workers; and 250 administrative positions at the Board of Education.

Less services, more cops

As reported by the *Daily News*, Oct. 25, "There were no layoffs [proposed] but the size of the workforce will decrease by 3,357 through attrition. The city still will hire more than 3,200 cops over the next eight months. . . . Koch announced the changes at a packed City Hall press conference attended by Wall Street executives and bond experts, nervous about the city's fiscal stability." The shift in social policy is made clear: less services, more security forces. Felix Rohatyn, the creator of the corporatist Municipal Assistance Corporation and an economic adviser to Dinkins, has emerged once again as the likely executioner for the fiscal "final solution" required. "Mr. Dinkins also has said he would receive economic advice from a board that would include: American Express Co. Chairman, James D. Robinson III; investment banker Felix Rohatyn; leveraged buyout expert Reginald Lewis; and attorney Joseph Flom," according to the *Wall Street Journal*.

Already on Oct. 20, a major sell-off of city bonds had occurred, when news leaked that the city had a \$530 million budget gap. The New York real estate market has experienced significant softening over the past weeks, partially attributed to the cumulative effects of Oct. 19, 1987, and the new Oct. 13, 1989 crash. Nothing, therefore, is intended to be left to chance in a Dinkins mayoralty; Dinkins has been criticized for having personal tax and other financial problems almost hourly over the past weeks. He will be extraordinarily reluctant to challenge these forces.

The reputation of Dinkins's opponent, former U.S. Attorney Giuliani, as the "world's greatest prosecutor," nose-dived with the resurfacing of the scandal of Daniel Perlmutter, a former Assistant U.S. Attorney under Giuliani, who was convicted of stealing over \$500,000, as well as large amounts of cocaine, from the office safe in 1984. Giuliani's annulment of his 14-year marriage to Regina Peruggi, on the grounds that he suddenly realized that they were second cousins, has been described by critics as a model of what Giuliani might mean by the phrase "virtue is a lack of opportunity."

In a Giuliani world, the world of the all-powerful prosecutor, there can be no scruples. In a Dinkins world, there must be the appearance of scruples. The tragedy is that the continuing complacency of the electorate makes it nearly inevitable that the hero of this "immorality play" will be the Conqueror Worm.

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George Shultz backs the drug pushers

Drug czar William Bennett accuses the former secretary of state of undermining the U.S. anti-drug effort.

Former Secretary of State George Shultz's shocking revelation Oct. 7 that he personally favors the legalization of drugs drew sharp fire from Drug Czar William Bennett, and elicited embarrassment and confusion from official spokesmen for the White House and State Department.

When this was first brought to the attention of members of the Washington press corps, the response was disbelief and horror. "Does this man have children?" one woman asked.

It took over three weeks for the first news of Shultz's speech to the alumni at the Stanford University Business School to break into the *Wall Street Journal*.

The first official response came in the form of quotes attributed to Drug Czar Bennett in a small *Washington Times* article Nov. 2. "This explains some things for me over the last eight years, when I was in the Reagan administration," Bennett reportedly said on Oct. 31 while in Madison, Wisconsin. "It explains some problems we had. As many people have pointed out, the State Department in those days did not seem to be as avid on this issue as it should have been."

On the same day, State Department spokesman Richard Boucher, when confronted with the news, said, "I am not aware of all this, so I don't really have any comment," but added that "anti-narcotics efforts are a high priority of this administration."

"Can you get a specific reply on that, because it's coming from a high government official. It appears to be

a quite serious allegation against this institution," the reporter followed.

"I don't think we have any desire to reply, really," Boucher snapped.

The reporter persisted, "He's talking about this institution [the State Department], which has a certain memory that goes through the various administrations, and by not replying you seem to be accepting the criticism of what was happening a year ago."

"I'm just saying I'm just not going to get into the past," Boucher answered.

At the following day's State Department briefing, the question was raised again. But this time, Boucher replied, "That issue was fully covered in yesterday's briefing."

"No, it wasn't covered," a UPI reporter interjected. "It was avoided."

In the meantime, Shultz had sent a letter of support to a pro-drug legalization conference in Washington, D.C., sponsored by the Drug Policy Foundation. In that letter, on Hoover Institution letterhead, Shultz thanked the pro-drug foundation for its invitation to him to speak at their conference, and said, "I look forward to receiving more information about your foundation, and I will be happy to refer people to you who are interested in supporting reform of the current policy." The letter was proudly read from the podium of the conference.

Thus, at a White House briefing on Nov. 6, spokesman Marlin Fitzwater had an even harder time skirting the matter. This reporter asked him,

"In light of former Secretary Shultz's recent speech advocating drug legalization, does President Bush share the view of William Bennett that—"

Fitzwater interrupted, astonished: "Secretary Shultz—former Secretary—who did this?"

"Former Secretary of State George Shultz."

"He advocated legalizing drugs?" Fitzwater said, wide-eyed.

"In a speech at the Stanford Business School, he advocated the legalization of drugs."

This was too hot for Fitzwater. He tried to deflect the issue with a quip: "Whoa! He's been on the West Coast too long, hasn't he? The guy slips into retirement and right away he starts saying things that are strange."

But this being a serious matter, this reporter proceeded to present the facts. "You can read all about it in the *Wall Street Journal*." But even after Bennett's attack on Shultz was cited, all Fitzwater would say was, "I don't have any first-hand comment simply because I was unaware of this. But clearly, we do not believe drugs should be legalized."

So, neither Boucher nor Fitzwater, in professing ignorance of Shultz's views, was willing to address the issue as Bennett raised it: Namely, that Shultz may have been undermining official policy during his entire tenure as secretary of state.

Nonetheless, Fitzwater's penchant for resorting to humor to get out of tight spots did give some other reporters the opportunity they needed to more widely expose Shultz's treachery.

The *Washington Times*, in a small article, quoted Fitzwater's joke about being on the West Coast too long, and Cable News Network cited him each half hour the following day, saying the White House was "ridiculing" Shultz's pro-drug position.

Helms attacks Kissinger policy in Lebanon

In statements on the Senate floor on Nov. 8, Sen. Jesse Helms (R-N.C.) attacked the treacherous policy of the United States government toward the government of Gen. Michel Aoun, pinning the blame for the treachery on U.S. acquiescence to the Kissinger-authored U.S.-Soviet condominium.

"The State Department . . . for over 15 years has allied itself with the Soviet Union's ally Syria. This policy was created by Henry Kissinger as part of a process toward a United States-Soviet condominium over the Middle East. For the Department of State, Prime Minister Aoun's crime is that he stands for a free and sovereign Lebanon," said Helms. "The State Department imposed the Taif agreement on Lebanon under the guise of an Arab-supported and sponsored initiative. . . . In addition, the State Department and the Soviet Union imposed René Moawad on Lebanon through the Soviet's puppet Syria."

Congress votes to raise debt ceiling

The House voted 269-99 on Nov. 6 to agree to the Senate amendment increasing the statutory limit on the public debt, thereby avoiding a government default. The vote came shortly before the deadline set by Treasury Secretary Nicholas Brady for preparing for auctions to refinance \$13.8 billion in debt falling due on Nov. 9.

The Senate approved the measure by voice vote after efforts to force a compromise on catastrophic health insurance and an attempt to remove Social Security trust funds from deficit calculations, were abandoned. Sen. John Heinz (R-Pa.) tried to tag an

amendment onto the bill which would remove the Social Security surplus from the budget since it masks the real size of the deficit. After a promise from Senate Majority Leader George Mitchell (D-Me.) that the issue would be voted on as soon as possible, Heinz withdrew the amendment.

The legislators succeeded in beating the debt default deadline, but there was a great deal of nervousness before it occurred. "This is a very difficult night for the United States," said Rep. Bill Frenzel (R-Minn.). "We have never defaulted, and we're getting close to it. This is a genuine crisis."

The debt bill raises the government's borrowing limit from \$2.8 trillion to \$3.1 trillion for FY 1990 which ends Sept. 30, 1990. Without the ceiling, the government would have been unable to repay owners of about \$13.8 billion worth of Treasury securities that fell due on Nov. 10. Because of the failure to raise the federal debt limit, the Treasury had on Nov. 1 suspended the sale of U.S. Savings Bonds.

Conferees approve China sanctions

A House-Senate conference committee agreed on Nov. 7 to impose further U.S. sanctions against the People's Republic of China in response to the bloody suppression of the pro-democracy movement.

Among the sanctions adopted were a ban on arms sales, a ban on the sale of U.S. satellite and police equipment, an end to all nuclear cooperation, a bar on further liberalization of export controls, and suspension of U.S. overseas investment insurance.

The sanctions were adopted just after President Bush said there were "enormous geopolitical reasons" for

the United States to have relations with China.

The House adopted the China sanctions on a 418-0 vote. The Senate adopted a slightly different version of sanctions July 14 by an 82-10 vote. The conferees adopted Senate language permitting the President to lift the sanctions if he deems this action "in the national interest." The House offered a somewhat tougher standard requiring that any lifting of sanctions be "in the national security interest."

Watchdog committee created for CIA

The Senate on Nov. 7 approved legislation by a 64-34 vote which would create an independent watchdog committee over the Central Intelligence Agency. The inspector general would be nominated by the President and confirmed by the Senate instead of reporting only to the director, as is done now.

President Bush strongly opposes the Senate plan, which is seen as an outgrowth of the Iran-Contra debacle. "We had the potential [during Iran-Contra] to have a government within a government, selling assets and using the money to run operations with no trail, no trace, and no one would know," said Sen. William Cohen (R-Me.), vice chairman of the Senate Intelligence Committee and a member of the special panel that investigated the Iran-Contra affair, in support of the proposal.

The House version of the measure would leave the current organization of the CIA inspector general untouched, but full access to its investigative reports would be required. The House version would tempt a veto, administration sources say.

Bush says he is being blocked by Congress

The Congress is "blocking everything I try to do," President Bush said in a press conference on Nov. 7. Bush urged the press to "get on" Congress for sabotaging all the legislation he is trying to get through.

With an air of desperation, Bush noted the morass in which much of his proposed legislation—the clean air bill, the drug bill, the ethics legislation—has become bogged down, lamenting that the Congress should "support the President as he tries to move this country forward in these areas and not let them dominate debate by blocking everything I try to do." Bush decried the "partisan shift" on Capitol Hill.

Pentagon hurt by Gramm-Rudman cuts

In testimony before the Senate Armed Services Committee, senior military officials told Congress that they would be forced next year to cut 229,000 active duty men and women from the armed forces—roughly 10% of all U.S. military personnel—if the current budget-cutting dispute between the White House and the Congress is not resolved.

Defense Department Comptroller Sean O'Keefe said that budgetary pressures and deficit-reduction requirements facing Congress may result in defense cuts totaling \$150 billion or more from the five-year spending plan President Bush outlined in January. O'Keefe said the cuts, which fall most heavily on personnel accounts, would include an estimated 62,000 man reduction in the active duty Army, 76,000 from the Navy, 80,000 from the Air Force, and

11,000 from the Marines.

Secretary of Defense Richard Cheney on a talk show on Nov. 9 said that sequestration without additional funds being allotted for "reprogramming," would be equivalent to "unilateral disarmament."

Republican congressman threatens to bolt GOP

Republican National Committee chairman Lee Atwater narrowly averted a major embarrassment when he succeeded in keeping a Republican congressman from bolting to the Democratic Party by getting him a key seat on a major committee.

Rep. Arthur Ravenel Jr. (R-S.C.) was prevented from acquiring a seat on the House Merchant Marine and Fisheries Committee by a powerful Republican member of the panel. The Democrats were willing to get him the seat if he would switch to the Democratic Party. This development led to frantic maneuvering by Republican National Committee chairman Lee Atwater in order to keep Ravenel in the fold.

House Minority Leader Robert Michel (R-Ill.) hastily called a meeting of the GOP Committee on Committees to give Ravenel a seat that had been created just a few days earlier when the committee was enlarged.

Judiciary Committee fears FBI kidnap powers

In hearings before the House Judiciary Subcommittee on Civil and Constitutional Rights on Nov. 8, representatives of the Justice Department faced congressional criticism for their new legal opinion which allows the Presi-

dent to order the seizure of terrorists or drug traffickers abroad without the consent of the nations where they are seized.

The legal adviser to the State Department, Abraham Sofaer, also expressed concern over delegating such powers, since it could have an "adverse impact on our bilateral relations with the country in which we act."

Subcommittee chairman Don Edwards (D-Calif.) called such a policy "kidnaping," referring to the fact that the Iranian parliament had cited the Justice Department opinion to say that "they have the same right to come into the United States to arrest their fugitives without our knowledge and kidnap them." Edwards commented, "Maybe the department needs more experience; it needs an education about how the government is supposed to work in a free society."

Senators targeted in savings and loan probe

Five Senators, four Democrats and one Republican, have been implicated in the investigation of the collapse of Lincoln Savings and Loan and the activities of its chairman Charles Keating.

The Senators are accused of intervening with the Federal Home Loan Bank Board at two 1987 meetings to withdraw a rule curbing high-risk investments by savings and loan institutions. Notes provided by former federal bank regulator Edwin Gray to the House Banking Committee indicate that Sen. Dennis DeConcini (D-Ariz.) told bank regulators that Lincoln promised to make less-speculative investments, and asked the bank board to withdraw the direct-investment regulation.

National News

1990 defense bill will begin troop withdrawals

The \$305 billion defense bill approved by House-Senate conferees will remove 15,000 U.S. troops from Europe this fiscal year, beginning the reduction of American troop strength in Europe.

Although these troops were attached to short-range missile units disbanded under the INF treaty, the move's true intent is shown by an included directive to the President to report on beginning a gradual reduction of the 40,000 U.S. troops in South Korea as well.

The bill eliminates one of three B-2 stealth bombers requested, and cuts \$150 million from the \$1.25 billion requested for a rail-based version of the MX missile. The MX missile must now be made mobile, because Soviet warheads are now accurate enough to destroy U.S. ICBMs in their silos—and plentiful enough to target three warheads on each U.S. silo, rendering U.S. ICBM silos useless.

The U.S. military is expected to be forced to cut 170,000 active duty troops by the Oct. 16 Gramm-Rudman-Hollings budget sequestration to save \$3.4 billion of \$8 billion in cuts mandated for the Pentagon. Another \$3.8 billion would be cut from the operations budget, reducing flying hours for aircraft, steaming time for ships, as well as further gouging maintenance and training programs. Another \$1.7 billion will be cut from research and development, causing major delays in the B-2 stealth program, and in the SSN-21 attack submarine program.

AFT head calls for testing for knowledge

American Federation of Teachers President Albert Shanker attacked multiple choice testing, and called for a return to tests which are a more accurate measurement of knowledge in an Oct. 29 speech. Shanker urged a return to greater reliance upon essay tests to gauge depth of knowledge.

Shanker pointed to school districts' fears of introducing reforms which might drag down average scores on the ubiquitous standardized tests. "I would call for an immediate end to standardized tests as they are now," Shanker said. "What you need to do, is test for things that are really important: reading, writing, computing, history. To test for depth of knowledge, you have to get away from things that are graded by machines."

'Brain dead' baby now declared alive

A New York baby, two-month-old Luis Alvarado, declared "brain dead" by so-called experts and the New York Health and Hospitals Corporation, and who faced death after New York State Judge Helen E. Freedman ruled on Oct. 18 that a New York City-run hospital, Elmhurst General, had the right to kill him by taking him off a respirator, has now been ruled alive.

The HHC had called in yet another expert Oct. 31 to back its position in a rehearing of the suit brought by the child's parents, Luis and Carlotta Alvarado, on Oct. 27, who are fighting to keep their child on the respirator. The new expert who examined the child was pediatric neurologist Hart Peterson, who said that the child was not only not brain dead, but was, in fact, making feeble attempts to breathe on his own.

The family's attorney said HHC knew before the latest exam that the child was not brain dead. Although the hospital backed down from its demand the child be removed from the respirator, the rehearing of the case will hopefully affect the brain death statutes that endanger others.

Pittston ordered to restore some benefits

In the bitter strike between Pittston Coal group and the United Mine Workers union, U.S. District Judge Dennis L. Knapp of Charleston, West Virginia has ordered Pitts-

ton to restore some health benefits.

The ruling, which deals directly with the issue which led to the UMW A strike in April of this year, is a major victory for the union, although it only covers 100 laid-off workers who were cut off from health benefits by Pittston.

The injunction was sought by the National Labor Relations Board.

Teamster victimization upheld by federal judge

Manhattan Federal District Judge David N. Edelstein ruled against an appeal by top Teamster officials who challenged the power of a government appointed "investigations officer," Charles M. Carberry, to oust Teamster officials.

Judge Edelstein ruled in favor of the government, which argued that Carberry's powers were part of the agreement accepted by the Teamsters last March in exchange for the government's abandoning its RICO suit. The Department of Justice had been using the RICO statutes against the Teamsters to convict top leaders of racketeering and put the entire union into receivership.

A government appointed administrator, Frederick B. Lacey, has also filed a court petition seeking sanctions against Teamster leaders for holding meetings without informing him, so that he could attend. Lacey claims that the meetings were held to discuss the possibility of backing out of the March agreement, since the Teamsters believe that the government is now renegeing on a promise made then not to seek the removal of present board members.

RICO 'fascist,' former Reagan official says

The RICO, or racketeering, law should be immediately repealed because it is a "fascistic invasion of our law," according to Paul Craig Roberts, a former Treasury Department official in the Reagan administration, in a commentary in the Nov. 7 *Washington Times*.

Briefly

Roberts dismisses efforts to "reform" RICO, charging that only by outright repeal "will we be safe from the RICO monster that is destroying our rights as citizens."

Roberts quotes at length from a presentation by Federal Appellate Judge David Sentelle to a recent conference in Washington on RICO, in which Sentelle denounced RICO as a "hungry monster that is devouring traditional concepts of American jurisprudence," and charged that it has "eaten away at the wall of federalism that the framers" of the Constitution erected.

According to Roberts, Sentelle also warned that RICO "is doing violence to the principle that association is a type of expression covered by the First Amendment." He cautioned his audience that while "you may not like labor unions or the right-to-life movement," the current victims of RICO, if RICO isn't stopped, it will eventually trample on everyone's rights.

The Coalition for RICO Reform, in a letter to the editor in the Nov. 3 *New York Times*, opposes an earlier editorial supporting the use of civil RICO. The coordinator of the Coalition in Washington, D.C., Martin Connor writes, "The statute's civil provisions are so vague and expansive that they make almost any claim for damages a potential Federal RICO case. 'Virtually everyone who has addressed this question,' said Chief Justice William Rehnquist last April, 'agrees that civil RICO is now being used in ways that Congress never intended when it enacted the statute in 1970. Most of the civil suits filed under the statute have nothing to do with organized crime. They are garden-variety fraud cases of the type traditionally litigated in state courts.'"

Former NASA director James Beggs cleared

Former National Aeronautic and Space Administration Director James Beggs was totally vindicated, when California Federal Judge Fernando F. Fernandez ordered that all documents and records concerning the December 1985 indictment of Beggs, General Dynamics, and other individuals be expunged from the court. The action was re-

quested by the Department of Justice, which had conceded in June 1987 that it had insufficient evidence to try the case.

Last year, Attorney General Edwin Meese III issued a "profound apology" to Beggs, who had been forced to resign as head of NASA while he defended himself. A few months later, the space shuttle Challenger was lost during launch.

Beggs has recently begun his own consulting firm, directed at furthering international cooperation in space between the U.S. and its traditional allies.

Concerning the DoJ witchhunt he was forced to endure, Beggs told the Nov. 6 *Washington Post*, "We do things like that in this country. No individual is above the law, and when it comes time to account for your actions, you do. But the fact that it takes so long is a little difficult."

Air Force says Soviet reductions=modernization

Officials at U.S. Air Forces Europe (USAFE) headquarters evaluate current Soviet unilateral force reductions to be "nothing more than a modernization effort," reports *Aviation Week and Space Technology* in its early November edition. The evaluation echoes *EIR's* special Global Showdown report.

These officials "maintain the Soviets are actually enhancing their forces before a conventional arms reduction treaty is completed." Deputy USAFE commander Lt. Gen. Ted Rees said, "What we see now is a realignment of their forces which provides them greater combat capability with more modern airplanes and weapon systems than they had nine months ago." Rees claims that the Soviets have been withdrawing older MiG-23s from East Germany but are replacing them with more capable MiG-29s.

Military planners at USAFE headquarters at Ramstein Air Base in West Germany believe that the Conventional Forces Europe (CFE) negotiations in Vienna will inevitably result in a "leaner and meaner" adversary, and this will force the U.S. to "modernize and keep our technological edge."

● **NEW YORK CARDINAL** John O'Connor announced the creation of a new order of nuns whose "total commitment will be to the cause of life as threatened by abortion and euthanasia." The order is to be called the Sisters of Life.

● **DR. ROBERT HUNTER** has resigned from his post overseeing the U.S. fusion program effective Oct. 27, according to the Department of Energy. Hunter tried to destroy the magnetic fusion program by halting construction of the next-step Compact Ignition Tokamak device.

● **VICE PRESIDENT** Dan Quayle has done an "outstanding job," according to President Bush, who said that Quayle would "absolutely" be his running mate in the 1992. Bush's statements dampened speculation that Bush might choose James Baker as his running mate.

● **ARMENIANS** outside the Shrine auditorium in Los Angeles, more than 1,000 strong, protested Soviet Red Army killings on Nov. 2. The Soviet Red Army chorus and dance ensemble was appearing there.

● **THE BUSH** administration is reeling from the *EIR's* Greenhouse Effect report, a top scientist told *EIR*. He reports it being circulated everywhere, and that an open war is about to be declared by the scientific community on the global warming hoax.

● **CHINESE MILITARY** personnel who were told to leave the U.S. after the June 4 Tiananmen massacre have returned to the United States, the *Los Angeles Times* reported Nov. 5, and are working on "The Pearl of Peace," the biggest-yet Sino-American military cooperation deal.

● **THE FBI** announced it will purge its files of the names of thousands of members of the Coalition in Solidarity with the People of El Salvador.

Editorial

The Germany of Schiller and List

November 10 was the 230th birthday of the poet and dramatist Friedrich Schiller, a most appropriate birthday to be remembered in light of the events occurring, not only in East Germany, but also in Poland and other parts of Eastern Europe. Already, there is an accelerating popular impulse for reunification of Germany—at least, an impulse for assimilating the East Zone into the Federal Republic.

Such a process unleashes the only possible positive basis for a unification of the two German populations: The best qualities of the East Zone people and the best qualities of the West German people must interact. This means, first of all, a revival of the classics of German culture—the common, pre-Hitler cultural roots, the well-springs of true German greatness.

Second, the positive feature of the East Germans coming across the border now is that they have labor skills, and bring them to a West Germany that is losing many of its skilled industrial operatives due to the Green, “post-industrial” ideology that has grown so rapidly in the recent period. Those coming over are thus immensely valuable to the industrial economy of the Federal Republic.

A reunification of the two Germanies means that these two features—German classical culture and scientific-technological-industrial skills—are of paramount importance.

The critical question before the world today is whether there exists an alternative to two collapsing international monetary systems: on the one side, the rotten-ripe communist system centered in Moscow; on the other, the Western “Adam Smith” system centered in London, New York, and Washington. Both are collapsing, and nothing can save either of them.

If we are going to avoid war, we’d better find a solution. If we’re going to draw the nations of Eastern Europe and Communist China into cooperation with the other nations of the world, we had better introduce a monetary system that meets the needs of people on both sides of the communist/anti-communist divide.

Such a solution is readily at hand. It used to be called the American System. It was associated with names like U.S. Treasury Secretary Alexander Hamilton, who coined the name of “American System.” It also included the two Careys—Benjamin Franklin’s collaborator Matthew Carey of Philadelphia, and his son Henry C. Carey, the economic adviser of Abraham Lincoln. It was also associated with the great German-American Friedrich List, author of *The National System of Political Economy*.

This is a tried and true system in the United States, as in the Germany of List and earlier of Gottfried Leibniz, who founded the science of political economy, or in the France of Carnot and Monge. It is a tradition which fosters developing the productive powers of labor through capital-intensive and energy-intensive investments in scientific and technological progress, and of national banking as defined by Hamilton.

Such a system would meet the requirements of the human beings who live in the East, whether they have experienced communism, Tartarism, or who-knows-what variety of barbarism in the past. Since it meets the needs of both sides, it is the way of unifying the people coming out of the Dark Age in the East, the communist system, with those of us coming out of the nightmare of Adam Smith’s economics, around common interests, common goals, and cooperation.

This is the road to peace; it leads, with the United States’ cooperation, and that of Paris, through Bonn, to Berlin, to Warsaw, and thence to other points. The success of the recovery of Poland, in the context of cooperation between the economies of East and West Germany, with East Germany serving as the bridge to this cooperation, is the road to peace. It does not guarantee peace, but is the only road which leads in that direction.

Now is the time to junk both Karl Marx and his mentor, Adam Smith, and to go back to the proven systems of Leibniz and the American System of Hamilton, the Careys, and List.

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LaRouche Delivers the Signal

A worldwide anti-Bolshevik resistance struggle

Issued on Nov. 14, 1988 by Lyndon H. LaRouche, Jr.:

Moscow's pre-orchestration of the forced resignation of West Germany's Bundestag President Philipp Jenninger set off the trip-wire warning.

In this circumstance, like that of the fabled Good Samaritan of the New Testament, I find myself in the circumstance the responsibility for a certain action falls upon me. So, as the Hand of Providence fell upon that Good Samaritan, in that fashion, it has demanded that I do an awesome deed, which I do here and now.

So, let the alarm be sounded; the trumpet shall not sound an uncertain note.

Let those who refuse to submit to Soviet worldwide imperial aggression rally to the ranks of a new, global resistance movement, prepared to fight the agents and accomplices of Soviet interest in the same spirit as anti-communist resistance organizations fought the fascist tyrannies of Germany and Italy.

Let us swear the Rütli Oath from "Wilhelm Tell." Let it be made clear, that wherever the communist imperial interest shall destroy governments, or subvert them to such a degree that they become virtually pro-Soviet varieties of Quisling rule which so cease, treasonously, to be lawful authority, the new Resistance shall launch what modern China's experience defines as "People's War" against the communists and their accomplices.

Let no one doubt, that once such conflict were forced upon us, there is no turning back, whatever the cost, until the mop-up of the last remnant of the adversary has been accomplished within each and all of our nations.

The Jenninger issue

For the occasion of the fiftieth anniversary of the Nazis' 1938 Kristallnacht atrocities against Germany Jews, the president of West Germany's lower house of parliament, the Bundestag, Philipp Jenninger, prepared the written form of an address. On the subject of the conditions leading into that Nazi crime against humanity, the written text of the address is among the noblest utterances in honor of the victims during the entirety of the past fifty years.

Almost the entirety of this address was delivered to the Bundestag's open session by Herr Jenninger. During that delivery, certain members of the Bundestag walked out in actual or simulated protest. Promptly, the KGB's assets and most of the European liberal press responded to the address with statements about it which are shown to be utter lies by comparison with the written text and electronic record of the oral reading.

Investigation shows that this reaction among the liberal press was pre-orchestrated, in cooperation with known assets of the Soviet KGB, such as the VVN organization.

This coincides with a pattern of recent and current developments which show institutions of Western governments capitulating to demands of Soviet agencies and KGB-controlled or KGB-complicit persons and agencies, in a more or less equally naked, and shameless way. The fact that Herr Jenninger was induced to resign his

post under such Soviet-pre-orchestrated pressures, makes that incident the signal occurrence within a pattern of developments requiring the mobilization of a global anti-communist resistance force.

The rules of resistance

Wherever we are faced with the conditions which compel the forces of anti-communist resistance to launch "People's War" against the adversary and his instruments, we shall wage such forms of war under the following rules and conditions.

- 1) It shall be a form of warfare described as "People's War."
- 2) It shall be fought according to those rules of justified warfare associated with St. Augustine.
- 3) The heroes around whom this resistance shall be mobilized is the memory of those anti-communist resistance fighters, who fought German and Italian fascism, and often communists, too, during the period up to and following 1945.

To affirm our honor to the memory of those heroes, we teach children to despise Beate Klarsfeld, and all witting accomplices of the KGB's VVN, as wearing the face of the enemies of God and humanity. For the same reason, we despise as low dogs those who betrayed U.S. justice and spat in the face of God, by sending the American citizen Karl Linnaeus to his death at Soviet hands. These persons are an example of those we demand be brought to trial for their crimes against God and humanity.

- 4) The enemy is communist authority and the accomplices of that authority's actions against our forces. All who fit that description are the forces of the enemy for the purposes of defining our actions of warfare. All these bear the face of the enemy, and shall be brought as low as required, whenever it serves the cause for which we fight that that be done.

- 5) All who die or suffer otherwise in this war shall be to us as martyrs, whose honorable deeds in this cause shall be legendary in the tales told to future generations.

- 6) If we are obliged to enter into such warfare, it would be the enemy who has forced this upon the world. Were he wise, he would hesitate to provoke this war.

Organization of the resistance

- 1) The resistance is organized and spontaneous, and whether organized or spontaneous, is variously open or covert.

- 2) Openly organized forms of organization, serve to carry the political banners of the resistance as a whole. These are the voices which define the principles and policies of the resistance.

- 3) Covertly organized forms of organization flank and envelop the enemy in the institutions of society from which the enemy seeks allegiance and support. Covertly organized efforts seek to cause those institutions to exist to the enemy's disadvantage.

- 4) The most covert form of activity is that which is either spontaneous activity, or is caused to appear so.

- 5) He or she is a member of the resistance, who adheres to the principles and policies of the resistance. These principles and policies are defined by the open political organizations associated with the resistance, from whatever location, and under whatever circumstances they are able to perform this function.

- 6) The combat functions of the resistance are estimated to be about one percent of its total warfare-effort.

- 7) For the most part, the resistance does its work silently, cloaked in mystery, avoiding as much as possible, to report what it has done, or not done, or to report where it has been or not been. As much as possible, the spoor of its work is a shadowy presence in the statistics until such time as its victories enable it to assert its presence and work in its own name.

You can join the resistance, where you sit or stand, without contacting any office or person to do so. But swear the Rütli Oath against communist tyranny and its accomplices, to God and to yourself, and you have joined. Thereafter, act accordingly, as your conscience, and your knowledge of the resistance's signals, principles, and policies, compels you.