

offered to mediate East German-Israeli contacts, proposing that the G.D.R. work through the Israeli ambassador in Bucharest, Romania.

According to Wolffsohn, the G.D.R. minister had some grounds for believing that Bronfman could deliver on his pledge to block reunification. In a Foreign Ministry memo written on April 19, 1988 by U.S.A. Department official Norbert Reemer, Stern is quoted in a meeting the previous day with Fischer as boasting that the WJC "disposes of considerable worldwide political and economic influence and has the right of participation in all political decisions in the United States."

Shortly after the November 1989 WJC-G.D.R. vows of eternal friendship, one of Kohl's leading collaborators in the drive to lay the economic basis for reunification, Deutsche Bank chairman Alfred Herrhausen, was assassinated by terrorists. It was widely acknowledged at the time that British intelligence, to which the Bronfman clan owes its ultimate loyalty, was behind the killing. By the surfacing of the "second generation" Baader-Meinhof Gang in the late 1970s, the West German terrorist scene was under the joint control of the KGB (largely through the East German Stasi) and British Secret Intelligence Service. The Heidelberg Mental Patients' Collective, a psychological warfare center sponsored by the London Tavistock Institute, had provided many of the second generation terrorist cadre.

Over the 12-year period since the Baader-Meinhof Gang spawned several generations of Red Army Faction and related terrorist cells, an extensive East-West apparatus of killers, drug traffickers, and irregular warfare technicians took root. With the fall of the Berlin Wall and the Oct. 3, 1990 formal reunification of Germany, the danger posed by this East-West "Trojan Horse" has by no means abated.

One indication of how this subversive network is pursuing its destabilization of the newly emerging Germany-centered continental European economic development potential, is the recent escalation in narcotics trafficking all over Europe. In the United States, the ADL apparatus has earned itself the reputation of being the "American Drug Lobby," for its longstanding ties to the Meyer Lansky organized crime syndicate and for the role of such senior ADL officials as Kenneth Bialkin in pioneering money-laundering operations. Bronfman himself is the son of a Prohibition-era bootlegger, whose smuggling routes between Canada and the United States today represent one of the major paths of narcotics into the continent.

Bronfman's WJC has launched a major propaganda effort to smear the emerging Central European non-communist governments as hotbeds of anti-Semitism and scarcely concealed Nazi roots. Through corporate conduits like the Hollinger Corp., which owns the London *Daily Telegraph* and the *Jerusalem Post*, the Bronfman crowd is moving to build a publishing infrastructure in Central Europe to expand its political control.

China's rulers hold socialist road

by Mary M. Burdman

Reporting on the final communiqué issued by the seventh Plenum of the Central Committee of the Chinese Communist Party, held the last week of December, Radio Moscow commented that it confirmed China's loyalty to "the socialist order." Although China wants to continue to expand cooperation with the rest of the world, Radio Moscow said, the emphasis will be on "self-reliance." At a time when the Soviet leadership, during the course of a Congress of People's Deputies session that overlapped in time the plenum in Beijing, was itself falling back on reliance on the traditional Russian imperial power structures of Army, KGB, and Communist Party, it is obvious that Moscow was watching the Chinese developments with keen interest.

The Beijing communiqué said: "The success or failure of our efforts in the 1990s . . . will have a direct bearing on the rise and fall of China's socialist system and the future and destiny of the Chinese nation. Faced with a complicated and ever-changing international situation, it is crucial that we manage our domestic affairs well. . . . We must maintain a certain rate of economic growth . . . but guard against and overcome the tendency of being impatient for success and strive to avoid a recurrence of big ups and downs in economic life."

The communiqué, broadcast on national television, called for "in-depth education in patriotism, collectivism, and socialism." Under party leadership, it said, "We are certain to withstand every kind of storm and score even more brilliant achievements." China's goals are to "firmly push forward reform and opening to the outside world," and to "firmly follow the building of socialism with Chinese characteristics."

Thatcherism not popular in Beijing

What does this all mean? While preliminary readings would indicate that the internal power struggles between "Beijing Center" and the provinces are far from resolved, and that these battles will shape the internal Chinese political situation for some time, the bottom line is that the Chinese Communist Party is rejecting any importation of "Thatcherite free market" reforms into China, but is insisting that the Chinese CP reserve its mandate to loot the Chinese population in its own way.

The Chinese leadership has consistently been warning the Soviets and Eastern Europe about the dangers of too-rapid "reform" for the past year. Prime Minister Li Peng, speaking in Manila Dec. 17, stated: "In the previous year, and also in the first of this year, dramatic and profound changes have taken place in Eastern Europe, but what have those changes brought about for the people in Eastern Europe? Bread or happiness?" Li said. "The answer is no, because those changes have only brought chaos, and also unemployment for the people of those countries, and almost all those countries have now been plagued by profound crisis of all kinds. As for the Chinese government and the Chinese people, we will stick to the socialist world."

There is no question that Li is also fully aware of the disastrous economic situation of the Philippines, America's protectorate in Asia, which is now allocating about 40% of its budget to debt repayment, and suffering strike waves, chaos, and ever-worsening poverty in the wake of the Anglo-American engineered Persian Gulf crisis.

Six months ago, Li Peng's economic adviser Liu Guoguang told Stanislav Shatalin, the author of the "500-day reform plan" ultimately discarded by Mikhail Gorbachov, that it would not work. Liu was in Moscow for discussions with Shatalin at his invitation. "It can't be done," Liu said in an interview with the British daily *Independent* Oct. 17. "They have had a command economy for 70 years and now want to move to a market in 500 days. We had only 30 years of the same thing. A decade of reform has brought us only halfway, and even that has not been easy. Change can't come with a simple order from above, as some foreigners think. There are vested interests that have to be dealt with."

"The most important lesson is that you must start by reforming the economy, not politics," Liu said. Getting things the wrong way around as the Soviets have, invites chaos, he said. For reform to work, people must feel better off, not freer to complain.

Internal battle rages

The battle over the growing autarchy of China's provinces, which delayed the plenum, the first since March, for a full three months, is by no means resolved. According to one Western press report, the plenum, originally scheduled to last four days, had to be extended to six because of continued wrangling. The communiqué was most circumspect on this question: "It is necessary to handle properly the relations between the central and local authorities and between the state and the enterprises, and give full scope to the initiative of both." The official *China Daily* commented Jan. 1 that "The irrational division of revenues between the central and local authorities . . . remains unresolved as the new year begins. . . . The correction of such an irrational division" would help reduce Beijing's projected \$2 billion budget deficit.

The Thatcherites, usually ready to see any hint of "re-

form" by the Chinese as an open invitation for full-scale invasion, were disappointed, British and American press coverage of the plenum made clear. Beijing threw them few bones. The plenum resolved that "structural changes" are necessary in China, in enterprises, prices, taxation, banking, labor, and wages, and stated that "these reforms should center around the goal of establishing a new economic system." Just what this new economic system is, was not elaborated. It should, however, "be accompanied by greater efforts to build a system of overall regulation and control," the communiqué stated.

Military strongman President Yang Shangkun spoke on Beijing radio Jan. 1 for the benefit of the gullible abroad, saying, "China continues to open its door wide to the entire world and friends from around the world are welcome to visit China." But the official *People's Daily* New Year's Day editorial was unambiguous. "It is imperative to persist in the four cardinal principles, oppose bourgeois liberalization, smash the 'peaceful evolution' schemes of antagonistic international forces, and inspire patriotism and socialist consciousness," it stated. "Everything must serve economic construction."

It is no coincidence that Deng Xiaoping, 86, made his first public appearance since July Dec. 27, just after the plenum began—to prove he is still alive. It was Deng, the "great reformer," who finally ordered the massacre of demonstrators in Tiananmen Square on June 4, 1989, protesting the unprecedented corruption and economic incompetence of the Communist leaders. The same week, on the 97th anniversary of Mao Zedong's birth, the *People's Daily* carried a full-page tribute to Mao. The official daily gave front-page coverage of a speech by Bo Yibo, vice-chairman of the Central Advisory Commission of the Communist Party, the stronghold of China's "Gang of Ancients," who deplored weakness in the party's recent theoretical work, and claimed that it was "Mao Zedong's Thought" that gave rise to China's Open Door policy.

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—Lyndon H. LaRouche, Jr.

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