

EIR

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LaRouches and Taiwan leaders in dialogue

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with Jenninger 'scandal'**



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There are a number of reasons why we are proud to bring our readers the full English translation of the speech delivered by Philipp Jenninger to the West German Parliament in commemoration of the 50th anniversary of the Night of Broken Glass (*Kristallnacht*). The first has to do with the merits of the speech itself, an extraordinarily honest and insightful effort to come to grips with what happened in Germany in the 1930s. It would be worth publishing even if it had not become a “news event.”

The second is that rarely are we able to present such stark documentation of the lies of the international “major media” as in the instance of this speech and the hysteria that was generated against it, almost from before Mr. Jenninger opened his mouth, and through the point that he was forced to resign as president of the Bundestag the following day.

Read for yourself the speech, and then a sampling of the international press reports that alleged to represent it. Probably you saw similar lying garbage in your local newspaper. One of our readers who called a major U.S. urban newspaper after the story first broke, was told by editors that indeed they did *not* have the text of the speech, and were only relying on wire reports.

Twenty-four hours later, the same newspaper published yet another article on the “Jenninger Affair” reeking of the same Soviet-inspired disinformation, and still, had not bothered to get the full text. Yet, the staff and financial resources of that newspaper—not to mention those of the *Los Angeles Times* and kindred giants of the U.S. press—surpass those of *EIR* by about two orders of magnitude.

Not “all the news that’s fit to print,” in the sanctimonious motto of the *New York Times*, but “all the news that fits,” is the real content of the liberal media. A free people deserves, requires—and to stay free—must demand the truth.

That is why the continued existence, and rapid expansion of *EIR* and the publications served by our news bureaus and intelligence service, is so vital. The same forces that desired to destabilize the West German government by orchestrating the scandal against Jenninger, are those bidding to silence Lyndon LaRouche in the trial which is now beginning in Alexandria, Virginia.

Nora Hamerman

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Stuart Lewis

Chancellor Helmut Kohl of the Federal Republic of Germany was targeted for destabilization by the Soviets just before his trip to the U.S. Here he is shown at a press conference in Washington on Nov. 15, 1988, flanked by his Foreign Minister Hans-Dietrich Genscher (left) and Defense Minister Rupert Scholz (right).

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Central bankers flex muscle, but what's the price tag?

by Chris White

Two days of massive central bank intervention, Thursday, Nov. 17, and Friday, Nov. 18, kept the U.S. dollar at about the level reached by the weekend after George Bush's election victory. At around 123 yen and 1.73 deutschmarks, the dollar had been held at about 3% lower against both currencies than it was before the U.S. election.

For the two days of massively coordinated central bank intervention, it is estimated that some \$3 billion were spent by central bankers to hold the line. Intervention on Thursday was probably running at twice the level of Friday. For those two days of effort, the Japanese central bank, which had been intervening daily to support the dollar-yen rate, at a level in excess of \$400 million, was joined by the Bundesbank, the Swiss central bank, the Bank of England, the Dutch central bank, the French central bank, and Alan Greenspan's Federal Reserve Bank of the United States.

Yet, the massive level of support, which has actually only slowed the otherwise precipitous rate of decline of the dollar, which has fallen by 10% against the deutschmark since August, has not been enough to eliminate what the financial markets call "bearish sentiment." On each of the cited days of massive intervention, the central banks followed the markets across the world's time zones, deploying three successive waves of intervention, in Asia, Europe, and the United States in their attempt to staunch the hemorrhage out of the U.S. currency.

A power play

Meanwhile, it is well to bear in mind that it was the central bankers who intervened so massively Thursday and Friday who also happen to be the ones who set recent developments into motion during their end of September confabulations at the Berlin International Monetary Fund meeting. The central

bankers, as we have reported, are acting to precipitate a crisis, to demonstrate that they, and they alone, have the power to control what they have unleashed. Their objective is political; to use their ability to exert control over market developments, to batter the incoming U.S. administration into submission to their overall policy designs.

Thus, Friday's "third wave" of central bank intervention, during U.S. trading hours, was apparently precipitated by remarks Bush's nominee for Treasury, Nicholas Brady, made to Bryant Gumble on NBC's morning TV talk show. Brady told Gumble, "There is nothing to worry about" with the dollar, that there was "no need" to increase U.S. interest rates, that a deficit reduction package could be worked out with Congress, without increasing taxes, the more so because he had as yet found no congressman who had run his re-election campaign on a platform of increasing taxes.

Brady's remarks stand in sharp contrast to the Wednesday, Nov. 16 testimony of Federal Reserve chairman Alan Greenspan before the Robert Strauss-Drew Lewis co-chaired National Economic Commission. While Greenspan was not so crass as to outright join the chorus of those who are calling for tax increases, he did demolish the core of the President-elect's "flexible freeze" strategy for dealing with the deficit. Where Bush has insisted that continued economic growth will take care of the deficit, if spending is held in line, Greenspan argued that such a tack is "unrealistic." He took off from this slap at the President-elect, to present a case, argued from the last 100 years, that foreign investors could not be expected to keep their holdings in their country of choice, if that country was running perpetual deficits. Greenspan insisted that the deficits are undermining the foundations of the economy, and have to be dealt with now.

That testimony was widely regarded as the trigger for

Thursday's assault on the dollar, and the subsequent central bank intervention. Therefore, irrespective of the truth or falsity of what either Brady or Greenspan are saying, Greenspan has made clear where his loyalties lie. In acting to undercut the new administration, even before it is formed, he has shown that he has thrown in his lot with the central bankers' cabal.

Greenspan's testimony also undercut an effort launched by the President-elect and his appointees over the previous weekend. At that time Brady, not appointed to the Treasury till Tuesday, Nov. 15, had called in the *Wall Street Journal* to let it be known, in time for market opening Monday, that the new administration does not agree with Harvard's Martin Feldstein, who calls for a further 20% devaluation of the dollar, but favors dollar stability. The "transition team" took to the Sunday talk shows to make the same point.

But before Brady's reappointment as Treasury Secretary was announced on Tuesday, he had flown off to Paris for a secret series of conferences between finance ministers and finance ministry technocrats of some of the Group of Seven countries. According to Friday, Nov. 18's *New York Times*, Monday, Nov. 14, in and around the precincts of the Louvre offices of the French Finance Ministry there were at least two sets of meetings. On one level, the *Times* reported, Brady met with his West German and French counterparts, Stoltenberg and Bérégovoy, along with the number-two in the Japanese Finance Ministry, Gyohten. At the same time, the top Treasury official for international monetary affairs, David Mulford, was meeting with his German and French counterparts.

The U.S. Treasury has admitted that the meetings occurred. There has been no official comment on their content. It is to be presumed that the officials gathered there worked out the outlines of an agreement among themselves, under which the dollar would be supported, even while the central bankers are organizing the international campaign against the dollar.

That's not so mysterious as it may appear. The name of the game is control. Running the foreign currencies like a yo-yo, which drops, but never climbs back to the levels it has dropped from, is designed to create conditions, through controlled manipulations of crisis, in which the incoming administration can be broken to the central bankers' collective will to implement their desired policy of savage austerity.

Among the immediate signals that some trade-off arrangements have been accepted for the support side of the package was a speech given by outgoing President Reagan on Thursday, Nov. 17, to a Chamber of Commerce organization. The speech, originally billed as a statement in support of the proposed free trade agreement between the United States and Canada, became something else. The outgoing President took the opportunity to back off from one of the more extreme of his standing "free enterprise" commitments, namely, that which requires the elimination of all so-called

agricultural subsidies by the year 2000. Now, in advance of the upcoming Montreal GATT talks, that fixed deadline, opposed bitterly for months by U.S. creditors in Japan and the European Community is, in appearance at least, junked. The President has agreed that "food security," a major concern of Japan and Europe, can be discussed.

It doesn't take much imagination to see that shift, as part of the horse-trading that underlies the intervention on behalf of the dollar. What else was agreed to can be surmised. Most immediately, would be an increase in interest rates inside the United States. Indeed, rates on both short-term Treasury bills and the 30-year long bond have been climbing, even while the dollar was under pressure on international markets. It can be expected on that basis, and on the narrowing differential between interest rates in the United States, and in overseas money-markets, that U.S. commercial banks will shortly begin to increase their prime lending rate, to maintain the spreads between their cost of borrowing funds, and the interest they receive in payment.

As far as the Federal Reserve is concerned, the operative question must be, how much foreign currency does the Fed have available with which to finance its side of the intervention in favor of the dollar, and what will happen, as those funds are depleted, if the central bankers protract their yo-yo routine in a gradual tightening of the screws?

Not really under control

The problem with all such calculations is the assumption that the process under way is under the control of those who claim that such is the case. Perhaps, over the short-term, central bankers do have the maneuvering room to play pressure games against the dollar to back up their attempt to bring the new U.S. administration into line, as their house-broken creature on these questions.

That must remain an open question, simply because of the overall bankruptcy of the system. Obligations were incurred, over the last year, in the name of "keeping things going" until after the U.S. elections. Thus, what was insupportable a year ago, through trickery, arm-twisting, and other forms of blackmail was ultimately supported, the price for continuing that now, is to add another \$400 billion and up in obligations to the claims outstanding against the U.S. credit system. Without the expectation of continued increased money returns on a growing pile of indebtedness, the system will collapse on itself.

Any attempt to play pressure politics, by manipulating the conditions under which the system has been supported, by playing around with currency rates, and interest rates, must tend to accelerate the destabilization of the whole thing, in ways which will not be understood by the people at the central banks. They will then learn what political control is all about, as they are subordinated to the political will of sovereign government, or we will have the biggest financial crash of all time.

Europe 1992: mega-banks to dictate

When there are no longer nation-states, there will be no barrier to the power of a financial oligarchy. First of a series.

We begin here a series of articles, summarizing the conclusions of a 261-page Special Report published by EIR Nachrichtenagentur in Wiesbaden, F.R.G., on "Europe 1992: Blueprint for Dictatorship." The report was produced under the direction of Muriel Mirak and is available for 400 Deutschmarks in Europe, or \$250 in the United States.

The Single European Act, comprising 300 separate pieces of legislation, will, if completed, remove all remaining national borders and barriers to the free flow of capital, goods, people, and technology throughout Western Europe by Dec. 31, 1992. Advocates of this "Europe 1992" revolution, who say that it is modeled on the single market of the United States, argue that there is enormous benefit to be reaped from creation of a United States of Europe and a single European internal market.

The broad outlines of this historic act were ratified over a period of two years by the member governments of the 12-nation European Community, through summer 1987, with remarkably little public debate or attention. Most parliamentarians were unaware of the implications of their vote on an apparently insignificant piece of legislation. It seemed that the Single European Act would remain on the shelf along with many other Brussels bureaucratic "pipe-dreams," a piece of paper which would be debated and argued to death. Then Oct. 19, 1987 hit.

The Wall Street stock market crash and the global financial market panic created widespread fear among Europeans that Black Monday and the fall of the U.S. dollar presaged a new depression far worse than that of the 1930s. Sometime in November 1987, EC Commission President Jacques Delors was told to make a "do-or-die" push for the long-discussed Single European Act. This climate of fear over worldwide depression was to catalyze the mobilization for "Europe 1992."

The transition to "Europe 1992," the Western European

perestroika, will not be any clear, identifiable step on Dec. 31, 1992. Instead, in an underhanded, insidious process, the 300 legislative acts contained within the Single European Act and the earlier June 1985 European Commission white paper, "Completing the Internal Market," are being enacted, piece by piece, between 1987 and 1992.

This gradual process is to minimize concerted opposition to the scheme, until it becomes irreversible. Already, following decisions at the June 1988 Hanover EC summit, Delors boasted that the "Single Europe" process was "unstoppable." Although this is far from true, the momentum is being manipulated to make it appear so for the citizenry of the EC.

Europe will be reorganized top-down. Since the Single European Act provides for total liberalization of restraints on banking and financial institutions, including insurance, in every industry there will be a bloody battle for survival. Already, under the banner of "becoming competitive for 1992," Carlo De Benedetti attempted to grab control of Belgium's Société Générale de Belgique, in a transnational raid in March 1988. De Benedetti, an Italian member of the European Roundtable, used holding companies in Geneva and France to funnel more than \$1 billion in New York and London funds in a bid to grab Belgium's most valuable corporation. De Benedetti even called his international takeover syndicate, "Europe-1992."

If 12 sovereign nations suddenly agree to let financial capital flow across borders with almost no restrictions, this will guarantee that the largest and most ruthless concentrations of capital will devour the weaker. Wall Street-style raids on established industries will become commonplace. Ivan Boesky and T. Boone Pickens will ride again in Europe, in a new generation of Carlo De Benedettis or Robert Maxwells. Victim companies will be ripped apart by their new owners in U.S.-style "asset stripping," as the supranational predators repay takeover debts and prepare for the next assault. Anyone skeptical of what this will mean should examine what has

happened to American industries over the past decade.

National laws and exchange controls limiting depredations by restricting capital flight abroad (such as have existed in France, Italy, and other EC countries) are being systematically removed as part of the preparation for a "single financial space" demanded by "Europe 1992." Since banking laws in West Germany, France, and Italy remain conservative compared to the sophisticated international banking laws that have developed in Britain over the past century, this all but ensures that the City of London will become the financial capital of Europe, as the largest and most developed such center in Europe. London's controversial October 1986 "Big Bang" financial deregulation helped clinch its role as the likely financial capital of the new Europe. Under "Europe 1992," credit will be controlled by some combination of power concentrated in London, New York, and Tokyo. The Single European Act merely codifies this fact, and certifies that the 12 nations of Europe have surrendered any remaining powers to stop it.

There will be no way to prevent the emergence of 5 to 10 "mega-banks" or "global banks," as Deutsche Bank chairman Alfred Herrhausen prefers to call them. In April 1988, Herrhausen told an audience of Frankfurt fellow-bankers his plans to transform Germany's most conservative industry-tied bank into an American-style speculative giant: "Until now, Deutsche Bank has been a German bank which has had subsidiaries in other countries. I intend to make Deutsche Bank a truly global, multinational bank, which *happens to have its headquarters in Germany* [emphasis added]."

The distinction is important. Until spring 1988, the fight was over a nation's power to control financial institutions. Now, the fight will be over who controls the bureaucracy of a European super-government and the planned European central bank.

One senior diplomat involved in shaping "Europe 1992" policy, bragged privately that it will mean "5 to 10 giants dominate in every sector by the mid-1990s." These multinational mega-banks will decide allocation of credit for Europe as a whole, including whether credit will go to the vital agriculture and industry of any member nation, or to American-style "post-industrial" projects, such as casinos, shopping centers, and luxury housing. "Europe 1992" will be a modern-day fascist economic empire, in which all the failings of Benito Mussolini will be eliminated by the Brussels bureaucrats. Power will shift to one or several administrative centers in Brussels, Luxembourg, London, or Strasbourg and away from Bonn, Paris, Rome, Copenhagen.

Until the EC heads-of-state summit at the end of June 1988, politicians of Western Europe could not be counted on to surrender their national sovereignty to the emerging supranational controls of "Europe 1992." But as the shocks of Oct. 19 reverberated across Europe in 1988, resistance crumbled in one country after the other. By June, the only issue debated was whether or not to create a single European currency and

central bank. German Chancellor Helmut Kohl, convinced that German industry would be "king" under "Europe 1992," assured his eager support. France's nationalists had been smashed by the socialist, pro-"1992" François Mitterrand only days before the Hanover meeting. Italy's Ciriaco De Mita had won election as prime minister by virtue of his campaign to prepare Italy for 1992. But no one at the meeting said very much concretely about how this "Europe 1992" scheme would guarantee the promised benefits of the single market.

The plan to rule nation-states through a supranational dictatorship is, indeed, decades old. But the current blueprint for "Europe 1992" took institutional form in June 1985, following a series of meetings between EC Commission President Jacques Delors and private interests, including representatives of the Philips firm and other Roundtable members. The program is contained in the June 1985 EC white paper, titled, "Completing the Internal Market." The entire document is only 35 pages long, but it is perhaps the most damaging in modern European history since the 1919 Treaty of Versailles. According to senior EC sources in Brussels, it was pulled together in 1985 from old, dust-covered EC Commission proposals into one mammoth "deregulation" opus, by Britain's Lord Cockfield, commissioner for internal market affairs.

The abolition of all barriers

The introduction to the white paper is explicit: "Unifying this market of 320 million people presupposes that Member States will agree on the abolition of barriers of all kinds, harmonization of rules, approximation of legislation and tax structures, strengthening of monetary cooperation and the necessary flanking measures to encourage European firms to work together." What does this entail?

The objective of completing the internal market has three aspects:

- First, the welding together of the ten, soon to be twelve, individual markets of Member States into one single market of 320 million people.
- Second, ensuring that this single market is also an expanding market—not static but growing.
- Third, to this end, ensuring that the market is flexible so that resources, both of people and materials, and of capital investment, flow into the areas of greatest economic advantage.

The crux of the issue is the third point: "greatest economic advantage." The question is, by what measure? For whom?

The most important aspect of the abolition of barriers is the provision that companies will be allowed to operate freely in all 12 countries, if they are now allowed to operate in any one. Under the rubric "removing technical barriers,"

the EC proposes to allow giant multinational companies such as Philips, Nestlé, or Unilever to grab up monopoly power over markets. The white paper explicitly calls for cartelization of industry and finance: "The Community will give the large market its economic and industrial dimension by enabling industries to make economies of scale and therefore to become more competitive."

No more veto power

The Single European Act includes a little-understood bombshell in Articles 6 and 7, now incorporated into the original Treaty of Rome as a new Article 149 (2). These

"Europe 1992" will be a modern-day fascist economic empire, in which all the failings of Benito Mussolini will be eliminated by the Brussels bureaucrats.

articles eliminate the most vital defense of national sovereignty against the supranationalist schemers, namely, the right of a single member-nation to kill dangerous legislation through veto. This veto defense is now gone in every aspect covered under the 1992 Single European Act. The only vestiges of the former veto power, those under the Common Agriculture Program, have been made irrelevant since the Feb. 13 EC heads of state agreement on capping agriculture spending up to 1992, through a series of "automatic stabilizers."

Characteristically, the elimination of veto power is termed, "Co-operation Procedure." Voting by "qualified majority" now replaces the national right to veto. The only other option is to leave the European Community. No longer is it possible for a de Gaulle to block catastrophic EC legislation by a strong national stand.

The European Federal Reserve Bank

Of all the features of the "Europe 1992" financial reorganization plan, the most heated policy battle is being fought over the issue of whether or not to create a new European central bank, free of any national political interference.

On June 28, 1988 European Community heads of state named EC Commission President and former Bank of France official Jacques Delors, to head a committee to recommend proposals for creation of a new supranational European Central Bank in the context of the "Europe 1992" market liberalization. The Delors committee includes 12 Bank for Inter-

national Settlements central bankers from the EC countries, a Trilateral Commission economist from the Schmidt-Giscard Committee for European Monetary Union named Niels Thygesen, BIS Executive director Alexandre Lamfalussy, and Bank of Italy director Tommaso Padoa-Schioppa. Padoa-Schioppa and Lamfalussy are both Bilderberg insiders as well. This banking elite will decide the ultimate question of national sovereignty for the New Europe: a nation's right to print currency and control its nation's credit and interest rates. Not surprisingly, it was this issue that provoked howls of protest from Britain's Thatcher, who swore that Delors's dreams of supranational government would not be realizable in her lifetime.

The present chairman of the Bank for International Settlements, William Duisenberg of the National Bank of the Netherlands, another Bilderberg insider, told a gathering of the American-Dutch Chamber of Commerce in Amsterdam on June 2, 1988 that the fundamental aim of such a European Central Bank must be price stability. In order to ensure this, the supranational central bank must be fully "autonomous," divorced from any national or other political influence, he said: In short, there must be a central bank dictatorship over the about-to-be disenfranchised 320 million people of Western Europe.

The designated body which will draft the plans for creation of an autonomous European Central Bank is made up entirely of bankers, the same policy circles who have wrecked industrial growth across the planet over the past decades, and created the "global financial markets" which led to Oct. 19, 1987.

The proposals of the Delors Commission are explicit. In 1987, Padoa-Schioppa delivered a commissioned report to Delors titled, "Efficiency, Stability, Equity." The report outlines how the EC Commission should proceed to create a supranational central bank dictatorship over the 12 nation-states of Western Europe. Delors was so excited by the Padoa-Schioppa report that he wrote his own preface to it, and insisted Padoa-Schioppa be named executive secretary to his group drafting the central bank scheme for 1992.

Delors explicitly calls for what he terms, "creative destruction." His Nietzschean idea is that out of chaos a New European Order will emerge. The deregulation measures embodied in "Europe 1992," he foresees, will unleash wild speculative gyrations and economic anarchy across Europe. National governments will realize they have surrendered national powers to control this chaos, but that no other power yet exists to reestablish order. This is the setting in which the European Central Bank will be implemented "by popular demand," Delors and Padoa-Schioppa argue.

Delors admits that the "liberalization of capital flows will diminish the capability to control internal and external shocks." Therefore, to "ensure maintenance of stability, national economic policy will have to be more closely coordinated." His idea of "coordination" is not, however, some

loose consultation among sovereign national governments. Delors endorses what Padoa-Schioppa calls the "subsidiary principle," or the heart of the "European federalism" of 1992. According to this subsidiary principle, the supranational Brussels-centered powers will transfer to Brussels only that which cannot be adequately handled by local or regional government. Of course, it will be Brussels, not national EC governments, which will decide what is "subsidiary."

Padoa-Schioppa argues that because the liberalization of Europe's internal market will clearly create more wealth in the European Community, "We must handle this new wealth from a central standpoint. This means that the EC must be given more power for regulation. The EC must control the overall budget." He continues, "The European Commission must coordinate macro-economic policies, and for that you must abolish protectionism. The EC must have the power to ensure there is real competition, not protectionism."

Tommaso Padoa-Schioppa has for some years been one of the most instrumental figures behind wider use of the European Currency Unit, the EC common accounting basket of weighted national currencies used primarily to reckon intra-EC agriculture subsidies and prices until now. The 1979 implementation of "phase one" of the European Monetary System, the EMS, under the auspices of then-Chancellor Helmut Schmidt of West Germany and France's President Valéry Giscard d'Estaing called for coordinated central bank support of EC members' currency stability within a narrow fluctuation range—the "snake"—against foreign pressures such as the dollar. "Phase two" of the original Schmidt-Giscard proposal contemplates the creation of a common European currency for all public as well as private transactions within the 12 nations of the EC, and a single supranational European Central Bank to control this monetary centralization.

The European Central Bank is no abstract idea. On June 23, 1988, Samuel Brittan, brother of Leon Brittan, the Thatcher government's appointee to the Brussels EC Commission, wrote in the leading pro-"Europe 1992" London financial daily, *Financial Times*, on the plans for creating a single European currency and central bank: "Few people realize how far the governments of the European Monetary System have already committed themselves." Already on Feb. 3, a West German cabinet resolution declared, "The longer-term goal is economic and monetary union in Europe, in which an independent European Central Bank, committed to maintaining price stability, will be able to lend effective support to a common economic and monetary policy."

Citing private discussions with leading European central bank figures, Brittan emphasizes, "The key issue is the abolition of exchange controls and the freeing of capital movements by 1992 as part of the unified market. *By then it will be almost impossible for EMS countries to pursue independent monetary policies or even to impose different reserve requirements on their banks* [emphasis added]."

The new Europe and the 'Pax Sovietica'

On June 24, 1988 a formal agreement of recognition was signed between the East bloc's Council for Mutual Economic Assistance (Comecon) and the European Community in Hannover, West Germany. The press coverage in Western Europe portrayed the signing as a primarily "symbolic" indication of mutual desire to improve trade ties in the future. In a series of negotiating sessions last December in Brussels between EC representatives and Comecon officials, it was already clear that "the Soviet side was the most keen to press ahead with the process of normalizing relations," as one Brussels observer put it. Why the surprising reversal after so many years of insisting that the EC is merely an economic organ of "NATO imperialism"?

An indication of the answer was contained in an Aug. 3, 1988 feature in the leading Soviet weekly, *Literaturnaya Gazeta*, with the byline O. Prutkov. Prutkov, in a rare example of what might be called Soviet "self-criticism," noted that, "Western Europe, with 320 million inhabitants, has a huge economic potential, greater than the United States, bigger than the Soviet Union or Japan. *We have not always correctly evaluated the perspective of its development and possibilities of economic integration* [emphasis added]." Referring to the recent EC-Comecon mutual recognition as "the first steps to mutual cooperation," Prutkov called for "Europe 1992" to become a "Common European House of a non-nuclear Europe from the Atlantic to the Urals."

In short, Moscow is more than passively interested in the enormous economic potentials of a Western European market, integrated and disarmed, on its western borders.

On Aug. 18, 1988, only days following the signal piece by Prutkov, EC Commissioner for External Relations Willy de Clercq, also a Trilateral member, took a "step of incontestable importance for the improvement of the commercial climate in Europe," when he announced approval of the formal request by the Soviet Union, Czechoslovakia, East Germany, Hungary, and Bulgaria to establish diplomatic ties to the European Community. On July 1, Soviet External Economic Bank officials indicated their intent to bolster the EC's common supranational currency by pricing import contracts and credits in ECUs rather than national currencies.

A remarkably frank insight into what is behind this recent courtship between the EC Commission and Moscow's Comecon was provided by the noted publisher of French publications, Sir James Goldsmith. Writing a guest editorial in the European edition of the *Wall Street Journal* of April 15, 1988, Goldsmith outlines the thinking behind Moscow's shift in attitude: "The Soviets realize that their political system makes it impossible for their industry to compete with those of free enterprise societies. . . . So the Soviets are condemned to build on their strengths, not their weaknesses." He adds: "Their strength is military. If they are able to form a New Europe, decoupled from the United States, then they have a chance of using their military superiority to gain eco-

conomic strength before their own society decomposes.”

In terms of the *quid pro quo*, says Goldsmith, the Soviets would contribute to the New Europe their military power. Western Europe would contribute its industrial and financial infrastructure. This time the Soviets would seek to avoid the mistakes they made when they acquired their Eastern European empire. They would realize that total subjugation is incompatible with economic productivity, so they would attempt to create stability by creating a protectorate rather than a colony. . . . It would constitute a marketplace of 780 million people that stretches from the Atlantic to the Urals. . . . The Soviet bloc would be perceived as a privileged marketplace for West Europe’s goods.

Once the top-down controls of “Europe 1992” are in place, the wealth of the world’s densest concentration of industrial labor skills and productive wealth, that of the 12 nations of the European Community, can easily be looted by the militarily overpowering neighbor in the East. Not merely some millions of tons of “surplus” butter or beef, but entire economies of Western Europe will be delivered to the insatiable appetite of the Russian Empire.

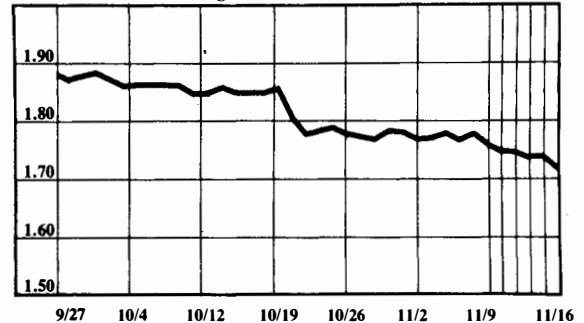
If this sounds exaggerated, consider the recent comments of one of the principal architects of “Europe 1992,” Mario Schimberni, former head of Italy’s Montedison. Schimberni, an intimate friend of fellow Trilateral Commission member Henry Kissinger, is a founding member of the Schmidt-Giscard Committee for European Monetary Union. On July 6, 1988 Schimberni wrote in Italy’s *Corriere della Sera*, “Some Soviet leaders are pushing for a union across Europe, growing out of the agreements between the EC and the Comecon. The European Currency Unit, ECU, could be an instrument, an autonomous vehicle in a new phase of relations between the two parts of Europe.” Schimberni demanded that Western European governments renounce their national “autonomy of monetary policy” so that a new European Central Bank could become the vehicle for integrating the economies of Eastern with Western Europe.

Lest any Western Europeans maintain any naive illusions about the genuine intentions of the Soviet Politburo in its future conduct of relations with Western Europe, Soviet ambassador to West Germany Yuli Kvitsinsky, addressing the June 1988 Soviet Party Conference, said that the Soviet Union must now add “economic parity” to the “military parity” it has achieved with the West. “We must strive to set up international controls over the use of economic power in relations between countries, and over the *surrender of excessive wealth (too great for the needs of some states and citizens) for the benefit of the international community* [emphasis added].” The “international community” indicated by Kvitsinsky, is not the Third World, but the Comecon bloc. He explicitly cited Europe’s 1992 integration as a positive step in the process leading toward such “economic parity.”

Currency Rates

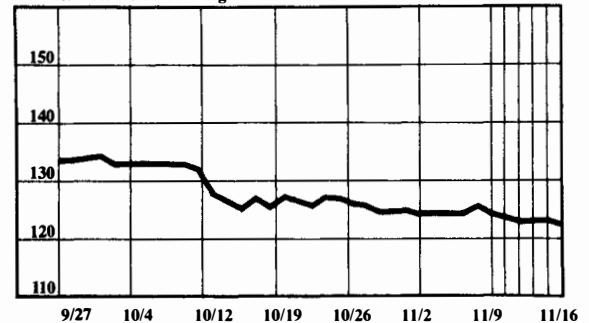
The dollar in deutschemarks

New York late afternoon fixing



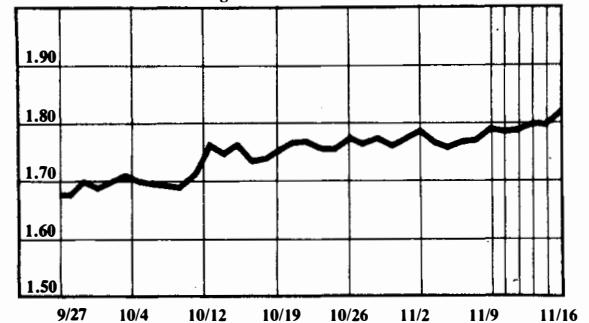
The dollar in yen

New York late afternoon fixing



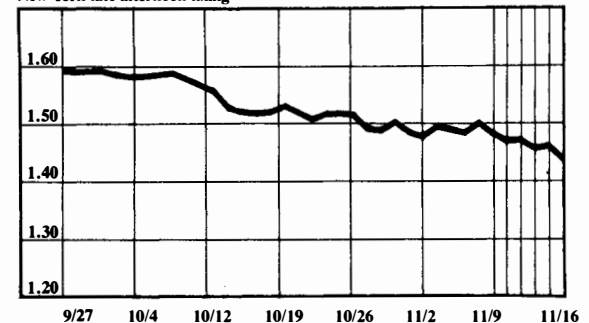
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Soviets laud 'Europe 1992' fascist plan for Europe

by Mark Burdman

In November of this year, *EIR* released its special report, " 'Europe 1992': Blueprint for Dictatorship," exposing the fascist restructuring plans for Western Europe that underlie the European Community's plans to achieve a "single European market" by 1992-93. In the introduction to that report, Helga Zepp-LaRouche, founder of the Schiller Institute, stated that the "Europe 1992" planners are "engaged in an effort to transform all of Europe into a protectorate for Moscow. . . . Those financial circles promoting European integration do not feel the slightest twinge of an ideological problem in surrendering to Moscow's domination, on condition that they be the satraps in this Russian Empire, who enjoy unrestricted privileges."

As if to confirm Mrs. Zepp-LaRouche's contention, the Soviets have, since Bolshevik Revolution day, Nov. 7, 1988, launched a propaganda offensive praising "Europe 1992."

Most active in the propaganda has been Dr. Vitaly Zhurkin, director of the recently founded Institute of Europe of the Soviet Academy of Sciences, and formerly a top assistant to Georgi Arbatov at Moscow's U.S.A.-Canada Institute. In interviews with the *Financial Times* of London Nov. 10 and Spain's *El País* Nov. 14, Zhurkin said that the Soviets looked favorably on "Europe 1992."

Speaking to the *Financial Times*, Zhurkin reported that his Institute had conducted an in-depth study of "Europe 1992," and now believes that it is "practically sure" the internal market reforms will be established by 1992. This, he said, would bring Europe on a path of "Euro-renaissance," countering the "Euro-sclerosis" of the past. Commenting on Zhurkin's statements, the *Financial Times* said, "The European plans for a barrier-free internal market by 1992 have won a startling convert: the Soviet Union."

To *El País*, Zhurkin was even more exuberant. Europe, he said, was a field in which "a great historical experiment is being developed." Noted the Madrid liberal daily, "Zhurkin is more optimistic than many Europeans. He does not hesitate to affirm that 'the unified market will emerge beyond a doubt, even though it might be too soon to talk about a common currency or central bank, but we have looked into this, and it will definitely happen.' "

The unified market, he told *El País*, brings opportunities "not only for economic cooperation in Europe, but on a

global scale. This market will be one of the most important international phenomena."

A special role for West Germany

In the interviews, he pointed to the creation of the Institute of Europe itself in January 1988, as a clear signal of the Soviets' attitude toward Europe. It was, he told the *Financial Times*, an indication of the "growing role of the European area in Soviet foreign policy. . . . In terms of Soviet participation in the international division of labor, the European dimension is the quickest growing." Prior to January 1988, he claimed, the Soviets had special institutes for every region in the world, except for Europe. That, now, has changed.

Zhurkin told the *Financial Times* that while the Soviets would treat all Western European countries equally from a *political* standpoint, West Germany was the Soviets' obvious chief partner from an *economic* standpoint. That new special role for West Germany, in the context of endorsing the "Europe 1992" plan, was already indicated in the Sept. 30-Oct. 1 weekend announcement by the Soviet government that former Soviet Ambassador to West Germany Valentin Falin would replace former Soviet Ambassador to the United States Anatoly Dobrynin, as the head of the International Department of the Central Committee of the Soviet Communist Party. Falin is widely known as the "Germany man" in the Soviet foreign policy apparatus.

The Soviet intelligence services' intensified destabilization of the Federal Republic, centered around the Jenninger affair, is perfectly consistent with assigning West Germany a "special role," as the Soviets would prefer to have a quivering-run satrap state of West Germany, giving the Soviets everything they want in terms of food supplies, financial credits, etc.

The primary Soviet motivation for favoring "Europe 1992," Zhurkin told the *Financial Times* frankly, was to strengthen Soviet security, under the rubric of the "common European house" proposed by Gorbachov. A stronger European role in the NATO alliance, he mused, would weaken the U.S.'s more "assertive" role.

Earlier, on Nov. 8, the Soviet Communist Party daily *Pravda* not only praised efforts toward creation of a European Currency Unit in the context of steps toward "European in-

tegration,” but blasted British Prime Minister Margaret Thatcher for her opposition to a “United States of Europe.” Echoing arguments heretofore associated with the clique around European Community president Jacques Delors in Brussels, commentator Lev Strzhizhovsky criticized Britain for standing in the way of closer monetary unity, on which closer political integration depends.

A eulogy to de Gaulle’s enemy

The timing of the pro-“Europe 1992” propaganda offensive is otherwise interesting. With the United States now in the transition period between administrations, the Soviets are obviously making an overture toward Europe, to increase tendencies toward splitting Europeans away from the United States. Since Nov. 7 is the anniversary of the Bolshevik Revolution, early November is obviously a time of enormous symbolic significance. But not only on the Russian side. Nov. 9, 1988 happens to be the centenary of the birth of Jean Monnet, the architect of “European integration” conspiracies, and a man bitterly attacked on countless occasions by the late French patriotic leader Charles de Gaulle. Circles associated with Monnet are suspected of involvement in the planning of numerous assassination attempts against de Gaulle.

Mrs. Thatcher has cited de Gaulle as her inspiration for her attacks on what she calls the “airy-fairy” Brussels-Strasbourg plans for creating a new supranational entity to rule Europe.

That there are East-West signals going back and forth is clear from the behavior of French President François Mitterrand. On Nov. 9, Monnet’s ashes were moved to the Pantheon in Paris, a place where many of France’s renowned, mostly those of dubious reputation, are buried. On that occasion, Mitterrand made a speech eulogizing Monnet. Amazingly, Mitterrand never mentioned de Gaulle’s name once, even though Nov. 9 also happens to be the anniversary of the death of de Gaulle.

Mitterrand is arriving in Moscow Nov. 24, and Russo-phile feelings are running high in some leading policy circles in Paris these days.

The EC, the Soviets, and Windsor

The Soviets are meanwhile developing solid relations with the European Community, an entity that Soviet propaganda traditionally would anathematize in the past. Gossip is rife in Brussels, of some kind of super EC-Soviet bilateral deal covering various aspects of mutual relations. The Soviets have also been wooed by leading circles in the European Parliament in Strasbourg, and European Parliament president Lord Henry Plumb has made a pilgrimage to Moscow during the past weeks.

Lord Plumb has also put forward an offer to Queen Elizabeth II to address the European Parliament, to create a British counterpole to Mrs. Thatcher (See *EIR*, Vol. 15, No. 44,

page 41). The Queen’s eldest son, Charles, Prince of Wales and heir to the throne, has been adding in his tuppence. On Nov. 8, while in Paris, Charles announced the creation of a French-British scholarship in memory of Jean Monnet. Then, speaking before the Anglo-French Chamber of Commerce Nov. 10, Charles said, “Certain warnings have been expressed recently about the uniformity which could result from the single European market. I do not think French or English people have very much to fear from that direction. . . . If we want the single market to be effective, there must inevitably be changes, not just on paper but also in behavior.”

“Certain warnings” is an unmistakable criticism of Mrs. Thatcher. That, certainly, is the way it was understood by the Euro-integrationist mafia in Europe. The liberal London *Guardian* Nov. 11 headlined an article about Charles’ speech: “Prince Charles Echoes EEC Attack on Thatcher.”

The Nov. 15 report from London that Gorbachov will meet the Queen at Buckingham Palace Dec. 14, adds a new element of potential anti-Thatcher intrigue to the story.

In any case, who is “echoing” whom along the East-West divide these days is not always clear. Whether Comrade Strzhizhovsky is echoing the Brussels and Strasbourg supranationalists or vice versa, the verbiage against Mrs. Thatcher’s Britain is the same. On Nov. 10, EC President Jacques Delors spoke in Brussels to the Action Committee for Europe, which was honoring the centenary of the birth of its founder, Jean Monnet. Defending the EC’s “social” policies, he warned that “the British should not be allowed to impose their differences . . . on other people.”

On the same day, Lord Cockfield, the European Commissioner responsible for drawing up the Single European Act/“Europe 1992” legislation, accused Mrs. Thatcher of trying to maintain the “law of the jungle,” with her attacks on a potential European “superstate.” Cockfield, who has been retired from his post by Mrs. Thatcher, intoned, “National sovereignty in its original or naked form is the law of the jungle. The gradual limitation of national sovereignty is part of a slow and painful forward march of humanity.”

Cockfield sneered that Mrs. Thatcher and others who endorsed British entry into the Common Market in 1972, should have realized then, that entry into the EC implied a “substantial surrender” of sovereignty. “One wonders, therefore,” he went on, “why they, or at least some of them, have suddenly acquired this passionate attachment to national sovereignty, as though it was now and for the first time under attack from unexpected and unforeseen quarters. It is all very much a mystery. Did they not know? Did they not understand or did they simply fail to read the documents before they signed them?”

Indeed, the fear of Delors, Cockfield, Mitterrand, et al. is that the more patriots in Europe become acquainted with “the fine print” of what “Europe 1992” entails, the more resistance against this plan for corporatism and Russian domination of Europe will grow.

The appearance of crisis

The G-7 central banks are seeking, not a free fall in the dollar, but the appearance of fragility so as to frighten U.S. legislators.

The financial markets' sigh of relief on George Bush's election victory lasted all of two hours. By the time Europe awoke on the morning of 9 November, the U.S. dollar and U.S. Treasury bond prices were already heading rapidly downwards and the first phase of the Group of Seven (G-7) central banks' plan for the U.S. economy was under way.

The Bank of Japan chose the 9 November date to release its study of the U.S. budget deficit. This concluded that there was little room for optimism that the budget deficit would be reduced.

Japan's central bank was at pains, during the U.S. election campaign, to avoid expressing its views in ways which could be damaging to international confidence in the United States currency. It was a key policy objective of the Japanese government that Bush be elected, because of the harm which a Dukakis victory would have done to U.S.-Japanese relations.

As soon as the Bush position had been secured, the Bank of Japan joined its G-7 partners in exerting pressure on U.S. legislators to slash federal spending and raise taxes.

This central bankers' strategy, fashioned within the Bank for International Settlements (BIS), is aimed at bringing about the appearance of crisis conditions in the financial markets. This, the bankers hope, will force the incoming U.S. administration and Congress to take action to cut the budget deficit.

The central banks have three key objectives. They are determined to curb inflation, whatever the cost to the

productive economy. They will not allow public sector deficits to increase the credit circulating in the economy. And, finally, they are set on avoiding the kind of volatility which had featured in financial markets up to the beginning of this year.

In conditions of genuine market volatility, the central banks are unable to use the financial markets, normally their most reliable channel of influence, to exert pressure on politicians. Hence, what the G-7 central banks are seeking at present is not a free fall in the U.S. dollar, but merely the appearance of fragility so as to frighten the U.S. legislators.

There is every sign that President-elect Bush is sympathetic to this central bank strategy. One of his chief economic advisers, Martin Feldstein, was also active on 9 November, declaring that the U.S. dollar needed to fall by 10-20% over the next three years. This statement served to grease the skids under the dollar.

Doubtless, the incoming administration is grateful for any external help which may be forthcoming in softening up the Congress to acquiesce in an attack on federal budget outlays.

The strategy could be undermined if political events were to enhance the dollar's "safe haven" status. If, for example, OPEC were to succeed in limiting crude oil output, pushing the crude price up toward \$18 per barrel, international funds might well flock back into the U.S. currency. An OPEC agreement, convincing enough to bring about such a rise in the oil price, seems unlikely, however.

More of a threat to the BIS central bankers' strategy might be a Soviet foreign adventure.

Even this, however, might have some negative implications for the U.S. dollar, especially if, in the interval between election and inauguration, the U.S. political response were weak.

A fresh cross-current in the financial markets is flowing from the Canadian general election. This looks increasingly likely to result in the establishment of a Canadian government which will refuse to ratify the Free Trade Agreement (FTA) with the U.S.A.

The chief significance of this is that the FTA between Canada and the U.S.A. was meant to serve as the model for a similar, and more important, FTA between Japan and the U.S.A. It was also meant to be the cornerstone of a North American Common Market.

The incoming Mexican government of Mr. Salinas de Gortari had been relying on this as the basis for its economic strategy.

If the Canada-U.S. FTA collapses, the mood of the U.S. Congress is likely to turn decidedly more protectionist. This could well sour U.S.-Japanese relations next year and render the financing of the U.S. budget deficit by Japanese investors more problematic.

The result will be higher U.S. interest rates. Furthermore, a major question-mark will be raised over Mexico's financing arrangements. The U.S. Treasury and Federal Reserve have already committed \$3.5 billion to underpinning the Mexican regime, through last month's so-called "bridging" loan.

Much more may well be needed to be committed to support this bridge that leads to nowhere.

FEMA launches food, housing control

Even now, food and shelter are rationed on a political basis, and challengers to the establishment are being cut off.

The U.S. Federal Emergency Management Agency (FEMA), charged with handling dire physical emergencies and disasters, has since 1983 been increasingly involved in controlling food and housing for the poor and homeless.

FEMA's involvement is part of a pattern by which state and local agencies, churches, and community groups, long the main sources of aid and counseling to the poor and unemployed in U.S. communities, are being replaced by agencies less responsive to constituencies. This pattern is dangerous in the present period, when food supplies are collapsing, and decisions as to how scarce supplies of food will be distributed will be life-and-death questions.

Directors of independent food banks around the country have been sounding the alarm that, even now, food is rationed on a political basis, and that individuals and groups that challenge local or national establishments are being cut off. These complaints have been made by independent food banks in Ohio, Texas, Maryland, and California.

The FEMA program in question, termed the Emergency Food and Shelter National Board (EFSNB), was created in 1983 when an economic recession was acknowledged to require funding of food supplies and shelter throughout the country. In its current form, the board consists of FEMA and six powerful national voluntary organizations: the United Way, the Red Cross, the National Council of Churches, the Salvation Army, the National Jewish Federation, and

Catholic Charities.

Federal funding for this apparatus is being increased at the same time that cutbacks in other programs such as the Temporary Emergency Food Assistance Program (TEFAP) are forcing food banks to shut down. Almost 1 billion fewer pounds of surplus food will be distributed by the government this year than last. The FEMA apparatus, on the other hand, which started with an initial grant of \$50 million for fiscal 1983, is now funded at \$125 million annually.

FEMA got its start in the food and housing business as part of an experiment dreamed up in the office of Rep. Tip O'Neill (D-Mass.). In 1983, according to a staff member of the EFSNB, Congress started a unique program to funnel emergency money to the poor. A total of \$100 million was allocated for relief, with \$50 million going to state governments, and \$50 million going to FEMA and an association of the voluntary organizations named above.

At the end of one year, when Congress asked for an accounting, they determined that the states had done an inefficient job of handling the money, and the principle was established that this aid should be funneled through FEMA in the future. For these purposes, at least, Congress would rely as little as possible on what they termed "the usual machinery of government." In later years, the entire sum of money available was appropriated to FEMA's board. FEMA proceeded to create associated boards on the local level, with local representatives of the national voluntary agencies making up

the boards.

While local governments are included at the local level, National Board spokesmen emphasize that the apparatus is entirely non-governmental. Food banks and other community organizations in a local area apply to the local boards for funding. The local boards have complete discretion as to how the money is spent. In some areas, it is all devoted to sheltering the homeless. In others, it subsidizes the operation of food banks, and some local boards choose a mix of disbursements.

This use of the agency's EFSNB as a dispenser of federal aid for food and shelter was institutionalized in the Stewart McKinney Memorial Act of 1987, which also mandated that "underutilized" federal properties should be turned over to the homeless. This act in turn was the brainchild of the National Alliance to End Homelessness, which is emerging as a key institution in a network of establishment-controlled "charity organizations."

The Alliance, as it terms itself, boasts on its advisory board a number of individuals closely associated with the worst elements in the new Bush administration. The most prominent is Mrs. James Baker III, the wife of the presumed next Secretary of State, who wants International Monetary Fund rules imposed on the United States.

The Alliance is now moving to set itself up as a coordinating body for all of the hunger advocacy groups around the country, and is on terms of close informal collaboration with the FEMA apparatus. The Alliance is also lending tacit support to the hunger strikes that are being run in Washington by the confrontationist Centers for Creative Non-Violence. Strange bedfellows for the federal agency charged with handling national emergencies.

FmHA sends out foreclosure threat

The FmHA letters are the most dramatic development in a series of planned withdrawals of credit from U.S. farmers.

On Nov. 15, letters began going out from the Farmers Home Administration to 83,000 farmer borrowers in arrears, officially notifying them of their "options" to request restructuring of their debts, but in effect, warning them of foreclosure. The recipients of the letters have 45 days in which to reply. Should they not do so, they automatically forfeit their right to potentially ease their repayment schedule, and they become subject to foreclosure.

This action was authorized by a new 1987 agriculture credit law, whose bipartisan supporters saw to it that the initiation of the threats to farmers would begin only after the 1988 general elections. President-elect George Bush, speaking to reporters from his Florida vacation spot after election day, denied that any politics was involved in the timing, but everyone knew he was ducking the question. "You don't send bad news prior to the election," said the legislative analyst of the National Farmers Union, Howard Lyman, on Nov. 14.

The reality is that both the Democratic and Republican Party mainstream are united in doing nothing while this mass threat to farmers takes place. Although this summer's drought has made clear that a mobilization is required to protect farms and expand food output, nevertheless, Washington is paralyzed over the issue of how to handle the farm debt.

The debt of the 83,000 farmers in question represents about \$8 billion. Overall, there are 232,000 FmHA borrowers, around 10% of all farm borrowers in the United States.

The FmHA is the government

lender of last resort, and in recent years, has come to account for about 17% of all national farm debt. The largest farm creditor in the United States is the Farm Credit System of Production Credit Associations and land banks, accounting for about one-third of the value of all farm loans, and the remainder of the debt is to commercial banks, insurance companies, and various other private entities. Farm debt is in trouble in all of these categories of lenders.

Rather than deal with the debt crisis in a way to preserve food output potential, the government's policy is simply to keep things "orderly"—while the basis of our food supply disintegrates.

The procedures to be followed by the FmHA are the following:

FmHA officials are to determine if the borrower in arrears is eligible for "primary" loan servicing or "preservation" loan servicing. In the first case, the borrower may get some form of rescheduling, reamortization, reduced interest rates, deferrals, or write-downs of the loans.

In the case euphemistically called "preservation," the borrower may get a "homestead" option. He may be able to keep his home and 10 acres—in other words, he will not be able to farm. Or he may get some lease deal, or buy-back option to the farmland. The lease-back/buy-back option allows either a one-year or a five-year lease with a renewal option at FmHA discretion.

On Nov. 14, the eve of the mass mailing of debt payment notices, FmHA spokesman Ron Ence defensively told reporters that the warnings

would not lead to a purge of the American farmers. "The purpose of these notices is to keep farmers on the land. Our mission is not to foreclose on anyone."

However, the administrator of the FmHA, Vance Clark, struck a more snide tone on Nov. 14, in a speech in Des Moines, Iowa, at the national conference of the American Bankers Association agriculture bankers. He said, "We have a monumental task to interview everyone of those 83,000 . . . if we can find them." Laughter followed.

The FmHA letters are the most dramatic development in a series of planned withdrawals of credit from U.S. farmers. At the same Des Moines speech, Vance Clark said, "Sadly, we at Farmers Home are still providing way too much direct credit."

Similarly, the Farm Credit System is cutting back drastically on their provision of production credit. In Iowa—the core of the farm belt—FCS officials have forecast a reduction in farm credit of 50%.

FmHA staff unofficially predict that as many as 70,000 of the 83,000 payment-delinquent farmers may be foreclosed upon eventually. The FmHA has a set of computer formulae, in a program called DALR\$, which reviews the farmer's status in terms of farm-commodity marketing and cash flow. Once the computer determines if there is a loan restructuring option for which the farmer's situation "fits"—and it may not be the best one for either the government lender or the farmer—then the FmHA has 60 days in which they must offer the farmer an option.

FmHA's Vance Clark jokingly said, "We're getting ready to jumpstart thousands of farmers." But the facts show that the American farm credit system is heading toward breakdown.

Business Briefs

Austerity

World Bank sets conditions for Brazil

The World Bank set three conditions for releasing \$500 million in credits to Brazil for the electrical sector, according to *Gazeta Mercantil* Nov. 9.

- Preserve the environment;
- Protect "indigenous communities" from the environmental effects of the construction of new hydroelectric plants;
- Apply the "safeguards" mandated by the Nuclear Non-Proliferation Treaty to the Brazilian nuclear program.

The World Bank presented these conditions to the Brazilian mission to Washington in the first week of November. Previously, the World Bank demanded that population-reduction measures be a prerequisite for credits.

Corporate Strategy

Is Lonrho target of hostile takeover?

Is Tiny Rowland's Lonrho (London-Rhodesia) conglomerate being subjected to a hostile takeover attempt? That seems to be the case, according to an article in the Nov. 12 *Financial Times* entitled, "Breaking up Tiny's Far-flung Empire." Alan Bond, an Australian corporate raider, has bought a 20.5% stake in the Lonrho group.

"The collective mind of the City of London is now concentrated on the probability of a break-up bid." Even the rumors of a takeover bid have led to an upward climb of Lonrho shares.

"Investment bankers the world over," says the newspaper, "must be licking their lips at the prospect of such a gargantuan dismemberment." There is doubt, however, that Bond, "with his interests in mining, drinks, and leisure," is the man to bring down Rowland, who is well connected to the British Crown. Lonrho has worldwide assets with a concentration of such in the former African colonies.

Rowland himself is internationally

known as one of the dirtier assets of British intelligence.

Rowland had earlier told Department of Trade inspectors that anyone wanting to kill Lonrho had to have "a sub-machine gun, mortars, all sorts of ammunition, because I am going to protect it to the bitter end."

Banking

Emergency session over Tuscan savings bank

Italian banking officials met in emergency session over the bankruptcy of the Cassa di Risparmio di Prato, in what is being called the "worst Italian banking crisis since the 1982 collapse of Roberto Calvi's Banco Ambrosiano," the London *Financial Times* reported Nov. 14.

The thrift institution, located in the city of Prato in the region of Tuscany not far from Florence, has at least \$1.08 billion in bad debts, and there is a reported run on its deposits, which dropped 25% in a matter of days.

The losses are reportedly linked to regional textile industry loans, but fraud and embezzlement are also mooted.

The head of one of Italy's largest banks told the British newspaper, "We are facing a very serious matter. . . . The aim is to avoid panic among investors."

Dope, Inc.

Peru drug legalizer to brief Bush team

Peruvian Social Democratic fascist Hernando de Soto, head of the Liberty and Democracy Institute, has been invited to Washington to address the entire team of aides to President-elect George Bush.

De Soto is known for his sponsorship of what he calls the "informal economy." The "informal economy" consists principally of drug-running, and secondarily of what are called "cockroach enterprises," e.g., street vendors and the like.

President Ronald Reagan made explicit reference to De Soto in a speech to the United Nations last year, praising him as an exemplar of "free enterprise."

Meanwhile, the Peruvian Senate has just approved a sweeping "free trade zones" law that opens up a dozen cities for manufacturing, trade, and, soon, tourist exploitation free of taxes, normal tariffs, and labor laws. The law was approved in uncommon haste, with hardly any debate, and is being played as a panacea for Peru's devastated economy. One of the free zones is Puerto Maldonado, on the Amazon, in the jungle near the major cocaine-producing areas.

Europe 1992

Bank of England throws support to Thatcher

Bank of England Governor Robin Leigh-Pemberton has dealt a major blow to the scheme to create a supranational European Central Bank as part of "Europe 1992," the European Commission legislation that will eliminate all customs barriers to the movement of people, goods, and capital among European Community member-states in 1992.

Indicating for the first time his alignment on this issue with Prime Minister Thatcher, who has called the whole "Europe 1992" scheme "airy-fairy," Leigh-Pemberton told a foreign exchange conference in Luxembourg that European Community member countries should concentrate on "immediate practical steps" to promote economic integration in the EC, rather than pursue the final goals of a European single currency and single central bank.

He added that a "premature obsession" with monetary union could impede completion of the barrier-free single market.

The *Financial Times* of London of Nov. 16 notes that this statement, combined with the negative statements by German Bundesbank chief Karl-Otto Pöhl, mean that "the future of the Delors Committee and the European central bank must now be looking bleak. . . . The idea now seems truly on the shelf."

European Commission President Jacques

Delors is also head of a special committee which drew up plans for a European Central Bank (see article, page 6).

Foreign Exchange

Norwegian currency comes under attack

The National Bank of Norway spent 10% of its foreign exchange reserves in the week of Nov. 11-16 to defend Norway's currency, the kroner, against foreign exchange speculation. Behind the attack on the currency are rumors of a government crisis of confidence and impending devaluation.

Socialist Finance Minister Gunnar Berge told national radio on Nov. 15 that the government of Gro Harlem Brundtland would increase interest rates of necessary to stop the kroner's fall. He attacked the idea of a devaluation.

The Norwegian economy has become "Europe's Texas," under the impact of collapsing oil prices and a collapsing dollar—Norwegian oil exports being denominated in dollars.

In January, at the demand of the central bank, the socialist government imposed savage austerity measures to "reduce demand," including a wage freeze, tax increases, and credit contraction, ostensibly to cut the "current account deficit." The result has been a 20% collapse in real estate values throughout the country and deep economic recession, which has severely aggravated the oil sector's problems of the past two years.

"We never could have gotten this level of austerity imposed without the Socialists to control the unions," boasted a Norwegian banker in a recent private discussion.

Business Law

Chicago distributor files suit vs. banks

Midwest Circulation Corp. (MCC) filed suit Nov. 17 against three Chicago area banks and their officers for interference with busi-

ness and violation of its First Amendment rights through financial harassment.

MCC, a distributor of publications reflecting the political, social, and economic views of former presidential candidate Lyndon LaRouche, charges that the banks and their officers, in conjunction with unknown parties, conspired to take actions that would irreparably damage its ability to remain in business and thus disseminate those views.

The complaint, which asks for \$550,000 in damages, charges that the defendants willfully stole and converted funds donated by a supporter by first refusing to honor the cashier's checks she had given, and then "bouncing" cashier's checks purchased by MCC to pay its bills, to cover a supposed "overdraft" thus created.

According to MCC's attorney, this represents the first in a series of such suits against institutions and individuals who have acted to harass MCC and its contributors and supporters, based solely on their politically motivated animosity toward Lyndon LaRouche and those associated with him.

Food

Cartel pressures independent food banks

The Second Harvest nationwide food bank network is running an operation to control food supplies that smacks of totalitarian rule, according to representatives of the only independent food bank left in Indiana, the West Lafayette Food Bank.

According to West Lafayette spokesmen, their group has been approached lately by Second Harvest and pressured to join its national network. The conditions for joining were that they pay \$25,000 up-front, that they not accept food supplies from any source except Second Harvest, and that they accept un-itemized bills for the food supplied.

When the Lafayette food bank administrators refused to agree to these onerous conditions, the Second Harvest representative told them, "If you don't join us, we will shut you down."

Immediately thereafter, all of their large donors were targeted and harassed by Second Harvest, with some donors breaking off agreements as a result.

Briefly

● **ITALY'S FERRUZZI** financial group is among the sponsors of a new anthology of quotes from one-worldist Jean Monnet, called *Keys to Action*. The publisher is the Association of Friends of Jean Monnet—i.e., of "Europe 1992." This tribute to Gen. Charles de Gaulle's bitterest French enemy is to be introduced as a textbook into French schools.

● **THE SOVIETS** have placed another big order for U.S. corn, at rock-bottom prices, the U.S. Department of Agriculture announced Nov. 14, after the close of the Chicago grain market. The Soviets have purchased 300,000 tons, and may order more. It is likely that the order was placed when corn prices had fallen to \$2.69 per bushel—the lowest level since the drought-induced price rally began this summer.

● **HENRY GONZALEZ** (D.-Tex.), expected to become House Banking Committee chairman, has proposed to Treasury Secretary Nicholas Brady that he extend a \$50 billion credit line to the Federal Savings and Loan Insurance Corporation, to allow it to guarantee savings deposits at bankrupt thrifts. Under the proposal, the money would be repaid by sale of bankrupt S&L assets—most of which are real estate assets. The immediate effect would therefore be to crash the real estate market.

● **BANK OF BOSTON'S** portfolio of bad real estate loans is now at \$470 million, with actual losses this year running at \$49 million, up from \$17 million last year.

● **FORTY-FIVE PERCENT** of Mexico's foreign exchange earnings go for interest payments on its foreign debt. This totaled \$9.239 billion in 1988, the Finance Ministry announced. The total paid for interest alone during President Miguel de la Madrid's six-year term was \$57.67 billion. The principal on Mexico's debt is \$102 billion.

Soviets attack Germany through 'Jenninger scandal'

by Rainer Apel

By the time West German Chancellor Helmut Kohl was visiting Moscow in October, at the very latest, Moscow had already decided, "This guy's got to go." In any event, his policies, which are still much too pro-American for Moscow's taste, have to go. But how to get rid of him?

The Nov. 11 simultaneous resignations of West German Bundestag (lower house of Parliament) president Philipp Jenninger and the minister-president of the state of Rhineland-Palatinate, brings us a partial answer to that question. Also, in the state of Lower Saxony, the Social Democratic Party (SPD) is engineering the collapse of Werner Albrecht's Christian Democratic (CDU) government. In other words, the pro-Soviet opposition SPD and the circles collaborating with it have thrown all caution to the winds.

An SPD takeover in Lower Saxony or Rhineland-Palatinate would result in the CDU losing its majority in the Bundesrat, the Parliament's upper house. Kohl would then be unable to continue to govern against the SPD's wishes, since if the SPD-controlled Bundesrat said "no," all would grind to a halt in Bonn. Even if this didn't force Kohl out, it would make him a captive—perhaps with the aid of an artificial scandal, such as the present "Jenninger scandal."

That's the scenario.

The public disputes surrounding the commemoration of the Nazi anti-Jewish pogroms in November 1938, known as *Kristallnacht*, are an important element in this destabilization. Here was a classic "black propaganda" operation, carried out by Moscow's time-tested methods. The hysteria whipped up over Jenninger's Nov. 10 speech is the most flagrant example: The Bundestag president's words were twisted around the moment he spoke them; quotes were pulled entirely out of context, and other politicians' comments were used to unleash a wave of hysteria, forcing Jenninger to take his hat and leave within 24 hours. A picture of a Jewish actress, Ida Ehre, seated next to Jenninger with her hands covering her face, was broadcast around the world, as if this were her reaction to his speech—which she had not even heard.

Anyone who read the full text of his speech in the Nov. 11 *Frankfurter*



A scene from Germany, the day after the "Reich's Night of Broken Glass," Nov. 9-10, 1938. Moscow, which sealed its pact with Hitler only one year later, is now trying to use the commemoration of the Kristallnacht pogroms to increase its blackmail power over West Germany.

Allgemeine Zeitung (a full translation appears below), knows that the entire attack was baseless. Jenninger is a friend of Israel and of the Jews, and besides, the whole affair has virtually nothing to do with his personal views. What counts is that Jenninger is the most important associate of Chancellor Kohl, and he sacrificed himself for his friend, so as not to ruin, among other things, Kohl's upcoming visit to the United States.

Part of a long-term plan

It could have been foreseen that the 50th anniversary of *Kristallnacht* was going to be used for a destabilization of West Germany's government. For one thing, the same left-leaning "Frankfurt Jewish Group" which in May 1985—against the will of the majority in the Jewish communities—blew the "Bitburg" issue into a massive campaign against the U.S. President and the German Chancellor, recently claimed that anti-Semitic sentiments in Bonn were responsible for the fact that Jewish leader Heinz Galinski had not been invited to deliver a commemorative speech before the Bundestag on Nov. 10.

The truth is that, one year ago, then-chairman of the Central Council of Jews in Germany Werner Nachmann had agreed with Bundestag president Philipp Jenninger to separate the Bundestag commemorative speeches from the Jewish memorial services proper. They mutually agreed that no special address would be delivered by a Jewish representative at the Bundestag. This was subsequently talked over among the senior council members of the Bundestag, and no one, not a single representative from the SPD, the Free Democratic Party (FDP), or the Green Party, demanded such an address—that is, until mid-October of this year.

Why did the SPD, FDP, and Greens suddenly change their tune at that point?

In mid-October, there was a meeting in East Berlin be-

tween Edgar Bronfman, chairman of the World Jewish Congress, and East German boss Erich Honecker. Present also were East German Politburo member Hermann Axen and the chairman of the Jewish Communities of the G.D.R. (East Germany), Siegmund Rotstein. Bronfman was awarded the highest honor of the East German SED party, "People's Friendship in Gold," and spoke of an historic breakthrough in relations between the Jews and the G.D.R. Shortly afterward, Rotstein held numerous meetings with Galinski. Galinski, who has always been close to the SPD, and especially to its former chairman, Willy Brandt, was thereupon invited to address the People's Chamber in the German Democratic Republic.

Galinski vs. Nachmann

These extraordinary meetings between the East and West German Jewish umbrella-groups have an interesting pre-history. All three leaders—Bronfman, Galinski, and Rotstein—have been political opponents of Werner Nachmann. They desired a confrontation with Bonn over the question of the commemoration of the pogroms, whereas Nachmann had wanted to prevent precisely this from occurring, only three years after the bitter sniping around the hoked-up "Bitburg Affair." Following Nachmann's sudden death in January 1988, Galinski replaced him on the executive of the Central Council of Jews in Germany, with the intention of swinging the Jewish communities and associations onto a confrontation course against Bonn, and with the goal of bringing the anti-Kohl campaign to a head by October or early November.

It is surely no accident that the Soviets chose to ask the West German Chancellor to visit Moscow at just that time. They expected that at that point, Kohl would be particularly pliable and willing to conform to Moscow's desires.

The "Jenninger Affair" is merely another element of the same campaign. First, Jenninger was accused by left-leaning

LaRouche Delivers the Signal

A worldwide anti-Bolshevik resistance struggle

Issued by Lyndon LaRouche on Nov. 14, 1988:

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 German 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.

circles, including the already-mentioned Frankfurt Jewish Group, of opposing having Galinski address the Bundestag; then they demanded his immediate resignation, and when he did not comply, a scandal was arranged around Jenninger's own Bundestag speech. (Jenninger is not only a close confidant of Kohl, but also of the late Bavarian conservative minister-president Franz Josef Strauss, who died very suddenly under suspicious circumstances.)

The overall manner in which Jenninger was hounded out of office bears the stench of an "exemplary punishment," which can now be waved in the face of conservative politicians if they continue to oppose Gorbachov's pressure tactics and those of his partisans within the Federal Re-

public of Germany.

Jewish protests against Galinski and Bronfman

But Gorbachov has greatly overplayed his "Jewish card." Galinski and Bronfman's confrontation course has run up against loud protests from within West Germany's Jewish communities. The deputy chairman of the Central Council, Michael Fürst, who only two weeks earlier accused Galinski of using sharp polemics to further his personal ambitions, and not the cause of the Jews, emphatically defended Jenninger against the attacks which followed his speech. "I want to thank him," Fürst said, "for having talked about what was on

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.

the agenda in Germany between 1933 and 1938 and beyond."

Bronfman, too, did not escape criticism from Israeli government officials, who said he had no right to invoke Israel during his contacts with Honecker, since he was not negotiating in Israel's interests. Achieving better relations between Israel and the SED, the Israelis maintained, would require a lot more than "a few statements by Edgar Bronfman at an East Berlin press conference."

Famed Nazi-hunter Simon Wiesenthal also came to Jennings's defense, and to Kohl's defense. Speaking in Birmingham, Alabama that weekend, he stated, "I know Jennings. His views toward Israel and the Jews have always been positive."

Galinski and Bronfman also ought to be reminded, that there are only 380 practicing Jews left in East Germany, whereas there are 30,000 in the Federal Republic of Germany, and that, of the 15,000 Jews who have emigrated from the Soviet Union so far in 1988, many are taking up residence in the Federal Republic, and none in East Germany. Increasing numbers of Jews are even emigrating from Israel to the Federal Republic. That would hardly be the case were anti-Semitism prevalent in West Germany.

As for Bronfman himself, when he was in Moscow in early November, he refused to meet with Jewish dissidents of the KGB-persecuted "refuseniks." Edgar Bronfman's true loyalties are not exactly Jewish.

The victims know what November 1938 had to mean for them

by Philipp Jenninger

What follows is the full text of Bundestag President Philipp Jenninger's manuscript, as published in the Frankfurter Allgemeine Zeitung and translated from the German by John Sigerson and John Chambliss.

Ladies and Gentlemen:

Jews in Germany and in all the world are thinking today of the events of 50 years ago. And we Germans, too, recall that what took place in our country a half-century ago, and it is good that we do this in both the states on German soil. For our history cannot be split into the good and the evil, and the responsibility for what happened cannot be distributed according to the geographical arbitrariness of the postwar order.

I greet at this commemoration in the federal Bundestag the federal President, and the ambassador of the state of Israel; and my special greeting on this day extends to every Jewish fellow citizen, man and woman, in Germany, and in particular to those who are participating as our guests at this hour of remembrance, at their head the Central Council of Jews in Germany. My greeting and my thanks also extend to you, the honorable Mrs. Ehre.

Many of us participated yesterday, on invitation of the Central Council of Jews in Germany, at the commemoration in the synagogue in Frankfurt am Main. Today, we find ourselves together in the German Bundestag, in Parliament to remember of pogrom of Nov. 9 and 10, 1938, because, not the victims, but we ourselves, in whose midst the crimes took place, must remember and make an accounting; because we Germans want to become clear in understanding our history and on the lessons for the political organization of our present and future.

The victims, Jews everywhere in the world, know only too well what November 1938 had to mean for their future path of suffering—do we know, too?

What occurred 50 years ago in Germany hadn't happened in any civilized country since the Middle Ages. And, worse still, as far as the violence was concerned, it was not a matter of the expression of an, as ever, spontaneously motivated people's rage, but rather an action conceived, arranged, and

promoted by the leadership of the state.

The ruling party had, in the person of its highest representatives, suspended justice and law; the state itself made itself into the organizer of crime. In the place of carefully selected laws and ordinances, with the help of which over the years the creeping disenfranchisement of the Jews had been pursued, open terror now appeared. Open season was declared on a minority, which still numbered in the hundreds of thousands, and all their possessions were exposed to the destructive rage of an organized mob.

Far more than 200 synagogues were burned down or destroyed, Jewish cemeteries laid waste, thousands of businesses and homes destroyed and plundered; around 100 Jews were killed, and approximately 30,000 were dragged off to concentration camps; many of them never returned. But not to be captured in numbers was the human torment, the anguish, humiliation, mistreatment, and degradation.

Goebbels, who actually directed the entire action, had miscalculated insofar as no one, here or abroad, believed the fiction of "spontaneous people's rage." That was taken care of by the police and firemen who stood by, doing nothing, letting the synagogues burn down and only intervening if "Aryan" property was endangered.

The later Nazi Party trials confirmed with cynical openness that the uniformed SA troops and other arsonists and murderers had only transformed the "will of the leadership" into action; ultimately only those were punished who were guilty of "racial disgrace."

There is no doubt that the events, which were immediately characterized by the population as the "Reich's Night of Broken Glass," marked a decisive turning point in the Jewish Policy of the National Socialist rulers. The time of the pseudo-legal embellishments of injustice was over; now began the path of systematic annihilation of the Jews in Germany and large portions of Europe.

Most looked the other way

The population largely remained passive; that corresponded to the attitude toward anti-Jewish actions and measures in former years. Only a few participated in the vio-

lence—but there was also no opposition, no resistance worth mentioning. Reports speak of shock and shame, of pity, even of disgust and horror. But only in a very isolated way were there sympathy and practical solidarity, support, and help. Everyone saw what happened but the most looked the other way and shuddered. The churches, also, were silent.

The concept of “Reich’s Night of Broken Glass” is today quite rightly regarded as excessive. And yet, it reflects the then dominant mood and feelings rather well—a mixture of embarrassment, irony, and playing the whole thing down; but, above all, it was the expression of pain and the ambivalence of personal feelings in the face of the obvious responsibility of the party leadership and the state.

On Jan. 30, 1933, the National Socialists had taken power in Germany. The five and one-half years to November 1938 were sufficient to wipe out the assimilation attained by the Jews in one and one-half centuries. It began with the boycott of Jewish businesses in April 1933 and the simultaneous forced retirement of Jewish civil servants, and then there followed in the same year the first professional ban of Jewish artists and journalists. The Nuremberg Laws of 1935 made Jews into second-class human beings without the rights of citizens; and with the Law for the Protection of German Blood and German Honor,” the unspeakable criminal act of “racial shame” gained its introduction.

Ever stronger restrictions on professional activities, which led to professional bans on Jewish doctors and lawyers, actors, stockbrokers, and marriage brokers came with the elimination from government and cultural life. From the spring of 1938, the National Socialist leaders concentrated more on the “aryanization” of the German economy, that is, the dis-possession and exploitation of the Jews.

Goebbels and Heydrich

Göring, as the one entrusted with the Four Year Plan, was dissatisfied with the results of the November Pogrom. In conversation with Goebbels and Heydrich, he let slip the remark, “I would have preferred if you had killed 200 Jews and not destroyed so much of value.” And yet, as if to mock the Jews even more, an “act of atonement” in the amount of a 1 billion Reichsmark fine was imposed on the Jews; they had to immediately redress the damages of the pogrom; the insurance claims went to the state. Simultaneously, decrees for the complete elimination of Jews from economic life as of Jan. 1, 1939 were announced.

What then followed were measures to completely exclude the Jews from society. The goal was their total isolation and complete elimination from all areas of public life. For all those for whom there was no possibility of escaping the regime by emigration, the path ahead was traced out: the Yellow Star, ghetto, deportation, forced labor, extermination.

In retrospect, it is clear that between 1933 and 1938 the constitutional state had been transformed into an unconsti-

tutional, criminal state, into an instrument for destruction of exactly those legal and moral norms and fundamentals the preservation of which the state—according to its concept—should actually be concerned with.

At the end of this revolution, the National Socialist leadership was decisively established, and far more had been destroyed in the human consciousness of law than might be recognizable externally.

Germany had taken leave of all the humanitarian ideals that constituted the spiritual identity of Europe; the descent into barbarianism was intended and premeditated. Among those who furnished the theoretical presuppositions for that was Roland Friesler, at that time state secretary of the Reich’s Ministry of Justice: “The foundation of the new German law,” according to Friesler, was “the German view of life, transformed by the National Socialist revolution. . . . The people’s will to justice expresses itself authoritatively in the proclamations of he who is the vehicle the people’s will, *der Führer*. When the Führer expresses principles with legal content outside the law with the will to validity and the demand for their observance, that is an equally direct source of legal findings as the law. To this in particular belongs the Party Program of the National Socialist Party of Germany.”

That simply means: The administration of justice had to follow the National Socialist ideology because the word of the Führer was law.

Hitler’s successes were still more disastrous for the German and European Jews than his atrocities and crimes. The years from 1933 to 1938 are, even looking back from a distance and in the knowledge of what followed, still fascinating insofar as there is in history hardly a parallel to Hitler’s political triumphs in those first years.

Reincorporation of the Saar, introduction of universal military service, massive rearmament, effecting of the German-English naval treaty, occupation of the Rhineland, the summer Olympic Games in Berlin, the *Anschluss* of Austria and the “Greater German Reich,” and, finally, only a few weeks before the November Pogroms, the Munich Treaty, partition of Czechoslovakia—the Versailles Treaty was really now only a scrap of paper and the German Reich suddenly the hegemonic power of the continent.

For the Germans, who had viewed the Weimar Republic as a consequence of foreign policy humiliations, all this must have seemed like a miracle. And there was still more: From mass unemployment had come full employment, from mass misery, something like prosperity for the broadest layers of the population. Rather than despair and hopelessness, optimism and self-confidence now ruled. Didn’t Hitler make true what Kaiser Wilhelm II had only promised, namely, to lead the Germans toward glorious times? Had he not truly been selected by Providence, a Führer, as Providence grants to a people only once in a thousand years?

Certainly, in free elections, Hitler had never brought a majority of the Germans behind him. But who now doubted

that a great majority of Germans stood behind him, identified with him and his policy. Certainly, some “grumbling fault-finders” (Haffner) would not be satisfied, and were persecuted by the secret police and the Gestapo, but most Germans and, indeed, from all layers, must have been convinced in 1938 that they should see in Hitler the greatest statesman in our history.

And yet, it must not be overlooked that all the astonishing successes of Hitler were overall and individually a belated slap in the face to the Weimar system. And Weimar was not only synonymous with foreign policy weakness, with party squabbles, and political disorder in the widest sense, but rather Weimar was also a synonym for democracy and parliamentarianism, for division of power and citizens’ rights, for freedom of the press and of assembly, and, finally, for the highest degree of Jewish emancipation and assimilation.

That is, Hitler’s successes belatedly discredited primarily the parliamentary system of freedom, the Weimar democracy itself. For many Germans, it was no longer even a question which system to prefer. They enjoyed possibly less individual freedom in separate areas of life, but things personally were going better than before, and the Reich was undoubtedly again great, indeed, greater and more powerful than before. Had not even the leaders of Great Britain, France, and Italy paid court to Hitler at Munich and helped him to a further victory, which they had not considered possible?

And as for the Jews, had they not, in the past, presumptuously assumed a role which they did not deserve? Shouldn’t they finally, for once, have to put up with some restrictions? Didn’t they perhaps deserve to be put back in their place? And above all: Didn’t the propaganda—except for the wild exaggerations which were not to be taken seriously—match essential points of their own ideas and convictions?

And if things got even worse, as they were in November 1938, one could always just say, in the words of one contemporary, “Why should we care about it? If you’re horrified, just look the other way. That’s not going to be *our* destiny” (Rauschnig).

In Germany, as well as in many other countries, anti-Semitism had been around for a long time. For centuries, the Jews had been the object of persecution by the church and the state. Church-sponsored anti-Judaism, bolstered by theological prejudice, could look back on a long tradition.

This makes us all the more thankful that, ever since the war’s end, the Christian confessions and the Jews have been able to join in open dialogue with each other.

There are other examples of this in history: Prussia, for example, which became the new home not only for French Huguenots, Salzburg Protestants, and Scottish Catholics, but also for many persecuted Jews. Virtually up to the point of Hitler’s seizure of power, German anti-Semitism had been demonstrably restrained, when compared to the militant hatred of Jews prevailing in Eastern and Southeastern Europe. It was not accidental that, ten years before the French Revolu-

tion, Lessing published his play *Nathan the Wise*, and through both the empire and the republic, our state institutions—true to the ideas of enlightened despotism—stood by their policy of Jewish emancipation and assimilation.

Aggressive nationalism

Another aspect is that German nationalism differed in a very specific way from nationalism in other countries. For reasons which can’t be gone into here, our parliamentary, liberal, and democratic components were rather underdeveloped, whereas there was a special emphasis on our common origin and heritage, on our common history, on our “Germanness.” This was evident both during the Napoleonic wars and in 1848-49, and was quite marked in the Empire. The result was—externally—an increasingly aggressive national consciousness, right alongside an acceptance of dictatorial government structures at home, where aggressivity was directed against such minorities as Catholics, Socialists, and Jews. For this reason, many historians have also lamented that Germany’s history has lacked a revolution, or at least a general evolutionary turning toward democracy, to the rights of the individual human being. Thomas Mann caustically spoke of the Germans’ “militant servility,” a wedding of “arrogance and contrition.”

Other things came on top of this. The impetuous industrialization and urbanization, especially after 1871, led to a widespread, diffuse uneasiness about all things modern. And it was precisely in this process of revolutionary change, which many people perceived as a threat, that the Jews played an outstanding, often brilliant role: in industry, in banking and in business, among doctors and lawyers, in the entire cultural realm and in the modern natural sciences. This spawned jealousy and inferiority complexes, and the immigration of Jews from the East was looked upon with extreme displeasure.

Capitalism, and the big cities with their inevitable ramifications—all this seemed to be as “un-German” as was the prominent involvement of Jews in various liberal and socialist groupings.

A flood of writings and tracts dealt with the allegedly damaging role of “the” Jew, and alongside authors unknown and well-known, such as Gobineau and Chamberlain, it was the great men of Germany’s intellectual and cultural life, such as Heinrich von Treitschke and Richard Wagner, who made anti-Jewish sentiments socially acceptable. The Jews became socially admissible hate-objects.

A particularly ominous development proved to be anti-Semitic propagandists’ adoption of the Darwinian evolutionary theory. Here they finally had the equipment they needed to give a scientific veneer to their whisperings about a Jewish world conspiracy and the eternal war of the races; here you had all that was healthy, strong, useful; there all that was sickly, cheap, damaging—the Jewish “degeneration,” the “vermin” which had to be gotten rid of through “purification”

and “destruction.”

World-view and destruction

Hitler’s so-called “world-view” contained not a single original idea. Everything had been there before him: the hatred of Jews, whipped up into biological racism, as well as the revulsion against all things modern, and the utopia of an primeval agrarian society whose realization required *Lebensraum* (“living-space”) in the East. His own contribution—outside of his further vulgarization, simplification, and brutalization of a world-view he adopted from others—lay in his fanatical obsessiveness and his gift for mass-psychological manipulation, which he used to elevate himself into the most important propagandist and promulgator of National Socialism.

While in earlier times the Jews were held responsible for plagues and catastrophes, and later for economic woes and “un-German” machinations, Hitler held them guilty of all evil in general: It was they who were behind the “November criminals” of 1918, the “bloodsuckers” and “capitalists,” the “Bolsheviks” and “Freemasons,” the “liberals” and “democrats,” the “desecrators of our culture” and “destroyers of our morals”—in short, they were the real string-pullers and initiators of all military, political, economic, and social misfortunes that had befallen Germany.

History was reduced to a struggle between races, between Aryans and Jews, between “Germanic cultural contributors” and “Jewish subhumans.” The German people could only be saved, and the corruptors of humanity overthrown, once the world were freed of Jewish blood, the source of all evil in history.

The opposite image was the warrior and the peasant, who, out in the East’s wide spaces, and in continual battle against Asiatic hordes, would extend the bounds of lands under German cultural influence, while at the same time, through breeding and refinement, would elevate the Germanic race to lonely heights. While elsewhere, people were already working on the atomic bomb, Himmler and others were preaching these ideas verging on idiocy, with the tiring monotony of a mental asylum inmate.

The same went for Hitler’s hallucination of the black-haired, hook-nosed Jew, whose blood desecrates the white, blonde-haired Germanic woman and thus steals her from her people forever. Already in *Mein Kampf*, we repeatedly come across this delusion, which continues all the way into his will, in an interminable litany about “unchastity” and “bastardization,” “rape” and “desecration of blood.”

A misery-ridden childhood, the denigrations of youth, the shattered dreams of a failed artist, the ostracism of a sexually disturbed person—in Hitler all this found a single outlet: his immeasurable and never-ending hatred of the Jews. Up to his very last moments, he was ruled by his desire to degrade, to strike, to exterminate, and to obliterate.

The attack on the Soviet Union offered an opportunity to unite two things at once: the conquest of *Lebensraum* in the East, and the “destruction of the Jewish race in Europe,” which he had already threatened publicly on Jan. 30, 1939. Already the beginning stages of the eastern campaign, under titles such as “Commissary Order” and “Special Detachment,” saw the coming of a gigantic killing spree, which was to outstrip even what had previously happened in Poland. During the months following June 22, 1941, under the pretext of fighting partisans and looters, hundreds of thousands of Jewish men, women, and children were shot by special detachments working behind the front lines. The “Final Solution” had begun—long before it was made official at the “Wannsee Conference” on Jan. 20, 1942.

In their wake came the death factories; the “gas cars” turned into gas-chambers and ovens, while the shootings continued. The innocent victims were even deprived of an executioner; the killers replaced the hangman with the methods of the roach exterminator, monstrously amplified and industrialized—in keeping with their talk of “cleaning out the vermin.”

And we do not want to close our eyes to even this ultimate horror, even to this day.

Dostoevsky coined the phrase, “If God didn’t exist, all would be permitted.” If there is no God, everything is relative and imaginary, since all is made by men. Then there is no ordering of values, no binding moral laws, no crimes, no guilt, no pangs of conscience. And since “all is permitted” of those who are in on this secret, their acts are entirely dependent on their own will alone. They are free to place themselves above all law and moral values.

In many of his works, Dostoevsky investigated these ideas—which turn up later in Nietzsche—in terms of their consequences for the individual, as well as for how human beings live with each other, for society. What might have seemed to his contemporaries as the errant speculations of a religious brooder, proved to be a prophetic anticipation of the political crimes of the 20th century.

Let us hear about this from an eyewitness of the German reality in 1942:

“The men, women, and children emerging from the trucks were ordered by an SS man, a riding- or dog-whip in hand, to undress and to lay their garments at specified places, divided up according to shoes, clothes, and underclothes. . . . These people undressed themselves without any screams or cries, stood together in family groups, kissed and said good-bye, and waited for an indication from another SS man, who stood by the open grave, likewise with whip in hand. . . . I observed one family of about eight persons—a husband and wife of about 50 years, with their children, about 1, 8, and 10 years old, as well as two adult daughters of 20 to 24 years old.

“An old woman with snow-white hair held a one-year-old child in her arms, and sang something to it, and tickled

it. The child squealed with pleasure. The married couple looked on, with tears in their eyes. The father held the hand of a boy about 10 years old, and spoke to him softly. The boy was fighting back tears. The father pointed to heaven, stroked him on the head, and seemed to say something to him. Then the SS man at the grave shouted something to his comrades. These separated off around 20 people, and indicated to them that they should go behind the mound of earth. . . . I went around the mound, and stood before a gigantic grave. Closely pressed against one another, the people lay on top of one another in such a way that only the heads were to be seen. Blood ran down over the shoulders from almost all the heads. Some of those who had been shot were still moving. Some raised their arms and turned their heads to show that they were still alive. The grave was about three-quarters full. In my estimation, there were already around 1,000 lying there. I looked around toward the one with the gun. He, an SS man, sat on the edge of the small side of the grave on the mound of earth, letting his legs hang down into the grave, with a machine-pistol on his knees, and was smoking a cigarette. The totally naked people went down some steps that were dug in the clay wall of the grave, slipped and slid over the heads of those lying there, to a place that the SS man indicated. They lay down before the dead and those who had been shot; some stroked those still alive, and spoke softly to them. Then I heard a series of shots. I looked into the grave, and saw how the bodies twitched or the heads, now quiet, lay on the bodies before them. . . . Then the next group came up, climbed down into the grave, arranged themselves next to the previous victims, and were shot.”

And let us now hear the Reichsführer SS [Heinrich Himmler], from his speech to the SS group leaders in Posen in October 1943:

“I want here, in all openness, to refer also to a quite difficult matter. Among us, it should be quite openly discussed, and despite that, we will never speak of it publicly. . . . I mean the evacuation of the Jews, the extermination of the Jewish people. It is one of those things that is easily said: ‘The Jewish people will be exterminated,’ a Party comrade said, ‘quite clearly, in our Program. Elimination of the Jews, extermination, let us do that.’ And then here, you all come along, the good 80 million Germans, and each has his decent Jew. It is clear, the other are swine, but this one is a first-rate Jew. None of those who talk like that have watched, none have gone through it. Most of you will know what it means if 100 corpses are lying together, if 500 are lying there, if 1,000 are lying there. To have gone through that and—apart from the exception of human weakness—to have remained decent, that has made us hard. This is a page of glory, never written and never to be written, of our history. . . . Overall, we can say that we have fulfilled this most difficult task in love of our people. And we have not, in so doing, suffered any harm to our inner being, to our soul, to our character.”

The hideous truth

Face to face with these statements, we are impotent, just as we are impotent face to face with the millionfold ruination. Numbers and words no longer help. Human suffering cannot be made good again, and every individual who became a victim was irreplaceable for his own. Thus something remains, against which all attempts to explain and understand are wrecked.

The end of the war in 1945 was in many respects a shock for the Germans. The collapse was total, the surrender unconditional. All efforts and sacrifices had been meaningless. In addition to the horror of the Holocaust came the knowledge, perhaps even today not fully internalized, that the planning of the war in the East and the annihilation of the Jews were indissolubly connected together, that neither could have been possible without the other.

The Germans were thrown back on their bare existence; no one knew, looking at the millions of dead and the bombed-out cities, how anything was going to continue. All values that had been believed in, all virtues and authorities were compromised. Hitler’s fall came almost lightning quick; the 12 years of the “Thousand-Year Reich” soon seemed like an apparition. In that was expressed, certainly, not only a total disillusionment with the methods and goals of National Socialism, but also a rejection of sorrow and guilt, a repulsion against a pitiless confrontation with the past.

The rapid identification with the Western victors demanded the conviction, ultimately, of being, exactly like other peoples, “occupied” by the National Socialist rulers and finally of being liberated. This also is one of the bases on which a tremendous rebuilding capacity brought forth the German economic miracle, astonishing the incredulous world.

Today, we can criticize such repressive processes for obvious reasons, and we do well to consider this criticism seriously and without reservation. Moral superiority leads, of course, no further in that respect. Perhaps the German people, in the awful position of 1945, could not have reacted otherwise, and perhaps we, in looking back, are asking too much of ourselves in our demands on that time.

In knowledge of Auschwitz

Today, all questions come up in full knowledge of Auschwitz. In 1933, no one could have imagined what the reality would be after 1941. But a hostility to Jews that had been growing for over a century had prepared the soil for a limitless propaganda and for the conviction of many Germans that the existence of the Jews did present a problem, that there really was something like a “Jewish question.” The compulsive resettlement of all Jews—perhaps to Madagascar, as the National Socialist rulers mentioned in passing—would supposedly have found agreement.

It is true that the National Socialists did make great efforts to keep the reality of the mass murder secret. But it is also true that everyone knew of the Nuremberg Laws, that every-

body could see what, now, happened over 50 years ago in Germany, and that the deportations took place completely openly. And it is true that the millionfold crimes from the acts of many individuals existed, that the work of the *Einsatzgruppen* [special units involved in the mass murder of Jews in the East] was the object of whispered conversations, not only in the army, but also at home. Our immortal colleague Adolf Arndt said, 20 years following the end of the war in this hall, "The essentials were known."

[*The following section was not read by Jennings in his speech to the Bundestag: Why didn't anyone provide resistance against the genocide? Ultimately, those in power had not been able to carry out their euthanasia murder to the originally planned extent because they encountered resistance from the relatives of the victims and the churches. But the Jews stood alone. Their fate encountered blindness and coldness of heart.*]

Many Germans allowed themselves to be blinded and seduced by National Socialism. Many made the crimes possible through their indifference. Many themselves became criminals. The question of guilt and its repression must be answered by each, for himself.

But we must all turn ourselves away from the questioning of the historical truth, the miscalculation of the number of victims, the denial of the facts. Whoever wishes to play down the guilt, whoever asserts, it wasn't really so—or entirely so—he is making the attempt to defend that which is indefensible.

Such efforts do not merely stem tendentiously from a denial of the victims; they are also quite senseless. For, whatever happens in the future or whatever may be forgotten of that which happens: Human beings, until the end of time, will think of Auschwitz as part of German history.

For that reason, it is also senseless to make the demand, to "finally be done with" the past. Our past will not be put to rest, it will also not fade away. And, indeed, quite independently of the fact that the young people cannot be blamed at all. On this point, Renate Harpprecht, a survivor of Auschwitz, said, "We cannot choose our people. Back then, I many times wished that I weren't a Jew, but then I became one in a very conscious way. Young Germans must accept that they are Germans, that they cannot slip away from this destiny."

'Thought has its leaps'

They do not want to slip away from it. They want rather to know from us, how it happened, how it could have happened. Thus, the preoccupation with the National Socialist crimes is not decreasing, despite the increasing temporal distance of those events, but rather grows in intensity. It is also true for the mind of this people that the digesting of the past is only possible in the painful experiencing of the truth. This self-liberation in the confrontation with the hideous is less tormenting than its repression: "To learn from the past for the future is the desire of many. To recognize what was

in order to understand what is, and to comprehend what will be, that seems to be the task to which historical knowledge is devoted." These sentences were written by Leo Bäck in May 1946, who escaped death in the Theresienstadt Concentration Camp.

Ladies and gentlemen, to keep fresh the memory and to accept the past as a part of our identity as Germans—this alone promises for us older people, as well as for the youth, liberation from the burden of history.

"Europe is held by its brain, by thought, but the continent trembles, thinking has its crevices"—thus Gottfried Benn. Today, these crevices lie before us as gaping fissures.

Against the background of the catastrophic errors of our recent history, we are, by virtual necessity, faced with a growing, special responsibility: a new "ethics of responsibility for the future," as taught by Hans Jonas, who was awarded the Peace Prize of the German book trade in 1987 and is himself a Jew.

In the age of grand technology, of mass society and mass consumption, the threat, not only to the individual but also to humanity as a whole, has grown. A threat that can exist for our conditions of life, but may also call into question the basis of values of our mortal order of existence.

This threat manifests in a double way: On the one hand, in a potential for catastrophe—such as a possible nuclear war, but also the creeping destruction of the environment—and, on the other hand, in a potential for manipulation that can lead, perhaps through a genetic reconstitution of our nature, but also through a grand bureaucratic form of rule, to the ethical incapacitation of human beings.

Both demand our vigilance, a vigilance in the use of human power that is as conscious of its responsibility to future generations as it is of that which man can do to man in the spirit of unbridled and fanatical misuse of power.

On the foundation of our state and our history, it is a matter of founding a new moral tradition that must evidence itself in the human and moral sensibility of our society.

Today's duties

Externally, duty means the duty to the collective responsibility for peace, to the active liberation of the world. Included in that for us is the right to existence of the Jewish people within secure borders. It means a cooperation opening up systems between West and East. And it means the duty to guarantee the survival of the Third World.

Internally, it means an openness to and tolerance of our fellow man—without regard to his race, his background, his political conviction. It means an unconditional recognition of rights. It means vigilance against injustice. And it means the uncompromising intervention against arbitrariness, against every attack on the dignity of man.

This is the most important thing: May we never again allow that our neighbor is denied the quality of being human. He deserves regard, for he, like us, has a human face.

Communist press led in Jenninger hysteria

Following the staged walk-out by the Greens, Social Democrats, and some Free Democrats from Philipp Jenninger's Nov. 10 Bundestag speech commemorating the Nazi Kristallnacht against Germany's Jews, the international Communist press took the lead in using the incident to destabilize Helmut Kohl's government.

Nov. 11: Gennadi Gerasimov, the spokesman of the Soviet Foreign Ministry, said that the Nov. 10 Jenninger speech was "insulting." He added, that whereas East Germany uncompromisingly condemned the Nazi era, in West Germany, "people are trying to discover positive elements. . . ."

The East German newspaper *Neues Deutschland* charged that the Jenninger affair shows that Bonn is "dominated by old and new Nazis." The propaganda sheet suddenly dredged up cases of former West German officials who had been tarred with the "Nazi" brush, and called them "fascist mass murderers." Some of these individuals had served in the government two or three decades ago, and had not been mentioned in an East German publication in a long time.

The Polish Communist Party paper *Trybuna Ludu* suggested that the speech was proof of "the inadequate reckoning with the Nazi period in Germany."

The French Communist Party daily *L'Humanité* labeled Jenninger a "Nazi in Bonn."

Nov. 11: The French pro-Socialist daily *Libération* ran an article by Michel Faure: "The president of the West German Parliament, Philipp Jenninger, set off a scandal yesterday in the F.R.G. by evoking the 'success' of Adolf Hitler, his 'triumphal march' to power. . . ."

"He notably evoked Hitler's 'successes,' even though he qualified them as 'evil.' . . . He also evoked, without excusing but also without condemning, the 'fascination' that the years 1933-38 still exerts over Germans, 'even with hindsight.'

"Finally he evoked the anti-Semitic prejudices of the time, without adding the slightest commentary to that evocation. He seemed then to take these prejudices at face value."

Nov. 11: Media around the world showed a photo of Jenninger, and sitting next to him, an elderly woman weeping, her face buried in her hands. Captions identified her only as Ida Ehre of Hamburg, an 88-year-old Jewish Holocaust victim,

who wept "in anguish" over what Jenninger was saying.

Nov. 12: The *Daily Telegraph* of London wrote: "It has emerged that the media misunderstood the reaction of Ida Ehre . . . who opened Thursday's commemoration ceremony with a moving rendition of a poem.

"Pictures of her in tears, her face buried in her hands, next to Herr Jenninger during his speech, were published yesterday. But she explained: 'I was so distressed after reading my poem, that I could only weep. I did not listen to a word of Jenninger's speech.'

"She added that her friends were divided on the substance of the speech. 'Perhaps it was only the way in which he delivered it that was wrong.' "

Nov. 12: The *Los Angeles Times*, wrote in its front-page article that Jenninger resigned as president of the Bundestag, "during an outcry touched off by his nationally televised speech Thursday, in which he described the years of Adolf Hitler's political triumphs as 'fascinating' and said they 'created an atmosphere of optimism and self-confidence' among Germans." After describing Jenninger's "shock" at the reaction to his speech, the West Coast daily reported, "In his speech, he denounced the Nazis' anti-Semitism . . . deploring how the majority of Germans merely 'looked away and said nothing.'

"However, other parts of his speech, in which he dealt with the initial euphoria that Germans felt after Hitler came to power in 1933, proved offensive to many of his listeners." The *Times* then provided the responses of U.S. Jewish figures surrounding a blow-up quote from Msgr. Michael J. Carroll of Philadelphia, who headed a delegation of U.S. clergymen invited to attend *Kristallnacht* commemorations. Carroll, whose delegation canceled its tour after Jenninger's speech, said, "The speech poisoned the atmosphere within which our proposed reconciliation would take place. It was irresponsible and reprehensible. That it happened is symptomatic of the sickness that still prevails."

Only later in the *Times* article, does the author recommend a "close reading of Jenninger's 26-page text . . . meant to reflect the reactions of most Germans to Hitler."

Nov. 12: The Paris paper *France-Soir* ran an article signed by Christiane Caron, "Bundestag President, Nostalgic for Hitler, resigns":

"And now Philipp Jenninger reads his speech. But see how the listeners faces grow dark. President Richard von Weizsäcker's twists into an angry expression.

"The years from 1933-38, even with hindsight and the knowledge of later developments, are still fascinating. . . . Most Germans were convinced in 1938 that they saw in Hitler the greatest statesman of our history.'

"This is what they have just heard, these deputies and high personages: an incredible panegyric of the Führer, pronounced without the slightest qualification.

"And this is not all.

“As to the Jews, had not a role been assigned to them in the past that they did not deserve,” he went on.

“How could one explain the amazement, the disarray, the fury even which followed. When Mr. Jenninger had finished his speech and left the room, he was alone.

“In France the CICRA and SOS-Racism were of course outraged at this affair.”

Nov. 12-13: *Le Figaro* in France ran an article based on AP, AFP, and Reuters: “Mr. Jenninger thus drew the consequences of the disastrous effect of his statement made the evening before to the Bundestag, where his attempted explanation of the massive adherence of the German people to Adolf Hitler had been broadly interpreted as an attempt at justifying Nazism. . . .

“The text was 26 pages long, of which here are some extracts which provoked outrage both in the political milieu and in the press and Jewish community. . . .

“The little phrase pronounced at the end of the speech by Mr. Jenninger, ‘Nothing is defensible in the Nazi crimes,’ passed largely unperceived. The wrong had been done.”

Nov. 12-13: Another French daily, *Quotidien de Paris*, in a front-page article by Hervé Karleskind: “Incredible. Could one imagine that in 1988 a responsible German politician, albeit of mediocre intellectual stature, could let himself go the point of saying what today bespeaks the unspeakable? . . . Philipp Jenninger only owes his position to the friendship linking him to Chancellor Kohl. . . . Is this 56-year-old man representative of what Western opinion will retain of this tragically imbecilic speech?

“If it is uncontested that the ex-president of the Bundestag overstepped the bounds of the acceptable, it is also admissible to ask oneself about the genesis of what the French called a *bavure*.

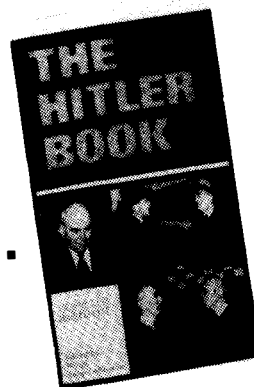
“The blunder, to say the least, of Mr. Jenninger, is symptomatic of a country which is just barely emerging from its expiation: the return to freedom of speech is paid very dearly.”

An editorial commentary by Yves Cornu in the same issue, “The Gaffe”: “Philipp Jenninger wanted to explain how the Germans, unhinged by the crisis and dizzied by a perverse ideology, had taken the Jewish community as a scapegoat: He only succeeded, due to a dangerous rhetoric, in delivering a speech interpretable as a rehabilitation of Nazism. . . .

“Never in the course of their careers did Brandt, Schmidt, and von Weizsäcker let themselves go so wildly.

“It cannot just be explained by youth. At the same time Jenninger was holding forth at the Bundestag podium, Austrian Chancellor Franz Vranitzky was expressing himself on the same subject, but in very different terms, denouncing ‘the fanatical cooperation of part of the Viennese population’ with the Nazis, and a ‘tradition of anti-Semitism in Austria which was not in any way imported from Germany.’ He is 50 years old.”

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December eruptions likely to shake Soviet Empire

by Konstantin George

Major eruptions are expected by December inside the Soviet Empire, around the time Soviet leader Mikhail Gorbachov embarks on his meetings with President-elect George Bush and British Prime Minister Margaret Thatcher during the U.S. transition period. Gorbachov, on his trip to the U.S.A. and Britain, will have on his agenda two prime strategic questions: the pursuit of East-West "New Yalta" arrangements with the Bush administration; and what the West will do to bail Moscow out of the food and national unrest crisis shaking the Soviet Empire.

Gorbachov will attempt, employing military blackmail, to extort the maximum of political and economic tribute to rescue the crisis-ridden Russian Empire. This process began in earnest with the Kohl-Gorbachov summit meeting in Moscow in October, followed by the forced resignation of Bundestag President Philipp Jenninger as a means of further edging the West Germans into strategic accommodation with Moscow. The process will continue next with the arrival of French President François Mitterrand in Moscow on Nov. 25. Then will come Gorbachov's grandstand tour to Great Britain and America.

The backdrop to Gorbachov's westward odyssey in December will be an ever-worsening food crisis in the U.S.S.R., coupled with:

- In Poland, the explosion created by the desperation of a hungry, freezing citizenry, faced with no heating fuel, and an absolute low point in the availability of food and non-food basic essentials. A Russian military intervention is increasingly likely if the Polish puppet regime proves unable to contain the unrest.

- The coming to a head of the showdown that has begun between Moscow and Estonia, and the extension of this confrontation to include the other two Baltic Republics of Latvia and Lithuania.

- Growing nationalist unrest in the Ukraine, where news

of the resurgence in the Baltic sparked a 20,000-strong mass demonstration in the Ukrainian capital of Kiev on Sunday, Nov. 13, for the first time in postwar history.

- The near-certain continuation of mass protests in the Transcaucasian Republic of Georgia (100,000 Georgians demonstrated on Nov. 13, in the capital of Tbilisi) and expectations that this will spark a renewed protest movement in neighboring Armenia.

- Probable expansion of the national unrest by December to Soviet Central Asia, above all in Uzbekistan, where popular anger is expected to erupt over Russian programs to drastically reduce the "high birth rates" of the local Turkic populations. A recently formed Uzbek "National Front" plans demonstrations, not only to protest Moscow's demographic policies, but to demand an end to the cotton monoculture that forms most of Uzbekistan's agriculture, to convert cotton-producing farmland into *food* production.

Baltic sovereignty movement

In the Baltic region, Moscow and the KGB secret police thought they had "solved" the problem of national unrest through the creation in September of the Communist Party-controlled "popular front" mass movement in Estonia, Latvia, and Lithuania. Moscow had calculated that such controlled-from-the-top "mass movements" could give the illusion of change, while actually serving to motivate non-Russians to work harder, and ensure that any "autonomy" achieved would be a meaningless dead end.

The KGB operation failed, because the intensely anti-Russian citizens of Estonia, Latvia, and Lithuania had become politicized, and saw through the fraud of the "autonomy" Moscow was offering. The last straw came in mid-October when the details became public of the Gorbachov changes in the Soviet Constitution, due to be ratified by the Supreme Soviet on Nov. 29. Under the changes, which would

create the greatest level of legal *centralization* in Soviet history, Moscow would have full veto rights over any law adopted, no matter how minor, by a Soviet Republic, and the Soviet Constitution's Article 72, which, on paper, "guarantees" a Republic's "right to secede" from the Soviet Union, would be abolished.

What has happened in Estonia, the most advanced pre-insurrectionary situation, is the model for the anti-Moscow dynamic now sweeping the Baltic Republics. The small, recently formed Estonian Independence Party, which had been swept into a backwater by the brief "popular front" euphoria, suddenly acquired mass support. The local Communist Party leaderships were faced with the choice of either endorsing Gorbachov's constitutional changes and surrendering the Estonians into the hands of the national, patriotic opposition, or hastily "radicalizing" their "pop front" by joining the national sovereignty bandwagon against Moscow. They chose the latter course, hoping to ride the wave.

This is the background to the emergency session of the Estonian Parliament on Nov. 16, which issued a "declaration of national sovereignty," and voted 258-1 that no law passed by Moscow was valid in Estonia, unless accepted by the Estonian Parliament; in short, a veto right over Soviet laws was proclaimed. The same vote called on Moscow to draft a "Treaty of Union" governing the relations between the 15 Soviet Republics and the Moscow authorities, adding that until such a "Treaty of Union" was drafted and approved by the 15 Republics, the unilateral proclamation of a veto right against central Soviet legislation would remain in force.

A mere month ago, such an event was unthinkable, that a Republic's *party* leadership would place itself on an open collision course with Moscow. It was the price the Estonian party leadership had to pay to maintain any credibility for the popular front counterinsurgency.

Similar emergency sessions and similar "national sovereignty" declarations are expected soon from the parliaments of Latvia and Lithuania. The Lithuanian Parliament began its deliberations on this question on Nov. 18, and the Latvian parliament goes into session on Nov. 22. The Estonian Parliament has already announced its next session will be on Dec. 5, right before Gorbachov departs for the U.S.A., where it will declare any Nov. 29 Moscow changes in the Constitution null and void.

Estonian showdown

The Estonian "declaration of national sovereignty" provoked an enraged reaction from the Soviet leadership. Gorbachov sent a telegram to Estonian party leader, Vaino Vae-lyas, summoning him immediately to Moscow, after Gorbachov returns from his India visit of Nov. 18-20. Gorbachov declared that the Estonian vote was totally in violation of the U.S.S.R. Constitution, and "cannot be accepted." With this reply, the last illusions in Estonia concerning Gorbachov have disappeared. Large protests, reminiscent of Armenia,

appear to be imminent, and a parliamentary vote to secede from the Soviet Union cannot be ruled out in the near future.

Immediately after the Nov. 10 Politburo meeting, three Politburo members were sent to the Baltic Republics. Viktor Chebrikov, "ex"-KGB boss and the Politburo's "czar" for internal security, was sent to Estonia to deal with the situation most threatening to go out of control. Nikolai Slyunkov was shipped to Lithuania and East European expert Vadim Medvedev to Latvia.

In Estonia, Chebrikov operated in a heavy-handed, threatening manner. In well-publicized speeches, he warned the Estonians that if they went too far with their autonomy demands, "you will lose everything." Chebrikov waved the threat of a mass counter-movement by the Russians who make up about 40% of Estonia's population, when he addressed the KGB-created Russian chauvinist movement in Estonia, the "International Front." On Nov. 11, the day Chebrikov arrived in Estonia, Tallinn (Reval) Radio announced a one-hour "International Front" demonstration for Nov. 15. His Russian contempt for Estonians was further shown when he *barred* Estonian journalists from attending any of the factory meetings where he was addressing the largely Russian workforce.

Chebrikov's billyclub tactics failed. The Nov. 15 Russian demonstration fizzled, no mass rallies materialized, and he only succeeded in further irking the Estonians against Moscow. Ironically, for desperate economic reasons, many of Estonia's Russian inhabitants want autonomy in the belief it would improve their miserable standard of living. The Estonian petition campaign for national sovereignty has collected more than 900,000 signatures. With a total Estonian population of only 940,000, this means that about one-third of these signatures were contributed by *Russians*.

Estonian patriots report that gangs of Russians have been formed, and could soon be deployed into attacks on Estonians, in order to provoke an "inter-ethnic conflict" similar to what has been occurring in Nagorno-Karabakh. The same capability could also quickly be developed in Latvia, where Russians compose half the population.

Gorbachov's latest speech, in the Russian town of Oryol, on Nov. 16, denounced in strident terms "nationalist extremism" in the Soviet Union: "Today, there are people operating from nationalist positions, who are provoking ethnic conflicts, and are attempting to undermine the friendship between the peoples of the U.S.S.R. We find to be most especially unacceptable, political extremism of a nationalist stamp."

Two days earlier, addressing a "mini-plenum" of the Central Committee, when he spoke before five Politburo members and the party leaders of all 15 Republics and all regions in Orel, Gorbachov emphasized the underlying crisis catalyzing the unrest—the Soviet food crisis. Gorbachov underscored that securing "food supplies . . . is the most crucial task" confronting the Soviet leadership.



'We have achieved a political miracle in Venezuela'

Alejandro Peña Esclusa, general secretary and presidential candidate of the Venezuelan Labor Party (PLV) in the Dec. 4 election, was interviewed by telephone by EIR's Lucía Méndez and Carlos Méndez on Nov. 16.

EIR: We've seen that the Venezuelan press, in particular in the provinces, has been playing up a debate between yourself and Congressman Walter Márquez as front-page news. What's it all about?

Peña: I denounced Walter Márquez, who is bishop of the Gnostic Universal Christian Church, because he attacked the Venezuelan military and because he is protecting the Colombian narco-terrorists who cross the border to kidnap Venezuelan cattlemen. Our armed forces are deployed on the border precisely to fight the guerrillas and drug traffickers.

At the end of October, the Venezuelan security forces killed 16 persons in a clash near El Amparo on the Colombian border. According to investigations, some of the dead men were members of or closely tied to the Colombian FARC guerrilla umbrella organization, the Patriotic Union which is the political arm of the FARC, or the M-19 terrorist gang. Even though the official inquiry was not finished, Walter Márquez leaped to the conclusion that the victims were innocent fishermen who had nothing to do with subversion, and that it was just murder committed by the Venezuelan security forces. Márquez's statements came at the same time as those of social democratic presidential candidate Carlos Andrés Pérez, who repeated that the victims were Venezuelan fishermen completely alien to subversion.

Márquez, who is an independent congressman for the MAS (Movement to Socialism) party headed by ex-guerrilla Teodoro Petkoff, has personal ties to Pérez.

It's no surprise that Márquez covers up for terrorists. The Universal Christian Gnostic Church of which he is a bishop protects the Colombian drug terrorists, as the late M-19 leader Jaime Bateman admitted in November 1983 in an interview. So the Venezuelan Labor Party has denounced Márquez for quite a while for this. Walter answered that I attacked him because he is a Christian. It's not true. I don't attack him for religious reasons, but for covering for narco-terrorism. As to the Gnostic Church, suffice it to say that its guru, Samael Aun Weor, says that Hitler was one of the greatest

men of all time, attacks the Jews, and maintains racist beliefs, among many other aberrations proposed by him in his books.

EIR: What impact do you think your small party—running for the first time for national office—can have on the political situation in Venezuela?

Peña: The Venezuelan electoral campaign, until the legalization of the Venezuelan Labor Party, has been a circus. A circus characterized by two parties, the social democratic Acción Democrática and the Christian Democratic COPEI, neither of which is offering any solution. Their campaigns are based on billions of bolívares worth of commercials, just as if they were selling detergents. These two parties have been able to manipulate or buy the rest of the small parties. So we could say that, with the exception of the PLV and few individual leaders, Venezuela's major parties are not interested in resolving the problems our country is facing; they have become instruments of the international bankers and international communism.

The two candidates that have the most chance of winning are Carlos Andrés Pérez, known as CAP, and Eduardo Fernández, nicknamed *El Tigre* (The Tiger). Both have the same program, based mainly on liberal capitalism, which was roundly attacked by Pope John Paul II in his last encyclical.

Their programs are so much alike that "El Tigre" complains that CAP copied his program, and they both call for using 90% of the national budget to pay foreign debt and salaries for the various government officials, and only 10% for projects that can generate new jobs. With 16 million people—2 million of them unemployed or underemployed—this is really a tragedy, because this country had at least \$200 billion, which is a lot of money for Venezuela, during the last 15 or 20 years, but none of it was spent for development.

We have documented in our program how these two parties let the Wall Street banks steal \$67 billion during the last 15 years from Venezuela. They've done that by increasing the interest rates, flight capital, and other tricks. So the real problem we have in Venezuela is that there is no nationalism in the leadership. These two parties do not represent the interests of Venezuela; they just represent the interests of Wall Street's banks.

measures. One of them is to make sure that *Operation Juárez*, the plan for debt relief for Ibero-America, written by Lyndon LaRouche, is implemented as soon as possible. The second is stopping capital flight by imposing exchange controls. The third, is to generate long-term, low-interest credit, exactly as Alexander Hamilton, the Treasury Secretary of George Washington, did. If we follow these three simple measures, and also if we do our part for Ibero-American integration, we will be able not only to solve the problem of the debt and turn this continent into a great industrial power, but we will surely stop the advance of the guerrillas and narco-terrorism.

Even though we arrived very late in the electoral campaign, only nine weeks ago, we have made a political miracle. We are late because we were fighting for three years with the Supreme Electoral Court, which did not legalize the PLV until nine weeks ago, just because we were helping to distribute the book *Narcotráfico, SA*, known in English as *Dope, Inc.*, which denounces the drug traffic and the Soviet operation that is being manipulated by the big banks, and here in Venezuela there are certain families that are puppets of Rockefeller and were mentioned in this book.

We are friends of Lyndon LaRouche, and our party belongs to the same political current that Mr. LaRouche belongs to in the United States. These two reasons were enough for us to be victims of a prosecution to try to stop our legalization, even though we submitted 40,000 signatures of Venezuelans who support our legalization.

So we had to sue the Supreme Electoral Court and finally in the Supreme Court of Justice we won the case nine weeks ago. What the Venezuelan Labor Party has presented is the program to make Venezuela an industrial power by the year 2015, with 30 years of hard work. In a certain sense this broke up the electoral circus.

EIR: How has the program been received?

Peña: With extraordinary interest. It is the first time any political party offered citizens a detailed plan for how to develop the country, what resources, what zones, etc. We put out a pamphlet of nearly 59 pages, with charts and maps. It was first published on Nov. 6 as a supplement to the Sunday edition of the paper *El Informador* in the city of Barquisimeto, with a press run of 40,000. Today we received the first run of the pamphlet version of the program, 50,000 copies.

I was able to run through the whole program in a two-hour television interview on the Maracaibo television station. The station got almost 100 phone calls. It's worth noting that the interview was broadcast live the day after Carlos Andrés Pérez released his presidential campaign platform, in the same city of Maracaibo.

We think that, unless we are victims of a large fraud, we should win two or three seats in the Congress. From there we'll continue the fight for the creation of a national movement to make Venezuela a great country, and reverse the decline Venezuela has suffered in the last 15 years.

PLO throws the ball into Israel's court

by Thierry Lalevée

Whether it is too little too late, is ultimately not relevant to the series of diplomatic initiatives taken by the Palestine National Council during its recent conference in Algiers on Nov 12-15. During the three days of heated discussions, and indeed, after months if not years of hard bargaining, the parliamentary body of the PLO decided to recognize the U.N. Resolution 242, while calling for the creation of a Palestinian state alongside Israel according to the 1947 U.N. Resolution 181.

As the final communiqué underlined, the precise borders of that state will remain to be negotiated and defined as part of an International Peace Conference to be sponsored by the United Nations within the terms of the 242 and 338 resolutions.

Obviously, this is a far cry from other steps which could have been taken, such as the creation of a Palestinian government-in-exile, and an explicit and official recognition of the state of Israel. Yet, it is the underlining spirit which matters: the deliberate choice to play the card of peace negotiations, and not the card of military and terror-related confrontation.

As such, these moves have been greeted favorably by most moderate Muslim countries, with Turkey being probably the most significant country to recognize the newly declared "State of Palestine."

Doubtless, had such decisions been taken prior to the Nov. 1 Israeli parliamentary elections, they would have influenced the results, if not in favor of the more moderate Labour, at least of those candidates notwithstanding party affiliation who have campaigned for peace negotiations. As it turned out, the right-wing hardliners have come out the winners. The PLO resolutions must now be negotiated with hawks.

Moscow's game

Ultimately, that simple issue underlines the dilemma and the limits of the PLO decisions. It is known that Arafat decided to postpone the meeting of the Palestine National Council—originally scheduled for the end of August, then for September, and then for October—at the explicit request of the Soviet Union. Moscow's direct interest was and re-

mains to prevent any direct negotiations between Israel and the Palestinians. Instead, it wants an international peace conference where its status as a superpower in the region, equalled only by the United States, would be officially and definitely recognized.

To armtwist the PLO into going along with this ploy, Moscow committed itself to ensuring the neutrality of Syria during the council proceedings, and the neutrality of the Palestinian radicals. Local observers could not but notice the feverish activities of a four-man delegation from the Soviet Foreign Ministry, which was involved in hard bargaining with George Habash and Nayef Hawatmeh, of the terrorist Popular Front for the Liberation of Palestine and Popular Democratic Front for the Liberation of Palestine. The result is known.

In a rare scene of Palestinian unity, Habash announced that he disagreed with the decisions of the council, but that contrary to previous occasions, he would abide by the majority decision and not split once again from the PLO. Moscow delivered to Yasser Arafat what it had promised, though Arafat knows that Moscow actually needs to have its allies within the movement as a negotiating card. Syria has so far preferred to keep silent on the issue.

The danger ahead should be obvious. Once more, the PLO has made the decision that to survive, it has to abide by the rules of a game imposed by the superpowers, rather than challenging the rules and the game, too. The PLO is obviously no newcomer to that sport of wheeling and dealing, but only months ago, PLO foreign affairs specialist Khaled al Hassan could be heard denouncing the danger of a "New Yalta" deal between the superpowers, to be concluded at the expense of the rest of the world.

Yet, the PLO itself has now created a situation in which, if it wants its resolutions to become the basis for actual momentum toward peace, and not merely one more success for Soviet foreign policy soon forgotten for other issues, it will have to challenge the game with predictable risks. Among other things, it will require the PLO to face the issue of direct negotiations with Israel and Israeli leaders, bypassing the superpowers' agenda—initiatives which would be more than welcome by mainstream Israelis who, like many others, look suspiciously at the threat of a "superpower condominium" over the Middle East.

More conflicts

No doubt, the Middle East will be a prominent feature of discussions in the hurriedly organized summit between Mikhail Gorbachov, Ronald Reagan, and George Bush in early December. Yet, neither power is expected to rush things, and will want to wait until at least next spring before setting events into motion. Indeed, the Israeli political situation affords them a good pretext for waiting.

The worst-case scenario is a Likud-led right-wing coalition, the other a new national unity coalition in which Labour

is a minority, with Yitzhak Rabin maintained as Defense Minister and becoming de facto, if not the actual, leader of the Labour Party. This would be a stalemated situation, which is at least what Moscow wanted, and most likely, Washington, too. Ultimately, it will provide for both superpowers to demonstrate, within limits, their cooperation by leaning over the Israeli administration.

There is not expected to be any slowdown in the tempo of Israeli-Soviet diplomatic negotiations, and it is unrealistic at this point to expect a breakthrough in American-PLO relations, despite the Palestinian leaders' hope that Bush may be closer to the Arab cause than Reagan was, and that Secretary of State Baker may be a "pragmatist ready to face reality."

But a crucial issue will be the question of the *Intifada*, the 11-month-old Palestinian uprising in the Occupied Territories, which, while following diplomatic events, has a momentum of its own that could lead to desperate actions on both sides. Some Israelis believe that once the Palestinians in the Territories realize that the PLO "is going nowhere," the *Intifada* "may just die down." That is, to say the least, a miscalculation. To the contrary, such a realization may lead the Palestinians into even more desperate actions, which could cancel out the Palestine National Council's olive-branch resolutions, driving the region back to square one.

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Coup attempt in the Maldives: Was it foreign-inspired?

by Ramtanu Maitra

The cluster of coral islands known as the Maldives, strung out like beads in the Indian Ocean, suddenly became the center of high drama, when about 200 mercenaries, reportedly all Sri Lankan Tamil militants on hire, descended on the capital town of Male in the early hours of Nov. 4 to join another 200 or so mercenaries who had infiltrated the island-town. Their assignment was to capture the elected President, Maumoon Abdul Gayoom, and force him to resign.

The President went into hiding, and the mercenaries stormed the presidential palace, but ran out of time as 1,600 Indian paratroopers landed at midnight and rescued the beleaguered President. Although the former Maldives President, Ibrahim Nasir, has been named as the suspected brains behind the coup attempt, the fact that the Maldives has long been of special interest to various foreign nations, suggests the possibility of a greater intrigue.

Nasir and the Tamil militants

As of this writing, it has been established that the mercenaries were hired in Sri Lanka from among the Tamil extremists (who are now involved in a last-ditch battle against both Sinhalese chauvinists and the Indian Peace Keeping Force) by a Maldivian businessman, Abdullah Luthfee, based in Sri Lanka. Luthfee accompanied the mercenaries to Male, and has since been apprehended. Even though it is not evident why the Sri Lankan Tamils participated in the coup, it is widely speculated that the Tamils, under extreme pressure from the Indian Peace Keeping Force, might be looking for an alternative operational base from which to carry out their struggle for a separate state within Sri Lanka.

This much is evident, though; that the Tamils were acting as mercenaries and had very little to do with masterminding the operation.

Former President Ibrahim Nasir, who has been based in Singapore since 1978 when he relinquished the Maldivian presidency to Mr. Gayoom "voluntarily," has been dubbed the prime suspect by the media, notwithstanding his vociferous denials. The credibility of the charge so far rests only

on the precedent of 1980, when Nasir, as subsequent investigation revealed, hired British mercenaries to carry out a similar invasion.

There are reports that Nasir, who heads an oligarchical family in contention for power with President Gayoom's family in Male, wants to get back once again to the helm of Maldives' affairs. In short, Nasir wants again to be the President, feeling perhaps that ten years in exile is sufficient to blur memories of the government charge that he misappropriated \$4.2 million in state funds while he was in office between 1957 and 1978—the charges that prompted him to "voluntarily" give up the presidency.

Nasir and his wife Naseema were directors of Trade Lines, a company started in 1978 in Singapore and de-registered in 1986. The company, as the listing shows, was involved in general imports and exports and in acting as commission agents.

A strategic place

Besides the intense rivalry between Nasir and Gayoom and the former's hunger to return to power, it is not clear who is behind Nasir and why. But it is a recorded fact that the Maldives islands are eyed by many—such as superpowers, gun-runners, and drug-traffickers—as a very important place.

Ruled by the British until 1966, the Maldives is a cluster of 1,190 islands spread out longitudinally over 512 miles. Of all the islands, only 202 are inhabited, with a little more than 200,000 people. Appointed prime minister of the Sultanate in 1957, Ibrahim Nasir became the President of the Republic when the Maldives was granted independence in 1966, and continued to rule the country until 1978, when Gayoom, educated at Al Azhar University in Cairo, was elected President. Gayoom had worked in the Nasir government, and had once been banished for a short while by Nasir for criticizing the President. Since 1978, Gayoom has been re-elected twice; the aborted coup took place less than a week before he was scheduled to begin his third term as President.

When Maldives became independent, the British had not

quite left. They maintained their presence through their Royal Air Force (RAF) base on Gan island, located in the southernmost part of Maldives in Addu Atoll, about 200 miles north of the American naval bases at Diego Garcia. The British had moved their bases from Tricomalee and Katunayake in Sri Lanka to Gan island when the late S.W.R.D. Bandaranaike, husband of the Sri Lankan opposition leader, former Prime Minister Mrs. Sirimavo Bandaranaike, told the British to pull out its naval and air force bases following his electoral victory in 1965.

Five years before the Maldives received independence, the British had worked out a deal with Nasir by which Britain would maintain the RAF base for 30 years following independence. Under this agreement, signed with Nasir, Gan island was leased to the British in exchange for an outright grant of £100,000 and a promised £75,000 pounds sterling grant for development projects in the islands.

Grabbing for Gan

In 1976, after giving a year's notice, the British prematurely terminated the lease of Gan and withdrew the RAF as part of the liquidation of the British forces east of Suez. Within a year, the Soviets appeared before President Nasir with a deal to lease Gan island for an annual rent of \$1 million for use by its "fishing fleet." Nasir informed the press that he had turned down the offer.

Since the Maldives has not been endowed with either rich and rare minerals or a booming economy, the Soviet interest in leasing Gan island was obviously a part of the Kremlin's plan to consolidate their presence in the Indian Ocean. The purpose was twofold: It would also provide the Soviets an opportunity to keep a close tab on the American naval base at Diego Garcia, subtlet to the United States by Britain.

It is nonetheless surprising that Moscow approached Nasir for a base in Gan at that time, since the Soviets were aware that India would not like further militarization of the Indian Ocean. Perhaps the Soviets were looking at India differently following Mrs. Gandhi's electoral defeat in 1977.

In 1982, President Gayoom turned down an Australian tourism developer who had earlier offered to set up facilities in Gan island with the ostensible commercial purpose of entertaining American seamen stationed in Diego Garcia. The same year, Scimitar Refinery Company, registered in Panama and staffed by British and Canadian personnel, offered to set up an oil refinery in Gan. The offer was kept in abeyance because Maldives has neither crude oil nor capital.

The Gayoom administration has reiterated its stance repeatedly, that the Maldives will not allow any superpower to establish a base in Gan or anywhere else in the Maldives. Maldivian authorities do, however, welcome visits from both U.S. and Soviet warships. According to Foreign Minister Fathulla Jameel, frequent visits of foreign naval vessels do not infringe upon the country's sovereignty, and Maldives welcomes the "visit of ships from both superpowers as well

as from within the region as they contribute to the strength of friendship."

SAARC and security

The location of the Maldives in the Indian Ocean enroute to Africa also attracts others, such as gun-runners and drug-traffickers. Narcotics traveling from the Golden Crescent of West Asia to European consumers, in particular, find the Maldives a convenient transit and transshipment point. Significantly, a number of Maldivians have been arrested for drug trafficking in Europe. In recent years, large amounts of heroin originating in the Golden Crescent have also entered Europe via African countries such as Nigeria. Within Africa itself, Zambia and Zimbabwe have become active conduits for mandrax tablets, a barbiturate of sorts, that find their way from India to South Africa. Mandrax addicts are plentiful in Zambia as well. Drugs coming via the Indian Ocean enter more often through southern Tanzania. Also noticeable is the involvement of Australian seamen in drug trafficking.

All these factors make the Maldives a lucrative location to many. The Maldivian authorities are not unaware of the threat, and rightly made the decision to join the South Asian Association for Regional Cooperation (SAARC) along with Bhutan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka. Simultaneously, the Maldives government has started to develop Gan island, and a few industries and an airport have been set up. President Gayoom has also extended his relations to the Association of Southeast Asian (ASEAN) countries.

Becoming part of the SAARC has served President Gayoom in good stead, as was reflected during the aborted coup. Gayoom, who had escaped to the National Security Service barracks when the mercenaries stormed the presidential palace, contacted the Indian government, among others. The Indian Air Force, using Soviet-made AN-32s and IL-76s, dropped 1,600 paratroops onto the island within 18 hours of the mercenaries' landing at Male. It did not take the Indian troops long to overrun the rag-tag mercenaries, who were then trying to capture President Gayoom from the National Security Service barracks. Sixty-five mercenaries, according to one report, including their leaders—Abdullah Luthfee, Sagar Nasir, and a Sri Lankan Tamil, Anthony Jesudasan—were captured at sea by the Indian Navy and brought to shore for interrogation. Eight hostages, including Maldivian Transport Minister Ahmed Mujithaba, were rescued by the Indian Army.

The Indian intervention in the Maldives was welcomed by most of the SAARC nations. The United States and Britain, two other countries which President Gayoom had contacted on Nov. 4 seeking help, have also expressed their appreciation for the Indian initiative. There is general relief in the region that the democratically elected Gayoom was not overthrown by a group of bandits working for others.

It has also been reported that 500 Indian soldiers will remain in the archipelago till stability is fully restored.

Superpowers bait Manila on U.S. bases

by Linda de Hoyos

Sen. Robert Dole (R-Kan.) arrived in Manila on Nov. 14 with the purported mission of reaffirming U.S.-Filipino friendship, but it is not believed he succeeded. The senator loudly proclaimed that there is no guarantee that Congress will come through with the \$1 billion promised to the Philippines, for the retention of the U.S. bases there.

The \$1 billion was promised in a pact signed by Foreign Minister Raul Manglapus and Secretary of State George Shultz in October, affirming that the United States will maintain the bases through the contract expiration in 1991. But Dole stuck a big question mark on the pact with his protests of U.S. poverty. "It is not what we would like to do," he told Manila reporters. "It is what we can do. We have our own limitations. . . . We are trying to find out, where do we find the money?" The United States, he claimed, had not only met but exceeded its previous commitments to the Philippines.

Dole's actions must have brought smiles in Moscow. The signing of the U.S.-Philippines agreement took the wind out of the sails of Soviet General Secretary Mikhail Gorbachov's Sept. 16 proposal that if the United States were to give up the bases, Moscow would answer in kind by discontinuing its usage of the bases at Cam Ranh Bay and Danang in Vietnam.

However, as one astute reporter asked Soviet Ambassador Oleg Sokolov, how can the U.S.S.R. propose dismantling the facilities of Cam Ranh Bay and Danang in Vietnam as an offer, when those bases are supposedly Vietnamese to begin with. "That is a technicality," Sokolov answered loftily. "These are Vietnamese facilities which we use. . . . Vietnam fully supports this proposal."

Soviet comfort

Since Gorbachov's proposal, reports from Manila indicate, Moscow has been trying to edge sideways into the negotiations around the two U.S. bases, Clark Air Field and Subic Bay naval base. The *Manila Chronicle* reported Nov. 16 that Moscow had sent a "sympathetic" letter to the Philippines Foreign Ministry urging that Manila attempt work to as much money as possible from the United States as compensation for the bases. The Philippines has always received about one-third of the rent sums the U.S. pays for its bases in Spain and Turkey.

The note was delivered through Soviet Deputy Foreign Minister Mikhail Kapitsa, and according to the *Chronicle*

read: "We know that you need economic assistance very badly and that you view the bases primarily for this purpose. We want you to get all that you can from the United States by way of economic assistance, and we are trying to help you do this by this" (Gorbachov's Sept. 16 speech). The benignly toned letter then went on to say: "As for getting rid of the bases, there is no hurry. We can wait. When the year 2000 comes, you might be economically stronger and the international situation might have changed. We can wait and talk about it then."

Manglapus denied that any note had ever been received, but Philippines President Corazon Aquino neither confirmed nor denied the letter's existence, saying: "It is the national interest and welfare of our sovereign people that we have to consider. . . and not the views advanced by foreign powers."

Although the agreement with the U.S. was signed, the bases are still a point of negotiations among third parties. On Nov. 2, Philippines Foreign Secretary Raul Manglapus declared that he will visit Vietnam later in November for talks that will touch on the U.S. bases. President Aquino has publicly stated that Moscow and Washington should fully discuss Gorbachov's offer to withdraw Soviet forces from Vietnam, if Washington dismantles Clark and Subic.

"The Philippines thinks the proposal, if implemented, would lessen the tensions and could prepare us for the achievement of the ultimate goal in the area of a zone of peace, freedom, and neutrality," Manglapus told the press. Manglapus himself is a "fellow" of the Center for International Development Policy in Washington, which has served as a left-wing back-channel to Moscow. Others have also put forward the notion that the Soviet Union should take a more active part in Filipino affairs. One of them is Leticia Shehani, sister of the Armed Forces chief Fidel Ramos (a favorite with the U.S. embassy). As chairman of the Senate Foreign Relations Committee, Shehani had traveled to the Soviet city of Vladivostok in September, and came back urging that the Philippines take up offers of trade with Moscow. It is in the national interest that the Philippines be part of the dialogue and economic activity in the Soviet Far East—as called for in Gorbachov's 1986 Vladivostok speech, he said.

It would appear that number of Filipino politicians are operating under the belief that it is the presence of the U.S. bases—and not the Soviet drive for domination that threatens the Philippines. "I think Aquino should back up the statement of Gorbachov," said Sen. Joseph Estrada, "because it involves the lives of Filipinos here. So if the bases are out, we'll feel very safe. Nobody has the right to risk the lives of our people."

However, surveys show, the Filipino people do not agree. A November public opinion poll taken by the Ateneo University showed that 74% of the Filipinos want the bases to stay. The poll showed a dramatic leap in the number of pro-bases respondents, compared with the number reported in previous polls done in March and October of 1987.

The 'real President' addresses EIR event

by D.E. Pettingell

Cuauhtémoc Cárdenas Solorzano, the real winner of Mexico's July 6 presidential elections, was the guest speaker at an *EIR* breakfast in Mexico City Nov. 8. Before a group of industrialists, businessmen, and professionals, Cárdenas reiterated his urgent call for a postponement of payments on Mexico's \$100 billion debt and use of those resources for economic growth.

The nationalist Cárdenas was robbed of his election victory after a bitter confrontation between the opposition parties backing his presidential bid and the ruling Institutional Revolutionary Party (PRI). Massive vote fraud imposed Carlos Salinas de Gortari, the Harvard-trained technocrat whom the PRI chose to run the country for the next six years. While a PRI-controlled House of Representatives "certified" the Salinas victory, the majority of Mexicans regard Cárdenas as the legitimate President.

At the breakfast Cárdenas was introduced by Hugo López Ochoa, *EIR*'s Mexico City bureau chief, who reminded participants that *EIR* was founded by Lyndon H. LaRouche, Jr., the initiator of a proposal, "Operation Juárez," to create an Ibero-American common market. He decried Cárdenas as the only presidential candidate in this year's Mexican elections to campaign on a platform in accord with *EIR*'s editorial position in favor of a debt moratorium.

Cárdenas's presentation was warmly welcomed by the audience, which included 68 subscribers to *EIR* and *EIR*'s Spanish edition, *Resúmen Ejecutivo*. Many of the businessmen attended the event to "confront" Cárdenas, the target of an international propaganda campaign that has tried to present him as a Moscow-controlled "communist" who favors "change through violence." But after an hour-and-a-half dialogue, most of them had changed their idea about Cárdenas; many said they were surprised by his moderation and well-thought-out ideas.

"First of all, I want to thank *EIR* for its invitation to be here with you," Cárdenas said. "From the beginning [of the presidential campaign], we stressed the need to suspend payments on the foreign debt in the way in which they have been made up to now, for several reasons. First, we believe that the debt was incurred on terms that were not convenient for the country, and that there is a shared responsibility between the borrowers and the lenders, which until now has not been

recognized.

"In order to recover our growth," Cárdenas proposed that "the resources that are now used to pay foreign debt" be used instead to "strengthen our domestic markets . . . by opening and encouraging new opportunities through the granting of credits, new programs, through the creation of infrastructure, for medium-sized enterprises, small businesses, micro-businesses, for our industry, in such a way that they can again have the support, the backing that normally would be given to them."

The longest recession ever

Cárdenas described the brutal economic crisis into which Mexico has sunk after six years of drastic budget cuts, high interest rates, and capital flight.

Real wages have dropped 50-70%, unemployment ranges from 6 to 8 million people (10% of all Mexicans) whereas in 1982 there were only 1 million unemployed; thousands of industrial plants have closed down; every development project has been suspended. Cárdenas blamed President Miguel de la Madrid's policies for the disaster of making "debt payment the backbone of the country's economic and political" agenda. He reminded the audience that in the past six years, Mexico has already paid \$70 billion in debt service, while in the same period, \$50 billion has left the country as flight capital.

Cárdenas emphasized that the last year Mexico experienced real growth was 1982, the last year of the José López Portillo administration. "Never before in this century have we experienced such a prolonged economic recession as the one we now have," he said, calling the De la Madrid administration's lies that Mexico grew in 1988 between 6-7% "fictitious growth," since "we do not understand a type of economic growth that does not translate into social improvement."

Contrary to the anti-Cárdenas propaganda in the U.S. media, Cárdenas does favor expanding trade with the United States and other developed nations. What he opposes, as he told the *EIR* breakfast, is the de la Madrid policies of completely open markets, permitting dumping of foreign-made consumer products and looting of Mexico's natural resources. "The opening of our markets has been done without taking into consideration the effects on our own industry."

Cárdenas concluded by insisting that a change in economic policies must be accompanied by changes in the political institutions, changes that allow "democratic participation" of all Mexicans. Cárdenas warned that continuing a policy that has taken such a heavy toll on the Mexican standard of living could "increase tensions" and lead to the "loss of social peace." People have shown their willingness to fight within a legal framework by going to vote in national and statewide elections, but, Cárdenas warned, the government is playing with fire by "trampling on" the right to vote and imposing illegitimate rulers through fraud at the polls.

The 'authoritarian personality': an anti-Western hoax

by Michael Minnicino

Part II

The first part of this series described how the concept of the "authoritarian personality" was created in the 1930s as a weapon against the idea of technological progress by the Institute for Social Research. The ISR, also known as the Frankfurt School, was founded by the Hungarian Comintern official Georg Lukacs, and became the Soviet Union's most important cultural warfare operation against the West.

By emphasizing the "messianic" feature of socialism, Georg Lukacs had touched upon the great, largely unspoken, problem with Marxism. Karl Marx and his followers maintained that the Marxian system completely explained history: Capitalism was doomed, and must be replaced by socialism, and ultimately Communism—that was the inevitable law of history.

Unfortunately, history was not cooperating, or so it looked, during the end of the 19th century and the beginning of the 20th. Workers were not being inexorably ground down by an ever-more-vicious capitalism, and hardly appeared ripe for class war. Rather, reasonable people in those nations still under aristocratic rule generally looked to American republicanism as the model for the future.

Thus, most of socialist activity during those years was taken up with one attempt after another to maintain the intellectual integrity of Marxian "scientific lawfulness," while at the same time holding back the increasing popularity of republicanism.

Lenin is generally recognized as the founder of "Russian Marxism"; Lukacs has been described by many authors as "the founder of Western Marxism." These are fair statements; for it was Lukacs (and, in his own way, Lenin) who recognized that the only salvation of Marxism lay in emphasizing the irrationalist and racist cultism which Karl Marx originally imbibed from his teacher Karl von Savigny.

The key is, to make the socialist's relationship to the "laws of history" psychologically identical in form to certain types of religious fundamentalists' relationship to "God," or a fascist's relationship to "the People." That is, man must be "liberated" from the divine spark of reason. Reason—that by

which the individual participates in the constant expostulation of Divine Will, a fundamental tenet of Western republicanism, and that by which we understand natural law—must be made irrelevant, in fact, suspect.

The wide credibility today accorded the concept of the "authoritarian personality" is terrible testimony to the success of this transformation. Anyone who believes in universal truth understandable through reason, and rejects every individual's right to their own "personal truth," is suspected of fascist tendencies.

To the Communist, "all is permitted," because he is the midwife to an inevitable history, and capitalism is coming to an end; to the religious fundamentalist (be he Christian, Jewish, or Muslim), "all is permitted," because he is saved, and the whole world is coming to an end; to the Nazi, "all is permitted," because he is performing the cultural will of the people, and evil (usually, in the form of racial impurity) is coming to an end.

Lukacs struggled hard to discern the means by which this "daemonism," as he called it, could be best unleashed. In his early years, he toyed with the idea of transposing the Bal Shem cult, a fundamentalist Jewish cult based on a mystical interpretation of the Kabballah, to a wider audience. In 1910, he was still unsure about socialism: "It seems that socialism does not possess the religious power which is capable of filling the entire soul: a power which characterized primitive Christianity." After a year more of studying Marx, Lukacs was sure: "The system of socialism, and its view of the world, Marxism, form a synthetic unity—perhaps the most unrelenting and rigorous synthesis since medieval Christianity."

With this, Lukacs had the beginnings of his "Dostoevsky Project," and Communism's most powerful cultural weapon against Western civilization.

'Enough of Judeo-Christian teachings'

Georg Lukacs was born György Löwinger, in Budapest in 1885. When Görgy was four years old, his father, the director of both the Anglo-Austrian Budapest Bank and the Kreditanstalt of Hungary, was ennobled, for financial ser-

vices rendered to the Hapsburg Imperial Court. The family changed its Jewish name to the Austro-Hungarian sounding “von Lukacs”; when Georg became a Communist, he dropped the aristocratic “von.”

At age 17, Georg fell in with Ervin Szabó, the leading intellectual of Budapest, and the city’s countercultural poet-laureate, Endre Ady. The latter two got their training at the *salon* of Mihály Pollascek, Szabó’s uncle and the father of philosophers Karl and Michael Polanyi; there, they were introduced to the writings of Marx, Nietzsche, and Freud, and personally to the emigré Russian *narodnik*-socialist Samuel Klatschko.

Both Ady and Szabó became deeply concerned with the influence of the great Hungarian freedom fighter Kossuth, who 50 years before had said, “Either the continent of Europe has no future at all, or this future is American republicanism.” Ady denounced the American form of government as “illusory . . . immoral.” Szabó had a battle cry he used often: “We have had enough of Judeo-Christian teachings.”

At the beginning of the century, Szabó became a leader of the Hungarian Social Democratic Party, and of the Sociological Society of Budapest. (These were still the days when socialism was considered by many to be one of the “schools” of sociology.) He translated Marx for the first time into Hungarian, and started giving presentations on Marxian thought to the society. In his first speech, he introduced Marx “as an example of that ‘heroic life’ which Friedrich Nietzsche esteemed so highly.”

Marx, said Szabó, gave sociology its scientific foundation, by understanding that the mechanism of social change exists entirely in class war, in what Lukacs would slightly later call, “the diabolic forces lurking in all violence.” Said Szabó, “The order of economic cooperation in a socialist society means, outwardly, the subjugation of individuals to the will of the community . . . the most unbearable form of servitude. . . . It follows that the working class has to adjust psychologically to the future order well in advance. . . . Industrial development . . . is a negative factor in mental adjustment. . . . Class struggle is the positive factor.”

It was with Szabó, that Lukacs began to think of socialist revolution as, effectively, psychological conditioning against technological progress. Szabó died in 1918, before he could see the fruits of his labor; he is considered a founder of Hungarian Communism, and, to this day, his portrait is carried next to Marx and Engels in Hungarian May Day parades.

‘The abolition of culture’

Lukacs left Budapest in 1909, to study in Berlin as a private student of Georg Simmel, the author of the 1900 *Philosophy of Money*, an analysis generally well-received by socialists, including Lenin. His fellow students at Simmel’s home included sociologist Karl Mannheim and Ernst Bloch, later the philosopher-in-residence to Communist East Germany.

Simmel’s fixation was a concept in Marx, the “fetishism of commodities.” In brief: Marx claimed that, under capitalism, a worker’s product was not his own, but belonged to the capitalist; in fact, the produced commodity becomes, in the hands of the capitalist class, an instrument of the worker’s further subjugation. Simmel believed that, in advanced industrial society, *all* products, both physical and intellectual become “fetishized,” and become alien things, even to their creators.

Marx, said Simmel and his collaborators, had failed to understand this more generalized “alienation,” and had underestimated the interconnectedness of the economic base and the cultural superstructure; Marx had failed to appreciate his teacher von Savigny’s distinction between *Zivilization* and *Kultur*.

A bit of background: When Friedrich Schiller, for instance, used the word *Kultur* (culture) at the beginning of the 19th century, he meant a universal, transmittable process—every human being, as one of God’s reasonable creatures, was capable of culture. By the beginning of the 20th century, however, a linguistic shift had been accomplished by von Savigny and his heirs; “culture” had been transformed into a term denoting non-transferrable, racially determined qualities of “soul.” If one wanted to describe industrial progress, the veneer of capitalism—a process eminently transferrable, but “soul-less”—one used *Zivilization* (civilization).

The sentiment is summed up by a quote from Paul Ernst, a writer with whom Simmel lived from 1895 to 1897: “We must free ourselves from the link between our conception of culture and conquests of civilization. Barbarians can use electricity and navigate the skies; but only cultured men have deep feelings and lofty thoughts.” This ideology later became very important for the Nazis, who liked to stress, for instance, that France and Britain had advanced civilizations, but degenerate cultures, and therefore could not resist the “soul” of the German people. Ernst, formerly a literary lion of the German Social Democracy and a correspondent of Friedrich Engels, himself became a Nazi.

But, before World War II, this ideology was shared by both Nazis and Communists. In fact, after Ernst had gone fascist, Simmel’s student Lukacs (by then one of the most famous Communists in Europe) wrote him, “However much our ideas may differ, discussion is possible so long as our judgments of capitalism are similar. I believe that you are mistaken on nearly every question, but you are not on the other side of the barricades.”

After some months with Simmel in 1910, Lukacs wrote *The Soul and Forms*, the book that instantaneously made his intellectual reputation in continental Europe. Nominally an anthology of aesthetic criticism, *The Soul and Forms* outlines Lukacs’s theory of *Aufhebung der Kultur* (the abolition of culture). Art, so the theory goes, must expose the alienation of industrial society; it must degenerate, in order to expose degeneration. Art helps to develop *Kulturhass* (cultural

hatred), and the yearning for the days before capitalism and modern industry. Thus, a great example of art, is the poet Theodor Storm, whose "19th-century artist's outlook is deeply and genuinely related to the outlook of the Middle Ages, that golden age of the romantic nostalgia for craftsmanship."

The popular new novelist Thomas Mann is also good, says Lukacs, because, like Storm, his "atmosphere of decay . . . is monumental."

Mann delighted in a kindred spirit, and publicly praised Lukacs's piece as "a beautiful and profound book . . . brilliant, extremely fine, and truthful." This is the start of the perverted Svengali-Trilby relationship between Mann and, first Lukacs, and later Teodoro Adorno, one of Lukacs's chief heirs. In this early period, Mann and Lukacs also shared their interest in Dmitry Merezhkovsky, a Russian writer widely read in Germany. Both Lukacs and Mann used Merezhkovsky's characterization of Dostoevsky as the "Dante of the East"; it is believed that the Russian writer inspired Lukacs to steep himself in Dostoevsky.

Merezhkovsky was most well-known as the German-language popularizer of the Dostoevskian concept of the "Third and Final Rome" which would soon rise in the East, and rule the world. Merezhkovsky was also the primary source for Arthur Moeller van den Bruck, whose pre-World War I book *The Third Reich* was used as a textbook for the development of Nazism.

'Dostoevsky was present'

Professor Max Weber's Heidelberg home was the logical next step for Lukacs, as his hatred of all Western culture grew.

Weber has since, of course, been canonized as one of the great father figures of the social sciences; professorships are named for him around the world, and his books are treated like Holy Writ. His *The Protestant Ethic and the Spirit of Capitalism* is one of those books that almost every college graduate in America has read . . . and almost no one remembers. It is worth remembering.

The book is one extended diatribe against American republicanism, and, in particular, the influence of Benjamin Franklin. "The impression of many Germans that the virtues expressed by Americanism are pure hypocrisy," begins Weber, "seems to have been confirmed by this striking case" of Benjamin Franklin. The American Founding Father is called "a colorless deist," and Weber concludes that in the days of medieval Christianity, Franklin's philosophy "would have been proscribed as the lowest sort of avarice and as an attitude entirely lacking in self-respect."

Weber's attack on Franklin, and, by ham-handed implication, on Friedrich List and other German followers of Franklin who developed the modern German economy, is the basis of Weber's claim that German industrial progress was not actually capitalist in nature. During primitive and medieval periods, Weber states, physical objects retained an "aura" (later, a very important word for the Frankfurt School). Un-

der capitalism, these objects have lost their aura due to "disenchantment" (*Entzauberung*).

Protestantism is the ideology of disenchantment, and its triumph, says the atheist Weber, was crucial to the modern organization of labor on the mass scale necessary for the change from earlier social-economic forms, to capitalism . . . as Karl Marx had said. This organization takes on a life of its own, and attempts to rationalize and dominate every aspect of society. This is Weber's famous theory of bureaucracy.

The difference between Protestant Germany and Protestant America is primarily racial. America has no real soul; its rationalization has degenerated completely into bureaucracy. Germany has bureaucracy, too, but it is tempered by *Kultur*: its people work and make wealth, but they do so "passionately," with a "calling" (Weber used the German word *Beruf*, vocation). Unlike Franklin and the avaricious American republicans, German leaders are not merely organizers of society, they are capable of *charisma*.

These days, everything is "charismatic." Weber coined the term, and meant by it the ability to appeal to the *non-rational* within the consciousness of a people.

This was the philosophical environment in which Lukacs arrived at Weber's house in 1913. Both Weber's wife Marianna and his teaching assistant, Paul Honigsheim, testify that Lukacs immediately dominated the "Sunday Circle," weekly philosophical meetings in the drawing room. Lukacs's closest allies were Nicolai von Bubnov, a professor of Russian mysticism at Heidelberg University, and Martin Buber, the Jewish existentialist-theologian. Lukacs introduced collaboration between the Weber group, and a similar work-circle that included Buber and Gustav Landauer. The Buber-Landauer group was, at the time, trying to organize a plan to return German society to small agrarian units, not unlike the schemes of the present-day environmentalist Green Party.

Honigsheim writes in his memoirs that the discussion of Dostoevsky was so constant and so intense that it seemed "Dostoevsky was present every week." Out of this Dostoevskyan think tank, came the oddest assortment of sociologists, fascists, and Communists:

- Hugo Münsterberg, psychologist, who went to Harvard University, wrote the first theoretical study of motion pictures, and trained Walter Lippmann;

- Roberto Michels, who became the theoretical godfather of Italian fascism;

- Karl Jaspers, the existentialist philosopher and sidekick of Nazi Martin Heidegger, who, after World War II, popularized the idea of German "collective guilt";

- Otto Gross, a psychoanalyst whom Sigmund Freud called his best student after Carl Jung; Gross's only book, *The Secondary Function of the Brain*, claimed that all people could be divided into two basic mental types, one like Alyosha Karamazov and the other like Dimitry Karamazov; he ran a self-described "cult of Astarte," which included Frieda and Else von Richthofen; Else slept with Weber, his brother,

and ultimately married Weber's teaching assistant Edgar Jaffe; sister Frieda ultimately married the "blood and soil" novelist D.H. Lawrence; we shall return to these later.

● Almost the entire leadership of the Bavarian Soviet Republic of April 1919 was trained in Weber's drawing room; Edgar Jaffe became minister of finance; Ernst Toller became commander of the Bavarian Red Army; Gustav Landauer became number-two man. Ironically, the only two people not trained in the Weber Sunday Circle, "head of state" Kurt Eisner and cultural commissar and expressionist poet Edgar Műsham, were assassinated by a suicide squad from the Thule Society, which later sponsored the rise of Adolf Hitler.

The Grand Inquisitor

Lukacs left Germany as the First World War looked inevitable, but not before publishing *The Theory of the Novel*. Here, and in some unpublished writings from the same period, we first see what he called "the Dostoevsky Project." Writing in his 1962 preface to the book, Lukacs notes that his purpose was to pose the question, "Who will save us from Western civilization?"

Here, we are told that modern literature is merely a struggle to recapture the "primeval" psychological happiness that was lost under capitalism; the novel form, for instance, "is the epic of a world that has been abandoned by God. The novel hero's psychology is demonic." The future of literature lies with Dostoevsky, "the Dante of the new age."

Lukacs explains that the model for the "new man" must be Alyosha Karamazov—as I described in Part I—and he also notes that Dostoevsky's novel, *The Brothers Karamazov* provides not only the model for the goal, but also the model for the *means*. The key is the "Grand Inquisitor" section of that book, the famous dream sequence in which Jesus Christ is brought for interrogation before a harsh Grand Inquisitor. The piece is usually discussed as a debate between religion, and the earthly institution of the church.

All previous interpretations of that section are wrong, said Lukacs; what Dostoevsky meant to portray is: The Grand Inquisitor is right, and Jesus is wrong. The Inquisitor represents man in the real world, who must commit any act for the good of the community; and in those acts, he knows "neither crime nor madness . . . for crime and madness are objectifications of transcendental homelessness—the homelessness of an action in the human order of social relations." The Inquisitor is the model for the revolutionary cadre; he understands that the world "has been abandoned by God," and acts accordingly. Jesus is a hopeless abstraction; a goal which gullible people emulate, but which can never exist in the real world. The true "saint" is the Inquisitor, and Dostoevsky has him conclude: "And we who, for their happiness, have taken their sins upon ourselves, we stand before you and say, 'Judge us if you can and if you dare.'" Within five years, Lukacs would have his opportunity to turn men who knew "neither crime nor madness," loose on society.

Next: The Dostoevskian Revolution

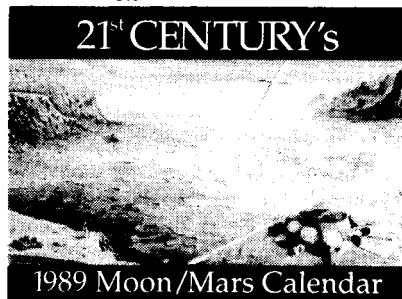
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World could feed 40 billion people

What's needed is increased food production, not population reduction, says the Pontifical Council for the Family.

An increase in food production can guarantee the subsistence of a population of 40 billion persons.

"Population growth is not the cause of the economic and social problems which are invoked by powerful international agencies to justify the imposition of contraception for the purpose of controlling population, especially in the developing countries."

These important statements were made at the conference organized by the Pontifical Council for the Family to commemorate the 20th anniversary of the encyclical of Pope Paul VI, *Humanae Vitae* (*On Human Life*). More than 90 bishops, representing 60 bishops' conferences around the world, met at the Vatican to reiterate the prophetic timeliness of that encyclical, which was strongly contested in its day, and to declare the Church's "no" to the malthusian policies of birth reduction.

The multinational agencies and the major world monetary and financial organizations were roundly criticized by numerous bishops, who denounced the imperialism of contraception as a new form of colonialism.

Aid to developing countries, the bishops charged, is made conditional on whether they accept mass sterilization programs: "Dangerous birth control methods, or ones which are not yet tested, are publicized and exported into the Third World. The example is that of the French [abortion] pill RU 486, and of Depo-Provera, a medication which is not allowed in the United States, but is advertised for sale in the Third World. Experiments on new contraceptives made by the mul-

tinational take place in the Third World because there are fewer legal safeguards."

Monsignor James McHugh, the bishop of Newark, New Jersey, stressed the need to increase lands destined for agricultural use and to improve production by applying new techniques.

The archbishop of Karachi, Pakistan, Joseph Cordeiro, stated that resistance to following the teachings of *Humanae Vitae* came directly from the massive propaganda of certain multinational companies which, "in the pursuit of ever bigger profits, use the poor countries as a dumping ground for the excess of contraceptive and abortive products of all kinds."

The meeting of the Council for the Family was echoed by an international congress on the theme of the *Humanae Vitae* encyclical organized by the Lateral University, the Pontifical Institute John Paul II, the Roman Academic Center of Santa Croce, and the University of Navarra. Theologians and experts from all over the world, archbishops, bishops, and cardinals elaborated on the topics raised 20 years ago by Pope Paul VI in his controversial encyclical. The most interesting aspect of the congress, which will be the subject of a future column, was the concern of all the organizers not only to defend the encyclical from its numerous detractors, but to go on the offensive.

In fact the philosophical, theological, and ethical basis for remedying the errors and confusion which have cropped up around this problem over the last two decades, was vigorously

stressed.

Among the more than 300 contributions to the conference were a number of critiques of neo-malthusian policies. Don José M. Ibáñez Langlois, theologian of the Catholic University of Santiago de Chile, denounced the policy of the great powers of encouraging backwardness in Ibero-America. His statements came at a press conference where he was joined by U.S., Spanish, and Swiss theologians and experts and by Msgr. Carlo Caffarra, one of the main organizers of the congress.

Don Ibáñez Langlois cited as an example a famous phrase of the American politician Robert McNamara, the former president of the World Bank, who said, "For every \$100 sent to Latin America, \$95 should go for contraception, and \$5 for aid."

"This is the context in which we live," the Chilean professor stated. "The Catholic Church must defend itself from the geopolitical, strategic, and economic interests of the great North American potentates. The real problem of our countries is not that of the demographic explosion, but the problem of underdevelopment. How to make sure that everyone in Latin America has enough to eat, this is the true dilemma: jobs and education. Moreover, the latest studies show that it is precisely growth in population which brings economic development and not the contrary."

The most famous such study is the Schiller Institute Spanish-language book, *Ibero-American Integration*, which is circulating all over the continent.

Monsignor Caffarra stressed that the "ennobling of contraception masks a culture bereft of hope and of a future," which in practice, means an alliance between man and death which is against the divine order.

Schiller banned in Germany—again!

Remarkably, a Christian Democratic mayor colluded with a Communist front group to silence the Poet of Freedom.

For the third time in history, as under the infamous *Karlsbad Decrees* of 1819 and the Nazis in 1942, Friedrich Schiller, the great poet whose “Ode to Joy” was set by Beethoven to music in the Ninth Symphony, has been banned from the stage in Germany.

The magistrate of Friedrichsdorf, near Frankfurt, prevented a performance of Schiller’s *The Conspiracy of Fiesco in Genoa* on Nov. 9 by the Academy for Humanist Studies. It was argued that the Academy is part of a network of “fascist” and “right-wing extremist” organizations, “linked to Lyndon and Helga LaRouche.”

Mayor Gerd Schmidt claimed that the Academy had deceived him, since it did not intend to stage Schiller’s play that night, but a “right-wing extremist political rally with Helga Zepp-LaRouche as a speaker on this sensitive day”—Nov. 9, the 50th anniversary of the Nazi pogroms against Jews. Despite immediate court action by the Academy, the performance was finally prevented, after corrupt local courts dragged the case from one appeal to the next until Nov. 9 had passed.

It is politically remarkable that the mayor and the Christian Democratic Union (CDU) in the area, which backed his attack on the Academy, acted in collusion with a notorious Communist front group, the Association of Victims of the Nazi Regime/League of Anti-Fascists, or VVN. The local head of the VVN group, one Hermann Volk, started the slander campaign by “informing” the mayor, who had signed a contract with the Academy in the first place, that he had been “deceived” by “neo-Nazis.” The

VVN handed over forged “documentation,” which turned out to be a pack of lies, chiefly drawn from Soviet disinformation campaigns against LaRouche in the United States.

It is widely viewed as a scandal that the CDU has allied with a well-known Moscow covert operation. What is the VVN? According to the most recent report of the German Intelligence Service (Bundesverfassungsschutz), the VVN is the most important of many different Moscow-run organizations of influence in West Germany. A *Special Report* by the Federal Ministry of the Interior, “Moscow’s Covert Helpers—The Activities of Soviet-Run International Organizations of Influence in West Germany,” describes the *modus operandi* of this communist group:

“Communists: They are the ones to decide what shall be called ‘fascist’ and ‘anti-fascist’: practically everybody, who criticizes the Eastern system, risks to be classified ‘fascist’. . . They try to recruit new followers among the youth by pointing to a supposed virulent ‘fascism’ in ‘capitalist’ countries and by applying the notion ‘resistance’ to all possible forms of fight against existing institutions and order.”

Two-thirds of the national VVN leadership are members of the Moscow-financed German Communist Party (DKP). Despite these facts, which are known by the local authorities and the CDU, they spread the falsehood, that the Academy was classified as “extremist” in the Secret Service Report. Political observers are reminded of the witchhunts and Goeb-

bels-inspired denunciations under the Nazi regime, when they witnessed the hate campaign and refusal of the mayor and the CDU to stop their conscious lies against the Academy. “It is not important, what is played, or how it is played, but who plays it,” was the cynical response of the mayor to local school authorities who had planned to send their students to attend the Schiller play.

The slander campaign was actively supported by the local CDU-run newspaper *Taunus-Zeitung*, as well as the traditional liberal-Green daily *Frankfurter Rundschau* and the vicious LaRouche-haters in the Hesse state radio, Hessischer Rundfunk. Ammunition was provided by corrupt elements in the Ministry of the Interior of the state of Hesse.

The case of Friedrichsdorf is by no means a local affair. It is just one example of a growing pattern of political alliances among the VVN, the DKP, Social Democrats, trade unionists and now also Christian Democrats. Such alliances are the political and psychological part of Moscow’s irregular warfare against the country. It is a well-established fact that the VVN has entered many alliances with the militant autonomist terrorist forces in the anti-nuclear and peace movement.

The attack on the cultural work of the Academy, which aims at reviving the values of the German Classics and the humanist educational system in Germany, has a political goal. Politicians like Gerd Schmidt and his CDU backers have joined a Soviet-instigated disinformation campaign, which aims to destroy everyone who does not fit the present pro-Moscow political sentiment in the country. The VVN slander campaign targets all those who refuse to bow down to this treasonous dogma, and this is why it has singled out Helga Zepp-LaRouche, the chairwoman of Patriots for Germany party.

Barco orders armed forces not to fight

by Javier Almario

"The requirements for supplies and weapons, as well as the increases in troop levels, have been promptly fulfilled," President Virgilio Barco said upon accepting the resignation of his Defense Minister Rafael Samudio Molina in early November, after Samudio had ordered his troops to end the "martyrology of the Armed Forces" by launching an offensive against the guerrilla groups which have been ravaging Colombia.

The Colombian President has repeatedly argued that the military is well equipped, and therefore that they have everything they need to obtain victories. However, the President himself has undertaken to throw obstacles in the path of the military's activities to defend Colombia.

Dope, Inc.'s orders

The President is carrying out to the letter the orders of the Inter-American Dialogue, a transnational group of bankers which at its last meeting in April, put out the line that the Ibero-American countries have to legalize the drug traffic, and eliminate or weaken their armed forces. "The military cannot consider itself the ultimate guardian of national values, or insist that national security embraces all aspects of policy," these mouthpieces of Dope, Inc. demanded.

The so-called captains of capitalism were merely echoing the calls for an end to the prestige and power of the armed forces in Ibero-America, repeatedly printed in the Soviet publication *América Latina*.

The Colombian Attorney General, Horacio Serpa, who was named by Barco to replace the assassinated Carlos Mauro Hoyos, even though he was a known pro-communist and belonged to the networks of Amnesty International, has undertaken punitive actions against any military officer who effectively responds to the guerrilla actions. The military are slapped with fines, because in the Attorney General's view, they are violating human rights whenever they take actions against armed groups steered from Moscow.

The latest of the Attorney General's actions was to indict Gen. Jesús Armando Arias Cabrales, who until early November had been the chief of the military zone of Uraba, where

the guerrillas of the Popular Liberation Army and the Armed Revolutionary Forces of Colombia (FARC) have their headquarters. General Arias had dislodged the M-19 terrorists who seized the Colombia Justice Palace in a fiery bloodbath Nov. 6-7, 1985.

In that action, funded by the drug mafia, the M-19 assassinated half the members of the Supreme Court of Justice, who were studying various questions on the extradition treaty with the United States, which allows extradition of drug traffickers.

According to the Attorney General, the blame for the deaths of the magistrates and 100 other people is shared equally by the leaders of M-19, Carlos Pizarro León Gómez and Antonio Navarro Wolf, who masterminded the seizure of the Justice Palace, and those who directed the operation to remove them—General Arias Cabrales, Gen. Víctor Delgado Mallarino, who was then chief of police, and Lt. Col. Edilberto Sánchez.

'Rebellion,' not terrorism

Worse yet, the Attorney General conceives that the M-19 guerrillas should not be tried for all the crimes committed in the seizure of the palace—the murders and destruction of documents—but only for being "rebels," which carries a punishment of three years in jail. In that interpretation, all the other crimes are justified because "they were committed in combat and do not constitute acts of ferocity, barbarity, or terrorism."

Moreover, the Supreme Court of Justice, still terrorized by the seizure of the Justice Palace, ruled that in no case, not even during periods of State of Siege, can military penal justice be applied against civilians. The ruling follows the recommendations of ex-President Alfonso López Michelsen, who is notorious for his dialogues with the drug mafia in Panama in 1985.

The guerrillas who are arrested *in flagrante* by the armed forces will be handed over to the civil courts, where they are immediately freed by the judges fearful of guerrilla reprisals.

Meanwhile, President Barco named Alvaro Tirado Mejía, a Marxist of the López Michelsen camp, as presidential adviser for the defense of human rights. His first official act was to try to establish a teaching position in the military schools on the "human rights" of terrorists.

Tirado Mejía and Attorney General Serpa have established a new judicial doctrine, according to which, not only can the military not try any civilian, but indeed, the civil courts will put the military on trial.

"People don't realize that the military forces are finished," stated Gen. Fernando Landazábal Reyes, a former defense minister. In fact, 273 military leaders have been tied up in various trials and many others have been fined. The Communists have exploited the opportunity to instigate penal actions against the very military officials who have been effective in combatting the guerrillas.

Back to the drawing boards

The Communist insurgents have to refine their labor tactics in their march to power, after the Oct. 27 strike flopped.

When acting Colombian President César Gaviria put forward tough emergency measures to prevent the Oct. 27 general strike called by the Unified Workers Confederation (CUT), from turning into a day of national subversion, the Communist drive for power was hard hit. The majority of Colombians responded with great relief that the government had finally "put their pants on" and stopped terrorist blackmail. Since then, President Barco returned from Punta del Este, Uruguay and halted the military's counteroffensive against subversion.

While Barco's insistence on "dialogue" in the face of the Communist offensive has gone a long way to repave the Communists' road to power, the splitting of the CUT after the strike has partially wrecked the Communists' labor tactic. The CUT, which included both Communist dominated unions and a large contingent of democratic unions, split when CUT president and leader of the democratic contingent Jorge Carrillo blasted the Communists' efforts to use the unions as a tool of subversion. This rupture in the CUT could force the pro-Soviet Revolutionary Armed Forces of Colombia (FARC), and the Colombian Communist Party back to the drawing boards to refine their labor tactics within their strategy for taking power.

By 1992, at the latest, according to this strategy, Colombia would fall into the hands of a Stalinist military dictatorship controlled by the Soviet Union. The plan for taking over Colombia was designed almost in tandem with Soviet Marshal Ogarkov's plan for restructuring the Soviet economy

for a large-scale military buildup.

In October 1983, at the so-called FARC Expanded Plenum, attended by 48 guerrilla chieftains, the FARC discussed the "general outlines of an eight-year military plan," by which this Stalinist group would take control of the entire national territory as the culminating step.

Earlier, in June 1982, the FARC's Seventh Conference had decided that it would no longer conduct guerrilla warfare but would attack as a regular army, seeking to gain and hold positions. Starting with this conference, the FARC added EP, *Ejército del Pueblo* or "People's Army" to their name.

The eight-year plan is divided into two parts, both militarily and chronologically. It foresaw that in 1991, the FARC would take control of the national government. To get there, the FARC would launch a first offensive, with 30,000 men, "to take part of the national territory and to form a provisional government."

"When we launch this offensive there will be parts of the territory which the government will not be able to hold or control, and that is when we are going to end up with these zones," stated Pedro Antonio Marín, alias Manuel Marulanda Vélez or "Sureshot," the main military chief of FARC, three years ago.

Once they have a provisional government, there would be an international diplomatic drive to get it recognized, along with the FARC, as a "belligerent force." One of the two places where this provisional government could be is the Eastern Plains, which would allow them to use the

Eastern Mountain Chain as the site from which they would launch their final offensive against Bogotá.

The holding of part of the territory, and the provisional government, would make the FARC strong enough to recruit 100,000 soldiers for the second offensive.

The FARC thinks that for the success of this plan, they need to split the Army, taking military hostages and treating them "well" with the aim of "brainwashing" them; unify the guerrilla groups; unite the trade unions under a Communist leadership; create a bigger political movement than the present Patriotic Union, the electoral entity which backs armed action, for which new ceasefire negotiations would be necessary; convince the congressmen in this movement to defend the armed actions of the FARC; build up an urban guerrilla force which would run street battles; and obtain broad financial resources. (In 1985 the FARC calculated the cost of taking power at 32,000 million pesos, without considering devaluation and inflation.)

"We cannot state how and in what manner we are going to arrive at the principal seats of the government, because that depends on how the situation unfolds. But we think that there are many ways of getting to the capital. We could arrive with the support of the working class, through a huge national strike or work stoppage," stated Pedro Antonio Marín in a 1984 report.

While the failure of the Oct. 27 national strike demonstrated the very thin support the Communists have among workers, the Barco government's move to give the terrorists the status of "rebels," the first step in their drive to take territory, could be the greatest threat yet to the national security of Colombia.

IMF unleashes social convulsion

The biggest strike wave in 25 years is Brazilians' desperate response to the decision to pay the foreign debt.

Paradoxically, the week after Brazil brought itself up to date in paying interest on the foreign debt to the banks owed since the moratorium of February 1987, the biggest strike wave in the last 25 years broke out in the country.

The symptoms of social convulsion have claimed their first victims: three dead workers and 20 wounded in a clash between strikers and Army troops on Nov. 9 at the factory of the National Steel Company (CSN) in Volta Redonda, which is the biggest steel complex in South America, built by President Getulio Vargas during World War II.

The strikes, without exception, broke out in protest against the wage robbery which the government committed last April. At that time, to comply with the International Monetary Fund's demands, they suspended for two months the already minimal monthly cost-of-living escalator clause for government employees.

The present inflation rate is 1,000% annually, and no readjustment has made up for the wage debt. Worse yet, the government's economic team has gone to suicidal lengths to refuse to change its course.

During the first week of November, up to 1 million workers went out on strike, most of them government employees, in the nationally owned companies as well as those of the states and municipalities.

In the CSN steel complex, which is still on strike as of this writing, 23,000 workers stopped work; in Petróbras, the national oil company, the

number was 60,000, and all the refineries were paralyzed.

The company which supplies electricity to Rio de Janeiro is on strike, as are the teachers and the mass transit workers in the city of São Paulo; 338,000 employees of the ministries in Brasília have been on strike for over a month.

Rio is living through one of the most dramatic cases. The city is bankrupt, and 114,000 municipal employees have gone out on strike. Yet the federal government is refusing all aid, and instead is exerting intense pressure for the city to pay its foreign debt.

Symptoms of the growing social tensions are emerging daily, such as the looting of supermarkets in Rio de Janeiro, where people are desperately looking for something to eat, and the ripping apart of buses in response to the continual hiking of fares.

The Brazilians' rage over their impotence to maintain their standard of living was visible in the municipal elections of Nov. 15. The big victors were the anarcho-syndicalist or Marxist "theology of liberation" Party of Workers (PT); and the party of the social democratic Leonel Brizola, the PDT. Brizola was the mayor of Rio who built the Sambadrome as his big project, and whose culture minister was the most powerful Gnostic (i.e., satanist masquerading as a Christian) in South America.

Thanks to the IMF's "conditions," in the big cities—Rio de Janeiro, São Paulo, Porto Alegre—the PT surprisingly emerged from the Nov. 15 balloting as the second or first political

power. In Rio, first place was taken by Brizola's PDT.

Even the city of Volta Redonda, the scene of the bloody clashes, is controlled by the left. The leader of the metalworkers union of the CSN, Congressman Juarez Antunes, who is also a candidate for mayor there, is a wild-eyed leftist, a member of the PDT and of the union affiliated to the Party of Workers' trade union confederation, which is to a large extent controlled by Bishop Waldir Calheiros, a militant Marxist "theolibber."

In the growing radicalization, as was seen in Volta Redonda, the armed forces are being forced to go into the streets to put down protests in order to impose an economic policy which cannot be maintained, and which only helps out the banks, the speculators, and Moscow's hosts. But the military is also feeling internal rumblings and tensions over low pay.

And now the warnings made last April (when wages were frozen) by then-Chief of General Staff Brig. Paulo Roberto Camarinha are coming true. This "will bring unforeseeable political effects," he said. "No soldier or officer will try to stop demonstrations by strikers when they themselves would like to be participating," he added.

His warning is being fulfilled not only in the Volta Redonda case, but also in the attempted military rebellion which occurred in Minas Gerais. Between Nov. 5 and 6, the old military commanders headed by Col. José Geraldo de Oliveira (ret.)—who took part in the 1964 military movement—organized a protest against the governor over the low wages being paid to the military.

A solution was only reached when a substantial wage increase was promised. But if this is not delivered, the colonel said, "the population will rebel and take up arms."

Extremists on rampage in Sri Lanka

Unceasing violence has demoralized the population, and food shortages are reported in the interior.

A spate of killings by both Tamil and Sinhalese extremists has thrown Sri Lanka into a new spiral of despair. President Jayawardene, who is stepping down from his presidential office in December following elections, has indicated that he has very few options left to stop the increasing mayhem.

Over the last five years, violence has become a part of life in Sri Lanka. Yet, beginning in October, the level of violence escalated to the point that signs of wear and tear have begun to show in the body politic. At stake are the Northeast Provincial Council elections on Nov. 19 and the presidential election in December.

The Northeast Provincial Council elections, which will assemble a regional governing body for the newly combined Tamil-majority northern and eastern provinces, is the last of the provincial elections to be held under a scheme for devolution of power worked out between India and Sri Lanka.

For more than a year now, the Indian Peace Keeping Force (IPKF) has been trying to put pressure on the most militant of the Tamil guerrillas—the Liberation Tigers of Tamil Eelam (LTTE)—to accept the proposal. In spite of other Tamil groups' accepting it, the LTTE continues to hold out and at the same time terrorize the population in order to sabotage the elections.

On Nov. 14, as the election date drew nearer, Tamil militants ambushed a bus carrying 34 passengers in the Eastern Province. Twenty-seven Sinhala passengers died in the ambush. This is the largest single massacre by Tamils since Oct. 10, the last day for submitting nomination papers

for the council elections, when 45 Sinhalese were shot dead.

Meanwhile, in the southern and central provinces where no ethnic problem exists, the Janata Vimukti Peramuna (JVP) is becoming increasingly powerful, as the political leadership in Colombo falters. On Nov. 1, nine people were killed and large amounts of arms and ammunition taken by JVP militants in a pre-dawn attack on an army camp. Subsequently, 153 JVP activists, arrested and held for trial in a military detention camp in southern Sri Lanka, escaped—probably with the help of some army men.

On Oct. 25, facing the growing strength of the JVP, which is viciously anti-India, blaming it for Sri Lanka's ethnic crisis, President Jayawardene said his government was ready to comply with the JVP demands and dissolve Parliament, paving the way for the presidential and general elections, provided the JVP ceased all violence.

But the President's hopes were quickly dashed when the JVP issued a statement the next day calling for a "total change beginning from the very top." The statement was served up with a dose of terror: JVP activists set ablaze six homes belonging to ruling United National Party (UNP) and opposition United Socialist Alliance (USA) candidates.

As the situation grew grim, President Jayawardene met with his longtime political adversary and leader of the Sri Lanka Freedom Party (SLFP), Mrs. Sirimavo Bandaranaike, on Nov. 5. But during the meeting, it became evident that, even if they work together,

these politicians alone no longer call the shots. It was the JVP that had demanded the historic, yet inconclusive meeting of the two old political leaders.

Significantly, the JVP later thumbed its erstwhile coalition partner, the SLFP, and has summarily rejected other entreaties for opposition alliance.

On Nov. 7, the JVP called a general strike that continued for a week, pressing for a charter of demands which include the dissolution of Parliament. On Nov. 10, the day set for submitting nomination papers for the presidential election in Colombo, JVP called for a mob action. The government responded with shoot-on-sight orders to the security forces.

As the leading candidates were whisked through the empty streets of Colombo in heavily guarded motorcades to submit their nomination papers, Sri Lanka broke out in new violence. In Hambantota, soldiers confronted by a crowd of some 2,000 JVP activists and supporters opened fire, killing six. Nine more were killed in two different towns, when JVP-led mobs attacked police.

Meanwhile, rumors are flying that the President has requested that India rescue him and his cabinet members should the situation further deteriorate. There were rumors that Indian commandos had landed in Sri Lanka on their way back from the Maldives, rumors which both India and Sri Lanka have denied.

But there is no question that the week-long strike and associated violence have taken a heavy toll, greatly disrupting the lives of the common people. There are reports of food shortages in the interior because of the transport strike, and of foodgrain piling up in the ports which can't be distributed inland because of the JVP-imposed strike.

International Intelligence

Panama President says negotiations possible

Panamanian President Manuel Solís Palma has stated that the next step in resolving the crisis in relations between the United States and Panama is up to the United States.

The crisis was precipitated in February 1988 when the U.S. Justice Department indicted Gen. Manuel Noriega, chief of the Panamanian Defense Forces, on flimsy charges of "involvement in drug-trafficking" in an effort to force him from his post and undermine the nationalist armed forces and government of Panama. Under U.S. pressure, then-President Eric Delvalle "fired" Noriega, only to be voted out of office himself by Panama's legislature, being replaced by Solís Palma. Noriega remains at his post.

In an interview on Panamanian government television, Solís Palma said his government has always been ready to hold talks with Washington, as long as the U.S. respected Panama's sovereignty.

"Any movement toward or away from the U.S. government will depend totally on the position they adopt. We would not have a problem with sitting down to dialogue, to find a road to agreement and friendship, as long as it was within the parameters of respect . . . for our condition as a free and independent state."

Russians attack London on No. Ireland policy

The Soviet Union on Nov. 11 sharply attacked what it called Britain's "massive violations" of human rights in Northern Ireland, and demanded the speedy release of "political prisoners" and "urgent measures" to restore "constitutional legality" there.

In the face of stepped-up IRA terrorism, Britain's Thatcher government has suspended some constitutional protections to suppress the terrorism.

Given that, as British intelligence sources confirm, the Soviet Union has controlled the

IRA as an instrument of irregular warfare since at least 1976, one wonders if the Soviet statement indicates that the measures taken by Thatcher are having an effect.

The Soviet statement on Northern Ireland, read out by Foreign Ministry spokesman Gennadi Gerasimov, stated that the Soviets were not intending to interfere in the internal affairs of the United Kingdom, but were prompted merely "by the hope that Britain's policy in Ulster will correspond to the high-sounding statements being voiced in London in favor of basic human rights and freedoms in other countries."

Since British troops went to Ulster nearly 20 years ago, said Gerasimov, 3,000 people had been killed, a further 30,000 had been "wounded or crippled," and about 7,000 detained under the Anti-Terrorism Act of 1974. The "Soviet public," said Gerasimov, had "serious doubts" about the fairness of sentences in Northern Ireland, and the way prisoners were being treated.

PPP wins clear victory in Pakistan election

The Nov. 16 elections for the National Assembly in Pakistan, the first open party-based elections in 11 years, have resulted in a decisive victory for the Pakistan People's Party (PPP), led by Benazir Bhutto.

Miss Bhutto, the daughter of former Prime Minister Zulfikar Ali Bhutto, won all of the three contests she entered with sweeping majorities. Voting and counting of the ballot was peaceful throughout the country. Fifty-five of the electorate exercised their franchise.

Of the 204 seats announced as of this writing (out of a total of 205), the PPP has won 92, far outdistancing its major competitor, the Islamic Democratic Alliance (IDA), the government backed coalition of Jamaat-i-Islami, Muslim League and six other parties. IDA captured only 54 seats. Independents, including the new Mohajir party, MQM, came in next with 40 seats. The Jamaat-ul-ulema-e Islami (JUI) and Awami National Party (ANP), based in the North-

west Frontier Province, won 7 and 4 seats respectively.

A smattering of little parties won two seats each here and there to make up the balance.

There were some stunning defeats, including IDA chief Ghulam Mustafi Jatui, former Prime Minister Mohamad Khan Junejo, National Assembly speaker Chattha, and more than one-third of the cabinet ministers under the late President Zia ul-Haq.

Significantly, the PPP did well in every single state except Baluchistan, where they won only one out of nine seats. Benazir has already approached President Ghulam Ishaq Khan to stake her party's claim to form the government, and contacted small parties who are likely to join a PPP-led government.

The ruling coalition must have 103 seats. There are indications that JUI and ANP will support the PPP's claim. The new government will take over in mid-December.

India on alert for locust invasion

A locust alert has been instituted in the western Indian border states of Gujarat and Rajasthan. Feared is an impending invasion of African locusts originating in the Sahel region.

Officials have been put on alert and watch-towers erected in the two states to look out for the locusts.

The "Biblical-scale" swarms, described as the worst in 1,000 years, have reached the Red Sea and may either move into the subcontinent or turn south toward Somalia, Tanzania, and Kenya.

U.S. desert locust task force director Bob Huesmann, in an interview with the United News of India, admitted that the locust infestation, whose magnitude stems largely from U.S. State Department banning of effective pesticides like dieldrin, and simple inaction on the part of the U.N. Food and Agriculture Organization, could stretch from Africa to the Middle East, and as far as South Asia. In that event, it would ultimately cover 60 countries.

New book exposes Demjanjuk travesty

Most of the rules of "identification procedures" usually used in legal cases were violated in the Israeli trial of John Demjanjuk, the retired Cleveland autoworker who was convicted of being the Treblinka concentration camp guard known as "Ivan the Terrible," according to a new book written by Willem A. Wagenaar, Professor of Experimental Psychology at the University of Leyden, in the Netherlands.

Wagenaar, who testified on behalf of the Demjanjuk defense in Israel, documents that witnesses were put under various forms of pressure, and techniques of "suggestion" were used to encourage them to identify Demjanjuk as "Ivan." The actual "evidence" purporting to show Demjanjuk as "Ivan," is dubious, however.

Reviewing Wagenaar's book in the London *Independent* Nov. 15, writer Anthony Storr says the book "deserves to become a legal classic. . . . Anyone reading this exceptionally illuminating account of the evidence given of the identification of Ivan must realize that doubt exists. Is it worse to let a monster go free than to convict a possibly innocent man? The case of Ivan the Terrible arouses such violent desires for revenge that a decision to execute Demjanjuk seems all too probable."

Demjanjuk was convicted solely on the basis of Soviet-concocted evidence and testimony by a Treblinka survivor who contradicted his own 1945 diary writing, which said that he had helped kill Ivan at that time. Demjanjuk was extradited to Israel by the U.S. Justice Department's Office of Special Investigations, and tried under the tutelage of Soviet agent Armand Hammer.

Soviets have AIDS pact with some nations

The Soviets have agreements with Britain, Denmark, and the East bloc countries requiring their citizens to prove themselves

free of AIDS before they can enter the Soviet Union, *Pravda* reported Nov. 11.

Alexander I. Kondrusev, the deputy health minister, is quoted by *Pravda* as saying that one way to combat the spread of AIDS is "the exchange of certificates, which, by agreement with another country, require anyone coming to our country or leaving it to show a document that proves negative results from a test" for the virus.

Kondrusev added that existing regulations require all foreigners staying in the U.S.S.R. for more than three months to undergo a "mandatory check-up" for AIDS. By the end of this year, he added, 1,000 more AIDS laboratories will have been established throughout the Soviet Union.

Pravda also reports that "readers have demanded" stronger public health measures to protect them from AIDS, and that some of them have mentioned the West German state of Bavaria as exemplary in this respect.

Bavaria, unlike West Germany as a whole, has instituted measures of selective quarantine and prevention against the killer disease.

Naval incident strains U.S.-Japan relations

A U.S. Navy destroyer operating far from its target practice area fired a series of shells on Nov. 9 that narrowly missed a Japanese patrol boat.

The Japanese and American authorities have offered different accounts of the episode, which was the latest in a series of tense incidents between Japan and American military forces based in Tokyo.

Japan has filed a strong protest, asserting that the American ship's crew had been reckless and had violated international law by firing its guns inside Japanese territorial waters.

The incidents came within a week of two other incidents: One involved the crash of a military aircraft that killed four marines; in another, residents of Okinawa asserted that their houses were sprayed with stray bullets from an American firing range.

Briefly

● **CZECH** security forces arrested 14 members of the dissident group "Charter 77" on Nov. 10, at an international symposium that included Western participants. One day later, another demonstration of *glasnost* occurred when Marion Countess Dönhoff, the pro-Soviet publisher of the West German weekly *Die Zeit*, was brusquely refused entry into Czechoslovakia to attend the symposium.

● **THE JAPANESE** Red Army terrorist gang has called on the Japanese people to "rise up" and overthrow the 2,600-year-old monarchy after the ailing Emperor Hirohito dies. Authorities in Tokyo have confirmed receipt of a statement by the Red Army from a hide-out in the Middle East, dated Oct. 1. It called on the Japanese people to "fight using every means and tactic to crush the emperor system."

● **VOICE OF AMERICA** and official Soviet media feature the same accounts of the news, according to Soviet "dissident" Andrei Sakharov in a speech before the Kennan Institute in Washington, D.C.

● **MEIR KAHANE**, founder of the Jewish Defense League, whose Kach party was outlawed in Israel, may be planning a wave of assassinations, according to the Israeli newspaper *Yehidiot Aharonat*. The paper details a 1982 plot to kill Menachem Begin, saying that the Kahane lieutenant who ran that operation now runs Kach in Israel.

● **THE FLOODS** in Bangladesh could become "regular visitations," President Ershad told the United Nations Nov. 16. He emphasized that a broad solution must be found, saying, "A battle is meaningless if there is no success. . . . Our existence must not be what it threatens to be, an endless spell of sorrow, unmarked by seasons."

Lyndon and Helga LaRouche meet with Taiwan legislators

EIR publishes here a detailed paraphrase of a meeting between Lyndon H. LaRouche, Jr. and his wife, Helga Zepp-LaRouche, with members of the Legislative Yen, or Senate and National Assembly, which functions as the electoral college, constitutional assembly, and impeachment court of the Republic of China on Taiwan. The meeting was held Sept. 4, 1988. Among those present were legislators, military and business leaders, and journalists.

The chairman of the meeting was Prof. Shieh Hung-ping of the National Chingchi University of Taiwan. Joining Mr. and Mrs. LaRouche on the podium were two members of the Legislative Yen, Mr. Nieu Chien-Tsu and Mr. Wang Tong. Mr. and Mrs. LaRouche were introduced by Mr. Andrew Chiu of the Flag of China Monthly. The meeting and press conference were co-sponsored by the Flag of China Monthly, a political magazine of the Republic of China that represents an important current within the ruling Kuomintang (KMT) party. The remarks of the Chinese speakers are rendered as they were translated into English by an interpreter.

Nations targeted for destruction

LaRouche: First, I want to thank my hosts who have made my appearance here possible, and I thank those who have been so kind as to attend. This nation, embattled upon this island, is caught within a zone of acute destabilization, in which elements of my country's State Department are also guilty. These forces are associated with Soviet forces, and include the World Council of Churches, both leading U.S. parties united in Project Democracy, with Lane Kirkland of the AFL-CIO. This includes Ramsey Clark, and also the leader of the KGB in France, Jacques Vergès.

The nations targeted for destabilization and destruction include the Philippines, which we saw destabilized by the

U.S. government with no revolution and no popular uprising. Every Filipino involved in overthrowing Marcos had a U.S. agent sitting on his shoulder. The same forces are engaged in the destabilization of the Republic of Korea. They attempted without success to destabilize Singapore. It was my pleasure to help the government of Singapore to defeat that. We exposed some of the terrorists that were trained by the North Koreans to do that, and when the U.S. government protested against Singapore's detaining the terrorists, the first secretary of the U.S. embassy was expelled for interference in the internal affairs of Singapore. And I am glad to see that Mr. Lee Kuan Yew has won an election; he is not a friend of mine, but we have a common enemy. Malaysia is targeted by the same forces for destabilization. So is Indonesia, although the government there is foolishly overconfident in this matter.

The orchestration of the destabilization of Burma is being run by the same people. I am no lover of the present government of Burma, but that is not the issue. Ne Win came out of the U Nu government, and now, the new U Nu government is attempting to come out of the destabilization of the old U Nu government. So, in Burma, it looks like the snake always swallows its own tail. The destabilizers do not care about the welfare of the Burmese people. They care about the destruction of Burma and Thailand.

I mentioned the forces involved in these destabilizations of Southeast Asia. The destabilization is being done for the Soviets. It is being run from London. There is an office there pledged to democracy that is run by Mr. McGrath. There is a more colorful gent involved in this: Tiny Rowland. He is a dirty agent for British intelligence. They don't acknowledge him because he is so dirty. Tiny Rowland deals with the Soviets in many parts of the world. He has an agent, who is

called Chester Crocker of the U.S. State Department—who is owned by Tiny—and in the attempt to get rid of Jonas Savimbi of Angola, Crocker was used by Tiny and the Soviets.

I will not go into the Beijing involvement in this, especially on the opium side, but I will quickly switch to the U.S. role in this matter. As you may know, not everybody in the U.S. is an enemy of the Republic of China. You have many friends who have good sentiments, but may be lacking in courage. The State Department is not totally the enemy of the Republic of China, although it may appear so. There are people within the State Department who are your enemies. And unfortunately, they are on top of the place. They are my enemies, too, so we can share sympathy on this question.

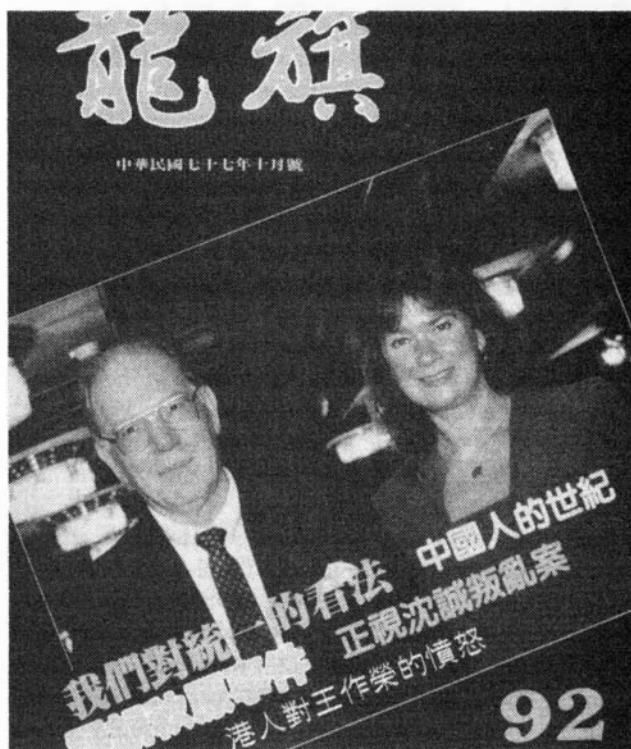
The most important enemy you have in the State Department is the head of the U.S. Information Agency. He is a gangster from Hollywood by the name of Charles Wick, a close collaborator of Soviet agent Armand Hammer, and a close collaborator of a high-level Soviet official called Aleksandr Yakovlev, also my enemy.

The problem is that over many years, those in the West of great influence and power have been thinking we should set up a global empire by power-sharing with Moscow. Winston Churchill was one of those committed to this policy. It was Churchill who set up the Yalta and Potsdam agreements. But there was a powerful faction in the U.S. committed to this policy; they are known as the liberals, such as the late Averell Harriman and his widow, who are my enemies inside the Democratic Party. The trend now is to establish that empire. Most of the strange things that happen in the world are the result of talks among four cities: Moscow, London, New York, and Beijing. One subject is the fate of Southeast Asia: how to divide Southeast Asia among these four powers and how to deal with Japan.

You may know that Henry Kissinger, speaking to Ray Cline's organization, said that the U.S. must hasten its alliance with Moscow in anticipation of a future war with China, Japan, or both. It is not needed to show in detail how certain operations are run to destabilize the island of Taiwan. When I see a snake leading a party in Taiwan, and the snake is well known to me from Germany, I know what is happening. The snake did not come by himself, he came from the Soviet-controlled party and is a Soviet asset, and brings from Germany the same tactics he used there.

This brings us to the question of the solution to these terrible conditions. The great problem that all our nations face is that we are suffering a moral and intellectual decadence. Our nations are much, much worse today than they were 25 years ago. [Applause] To me, the solution is partly obvious. Here in this room are people who represent one-quarter of the human race. We in the U.S. and we who are patriots in Western Europe, have the same interests as China.

It is my persuasion that we must unite our efforts so as to return to the offensive.



Lyndon and Helga LaRouche on the cover of the Flag of China monthly, which carried a Chinese-language transcript of the colloquium we publish here.

Like the great Dr. Sun Yat-sen, we must agree among ourselves on principles which are common to all nations: the principle of the sovereign nation-state, the right of every human being to have a form of government which speaks his language, in which he can participate through representative institutions, so that the individual can see his short life as not so short, because it is something embodied in his nation, seeing the nation as a personality which is contributing to life on this planet and contributing to the exploration of space and the universe.

A parallel to Germany

Mrs. Helga Zepp-LaRouche: Let me first express my happiness to be a guest in your country. I was shocked when I heard about the terrorist behavior of Chou Kao-ching in parliament, especially when I found out that he was trained in Heidelberg. Since I come from West Germany, I would like to warn you about what can come out of such developments. Despite differences of culture, there are obvious parallels between the Federal Republic of Germany and the Republic of China.

By the end of World War II, Germany was divided into two parts by the Yalta agreement, by the same U.S.-U.K.-U.S.S.R. forces who were responsible for the defeat of the KMT on the Chinese mainland. In Europe, this has led to the tragic division of East and West Europe. It was convenient

for these forces to let Germany have an economic recovery in the fifties to be a bulwark against Moscow. In this time, the Communist Party of Germany was outlawed.

From 1963 on, the Yalta forces tried to curtail the economic growth of West Germany and the right of national sovereignty. Under the pretext of an education reform, they orchestrated the student movement of 1968, done jointly by Moscow and Western forces led by the Club of Rome, which is racist and against the development of the Third World. Their aim is primarily to set up a world dictatorship based on the rule of the superpowers, using supranational institutions.

This Club of Rome transformed the student movement into an environmentalist movement which became anti-nuclear, opposed to economic progress, and with the explicit aim of destroying Germany as a strong and independent nation.

In the mid-seventies, this Green movement became a pacifist movement, which is anti-NATO and anti-Western. In the last 10 years, they have succeeded in destroying Moscow as the "enemy image." They portray Gorbachov as the peace-loving politician. Because of a weak and inadequate reaction by the established parties, the Greens now represent 10% of the voters, and have subverted the philosophy of the other parties as well. They are a direct parallel to the SA of the 1930s, using terrorist means to terrorize political opponents. With the treasonous INF treaty signed by Reagan and Gorbachov, there is the danger of the decoupling of the U.S. and Europe in the period ahead.

According to the New Yalta plan, Western Europe will be given to the hegemony of the U.S.S.R. Unfortunately, there is the danger that after the U.S. election, there will be the beginning of a massive U.S. troop withdrawal. The Green Party is the shield for about 10,000 hard-core *spetsnaz* [special forces] deployed by Moscow.

In the recent period under Ogarkov, there has been a change in the order of battle of the U.S.S.R. According to the new doctrine, nuclear weapons are obsolete and the coming war will be carried out by "new physical principles," radio frequency weapons and the deployment of *spetsnaz* troops. There is suspicion that the catastrophe at the Ramstein Air Show was the work of Soviet radio frequency weapons, and there are three major sabotage incidents per day in Germany right now. So, the failure to outlaw the Green Party is a big threat to the national security of West Germany.

You would be very well-advised to investigate the constitutionality of the so-called Democratic Progressive Party here, to see if they have foreign links, because the case of West Germany shows that liberalism, naiveté, and softness undermine national security. If this DPP proves to be unconstitutional, they should be outlawed. Every nation has the right to defend its national sovereignty. The world is in a very deep crisis; only if we mobilize the patriotic forces of all countries can we get out of this. [Applause]

For this reason, I am very happy to be here.

The discussion

Prof. Shieh thanked Mr. and Mrs. LaRouche, noting especially what Mrs. LaRouche said about the Green Party and the DPP in Taiwan. "We want to join with you to defeat the DPP Party. Now is the time for the press or other interested parties to ask questions."

The publisher of the *Flag of China Monthly* summed up some of LaRouche's political ideas, saying that LaRouche works in Ibero-America, Europe, and elsewhere, and wants to unite nations in the same way that Dr. Sun Yat-sen did. The role of the Chinese in the world is very important. He said that he wanted to bring Mr. and Mrs. LaRouche to Taiwan for the first time, so that people could meet them and get to know who Mr. LaRouche is. The State Department pressured the Republic of China government to prevent the visit. LaRouche was willing to risk his life in order to come here, he said, even though they wanted to deny him security and an armored car. The Republic of China government did not want to provide VIP treatment, and therefore Mr. LaRouche put his own life at risk in order to come. [Applause]

'Taiwan is not your enemy'

One member of the audience said, "I am deeply touched by what you say. Thirty years ago, when I was in the U.S.A., I heard exactly what you say now. How can we stop the Green Party? How can we prevent the U.S. from betraying more allied countries? I would propose that we not go through official discussions with the U.S. government. We should send delegations to the U.S. and tell them to put the U.S. government under pressure to stop interfering with the Republic of China's economic growth. We must tell the U.S. that your enemies are in Moscow. Taiwan is not your enemy. If Moscow and Beijing get together some day, these enemies will destroy the U.S."

An expert on international Communism noted that a meeting had been set up by the Government Information Office for LaRouche to visit, and then canceled by the GIO under government and State Department pressure.

The Communists proceed by penetrating you, he said, and then enveloping you like a sandwich. There have been very high-ranking U.S. government officials who were actually working for Beijing, including on questions of trade. Beijing frequently sends double agents into the U.S. Back in 1980, the Green Party of West Germany invited opposition people from here to visit West Germany. Ever since then, the subversion has been building. People know that behind the DPP are the Beijing Communists and some American Communists. "Everything Mrs. LaRouche says is very true, it is happening in our country right now. We have to pay attention to our economic growth, because if the economy goes down here, we will be in big political trouble. This is what the U.S. government is doing to us by dumping turkey parts. The Communists use two-edged knives, to cut with both sides. I want to express my great respect to Mr. and Mrs. LaRouche

and thank them for expressing their ideas to us.”

An economist at the National Taiwan University stated, “Everything that is happening in Singapore, Malaysia, and the Republic of China is exactly what you say: a joint project of the State Department and the international communists.” He went on to say that the U.S. spent billions on national defense after World War II, but now there are communist elements in the U.S. State Department. The U.S. does not

The trend now is to establish a global empire by power-sharing with Moscow. Most of the strange things that happen in the world are the result of talks among four cities: Moscow, London, New York, and Beijing. One subject is the fate of Southeast Asia: how to divide Southeast Asia among these four powers and how to deal with Japan.—Lyndon LaRouche

do anything to support anti-communist leaders, because U.S. politicians have no clear vision of what communism is. In 1939, there was one communist nation, today all nations are the targets of communist conquest, including the United States itself. The experience of anti-communist forces is that the U.S. government is a sick and dying man.

The United States is a young country with no national culture, no culture of its own. That is their weak point. The culture comes from abroad. You never can make friends with the U.S.; when you make friends with them, they kill you. They always betray foreign states. If the countries do what the State Department says, they let you survive as a second-class citizen, but if you stand up and try to fight against them, they will kill you. Like Vietnam, like Iran, like the others that were betrayed by the United States. They use economic pressure and trade to threaten the developed and undeveloped countries and target them to control them.

The CIA is very good at sending their men to Southeast Asia to work as government officials in the ministries. The CIA agents are connected with the Soviet Union and the international communists. The Soviets want to be the only superpower and build up their own empire. Therefore the

free world nations are terrified by the U.S. CIA, which helps the Soviets to take over countries like Burma, countries in Africa, or Vietnam.

But for the future, for the hope of anti-communism, lots of people just hide this in their heart and don't want to speak out. Now, the international communists are changing their form. They will be new, stylish communists, but they never stop working. People here have a feeling that the U.S. government is the one who is trying to control the entire island from behind the scenes.

Therefore, the United States is not qualified as the great leader of the free world for anti-communism. It is shown by history that the U.S. helped the communists to overthrow the central government of the Republic of China several times.

We hope that LaRouche can create a political organization in the U.S. to stop the U.S. State Department from interfering in our affairs. We need to bring together all nations to form a new organization to fight the U.S. State Department and stop them from interfering in the internal affairs of all countries: If foreigners interfered in the internal affairs of the U.S., how would you feel? The CIA operatives who damaged allied countries should be punished. We should fight dope and see anybody smuggling dope as a traitor and sentence them to prison.

The U.S. needs a great man like LaRouche, he should be the President of the United States. This man could actually change the policies of the U.S. and make the U.S. a new nation. Then America would be qualified to be the leader of the whole free world.

Let us organize to stop the State Department and get the CIA out of other countries. Those CIA operatives who have hurt other nations must be punished. Those who are selling dope must be thrown in jail, because dope is an attack on national security.

LaRouche is a real gentleman, and a great man, and he should be the President of the United States, to make it a qualified leader of the free world.

On the U.S. trade bill

The head of an academic institution spoke: I would like to bring up two subjects: How the United States is using the trade bill against the Republic of China, and how to defend the Republic of China against the U.S. trade bill.

Our country has developed an economic miracle that has shocked the world. This makes the United States feel that Taiwan will be their economic enemy. But the United States should know that the Republic of China cannot compare with the United States; we have less wealth and power and we are a small country. It is hard to avoid the threats of economic attack by the State Department. We depend so much on the U.S. market, we cannot end our dependency. I want to point out that, maybe, today the whole world is going to go communist.

Because the United States had the atom bomb, the com-

munists were stopped, so that some democratic countries could survive. The old trick by the communists is that they always set up an opposition party and use its strength to cause trouble. The United States thinks that their constitution is perfect, but it has defects. With the past 10 Presidents, the average is so low, most of them have been very bad, including Carter, Truman, and Kennedy. How much trouble they have brought to the world!

I am very critical of the U.S. government, because most

Back in 1967, I visited some countries in the Middle East and had a chance to talk with their leaders, including the secretary of the International Muslim Association. He said, "You have two enemies: One is Moscow, one is the State Department."—a Republic of China leader

have been jerks and fools. Not every ordinary man can be President and exert power. It takes one who is capable and bright and understands what he is doing. We have been betrayed many times by the U.S. government. But to avoid this betrayal, you have to build yourself up and have your own forces to protect yourself, so that if you are betrayed, you can survive.

When the People's Republic of China invaded Korea, the U.S. needed help, so with our forces, we helped to get the P.R.C. out. If you are strong enough, you can survive U.S. betrayal. Now, our government is so weak, they pretend not to see what is happening. I am afraid that Taiwan will be betrayed by the United States once again. Even though we have been betrayed, we keep our mouth shut and don't say anything. God helps those who help themselves. Be strong and don't rely on anybody.

Political warfare

A specialist in political warfare spoke: There are three reasons why I feel the United States has betrayed so many countries. Because of the communists and the liberals. If accused of communism, the liberal will deny it, but the liberals act to help the communists. The United States sees democracy as the best system, and they try to force other nations to accept this policy; even Canada is forced to accept this idea. In the United States, there are two parties. This fits

into the policy that communists like, since there is always an opposition party. But in the Republic of China, we have only one major ruling party, the KMT, and this has helped us get through many dangers. But from the U.S. point of view, this is not right. They insist on an opposition party.

New nations are usually threatened by the communists. So these nations have their own thinking, methods, and armed forces and let the people have free speech, and hear suggestions. The United States does not know that countries have different characters, just as people do. The United States tries to get all countries to be the same: It is insane. If you don't agree with them, they will use force to assassinate your leader and make trouble in your country. After the war, the United States hurt several Asian countries like the Republic of Korea, the Republic of China, Vietnam, and gave a very bad impression to the others. When your country has difficulties, the U.S. won't help you, but on the contrary, will help the communists to make your country die fast by helping the communists to seize power. The United States does not know or understand the different situations, characters, and personalities of nations. They want all the countries to be uniform.

The U.S. market is huge. Without the U.S. market, they think we will die. This is our economic problem. For, developed and undeveloped countries depend on the U.S. market. They would be better off opening up markets in Europe and elsewhere. We would make money from the United States, but we must change to the European Community and the British Commonwealth. Professor Becker of the Dukakis campaign writes that, into the 21st century, there will be economic progress in the Orient. In Asia, you have the four little dragons. If Singapore, the Republic of Korea, and the Republic of China can join hands, then in the next century, there will be a strong economy in Asia and we can protect ourselves and not be attacked by the U.S. State Department.

These are only general ideas, but to do this we must act for ourselves and without delay.

'You love all nations and work for them'

A member of the National Assembly then spoke: I am so happy to have heard the LaRouches speak. You don't have a narrow chauvinist perspective, you love all nations and work for them and for world peace and the benefit of the whole world. I would like to extend my deep respect to both of you.

Several speakers have expressed ideas about what China has suffered because of the United States. Everybody knows that the communists are influencing the United States. The United States betrays its friends for this reason. The communists are also spreading propaganda in the population.

During the cold war between the United States and the People's Republic of China, Mao said, "You have the atom bomb, but I won't let you drop it." He could say this, because the U.S. administration was controlled by the U.S.S.R. or the Chinese communists. Personally, I have many friends in

the United States and I like Americans, but many there are very naive and fall under communist control. I have a suggestion for LaRouche: Your organization and network should carry on your work to make your network extend into every country in the world, including the communist countries. I want to express my great respect for you once more.

Q: I want to express my great respect, because you are talking about peace and harmony for all nations, not just your own. You expose the operations of the CIA and the State Department. I agree with you, the Soviets, the CIA, and the communists are building up their operations. Our people here in Taiwan must show their deep respect to you. You are the only guest who has the guts to speak the truth.

Back in 1967, I visited some countries in the Middle East and had a chance to talk with their leaders, including the secretary of the International Muslim Association. He said, "You have two enemies: One is Moscow, one is that State Department. They are two black hands. They want to control your KMT Central Committee, inside and outside." He advised Republic of China youth not to go to the United States to study, for when they go there, the CIA will recruit them, and they will work for the CIA, especially as political party leaders. He told me to warn the youth of Taiwan about the CIA.

In Southeast Asia, the CIA has gathered the youth and families of the party leaders. This really frightens us. Our political leaders may turn out to be CIA agents, and thus, also Soviet agents. Therefore, I hope that our distinguished guests can come back and hit the CIA and warn other nations about the dangers posed by the CIA.

A P.R.C. exile spoke: When you study the United States, you have to distinguish between the State Department and the people of the United States. There is a sickness in the State Department expressed in picking on the weak and the poor, but fearing the strong. When the P.R.C. told the United States, "You are a paper tiger," there was no reaction. The United States retreated and left the way open to the communists. But they pick on the small fry like the Republic of Korea and the Republic of China. But the people of the United States are good. They want to make friends, but their government does not.

We cannot openly attack the United States, but we cannot trust them. So what should we do? We have our own will. We need to make up our own minds and not be led by the U.S.A. We want to be friends of the United States, but at a distance, so we can defend ourselves and reduce State Department interference. Can we keep markets in the United States? Our tendency is wrong. We have concentrated too much on the U.S. market and not enough on technology transfer to Taiwan. Then, we cover up provocations that the State Department has announced. If they praise us, we are happy. If they attack us, we are sad and find an excuse to cover it up. This makes the U.S. think that Taiwan is nothing.

We need to change our policy. We need technology transfer and less stress on access to the U.S. markets. How can we break through? We have to unify with your organization in the United States, and with U.S. producers. We must join with those who work for the mutual benefit of all mankind.

A member of the Legislative Yen spoke: My distinguished guests, we are very happy that you came to our discussion meeting. I recall the record of Vietnam, when President Diem was killed by the U.S.A. This is an example to remind us that we have to be careful when we make friends with the United States. Mrs. LaRouche has shown the background of the Green Party to us. In the United States, the Greens are not so active. The DPP opposition in Taiwan is trying to duplicate some things from the German Greens. The opposition here does not know whom to attack, but the majority of our people do not agree with the DPP. After what, we heard from Mrs. LaRouche, we have to be sure that the Green Party will not survive here.

Many more people here wanted to speak. The next time you come to Taiwan, we will have a longer discussion.

Professor Shieh Hung-ping: We have to interrupt, otherwise the debate will go on without limits. So, let us ask Mr. LaRouche to reply.

Food, and the strategic crisis

LaRouche: First, let me tell you something funny about something that is not funny. You probably do not know that we have the worst famine in the 20th century now developing. At this moment in Chicago in the United States, we have an international food conference to create an international organization to organize around the food crisis. The food crisis is caused by three conditions. First, there is a natural cycle of drought on this planet. So, all wise governments arrange to save food and seed for the time of drought. The United States has not done this. The United States has no food reserves at all. The European Community has almost no food reserves.

Secondly, there is the fact of U.S. and other agricultural policies. We have followed agricultural policies which are insane, but very profitable for people like Soviet agent Armand Hammer. We have not paid the farmer the price the farmer must receive in order to continue as a farmer. So, we are destroying agricultural production. In the United States, we depend on food imports from countries that are starving. We import vegetables from Mexico. We import food from Brazil, where there is terrible hunger. So, we destroy agriculture in the United States, the EC, and the less developed countries. The U.S.S.R. will have a great food crisis. They already have one.

Since 1972, the United States et al. have been subsidizing the U.S.S.R. with food, billions of tons of food every year at subsidized prices. Next year, we will have no food to give to the Soviets at subsidized prices. The U.S.S.R. will have a

worse crisis than they have this year. Because of our gift of power to the U.S.S.R., they have military superiority. What will a nation do if they have military superiority, but no food?

There are things that we could do, but the United States and European Community refuse to change policy. There are countries like Thailand and Taiwan that export rice, and could produce even more with some help. We should bless these countries for having food.

Food is an instrument of policy, as well as something that people need. Food is power and lack of food is a terrible lack of power. So, what do these idiots do? They insult our friends with trade bills that are insane, which do not help the United States, in any way but merely injure our friends.

Then we come to the funny part. Why were you insulted with turkey parts? Because export turkey production in the United States comes from Texas. So, the State Department looked around to see who would buy turkey parts to help these elections campaigns, and they came to Taiwan. We should have a banquet for the State Department and serve them nothing but 20 dishes of turkey parts, especially the part that goes over the fence last.

On this matter of the communist forces in the world, and the relation between the State Department and Moscow: You know the old ivory balls that used to be carved in China, the balls inside balls and balls. They are attractive, useful, and expensive. The State Department is expensive, but not attractive. On the outside, the communists appeal to people about grievances. Many say that communists are for equality and democracy, and people say that is good. But when you dig under the surface and in each inner ball, you find a new meaning. We have people in the United States who are communist. The ex-number-two of the Department of Justice, Stephen Trott, was owned in his youth by a Soviet agent. Also, the third man at Justice, Weld, was involved in special deals with Beijing army intelligence. He makes P.R.C. propaganda films. But the typical State Department scoundrel is a more complicated animal.

Don't look at the Moscow ball, look at the inner ball. The inner ball has a name. In Christianity, the name is Satan, the devil. This is the unity between the State Department and Moscow. In this phenomenon, there is a conflict among those satanic allies. In the United States, we have wealthy families like the Harrimans, and that family is involved in most of the insults you have received from the United States in the last 40 years.

That includes the firing of Gen. Douglas MacArthur, which was one of the worst insults of all to you.

Then, you have the powerful insurance companies of Venice, the British royal family, which has said in public that it is pro-socialist. Then you have Moscow and Beijing. These are the three forces that are now negotiating on the fate of Asia. There is supposed to be an agreement of Moscow and Beijing on Southeast Asia by next spring.

But there is a problem among these four forces. The

Anglo-Americans want the white race to rule the empire they are creating, as Henry Kissinger explained at Georgetown recently. The next time you see Dr. Ray Cline, you can torture him about this issue. Ask him what the CIA says about this. Moscow intends that the Great Russian race will rule the world. The communists in Beijing naturally have different ideas. There is an inherent conflict about who is going to become Satan. It is extremely important to examine the question from the standpoint which I have indicated.

We must understand the national cultures and the difference among them, and also certain human principles which are common to all people. We must mobilize people to see that the suffering or advantage of a friendly nation touches their own self-interest. We shall win if we fight for each other.—Lyndon LaRouche

As our dear friend General Teng has been discussing with me, this is not the usual type of war. This is what Mao and Lin Piao called People's War, or irregular warfare, as it is called in Europe and the U.S.A. The inside of the mind of every person on this planet is a battlefield in this war. Every village is a battlefield. Every stratum in society is a battlefield. It is a struggle to see who will shape the will of the human race. This is a war for scholars who examine the most subtle questions of philosophy. On that basis, I am confident that we can win.

I am very unhappy about my country, but I am proud of its existence. Our nation was founded with the mission of benefitting all humanity. Many struggles for the liberty of nations were based on the model of the American Revolution. Now, we have gone over to the other side. We are like what Britain was in the 18th century. But despite the fact that the good people in the United States are so weak, so frightened, and so impotent, I know these people and we know the people of Europe and the Americas, and you should know the people of China, not the surface, but the deepest part.

My friend Webster Tarpley spoke to me about having heard a speech the other day which was given by the 72nd linear descendant of Confucius. Culture is like that. Culture is transmitted over dozens and hundreds of generations. Culture changes and evolves. It goes from parent to child to

grandchild over hundreds of generations. We must organize a deeper movement than just a military movement. We must reach to the deepest and most noble sentiments of people, especially of children. We must free them from the seven deadly sins, as we call them in Christianity—greed, lust, and things of that nature. We must teach each person to recognize that they will die some day and that what they give to the children and grandchildren is the truth of their existence. In that way, I think we can win. It is not so simple; there is a great deal of work.

'Kill Satan'

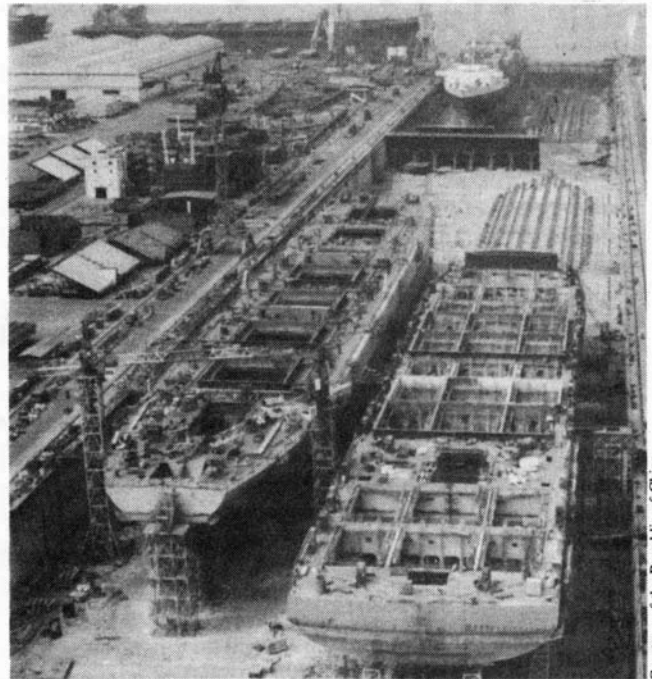
I have a slogan which shocks people: Kill Satan. People say, you can't kill him, he is a religious figure. I say, I think God wants me to do it. The period we are entering into makes it possible for us to win. Some here in China remember the 1921-27-33 period. We are now in a period like 1927-33, but worse.

On the financial front, we are facing the worst collapse in history. If Japan stops subsidizing the U.S. dollar, the whole thing will collapse. The financial collapse proceeds. It is now preparing a new eruption. Paper worth tens of trillions of dollars will collapse over the next two to three years. Mountains of stocks, bonds, real estate, and currencies will collapse. If we continue to allow the IMF and World Bank to go on dominating the world economy, the financial crash will cause an economic collapse without precedent. Because, if you let trade and investment collapse, everything will collapse. We have the worst food crisis of the 20th century. Hundreds of millions will die if we don't change the policy. We have species-threatening diseases like AIDS spreading on the planet.

The optimistic side of this terrible condition is that the agencies that have steered us into this crisis will be discredited by the crisis. We will win, therefore, if we have an organization among the nations of the world as an alternative leadership that is seen by masses of people as an alternative leadership.

Finally, an observation on the issue of the one-party system, because in a certain sense there is only one right way for humanity as a whole. We don't know the details, to know them is beyond our power, but we can distinguish the right path from the wrong path. What is required is the creation, perhaps of a party, but certainly of a unified force among nations, with each member a patriot of their own nation and also a world-citizen.

As you represent a commitment to basic principles for the development of China, so we need principles to guide the relations among nations. This is in great part the work of scholars, because we must understand the national cultures and the difference among them, and also certain human principles which are common to all people. We must mobilize people to see that the suffering or advantage of a friendly nation touches their own self-interest. We shall win if we



Courtesy of the Republic of China

Shipyards in the Republic of China today. "Our country has developed an economic miracle that has shocked the world," observed the head of a Taiwan academic institution.

fight for each other. This requires the kind of courage we think of in warfare. If we are prepared to sacrifice our lives for each other's nation, then we shall win. [Applause]

Q: What Mr. and Mrs. LaRouche said is in the same spirit as what the others have said about the communist threat, the State Department, and what they do to friendly countries. Since the world is so complicated, we need a great leader to lead people on an international level. People need to have a new strength built inside them so that they can see a way to win the war. That leader appeared in the Bible. He needs to have great courage. Mr. LaRouche is great in the way that Jesus Christ was great, whose love of mankind was so great that He offered up His life on the cross. You, Mr. LaRouche, do not worry about your own life, but you work to save foreign countries.

Please tell the people in the United States about our ideas, so that we can work together to change your government so that the United States can be a new nation and be a qualified leader of the free world.

Q: What you are doing, on behalf of the people here—I am willing to do everything necessary to help you in your projects and commitments. We should select the different leaders from the different countries and train them well, so that when something happens, they will be ready. Second, please transform the U.S. government, so that it will finally be the right one. Third, since you have visited us once, you should come back often, and join together with us to spread your ideas around the world.

Bush administration begins to take shape

by Webster G. Tarpley

Let it be stressed at the outset: The moral qualification of the new Bush administration to survive, as well as its practical ability to do so, will depend on the Bush White House first liquidating the Department of Justice political frameups against Lyndon LaRouche, and then incorporating the LaRouche program on economics, national security, and public health into the administration's platform. To do otherwise would be to tolerate a lawless breach of the Constitution. To do otherwise would cut off the new President from the programmatic lifeline he vitally needs to master the crises already exploding around him. If this point is ignored, nothing else, however meritorious, can possibly succeed.

Bush's initial personnel choices have at least kept open the option that he may attempt to pursue the national interest and be his own man. On the day after the election, Bush had announced that, as long expected, James Baker III, the favorite of the Eastern Liberal Establishment bankers (the reality behind the oft-repeated epithet of "pragmatist"), would become the next Secretary of State. Baker as head of the foreign policy shop is already very bad news. But for Baker, the most prestigious cabinet post, traditionally monopolized in this century by Wall Street, is more than the fulfillment of his consuming personal ambition: As the London *Financial Times* was quick to point out, Baker sees Foggy Bottom as the prime ministry from which he will direct the policy of the Bush years, in the same way in which Dean Acheson, John Foster Dulles, and Henry Kissinger dominated Truman, Eisenhower, and Nixon, respectively.

Although all remains tentative and inchoate, there are signs that Baker's concept of the prime minister may create more friction than he bargained for. At the minimum, it must be assumed that Bush, with his CIA and Beijing background, is highly interested in foreign policy, and will want to run a lot of it himself. Even old cronies like Bush and Baker can

be divided by the sort of conflicts that could rapidly emerge.

Bush overrides Baker

Beyond that, there is now a well-established pattern of Bush overriding Baker on key appointments. The first was Senator Quayle, whom Bush tapped to secure his right flank. Now there is also Gov. John Sununu of New Hampshire, one of Bush's key allies of the recent campaign, whom Bush named to be his White House Chief of Staff.

Would-be Prime Minister Baker had sought to convince Bush to give that post to the Vice President's current chief of staff, Craig L. Fuller. When it became clear that Bush wanted Sununu in the White House, Baker fell back on the concept of a troika, with Sununu being flanked (or surrounded) by Fuller as deputy chief of staff, and by pollster Robert Teeter, who along with Fuller is a director of the Bush transition team. Baker's troika concept is a throwback to the first Reagan administration, when Baker, Michael Deaver, and Nancy Reagan joined in a de facto troika to wage bureaucratic warfare for the President's attention against Edwin Meese.

Evans and Novak pointed out that the troika was the centerpiece of a complex web of power Baker had sought to spin: "Fuller was central to the notion of Deputy President Baker. At age 37, he would be the subordinate, not the peer, of the Secretary of State. With longtime Baker lieutenant Richard Darman at OMB, Bush crony Nicholas Brady at Treasury and perhaps managerial expert Paul O'Neill at Defense, who would challenge Baker?"

The Craig Fuller who lost out can best be described as a perception-mongering, pragmatist clone of the marplot "Michael Devious" of the Reagan years. Fuller was a member of the Los Angeles public relations consulting firm of Deaver and Hannaford from 1977 until he accepted a job at the White House in 1981. He had traveled with Bush during the election

campaign and evidently thought he had the White House job in the bag. After Sununu was named, he said in a huff that he would not accept any other post in the government after Bush is inaugurated. Chalk up a small but tangible plus for Bush.

In Governor Sununu, Bush has selected a chief of staff of considerable caliber. The three-term New Hampshire governor holds a doctorate in engineering from MIT. Born 49 years ago in Cuba as the son of a Lebanese father and a Cuban mother, Sununu is a proud Arab-American who is also a Roman Catholic and the father of a large family. Sununu has held a pro-nuclear position on the question of the Seabrook atomic reactor in his home state. In the course of Seabrook battles, Sununu has emerged as a consistent antagonist of Michael Dukakis, the governor of his southern neighbor, the People's Republic of Massachusetts. There have been indications that Sununu may be open to an approach to fighting AIDS that is closer to traditional public health procedures than the current Reagan administration line. Sununu has been tuned in on the patriotic, pro-defense, pro-life rhetorical posture of the Bush campaign effort. Sununu, when it was rumored he would be named, became the focus for a series of media attacks revolving around his refusal, in June 1987, to sign a statement circulated by the American Jewish Committee which condemned the 1975 resolution of the United Nations General Assembly that equated Zionism with racism. At the time, Sununu was the only U.S. governor to decline to sign the AJC statement. He explained that he felt it was not appropriate for a state governor to make pronouncements on foreign policy. At the press conference where his appointment was announced, Sununu stated that he disapproved the content of the 1975 UNGA resolution.

The U.S. Zionist lobby, already in some disarray, clearly regards the presence of an Arab-American in the White House as a very serious problem. Many of those sniping at Sununu had been mobilizing all-out support for Dukakis just the week before. Example: Hyman Bookbinder, the former Washington representative of the American Jewish Committee, who commented: "I believe [Sununu's] failure to join the other governors and sign the proclamation was a serious mistake." Bookbinder had been a close adviser to Dukakis.

At the Nov. 17 press conference where he announced his choice of Sununu and of Lee Atwater to head the Republican National Committee, Bush suggested that he would complete his economic policy appointments, and then turn to Pentagon, NSC, and CIA. In the economic sphere, Bush's hand is being forced by the collapse of the politically inspired arrangements which had secured foreign support for the dollar. The dollar is now in deep crisis, and if it collapses, the bond market and the stock market will collapse in its wake. The new historical lows of the dollar are a tool for those who wish to lock the new President into a policy of Schachtian austerity, such as the *Financial Times*, who entitled a post-election editorial "Bush at the Alamo." And indeed, there can be no doubt that what H. Ross Perot refers to as a "catastrophic

worldwide economic event" is upon us.

The Schachtian propaganda machine centers around the National Economic Commission, which Bush evidently mistrusts as an invention of the Democrats in Congress and the ultra-left investment bankers to force him to assault his own base with tax increases. Leading the charge for genocidal austerity at the latest NEC hearings was Fed chairman Alan Greenspan, who called for reckless and drastic cuts which are "becoming ever more urgent." "How it is done is far less relevant than that it be done," said Greenspan. Bush's answer to that was a non-committal, "I agree that we need to do something about it." Bush is opposed to accepting the view of a part of the NEC that tax increases are the answer. One commission member, Caspar Weinberger, is pledged to repudiate any report that includes raising taxes, and the two new commissioners Bush is to name will be on the same line. The NEC gambit is deflating, with scheduled hearings postponed and the commission report delayed into the late spring or beyond.

Bush's alternative to the NEC line would be a bi-partisan coalition for economic recovery on the LaRouche program, the rudiments of which could easily be assembled within his home state of Texas. Bush took Sununu to a meeting with Democratic House Speaker Jim Wright, and also offered cooperation to a group of governors meeting at the University of Virginia at Charlottesville.

Dealing with the Soviets

A decisive litmus test for Bush will be his attitude toward the Strategic Defense Initiative as a subsumed feature of how to deal with the Soviets. Soviet party boss Gorbachov has announced his latest psychological warfare ploy in the form of a demagogic visit to the United Nations on Dec. 7-8, and it is expected that Gorbachov will meet with both Reagan and Bush, perhaps together. At the U.N., Gorbachov is likely to extract from his French cuff a new piece of strategic deception in the form of an offer to cut conventional forces in Europe by about 15%. On the Soviet side, such changes are a pre-planned part of the Ogarkov reform of the Red Army order of battle. Gorbachov will thus attempt to retain the initiative on the world stage. Proposals detrimental or fatal to the SDI may also be forthcoming. The arms control mafia around Dukakis supporters Sen. Claiborne Pell and Ambassador Max Kampelman in Geneva have been plotting ways to nail Bush to the Procrustean bed of their agenda, including assurances to the Soviets that Bush will indeed pursue the 50% "deep cuts" in strategic weapons. Will they succeed?

Gorbachov's offer, whatever it will be, will also be crafted as an intervention in support of Baker in the Washington power struggle. Baker will argue that by eagerly swallowing Gorbachov's offer, Bush can score points as a peace hero and at the same time cut several tens of billions of dollars from the Pentagon budget, which can then be used to placate the financial community.

Federal court ignores Constitution

With the denial of all pretrial motions from the defense in the case of *U.S.A. v. Lyndon LaRouche et al.*, the Alexandria, Virginia federal court of Judge Albert V. Bryan, Jr. has determined to ride roughshod over the U.S. Constitution in order to force through the political trial against the prominent politician and his close associates.

The government is charging LaRouche and six associates with conspiracy to commit loan fraud, and LaRouche alone with a conspiracy to evade taxes. Charged are Michael Billington; Joyce Fredman; Paul Greenberg; Dennis Small; Edward Spannaus; and William Wertz.

Judge Bryan on Nov. 10 denied all the defense's pretrial motions, and upheld in substance the argument of the government that "matters concerning infiltration, harassment, and financial warfare are irrelevant" to the issues of the trial. On Nov. 17, the Fourth Circuit Court of Appeals denied a defense petition to order Judge Bryan to delay the trial.

Former presidential candidate LaRouche responded to the judge's denial of the pretrial motions, especially for discovery vis-à-vis financial warfare, by saying that the judge "has ordered a frameup in effect." LaRouche charged angrily, "I'm not being allowed a defense. The reason why this judge is going along with a politically motivated, Soviet-ordered frame-up must be determined."

Constitutional issues at stake

The cumulative effect of the judge's decision to rush through the trial, and deny the pretrial motions, is to violate the Sixth Amendment to the U.S. Constitution, the right to assistance of counsel for an accused. As a series of affidavits submitted by attorneys for the accused to the Court of Appeals showed, the rush has prevented the lawyers from having the time necessary to adequately prepare a defense.

The setting of the trial a mere 34 days after the arraignment in the case is particularly galling, since the government and judge denied motions by the defense that the Alexandria case is substantially the same as the mistried federal case in Boston, but now insist that familiarity with the Boston case by many of the lawyers makes it acceptable to rush to trial at breakneck speed.

Odin Anderson, counsel for LaRouche, noted that he couldn't be prepared for trial in such a short period of time. "In my 12 years of trial practice as a prosecutor and defense counsel. . . . I have never had so little time to prepare a case for trial, even a simple misdemeanor."

Anderson was echoed by counsel for defendant William Wertz, Brian P. Gettings, who was once the federal prosecutor in the district. Gettings' affidavit said that he was "stunned" by the rapid pace, and that, with such a rush, "Mr. Wertz will be deprived of an effective opening statement by his counsel and effective cross-examination of government witnesses."

The most dramatic statement, however, came from the attorney for Dennis Small, William P. Moffitt. Moffitt, speaking as a member of the Board of Directors of the National Association of Criminal Defense Lawyers and past president of the Virginia College of Criminal Defense Lawyers, attacked the general practice of the Alexandria federal district of treating all criminal cases alike with respect to the time needed to prepare, in effect equating common law robbery or larceny cases with complex fraud and conspiracy cases. In the specific *U.S.A. v. LaRouche* cases, however, Moffitt had the following to say:

"As an officer of the Court, there is no way that I can adequately be prepared for trial on November 21, 1988, and provide Dennis Small effective assistance of counsel in accordance with the Sixth Amendment to the United States Constitution. As a result of my limited ability to prepare this case and the need to retool Mr. Small's defense [in light of the denial of the pretrial motions—ed.], a conviction is inevitable if forced to trial on November 21, 1988. In my opinion, with respect to Mr. Small, such conviction would result from the inequalities in preparation time afforded the accused and the prosecution."

'Stop wailing and moaning'

In the final hearing before jury selection is scheduled to begin at 10 a.m. on Nov. 21, Judge Bryan refused to hear any further argument on the need for a postponement of the case. I don't want to hear your laments, Judge Bryan said. I've heard as much of your wailing as I'm going to hear. You're big men, and you surely have been through a trial under adversity before.

When asked by attorney Kenly Webster if his client Edward Spannaus could make a statement on the issue of the rush to trial, Judge Bryan refused.

Other pretrial preparations included the judge's insistence that the defense's exhibits for trial be submitted to the court by Nov. 22 at the latest.

Finally, Judge Bryan refused to grant a defense request that the government provide a full witness list, and the ordering of the witnesses, so that preparations could be made. He ruled that the government only has to provide the witness list 24 hours in advance of their being called to testify.

Documentation

Statement of Edward Spannaus

The following statement was not permitted to be given openly to the court. A slightly modified affidavit to the same effect, was submitted to Judge Bryan.

Your Honor, I am being forced into a trial that my lawyer is not ready for, which means that I cannot receive the effective assistance of counsel for my defense, which is my right under the Sixth Amendment to the United States Constitution—a document which I revere very much.

My lawyer is simply not prepared to try this case. He has already explained the reasons for that from his standpoint, but I think it is important that I explain them from my standpoint, since I am the one who goes to jail if I don't get an adequate and complete defense by my attorney.

It is not his fault that he is not ready. Kenly Webster is probably the hardest-working and best-organized lawyer I have ever dealt with. He is doing everything he can to get ready for trial.

But we are talking here about an alleged loan conspiracy which goes back to mid-1983, and a tax conspiracy which goes back to 1979. While he and I have to be primarily concerned about the counts I am charged with, that is Count 1 and Counts 3-11, we cannot completely ignore the tax count.

The amount of documents that pertain to the loan counts is simply staggering. My lawyer has only been able to look at a very small part of this. Furthermore, I have 17 notebooks that cover the time frame just of the loan conspiracy. The government has had 12 of these notebooks for over two years—as Your Honor is well aware, since I unsuccessfully sought the return of those notebooks in this courtroom two years ago. . . .

Should I have the chance to refresh my memory about these notebooks? And shouldn't my lawyer at least have a chance to look at them, and to know what relevant information is in them? . . .

On the day of the indictment in this case, Henry Hudson gave a press conference in which he stated that if convicted, I could be sentenced to 50 years in prison. When a prosecutor gets up and says that, I have to take that very seriously.

Yet, for 50 years of prison time, my lawyer has only been in this case for less than a month. And much of that time was spent preparing pre-trial motions. After the motions were filed and argued, there were only 10 days to devote to full-time trial preparation—in a case that the government has had a large team working on in this district for over two years. . . .

What reason is there to ride so roughshod over the rights

of me and my fellow defendants?

There are only two apparent reasons: one is to protect the reputation of this court for speedy trials, and the second is to rush this case to trial before I and others are scheduled to go back on trial in Boston. However, yesterday the court in Boston continued the trial date there until Feb. 27, so that reason no longer holds.

Neither of those are valid reasons to throw our Constitutional rights out the window. These are rights that our forefathers fought for and died for—in the American Revolution and many bloody wars since then.

I tell this Court that I and my co-defendants cannot receive a fair trial under these circumstances.

Excerpts from Judge Bryan's denial

A. As to the motions filed jointly by all defendants, it is hereby ordered that:

1. The motion for disclosure of exculpatory information is denied. For the reasons set out in the decision on the government's motion *in limine*, the discovery matters concerning the infiltration, harassment, and financial warfare are irrelevant to the charges contained in the indictment, nor is the belief that the government was "out to get them." The discovery already provided the defendants by the government is more than adequate. . . .

4. The motion to dismiss on the grounds of selective prosecution is denied. . . .

8. The motion of the defendants for a bill of particulars is denied. . . .

9. The motions of the defendants for individual *voir dire* of the jurors and to submit a questionnaire to the jury panel are denied. . . .

ORDERED that the motion *in limine* of the United States is granted to the following extent only:

1. Reference to the bankruptcy proceedings as a reason for non-payment of the loans which are the subject of the indictment will be permitted; that the bankruptcy was an involuntary one, i.e., at the instance of other creditors [This is not true—ed.], will be admissible; that the government was the creditor which initiated the involuntary bankruptcy proceeding [true—ed.] will not be admitted. . . .

2. Evidence as to other FBI or law enforcement activities, use of informants (other than possible impeachment should the informant testify), FBI infiltration, intelligence or security activities directed at the finance and political activities of persons and organizations associated with LaRouche will not be admitted, except that the defendants may show that there were unexpected actions by some outside influence, including the government, which had the effect of frustrating their expectation that repayment would be made. Even then the court will not allow a delving into any details of alleged infiltration, financial warfare, etc., for the reason that under FR Evid. 403, this would divert the jury from the issues raised in the indictment.

The case against James Baker III: a national disaster in the making?

by Kathleen Klenetsky and John Hoefle

If James Baker III actually comes to exercise the kind of power and influence as Secretary of State in the Bush administration that the major U.S. media are claiming he will, it will mean unmitigated disaster for the United States.

Led by the *New York Times*, Baker is being proclaimed as the "Deputy President," whose reach will extend far beyond the State Department into every important aspect of U.S. economic and strategic policy.

President-elect Bush has moved forcefully to quell these reports. At an impromptu press conference Nov. 14, Bush told reporters who queried him on Baker's putative role: "Take your guidance from me on those matters. You haven't heard that here," adding, Baker will "have his hands full as Secretary of State."

But the fact remains that Baker has powerful backers who will fight tooth and nail to resist any efforts to restrict his influence. Already, Baker is being touted as the man who will persuade Bush to make population control a major issue; take a more "conciliatory" attitude toward Soviet demands that the U.S. cancel the Strategic Defense Initiative; and listen to the advice from the National Economic Commission and other Wall Street organs that he must hike taxes and slash defense and social spending in order to bring down the budget deficit. Should Baker be successful in any or all of this, the United States will certainly fall into the abyss.

Baker's roots: Freemasonry and the Trust

Baker represents the thinking, if you can call it that, of the most corrupt factions of the Eastern Establishment. While George Bush's establishment credentials are at least the equal of Baker's, the President-elect's experience with the intelligence community, and other related factors, have imparted to him a potential for acting realistically on the myriad dangers threatening the well-being of the United States. There appear to be no similar mitigating influences on his Secretary of State.

Baker's roots are deeply embedded in the oligarchical side of American society. He is the scion of a prominent Texas family, whose members were among the first to spread Albert Pike's subversive Scottish Rite Freemasonry to the

state, and are now intermarried with the other leading families of the Texas establishment.

His great grandfather, Judge James Addison Baker, moved to Houston in 1872, where he helped establish the law firm of Baker & Botts shortly thereafter.

It has been primarily through that firm, and its offshoot, Andrews & Kurth, where the current James Baker served as partner, that the Bakers have risen to such prominence. Virtually since the day it was founded, Baker & Botts has wielded extensive political and financial influence.

During its early days, its principal client was robber baron Jay Gould. By the 1880s and 1890s, Baker & Botts had established itself as the leading Anglo-American law firm in Houston. The current James Baker's grandfather was known by the title, "Captain Baker," not because of any military service, but because of his position in the Houston Light Guards, an elite men's social club.

Captain Baker played a key role in setting up Houston's Rice University, known as the "Harvard of the South," which brought to Texas such savage opponents of the American System as Julian Huxley, who ran its biology department during the period Baker served as chairman of the university's board of trustees.

He also was instrumental in assisting Jesse Jones to seize control over what was left of the independent Texas banking industry during the Panic of 1907. Jones, who went on to become the head of FDR's Reconstruction Finance Corporation, was a close ally of Colonel House, the notorious agent for the British Rothschild banking house who controlled the Woodrow Wilson administration.

Long before the current James Baker came to Washington, the Baker family and its law firm had links to the highest echelons of the Eastern Establishment, including such prominent members of the "Trust" network as the oh-so-Democratic Harriman family. Early on, Baker & Botts became the law firm for E.H. Harriman and his Union Pacific Railroad. Baker & Botts partner Robert Scott Lovett became chairman of the railroad after Harriman's death in 1909, and proceeded to groom the young Averell to take over. This was only the beginning of a long relationship between the Baker & Botts

crowd, and the Harriman interests.

After serving in World War I, Robert S. Lovett's son, Robert Abercrombie Lovett, joined both Union Pacific and the upper-crust New York investment bank of Brown Brothers, after marrying partner James Brown's daughter. Nine years later, Lovett engineered Brown Brothers' merger with W.A. Harriman & Company, the banking house set up by his close friend and frequent business partner, Averell Harriman. The merger occurred during the period of Averell Harriman's most intensive economic relations with the Soviet Union and Mussolini's Italy.

James Baker III, educated at the prestigious Hill School and Princeton University, has maintained the family tradition of close relations to the Harriman networks, through, among other things, a longtime political, business, and personal alliance with Harriman family factotum and former Democratic National Committee chairman Robert Strauss.

That particular connection has caused some scandal over the years, especially in 1976. At the time, Baker was serving as a top operative in President Gerald Ford's reelection campaign, while his buddy, Strauss, was running Jimmy Carter's candidacy. Ford's narrow loss led to talk in Republican circles that Baker had deliberately sabotaged Ford's chances, thus ensuring Carter's election. Apparently, Baker had refused to spend campaign funds in Ford's home state of Michigan, which ended up providing Carter with his crucial margin of victory.

In whose service?

In short, over the course of his political career, Baker has served the interests of the Harriman faction of the Eastern elite. During his tenure in the Reagan administration, first as White House Chief of Staff and later, Treasury Secretary, he distinguished himself by advocating policies that could be considered stupidly pragmatic at best, and treasonous at worst.

Baker consistently used his position as White House chief of staff to try to talk President Reagan into abandoning the most positive parts of his program, especially in the area of defense policy. He collaborated at various points with the Congress to force Reagan to accept cuts in the Pentagon budget, and worked continuously to sabotage the SDI. During Reagan's 1984 reelection campaign, Baker advised him to downplay the SDI—despite the fact that polls showed that 80% of the American people approved of the program.

Baker was also constantly at loggerheads with Defense Secretary Caspar Weinberger and the few other top administration officials who took a more hard-line attitude toward the Soviet Union. Indeed, Baker helped engineer William Clark's decision to resign as the President's national security adviser in 1983. Clark, together with Defense Secretary Caspar Weinberger and CIA director Bill Casey, had joined forces to keep Reagan attuned to the Soviet threat. According to several sources, including Bob Woodward's *Veil: The Secret Wars of the CIA*, Baker made a bid for Clark's post,

but was deterred. Nevertheless, by getting Clark out of the way, he succeeded in breaking up the Clark-Weinberger-Casey alliance, and all but handed the national security post over to Robert McFarlane of Irangate infamy.

This set the stage for Reagan's eventual "conversion" on the Soviet question, and his backpedaling on the SDI. Working hand-in-glove with Mike Deaver, the Armand Hammer-intimate who had helped boost Baker's own career in the Reagan administration, Baker carefully manipulated Reagan into the arms control and "détente II" track which has proved so disastrous.

Bring in the IMF

Where Baker's record at the White House was characterized by a sell-out-to-the-Soviets attitude, his tenure at Treasury was marked by a deep-seated antipathy toward national sovereignty.

One of his first initiatives was to invite the International Monetary Fund to police the U.S. economy. He issued the invitation in his speech to the IMF interim committee meeting in April 1985. "We firmly believe that IMF surveillance can play a key role in encouraging the adoption of sound economic policies in all of our countries, through both regular and special consultations with individual countries, as well as through multilateral surveillance. I hope others will join us in supporting measures to strengthen IMF surveillance."

Baker followed this up with his Third World debt plan. Dead in the water even before it was announced, the Baker Plan proposed to deal with the debt crisis by extending loans to certain debtor countries, under stringent austerity conditions, for the sole purpose of repaying a tiny portion of their debts.

In September 1987, he called for the creation of a World Conservation Bank, in a speech to the Fourth World Wilderness Congress in Denver. Organized by leading neo-malthusians, among them William Ruckleshaus of the World Commission on Environment and Development, and pro-Moscow Norwegian Premier Gro Harlem Brundtland, the meeting was intended to rally support for the idea of getting debtor countries to designate whole regions as conservation preserves—controlled by an international conservation bank or some other entity—in exchange for partial debt forgiveness. Baker later worked closely with World Bank head Barber Conable and members of Congress to put his proposal into effect.

Baker's approach to the industrialized countries was hardly an improvement. He repeatedly threatened to launch trade war unless Japan and Western Europe agreed to launch a hyperinflationary binge; and engineered the precipitous decline of the dollar. His tenure at Treasury was highlighted by the October 1987 stock market blowout.

George Bush may believe he owes Baker for having staved off another massive collapse during the campaign period. Keeping Baker in power, even if it is restricted, could turn out to be Bush's biggest mistake.

Defense report targets Wall Street for sabotage of technology policy

by Leo F. Scanlon

During October, a leaked copy of a Defense Science Board study of the defense industrial base made its way to the news media, and provoked howls of protest from Pentagon critics, austerity gurus, and economic ideologues. The release of the report in mid-November revealed the cause of the protest—for the first time in recent memory, an official military document dares to take aim at the Wall Street speculators, raiders, and their accomplices in the Congress and the IRS who have demolished the credit flow into advanced research-and-development in the U.S. economy.

Ironically, what the critics have focused the media attention on, the report's modest proposal that the Secretary of Defense take an active role in national economic policy, is a bureaucratic remedy of little consequence in itself. What the board actually proposes is that the Secretary of Defense be directly involved in "tax and trade policy" matters—issues which are at the center of the bitter fight which has blown apart the "bipartisan" National Economic Commission recently. The DSB proposal to make industrial and technological revival a national security priority, strongly emphasized in public remarks by Secretary Frank Carlucci in the same time period, will be a major roadblock to forging an austerity consensus in the new administration.

Furthermore, the proposal that tax and trade matters be evaluated from the standpoint of a national security requirement for a healthy industrial base, harkens to the Kennedy era tax incentive policies which created the wealth to finance the space program, and the military technologies spun off that effort. Many had hoped that those issues were buried with Kennedy.

Wall Street, the fifth column?

The DSB does not propose specific policies in this direction, but limits itself to attacking the "free trade" shibboleths which have blinded the Reagan administration, and then rips into the institutional destruction of the economic system. On the first point, the report points out, "The defense industry does *not* conduct business in a free enterprise system. . . . Exercising its monopsony power, the government has created

a regulated industry, similar to a public utility. . . . The government wants the defense industry to act like commercial businesses but promulgates uncoordinated regulations and policies to such a degree that any observer schooled in basic business theory must be surprised the system works at all." The dramatic effects of this on subcontractors has been described in earlier reports in *EIR*, the DSB points out that "restricting defense-related business is widespread enough that it denies needed technology to the DoD."

This "denial of technology" to the defense sector occurs not only on the level of subcontractors driven out of business by government regulations. The far more pernicious phenomenon is the abandonment by major contracting firms of the defense business altogether, behavior which is rewarded by the capital markets! The DSB begins its analysis of this part of the problem with a quote. "The decline of the position of manufacturing is a major industrial development for this country. . . . There are so few exceptions to the decline of the international positions of U.S. manufacturing industries that one must seek . . . general causes that act on the entire economy."

The report continues, "In recent years, the power and influence of large institutional investors (pension funds, mutual funds, brokerage firms, and others) has increased markedly. . . . Pension funds own 50% of the shares traded on the New York Stock Exchange and 65% of the largest defense contractors found in the Standard & Poor's 500. The motivation of these owners largely determines companies' ability to obtain capital for investment."

It is then explained that such institutional funds are obligated to seek the highest returns on their investments, which may or may not allow the funds to stay invested in a long-term venture based on capital formation and industrial development such as a defense R&D project. This hostility to long-term investment in the capital markets is the dirty little secret behind the speculation-driven "recovery" of the Reagan years. The DSB points out, "Should a corporate raider propose a take-over, or a proxy fight commence, large institutions are almost certain to support whomever promises them the higher

short-term returns.”

In fact, as the report points out, the combination of congressional reforms of the acquisition process, and tax code revisions enacted in recent years, has “increased corporate risk and at the same time vastly increased the need for external financing,” thus putting national defense at the mercy of the sharks and raiders on Wall Street.

The response of defense contractors to these pressures is predictable. They take the “practical” route and dump their defense business: “Allied Signal, IBM, and Motorola have all publicly stated that they would not expand their defense businesses. The Wall Street response to the Allied Signal announcement in November 1987 was a 5% increase in the value of the stock.”

Not surprisingly, when these companies eventually go on the auction block, they are bought by foreign interests, often unknown. The DSB report considers this process regrettable, but part of an “irreversible globalization of the economy.”

This all serves to highlight the criminal insanity of the Reagan Justice Department’s “waste, fraud, and abuse” vendetta against the defense industry—the legal assault is tailored to mesh with the regulatory and financial reforms which are destroying the industrial capability of the nation. It is no accident that the lawyers who have written the congressional acquisition reforms, the tax code revisions, and scripted the DoJ attack on the Pentagon, like William Weld, are also the representatives of Wall Street investment houses.

That these circles are very conscious of this power is indicated by what a top congressional staffer told this publication. “We are counting on the international financial markets to force the budget deficit reduction through. . . . The National Economic Commission won’t be able to do much. The financial markets are key here.”

The alternative: the American System

After providing an insightful and almost unprecedented analysis of the financial mess the country is in, one would hope to find a series of hard-hitting reform proposals following in the report. Unfortunately, this is a document produced for the government, and intelligent and simple solutions are much too controversial. So, we are served the standard fare of bureaucratic measures to create committees, task forces, and the like to deal with a national security emergency! Fortunately, there is evidence that the DSB has a pretty good idea of what should be done, even if they don’t want to say so openly.

Last year, Norman Augustine presented the DSB report on the collapse of the U.S. computer chip industry. He showed conclusively that the nature of the U.S. capital markets militated against successful R&D, as does this DSB report. He went on to show that the Japanese producers who dominate the market are benefitting from the tax and savings policies of the Japanese government, not from unfair trade practices—a matter, he was careful to point out, that was beyond

the mandate of his report.

He was asked by this author how he would therefore propose to remedy the broad categories of problems he had identified, without a change in U.S. tax and financial structures. “I’m afraid I’m not supposed to discuss those matters,” was the gist of his reply. Now, this latest DSB report still “won’t discuss those matters” in detail, but does point out what “those matters” are. You might say that if you can’t talk about the American System for America, you just point to Japan and hope people get the message.

The profile of Japanese investment policy is summarized thus: “Japan conducts little direct defense R&D. However, Japan ranks third, behind the U.S. and U.S.S.R., in total investments in science and technology. The overwhelming emphasis of Japanese research is on applied R&D or production technology, much of which is applicable to defense products. . . . Another factor enabling companies to engage in defense production is that defense-related business accounts for a relatively small percentage of a company’s business.”

In short, the Japanese “civilian” economy produces more than enough wealth to finance their defense production needs. It should be noted that while pundits point to the fact that Japan spends less than 2% of GNP on defense, the reality is that 2% of a real economy is a lot more than 6% of hot air in a speculative stock market. In fact, there has never been a defense buildup that was not riding the coat-tails of an expansion of the entire economy. This was the secret of the World War II mobilization of the U.S. economy, and as the DSB complains, “The establishment of a national policy for the protection and development of those portions of our industrial and technological base that support national security has been an elusive goal since the demobilization that occurred after World War II.”

The failure to maintain that type of economic mobilization was not a necessary consequence of the end of the war. We now are facing the consequences of that failure, and as the Soviets steadily approach technological parity with Western weapons systems, and threaten to soon surpass us in most areas, defense planners find themselves in a dilemma.

The deterrent which has prevented the Soviets from even more aggressive expansionist moves in the postwar era has been the fear that such moves would provoke the United States to mobilize itself as it did in World War II. The Soviets watched that mobilization with awe, but were even more impressed with the inexplicable, to them, near complete demobilization of the West after the war. The margin of difference in “mobilization” capabilities between the two economies is watched by the Soviets as a top strategic priority, and they have devoted unlimited propaganda resources to campaigns against the development of basic infrastructure and investment in the West. The time bomb which is now being detonated by the Defense Science Board will hit the most sensitive concerns of Soviet planners.

Leo Cherne preaches global perestroika

by William Jones

As "old soldiers never die," but "just fade away," so aging Leo Cherne, collaborator of former Bukharinite Communist Party leader Jay Lovestone, although getting up in years, still maintains his old zing—and old loyalties to the Anglo-Soviet Trust agents he brought into the U.S. intelligence community.

Leo Cherne is the vice chairman of the President's Foreign Intelligence Advisory Board, and intelligence sources report that he has used that position to prevent any official comprehension of the Anglo-Soviet Trust. Instead, as documents released under the Freedom of Information Act also show, he has used his post to open an FBI witchhunt against Moscow's avowed enemies, such as Lyndon H. LaRouche, Jr., the founding editor of *EIR*.

Cherne has been an adviser to Presidents for 40 years, since he was swept into an administrative post during the Roosevelt administration. Where Cherne once took a courageous stand to mobilize the U.S. economy for World War II, after that war, he admits that he sold out the returning GIs and their dream of an American Century to endorse a plan for Mussolini-style corporatism of the sort advocated by Wall Street spokesman Bernard Baruch. Cherne explains privately that Baruch and his associates were just too powerful for anyone, including the GIs who had defeated Hitler, to beat.

Perhaps it is the same propitiation of powerful forces within the eastern Establishment that explains Cherne's recent David Abshire Lecture at the Center for Strategic and International Studies, which he gave in Washington on Nov. 14. The title of Cherne's lecture was revealing enough: "Global Perestroika."

We have come to a period, Cherne explained, in which "something has occurred which has had an irreversible effect in changing the nature of the world." Like Lenin's proverbial "useful fools" among the capitalist elite, who extolled the 1920s New Economic Policy as a counterrevolution against communism, so Cherne compared "global perestroika" with the invention of the printing press. "Much of the civilized world will be wrestling with its consequences" for some time to come.

Cherne said that this global restructuring was to a large extent effected by the Gorbachov era in the Soviet Union, although Gorbachov "was pitched into perestroika," rather than being its author. Another element of this "restructuring" is the emergence of Japan and the nations of the Pacific Rim

as major competitors of the United States, with the U.S. financial system now totally dependent on the inflow of foreign capital. This was due to the "global financial revolution" brought about by the "information age" and the "computer revolution."

If the United States is not to be totally overwhelmed by the "irreversible changes" of this restructuring, it were essential, according to Cherne, "that the United States restore confidence in its ability to meet its financial commitments."

The problem with the U.S. election debates was that they did not "create a public understanding of the real problems facing the nation." The United States must develop the willingness to "endure and pay for our structures." This would require an understanding by the public of the sacrifices they will have to bear during a period characterized by an "increasingly blood-thirsty competitiveness."

"Hardness and pain and suffering will characterize our restructuring," said Cherne.

Later, when asked if he was proposing slashing entitlements, he said, "Don't touch the entitlements, but eliminate the cost-of-living escalator." Social Security payments would be eaten away by inflation in a period which Cherne characterized as one of "painful transition."

Forget SDI, forget NATO

Defense spending would also have to bear some of the suffering, stressed Cherne in private comments after the lecture. "There will be drastic cuts in defense. SDI will be out," he said confidently—again displaying the "useful fool."

Cherne, who has also called for U.S. troop withdrawals from Western Europe, again said he saw little hope of maintaining a strong NATO alliance. Although NATO will not be so important militarily in the future, it would still play an important role "politically."

Not that Cherne was especially optimistic about the possibilities of Gorbachov succeeding. "Gorbachov will not master the situation in the U.S.S.R. His country's culture may prove a greater obstacle than the bureaucracy."

Nevertheless, the United States would "have a better chance if he does make it than if he fails in the process." Cherne said that he would like to help Gorbachov achieve better relations with the Bush administration in order to set up negotiations between the two which would "lay out the rules of this period."

Cherne disciple David Abshire expressed the hope that the Bush administration would have the benefit of such a "man of ideas" in deliberating policy.

With his track record of helping the Bukharinite Trust networks of Lovestone riddle the U.S. intelligence community with moles during the days of the Office of Strategic Services, and his self-abasing fear of the power of the Establishment, if the Bush administration wants to repair the damage done to the Western alliance by the Gorbachov's *maskirovka* (disinformation), it would do well to give the aging Cherne a long-overdue retirement.

Reagan steps on Canadian election

In a major political blunder, President Reagan delivered a speech on trade to the U.S. Chamber of Commerce Nov. 17, only days before the Canadian parliamentary election, which has turned into a national referendum on the controversial U.S.-Canada Free Trade Agreement.

Reagan's reference to the trade agreement, coming so soon before the Canadian election, was jumped on by opponents to the Conservative Party in Canada, which negotiated the pact with the United States, as an effort by the U.S. President to meddle in the internal affairs of Canada.

Opponents of the Canadian ruling Conservative Party have correctly attacked the free trade pact as an invitation for U.S.-based cartels to drive Canadians out of business through price wars and other unfair practices. By making the pact the main focus of the election, they turned around a comfortable Conservative Party lead in the polls in the days just before the election.

This reporter was the first to suggest the adverse effect Reagan's speech might have in Canada, just after it was announced at the Nov. 10 White House briefing.

I asked White House spokesman Marlin Fitzwater, "If the President speaks on the U.S.-Canada Free Trade Agreement next week, doesn't he run the risk of being accused of interfering in their electoral process, since this is the key issue in their upcoming election?"

Fitzwater groaned, realizing, in effect, the damage had already been done with the announcement. "I was afraid that question might lead to this," he sighed. He was right.

House races reflect one-party system

America has fallen remarkably far down the slippery slope toward a one-party political system at the congressional level, analysis of the 435 House elections Nov. 8 shows.

Due primarily to deals cut at the top of the Democratic and Republican parties, incumbents won 400 races, winning by landslides in 386 of them, running uncontested in 77, and losing only 6.

The statistics show an alarming transformation of the House into what even ABC-TV commentator David Brinkley couldn't help but refer to as "the Supreme Soviet."

The common deception is that the incumbency sweep of the House races was due to the impact of "political action committee" money going to the incumbents. But that is a bogus explanation, principally because incumbents have always, since the founding of the nation, received the lion's share of financial support from special interests seeking to curry favors.

Clever, if not necessarily moral, incumbents have always been able to parlay an election victory into an accumulation of personal wealth, and even the most ethical of them have also been able to count on generous contributions to keep them in office if they have been at all responsive to their constituents.

So, this year's unprecedented sweep cannot be written off with a one-liner about special-interest money: It has always been there, and never before prevented the routine turnover

of scores of seats.

But this time, there was an unprecedented level of collusion between the two major parties at the highest levels, conceding districts to each other. The effect was that, in the overwhelming majority of the House races, the public had no serious choice. In an incredible 77 races, it had no choice at all.

This should set off alarm bells for every freedom-loving American.

The facts are astonishing:

- Of 435 House races, incumbents ran in 406 (93.3%) and won 400 (91.9%). That is, only 6 out of 406 incumbents running (1.37%) lost.

- Of 406 races with incumbents, the incumbents won by a margin of greater than 10%, considered a "comfortable" margin, if not a "landslide," in 386 of them (95.1%).

- Of 406 races with incumbents, the incumbent won by a margin of greater than two-thirds (67%), considered a "blow-out," 287 times (71%).

- A whopping 77 Congressional races (17.7% of the total) were uncontested by one of the two major parties.

- Of the mere 20 out of 406 races involving incumbents nationwide that were decided by a margin of less than 10%, almost one-third were in just two states, North and South Carolina. The deal between the two parties there must not be so solid.

By contrast, in the states where the deal is the most solid, the number of completely uncontested races was staggering. The most were in Texas, where former Democratic National Committee chairman Bob Strauss brags of his long friendship with Republican leader James Baker III. There, 13 of the state's 27 congressional districts went uncontested.

In Louisiana, seven of its eight districts were uncontested, as were 5 of Massachusetts's 11 districts, 8 of Florida's 19 districts and 8 of New York's 34 districts.

National News

FBI targets only a third of drug trade

The Federal Bureau of Investigation fails to investigate nearly two-thirds of the major drug-trafficking organizations which it has identified as operating in the United States, FBI director Judge William Sessions admitted Nov. 10.

Of the roughly 450 major dope-running organizations identified by the FBI, Sessions said, "We're able with the resources we presently have to attack only about 35 to 40% of them."

Speaking to a select group of invited reporters, Sessions complained that the new anti-drug bill passed by Congress in October, and expected to be signed into law before Nov. 18, will provide less than half of what the Bureau requested in new funding, and will add only "5 to 10%" to the Bureau's drug-fighting capabilities. As a result, Sessions said, a large number of major drug organizations, especially Asian-based heroin-smuggling groups, will not receive adequate scrutiny.

Over the past few years, the FBI, encouraged by congressional pressure, has put increasing resources into investigations of so-called white collar crime. Often, in the cases of Abscam and Brilab, and similar cases, the Bureau has gone out of its way to create crime. The FBI has similarly invested significant resources in persecuting a prime mover of the war on drugs, Lyndon LaRouche.

Sessions' comments gave no indication of a shift in FBI priorities to stopping drugs.

'Shrinkgate' led to Dukakis defeat

Post-election analysis has identified the issues surrounding Michael Dukakis's mental health, issues which were raised by political forces associated with Lyndon LaRouche, as the primary factor in Dukakis's defeat.

A recent issue of *Newsweek* magazine's

election analysis says that Dukakis never recovered from the "unsubstantiated" story which originated with LaRouche, that Dukakis was mentally unfit. A *Newsweek* graph of Dukakis's standing in the polls over the past five months showed the Aug. 2-5 "Shrinkgate" period as precipitating his subsequent huge decline.

Susan Estrich, Dukakis's campaign manager, similarly blamed defeat on the mental health rumor in a Nov. 12 *New York Times* interview. "We had a candidate who just wasn't known," she said. "There was nothing backing up the poll numbers. That's why a rumor about his mental health could take you down eight points."

The *Times* added, "In retrospect, the unsubstantiated rumor that Mr. Dukakis has once undergone treatment for depression . . . was perhaps the first clear sign of how vulnerable the Dukakis candidacy was. Mr. Dukakis categorically denied the rumors, and produced his physician to back him up, but the damage was done. 'Dukakis Not Crazy—More At 11,' is the way Ms. Estrich framed the episode. Mr. Dukakis's lead evaporated throughout the month of August."

Israel lobby taking political heat

The American-Israel Public Affairs Committee (AIPAC), a leading element of the Israel lobby in the United States, is coming under scrutiny for its involvement in U.S. political campaigns, activity which it has consistently denied.

A front-page exposé in the Nov. 14 *Washington Post* virtually accused AIPAC of lying about its activity, reporting, "Internal AIPAC documents made available to the *Post* show that the group's top political operative was actively involved with pro-Israel PACs [political action committees] trying to help raise money for seven candidates in the 1986 races."

The *Post* cited a memo from AIPAC's deputy political director, Elizabeth A. Schroyer, dated five weeks before the Nov. 9, 1986 elections, urging an assistant to call

several pro-Israel PACs and get them to make donations for five specific Senate candidates including Christopher Bond (R-Mo.), W. Henson Moore (R-La.), John Evans (D-Id.), Thomas Daschle (D-S.D.), and Harry Reid (D-Nev.). Notes in the margin indicated the calls were made, and Federal Election Commission records show that in some cases, PACs made additional contributions to the chosen candidates.

Another of the growing allegations against AIPAC involved charges by a 1986 third party candidate running against Sen. Alan Cranston (D-Calif.), who said he was offered financial support by AIPAC regional director Murray Wood, in an effort to take votes from Cranston's main opponent, Rep. Ed Zschau (R).

"The internal documents also may raise questions about whether Schroyer's efforts to direct the contributions of pro-Israel PACs means that AIPAC has been making prohibited 'in-kind' corporate contributions, or acting as an unregistered political committee," the *Post* said.

After two days of meetings with lawyers, AIPAC issued a terse statement, "We will not be drawn into a fiesta of speculation based on isolated and anecdotal material stolen from our files."

Effort to declare AIDS communicable defeated

An effort by prominent New York medical organizations to have the AIDS virus listed as a communicable disease has been rejected by the New York State Supreme Court.

Judge F. Warren Travers stated that Health Commissioner David Axelrod has the discretion to decide whether AIDS should be so designated.

The State Society of Surgeons, Orthopedic Surgeons, Obstetricians and Gynecologists, and the Medical Society of the State of New York, petitioned the court for AIDS to be categorized as communicable. The groups argued that the mandatory testing and tracking of the disease that would occur if the disease were declared commu-

nicable and sexually transmitted, are necessary to control the spread of AIDS. They also argued that such measures were necessary to allow health professionals to protect themselves against infection.

New York State law provides that a doctor who reasonably suspects that a patient has a disease which is listed as communicable, has the right to test the patient without his or her consent.

Bill to reduce 'greenhouse' gas

A bill, H.R. 5460, introduced by Rep. Claudine Schneider (R-R.I.) and 30 cosponsors, blames industrialization and population growth for the so-called global warming or "greenhouse effect," and seeks to drastically lower economic activity and living standards to reduce the emissions supposedly responsible for producing disastrous weather changes.

The bill seeks severe environmental constraints and penalties against "polluting" industries. "All government energy subsidies (including tax incentives, budget line-items, and off-budget programs)" will be reviewed periodically "in order to determine if such subsidies are consistent with achieving reductions in carbon dioxide emissions as soon . . . as is feasible."

The bill also calls upon the Agency for International Development to stop lending money to the Third World for polluting projects (industries), and instead encourage renewable resources and appropriate technologies including solar energy. "Curbing world population growth will be critical to achieving the goals of this act."

Sen. Bennett Johnston (D-La.) opened the Sept. 20 hearings of the Senate Energy Committee with a similar genocidal outlook, declaring, "How do you convince newly developed countries to forego economic and industrial expansion that developed nations already enjoy in the interests of a future global environment threat?"

Sen. Patrick Leahy (D-Vt.) intends to hold a hearing Dec. 5 in the Senate Agricul-

ture Committee which will similarly claim that it has been development, rather than the actual lack of nuclear, fusion, and other advanced technologies, that is causing the high rate of emissions.

One interesting note was sounded by William Martin, an energy adviser to George Bush, who said that a priority of the Bush administration will be to call an international conference to see if the greenhouse effect exists. "What worries us is that we are going to go for the policy before we go for the science," he said Nov. 9.

Missouri court rejects starvation of patient

The Missouri Supreme Court refused to grant the family of brain-damaged Nancy Cruzon the right to starve her to death, finding no legal basis for allowing their request. The judges stated that they considered the matter, but in such matters, they have chosen to "err on the side of life."

Elsewhere, however, life has not been so well respected. Despite broad international pressures directed against Rhode Island Governor DiPrete, he has refused to appeal a Rhode Island court decision condemning a 49-year-old disabled patient, Marcia Gray, to death by starvation.

When a lawsuit demanding the right to kill her was brought by her family, Judge Francis Boyle granted the murder request, basing his decision on the Supreme Court's 1973 "right to privacy" *Roe v. Wade* ruling, which legalized abortion in the United States. Boyle, nevertheless, claims to be a "pro-life" judge, by which he apparently means he is against abortion, although killing unwanted patients is fine with him. He even called this a "federal constitutional right" of the patient!

Because Governor DiPrete, despite denunciations of him by his own attorney general, refused to appeal the ruling—Marcia Gray was a patient at a state-run hospital—Mrs. Gray has now been moved to another hospital and her feeding tubes have been removed.

Briefly

● **SEN.-ELECT** Charles Robb (D-Va.) and Sen. Bennett Johnston (D-La.) said that the Democratic Party will have to move to the political center, and show more consideration toward the South if it is ever to regain credibility among the electorate. Johnston is reportedly leading in a race with Sens. Daniel Inouye (D-Hi.) and George Mitchell (D-Me.) to replace Sen. Robert Byrd (D-W.V.) as Senate Majority Leader.

● **POLITICIZATION** of food assistance has appeared in Minnesota, where a program called Food Share, which has W.R. Grace on its board, has replaced the normal food assistance program. Poor people can receive \$35 worth of food for \$15 and two hours of community service. In Mexico, Food Share requirements are fulfilled by the poor attending "family planning" educational.

● **THE JUSTICE** Department announced the end of its probe of allegations that former Criminal Division head William Weld had smoked marijuana and lied about it under oath, just as speculation increased that Weld is a likely Massachusetts GOP gubernatorial candidate. The allegations against Weld by Boston U.S. Attorney Frank McNamara, allegedly followed solicitation of "dirt" on Weld by then Deputy Attorney General Arnold Burns.

● **THE AGRICULTURE** Department is proposing to cut its inspections of meat-processing plants in half over four years, for an estimated annual savings of \$27 million. The proposed change is based upon a 1985 National Academy of Sciences recommendation that statistical sampling should replace visual inspections.

● **THE CIA** has gotten a proposal from the Soviet KGB, according to *U.S. News and World Report*, that the two intelligence agencies' spymasters should meet regularly.

Editorial

The myth of collective guilt

There is a famous aphorism that those who refuse to learn from history are condemned to repeat its mistakes. Philipp Jenninger's speech on the Hitler era before the Bundestag was a stirring condemnation of the moral indifferentism of the majority of Germans of that time, who compromised with the bestiality of that regime—to whatever degree.

The lesson today should be clear to all who are not indifferent to the present-day horrors of International Monetary Fund policies which are murdering not just one people but whole continents full of people—as in Africa. The lesson should be clear to all Americans who have tolerated the introduction of brutal KGB justice into the U. S. court system—leading to the murder of Karl Linas and the unjustified incarceration of John Demjanjuk in an Israeli prison.

The lesson is underscored by the witchhunt now going on against Lyndon LaRouche and his associates.

We are in danger of repeating the brutalities of the past. While bitterly condemning Nazism, Jenninger in his speech, quite rightly rejected the notion of a collective national guilt, a notion which supposes that Nazism somehow had sprung up as an epiphenomenon of German culture. On the one side, Nazism like IMF genocide today, was the satanic creation of an international oligarchy intent on driving mankind back to a new Dark Age; on the other, the message of our Judeo-Christian culture denies any idea of collective guilt.

Every man and woman is individually responsible to his or her God and his or her own conscience, for his or her acts of omission as well as of commission.

Following the Soviet-inspired attempt to portray Philipp Jenninger as an enemy of the Jewish people, many have rallied to his defense. Indeed, it may be that the backlash to this deliberate Soviet disinformation operation will result in actually strengthening the Kohl government.

The British *Sunday Telegraph* of Nov. 13 and the Italian *La Stampa* and the *Wall Street Journal*, have all now broken with the press gang-up documented in our

Feature to come to the Jenninger's defense. On Nov. 15, *Yediot Aharonot*, Israel's most widely circulated daily, also defended him, writing: Jenninger "held up a mirror to the Germans in which they did not want to recognize themselves. That is why he fell."

On Nov. 14, in New York City Chancellor Helmut Kohl opened a major counterattack on the vicious propaganda against his government. Replying to the freak-out against Jenninger, he said there: "There is no 'collective guilt.' "

"If there were such guilt," he continued, "it would blur the distinction between the just and the unjust, and the individual criminal would be given the right to seek refuge in the anonymity of a group."

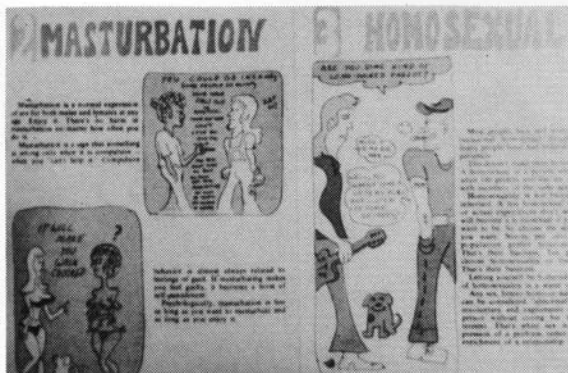
Echoing Jenninger's attempt in his speech situate the historical events which led to the rise of Hitler, he continued, "There is a common responsibility for ensuring that history does not repeat itself. Germans became guilty as individuals, but the injustice perpetrated under the National Socialist tyranny is part of our common history. This history has been entrusted to us in its entirety."

He directly referenced the fundamental point of difference between Western Christianity and the Russian Orthodox teachings. At the 1439 Council of Florence we reaffirmed the Augustinian addition to the Nicene Creed, which was rejected by what became the Russian Orthodox Church.

This is the *principle of the Filioque*: that God as Christ—and thus man when he acts in imitation of Christ—is capable of independent creative activity.

Kohl said, in his speech: "Jews and Christians should always remember that the basic values of free democracy rest on a biblical foundation which they share. By that I mean, first, the teaching that every human being is created in God's own image. Second, I have in mind the prohibition of idolatry, which protects us against the temptation of worshiping power or succumbing to a misguided faith the 'historical mission' of a race or class."

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