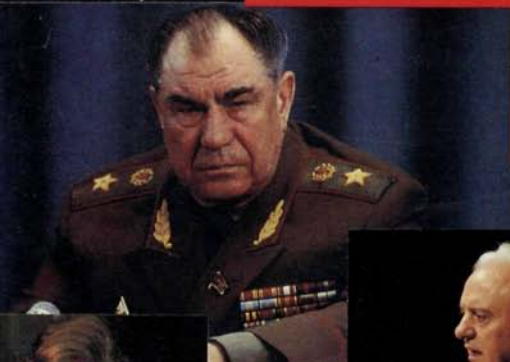




MILESTONES

1990



MILESTONES TO THE KINGDOM

**A Review of the
World Events of
1990 in the light
of Bible Prophecy**

Graham Pearce

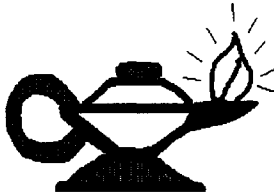
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PREFACE

“...that he may run that readeth it” (Hab. 2:2).

To the Brotherhood far and near

The rush of great international events through the year 1990 has left us all excited, if not a little bewildered. The year began with a growing sense of euphoria, a really new sensation for the world in which the rapprochement of east and west in Europe and the apparent ability of Russia and America to combine together for the solving of international troubles seemed to put an end to the cold war which had dominated the world since the end of World War II and usher in a new era of peace and international goodwill. “For when they shall say, peace and safety; then sudden destruction cometh upon them”! Surely it is here.

It has been usual for great events on the world scene to be followed by a period of several years of calm. Israel’s wars of survival in 1948, 1956, 1967, 1973 and 1982 were all spaced into different decades and while creating great consternation at their times, were each followed by relative calm on the world scene, during the interim years. Well, it now seems that these periods between were of “relative calm”, even if it did not at the time. What is so remarkable about the last 2 years is that very great matters have followed one upon another, with one event rolling over to another so that we had very little opportunity to discuss and clarify the significance of the one before another was before us, sweeping on to the world stage and drawing the attention of all the world’s media to the latest spectacle. It is the closing scenes of the times of the Gentiles! The angels have been busy for thousands of years preparing the stage for the latter years. Now that the infrastructure is in place, matters can proceed with great rapidity, even great matters one upon another. In the final stages of a chess game the moves become increasingly obvious, so on the Divine chess board the moves of the latter days are becoming clearer and clearer.

Many looking forward to this year’s summary of world events have expressed the difficulty that Bro. Graham Pearce would have in putting the year together in summary form. Consequently this volume has been a little late in coming—it could hardly have been otherwise! We are amazed that our ageing writer has been able to again present such a useful perspective on the myriad events of such a climactic year. May God give him the strength until we are taken to judgement.

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At the end of 1989 we realized that we had witnessed some historic events as far as Europe was concerned. The potential for unity—financially and politically—among the western European nations reminded us of the strange unity of Daniel 2, unnatural as it may be. The new policies of ‘perestroika’ and ‘glasnost’ provided exactly the right political openings to allow that union of iron and clay which was the wonder of the composition of the feet and toes. While we do not need to dogmatize upon small territories on the fringes of the four ancient empires that compose the image, the overwhelming sense of the dream-prophecy is that those nations generally contained within the earlier dominion of those empires would be in pledge to each other at the time of Christ’s intervention to establish the kingdom of our God. When the states of Eastern Europe broke away from their Russian Communist shackles there was some sense of confusion in our midst. When even the members of the Union of Soviet Socialist Republics stood up for independence, for true republicanism, there was further surprise. Yet in the last month of 1990 and again in January 1991 [as we write this preface] the Soviet Union has shown her usual colours, for Mr Gorbachev has had to yield to the darker forces of the vast Soviet army and the infamous intrigues of the KGB; and renounce in part the direction he had planned for the Soviet Union. It would appear now that Lithuania and Latvia “shall not escape”. These are a warning to any others who may like to try! “Be thou a guard unto them” is the Divine command (Ezek. 38:7), and it is clear that Gorbachev has that determination that a close confidant described as “iron teeth”! —the description bearing remarkable echo with Daniel’s fourth beast (7:7) with whom Daniel 2 implies he shall be in league.

The lesson of these things is not to rush in with criticism of our long standing understanding of Bible prophecy. Not every prognostication of the past has proven correct, and in some cases we can now see clearly why this was so. Yet the **general outline remains remarkably relevant** to what we have witnessed over the last 100 years. We should be exceedingly thankful for this and be very cautious before detracting from it, for the faith of many has been related to this understanding and the faith of our rising generation is also keyed into it. “Those things which are revealed belong unto us and to our children forever, that we may do all the words of this law”. There are “secret things” and so often the manner in which our God achieves the results are unexpected and intriguing to us; but the general picture is intended to be known to us

for God says He has revealed it. We need to be on our watch today lest ill-founded and nebulous talk, which often seems to gloat upon imagined discrepancies, rob us of a great Divine blessing in which we have a vision of the future unequalled by any other people in the earth.

The power of this was felt so tangibly this month in the days leading up to the Iraqi-Kuwaiti deadline of January 15th. In a prominent talk-back radio program an unnamed caller advised the compere [host] that if he wanted to know the meaning of the Gulf controversy then he ought to seek a spokesman from the Christadelphians, as in his experience they knew more about the Middle East and Bible prophecy than anyone he had met. So the compere contacted the ecclesias and the result was a 20 minute unrehearsed interview with two of the brethren that brought great interest and provided a clear answer to many of the questions being asked. Not only were the public fascinated by the force and clarity of our vision but the general ecclesial mood was boosted and enlivened by this extensive witness.

What a tragedy if we said we did not know? If we could not say whether this was Armageddon or not, or whether Israel would survive, or whether the Arabs would gain the ascendancy, or whether there was significance in the British speaking countries being entrenched in the Arabian Peninsula! On all these matters there were accurate answers based upon the Word of the living God and in basic agreement with what Christadelphia has always believed.

We encourage our young people to be objective in their understanding of Prophecy and hesitant to swallow new ideas which have not been tried, which vary with the times, and which have never been substantiated by the facts of world events. At a Bible School function some years ago, held in the wake of one of Israel's wars, while brethren were praying for Israel's preservation, others were being urged to pray for her eclipse! What complete confusion, what disillusionment to all and especially the young. Israel survived that war with a resounding victory and we can be equally confident that she will survive Saddam Hussein of Iraq and any other protagonist until the Northern Confederacy comes down upon her mountains.

Then our great Messiah will deliver her and begin his great reign!

Our call to him could be at any moment; of this there is no doubt. Our great need is to fashion our lives to this reality, to stir up our

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proclamation and witness and to trim our personal and ecclesial lamps to meet our Master.

There are mountains of work standing waiting our attention. Let us hasten unto the coming of the day of God.

B. N. Luke
Secretary, CSSS
31st January 1991

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Many rival interests: Soviet, American, Israeli, Arabs,
US—Israel, and God's

Abbreviations

Daily Telegraph—DT

Guardian Weekly—GW

Jerusalem Post—JP

Comments added by the author—GP

Chapter 1: HIGHLIGHTS OF 1990 AND POSSIBLE IMPLICATIONS

INTRODUCTION

In Europe the focus was on the reunification of the two Germanys and the rapid deterioration of the economy in the Soviet. The vast Soviet 'empire' was reduced to receiving extensive humanitarian aid to get it through the winter. Gorbachev was under increasing pressure for his 'failure'. At the end of the year the military interfered, fearing the total collapse of the economy and civil war.

The Middle East, comparatively quiet in 1989, sprang to life with the invasion of Kuwait, and full media attention was transferred from Europe.

Milestones 1989 had a very wide coverage of events, chiefly in Europe, describing the startling changes and how they impinged on our understanding of prophecy and the return of Christ Jesus. *Milestones 1990* assumes an acquaintance with *Milestones 1989* (regrets to the few who were not able to get copies). It covers much the same ground, bringing events up-to-date. *Milestones '87* and *'88* are also relevant.

This chapter gives an overall assessment of developments and possible implications. Four chapters devoted to the Soviet may seem excessive, but despite the focus on Iraq and the Gulf Crisis, the Soviet and Europe have remained the chief interest of 1990.

GORBACHEV'S PROBLEMS

Over several years Gorbachev has held our interest as the man providentially on the scene to carry out the instruction to Gog: "be thou prepared and prepare for thyself, thou, and all thy company..." (Ezek. 38:7).

In 1990 Gorbachev won for himself supreme authority and dictatorial powers possibly greater than Stalin. Yet he has failed to reverse the collapse of the Soviet economy. It became apparent that though he had great authority, he lacked the power to get his reform decrees carried out.

His path has been blocked by many obstacles. The main obstacle was the opposition to his liberal reforms by the military and the Kremlin leaders. Without the backing of the army he could not enforce his decrees. His failure was highlighted in the food situation. Though record harvests this year provided enough basic food supplies for all, this winter there have been far greater shortages than the previous two years. One asks 'Why this failure?' It is largely an effect of Gorbachev's own liberalizing perestroika. Before perestroika the Kremlin chiefs and their Command Structure laid down precisely the work to be done; and if this was not fulfilled there were severe penalties. Under perestroika, there has developed more tolerance and sense of freedom, and little fear of consequences for non-fulfilment. Indifference, laziness, black-market money-making, hoarding of food, and widespread corruption are some of the factors that have made things worse in 1990; together with the army hostility.

Gorbachev met another major obstacle in carrying forward his liberalizing reforms. Essential to the reform plans is the establishment of a market economy. This means privatisation of industry and State assets. The money thus created provides the means for buying modern equipment. Again Gorbachev was thwarted. The vast Soviet industrial complexes were owned, or controlled, by the military and 'Old Guard' Kremlin leaders. They were not going to give up their 'possessions'. Their veto to privatisation left Gorbachev helpless.

Until a market economy is established, the International Monetary Fund, the World Bank, and the USA will not be willing to provide the vast loans needed to revitalize the Soviet economy.

REPUBLICS DEMANDING INDEPENDENCE

In another vital matter Gorbachev has found that his perestroika drive was the source of conflict. Perestroika had successfully freed the East European countries from the Kremlin yoke in 1989. In 1990 it has been operating in the Soviet. The various republics that make up the Soviet Union (USSR) are demanding their freedom and independence, threatening the break-up of the Union.

A draft Union treaty is under debate in the congress of Peoples' Deputies called for the end of December, and it is unlikely that it will fail to become law. The treaty grants a fair degree of freedom to the republics to conduct their own affairs, but the republics are claiming

that property, land and wealth belong to each republic and not to the State. The army will not tolerate this. Later developments (1991) indicate force will be used to crush republic opposition and maintain the Kremlin's control over security, fiscal policy, foreign policy and the usual state functions.

GORBACHEV GIVES UP PERESTROIKA AND COOPERATES WITH THE ARMY

The army in November publicly gave Gorbachev an ultimatum, to the effect 'get the economy going, or resign'. Gorbachev's first response was to demand all power should be put into his personal hands—making him a super-dictator.

Then in December the determination of the military and KGB became apparent. The Minister of the Interior (police, security etc.) was sacked and a senior officer of the KGB took his place, with his second in command a tough Lt. General who had been Supreme Commander in the Afghan war.

At the end of December, Gorbachev with his increased personal powers insisted on conservative Communist party leaders for his Prime Minister and Vice President.

The conclusion has to be drawn that Gorbachev has thrown his hand in with the Army and KGB and left his liberalizing perestroika behind. His disagreement with Shevardnadze confirms this.

The implications of this change can be far-reaching. We must wait and see.

POPE-GORBACHEV RELATIONS

The one bright spot for Gorbachev in 1990 was his growing cooperation with the Pope. We see this prophetically as of great importance.

Following Gorbachev's visit to the Vatican at the end of November, 1989 when he was cordially received by the Pope, the start of diplomatic relations between the Kremlin and the Vatican were announced in March 1990. In November, 1990 Gorbachev made a further short unexpected call on the Pope. The Daily Telegraph editorial referred to it as his "pilgrimage to the Eternal City", inferring that he recognized he was dependent on the good offices of the Pope. The

editorial also declared that the Pope and “christianity” were the driving forces uniting Europe—very interesting to us.

GERMAN REUNIFICATION

The reunion of the two Germanys in 1990-91 became very likely by the end of 1989. With the collapse of the Communist government in East Germany and the breaching of the Berlin Wall, the flood of East Germans into prosperous West Germany grew larger. The West German government became alarmed at the impact on their economy, and at the emotional surge for reunion. Dr. Kohl was apprehensive it could bring about the defeat of his Christian Democrat (CDU) party in the next elections. The Soviet was opposed to German reunification for the next few years. Dr. Kohl made a 24-hour visit to Moscow and came back in triumph having Gorbachev’s approval for reunion.

Gorbachev ‘surrendered’ a second time in July when Dr. Kohl made a second visit to Moscow and persuaded the Soviet to allow the united Germanys to be attached to NATO and the EEC. Following this the three Allies gave up their control of the city of Berlin and the sovereignty and independence of the united Germanys were proclaimed at a meeting in Moscow on October 3rd.

The two notable features in the reunion were

1. The speed with which it was accomplished. At the beginning of the year the optimistic forecast was sometime in 1991. But it was all over by October 1990.
2. The apparently weak position of Gorbachev imposed by the difficulties at home.

SOME IMPLICATIONS

Two rather contradictory statements can be made. First, Dr. Kohl this year has reinforced the German links with the Soviet, especially by his two visits to Gorbachev. From the early 1970’s, West Germany has been developing economic cooperation and trade treaties with the Soviet.

But secondly, the new Germany agreed to belong to the western group of nations and the EEC. The explanation of this apparent contradiction is more fully covered in chapter 8; it lies in the ambition of the EEC. France, Germany and the EEC expect to have a big influence on the

economics of the East European nations and the Soviet, aiming to reach a dominant position in the new Europe.

Behind this we can speculate that the hand of the Pope is at work. J. Delors, the leader in Euro-parliament affairs, President Mitterand of France, and Chancellor Kohl of Germany are all practicing Catholics and under the control of their confessor-priests. Through these three Western leaders the Pope exerts his influence on Gorbachev and the Soviet to establish himself as the spiritual head of all Europe.

THE EEC AND BRITAIN'S POSITION

The EEC holds 'Summits' twice a year, in June and December, attended by the Heads of State of the 12 member countries. They consider progress and problems.

At the Madrid Summit, June 1989, J. Delors, President of the Euro-parliament Commission, outlined a plan for achieving the federation of the member states in these steps:

Step one. Attaining the Single Market by the end of 1992.

Step two. Attaining a Single Currency by 1997, later fixed for 1994. This step involved greater powers for the Euro-parliament and its Commission, so that they could take over a general control of the fiscal policy of member nations.

Step three. A final revision of the Rome Treaty to establish a European federation economically and politically.

All member states except Britain agreed in principle to establish a federal Europe. Mrs Thatcher agreed to step one, establishing a Common Market with no tariffs or subsidies that create unfair competition. She rejected steps 2 and 3.

At the Strasburg Summit, December 1989, and the Dublin Summit, June 1990, the situation was similar.

The Rome Summit, December 1990, was regarded as important, when the details for implementing the three steps would be broadly agreed; to be followed later by closer consideration. J. Delors, supported by France and Germany, called for a Pre-Rome Summit in October in preparation for the Rome Summit.

It was at this October meeting that Chancellor Major, supported by Mrs Thatcher, launched the British alternative, the hard Ecu, as a means of preserving Britain's control over its fiscal policy and sovereignty.

At the Rome Summit Mr Major, now Prime Minister, supported by his chancellor, Mr Lamonte, made considerable headway with this alternative to Delors' single currency plan. Several member countries were beginning to face reality, and realized they too did not want to be rushed into losing their sovereignty and national freedom. J. Delors was angry at this slowing down of his programme.

MRS THATCHER AND BRITAIN'S ANTI-FEDERAL STAND

The British Government and the country generally supports the anti-federal stand. Recently the government has joined the Exchange Rate Mechanism (ERM) which Mrs Thatcher agreed to do at Madrid—when circumstances were right. This is a practical step to facilitate the functioning of the Single Market.

Mrs Thatcher's resignation as Prime Minister has not altered the U.K. anti-federal stand. Rather it has increased its effectiveness with the persuasive style of Mr Major and Mr Lamonte.

It is important to recognize two aspects of the British stand. One is its impact on Europe; under angelic supervision it is necessary to prevent Western Europe attaining full federation. Scripture indicates there will be a **confederation**, as expressed by there being **ten horns** (and not just 1) on the 8th head of the beast (Rev. 17:12-14). It is the **ten horns** that have power to wage war with the Lamb.

The second aspect is that Britain and the Commonwealth will draw together as "all the young lions" (Ezek. 38:13). This requires traditional free trade with the use of a common currency. Britain has a wider interest than Europe. For Commonwealth cooperation the common currency is **sterling**. They are not interested in the European 'single currency'.

Mrs Thatcher, now released from the burdens of a Prime Minister, will be free to concentrate on explaining and persuading the British people regarding the path they should take.

What the circumstances will be that actually separate Britain from Europe we do not know.

ISRAEL AND THE JEWS FROM THE SOVIET

Receiving the 'exodus' of Jews from the Soviet Union has been the main concern of Israel in 1990. Some 200,000 have arrived, with up to a total of 1 million expected over the next few years. This calls for a vast building programme—new settlements or cities are required immediately! The finance involved runs into billions of dollars. Job creation is a baffling problem—some 550,000 jobs have to be created in the next few years. The people coming are different from those in the return after WW II; the majority are professional people with skills in science, engineering and administration. The result will be a profound change in the life and economy of Israel.

The Gulf War, at the time of writing, has not directly involved Israel's military forces. What to many is a surprising feature is that Israel has refrained from attacking Iraq. There are several reasons for this.

THE GULF CRISIS

The highlights in the response to Iraq's invasion of Kuwait can be briefly summarized as follows

1. The size and rapidity with which the forces were assembled
2. the great importance attached by the US to fight Saddam
3. the "high technology" character of the war
4. the financial burden on Britain and the US, both of which are in trade recession and
5. the multinational character (17 nations) of the armies gathered together.

It is too early in the war to make many comments. In chapter 10 there is a sketch of the various conflicting interests operating in the Middle East.

Chapter 2: GORBACHEV'S STEADY PROGRESS TO ABSOLUTE POWER

FIVE YEARS OF GORBACHEV'S REIGN

On the death of Brezhnev in 1985, Gorbachev was elected to the highest offices in the land;- leader of the Communist party and President of the All Union Soviet.

By 1988 his plan of liberating reforms became apparent and the words 'glasnost' (openness) and 'perestroika' (renewal) were frequently heard. To carry out his reforms he aimed to get the power of the people behind him in order to lessen the power of the Kremlin leaders.

Starting in 1988 Gorbachev has carried through a major constitutional revolution in the Soviet, using all his skill, subtlety and forceful personality. In considerable measure he moved power and authority from the Communist Parties' 250 member Central Committee and its 12 Politburo Leaders, to a new parliamentary system elected by the people. He was elected chairman and president of this People's Parliament.

Step by step through 1990 he demanded and was given more and more authority; dictator powers comparable with those of Stalin.

He hoped to use this authority to get his liberal reforms established. But this did not happen. At the end of the year there was a counter drive by the Conservative Communist Party leaders, with the army and KGB. Gorbachev had to drop his perestroika and join with the army and KGB as the only way to get the Soviet economy moving.

PROGRESS DURING 1988 AND 1989

The development during 1988 was summarized in a paragraph in *Milestones* '88, page 19. Time has shown this was too optimistic a statement, with little awareness of the pitfalls ahead.

For Mr. Gorbachev to carry through his reforms in the face of gigantic difficulties it was essential for him to win legal authority for doing this. This was his first task, and the one most doubtful of success. He has

in the year changed the basis of government in the Soviet. He has received approval for a new type of government for the country, in which elected delegates to the Supreme Soviet from all the Republics—equivalent to U.K. M.P.'s in parliament—with himself as head are responsible for running the affairs of the country. The scope of the Communist party is to be limited to giving political advice and guidance. This is an amazing development in which, as it were, the present leaders have agreed in considerable measure to have themselves replaced.

The elections promised in 1988 were held in March 1989, every Soviet citizen having a right to vote. A plurality of candidates was allowed in each region. Most regions had only the official communist candidate; but where there was a Gorbachev supporter opposing the official Communist, Gorbachev's man had an overwhelming majority and the voters expressed their disillusion with 70 years of Communist rule. A headline ran: **"Kremlin stunned by Old Guard's election defeat"**.

Following the election, a re-formed Congress of People's Deputies was convened with its 2,250 delegates representing over 200 million Soviet citizens. They elected their Supreme Soviet (equivalent to our MP's) and a cabinet with Gorbachev as chairman and President. This parliament now claimed authority as the government of the Soviet—a rival to the Kremlin Central Committee. Bear in mind most of the MP's were still loyal Communists.

The parliament began its first session in June 1989, passing a variety of liberal reforms regarding human rights and conscience.

In September 1989 Gorbachev carried out a further purge of the Politburo and ruling Central Committee of the Communist party:

"...it was the most sweeping Kremlin change in 30 years, a stunning consolidation of Mr Gorbachev's power" (DT 21-9-89)

Meanwhile, while these constitutional changes were in progress, the economy was rapidly getting worse.

1990: THE YEAR IN WHICH GORBACHEV REACHES THE SUMMIT AND BECOMES ABSOLUTE DICTATOR

The opening scene in 1990

The whole economy was now worse than ever. Technical and financial aid from abroad was only beginning. New laws had put power and authority into the hands of countless managers to actually 'manage', but they had had no training for this; often they were unwilling to take up their responsibility. The Communist Party antagonism was rising as the leaders and all who had privilege perceived their power and status were ebbing away. The army and KGB were alarmed at the chaos that perestroika was producing, as expressed in the outspoken discontent of the people and their demand for food and better living standards.

Yet in the stark reality of the country's state there was no alternative leader to Gorbachev and the reforms he was working on.

February: The Communist party begins to yield power to the new parliament

Gorbachev, increasingly worried by the desperate state of affairs and lack of progress, went into action against the Kremlin Central Committee, resulting in what was called "The February Revolution".

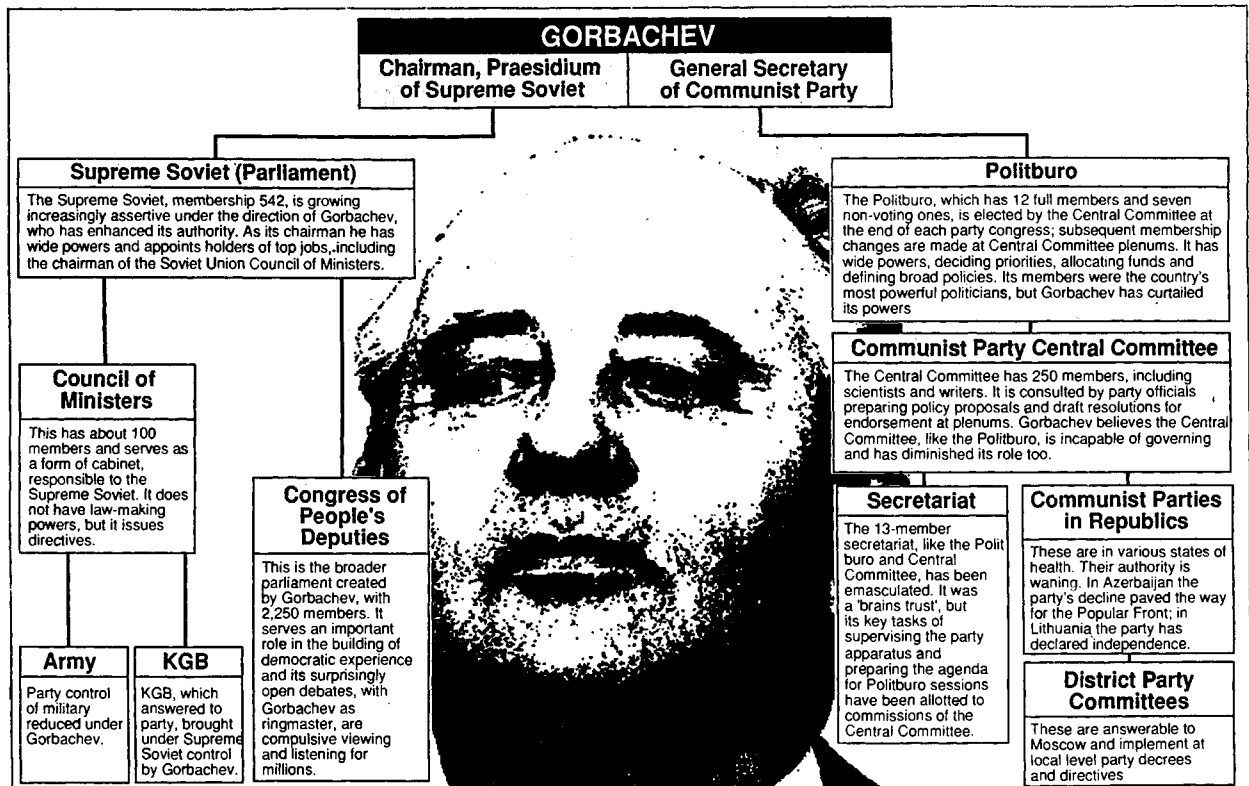
"GORBACHEV CALLS FOR A NEW SOVIET REVOLUTION"

"President Gorbachev called for nothing less than a revolution in the Soviet Communist party yesterday. Confronting his hard-line opponents with an urgent reform-or-die programme at a crucial Central Committee meeting in the Kremlin, he opened the way to a multi-party political system and called on the party to break with its authoritarian and dogma-riddled past. His astounding proposals were made against the background of the deepening Soviet crisis—the collapsing economy, the failing authority and credibility of the Communist party and surges of national unrest in the republics. He made it clear he sees no alternative to a dramatic change of historical course" (DT 6-2-90).

This address was a prelude to voting that took place two days later.

"KREMLIN VOTE GIVES VICTORY TO GORBACHEV

Hardliners yield to pressure for the February Revolution



The Soviet Communist party voted overwhelmingly yesterday to surrender its monopoly of power. For President Gorbachev, it was a famous political victory after almost three days of fierce argument. The way appeared open for the introduction of a multi-party system, but no one doubts that, after 72 years of Communist rule, the road to democracy in the Soviet Union will be very long and painful...It seems that even the hardliners, for all their snarling, accepted that a return to the past is no option..." (DT 8-2-90).

Having successfully reduced the power of the Communist leadership, he next directed his efforts to gaining the support of the Peoples' Parliament, the new growing power in the land. Success came at the end of February.

"GORBACHEV WINS THE BACKING OF THE SOVIET PARLIAMENT

"President Gorbachev won the crucial backing of the Soviet parliament last night in his push to become the powerful executive president of the Soviet Union. He is now one final step from achieving the authority and job security he needs to tackle the country's desperate crisis. In a remarkable demonstration of his toughness, determination and mastery of Kremlin politics, he pounded the table and wagged his headmasterly finger before forcing the Supreme Soviet to a vote on the presidency issue after a day of fierce argument.

Objections that as the country's first executive president he would have too much power were swept aside. Hammering home the message that the crisis is deep and the need for reform urgent, he won the day by 306 votes to 65.

The strong leadership of an executive president was needed to help the "revolutionary transformation" of the Soviet Union, he declared...

The president will be commander-in-chief of the forces, will appoint members of the government with parliamentary endorsement, negotiate treaties and have the power to declare war. He will head a federation council of leading officials and will propose candidates for the posts of prime minister, chairman of the Supreme Court and chief prosecutor" (DT 28-2-90).

March: Gorbachev voted powers of a dictator

Gorbachev followed up his success a week later with a further overwhelming vote.

"GORBACHEV BROADENS HIS POWERS

President Gorbachev steamrolled his plan for creating a powerful new executive head of state through the Soviet parliament last week, after one of the stormiest debates in its short history. The scheme will give him power to impose martial law any where in the country without the consent of parliament or the individual republics.

Mr Gorbachev got his way by skillful procedural manoeuvre, and by threatening to resign. 'I have been considering whether to withdraw my candidacy,' he told deputies. The crowded chamber gasped.

He told deputies that all the points made during 4 1/2 hours of debate would go to various parliamentary committees, and would be incorporated into the draft bill which would go to a special session of the People's Deputies. He then called for a vote on the principle of presidential power, which produced 347 in favour, 24 against, and 43 abstentions. 'This is an important vote in the history of our state,' he said.

The draft bill would give the president powers similar to those of the American and French presidents".

An article from Moscow written a fortnight later reflected on these historical events. The article was headed:

"THREE DAYS THAT SHOOK THE KREMLIN"

The opening paragraphs read as follows:

"As he took the oath of office last week, he might have reflected that, apart from the second world war—the Great Patriotic War here—he had shaken his country in three days more than at any time since the famous ten days of 1917.

The 280 million Soviet citizens may not have felt it in their daily lives. But if the newly-elected President Gorbachev lives up to his reputation of a man in a fiendish hurry, they soon will.

In just three days, he persuaded the Congress of People's Deputies—a legislative body of his own devising—to give him powers greater even than those of the US or French Presidents, and to take them away from the Communist Party.

He has now got the necessary powers to break through the bureaucracy, the confusion and the apathy that have reduced the economy to anarchy". (G.W. 25-3-90).

This was to prove a far too optimistic view as events soon showed.

May - June: Various reforms are debated

Various reform plans were put forward during May and June, reflecting the conflict between the 'go-slow' conservatives, and the reformers 'press-on' and accept the painful effects that would follow.

These attempts to arrive at an agreed plan of reform were to continue right through the year to December.

July: Communist Party Congress confirms Gorbachev's dictatorial powers

This was the month in which Gorbachev was 'crowned King of the Soviet'; a moment of victory but also the point at which his greatest problems and battles began.

Gorbachev at the end of February had been appointed the executive President, with dictator-like powers, by the People's Parliament. But to be legally and constitutionally established this needed the approval of a Special Congress of the Soviet Communist Party. This congress had been called for the beginning of July.

The Communist Party Congress is the highest authority in the land. It usually meets every five years. This 18th congress had been brought forward as an emergency step to face the desperate state of the economy. The Congress is an assembly of over 4,000 delegates who in the past elected—or rather rubber-stamped the election of the party leaders that make up the Communist Central Committee and Politburo. Until the present crisis this Central Committee has complete authority to run the whole of the Soviet economy.

Gorbachev as General Secretary of the Communist Party was chairman of this Congress. It was vital for him in carrying out his reforms to get authorization for them from this Congress. This approval would be given by the Congress re-electing him as Chairman and General Secretary of the Party.

With typical Gorbachevian skill and timing, he had prepared for this voting by getting the Congress to enlarge its senior leadership—the 12 man Politburo—so as to include the party chiefs of the 15 Soviet Republics, expecting that these would be mostly pro-Gorbachev people.

"GORBACHEV WIDENS REFORM POWER BASE"

"President Gorbachev strengthened his hand in his struggle with hardliners at the 28th Congress of the Soviet Communist Party last

night. It voted to increase the size of the party Politburo giving Mr Gorbachev a majority of potential reform-minded allies.

The Soviet leader...persuaded the Congress to include in the politburo the party chiefs of the 15 Soviet republics.

While these leaders are by no means all supporters of radical change, Mr Gorbachev has an important card to play in winning them over to his side.

In return for their support on crucial political issues he can offer them what they really want—more power to run their own republican parties” (DT 10-7-90).

Moreover, the day before the voting, he had set out in detail his intended wide-sweeping reforms. He did this by addressing another Conference that was also sitting at the time—The 19th All-Union Party Conference. His 3 1/2 hour speech addressed the same people who would vote in the Congress the next day. The Daily Telegraph filled a whole page with extracts from the speech with various headings such as: Economy; Foreign Policy; political reform; human rights; government; Law; future of socialism in the Soviet. In his forceful style Gorbachev pressed for urgent action. He criticized the existing wastefulness, laziness, and lack of personal initiative. “For how long more are we to revolve within the vicious circle of outdated notions and formulas, such as production for production’s sake, and the plan for the sake of the plan” (DT 29-6-90).

So his day of victory arrived.

“VICTORY OVER THE HARDLINERS FOR GORBACHEV”

“President Gorbachev was re-elected to the leadership of the Soviet Communist party with an overwhelming majority last night after telling hardline opponents to face the reality that the Communist monopoly is finished. Mr Gorbachev, who had clearly decided that the time had come to bang heads together, won some grudging admiration at the 28th party congress for his tough stand but still needs allies in the party leadership to reinforce his authority” (DT 11-7-90).

Gorbachev hoped to weld together reformist and conservative Communists

At this point in time Gorbachev’s aim was to preserve the Soviet Communist party and re-model it as a Socialist state like France and Spain with their market economies. He aimed to make the new People’s

Parliament the executive arm of government with only a minor role to the die-hard leaders of the Central Committee and Politburo.

Gorbachev's hope of preserving the unity of the Communist party was dashed within a week of his 'victory'. While the Congress was still sitting, a group of extreme radical reformers, led by Boris Yeltsin walked out of the Congress declaring they could no longer give their support exclusively to the Communist party.

In reporting this the newspaper remarked that Gorbachev may follow Yeltsin. And so it came to pass a few weeks later when the two men agreed to work together.

August

This was a quiet time with the Parliament in recess and the Communist leaders enjoying their secluded and privileged sea-side holidays.

September-October: Growing criticism of Gorbachev

Parliament reassembled on September 1st and Gorbachev was able to report further progress:

"SOVIET REGIONS UNITE ON MARKET REFORM

President Gorbachev appeared to have succeeded yesterday in persuading the leaders of the 15 Soviet republics to restrain their separatist ambitions and work together to construct a market system for the national economy.

The key to Mr Gorbachev's success was a series of radical economic proposals drawn up by a special commission of experts appointed jointly by him and Mr Boris Yeltsin, president of the Russian Federation" (DT 1-9-90).

But this was only an apparent success. Gorbachev soon found himself the centre of criticism from all sides because the winter was approaching and he had failed to improve the economy.

The great need was an agreed reform plan. The Russian Federation, by far the most powerful Republic, with Boris Yeltsin as its President set out a radical plan of reform for which only 500 days were set for its accomplishment. It boldly declared the dismantling of the long established Kremlin Central planning control. Individuals could own property, prices of essential goods and services would be frozen until the end of 1991 (DT 13-9-90).

Gorbachev reluctantly gave his support to this plan, though fearing it was a too direct challenge to the Communist party.

Another draft plan soon appeared watering down the '500 day' plan to appease the Kremlin Communist Party. It was immediately attacked by Yeltsin as "a betrayal", and another attempt to leave much economic power in the hands of the central Kremlin government (DT 18-10-90).

Faced with continuing conflict on the reform plan, Parliament at the end of September renewed its dependence on Gorbachev's leadership by renewing and enlarging his dictatorial powers. There was no alternative leader.

"VOTE MAKES GORBACHEV MOST POWERFUL LEADER SINCE STALIN"

"The Soviet parliament voted yesterday to give President Gorbachev virtually unlimited personal powers as a last-ditch means to extricate the country from its economic crisis.

He will have the right to issue decrees and orders on economic policy and the strengthening of law and order without checks or consultations until March 31, 1992.

Mr Gorbachev's powers have not been matched by any Soviet leader since Stalin.

The resolution was passed by 305 votes to 36.

It will enable Mr Gorbachev to press ahead with radical economic reforms without recourse to lengthy parliamentary debate and amendments" (DT 25-9-90).

November: Intervention by the military

There had been eight months of plans and counter-plans for reform. By this time the situation was truly desperate. Many were facing a winter of near starvation. The army gave notice of its dissatisfaction in an article written by a senior Colonel, Viktor Alksnis.

"RESTORE ORDER OR RESIGN, COLONEL TELLS GORBACHEV"

"Colonel Viktor Alksnis promised to support Mr Gorbachev if he prevented a 'break-up of the country' and began 'to straighten things out'.

However, he said: 'If everything is again limited to verbal manoeuvres, we shall demand his resignation.'

Mr Gorbachev should 'introduce without delay presidential rule in those republics where nationalist forces are in charge', demanded Colonel Alksnis" (DT 20-11-90).

December: Gorbachev relinquishes his liberal perestroika and cooperates with the army and Kremlin leaders

It was apparent that Gorbachev needed the support of the army and KGB as the power behind him to get his presidential decrees carried out. Early in December he brought tougher men into his Cabinet. The interior minister (in charge of police, KGB, security) was sacked and replaced by a high-ranking KGB officer, Boris Pugo: He also named Boris Gromor as second in command in the ministry. He is a Lt. General noted for his toughness. He was supreme commander of Soviet troops in the Afghan war.

"With these new appointments, Mr Gorbachev has acted to meet the demands and anxieties of hardliners in the party and the army" (DT 3-12-90).

The second emergency Congress of the Soviet met in the middle of December and was in session to the end of the year.

In the middle of its troubled debates Shevardnadze, Gorbachev's right hand man and very successful foreign minister, mounted the rostrum and in dramatic terms announced his resignation.

"DICTATORSHIP WARNING TO SOVIET UNION"

"Mr Eduard Shevardnadze, the Soviet Foreign Minister resigned yesterday, sending shock waves round the world with a warning of looming dictatorship in the Soviet Union. He pointed to a titanic power struggle in the Kremlin between reformers and hardliners, suggesting that Mr Gorbachev could be pushed aside in a takeover. The Soviet leader, wounded by the loss of the right-hand man who helped to shape the foreign policy that ended the Cold War and changed the world, called the resignation 'unforgivable'...

In the West, the resignation plunged governments into deep anxiety over Mr Gorbachev's position and the Soviet Union's future direction" (DT 21-12-90).

As the Congress drew to its close Gorbachev made his demand for still more personal power.

“GORBACHEV SEEKS STRONGER HAND

“President Gorbachev is to seek the Soviet parliament’s support this week for stronger powers to run the Soviet Union.

A chorus of hardliners is insisting on a ‘strong hand’ to prevent economic collapse and disintegration of the country” (DT 24-12-90).

At the end of the Congress Gorbachev was given the power he sought:

“President Gorbachev won parliamentary approval yesterday for stronger powers which will bring the Cabinet and key agencies under his direct control” (DT 27-12-90).

Emphasizing Gorbachev’s changed outlook and his cooperation with Kremlin hardliners and the army, on the last day of the Congress he insisted on Congress approval for his appointment of a Communist Politburo leader as his vice president, Mr G. Yanayev!

“It was vintage Gorbachev, as the Soviet leader bent deputies to his will. ‘At this critical time, this historic watershed, I want a man near me I can trust’ he said.

Mr Gorbachev had insisted that Mr Yanayev, a 53-year-old Politburo member should be the only vice-president candidate.

Many deputies resented the idea of having a member of the Communist party old school foisted on them. For them, Mr Yanayev’s nomination confirmed Mr Gorbachev’s abandonment of perestroika.

The vote was the last surprise in a dramatic 10-day parliamentary session which has clearly highlighted political divisions, the fear of dictatorship and chaos, and Mr Gorbachev’s retreat from reform...” (DT 28-12-90).

A politburo man I can trust! What a change from the beginning of 1990 when he was doing his best to crush the power of the Politburo.

SHORT AND LONG TERM IMPLICATIONS

In the immediate future we can expect Gorbachev to press on with developing the needed market economy. How essential this is has been made clear in a report published in the Soviet at the end of the year:

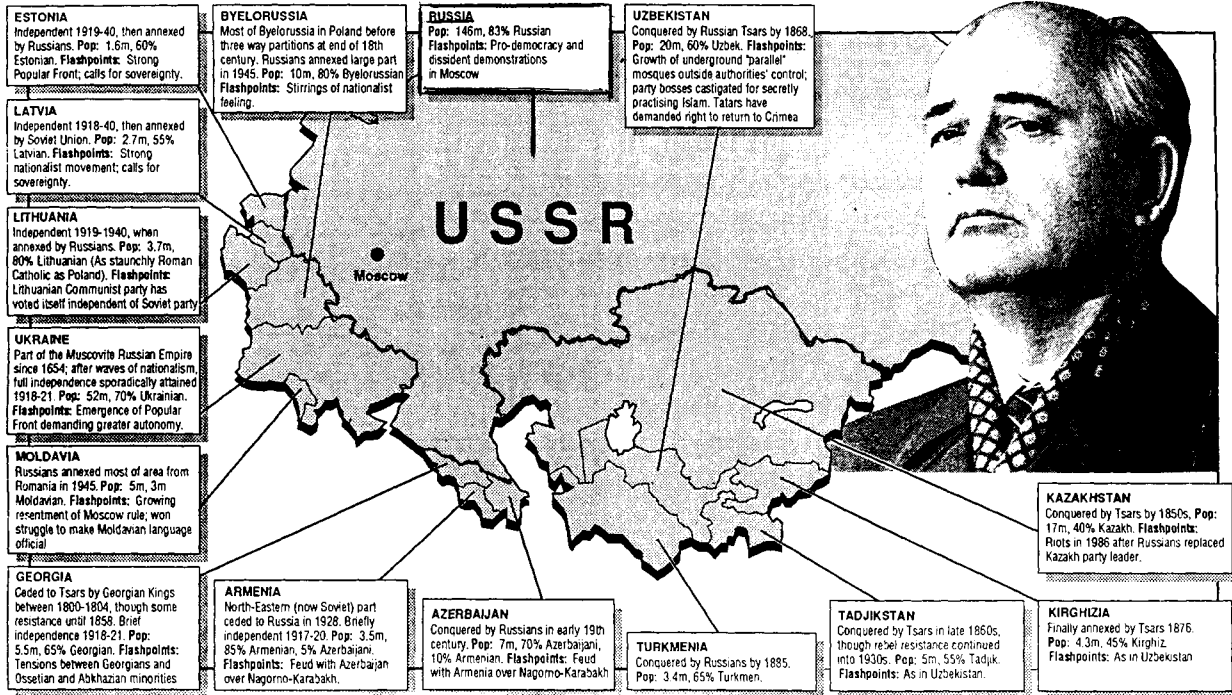
“MOSCOW URGED TO MOVE QUICKLY ON MARKET ECONOMY

“The chaotic state of the Soviet economy is laid bare in a report published yesterday by four major international agencies which

recommend a fast and radical move to a market economy , private property and the commercialization of industry. The study was commissioned by Western leaders in July.

Without the reform recommended in the report, the Soviet Union is unlikely to receive the technical and economic assistance—and the food aid it needs.

The reforms introduced so far in the Soviet Union are not far reaching enough, says the study from the International Monetary Fund, the World Bank, the Organization for Economic Co-operation and Development, and the European Bank for Reconstruction and Development...” (DT 22-12-90).



Chapter 3:

WILL THE SOVIET UNION DISINTEGRATE?

INTRODUCTION

Among Mr Gorbachev's many problems, perhaps the most serious one is the pressure of the republics for independence. This has been growing steadily through 1990. We are very interested in Gorbachev's problem, as we watch the development of the Northern Confederacy in preparation for its eventual invasion of Israel. Various writers have forecast the disintegration of the Soviet empire. But with our guidance from the prophetic word we know that a federation of some form will prevail.

WHAT IS THE USSR?

A glance at the accompanying Information Sheet on the Soviet Union will help us to appreciate the dominant position of the Russian Soviet Federated Republic (RSFR). This republic covers the vast area from Moscow through Siberia to the Pacific. Its population is 146 million out of the total 272 million making up the 15 republics. It has the majority of industries and raw materials. Historically it is the original Muscovy and Russia that Peter the Great (1682-1725) transformed into "Imperial Russia". In the 19th century the remaining 11 republics were conquered and in 1924 after the Revolution became the USSR; Union of Soviet Socialist Republics.

BIBLICAL GUIDANCE

According to Ezekiel 38, Gog is the leader of the great Northern Confederacy. Gog is described in several phrases:

1. "prince of Rosh, Meshech and Tubal" (RV);
2. "all thy company that are assembled unto thee";
3. "Be thou a guard unto them".

What guidance does this information give us bearing on the republics' drive for independence?

Take the first description. The word “prince” is important. In the Hebrew it is the normal word for king or ruler—as King David. So Gog is ‘king’ of Rosh, Meshech and Tubal. We may therefore confidently assume these three regions will remain under the full control of Gog. ‘Rosh’ is Russia; ‘Meshech’ is Muscovy; ‘Tubal’ is Tobolsk in Siberia beyond the Ural mountains. This vast area is approximately that of the RSFR republic! We conclude that despite the loud demands of Boris Yeltsin and this Russian Federation for independence, they will remain under the grip of Gog and his central authority in the Kremlin.

The second description—“thy company”, and “those assembled with thee”—gives the impression of close association. Thy company does not suggest independent sovereign states. Even so, the further phrase “be thou a guard” does suggest the possession of some freedom and willing association.

So we might expect three degrees of status:

1. The central Russian **Asian** region ruled by the Kremlin
2. The **European** Soviet countries (Warsaw Pact) having some independence, yet still in the federation.
3. **Other countries**, Libya, Ethiopia, Iran, and Western Europe, with varying degrees of cooperation or compulsion.

A TREATY TO CONTROL INDEPENDENCE IN THE REPUBLICS

Gorbachev was anxious to forestall the growing spirit of independence getting out of hand, and a draft bill was prepared at the end of 1989. A brief reference read as follows:

“A draft law on procedures for succession from the Soviet Union is being submitted to the Supreme Soviet, the Radio Moscow publication Interfax reported last night.

The bill proposes that republics can secede only after a referendum and that three quarters of the population will have to vote. A transitional period of five years would follow in which security issues would be settled and borders agreed” (DT 28-2-90).

As one would expect, the bill produced strong disagreement between the republics and Moscow, and debate continued throughout the year. A revised draft Union Treaty was set out at the end of November. In it Moscow maintained its grip on the republics.

“Although the treaty talks of ‘sovereign states enjoying full power’ it insists that Moscow keeps its grip on gold, diamond and energy resources, on financial and foreign policy, and on transport and foreign economic policy” (DT 26-12-90).

The draft Union Treaty was debated in the emergency Congress of Peoples’ Deputies at the end of December.

THE NEW SPIRIT OF NATIONALISM

The influence of Gorbachev’s perestroika and its spirit of freedom has generated a new sense of nationalism in the republics. It is an important expression of new life in the republics. They are looking back to their roots and the freedom of their nation states before they were incorporated into the USSR. Some nation states have been in the grip of Moscow for centuries; others have been taken over quite recently.

REVOLT AND SUPPRESSION

The fundamental clash between demand for independence, and Moscow federal control, became a crisis in March 1990 when the Baltic States—Lithuania, Latvia and Estonia—passed a law declaring their independence from Moscow. These countries had only been in the grip of the USSR from 1940. During the intervening 50 years they had always been closely in touch with Western European life and freedom. Their revolt was predictable.

The alarm this gave to Gorbachev and Moscow arose from the security position of these countries. The easiest line of attack on the Soviet would be a naval one, thrusting straight into Soviet territory from the north. It was this importance of the Baltic States in Soviet security that was the reason for the bargain between Hitler and Stalin, handing over these countries to the Soviet in 1939-40.

Important republics that have voted for independence this year are Lithuania and the other Baltic states in March; the large Russian Federation (RSFR) in June; the Ukraine in July, and Georgia in December.

Lithuania voted in March for a complete break with Moscow, a secession. But this was hardly a sustainable position; it is a tiny country and in no way self-sufficient. It received an ultimatum from Gorbachev in April.

“GORBACHEV GIVES LITHUANIA 2-DAY ULTIMATUM

“President Gorbachev threatened to cut off Lithuania’s supply of vital goods last night if it did not rescind its declaration of independence within two days. A letter to the Lithuanian Parliament did not specify what supplies would be cut off, but its leaders were in no doubt that he meant oil, gas and other commodities without which the republic could be brought to a standstill. In reply, President Bush told the Soviet Union not to use coercion to bring Lithuania into line” (DT 14-4-90).

In September after Lithuania was forced to suspend its Secession Declaration, Moscow agreed to talks and a partial raising of sanctions. Lithuania’s experience shows the firm stand Gorbachev is taking. (eg events of 12/1/91).



The perils of standing up to the Moscow bear

The Ukraine

“The Ukraine, jewel in the crown of the Soviet Empire and the second largest of its 15 republics, yesterday declared its intention to become a sovereign state with its own army and foreign policy.

The Ukraine, which is larger than any European country and has a population of 52 million, is the Soviet Union’s bread basket, and has large chemical factories and steel works, and well as the important Donetsk coalfields.

Yesterday’s declaration was passed by 3555 votes to four by a parliament dominated by communists. They approved a resolution giving the Ukraine sovereignty ‘within a renewed Soviet federation’ (DT 17-7-90).

The Russian Federation

Boris Yeltsin and his republic’s criticism of Gorbachev and defiance of the Kremlin leadership has been referred to several times.

Georgia

A new nationalist government declared in the middle of December it would work to establish sovereignty of the republic.

“Georgia was conquered by the Red Army in 1921 after three years of independence. It was run by the Communists until parliamentary elections last month in which the party was decisively rejected by the 5.3 million population.

The event which turned much of Georgia against Moscow was the massacre by Soviet troops last year of 20 peaceful demonstrators, most of them women. It released a flood of nationalist feeling and discredited the Communist party.

The new nationalist government, headed by Mr Zviad Gamsakhurdia, plans independence for Georgia within five years” (DT 10-12-90).

It should be noted that most republics, while claiming independence or sovereignty, are not aiming at secession for the Union, but a revised declaration of their relation with the Kremlin. In the draft treaty under discussion, the USSR is to become the “Union of **Sovereign** Soviet Republics”.

Chapter 4: THE SOVIET ECONOMY: GORBACHEV MAY SURVIVE

AN OPTIMISTIC OUTLOOK FOR GORBACHEV

Media reporting can often be exaggerated and sensational, but an apparently factual report in November gave a grim picture for the winter ahead.

“EAST EUROPE CATALOGUE OF DISASTER

“People in eastern Europe and the Soviet Union are likely to face their hardest winter since the Second World War, according to a report issued by the Geneva-based UN Economic Commission for Europe.

The 145 page report, much of it devoted to East Europe, is a catalogue of economic disaster. It says an immediate economic sequel to last year’s political changes in the region has been sharp falls in output and living standards throughout the eastern countries” (DT 29-11-90).

As the end of the year approached, the fateful question was being asked: Gorbachev has been given the dictatorial powers he demanded, and he has failed to carry through the needed reforms—will he be replaced? Will there be a return to hard-line government and the oppression of the pre-Gorbachev era?

As we have reported in Chapter 2, the year has ended with Gorbachev being granted super-dictator powers, putting in abeyance his liberating perestroika, installing military and Kremlin men to key posts in his cabinet and turning to the army to enforce his decrees. In this new situation we would expect economic progress to be made in 1991, with Gorbachev holding on to power.

Some short-term and long-term developments were suggested at the end of chapter one. Much depends on whether this more despotic regime halts the flow of loans and equipment from outside countries; and whether Gorbachev manages to carry through privatisation of industry. He spoke strongly of pushing ahead with the essential ‘market economy’ transformation.

In the Soviet the emphasis now is on the individual, to make initiative worthwhile—whether it be the small farmer possessing land and selling produce for profit; or big investors in industry demanding efficiency to provide their profit.

PROSPECTS FOR LONG-TERM INVESTMENT

Long-term national improvement requires many billions of dollars. Progress will be slow and there are plenty of obstacles. But despite this, progress has already started. Long-term aid is in several forms—export credits backed by a government, government loans, know-how offers, private company investment. It has to cover not only equipment to modernize industry, but infrastructure in the way of roads, ports, airfields, and modern computer-linked communications.

Some of the steps already taken by countries outside the Soviet are as follows. All these countries are acting in self interest; they all fear the collapse of Gorbachev's reforms and a return to Communism.

Saudi Arabia

A loan of \$4 billion to help Soviet exports and so obtain hard currency to purchase needed equipment.

Germany

As early as June West Germany provided £1.7 billion in credit for the Soviet to use with 'no strings attached'. In September, it agreed to a sum of £4 billion to cover the cost of removing army and equipment from East Germany and re-housing the men in the Soviet. For years there have been many private-firm investments jointly with the Soviet.

Italy, France and Spain

Each of these countries has signed treaties with Gorbachev on 'cooperation and understanding'. Export credits arranged are £3 billion, £1 billion, £700 million respectively.

United Kingdom

Britain and the Commonwealth are very conscious of the global needs for aid, and are reluctant to give special attention to the Soviet. Britain has set up a 'know-how' fund with £2 million to be used over 2 years. The advice and planning guidance this will provide is of great value.

Britain has a lot of experience in giving 'know-how' to the developing Commonwealth countries.

Unites States

The Soviet looks chiefly to America for help; it has vast resources and influence. But until December nothing was forthcoming except humanitarian aid. This was because the US constitution does not allow such aid to countries which do not meet US 'human rights' requirements, such as freedom of all citizens to emigrate.

At the end of December, President Bush, fearful of European instability if Gorbachev was swept away, decided to get an emergency waiver of this law.

"BUSH OFFERS AID TO SAVE GORBACHEV"

"President Bush moved last night to help Mr Gorbachev survive his nation's economic crisis by lifting trade restrictions with Moscow and by proposing associate membership for the Soviet Union of the International Monetary Fund and World Bank.

If the Soviet Union's associate membership of the IMF and the World Bank is approved, it will allow President Gorbachev to tap into the international lending agencies' enormous expertise on economic restructuring..." (DT 13-12-90).

Earlier in the year, in May, the Soviet was granted 'observer status' of GATT, and could attend the meetings of the world's financial bodies. This close contact with such influential men will provide informal advice and help of great value.

Overall, long term aid to the Soviet is already giving Gorbachev some comfort and brighter prospects.

SOME OBSTACLES THAT HINDER PROGRESS

The kinds of obstacles that stand in the way of progress were recounted in an article entitled 'Broken Links in the Soviet Food Chain'. Here are a few extracts.

"The picture is serious certainly, but not disastrous. The shortages of food in the shops are caused by a variety of factors, but not by an absolute shortage of food in the country. There is panic buying by consumers. Yevgeni Yasin, a leading adviser on the state committee for economic reform, believes demand is three times higher than under normal conditions.

There is hoarding by officials in the retail network, waiting for prices to go up in the state shops; when the government lifts controls, they will. There is illicit trading by black marketeers who do their deals with the official distributors.

But the main problem is that the old centralized distribution system has broken down, while a normal market has not yet emerged. The consequence is chaos and monopolistic profiteering. The laws of supply and demand are operating but without any regulating devices which can keep them under some form of civilized control" (GW 9-12-90).

Under Gorbachev former central control has gone, and without the fear of punishment or sanctions, managers have not produced their appointed quotas, creating shortages.

Another hostile feature is that republics, each seeking their economic independence this year, have ignored other republics and ceased to cooperate. The clash of interests between the pro-Kremlin conservatives and the radical reformers makes matters worse. In particular the conservative leaders still control agriculture and the collective farms, and intentionally withhold food supplies to the cities, trying to give the impression that the reformers are the cause of the shortages. Extensive corruption is also a considerable obstacle to progress.

How this short-term lowering of the existing low standards of living will be received by the people remains to be seen.

Chapter 5: MORE COOPERATION BETWEEN THE POPE AND GORBACHEV

THE 1989 HISTORIC MEETING

Behind the scenes diplomacy between the Vatican and the Kremlin has increased during the Gorbachev era. The Pope has gradually established Rome's religious authority, while Gorbachev has come to see that cooperation with the Pope is well worthwhile in his task of re-activating the Soviet and Eastern bloc economies. And for the future, both are aware of the value of working together in the New Europe they believe they are creating.

This drawing together became manifest at the end of 1989 when Gorbachev went to the Vatican and was graciously received by the Pope. Their lengthy meeting was obviously cordial, with appropriate appreciation of each other. The Pope gave his farewell in the words, 'My best wishes for you and your mission, for your family and for your country, invoking upon all of you the blessings of Almighty God'. The meeting is reported in *Milestones* '89 chapter 9.

DIPLOMATIC RELATIONS ANNOUNCED

As an outcome of this desire to cooperate, an announcement was made during March 1990, simultaneously in Moscow and Rome, that official diplomatic status was being set in motion.

"VATICAN ESTABLISHES DIPLOMATIC LINKS WITH MOSCOW

"The Vatican and the Soviet Union have established diplomatic contact for the first time since the Revolution in 1917. A historic exchange of ambassadors is to take place immediately, the Pope's spokesman announced yesterday. The development is expected to lead to the establishment soon of full diplomatic relations and will pave the way for a papal visit to Moscow. 'It is a permanent link,' a Vatican official said last night, when he hailed 'this joyous occasion'" (DT 16-3-90).

The French *LeMonde* newspaper had a similar opening paragraph, though this was followed by details of how the Pope was expecting a fuller commitment from Gorbachev.

“VATICAN AND USSR STEP UP RELATIONS

“It’s only a first step, but what a step! The announcement made simultaneously in Rome and Moscow on March 15 that the Holy See and Moscow were going to exchange representatives does not yet amount to a resumption of formal diplomatic relations. It had been on the cards since the historic meeting on December 1 last year between Soviet President Mikhail Gorbachev and Pope John Paul II. But Rome and Moscow have not had any ties at all for the past 73 years. This initial form of recognition wipes out decades of ignorance and hatred” (GW 25-3-90).

A SECOND VISIT: NEXT MEETING IN MOSCOW?

In November President Gorbachev made a brief unannounced call at the Vatican to meet the Pope. He was spending the day in Italy on his way to Paris to the C.S.C.E. (Conference on Security and Cooperation in Europe) talks. He spent forty minutes with the Pope and is reported as discussing freedom of religion in the Soviet Union, the Gulf crisis and the C.S.C.E. talks. The newspaper had the heading:

“POPE AGREES TO VISIT MOSCOW

“After a 40-minute audience with the Pope yesterday, President Gorbachev indicated that a papal visit to Moscow had been agreed, although no date was fixed.

As he left the papal chambers, President Gorbachev said: ‘We have reached agreement; the next meeting will be in the Soviet Union.’

But official Vatican sources, making clear that a visit before 1992 would be impossible, translated the President’s statement in the conditional” (DT 19-11-90).

AN ENLIGHTENING EDITORIAL ON THE POPE: THY KINGDOM COME

An Editorial in the Daily Telegraph the same day gave an exciting analysis of the situation. The editorial is quoted in full.

“FIAT REGNUM TUUM”

“On his way to Paris this weekend President Gorbachev first took the road to Rome. There is no more mockery of the size of the Pope’s divisions; no more talk about the opium of the people. The man who now fills the shoes of the Fisherman had something to offer the successor of the Tsars. A visit by the Pope to the Soviet Union would bring great prestige to the beleaguered president. Vatican officials wisely point out that, although there is agreement in principle for such a visit, the time is not right to name a date. Mr. Gorbachev has not yet moved with sufficient determination to guarantee general religious liberties in the Soviet Union; for Roman Catholics in particular, much still needs to be done in the Ukraine and Lithuania.

Mr Gorbachev’s pilgrimage to the Eternal City reminds us of the major part that John Paul II has played in the liberation of the oppressed peoples of central and eastern Europe. From the earliest stirrings of revolt in his native Poland, the Pope has been in the front line of those pushing for change. It was he, not Mr Gorbachev, who set in motion the true idea of a “common European home”, with his reassertion of the reality and importance of Christendom.

The belief that Europe should be a Christian continent has deep and powerful roots. It is part of the hope that all Christians will be united. The concept of European Christendom has also proved longer-lasting and more powerful than any more formal attempt to bind the Continent together, whether by force of arms or the imposition of supranational political institutions” (DT 19-11-90).

As we would expect in the Daily Telegraph, it sets out a Roman Catholic point of view. It presents Gorbachev dependent on the Pope. There is the opening phrase—his taking the road to Rome. Note the phrase in the second paragraph, “Mr Gorbachev’s pilgrimage to the Eternal City”—a road taken by many over the centuries seeking the support of the reigning Pontiff in the Eternal City.

The Editorial is telling us it is the Pope who can raise Gorbachev’s European and world status. It is the Pope who is steering Europe towards the ‘Common European Home’. It is Christianity—the Pope’s [apostate] Christianity—that will unite Europe.

The Latin heading—according to Lord Hailsham—means ‘THY KINGDOM COME’.

So the Pope is to ‘reign on earth for God’. He has ‘spiritual’ authority over all men. When the new Europe they are planning is attained it is to

be an age of peace, the 'Kingdom of God' on earth; just as the Church proclaimed in the days of Constantine, so they like to think!

The editorial expresses the growing authority and status of the present Pope, both in Europe and world-wide. This is the sort of news we look for in the process of Europe becoming united.

THE POPE BRINGS IN THE JESUITS

Another extremely interesting development is the Pope instructing the Jesuits to concentrate on re-evangelising the 'atheist' Soviet and the Eastern bloc countries who have been indoctrinated with Communism for 70 years. We must suppose he had Gorbachev's agreement to do this; again indicating the power the Pope wields in so-called Spiritual matters in Eastern as well as Western Europe.

This Jesuit activity was revealed in Time magazine (Dec. 10th, 1990) under the heading:

"MAKING UP WITH THE JESUITS: THE POPE GIVES A NEW ASSIGNMENT TO THIS CHURCH'S FAMED ORDER"

"Confronted with task of re-evangelizing the formerly communist countries of Eastern Europe and the newly tolerant Soviet Union, the Pope has called upon the Society of Jesus to direct the task of training priests and rebuilding the long-oppressed clergy of these sensitive areas. This week Jesuit experts are gathering in Rome to plan how to go about the job. For starters, East Europeans are being brought to Rome to receive special training at the Pontifical Gregorian University and other Jesuit-run institutions. Many will return to their homelands as seminary teachers to begin the work of strengthening the church in the East".

POPE CALLS FOR AN ALL-EUROPE SYNOD

Earlier in the year the Pope had announced a special Synod at Rome for 1991 to be attended by Roman Catholic bishops from all Europe—East and West—to study the way ahead for his church, following the collapse of Communism.

"A historic Special Synod of Roman Catholic bishops representing all of Europe, from all of Europe, from the Atlantic to the Urals, will be held at the Vatican before the end of next year, the Holy See announced yesterday.

The synod was summoned by the Pope after his two-day mission to Czechoslovakia. It will study the Church's role following the Communist collapse" (DT 25-4-90).

POWER OF ROMAN CATHOLIC HIERARCHIES IN EAST EUROPEAN COUNTRIES

The Roman Catholic Hierarchies now have freedom to organize their activities in all the countries of East Europe.

"The Pope can now freely appoint bishops in all East European countries—something which up to now had not been possible since the war. Catholic hierarchies have been totally reconstituted in Lithuania, Czechoslovakia and quite recently Romania - countries where until only recently the clergy had been forced to remain silent and the faithful were reduced to a clandestine existence" (DT 7-12-90).

Likewise diplomatic ties have been established with practically all these countries.

"VATICAN TIES"

"The Vatican has established diplomatic relations with Bulgaria, leaving Albania the only east European state without ties" (DT 7-12-90).

THE POPE'S VISITS

The Pope visited Czechoslovakia in April. He is due to go to Hungary in 1991; and has been invited to Lithuania and Bulgaria (DT 17-3-90).

The bill granting full freedom of conscience in the Soviet has still to be ratified, and is one of the essentials before the Pope will arrange his visit to Moscow. The Pope also awaits the legalization of the Ukrainian Roman Catholic Church which had been suppressed by the Russian Orthodox Church.

The reader may like to read again *Milestones* 1989 pages 62-67, starting with the heading:

THE GOLDEN HEAD OF NEBUCHADNEZZAR'S IMAGE

These pages piece together Daniel 2, Revelation 17, Isaiah 14, together with historical information, to outline how the Babylonish head—the leadership of the great image—will have the Pope in the West as the spiritual head, and a Russian despot in the East as the military-political heart.

Chapter 6: UNIFICATION OF THE TWO GERMANIES

WIDE IMPLICATIONS OF THE REUNION

The impact on Europe of the two Germanies uniting is of comparable importance with the developments in the Soviet, already reviewed. In economic terms the might of the combined Germanies will dominate Europe. Recognizing Germany's traditional leaning towards the East, the prospect of the combined power of united Germany plus the Soviet is very disturbing to thoughtful people. Lord Kagan expressed this fear in a debate in the House of Lords.

"What we are seeing now is the development of a new German-Russian alliance.

This is the only way in which Russia can survive as a European power. The combination of German organization and technology, and Russian space, manpower and resources, is absolutely unbeatable.

This is something which has been planned since Bismarck's days. Hitler would have succeeded if he had not indulged in his paranoia. When East Germany joins West Germany, and brings in 17 million highly educated specialists and skilled people whose second language for 44 years has been Russian, we shall see an economic blitzkrieg into eastern Europe" (DT 18-1-90).

Lord Kagan had spent his childhood—during the time of Hitler and Stalin—in Lithuania, and had a realistic appreciation of the situation.

A combined Germany and the Soviet disturbed the West. But equally a combined Germany plus NATO and the EC countries disturbed the Soviet—especially the prospect of losing its main security base, East Germany, where some 400,000 Warsaw troops were maintained.

This was the picture at the beginning of 1990. But the picture changed rapidly and unexpectedly. A variety of factors (see later) resulted in Dr. Kohl, chancellor of West Germany, returning from a mission to Moscow in mid-February with Gorbachev's agreement to reunion. The US also approved reunion; even Mrs. Thatcher accepted that "reunion is inevitable".

THE WIDER ISSUES INVOLVED—REAL PEACE FOR EUROPE?

The economic, political and military might of the combined Germanies was indeed a momentous prospect. But this was only a part of the fundamental changes now becoming apparent. History had arrived at a water-shed, the ending of 40 years of the 'cold war'. For over 40 years a 'peace' had been maintained by the balance of military forces—the Warsaw Pact with 400,000 troops in East Germany facing the enemy of similar size in West Germany.

The Soviet had announced a new military policy (see *Milestones 1986*) and this had gradually been accepted as genuine. Aggression and hostility had been replaced by cooperation; military-strength, as a declared policy was to be reduced to a defence role. The Soviet had withdrawn from Afghanistan and South Africa. The talk was of the "Common European Home", each country being a compartment of the One Home, in neighborly cooperation with other compartments. Here was a prospect of real peace for all Europe. Such was the wider hope of the people of Europe.

The US strongly supported the theme of peace for all Europe. Real peace in Europe would permit most American troops to go home; if there would be a big reduction in the annual European expenditure, and a welcome lessening of the vast foreign debt; their sluggish economy might revive.

This quite sudden emergence of peaceful prospects called for much thought and debate, politically and militarily. 1990 saw many summits and mini-summits as different countries sought to plan their own well-being for the future.

All this was a hopeful prospect until the end of 1990, despite the distraction of the Gulf crisis. In December there seemed to develop on the horizon in the East a clouding of the sky. The military and Kremlin leaders, opposed to Gorbachev's liberal reforms, staged a comeback, forcing Gorbachev to relinquish his perestroika and join with the army in a re-assertion of a tougher rule. What many had feared, a swing back to old Kremlin-style rule seemed quite possible. Gloom had also descended on the 'liberated' East European countries—Hungary, Czechoslovakia, Poland, Moldavia—as they faced hardship and

bankruptcy in their economics, and an even lower standard of living than before their 'liberation'.

A GLANCE BACK TO GERMANY IN 1989

In *Milestones 1989* our chapter heading was "A Changed Germany". 1989 was the year in which West Germany rebelled against its inferior position as an occupied country, following its defeat in World War 2. In May 1989 it refused to acquiesce in a NATO requirement on nuclear armaments. Encouraged by Gorbachev's support and the tumultuous welcome he received on his visit in July, the people generally asserted their independence.

Meanwhile in East Germany, in October, a flood of people escaped from behind the Iron Curtain and arrived in West Germany via Hungary and Austria. The East German communist government fell in December, and a freedom government was installed, to be followed by the breaching of the Berlin Wall and a greater flood of East Germans into prosperous West Germany. There was a great emotional stirring at the prospect of the two Germanies becoming one again. This was a distant vision, years ahead. But as 1990 was to show, reunification was complete by the beginning of October 1990!

LATE JANUARY-FEBRUARY: GERMAN REUNIFICATION NOW ASSURED

The speeding up of reunification was apparent from the start of the year. It was coupled with the growing awareness that the old order of Europe was ending. At the end of January Belgium expressed its intention of withdrawing 25,000 troops from NATO, because war between NATO and The Warsaw pact was no longer a realistic situation.

The same day as this was announced an article set out the uncertainties lying ahead.

"POLITICAL EVENTS RACE AHEAD OF ARMS TALKS"

"The proposed withdrawal of Belgian troops from Germany illustrates the unraveling of Europe's military architecture. Robert Fox discusses the far reaching implications.

In the councils of generals and governments in both alliances, there are all the echoes of Pitt at the time of the Treaty of Amiens: 'Roll up that map, we will not need it ...' Whatever uncertainties persist about

the future of the Soviet Union, it is plain that Stalin's map of Europe is done with, and the military implications for the West must be profound.

Their projected withdrawal of troops aired by the Belgian defence minister in a newspaper interview this week, must be deeply unwelcome internationally, for it threatens another stage in the precipitate unravelling of Western defence, ahead of the disarmament by stages and by treaty that the senior Western allies profess to want.

Throughout the West, events are racing ahead of negotiations and allied consultations. The Belgian move is merely a further indication that the 40-year-old order of European security based on the balance of forces of Eastern and Western alliances is drawing to an end. A new system must be quickly devised to replace it, if peace and stability are to have a chance in these uncertain times" (DT 26-1-90).

Early in February Dr. Kohl abandoned his 'go slow' policy on reunification because the flood of East Germans into West Germany continued unabated at several thousand a day.

"Bonn agreed in principle yesterday to introduce the Deutschemark into East Germany, and urged East Berlin to begin immediate talks on monetary union, despite warnings against haste from bankers. Chancellor Kohl is to head a special government committee to deal with economic and monetary unity.

In the face of the worsening political crisis in East Germany, Dr. Kohl is pushing ahead against the advice of the powerful central bank and of a broad spectrum of financial institutions.

The unabated flood of East German refugees, crossing the border at a rate of between 2,000 and 3,000 a day, has led the government to jettison caution before East Germany's elections next month" (DT 8-2-90).

Four days later Dr. Kohl returned from Moscow with Gorbachev's agreement to allow reunion.

"JUBILANT KOHL GRASPS KEY TO GERMAN UNITY"

"Chancellor Kohl returned home in triumph yesterday with the blessing of Moscow on the union of Germany and the prospect of its rapid consummation. The West German leader's 24-hour pilgrimage to the Kremlin had given him the precious 'key to German unity' which Bonn had always insisted lay in Moscow.

In return, Dr. Kohl promised President Gorbachev that Germany would work with the four wartime allies in planning a new security framework for Europe.

Mr Gorbachev's public recognition of the inevitability of German reunification marks an historic turning-point that neatly identifies the changing patterns of power in Europe: the Soviet leader, presiding over the disintegration of his empire, giving in to the leader of the nation whose economic power may ultimately be his salvation.

Moscow even gratefully received an assurance that Bonn would take over East Germany's long-term trade commitments to the Soviet Union, and keep supplies of farm equipment and machinery flowing" (DT 12-2-90).

Across another page the same day the heading ran:

"STEPS TO A UNITED GERMANY"

"German reunification is no longer in doubt after yesterday's historic agreement between Moscow and Bonn. The questions now are how long will it take, and how will it be done. Charles Laurence charts the road to unity and the possible speed of progress after East Germany's elections next month" (DT 12-2-90).

The events of the past fortnight were listed under the heading, "From the Unthinkable to the Unstoppable".

Even Mrs. Thatcher had to agree.

"GERMAN UNITY UNSTOPPABLE SAYS THATCHER"

"The Framework for a united Germany should be in place by the end of the year, Herr Hans-Dietrich Genscher, West German Foreign Minister, said in London yesterday. Mrs. Thatcher conceded that German unification was now unstoppable and pledged her full support—less than four months after saying it was "not on the agenda" (DT 15-2-90).

The rapid break-up of the old order was further expressed by an agreement to reduce armed forces in Europe. A joint Nato-Warsaw Pact meeting held in Ottawa agreed on each side reducing their armed forces in the central zone of Europe to a modest 195,000. The four wartime allies who had controlled Berlin, the capital of Germany, for 40 years also agreed to a framework of negotiations leading to the release of their control of the city (DT 15-2-90).

MARCH-APRIL: EAST GERMAN ELECTIONS STRENGTHEN DR. KOHL'S HAND

East German elections were held March 15th to form their first freely elected government, with the task of negotiating unification with West Germany. Dr. Kohl spent much time, skill and money to influence the result of the election, and he was gratified that 'his' party in East Germany had a resounding victory, making the reunion negotiations more favourable to his wishes.

It was several weeks before East Germany produced a coalition government and spelled out 'terms of unity': Monetary Union they said could only take place at a rate of one East Mark to one Deutschemark. But Dr. Kohl stuck to his two-to-one exchange rate. In a few months East Germany had been 'absorbed' by West Germany and became two more Kreises (equivalent to English counties) added to German territory.

MAY-JUNE: SOVIET RESISTANCE TO WEST EUROPE'S HOLD ON GERMANY

In February when Dr. Kohl obtained approval from Gorbachev for his plans for uniting the two Germanies, Gorbachev's conditions were that when united it should remain neutral, non-nuclear and unattached to either side. As the US and Western Europe countries pressed for Germany to be attached to NATO and the EEC, Moscow strongly objected.

An important step in the process of uniting the two Germanies was the meetings of the four allied powers to arrange the transfer of their control over Berlin to the united Germany—the so-called 2 + 4 = 1 meetings. These began in May and continued to September. It was at these meetings that Moscow voiced its continuing refusal to have Germany part of NATO.

Moscow's objection is expressed in the following newspaper cuttings.

"TWO + FOUR = ONE"

"The odds are overwhelmingly against the Soviet Union getting its way in the two-plus-four talks and securing the neutrality of a united Germany. The five other participants in negotiations involving the two German states and the wartime Allies want it to be in NATO, as does the great majority of countries on both sides of the old Iron Curtain. They argue, correctly in our opinion, that a nation which seems set to

become the dominant European power is best contained within a defensive alliance rather than drifting freely at the heart of the continent. With the Warsaw Pact in the process of disintegration, Moscow is playing a very weak hand on this aspect of Europe's future security arrangements" (DT 7-5-90).

"MOSCOW OFFERS TRADE-OFF ON GERMAN UNITY"

"The Soviet Union has offered to accept a programme for rapid German reunification if a decision on a united Germany's future military status is deferred, sources in Bonn said yesterday. Mr Eduard Shevardnadze, Soviet Foreign Minister, offered the concession at the "two-plus-four" talks in Bonn.

He is reported to have asked the foreign ministers of the other three war-time allies and the two Germanies to "put off for a few years" the decision on which alliance Germany would join. Such a move would avoid a long dispute over Western demands that a united Germany should remain in NATO" (DT 7-5-90)

June was the date arranged for the Washington Summit of President Gorbachev and President Bush. Gorbachev had made known he would press his objections at the Summit.

"DISPUTE OVER UNITED GERMANY TO DOMINATE SUMMIT"

"President Gorbachev's continued opposition to a united Germany in NATO will play a major part in discussions at next week's superpower summit in Washington, Bush administration officials said yesterday. Agreements in Moscow last week on reducing strategic arms and chemical weapons have cleared the way for the talks to concentrate on Germany.

Soviet insistence on German neutrality is causing concern in Washington and producing an array of inducements from Chancellor Kohl's government designed to change Mr Gorbachev's mind.

Bonn is prepared to pay the very considerable bill for the maintenance of Soviet troops in what is now East Germany while they withdraw over the next five to seven years.

In addition, the West Germans were reported yesterday to be offering to build housing in the Soviet Union for the troops and their families dislodged from East Germany.

Moscow's poverty-stricken economy is unable to absorb the thousands of soldiers being repatriated from eastern Europe. Some of

those already sent home from Hungary and Czechoslovakia are reported to be living in tents.

Mr Bush has said German membership of NATO will create stability and security that are also in the Soviet Union's interests" (DT 4-6-90).

In a broadcast address Gorbachev made clear his position.

"He reiterated that the Soviet people, having lost 27 million people in defeating Nazi Germany, could not accept the idea of Germany joining the old Cold War adversary, NATO. So many sacrifices must not spell new perils, he said" (DT 4-6-90).

JULY—KOHL VISITS MOSCOW A SECOND TIME AND GORBACHEV YIELDS

Dr. Kohl, West German Chancellor, supported by France, was intent on completing the unification, and resourceful as ever, he made a two-day trip to Moscow and returned as the previous occasion with a reversal of Gorbachev's position.

"GORBACHEV SAYS UNITED GERMANY CAN STAY IN NATO"

"President Gorbachev announced yesterday that Moscow could accept a decision by a united Germany to belong to NATO. His announcement eliminated the greatest single concern of Western military strategists for the future of Europe. The Soviet Union has agreed that the 350,000 troops it has stationed in East Germany should be withdrawn within three or four years and that a united Germany should have 'full and unrestricted sovereignty'.

The agreement, described as a breakthrough by Chancellor Kohl, was announced at a joint press conference at the end of a two-day visit to the Soviet Union by the West German leader.

'Whether we like it or not, the time will come when a united Germany will be in NATO, if it wants to. If that is its choice, then to some degree and in some form, it can work together with the Soviet Union', President Gorbachev said.

Although he appeared reluctant to grant Germany its right to decide which military alliance it would belong to, observers pointed out that he was having to sell the idea to a hostile military establishment" (DT 17-7-90).

AUGUST

A quiet month, but the Berlin 2 + 4 = 1 meetings continued.

SEPTEMBER - 'TREATY ON THE FINAL SETTLEMENT WITH RESPECT TO GERMANY'

The last Berlin 2 + 4 = 1 meeting was held in Moscow on September 9th. Last minute arguments and compromises resolved all problems and Gorbachev looked on while the six senior ministers involved signed the Treaty document.

"SOVIET 'CHAMPAGNE' USHERS IN MARRIAGE OF TWO GERMANIES"

"Forty- Five years of post-war European history were formally drawn to a close yesterday.

At the final round of the "two-plus-four" talks in Moscow, senior ministers of the Soviet Union, the United States, Britain, France and the two Germanies, watched by a benign President Gorbachev signed the document clearing the way for German reunification on October 3.

'Today we drew a line under the Second World War and started the clock of a new era.' Mr Shevardnadze, Soviet Foreign Minister, declared after the ceremony.

The agreement entitled Treaty on the Final Settlement with respect to Germany, still requires formal ratification by each country's parliament a process expected to run well into next year before the new Germany acquires full sovereignty. But the four Allied powers will suspend their rights and responsibilities ahead of reunification day.

After seven months of negotiations, the Soviet Union withdrew the last of its objections to the terms of the proposed treaty earlier this week, when it accepted £4 billion of West German aid to finance the withdrawal and resettlement of its 370,000 troops in what is now East Germany. The last Soviet soldier is due to leave by the end of 1994...

The signing reflected a complete turnaround on past attitudes of the Soviet Union which only a year ago, was insisting in the preservation of the two Germanies and the Berlin Wall as a guarantee of the strategic balance in Europe.

But since the breaching of the Wall last November and the collapse of Communist regimes across Eastern Europe, Moscow has been forced to bow to the inevitable. Mr Gorbachev, seeking to maintain his authority against a wave of accusations that his reforms allowed the

defeat of socialism, could only play for time and look for the best possible deal for the Soviet Union.

West Germany, determined to satisfy the aspirations of its people at all costs—and to maintain the best possible relations with the Soviet Union—could afford to offer generous terms” (DT 13-9-90).

Such is the story of how re-unification of the two Germanies rushed on to its conclusion in 8 months, when it had been expected that it would take several years. Some comments follow on aspects of the reunification.

REACTION OF SOVIET MILITARY TO GORBACHEV'S SURRENDER TO THE WEST

Looking back to September, 1990 it is now clear that Gorbachev's 'giving away' of East Germany to the West was the last straw for the military and the Kremlin diehards. This throwing away of the king-pin of their security aroused active opposition to Gorbachev, leading to the re-association of the new hard-line, tougher, rule that began in December, together with the suppression of Gorbachev's liberal perestroika.

This appreciation of the situation was voiced by the *Washington Post* at the time Gorbachev "surrendered" in July.

"DANGEROUS REAWAKENING OF OLD FEARS"

"Washington—The deal of the half century between Chancellor Helmut Kohl and President Mikhail Gorbachev will probably be remembered as the instrument of Soviet surrender in the Cold War. Mr Gorbachev agreed to the transfer of East Germany, whole, to the Western alliance.

The West and the Communists split Korea. The Communists got Indochina. In 1977, the West even had a straight swap of Ethiopia for Somalia. But all these contests pale beside the transfer to the West, for cash and a few draft choices, of Russia's great world war two prize, its German buffer state" (GW 29-7-90).

The reaction of the military in Moscow at Gorbachev's 'surrender' was better.

"SOVIET UNION GIVES MIXED RECEPTION TO NATO DECISION"

"President Gorbachev's acceptance that a united Germany can be in NATO will receive a mixed reception in the Soviet Union, with

resentment particularly likely among the military, Western diplomats said in Moscow yesterday.

Analysts said Mr Gorbachev was pleased that Chancellor Kohl had been instrumental in persuading the European Community to study ways to finance perestroika.

But they believed his acceptance of a united Germany in NATO was viewed by his hard line critics as the sale of East Germany in return for large sums with no strings attached.

'This presents a major doctrinal shift, and there will be a lot of resistance,' said an expert at one embassy.

Military men are seeing their standing in the country plummet, there is not enough housing available for the thousands of troops returning from Eastern Europe, and commanders in the field are facing the difficult task of explaining all this to their men. It is no wonder that there is discontent" (DT 18-7-90).

INCREASINGLY CLOSE GERMAN-SOVIET RELATIONS

German-Soviet relations as expressed by Kohl-Gorbachev's friendship have certainly become closer in 1990.

At the Press Conference as Dr. Kohl left Moscow after his two-day visit in July, both Gorbachev and Kohl emphasized the close ties that were developing between the two countries.

"President Gorbachev and Dr. Kohl made repeated references to their close personal and working relationship and spoke of a future partnership and coinciding interests.

'In the agreements one can see that both the interests of the Soviet Union and of West Germany have been served. I believe that Germany has learned its lesson from history,' President Gorbachev said.

'The post-war years have shown that such developments will never again come from German soil'.

He said 'German-Soviet relations are on an extremely high level. East Germany was our largest trading partner in the East, and West Germany our largest in the West. Now we will have an even stronger bond between our two countries'" (DT 17-7-90).

A few days later Dr. Kohl referred to this Soviet-German bond.

“KOHL BELIEVES GERMANS WILL SIGN TREATY WITH RUSSIA”

“Speaking after a triumphant return from a two-day trip to Moscow, Dr. Kohl said he expected to sign a comprehensive treaty with Russia on cooperation in all fields from culture to security within the next 12 months.

‘I cannot confirm that this will take place because I am still only the Chancellor of West Germany. What I can say is that it is the intention of the Germans and my personal intention to sign such an agreement with the Soviet Union before parliament goes into recess next summer.

The agreement should be truly all-embracing and include, on the political side, provisions for regular consultations on the same basis on which we have them with other countries” (DT 18-7-90).

A 20 years treaty of economic cooperation and non-aggression was signed in December.

This German-Russian closeness is **exactly** what we are looking for! Yes, prophecy is still being fulfilled.

GERMAN ECONOMIC MIGHT

Our last consideration on German reunification is the greater economic strength this shortly will bring.

The political cost of reunification has been modest; but now this is accomplished it is being realized what the cost will be to re-equip the East German economy, not only its factories but all aspects of transport and modern communications. The East Germans are hard working, intelligent and resourceful, and in a few years the two Germanies together will be a giant in Europe.

East German territory adjoins the Soviet and the East bloc countries; it has had close trade ties with them for 40 years in the Comecon market, and therefore this will be the route for great trade opportunities between the new Germany and these countries.

The same day unification was declared, October 3rd, a Daily Telegraph article drew attention to the inevitable greater influence of the new Germany, not only on Europe, but, interestingly, on America. The article had the sub-heading:

“THE DAY OF GERMAN ASCENDANCY IN EUROPE IS COMING—SOONER THAN WE LIKE TO THINK”

"Peering at Saddam Hussein's baleful star in the Middle East has taken our minds off Germany. But whereas there will be an end to the Gulf crisis, the new German state promises to be around for a small eternity. Nothing fundamental in Britain's foreign policy will change as a result of the Gulf; a re-united Germany will change almost everything, for Britain, for Europe, and for the Atlantic relationship.

Inevitably, Germany's position on the world stage will be enhanced. This will not be the result of some deep-laid plot for European domination, but of the natural translation of power into influence.

The coincidence of the Gulf crisis with German re-unification will intensify the impact of a greater Germany on American foreign policy. The end of the Cold War in Europe, the rise of an even richer Germany, the cost-benefit analysis for the United States of the Gulf operation—everything will propel American opinion in the same direction: neo-isolation.

If there is no war, there will still be stupendous costs for America to face. And if war comes there could be popular American bitterness against Germany: the British and the French were there, in however small numbers, but where were the Germans?" (DT 3-10-90).

Another article took a global view, as seen by America.

"Germany is emerging as the regional superpower in Europe, as is Japan in Asia. Nonetheless, current laments about the eclipse of America are premature. The United States remains the world's only global superpower. The Kohl-Gorbachev agreement was exactly in accord with the blueprint for the new Europe devised by the Bush administration after the fall of the Berlin Wall: a unified Germany within a NATO re-configured to be less threatening to a defunct Warsaw Pact.

Moreover, the crux of the Soviet-German agreement is that Germany remain tied to the Atlantic alliance. Another way of stating this is that the Soviet Union and Germany have agreed that their security, and Europe's, requires the continued presence on the continent of the United States. That is no mean achievement" (DT 29-7-90).

No one doubts the ability of West Germany to cope with revitalizing East Germany. West Germany has become very prosperous in the last few years. The *Le Monde* newspaper in August occupied two whole pages detailing West Germany's strength. Here are a few notes from it:

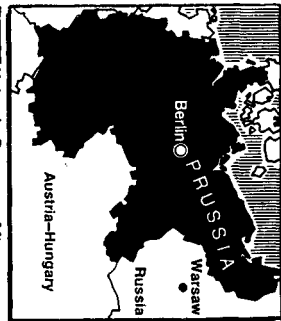
"THE GROWING STRENGTH OF E. & W. GERMANY"

1. Its trade surplus in 1989 was £45 billion—in contrast with America's massive deficit.
2. It was the world's biggest exporter, ahead of Japan and the US.

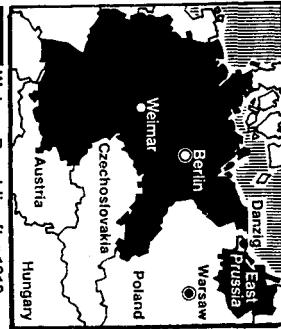
3. In 1988 GNP rose 3.4% and industrial output 3.6%, limited by shortage of skilled labour.
4. In July 1989 it was reported as the second largest creditor nation after Japan with net assets of £140 billion.
5. By October 1988, West Germany had become the Soviet Union's main partner, with 170 [trade] Agreements, well ahead of the UK (65), Italy (62) and France (36)" (GW 26-8-90).

So West Germany has the capacity and will to take on the revival of East Germany, and fulfil its ambition of dominating E. and W. Europe.

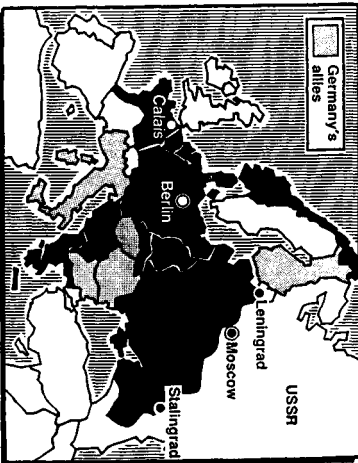
100 years of Germany



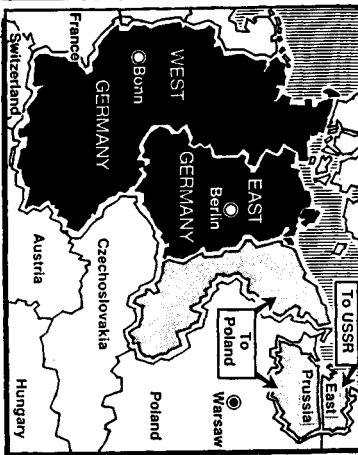
1871 Kaiser's Germany. After Franco-Prussian War German Empire proclaimed in 1871 lasts till end of World War One.



1919 Weimar Republic after 1919 Versailles Peace Treaty gives way to Hitler's Germany in 1934.



1942 After 3 years of World War Two, Germany occupies Europe from Calais to the Caucasus.



1989 Dismemberment. From 1945 Germany is divided by allied powers into two nations.

Chapter 7: EEC PROGRESS TOWARDS FEDERATION

INTRODUCTION

The cooperation of France and Germany with J. Delors, president of the European Parliament, has speeded up the move towards the political union of the EC member states, aiming eventually to bring about a final federation. Dr. Kohl of West Germany has been in the forefront of this drive, using it for his own ends in speeding up German reunification. Britain's position has in general been low key until the end of the year, when Mr Major launched his alternative to the EC Single Currency.

The Common Market, or Single Market, planned for 1992 had received general approval of all members in June 1989, including British approval. It is useful to remind ourselves of the two agreements Mrs Thatcher had made. The one was the signing of the Single European Act in 1986; and the other the agreement to 'step one' of the three steps set out at the Madrid Summit, July 1989. Details of the Single European Act were given in *Milestones 1986*, Chapter 3. Its first objective is an "Internal Market" by 1992, defined as "an area without frontiers in which the free movement of goods, persons, services, and capital is ensured". It gave enhanced powers to the Europarliament and its Commission.

At the Madrid Summit, July 1989, a timetable for progress to full federation of the Community was presented:—

Step one was concerned with the Single Market by 1992

Step two aimed at 1994 for a Single Currency

Step three would be a final revision of the original Rome Treaty to establish a European federation, economically and politically.

All member states agreed in principle to the three steps, except Mrs Thatcher, who agreed only to step one.

She added that Britain would join the Exchange Rate Mechanism when all members had met their obligations— Britain already having done more than any other country.

GATHERING MOMENTUM FOR POLITICAL UNION

A few quotations covering 1990 will sketch the steady pressure and growing confidence for political union.

January 18th

J. Delors, at the opening session of the Europarliament.

“The creation of an embryonic government of Europe which would include East Germany in the Common Market was essential to preserve stability in the 1990’s, M. Jacques Delors, EEC Commission President, said yesterday.

M. Delors outlined a plan for an EEC central government which would increase the powers of the Brussels Commission, but would not give extra control to members’ national parliaments” (DT 18-1-90).

March 3rd

“Chancellor Kohl of West Germany called yesterday for EEC governments to meet next year to begin work on what would effectively be a ‘United States of Europe’. In a clear reference to Mrs Thatcher he said that opponents of economic and political union would be swept aside by an irresistible torrent.

Dr. Kohl also spoke in favour of a second inter-governmental conference, which would initiate political union of the Common Market. Such a move would mean giving much greater powers to the European parliament and possibly the creation of a European Cabinet-style government in Brussels” (DT 7-3-90).

April 20th

“MITTERAND AND KOHL URGE EEC UNION BY 1993”

“France and Germany want a single European currency and political union by 1993. In a joint statement yesterday, M Mitterrand and Dr. Kohl said the EEC’s foreign ministers should plan a conference next year to draw up an agreement to this end.

French and German hopes are set out for the coming EEC summit in Dublin...It says: ‘Our aim is that these fundamental reforms—

economic and political union—should enter into force after ratification by national parliaments’.

That brings forward by three years the time recently set by the Brussels commission for a single European currency” (DT 20-4-90).

September 17th

“MITTERAND AND KOHL AIM FOR NEW ERA”

“Mitterand and Kohl begin a two-day meeting in Munich today which West Germany believes will herald a new era of friendship between Bonn and Paris.

Bonn likes to stress what it sees as its ‘special relationship’ with Paris, and is particularly keen to portray France as its closest ally in a year when it has suffered sharp criticism from the rest of Europe over the speed at which it has pursued reunification.

Officials in Bonn say the meeting with Mitterand...should produce a ‘significant’ joint communique opening a new chapter in bilateral relations as Germany prepares to unify on Oct. 3” (DT 17-9-90).

October 22nd

“THATCHER STANDS ALONE AGAINST THE MIGHT OF BONN”

“Less than three weeks after German reunification the mutterings are growing that the biggest EC country is starting to use its latent political muscle. If Mrs Thatcher needed any demonstration of the relative importance of London and Bonn in European politics, it will be rubbed in at the Rome summit next Saturday..

After Chancellor Kohl of Germany announced last Wednesday that he favoured 1994 for the creation of the “Eurofed” bank—stage two of monetary union—the European Commission in Brussels reacted with rapture.

Dr. Kohl’s support of the 1994 deadline has set the pace in Europe.

The Italian EC presidency now views the British problem with a nonchalance that borders on cynicism” (DT 22-1-90).

October 27th

“Mrs Thatcher arrives in Rome today for a skirmish, a preliminary trial of strength over an issue and a principle to which she has dedicated much of her political career.

This evening's emergency European summit is not bound to produce any decisions on monetary and political union. But when the Prime Minister returns to Rome in less than seven weeks' time, she will formally join battle on these matters. For what is at stake at these conferences is quite simply breathtaking.

Tonight, for the first time, the 12 Common Market leaders will be looking at the wider picture, piecing together a mosaic of proposals to form the image of a superstate.

Take the report on monetary union by the Italian finance minister, Guido Carli; the two reports on political union drawn up under the direction of the Italian foreign ministry Gianni de Michelis; and the EC Commission's own vauntingly ambitious blueprint for a new Common Market structure.

They propose a European bank, a European currency, the rudiments of a European government complete with single foreign and defence policy, a European minimum wage, and a joint EC intervention force. In the past, the implementation of such grandiose plans for European unity would only be attempted by force of arms" (DT 27-10-90).

November 4th

After the extra meeting just referred to, the eleven member states issued a communique on what had been agreed. A new phrase appeared, which pin-points the future power of the Europarliament. The phrase is: "*The New Community Institution*" .

The section dealing with the monetary union reads as follows:

"For monetary union, the creation of a monetary institution comprising member states central banks and a central organ, exercising full responsibility for monetary policy.

The institution's task will be to maintain price stability. Without prejudice to this objective, it will support the general economic policy of the Community. The institutions, as well as members of its council, will be independent. It will report to the institutions which are politically responsible.

With the achievement of the final phase of Economic and Monetary Union, exchange rates will be irrevocably fixed. The Community will have a single currency, a strong and stable Ecu, which will be an expression of its identity and unity. During the transitional phase, the Ecu will be further strengthened and developed.

The second phase will start on January 1, 1994 after

- the single market programme has been achieved,
- the treaty has been ratified, and, by its provisions,
- a process has been set in train, designed to ensure the independence of the members of the new monetary institution at the latest when monetary powers have been transferred" (DT 4-11-90).

December 15-18th

At the Rome Summit these intended steps were confirmed. Mr Major, now Prime Minister, and Mr Lamont, his Chancellor, effectively and patiently fought for his alternative currency plan which would allow members to maintain their financial policy independence.

But the main news at Rome was the circulation of a "confidential paper sent to EC governments in the last few days". The Guardian Weekly had obtained a copy and reported that it set out new and grander steps for the future of the Community. The Community was to have its own defence force and policy; majority voting for approval of vital concerns and no veto; "enormous powers" for the European Central Bank (2-12-90).

A fuller picture of this was given in the Australian Financial Review, 26-11-90. This is such an impressive overall picture we quote it almost in full, with only a few paragraphs omitted.

"SUPER EUROPE PLAN REVEALED"

"As Margaret Thatcher's 'no, no, no' approach to Europe collapses with her own removal from leadership, a new, more sweeping plan for European union, backed by Kohl has emerged.

The plan goes beyond proposals supported by 11 European Community leaders, and opposed by Mrs Thatcher, at last month's Rome European Summit.

Like the Rome communique, it calls for economic, political and monetary union, but proposes backing it with a powerful new federal structure that could undermine nation States in the region.

Along with other official proposals, it is likely to meet with surprise, even concern, in the US and Japan, as it traces a Europe with its own defence force, government, parliament, central economic policy and influence extending through the Middle East and the Eurasian land mass.

The plan, agreed at a recent meeting of European Christian Democrat parties, which head governments in six of the 12 EC countries, including Germany, proposes more power for the European Parliament, EC Council of Ministers and the European Commission—the Community's legislative, policy-making and administrative arms. The so-called Dublin document...will form the negotiating position of these six countries at another European Summit in Rome next month, called to prepare changes to the EC's constitution to facilitate political, economic and monetary union.

The Italian Government, which now holds the rotating EC Presidency, also proposes giving the European Parliament the final say on many laws and the EC a clear defence role for the first time.

A confidential paper, sent to EC governments before the next summit, says regional security 'remains the responsibility of the [European] union'.

The Dublin document envisages a two-tier European legislature, with the Council of Ministers, composed of ministers from member States forming a Senate, and the current Parliament as the Lower House.

This would oversee a supranational administration, underwritten by the power to appoint and dismiss the President of the European Commission, a position now held by France's M Jacques Delors.

The document not only envisages an EC foreign and security policy—vaguely touched on at the October Rome Summit—but the eventual creation of a pan-European army.

This new union structure would be cemented by removal of the member States' existing right of veto, so that all decisions in the Council of Ministers would be by qualified majority vote.

As agreed under the so-called Delors plan, which calls for monetary union to be brought forward to coincide with the start of the single European market in 1993, the Dublin document also says economic and monetary union will mean the creation of a single European currency and a Central European Bank. There would be joint economic guidelines covering prices and incomes.

The document has been endorsed by smaller EC States such as Belgium, Holland and Luxembourg, but it is also adopted policy for Italy and Germany.

The latter's priorities are reflected in detailed plans for an independent Central European Bank and enlarged powers for the European Parliament—first proposed by Dr. Kohl.

With the addition of East Germany, the combined German nation will return more MEP's than any other EC State.

The most radical political union proposals relate to foreign and defence policy.

Under plans developed by the Italians, the nine-member Western European Union will be incorporated under the EC umbrella. Despite a Eurofudge in the final communique, this is a clear move to finally replace NATO as the prime source of European defence”.

So this “Dublin Document” envisages the European parliament as having executive control over the Community; it will be the “Lower House”, having equivalent authority to Britain’s House of Commons.

This was confirmed a few days later:—

“EUROPEAN CENTRAL BANK TO HAVE ENORMOUS POWER”

“Draft statutes for the projected European central bank were revealed yesterday to the 12 Common Market finance ministers.

The bank would be an independent financial institution with sole rights to issue the European Community’s single currency—dedicated to the same rigorous anti-inflationary policy as the German Bundesbank.

The European central bank is given enormous powers. Major clearing banks and building societies would be obliged to hold minimum reserves on account with it, and it would be able to hold national tax revenues on bank transactions.

The statutes, agreed in secret by member countries’ central bank governors at Basle last month, were presented to finance ministers meeting near Milan.

They contain an explicit commitment to the independence not only of the European central bank but also to the independence from government of the 12 national banks, including the Bank of England. National banks would effectively become little more than the arms of this central bank, with responsibility for executing instruction on monetary policy.

Even the governors of national banks would have to be appointed with the approval of the central bank’s governing council.

Britain has refused to accept the idea of the bank even in principle, though new Chancellor Norman Lamont was yesterday obliged to discuss it in detail.

The bank's first objective is to maintain price stability in Europe, and would thus have the 'exclusive right to issue notes throughout the community'—though national central banks would still have a role in issuing coins.

But it will not be able to bail out governments or other big public concerns running budget deficits.

The statutes envisage a powerful role for the bank's president who, like the Bundesbank president, would be elected for eight years. Major decisions of European monetary policy—including interest rates or dealing with other major currencies—would be taken by a straight majority vote of the bank's 18-strong council which would meet secretly 10 times a year, comprising the executive board and the 12 governors of national central banks.

Wholesale powers are given to the bank to manage and sell all gold reserves held by Community countries, plus foreign currency assets. The bank will also be endowed by national central banks with foreign reserve assets up to an amount yet to be agreed" (DT 3-12-90).

There is no likelihood of British financial and industrial leaders accepting such loss of freedom. Nor would parliament and the people agree. Britain will be driven to follow its own path with Sterling as its major currency, in cooperation with the US and the Commonwealth.

WHAT ARE THE EUROPEAN CHRISTIAN DEMOCRAT PARTIES UP TO?— ANOTHER ILLUSTRATION OF THE POPE'S INFLUENCE

Turning back to the Australian Finance Review article (written in London) we are told this "Super-Europe Plan" has been devised by West European Christian Democrats.

It is being guided by the Roman Catholic element of the Italian government; it is named 'The Dublin Document' because it was formulated at a meeting of the European Christian Democrats at Dublin, where the Haughey government is strongly Roman Catholic. Haughey, Dr. Kohl, Mitterand, J. Delors and the Italian president are all practising Roman Catholics. We see once again how the Pope controls or influences the development and policies of the European Parliament and the governments of West Europe.

CHAPTER 8

BRITISH SUCCESS IN EEC AFFAIRS IN 1990

MRS THATCHER'S STAND FOR NATIONAL SOVEREIGNTY

A gradually changing scene

A remarkable change in Britain's standing with the eleven EEC members came about by the end of the year. The change centres round Mr Major's plan for national currencies to run alongside the official EC's unit of the Community.

Other factors were also operating before this. At the July 1989 Madrid Summit Mrs Thatcher protested that the attempt to plan "step 2" of the Madrid Agreement on federation was unrealistic and a jump into the unknown. In this stand she was supported by Tebbit, Enoch Powell and the Bruge group. The effect of all this was a belated appreciation by several community members that Mrs Thatcher was right.

Two reports in May make this clear.

"EUROPEAN UNITY PLAN IS BLOCKED"

"An unexpected Anglo-French alliance has dealt a severe blow to plans for a federalist 'United States of Europe', it emerged yesterday.

Common Market foreign ministers instead seized the opportunity to bolster the role of national governments in EEC decisions.

The results of yesterday's closed session of foreign ministers in an Irish seaside hotel will delight Mrs Thatcher, who has campaigned against centralizing EEC decisions.

Mr Douglas Hurd, Foreign Secretary, quoted with approval the words of his French counterpart, M Roland Dumas: 'No country in 1990 is ready to give up sovereignty on foreign policy and security matters'.

Even the Brussels commission president, J. Delors, conceded that 'we will not be able to create a federal system tomorrow'.

French politicians have lately come under pressure from the National Assembly not to give up powers to Europe—just as the House of

Commons has grown increasingly jealous of its own sovereignty" (DT 21-5-90).

"BONN AND PARIS SEE BRITISH WAY 'IS BEST FOR EEC'"

"Germany and France have come round to the British view that the best way forward for the Common Market lies in making its existing institutions more effective rather than in a European super-State, Mr Hurd, the Foreign Secretary said yesterday.

There is now a new definition of 'political union' for the EEC that involves a process of improving the present system rather than 'a great leap forward'. Mr Hurd told the House Foreign Affairs Committee. This is 'much closer to what we have sought'. Mr Hurd said he 'did not dissent' from a comment by Mr David Howell, chairman of the committee that the surprising switch in the approach taken by France, Germany and others was a 'pay-off for the detailed hard work and common sense' shown by the [U.K.] Government in the face of calls for the kind of European federalism that could present a threat to the role of the Queen .

Mrs Thatcher has persistently insisted that there is no need for dramatic treaty changes to speed up the integration of the EEC countries and that the Community should concentrate on making its present institutions work better until the European Single Market is completed in 1992" (DT 24-5-90).

At the **end of June**, just prior to the half-yearly ECC Summit to be held at Dublin, Mr Major as Chancellor announced his 'hard Ecu' plan, which would allow countries to continue using their national currency; this is an alternative to J. Delors plan for a single European currency to be mandatory for all countries.

European reaction was cool and indifferent. Nevertheless a report just before the Summit opened indicated the degree of British influence.

"EC MOVE TO PROTECT BRITISH MONARCH"

"A compromise formula for European political union which would ensure the role of the British monarchy is not threatened, will be considered by Common Market heads of government at next week's Dublin summit.

A paper drawn up by foreign ministers, including Mr Hurd, Foreign Secretary, acknowledges the need to respect national identities and 'fundamental institutions' in EC countries when deciding what is meant by political union.

At April talks, Mrs Thatcher agreed not to block demands for greater political ties between the Twelve, but insisted there should be no threat to the position of the Queen or to national characteristics and identities.

The summit is likely to be dominated by the growing momentum for economic and monetary union. Mrs Thatcher and Mr Hurd will be anxious to prevent France, West Germany and the Benelux countries from trying to push ahead quickly towards a single currency, increasing the risk that Britain could be relegated into a second tier.

Mrs Thatcher will also be seeking support for the alternative outlined by Mr Major this week, for the European Currency Unit to be converted into a common currency to be used with existing ones" (DT 27-6-90).

In September there was an 'informal meeting' of the Community's 12 finance ministers, and it became apparent that Mr Major's plan had made considerable progress.

"At the end of the weekend's informal meeting of the Twelve's finance ministers, the Danish minister concluded: 'The Delors report is too optimistic.'

Rival proposals by Mr Major, the Chancellor to introduce a hard (or non-devaluable) Ecu, as a parallel 13th currency instead of a single one, were backed by Senor Carlos Solchaga, Spanish Finance Minister.

In fact, Mr Major claimed that nine out of the 12 countries 'expressed agreeable language' about the Anglo-Spanish plan.

The strongly federalist camp has shrunk to France, Italy, Belgium and the European Commission itself.

This marks the end of an uncomfortable two-year period of lone British opposition to the EC consensus on monetary union.

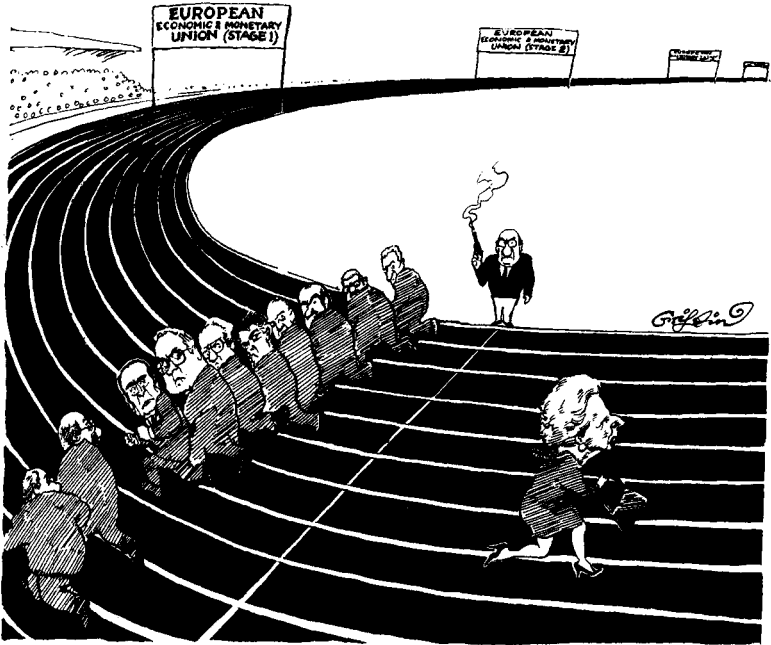
The hard Ecu was born of the idea by the former Chancellor, Mr Nigel Lawson, for competing EC currencies, which was almost laughed out of court when he suggested it to colleagues in Antibes a year ago.

A number of ministers indicated support, and most significant of all, Herr Theo Waigel, West German Finance Minister, said he could see the paper's attractions" (DT 10-9-90).

October is notable as the month in which the Chancellor announced Britain joining the Exchange Rate Mechanism (E.R.M.). One useful effect of this was the improved standing of Britain in the Community—

Britain really had joined the European Single Market (Single Market and Single Currency Stage should not be confused).

October is also notable for the event that led to Mrs Thatcher's resignation as Prime Minister. At the end of the month an unexpected pre-Summit meeting in Rome was arranged to make preparations for the important Rome Summit in December.



Cartoon comment by Griffin in The Daily Mirror

“THATCHER ALONE AS EC VOTES FOR SINGLE CURRENCY”

“Sweeping aside objections from Mrs Thatcher, European leaders yesterday unexpectedly set a deadline of January 1, 1994, for the creation of an EC central bank with giant powers over domestic monetary policy, and paved the way for a single European currency by the end of the decade. The Prime Minister immediately denounced the plan as being in ‘cloud cuckoo land’ and served notice that she was prepared to use Britain’s veto to stop it. She stressed: ‘We shall block things which are not in Britain’s interests. Of course we shall’.

Within minutes of the ending of the EC summit in Rome, the Prime Minister underlined her hatred of the plan to sweep away national currencies. ‘If anyone is suggesting that I would go to Parliament and suggest the abolition of the pound sterling—no,’ she said.

Mrs Thatcher commented ‘It seems like cloud cuckoo land to give a date for the beginning of Stage Two and we don’t know what it is going to be’” (DT 29-10-90).

THE DECEMBER ROME SUMMIT

At the Rome Summit Mr Major as Prime Minister represented Britain. The eleven enthusiastically agreed on detailed steps to be taken towards federation; on steps to strengthen the Europarliament and its Commission; and on steps towards the final revision of the basic Treaty of Rome—i.e. the 2nd and 3rd stages of the Summit.

Two inter-governmental conferences (IGC) were set up: one for the examination of monetary Union and the single currency; the other for dealing with political union. After formally initiating the two conferences they adjourned, arranging for appropriate groups to start work at the end of January.

As already described, Mr Major defended his alternative plan effectively. Mr Major’s report to parliament was given the heading:

“BRITAIN NO LONGER SOLE EC SCEPTIC SAYS MAJOR”

“Britain is no longer the only member of the EC with considerable reservations about economic union. Mr Major told MPs yesterday when he reported back on the Rome summit.

His statement followed an admission by J. Delors, President of the European Commission, that he feared the German, Dutch, Spanish and French Finance Ministers were giving the impression of reneging

on their commitments to progress to a single currency and a central European bank.

Mr Major said it was simply no longer the case that Britain alone had considerable reservations about the plan by Delors for economic and monetary union. Alternative proposals were being put forward by a number of other countries and 'robust criticisms' had been made to plans which had previously been unchallenged" (DT 19-12-90).

One may expect there will be several months of debate in the Inter Government Conferences, before further conclusions are announced. The British delegations intend to take an active part.

THE IMPORTANT THEME OF SOVEREIGNTY

The topic as it bears on Britain and the Commonwealth was dealt with in *Milestones '89* in chapters 9 and 10—"Two Kinds of Freedom".

Several letters and articles during 1990 contributed some additional useful thoughts or emphasis. The following are some quotations from a speech of Norman Tebbit addressing the Bruges Group.

"Mr Tebbit said that if plans now being considered were carried out 'the power to tax or not to tax, to spend or not to spend, to borrow or not to borrow, the power for which Parliament struggled with kings over the centuries, would essentially have slipped from British hands into the hands of a parliament overwhelmingly elected by foreigners'.

'Pooling' and 'sharing' sovereignty was a favourite cliché and was dangerous because it obscured reality. Sovereignty was the power to take our own decisions. If pooled, it created a new sovereignty in the hands of another entity, he said.

Proposals and practices now coming forward 'would change the balance decisively in favour of Strasbourg and Brussels and against Westminster'.

He added: 'A country lacking sovereign control over economic policy is not a nation—it is a province.

'And provinces, unlike nations, have no sovereign power. In such a condition we would cease to be a truly independent nation'" (DT 26-1-90).

The history of British sovereignty is sketched in the following letter. Note the emphasis given to the two words 'attempt' and 'their' to strengthen the case presented.

“Sovereignty defended by Coronation Oaths”

“SIR— Prof. Bush (letter May 21) did not need to go back to clause 39 of Magna Carta (promulgated 1215, confirmed 1297) to make the point that ‘in Britain the Queen symbolizes the freedom of the British people alone to make **their** own laws and employ **their** armed forces to defend that freedom as they alone see fit’. The constitutional position is enshrined in the Coronation Oaths Act, 1953.

Any move towards what Prof. Bush calls ‘Mr Heath’s passionate desire to convert the country into a province of a Franco-German Europe’ would constitutionally require the repeal of not only this 1953 Act but also Section 1 of the Bill of Rights, 1689, which makes it ‘unlawful to **attempt** anything to the contrary of the proposition’ that the ‘entirety, perfection and fullness of the Royal Power and Government of the Realm should be only vested in {her present} Majesty’.

In 1953, the Queen did ‘solemnly promise and swear to govern the people of the United Kingdom of Great Britain and Northern Ireland...according to **their** respective laws and customs’. By this most solemn oath she bound herself not merely for some part of her reign but for her entire reign” (DT 23-5-90).

Another aspect of the history of British Sovereignty is in a letter answering the question:—

“What is distinctive about the United Kingdom?”

“The answer is the fruits of the constitutional genius of her people: that coexistence of the monarchy, a sovereign parliament and the popular will.

This signal achievement came about by evolution, through political means in answer to political needs, and not by design of a committee working to a timetable. All this is, perhaps, more obvious abroad, even in Europe.

It ought not to be lost sight of in the hurly-burly of the preparation of an agenda for ‘political unity’ in Europe. Mrs Thatcher is surely right to be wary lest the work of centuries be undone, without thought and deliberation, in a stampede to keep pace with an unrealistic timetable.

European political union will not involve just an encroachment on the sovereignty of the Queen and of Parliament but the transfer of whole areas of legislative jurisdiction to an aggrandized European Parliament and of the cognate executive powers to a central European

organ. It points to the general subordination of the United Kingdom Parliament to that of Europe" (DT 8-5-90).

THE DIVINE OBJECTIVE

Our chapter heading expresses Britain's EEC activity from a human point of view. But more important to us is the enquiry 'What are God's objectives as he carries out his purpose through the angels? We have already given some consideration to this in chapter one under the sub heading "Mrs Thatcher and Britain's anti-federal stand".

Mrs Thatcher's stand against European federation is intended to work in two directions, in the divine programme. It will prevent Western Europe being fully federated, remaining as a confederation; secondly it will draw together the Commonwealth and make it a world-wide trading unit having sterling as its common currency.

Regarding the first objective, the newspaper cuttings for the year given in this chapter are to the point: the British stand has stirred the spirit of nationalism in most West European countries. There is a growing feeling that they do not want to lose their sovereignty and freedom of actions yet they are lured on by this grand vision of power and status as the United States of Europe. It is not difficult to see that this conflict will result in a confederation rather than a federation.

Our scriptural reason for emphasizing **confederation** is the language of Revelation chapters 17 and 19. Although they indicate that it is the 8th beast that "goeth into perdition" or ruin, the detail clearly tells us the military power of the beast is exerted through its ten horns:

"And the ten horns which thou sawest...These have one mind and shall give their power and strength into the beast. These shall make war with the Lamb, and the Lamb shall overcome them" (17:12-14).

In chapter 19 the destruction of this 8th beast is linked with the destruction of the False Prophet.

"And the beast was taken, and with him the false prophet that wrought miracles before him...These both were cast alive into the lake of fire burning with brimstone" (19:20).

This linking of the false prophet with the beast established that we are dealing with the last phase of the European 'Christian' system. Also that its military power resides in "ten" symbolic horns.

These ten horns draw their meaning from the great Image of Daniel chapter 2 with its 10 toes. The little stone strikes the Image on its feet and ten toes, and that image is destroyed; clearly a parallel time with Revelation chapters 17 and 19.

As to our second point, that Mrs Thatcher's stand will draw the Commonwealth countries together, it is clear they are all confederate by the wording in Ezekiel 38. The opposing power in the South to the Northern invader is expressed in v. 13:

"Sheba, and Dedan, and the merchants of Tarshish, with all the young lions thereof shall say..."

These young lions of the old lion, which includes America, are a world-wide maritime group with a different outlook to the closely-knit European Community. These European countries are inward-looking and are connected by centuries of historical ties and culture. We suggest that the development of Commonwealth cooperation is part of God's plan to provide a world-wide agency to carry out Christ's world-wide work (after being humbled and being subject to the new King).

As we said earlier (ch. 1), it is a reasonable assumption that world-wide trade between the Commonwealth countries requires a suitable common trading currency. The European Ecu is not suitable. Mrs Thatcher is right that sterling has been, and will continue to be, the trading currency of the Commonwealth.

THE FUTURE FOR MRS THATCHER

Mrs. Thatcher has already mapped out her intentions by two steps she has taken, recently reported in the press. The one is related to Europe, the other to world-wide action—surely fitting in with the two Divine objectives just discussed!

Early in January 1991 she agreed to head the "anti-federalist Bruges Group of academics" by accepting the Presidency of the group. The Bruges Group is chiefly interested in countering the moves of the European parliament and its Commission.

Her other move, announced at the end of the year is the setting up of the "Thatcher Foundation".

“MAGGIE LAUNCHES WORLD STAGE BID”

“The Thatcher Foundation—Mrs Thatcher’s bid to become a world ambassador—will be officially formed on January 26.

The organization, which will promote Mrs Thatcher’s key policies of the free market, monetarism and solid defence, is to be a charitable trust approved by the Charity Commission.

The presidential-style foundation will tackle major economic and political problems and give Mrs Thatcher the chance to enjoy a busy retirement role in the forefront of the world stage. As a former Prime Minister much in demand, Mrs Thatcher could command at least £50,000 for each lecture she gives on tours of the United States, Japan and Eastern Europe, where she is still seen as a hero.

She will take on a close-knit band of Tory academics, library and secretarial staff to run the foundation, which will be based in central London, probably at a new home she hopes to buy in Westminster” (The Mail on Sunday 30-12-90).

So there is no doubt that now Mrs Thatcher is freed from the burdens of Prime Minister, she intends throwing her considerable world stature and energy into advancing the cause of freedom and national independence. As well as continuing the battle with Brussels, she will particularly apply herself to the British people and the world-wide Commonwealth.

So at the end of the year her ‘downfall’ as Prime Minister is turned into new channels that God requires. Her relinquishing the highest political office in the land was a personal humiliation, but as for all other world leaders, their steps are in the hand of God.

“The king’s heart is in the hand of the LORD,
as the rivers of water: he turneth it whithersoever he will”
(Proverbs 21:1).

Chapter 9

ISRAEL AND THE JEWISH IMMIGRATION

ISRAEL'S NEW GOVERNMENT

A political change of some importance took place early in the year. There have been four years of coalition governments—Likud under Shamir and Labour under Peres being the main components. Shamir as Prime Minister had occasion to sack Peres, and the government resigned. New elections in March were inconclusive. Eventually Shamir created a coalition government by including the extreme religious parties. These parties influenced the policy of the government as expressed in opposition to any yielding of territory such as the occupied West Bank; maintaining sovereign rights over all modern Jerusalem as well as the old city; declaring a firm policy of no dialogue with the PLO and no international peace conference. This extreme stand brought the Israeli government into conflict with President Bush and US policy. It also heightened hostile Arab feelings and general world disapproval.

CO-OPERATION WITH THE SOVIET

In *Milestones* 1988 and 1989 we referred to a growing cooperation between Israel and the Soviet. This development continued in 1990. The main items that have been reported are as follows.

1. Direct flights between Moscow and Tel Aviv were agreed in October. This facilitated the great movement of Jews to Israel.

“Direct flights between the Soviet Union and Israel are expected to begin by the end of October, Transport Minister Moshe Katsav announced last week.

The Soviet decision to lift existing political objections to the flights was seen as a sign of a further thaw in Soviet-Israeli relations that in the long run may ease the flow of Soviet Jewish immigrants to Israel” (JP 6-10-90).

2. Exchange of consuls took place at the end of the year, a step towards full diplomatic relations.

“FIRST SOVIET CONSUL IN 23 YEARS PRESENTS CREDENTIALS”

“Ties between the Soviet Union and Israel moved closer to normalization last week, when Foreign Minister David Levy accepted the credentials of Alexei Tchistiakov. He thus becomes the first Soviet consul here in 23 years.

The processing of immigrants will be eased as a result of the new consular ties, as Israel and the Soviet Union will be allowed to increase the numbers of diplomats at their consulates from 6 to 29, senior diplomatic officials said.

Israel and the Soviet Union have agreed to formal consular ties, taking another step towards full diplomatic relations, severed in 1967.

Soviet Foreign Minister Eduard Shevardnadze and Foreign Minister David Levy announced the move after their meeting at the UN last week, adding that they will consult each other regularly” (JP 5-1-91, 13-10-90).

3. Israel signs a pact with Russia!

“ISRAEL-USSR PACT ON SCIENTIFIC COOPERATION”

“The Ministry of Science and Technology and the Soviet Academy of Sciences last week signed an agreement paving the way for joint basic research.

The ceremony was attended by the 16-member Soviet delegation, ministry officials and top scientists and researchers. The three-year accord, which will take effect on January 1, provides for the exchange of scientific and technological information, joint research projects and publication of results, exchange visits by scientists and the sharing of scientific equipment.

A joint steering committee will meet annually either in Israel or the USSR to determine the areas of cooperation and their implementation.

Science Minister Yuval Ne’eman noted that a number of collaborative projects have already begun informally.

Ne’eman called the accord not only a scientific achievement, but one of historical, national and international significance. It is a major step in improved relations after over 20 years of disconnection and tension. Cooperation will be worked out despite the very different structure of scientific research in the two countries” (JP 1-12-90).

This Agreement had been preceded by “the surprise Kremlin meeting” between President Gorbachev himself and two Israeli cabinet ministers (JP 22-9-90).

4. A related field of cooperation was discussed in an article in October on the opportunities of Israel providing ‘know-how’ to the Soviet in trade matters.

“SOVIET WANTS—ISRAEL OFFERS”

“If, for instance, the World Bank undertook to set up a modern agro-technical infrastructure in a Soviet Republic, it would require a body with proven expertise to carry out the task. This is precisely the sort of project that won Israel worldwide acclaim in the 1960s and '70s, when its engineers, agronomists and water experts were active throughout Africa, Latin America and Asia. Many of those projects, too, were financed by international bodies.

‘We have a relative advantage over other countries in our ability to organize assistance programs. We have a lot of experience in this area. We also have an advantage in our Russians. They speak the language, they know the system, they have personal connections and contacts with institutions.’

The Soviets... are grievously backward in several areas where Israel is advanced, such as medical equipment and medicines, computer technology, agro-technology and food processing” (JP 27-10-90).

5. A still further reason for cooperation arises from the Soviet’s fear of Israel’s nuclear ability to bomb Soviet cities with their ‘Jericho’ missile.

JEWISH IMMIGRATION—ITS TREMENDOUS IMPACT

It is only when the detailed assessment of the immigration from the Soviet is examined that the impact on the economy and nation generally, can be appreciated. We will quote extensively from a news report in the Daily Telegraph.

“EXODUS:THE NEW IMMIGRANT WAVE

—A tide of Soviet Jews is transforming Israel’s future”

“Israel’s economy has entered the 1990s facing the most profound transformation since the late 1950s.

A million Soviet Jewish immigrants are expected over the next five years. Such an inflow—representing a 25% increase in the population—will surely change every aspect of the Israeli economy and society.

Only a year ago economists, businessmen and civil servants were debating the reasons for the worst recession to hit the country since 1966. Now according to the latest forecasts, gross national product is set to increase at 8 to 10 % per annum in the immediate future, making Israel's one of the fastest growing economies in the world.

As a result of the 1985 stabilization plan, which brought down inflation from an annual rate of 400 to 500% to between 15 and 20%, the economic environment changed abruptly and completely. The need to implement efficiency measures sent unemployment soaring—up to 10% early this year.

As the gates opened, the stream of arrivals swelled from a few hundred a month to over 5,000 last December and to 10,000 this April. This has now exploded to 20,000 to 25,000 per month, and may increase further.

At the current rate, immigration is increasing Israel's population by 0.5% a month and, despite the enormous long term benefits it will bring, it is inevitably giving rise to major short-term social and economic strains.

Absorbing the newcomers into the economy will therefore be no easy task. In fact the government estimates that more than 550,000 new jobs must be generated in the next few years to prevent a further rise in unemployment.

What lies ahead for the labour market can be gauged by focussing on the composition of the manpower now set to join it. Two thirds of the arrivals will hold academic qualifications of some sort, with 30% of them in science and engineering. The human capital moving to Israel is estimated to be worth billions of dollars.

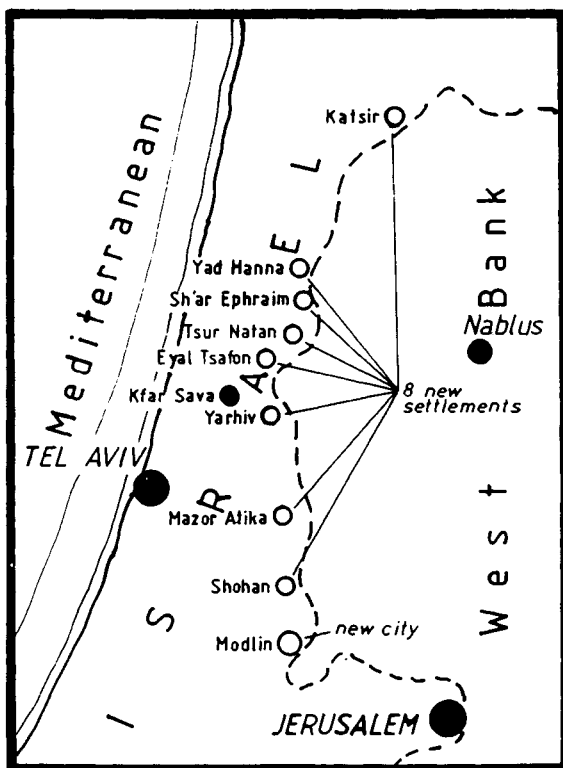
The response [to the new economic plan G.P.] has been a break with Israeli tradition of heavy State involvement in all aspects of the economy. It calls for a far-reaching liberalization of the financial markets, major reductions in import barriers and the first moves toward restructuring the labour market.

The new plan allows for almost free imports of foreign capital. While the domestic capital market is expected to be one of the main sources of funds for new investments as deregulation allows institutional

investors to diversify their portfolios away from the government bonds.

...the freer market, by encouraging entrepreneurship and investment, will be the main force involved in absorbing the new immigrants. But to create the necessary jobs the market will need about \$40 billion worth of new investment over the next five years to achieve the required rate of growth of output—and this will involve heavy borrowing abroad.

But the key requirement is for the Israeli economy to become more trade-oriented than hitherto, when total imports and exports have almost equalled GNP..." (DT 16-10-90).



8 new settlements and a city for the Jews from the Soviet. Note their position in the heart of Israel; also the vast space that could have been used in the West Bank territory (JP 13-10-90).

A SIGNIFICANT FEATURE OF ISRAEL'S HOUSING PLAN

An interesting and probably significant feature of the vast building project is where the new settlements and cities will be placed. The plan alongside shows a group of settlements and one city going north from Jerusalem; to be completed in 3 years. A similar bank of building going south from Jerusalem will follow.

It will be noticed that though the new government's policy had been new settlements in the ample space of the West Bank, this has now been dropped. The settlements are going to be along the west border of this occupied territory. The main reason for this is the US insisted that aid for resettlement depends on not placing Soviet Jews in the Occupied Territory—this would inflame Palestinian feelings. A further reason is fairly clear. The intended position west of the West Bank places the new settlements in the heart of commercial and business life—a short car journey to Tel Aviv or Jerusalem. Now we have already noted that the vast inflow of Soviet Jews consists of technically-trained people in science, engineering, business and administration. They have no liking for isolation as settlers and agricultural workers. Nor does the government want that. It looks to profitable use of this additional great 'brain power' that is coming, and it is placing their homes in a region that will allow this.

ISRAEL'S TRANSFORMED ECONOMY

To most people 'Israel' brings to mind fruit, flowers and agricultural products. This in the past has been a main part of the economy. But now it is Israel's technical expertise that increasingly dominates the economy. Add to the existing situation this vast influx of skill, inventiveness and drive from Russia. It means the economy will be considerably transformed. The agricultural side will decline further, for two reasons. First, the severe water shortage that has been growing for years has now reached a crisis point, and the small amount available for agriculture will limit what can be grown. Secondly agricultural products are only moderately profitable for the labour involved. Israel sees it must turn to more profitable activities. Its technical skills, increased by the Russian influx, will bring prosperity to Israel.

We can perhaps see a little more clearly how Israel is to become prosperous and possess great wealth, when a peace settlement has come

about. She is to provide a “great spoil” for the northern invader (Ezekiel 38:13).

The land of Israel is ideally placed in a central position for trade and business. Tyre of old illustrated this in the great detail set out in Ezekiel 27. Israel may soon develop a role similar to that of Tyre.

There are some pointers that Israel in the time of the Kingdom may similarly be a centre of trade. It would use the lines of communication like the pilgrimage of all peoples to Jerusalem, and the bringing of tribute by the nations to the great King. So Isaiah 60 suggests:

- v. 5—“Then thou shalt see, and flow together, and thine heart shall fear, and be enlarged; because the abundance of the sea shall be converted unto thee, the wealth (forces) of the Gentiles shall come unto thee”.
- v. 16—“Thou shalt also suck the milk of the Gentiles, and shalt suck the breast of kings...”

Latter-day Tyre in the time of the kingdom is an illustration:

“And her merchandise and her hire shall be holiness to the LORD: it shall not be treasured nor laid up; for her merchandise shall be for them that dwell before the LORD, to eat sufficiently, and for durable clothing” (Isaiah 23:18).

Perhaps a stronger pointer is in the typical reign of Solomon. Israel was then a great trading centre (cf. 1 Kings 10:22-29). It will probably be the same under the greater Solomon.

INCREASED INTIFADA VIOLENCE

The Intifada began in December 1987 with civil disobedience, stone throwing, petrol bombs and defiance of the army patrols. The army gradually learned to cope with this, and apart from a few sad incidents, it became no more than an irritant.

In May 1990 there was an outbreak of violence when seven Palestinians were murdered on the outskirts of Tel Aviv by a ‘deranged’ Jew. From this point violence rapidly increased. This led to the “Temple Mount Tragedy” in October when a Moslem crowd of 3,000, an outnumbered police unit, and Jewish worshippers at the Western Wall were involved. 19 Arabs were killed and 140 wounded. It was a very complex situation and the Guardian Weekly used a whole page reporting its correspondent’s findings.

Our interest is in understanding this increased violence in 1990, and seeing how it affects Israel's future.

First let us get an insight into the minds of the Palestinians.

1. The Palestinian refugees have developed a state of desperation because their Intifada at an early stage did produce some successes, (as President Bush's talks with the PLO). Now these have largely withered away. The Gulf War now overshadows their plight and they feel isolated and ignored.
2. Their fear relates to this massive influx of Jews from the Soviet Union. They fear they will be swamped by them; possibly driven out of the West Bank by Shamir's uncompromising policy.
3. In addition, outside terrorist groups now control the West Bank and people live in fear of these leaders. A charge of collaboration with Israeli authorities means death without mercy.

There was a grim assessment at the end of the year:

"PALESTINIAN'S GLOOMY ANNIVERSARY"

"On the third anniversary of the Intifada the Palestinian's struggle is entering a desperate new stage. Right-wing Israeli politicians call for draconian measures: more deportations, use of the death penalty, closing off the occupied territories completely...Attacks from Jordan and Egypt and in the south Lebanese 'security zone' have pushed Israelis deeper into the siege mentality that comes so naturally to them.

Yet raw violence is the order of the day. Concepts like civil disobedience and passive resistance, toyed with in the Intifada's early days, have gone: the level-headed pragmatists of Yassar Arafat's Fatah group work closely with the fundamentalist Hamas organization. The chilling Islamic Jihad calls on Muslims to kill Jews simply because they are Jews (GW 16-12-90).

Israel is taking this escalation of violence seriously. Increased military response is seen as no solution. Their growing fears may be summarized as follows.

ISRAEL'S FEARS

There could be an uprising of the large Arab population in Israel itself. Already they have held strikes and passive disobedience in sympathy for the Palestinians in the West Bank. The Arabs in some parts of Israel are

more numerous than the Jews. There is great scope for 'terrorist' activity by the Arab population.

The Arab population increases several times more rapidly than the Jewish, and Israel is very much aware that in due course this would swamp the Jews.

They fear the pressure for a "final solution to the Israeli-Palestinian conflict" at the end of the Gulf war. All Arab States and all countries involved in the Gulf War agree there must be an international conference to settle the matter. Having upheld 'Kuwaiti's rights' the same must apply it will be argued, to the Palestinians—there must be an independent Palestinian State in the Occupied West Bank, almost in the middle of Israel!

Connected with this, the PLO is championing the 'right of return' (see map on following page) of the many thousands of Arabs who fled from the land of Israel when the Jews took over from Britain and established the State of Israel. Arafat will make much of this at a peace conference, creating difficulties for Israel.

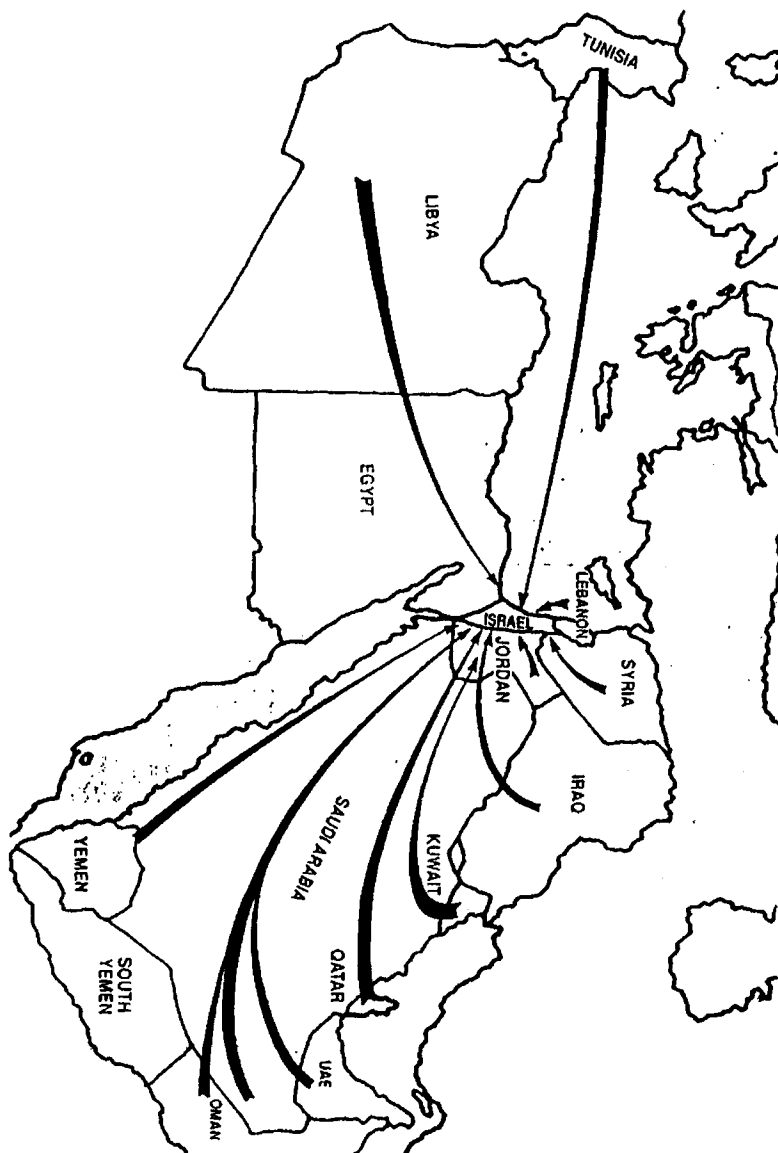
ISRAELI—US RELATIONS

From the start of Mr Bush's presidency rather cool relations prevailed between Shamir and Bush. During 1988 Bush several times indicated his view that Israel should withdraw from the West Bank occupied territories. He carried out a diplomatic initiative in favour of his peace plan. At the end of 1988 Bush agreed to hold a peace dialogue with Arafat and the PLO. Shamir was hostile to all this.

In May 1989 Shamir produced his Peace Plan, which only offered political independence to the Palestinians, leaving security and finance in the hands of Israel. Bush responded in more outspoken terms for an international peace conference at an appropriate time, and for Israel to give up the West Bank.

During the early part of 1990 Bush largely ignored Israel. Shamir was not included in his many telephone talks with the main world leaders. With the invasion of Kuwait there was the fear of a pre-emptive strike on Iraq by Israel and Bush pleaded with them to refrain.

The US stood by Israel in vetoing various UN resolutions hostile to Israel, concerning her harsh treatment of the Palestinians, and the Temple Mount killings.



PLO "RIGHT OF RETURN" of Arabs to their homeland

When Britain left Palestine and the Jews declared the State of Israel in 1948 many thousands of Arabs fled from the country. (Conservative Friends of Israel Bulletin December 1990).

In December there was alarm in Israel that the US was helping in preparing a UN resolution for a peace conference after the war and requiring Israel to leave the West bank. At this point the US was desperately anxious to hold together the war coalition and get a UN resolution passed to be able to attack Iraq after January 15th, 1991.

In late December Shamir visited the United States and had talks with Bush. The *Jerusalem Post* reported there was renewed warmth.

“BUSH-SHAMIR TALKS WARM, POSITIVE”

“Prime Minister Shamir returned...from what he described as a ‘successful’ visit to the US, where he held wide-ranging talks with President Bush and other Administration leaders...”

He said he was pleased with the visit—his first meeting with the president in a year. Observers regarded the renewed warmth, positive feelings and reconciliation as a much-needed public relations gain for Jerusalem.

Other meetings by Shamir in Washington included talks with Secretary Baker on renewing the Middle East peace process after the resolution of the Gulf crisis, and on the current UN debate on the status of the territories and Jerusalem, as well as talks with Defense Secretary Cheney, senators and congressmen.

The restraint of the Israeli government in not retaliating to the Iraq missile attacks in January 1991 belongs to next year’s record, God willing. We must wait to see how God brings about a state of peace for Israel. The prosperity it will bring will not last long. Isaiah gives a graphic description of the prosperity and its ending:

“In the day thou make thy plants to grow, and in the morning shalt thou make thy seed to flourish: but the harvest shall be a heap in the day of grief and of desperate sorrow” (Isa. 17:11).

The prophet continues with a picture of the invading nations “rushing on like the rushing of many waters” and then Israel’s Divine deliverance.

“At eventide behold terror; and before the morning they are not” (Isa. 17:14 RV).

Chapter 10

THE MIDDLE EAST & THE WORKING OUT OF GOD'S PROGRAM

MANY RIVAL INTERESTS

There are conflicting interests in the Middle East that help the working out of God's program. The situation there is as complex as Europe, with its many inter-actions, interests, and conflicts. The invasion of Kuwait transferred attention from Europe to the Middle East. But this attention to the Middle East was to be expected even without the Kuwait attack.

We intend in this chapter to sketch the different interests of the main players on the Middle East stage. This may help the reader to discern more easily the trends and developments, under God's guiding hand, that we shall see in the near future.

The main players on the stage are: The Soviet, America, Israel, the Arab nations, US-Israeli relations, and of course God's interests.

Soviet interests

Prior to the recent Soviet 'withdrawing' stage, Russia has traditionally sought to expand southwest to the warm Indian Ocean. This was illustrated in the bargain between Hitler and Stalin in 1939.

In exchange for Russia's cooperation with Hitler in the war, Hitler granted the Middle East as Russia's zone of influence as his part of the bargain.

Britain, all through the 19th century, resisted Russia's expansion towards India.

As soon as Gorbachev became Soviet leader, he began putting the new Soviet "limited defence" policy into effect, withdrawing from Afghanistan and expressing friendship with the Middle East countries.

Gorbachev has a definite interest in a M.E. peace settlement. The Arab countries Syria, Iraq, Iran, and also Israel, have possessed military weapons for several years that could target missiles on cities on the

south part of the Soviet. Hence a feeling of insecurity, and the seeking of a M.E. peace settlement.

The urgency for a peace settlement was raised by Gorbachev during Reagan's presidency. Reagan promised to do what he could to influence Israel in that direction. The same topic was taken up by Gorbachev with President Bush at the Malta Summit in November 1989, and Bush was in ready agreement. This had been apparent from the beginning of Mr Bush's presidency. In 1988 he had accepted Arafat's pledge to forego terrorism and allow a permanent state of Israel. He put pressure on Israel to yield land for security (see *Milestones 1989*).

During 1989 Bush concluded Gorbachev's reforms were genuine, that disarmament was proceeding satisfactorily, and the Soviet should be given aid. So with affairs generally satisfactory in Europe, the time had come to turn attention to the Middle East. Probably at Malta a plan and objectives were discussed.

Gorbachev had another powerful interest in a Middle East peace settlement—to enhance the Soviet standing, not only in the Middle East, but in the diplomatic councils of the world. The US had been the dominant influence in the Middle East during the post war years. Gorbachev sought to gain an equal standing for the Soviet in any peace negotiations about the Middle East. As reported in *Milestones 1989*, Soviet officials made frequent visits to the capitals of Arab states; diplomatic links and trade agreements were arranged.

The Soviet new policy towards Israel fits into Gorbachev's plan. By friendship with Israel he could treat their strong military position as a stabilizing factor amongst the turbulent Arab countries. And this attitude to Israel would be strongly approved by America and would help in getting aid for the Soviet. The freeing of Jews to emigrate to Israel had the same good effect; it satisfied the 'human rights' lobby in America, making America more ready to give aid to the Soviet.

Such are some of the strands of policy in the Soviet Middle East interests.

America's Interests

The very high priority given by America for dealing with the Iraqi aggression was something of a surprise. Such massive air, naval and land forces have been brought to bear—from a country thousands of miles away. Also surprising was the great diplomatic efforts in the UN

Security Council, and the personal contacts of US leaders with countries world wide. What lies behind this intense activity we may ask? We may have to wait on the unfolding of the Divine plan for an adequate answer.

As a partial answer, we can propose some fairly obvious American interests. There is the importance of oil, and the fear that Iraqi control would hold US and the world to ransom by manipulating supply and price. There is the wisdom of maintaining a barrier against future Soviet aggression. Having been invited by Saudi Arabia and the Gulf states to defend them against an Iraq attack, America for the first time has a legitimate land presence in the southern area of the Middle East. It clearly hopes to be able to maintain that presence after the war is over, probably providing a peace-keeping force. (The US already has a permanent force of 37,000 peace-keeping troops centred on Egypt from the days of the Israel-Egypt Peace Treaty of 1979).

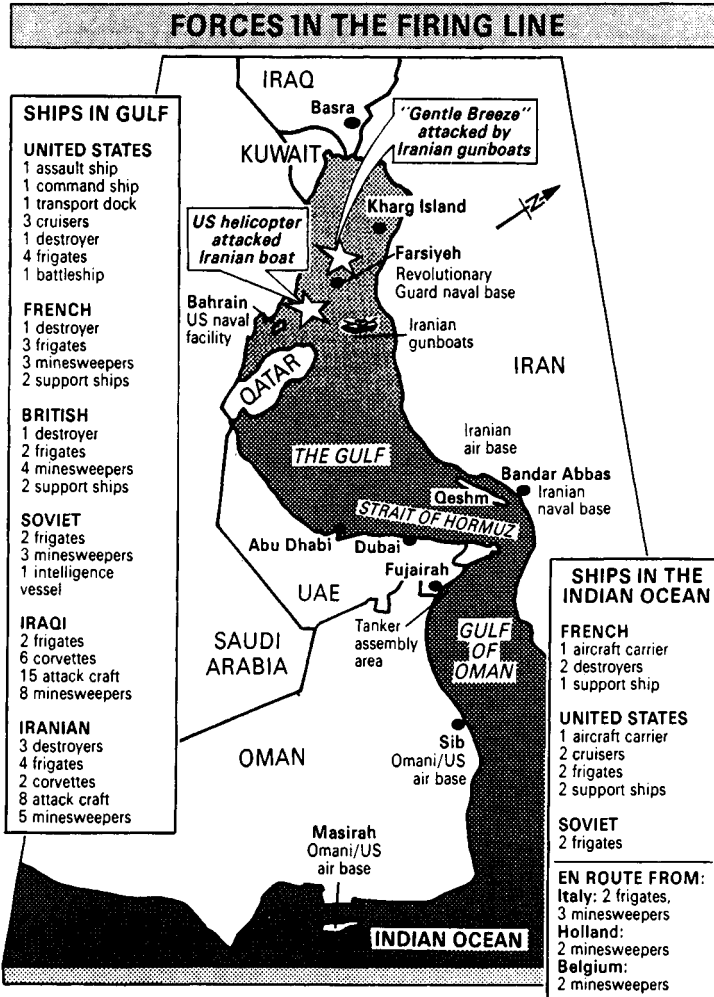
Yet another factor for American interest, not so obvious, but more powerful than one may think, is the 'human rights' mentality of the American people. They cherish freedom—as their Statue of Liberty declares. There is a national feeling, easily aroused, for defending the oppressed. It can work in opposing directions—supporting the rights of the Palestinian refugees and the Kuwaitis; and also supporting the rights of the Jews to emigrate from Russia to Israel, and supporting the defence of the state of Israel.

But there is a further substantial reason for US interest in the Middle East and the Gulf. An assessment a few years ago by military, political and commercial leaders concluded that the Gulf was the pivotal position for world interest. America today seeks to be the world leader for peace against 'evil' and oppression. This possibly is a cloak for pursuing its self interest in trade and its own prosperity. In this global US view, the rest of the world can be viewed as revolving round the Gulf position. The three groups of the developed world—the Americas, Europe, and Japan and Asia, can be viewed as points of a triangle with the Gulf at the centre.

This concept came about following a trade development in the early '80s. Around 1984 a point was reached in which trade across the Pacific with Asia, China and Japan was greater than trade across the Atlantic to Europe. (See *Milestones 1984*, pp. 20-22). This meant the US no

longer regarded Europe as its prime concern; it was less important in the US-global view.

Memories are short and many may have forgotten the large US naval and air build-up in the Gulf in the second half of 1987 near the end of the Iran-Iraq war. The following illustration copied from Milestones '87 will revive memory.



So it becomes clear that the present 'Gulf War', as it is called, should be seen as America continuing her strong Gulf interest. How this is part of the Divine programme we can but speculate. If Israel's domain is to stretch across the Arabian peninsula as far as the Gulf, then the Gulf in the future could be important in the flow of trade and of pilgrims to the Holy City.

As far back as 1974, and quoted in *Milestones* 1978:

"Military planners expect that the strategic interests of the United States and global strategy in general will pivot on the Persian Gulf late in this decade."

Israel's Interests

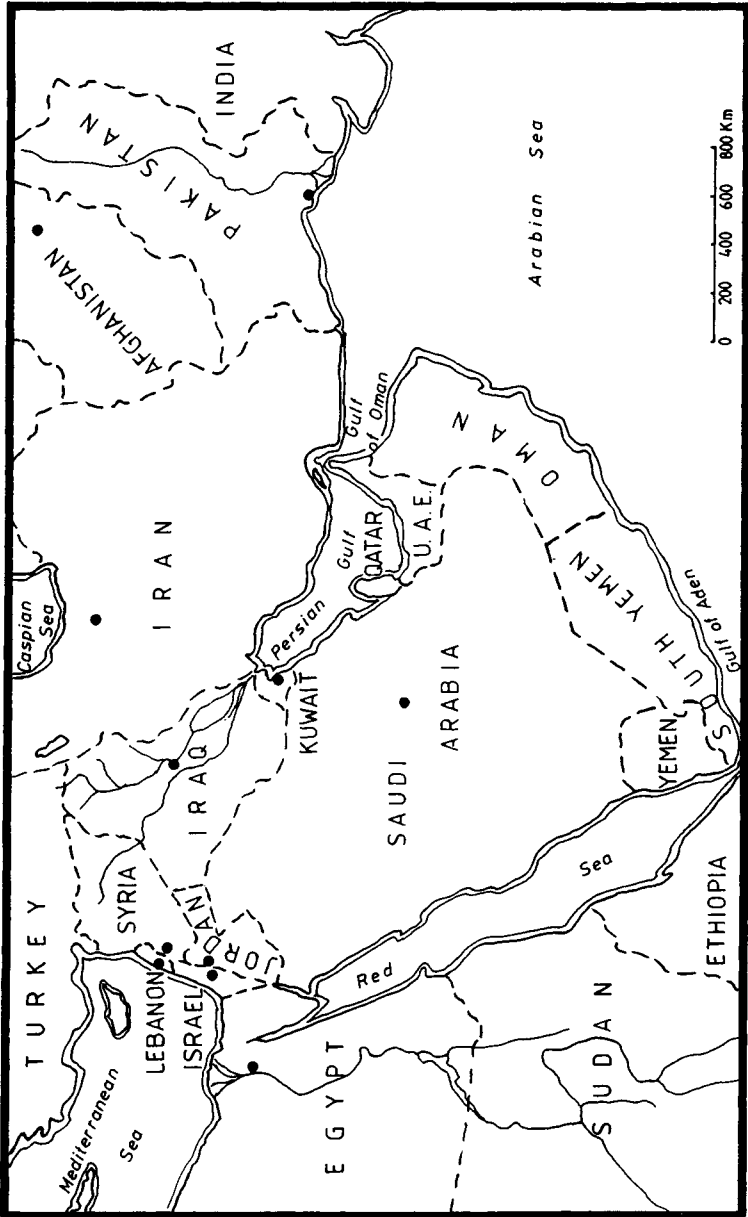
Israel's interests in the Middle East situation have been largely dealt with in chapter 9. Its obvious interest—its continuing preoccupation—is its position in the middle of hostile Arab nations. While war is in progress and Israel chooses to keep a low profile, it is being viewed by the US and Europe with favour. But after the war it will face strong pressure to give up the West Bank to the Palestinians, though a Palestinian state there seems unlikely. The prophet Ezekiel is quite explicit that the Northern confederacy comes "against the mountains of Israel" (38:8, cf. 21, 39:2, 4). A glance at a topographical map of Israel shows that the area known as the West Bank [now rightly called 'Judea and Samaria' by Israel] contains the main mountains of Israel.

In some way peace must come (Ezekiel 38), even though it is hard to visualize the Arab countries willing to accept a genuine peace.

Israel's main concern at present is absorbing the Jews from the Soviet—building new settlements, creating thousands of new jobs, finding the finance. It welcomes the influx in that it increases the Jewish/Arab population ratio.

Arab Countries' Interests

All the Arab States claim to have a common interest—their hatred of Israel. This has focussed for years on getting Israel out of the West Bank and establishing a Palestinian State. They see the Gulf war as making this possible, in that there is general agreement that after the War is over there must be an international conference to settle all the Arab grievances against Israel.



The Palestinians in the West Bank, as already mentioned, feel desperate at their continuing lot, and also fearful of Shamir's extreme right wing driving them out.

During the Gulf Crisis, Arab States have been attempting a coordinated policy to make the Middle East a wholly Arab region, pushing out all Western influences. They have been trying to create an Arab Peace Plan that would increase their voice in the post-war peace negotiations. But ambition and rivalry have prevented anything effective being agreed or carried out. Their failure and conflicting interests make it easier for the angels to carry forward the Divine programme.

We have been accustomed to the North/South grouping of countries in the Middle East—Lebanon, Syria, Iraq, Iran associated with the Soviet; Jordan, Egypt, Saudi Arabia, Kuwait and the Gulf States associated with Britain and the United States. This accords with the North and South groups in Ezekiel 38.

The Gulf War has produced some anomalies in this pattern. We have the Soviet anxious to please America and so restraining the north group of countries and cooperating with Israel. We have the US anxious for Arab cooperation in the war, and taking care not to upset them, while adopting a critical attitude to Israel. This will be a passing phase.

There are two other abnormal situations, one to do with Syria, and the other Jordan. We have Syria sending tanks and troops into the South region and cooperating with Saudi Arabia, Egypt and the Gulf states. This behaviour by Syria is easily explained. For years Iraq has claimed the leading position among the Arab nations. Now Assad of Syria sees his opportunity of establishing his claim to the leading position when Saddam is defeated. He has been cooperating with Egypt to this end, Mubarak being a close ally with America and providing a major Arab military force to the Gulf War.

Another interest may be behind Syria's activity. Syria has close links with the Soviet, which supplies its military equipment and technicians. We can expect Syria to be under Soviet direction in the Gulf war—acting as the Soviet's front man. Having played a fighting role in the war, it will claim an important part in the post-war negotiations, guided by the Soviet to advance Soviet interests.

As to Jordan's present support of Saddam, most countries sympathize with Hussein's position. He fears being attacked by Iraq if he does not

cooperate; he fears an attack from Israel; many Jordanians are pro-Iraq and volunteer to fight with the Iraqis. In addition, Jordan depends on Iraq for much of its income; it is Iraq's main supplier of food and agricultural products. We know from scripture that Jordan belongs to the South group of nations.

"Let mine outcasts dwell with thee Moab; be thou a covert to them from the face of the spoiler...And in mercy shall the throne be established: and he shall sit upon it in truth in the tabernacle of David" (Isa. 16:5).

US—Israeli Relations

Several reasons make the link between Israel and the US a strong one. Israel is the main foothold of the US in the Middle East. There is the large and influential Jewish element in America that is pledged to a Jewish State. There is the genuine American wish to support a persecuted people; and the appreciation by many that they are God's chosen people in the land of promise. This relationship is longstanding through many events since the founding of the State of Israel in 1948.

1990 has seen an unusual coolness between Israel and America. It was a worsening of the situation in 1989. Prime Minister Shamir's strongly right-wing new government refused to cooperate with President Bush in plans for an international peace conference, and in being ready to give up the West Bank. It was not until January 1991 that the situation changed. When war started, Israel felt it was necessary to cooperate in the US military strategy and agreed not to make any pre-emptive attack on Iraq; or to retaliate when attacked by SCUD missiles. The US hastily revised its strategy and armed Israel with Patriot anti-missile missiles together with supporting technicians.

Israel is at the centre of God's plan and purpose, and US 'success' depends on caring for Israel.

God's 'Interests'

We use the word 'interests' to keep within the theme of this chapter. It is true that God has His own interest in the Middle East. It is more than interest; He has a plan that various other opposing interests cannot thwart. First, there is the broad interest in developing the two opposing groups, North and South, as made clear in Ezekiel 38. As far as the South group is concerned, the Kuwait invasion has clearly drawn them closer. The relations between Britain and the US with Saudi Arabia,

Egypt and the Gulf States have been strengthened and made more permanent.

But the main item in 'God's interest' at the present time is **peace!** There must be a period of peace in the land of Israel before the Northern invasion, as Ezekiel 38:14, and in previous verses declares:

"In that day when my people of Israel dwell safely, shalt thou not know it".

For years this seemed, humanly speaking, very unlikely. The topic of peace for Israel has been before us in several *Milestones* over the past ten years. In 1984, one chapter had the heading "**Israel: is peace possible in the near future?**" In 1987, chapter 8 had the heading "**Israel: does 'peace' seem possible?**" and the chapter dealt with the cooperation of Israel with Jordan under Prime Minister Peres. But this came to nothing: and now a further three years on, how the scene has changed. The prospect is much more hopeful and realistic. So we must learn to be patient and watchful. God will fulfil His prophetic word.

A unique feature of this Gulf War is that it has gathered together almost 30 nations from all over the world. This brings to mind the great day of the LORD when all nations shall be gathered into the Middle East against Jerusalem. Are we seeing what might be called a preview of this? Biblical history suggests it could be so, as with Nebuchadnezzar's several attacks against Jerusalem over 20 years. At the end of an epoch, wars and judgement come like the waves of the sea, like the tide working forward slowly, but inexorably, until the final Day of the LORD occurs.

Personal Note

Perhaps only a few realize the amount of work that goes into each *Milestones* issue in addition to writing the text. I would like to express appreciation for the team work of the C.S.S.S. in the varied tasks of producing each issue. And it is done very speedily (G.P.)

“Behold the Bridegroom cometh— go ye out to meet him”

Christ **is** coming, and the *milestones* that God has given in 1990 prove how close the day of Judgment looms for all of us. “Judgment must begin at the House of God” says Peter, and so it shall. We shall **all** give account of our stewardship to the righteous Judge and we know that his judgment will be true. But are we all happy with our commitment to the Truth now? Will we feel adequate before the One who knows what is in man, with him in whom there is no respect of persons?

What blessings we have with the understanding of the Truth and the appreciation of the clear passage of world events in the last days as expounded by the pioneers. But what responsibilities we have with that blessing!

We may very well be adopting the stance of spectators as we see these momentous events taking place in the world. Yet, the Truth requires our **personal** participation in the work of the Father. We are not mere spectators in that work! God's work among the nations should be a driving force causing us all to very carefully work out our salvation [in God's mercy] with fear and trembling.

What manner of persons ought we to be, then, as we see these signs occurring? Our faith in the coming redemption should spur us on to live what we know. Blessed **are** the eyes which see the things we see now. Blessed we will truly be when we see our Lord and master and hear those words, “well done thou good and faithful servant...enter thou into the joy of thy Lord”!

Therefore let us all strive in the days left to us, to be prepared for the coming day of redemption, for it draweth nigh.