

EIR

Executive Intelligence Review

August 8, 2003 Vol. 30 No. 31 www.larouche.com \$10.00

LaRouche's Unique Role in the Americas
Did Cheney and Co. Cook Korea Intelligence, Too?
Bond Crash Shows System Bound for Catastrophe

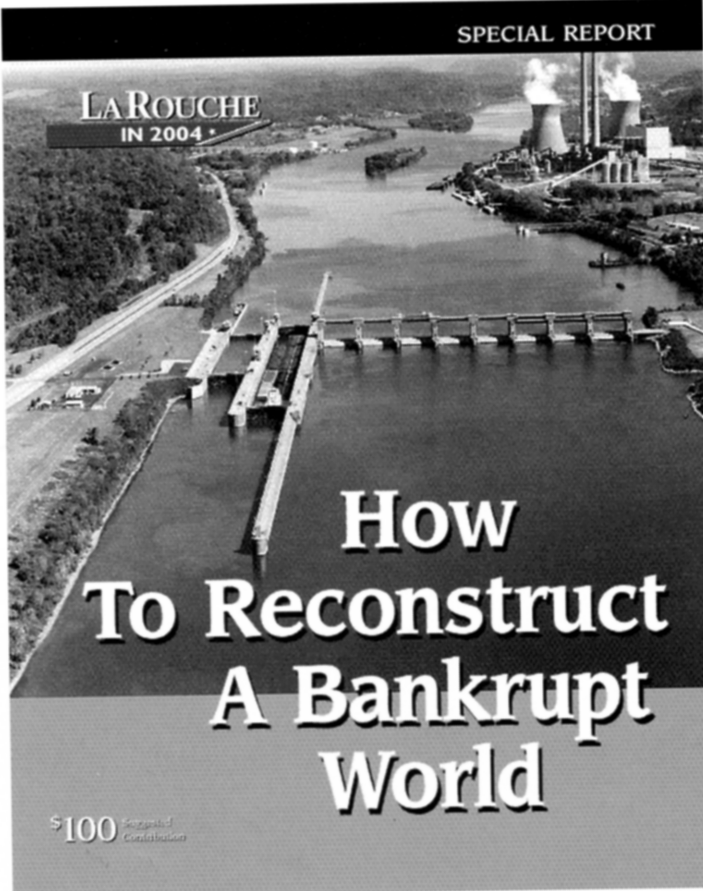
**Exposed by LaRouche,
The DLC Wanes**



This Financial System Is Doomed!

LaRouche's Presidential Campaign: Leadership For a New Bretton Woods

SPECIAL REPORT



"The IMF in its present form, can not survive. . . . There are forces in Europe, as well as in Asia, who know they need a recovery program. They recognize the importance of closer ties of cooperation, especially economically based, on technology-transfer relations in the long term, between Western Europe and Asia. These things must occur now."

—Lyndon H. LaRouche, Jr

**A LaRouche in 2004
SPECIAL REPORT**

THIS SPECIAL REPORT INCLUDES the transcript of the Schiller Institute's conference in Bad Schwalbach, Germany on March 21-23. International experts, and a panel from the LaRouche Youth Movement, tell how to rebuild the bankrupt world, on the basis of LaRouche's concept of a New Bretton Woods System, the Eurasian Land-Bridge, and a revolution in educational policy.

Suggested contribution **\$100**

May 2003 L04SP-2003-001

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*EIR (ISSN 0273-6314) is published weekly (50 issues),
by EIR News Service Inc., 317 Pennsylvania Ave., S.E.,
3rd Floor, Washington, DC 20003. (202) 543-8002.
(703) 777-9451, or toll-free, 888-EIR-3258.
World Wide Web site: <http://www.larouchepub.com>
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Postmaster: Send all address changes to *EIR*, P.O. Box
17390, Washington, D.C. 20041-0390.

From the Associate Editor

I suggest that you begin reading this week's issue at the end, with Lyndon LaRouche's *In Memoriam* statement honoring historian H. Graham Lowry, a leader of the LaRouche movement for more than 30 years. The subjects that LaRouche poses there: of truth-seeking; of continuing the American Revolution; and of our organizational struggle against the Synarchist enemies of the United States—these are the matters that urgently confront people of all nations today, and that are analyzed in the other pages of this week's *EIR*.

Our *Feature* sets forth the challenge of burying Synarchism once and for all. Synarchism, as LaRouche reports in his article "My Unique Role in the Americas," was created specifically to crush the American Revolution of 1776-1789, and to prevent its spread to the rest of the Americas, and the rest of the world. During the Great Depression, as Jeffrey Steinberg documents, the Synarchist financiers placed fascist movements into power, as the favored method of maintaining their own control. The Axis powers were defeated, thanks to President Franklin D. Roosevelt's wartime alliance with Britain and the Soviet Union; but the ideological virus of Synarchism was not wiped out. Today, as we confront an even more devastating global financial-economic crisis, the Synarchists are once more going for fascism.

Our task in the United States today, is therefore to destroy the two faces of Synarchism: Dick Cheney and his neo-conservative cabal in the Administration; and the Democratic Leadership Council (DLC)—otherwise known as "Democratic Lovers of Cheney." LaRouche's evaluation is that the Cheney group may very well be cooking up a new "Reichstag Fire," a terrorist atrocity, 9/11 style, with the help of Israeli covert operatives. The greatest security threat to the United States today, for that reason, is President Bush's gutlessness with respect to Israeli Prime Minister Ariel Sharon (see *International*).

The LaRouche movement will meet on Aug. 30-31 for its annual Labor Day conference, dedicated to continuing the noble mission of Graham Lowry. See your local representative for more information.

Please note that *EIR* will not be produced next week. Issue number 32 will be that dated Aug. 22.

Susan Welsh

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Graham's Historic Mission.

Bond Crash Is Sign of System Bound For Financial Catastrophe

by Lothar Komp

The drive by Presidential pre-candidate Lyndon LaRouche to force Vice President Dick Cheney out of office, aims to end the strategic crisis and put serious actions for economic recovery on the agenda. George W. Bush's strategy for re-election in 2004 is based on the illusion of an economic recovery, supposedly materializing at some point in the second half of this year. But financial insiders point out that already by early Autumn these illusions will most likely be torn apart. And as soon as economic reality sets in, a re-activation of the three-year stock market crash is inevitable.

But precisely because Dick Cheney's neo-conservative gang in Washington, and its banking and multinational backers, are under such political, strategic, and economic pressure, they are a threat to strike out, if they remain in power, in a "flight forward" mode—either in new military confrontations, as with North Korea or Iran; or, with the launching of a "financial Sept. 11." As the global financial system is anyway hopelessly bankrupt, these forces might accelerate the disintegration process in order to control its outcome.

A sudden sharp rise of interest rates—already indicated during July as Fed Chairman Alan Greenspan's three-year rate-cutting policy "hit the wall"—would probably be enough to cause a meltdown of the U.S. bond and housing bubbles, driving millions of private households into bankruptcy. At that point, with calls for a public bailout of financial markets by governments already running huge deficits, "Schachtian"-style emergency measures, including the dismantling of traditional social programs, could easily be implemented by the frontmen of high finance.

A historic reference point for such a development is the collapse of the post-World War I Versailles monetary-financial system, which was based on using the German war debt to prop up creditors worldwide. As LaRouche noted on July

26: "Then, when the financial system was threatened with a blowout, you had two ways to go: One way was typified by Franklin Roosevelt's recovery program, the other way was Adolf Hitler. And for a time, Adolf Hitler won. He was put into power by key financial interests, which were afraid that, under conditions of financial collapse, governments would intervene to save the economy, at the expense of the financiers' interest-control over the economy."

Greenspan and Co. Laid Interest-Rate Trap

In the second half of the 1990s, central banks in the United States, Japan, and Europe opened their monetary floodgates in an attempt to sustain, by financial "bubbles," a bankrupt global system. Products of this liquidity pumping were a worldwide stock market bubble and, in particular in the United States, the most excessive credit generation in centuries. After March 2000, crashing stock market bubbles eliminated \$16 trillion of financial asset value worldwide within three years. The central banks responded with even more liquidity pumping. While the accelerated flooding of markets wasn't too successful in boosting the stock markets or the economies, the central bankers' efforts created some new financial asset bubbles.

The U.S. Federal Reserve pushed down short-term interest rates from 6.0% to 1.0% within 30 months and thereby helped create a giant bubble on the bond market. The scheme worked in two ways. First, commercial banks could borrow short-term funds from the Fed at low interest rates and then invest the borrowed money into bonds offering higher interest, a special kind of "carry trade." Second, the Fed rate cuts immediately pushed up the market prices of bonds. Bonds are debt titles issued by governments or large corporations. The bond issuers promise a fixed interest rate, usually being paid



Has the has-been Federal Reserve Chairman Alan Greenspan incompetently set into motion an “economic 9/11,” by triggering a bond-market crash he has been unable to stop?

at a specific date once a year, and of course the repayment of the bond’s nominal value after a specific number of years, ranging between 2 and 30 years.

Take as an example a 10-year U.S. government bond with a \$10,000 nominal value and a fixed interest rate of 4%. If an investor keeps such a security until its maturity, he knows the income stream exactly: In each of the next 10 years he will receive \$400, plus \$10,000 in 10 years, all in all \$14,000—of course under the premise that the bond issuer doesn’t go bankrupt in the meantime.

Most bonds are not held by investors until maturity, but constantly traded on the bond market. The market price of such a bond is determined by discounting all the remaining future income streams, by a comparison of the bond’s fixed interest rate to the momentary short-term interest rate. As an example, that 4% bond’s promised \$10,000 payment in 10 years has a discounted cash value of only \$5,580, if short-term interest rates are at 6%, as they were in the United States at the beginning of 2001. But with short-term interest rates pushed down to 1%, as they are now, the present cash value of a \$10,000 payment in 10 years amounts to \$9,050, that is 62% more than in the previous case. The Fed’s policy automatically pushed up the market prices of all outstanding bonds, and by signalling further rate cuts, it invited millions of investors to join the ongoing bond market frenzy.

Furthermore, Greenspan and Fed governor Ben Bernanke

publicized their commitment to buy up, if needed, an unlimited amount of U.S. Treasury debt from commercial banks in order to fight the so-called threat of deflation. In conclusion, a giant bubble was created, which itself helped to build up an extreme expansion of mortgage credit, as interest rates for mortgage loans are priced in reference to Treasuries of similar maturities. Millions of private households were lured by record-low mortgage rates and rising home prices to sharply increase their mortgage debt. The refinancing of old mortgages, often including a “cash-out” component, at the same time helped to prevent private household consumption in the U.S. from collapsing. But now the party is over.

Bond Bubble Is Bursting

Still in early May 2003, Greenspan and other Fed governors were making public speeches on the possible outbreak of deflation, promising extraordinary measures of liquidity pumping to fight it, including direct purchases of long-term government bonds by the Fed. In its official release following the May 6 Federal Open Market Committee (FOMC) meeting, the Fed said that over the next quarters, “the probability of an unwelcome substantial fall in inflation, though minor, exceeds that of a pickup in inflation from its already low level.” The foreseeable reaction was yet another frenzy on the bond market, pushing down Treasury yields in mid-June to the lowest levels in half a century.

But suddenly, probably under pressure by the White House to present an upbeat economic outlook, Greenspan changed his line. The first indication for this was the decision by the Fed on June 25 to lower its key interest rates by just 0.25%, not the .50% investors had expected. Bond markets worldwide started to go down. As bond prices fell, bond issuers were forced to promise higher interest rates. Already by July 2, yields for 10-year U.S. Treasuries shot up to 3.64%, compared to the 45-year low of 3.07% reached on June 16.

The repercussions were felt worldwide. Japanese government bonds (JGB) on June 30 suffered their biggest slump in two years. On July 3, a bond auction by the Japanese Finance Ministry drew just half as many bids as the previous sale in June, leading on the same day to the biggest JGB plunge since September 1999. Japanese 10-year bond yields reached a record low of 0.435% on June 12, but by July 3 had shot up to 1.125%. On July 4, the JGB crash continued, driving 10-year yields at one point to 1.40%. Japan has the largest government bond market in the world, with \$4.7 trillion in outstanding debt, compared to \$3.3 trillion U.S. government bonds. Both the German and the British government bond auctions on July 2 drew the lowest demand in several years.

The bond market decline accelerated when Greenspan testified to Congress on July 15, presenting an inexplicably rosy outlook for the U.S. economy. He enthused about the stimulating effects of the Bush Administration’s tax cuts on top of the Fed’s rate cuts. In sharp contrast to previous statements, he now downplayed the threat of deflation: “The

FOMC devoted considerable attention to this subject at its June meeting, examining potentially feasible policy alternatives. However, given the now highly stimulative stance of monetary and fiscal policy and well-anchored inflation expectations, the Committee concluded that economic fundamentals are such that situations requiring special policy actions are most unlikely to arise.” Within hours, Greenspan’s comments triggered the biggest massacre on the bond market since the Long-Term Capital Management collapse in Autumn 1998. The yields on 10-year U.S. Treasuries rose by 0.26% in a single day, to 3.98%. German government bonds on July 15-16 suffered their biggest two-day sell-off since June 1995.

The potential effects on the mortgage market reached such an alarming dimension, that on July 23, the Fed was forced to deploy its most outspoken “deflation fighter,” governor Ben “Bubbles” Bernanke, to say *exactly the opposite* of Greenspan’s claim eight days before: that there is a real threat posed by deflation, which indeed could require unconventional liquidity creation actions by the Fed. In his address to the Economics Roundtable of the University of California at San Diego, Bernanke said the Fed “should be willing to cut the funds rate to zero, should that prove necessary.” Should still more monetary stimulus be needed, the Fed could use “non-traditional” methods, such as buying long-term bonds.

However, indicating the complete loss of confidence in the Federal Reserve, Bernanke’s intervention failed; The bond market sell-off continued. On July 29, the yields for 10-year U.S. Treasuries climbed up by 0.16% in one day to 4.45%, making a shocking 1.38% rise in six weeks.

Contributing to the selling of U.S. Treasuries were the recent announcements by the government on its record-high budget deficits. In February this year, the Office of Management and Budget (OMB) was still forecasting deficits of \$304 billion for Fiscal Year 2003 and \$307 billion for FY 2004. But now, the OMB is forecasting budget deficits of \$455 billion and \$475 billion, respectively; both figures would cross the \$600 billion mark if counted according to law, without looting from the surpluses of the Social Security Trust Funds.

Apocalyptic Consequences?

The bond market turmoil is immediately affecting the U.S. mortgage bubble; applications for mortgage refinancing credit by households suddenly dropped by one-third in the second half of July. Rates for 15-year and 30-year U.S. mortgages reached historic lows in June, but now have climbed back to levels of December 2002. Just in the week ending July 25, rates for 30-year mortgages rose from 5.72% to 5.87%. By July 30, rates already hit 5.94%, compared to 5.21% in early June. Day by day, the debt-service burden on millions of U.S. private households is thereby rising. Already now, the insolvency rate on mortgage debt is at a record high. If mortgage interest rates go higher while the economy and employment stay depressed, an avalanche of private bankrupt-

cies could push down house prices and burst the \$7 trillion mortgage bubble.

According to the Mortgage Bankers Association of America, demand for refinancings of mortgages, of crucial importance in the last three years in keeping up the façade of the U.S. economy, crashed by 32.9% in the week ended July 25.

The events on the mortgage market are also turning the two giant mortgage finance corporations, Fannie Mae and Freddie Mac, into financial time-bombs. These two government-sponsored private “agencies” have bought up 44% of the entire mortgage debt of America from commercial banks, most of which they have then sold, in the form of mortgage-backed securities, to other banks, insurance companies, and investment funds. Fannie Mae and Freddie Mac further issue bonds in order to refinance their operations. Finally, the two “agencies” are engaged in multi-trillion-dollar high-risk derivatives contracts, to “protect” them from rapid changes in interest rates.

Since June 9, the bonds of both Freddie Mac and Fannie Mae have come under tremendous pressure. Selling by European and Asian investors accelerated after rumors spread on markets in the second half of July that the European Central Bank (ECB) is liquidating its holdings of “agency” debt—which lacks an explicit guarantee by the U.S. government—and has recommended the same to all the Euro-zone national central banks. On July 30, Fannie Mae chairman and chief executive Franklin Raines described the recent events on the bond and mortgage market, in particular the rise of long-term interest rates, as a “100-year storm” for the financial sector.

In his *Richebächer Letter* for July, former Dresdner Bank chief economist Kurt Richebächer wrote: “During the late 1990s, Mr. Greenspan was keen to foster the stock market bubble. . . . Now, he is keen to foster the three new bubbles that he has kindled in fighting the burst of the stock market bubble—the house price bubble, the mortgage refinancing bubble and the bond bubble. . . . Greenspan signalled to the marketplace his determination to accommodate unlimited leveraged bond purchases [and that] endless liquidity is available for the taking by the speculative financial community. The obvious result is a credit and bond bubble that vastly outpaces the excesses of the equity bubble. . . . Our greatest fear is now the bond bubble. Its influences are pervading the whole economy and the whole financial system, and its bursting may have apocalyptic consequences.”

The stage is set for a deliberately triggered financial/economic disruption of unprecedented dimensions. Today, as in the 1930s, the fight is over what kind of policy changes will meet it. Will it be the LaRouche solution—a global “bankruptcy reorganization” aimed at re-starting productive investments to boost employment and living standards; or a “Schachtian” solution to maintain the power of “high finance,” presently running the U.S. Administration through its frontmen around Vice President Dick Cheney?

In Europe, Maastricht And WTO Under Attack

by Claudio Celani

In a more and more bankrupted European economy, the debate grows for the adoption of the “neo-Colbertist” policy represented by Italian Finance Minister Giulio Tremonti’s “European Action for Growth” plan. The plan calls for a yearly investment up to 70 billion euros in transnational infrastructure projects, to be carried out through a combination of public funds and state-guaranteed bond issues. In a statement before the Joint Finance Committee of the Italian Parliament July 22, Tremonti said one could be confident that his plan for infrastructure investments will be approved in December by the EU Council, and that “it could have effects as early as January,” as the economy will immediately react in expectation of growth. European Investment Bank (EIB) chairman Philippe Maystadt told the Italian financial daily *Il Sole 24 Ore*, on July 26, that the EIB is ready to play its central role in the Tremonti Plan. Maystadt said that the EIB, with EU 50 billion direct credits up to 2010, can leverage 6-7 times as much in private investments, thus reaching the annual figure of EU 50 billion. This is still not enough to finance all priority projects listed in the Van Miert report on transnational infrastructures, which forecasts a total expenditures of EU 600 billion (as we reported last week), and so the quota of public infrastructure funds from European Union (EU) members must increase, Maystadt said.

This has put center-stage, the budget constraints set by the EU Stability Pact, which set targets for reducing and ultimately eliminating national budget deficits. Since its inception, the Stability Pact has revealed itself the biggest obstacle to economic growth: Because the economic crisis has collapsed revenues, state deficits are exploding, while the Stability Pact regulations prohibit deficit-financed public investment by those same states, which would be able to turn the economic collapse around. Euroland is therefore now in a situation in which all its largest members are presenting growing budget deficits, and have violated or are violating the Pact’s cap of 3% deficit as a ratio of GNP. The additional absurdity of the Pact is that its rules envision “punishing” violations by member countries in form of money transfers—which would further aggravate their deficits!

Unlock the Maastricht ‘Chastity Belt’

Therefore, the Stability Pact is de facto dead, and a discussion on how to change it has started at the highest level. First, French President Jacques Chirac announced publicly that the

Pact should be reviewed. In his traditional July 14 speech to the nation, Chirac called upon “the representatives of the euro-group states managing the euro, to examine together provisional methods for easing” the Stability Pact structures, taking in account the situation of each member-state. On July 23, the chairman of the Italian Infrastrutture Spa agency (Ispa), Andrea Monorchio, called for the EU to set up a “European Development Pact” against what he called the “chastity belt” of the Stability Pact. Monorchio, in the Rome daily *Il Messaggero* on July 23, called for an expansion of the Tremonti Plan. One idea which has been floated, Monorchio suggested, is that of the “golden rule”—decoupling spending for investments from the budget deficit. Monorchio wrote, “In Europe, as well as in Italy, to get some oxygen into stagnating economies . . . we bet on infrastructure development, which can surely be done through forms of project financing, but which also needs flows of additional public funds.”

In the same direction of Monorchio’s proposal, EIB Chairman Maystadt proposed that the Pact be reviewed, with an eye to allowing a deficit for investment expenditures. The Stability Pact’s creators (himself among them), Maystadt told the *Financieel Economische Tijd* and *Il Sole 24 Ore*, “did not take enough into account the quality of spending. Wouldn’t it be better to have a 2% deficit following investments favorable to growth, rather than a 0.5% deficit resulting from spending purely linked to consumption?”

A proposal to *repeal* the Pact came from unexpected quarters: a group of experts working for the EU Commission. The Group of Political Advisors (GOPA) has produced an internal report which has provoked an uproar, because it proposes as well to re-nationalize current EU agricultural policies and end the practice of granting aid directly to poor regions, rather than to nations. The GOPA demands that Stability Pact constraints be lifted for countries with 0% or negative growth.

A ‘New Deal’ Is Needed

Tremonti, the central figure in the current economic debate in Europe, has not joined the debate on repealing the Stability Pact. His views are reflected by Ispa Chairman Monorchio, whom he appointed; otherwise, Tremonti publicly avoids attacking the Pact. Italy must play a role above factions during its EU presidency, which runs the semester until Dec. 31, and also with other diplomatic considerations given Italy’s high public indebtedness.

However, as the author of the European “New Deal” plan, Tremonti has opened another flank in the war against neo-liberal economic policies, by opening fire on the World Trade Organization (WTO) and calling for European-wide protectionist measures. In an interview with the daily *Corriere della Sera* on July 20, which had a large echo in Italy and abroad, Tremonti said that one reason for the current industrial crisis in Italy “is called WTO, is called the overly violent opening of the markets. We live in strategic times; we must invest in order to compete, but in the meantime we must act to defend

ourselves. . . . Trade is either with rules, or it is not trade. . . . In the long run, trade will surely make everyone richer, but in the meantime, we must avoid dying.”

Tremonti stressed that under his initiative, “the issue has begun to be discussed in major international forums. I spoke about it at the G-7, achieving the result that the classic formula, ‘free trade,’ be replaced with the formula ‘trade based on rules.’” In polemic with the Left, Tremonti said: “The defense of workers and small entrepreneurs of Italian districts is done . . . by those who start to pose the challenge of protecting European and national industry.” On the Italian/European Action for Growth plan, Tremonti said that it corrects a paralysis, whereby: “The states have transferred their original powers—fiscal, budget, and monetary powers—without there being a new, collective political machine able to exert them as a substitute. We have no budget policy, because there is the Stability Pact. We have no monetary policy because there is the ECB, the European Central Bank. We have no currency-exchange policy because it is being made elsewhere.”

Pointing to the irrationality of currency values under the current regime, Tremonti said: “In the year 2000, European economies and public budgets were good, the euro was weak against the dollar; now, economy and public budgets are not so good, and nevertheless the euro is strong against the dollar. Newton would have some trouble in defining the rationale for the cause-effect relationship, the trajectory of the apple.”

‘Minister Tremonti Is Right’

Tremonti’s interview found immediately an echo in France, where well-known economist Jean-Paul Fitoussi endorsed it. There are currently two schools of thought in Europe, Fitoussi said: “The first one attributes the loss of dynamism to the lack of structural reforms [read: elimination of the welfare state]. . . . The second one points to the decline of European governments’ capacity to elaborate and run an economic development policy.” Were they private companies, “European executives . . . would have already brought their books to court, that is, they would be already certified as bankrupt.”

Fitoussi told *Il Sole 24 Ore* on July 26, “Minister Tremonti is right, when he says that European government structures must be reformed because there is no European economic policy. We must go back to the idea of development, whereas we are still anchored to the idea of stability. This, in aging societies, means paralysis.” As had Tremonti, Fitoussi complained, that in Europe currently, “there is no common economic policy; but at the same time national governments have no maneuvering room, because of the constraints of the Stability Pact. . . . Europe is a ship without a rudder.”

“The only thing national governments can demand from their citizens is sacrifice, i.e., approve structural reforms,” Fitoussi warned: “The Stability Pact is too rigid a choice and must be revisited. The dogmatic interpretation of the Pact does not allow us to prepare for the future.”

Washington Bushwhacked Argentina’s Kirchner

by Cynthia R. Rush

Argentine President Néstor Kirchner’s September meeting with George W. Bush was hastily re-arranged for July 23. Kirchner sought support for a strategy he claims will allow his devastated country to emerge from its financial crisis—if only the International Monetary Fund (IMF) would show a little understanding. Since taking office May 25, Kirchner has been operating under the delusion that Argentina could find the road to economic recovery through a “softer” agreement with the Fund, that would apply austerity a little more slowly, and postpone foreign debt payments, suspended since January 2002, for a few more years.

Since the current short-term agreement with the Fund expires at the end of August, and Argentina faces a looming Sept. 9 deadline for paying \$3 billion to the IMF, Kirchner and his Finance Minister Roberto Lavagna say they need a new agreement that will roll over all debt payments for the next three years, and postpone the application of harsh structural reforms, until the economy begins to recover from the debacle brought on by more than a decade of free-market “reforms” under then-President Carlos Menem, an IMF poster boy.

This carefully laid plan ignores the reality that Argentina is the victim of a crushing systemic global financial crisis, and can only be rescued if the world monetary system is put through the type of bankruptcy reorganization outlined by Democratic Presidential pre-candidate Lyndon LaRouche in his New Bretton Woods proposal. While there are sovereign decisions Argentina could make now to protect the nation and its people—national banking, capital and exchange controls, and continued repudiation of an illegitimate foreign debt—nothing short of a New Bretton Woods, combined with the global development program embodied in the Eurasian Land-Bridge, offers any hope for the future.

Kirchner should be considering LaRouche’s advice that both Argentina and Brazil, with their combined \$720 billion in debt, have the potential to bring down the whole rotten financial system, were they to repudiate IMF policy. IMF and Wall Street bankers are already nervously eyeing South America’s Southern Cone region, fearing what could happen were Argentina not to reach an agreement with the Fund by Sept. 9 when its \$3 billion comes due. They are particularly anxious about Brazil, whose precarious financial situation is worsening daily. The *New York Times* had to admit on July 29, that an Argentine default on the \$6 billion it owes the

Fund by year's end, would "call into question the triple-A status of the Fund, the World Bank and the Inter-American Development Bank in financial markets." The total amount Argentina owes the Fund—\$14.3 billion—is more than 500% of the country's statutory IMF quota, according to the *Times*. The accepted borrowing limit is normally 300%.

This reality hasn't caused the Fund to ease up on its demands, however. Two days after Kirchner's meeting with Bush, internal IMF documents leaked to the media in Washington trumpeted that Argentina had "deceived" the Fund, by postponing or delaying structural reforms agreed to by the previous Duhalde government. The documents bluntly warned that the Kirchner government must "distance itself from any idea that the economy is normalizing smoothly, *without the need for structural reforms.*" On July 29, IMF Managing Director Horst Köhler publicly warned Argentina it must accelerate its structural reforms over the coming period, in order to make the country safe for "creditors' rights."

Rather than using the leverage LaRouche indicates, both Kirchner and Brazilian President Luiz Inácio Lula da Silva are so far content to maneuver *within the rotting global system*. Although Kirchner has recently complained that Lula's orthodox economic policies too closely resembled the disastrous free-market "Menem model," Kirchner also thinks he needs the Fund. Thus, he went into his July 23 meeting with Bush, to beg for backing for his illusory "go slow" strategy. But all that he got from his 30-minute session at the White House, was gibberish, with Bush slapping his back and telling him to negotiate "hard—just as hard as you can, down to the last penny." After all, Bush said, "it is Argentina that has to negotiate with the Fund, and no one else." Then, he promised, "if you help yourselves" (if you do what the Anglo-American financial sharks tell you to do), "we will also help you." That is, Argentina must prove itself creditworthy by responsibly carrying out IMF austerity.

Having pinned all his hopes on the meeting—London's *Financial Times* had described it as "the most important of [Kirchner's] life"—the Argentine President wasn't about to come out of it saying he had failed. So, he walked out of the White House to euphorically tell waiting reporters that Bush had offered him "unconditional" support for Argentina's negotiations with the International Monetary Fund!

Kirchner did have one fortunate confrontation with reality in Washington. On July 23, two organizers from the LaRouche Youth Movement (LYM), both Argentine, approached him following a gathering at the Argentine Embassy. One enthusiastically urged him "to invite LaRouche to Argentina. We appreciate and agree with your mentioning Franklin Delano Roosevelt's New Deal"—Kirchner has mentioned FDR as a model on more than one occasion—"Mr. LaRouche is the only Presidential candidate and world leader talking about this in the United States." Showing Kirchner a copy of LaRouche in 2004 campaign special report *How to*



Argentine President Néstor Kirchner examines the "How to Reconstruct a Bankrupt World" special report given him by LaRouche Youth Movement organizer Emiliano Andino (to his right), outside the Argentine Embassy in Washington. Kirchner's illusions about help from the Bush Administration with Argentina's unpayable debt, met reality during his visit.

Reconstruct a Bankrupt World, the organizer continued "I have in my hands a program for world development, and I want you to have it." After "Okay, give it to me," replied Kirchner, who had, already that day, passed by a literature table also manned by LYM members.

Absent this bold and optimistic approach, Kirchner's foolish desire to curry favor with Anglo-American powers leaves the country extraordinarily vulnerable, and not only on the economic front. He has gone on a rampage against such vital institutions of Argentine sovereignty as the Armed Forces, the justice system, and other security agencies. The central figure in this assault is Justice Minister Gustavo Béliz, a member of Opus Dei, who is closely linked to the Transparency International non-governmental organization founded in 1993 at the behest of Britain's Prince Philip, to wage war against the institutions of the sovereign nation-state, under the guise of "combatting corruption." It is the "corrupt" and "criminal" elements within Argentina's institutions, Béliz says, who are responsible for the country's crisis—not the IMF. Béliz has provoked military unrest with the July 25 overturning of Decree 1581, which banned the automatic extradition to other countries that had charged Argentine military personnel with human rights abuses.

Béliz's served as adviser, speechwriter, and Interior Minister to Carlos Menem in 1992, and brought in pseudo-Catholic Michael Novak to promote his fascist "capitalism from below" theories. Béliz and other of Kirchner's advisers reportedly told him that overturning decree 1581 "is the only way to attain the levels of juridical security" to make Argentina "trustworthy" in the eyes of foreign creditors and investors. But the goal of the "war on impunity" is to insure that all vestiges of sovereignty are eradicated, so that Argentina's final submission to globalization is guaranteed.

Business Briefs

Mexico

'Free Trade Model' Keeps Losing Trade

With 90% of its trade carried out with the collapsing U.S. economy, Mexico's overall trade dropped by 3.5% in April 2003, over April 2002, and was 4.3% less, year on year, in May 2003.

The International Consultants firm reported on July 23 that nearly 370,000 jobs were lost in the country between January and May. Unemployment hit its highest level in nearly five years in June, the government reported. The actual statistics given by the government are worthless. The government claims unemployment stood at 3.17% in June (up from 2.72% in May), but the government calculates unemployment as anyone over 12 years of age who looked for work, but didn't work for more than *one hour during the month*. Thus a Mexican who found two hours' work during the most recent month, is considered "employed."

The Catholic Church in Mexico says 75 of Mexico's 100 million people live in poverty; whereas the government of President Vicente Fox claims that "only" 53.7 million people are poor. Yet, the International Monetary Fund is again demanding that the government must impose a value-added tax (VAT) upon food and medicine. When the Fox Administration tried to ram through a 15% VAT tax on food and medicine in 2001, Mexico's Congress refused. Now, the Treasury Secretary is considering trying to get Congress to buckle, and accept a tax of 5-6% on the basics needed by the population to survive.

Brazil

VW Workers To Strike As Auto Cuts Mount

After Volkswagen announced plans to lay off 3,933 workers at its São Bernardo and Taubete plants in Brazil, its workers voted to "prepare themselves for war" at a July 22 meeting of the Metalworkers' ABC union, charging that the company is violating job

stability contracts that are supposed to remain in effect until 2006. In São José dos Campos, meanwhile, General Motors has laid off 450 workers, but many expect that figure to go higher. Auto companies say they have huge inventories, and must fire "surplus" workers, because there is no demand for new cars. Renault also recently announced that it is "losing a lot of money" in Brazil, and that at present, "sees no way out" of the situation.

Industry Minister Luiz Furlan has spoken of the need for emergency measures to help auto firms reduce their inventories (tax reductions on cars for example), but indicated that any program of this type would have to be approved by Finance Minister Antonio Palocci, who is known to oppose them.

Currency

China Says Renminbi Will Be Held Stable

Chinese Commerce Minister Lu Fuyuan told the Asia-Europe Meeting (ASEM) of economic ministers' in Dalian on July 24, that the value of China's currency will remain stable, in the interest of China's population and its development. "China's major task at present is to maintain stable economic growth," Lu Fuyuan said. "The current policy of maintaining the value of the currency does not rule out future adjustments or changes."

U.S. Federal Reserve Chairman Alan Greenspan, Treasury Secretary John Snow, Sen. Charles Schumer (D-N.Y.), and other U.S. spokesmen have demanded that China revalue its currency, the renminbi-yuan, by ending its fixed peg against the drastically weakening dollar. The real problem is the vast U.S. trade deficit with China. China kept its currency at a stable exchange rate during the Asian financial crisis of 1997-98, when the dollar rose dramatically. This had serious effects on the Chinese economy. Now that the dollar is crashing, the United States is demanding that the renminbi be allowed to "float"—i.e., rise—against the dollar. China sees this as forcing another "Plaza Accord," as was forced on Japan in 1985, on China.

Lu Fuyuan said the currency policy ad-

justment should be based on the domestic situation of a nation, rather than just the international situation. China's position has been clearly stated by People's Bank of China Governor Zhou Xiaochuan, who reaffirmed China's policy favoring a stable yuan in a speech delivered on July 14. China will work at its own pace to "promote reforms to liberalize interest rates, maintain the fundamental stability of the yuan foreign-exchange rate, and continue to perfect the foreign-exchange rate system," Zhou said.

China's own imports are increasing rapidly, 44% faster than its exports, and the country might even face a trade deficit for 2003. China has not had an overall trade deficit since the 1997 Asian financial crisis. China is importing large amounts of raw materials and parts, and is also paying much more for oil due to the war on Iraq. In his statement at a press conference at the end of the ASEM economic ministers meeting, Lu Fuyuan predicted that "China will import \$1 trillion in the next three years, and become the world's second largest purchaser in 20 years, only after the United States."

Pensions

Funds Face '1980s S&L-Type' Crisis

According to a U.S. General Accounting Office (GAO) report of July 23, not only are American corporate pension plans underfunded by about \$300 billion, but the main insurer of retirement plans—the government-sponsored Pension Benefit Guaranty Corp. (PBGC)—does not have enough assets to pay promised future benefits. The GAO designated the PBGC's pension insurance program for large companies as "high risk," calling for "urgent attention" by Congress. PBGC's "single-employer" program takes over pension plans that bankrupt firms have defaulted on, but pays only a portion of the retirement benefits due 34 million workers enrolled in private "defined-benefit" plans.

Pension plans, warned Treasury Secretary John Snow in July, are in danger of a financial meltdown "not unlike" that of the savings and loans institutions in the 1980s.

'DUMPING' catfish in the United States was ruled against Vietnam on July 24 by the U.S. International Trade Commission, as the Department of Commerce had earlier. Tariffs of 36%-64% are being imposed, which will blow out the Vietnamese catfish industry, which employs 400,000 and exports one-third of the catch to the U.S. The ruling is based on the idea that Vietnam is a "non-market economy." Vietnam and other Southeast Asian countries fear a repeat against the shrimp industry, which is nearly ten times bigger.

EUROPEAN Investment Bank on July 22 announced a regional branch in Egypt. EIB Vice President Philippe de Fontaine told *Al-Ahram* that Egypt was selected for its vital role in the Middle East and Mediterranean. The EIB cooperation budget for the office is 1.5 billion euros, he said, adding that the EIB wants to develop infrastructure projects in Egypt.

MALAYSIA issued its first golden dinars on July 28, paying part of its employees' July salaries if they chose. One dinar was set equal to \$47.63. For now, however, the dinar will not be available for trade, but the head of the Royal Mint said that an exchange window for the dinar could be developed. The Mint will approach four Islamic banks to promote the dinar in August. Currently 1 gold dinar is set at 4.25 grams of gold of 91.7% clarity. The Mint will soon add 2 dinar and 4 dinar denominations to the one-quarter dinar and 1 dinar.

U.S. TREASURY on July 28 announced plans to borrow \$104 billion during July-September—one-third higher than its previous estimate—to finance the growing Federal budget deficit, officially projected at \$455 billion for the year. The increase, up from a \$76 billion estimate in April, was blamed on lower-than-expected income-tax receipts, and higher spending. During October-December, Treasury expects to borrow a record \$126 billion. This would bring total borrowing to \$230 billion for the second half of 2003.

"Defined-benefit plans are under more pressure than at any time in a decade," cautioned PBGC Executive Director Steven Kandarian, adding that the agency's program could require a "general revenue transfer"—i.e., taxpayer bailout.

As of April 2003, the PBGC's unaudited deficit had soared to an estimated \$5.4 billion—the largest in the program's history—a marked change from its \$9.7 billion surplus in 2000. The major cause of the deficit, was the massive increase in large, underfunded pension plans of bankrupt companies in the steel and airline sectors, taken over by PBGC. Moreover, PBGC likely faces "additional severe losses," the GAO warned, as the financial weakness of firms increases.

Railroads

Beijing-to-Shanghai Maglev Line Possible

The long-distance magnetic levitation rail project, designed by Germany's Transrapid, has a good chance, wrote the German daily *Die Welt* in a special feature from Beijing on July 29. The report notes that the German maglev technology in recent years received very strong support from then-Prime Minister Zhu Rongji. After he left office in Spring 2003, there were some critical statements about the Transrapid by supporters of traditional high-speed rail within the Chinese Railway Ministry, states the report. This culminated in the announcement by the ministry in early July that a decision on the technology—either Transrapid, or high-speed rail like Japan's Shinkansen or France's TGV—for the 1,300 kilometer route between Shanghai and the capital Beijing, would most likely be for the Shinkansen.

The announcement, however, drew an unprecedented storm of protest inside China, and by July 10, the Chinese government said that there will be no near-term decision. Nevertheless, an Internet-based initiative called "10,000 signatures against the use of the Shinkansen on the high-speed railway line from Shanghai to Beijing" was formed and now has attracted more than 80,000 participants.

Now, states *Die Welt*, the new Chinese

Prime Minister Wen Jiabao has for the first time directly intervened into the debate. He called on all the relevant institutions "to collect assessments from all sides, to make scientific comparisons, to draw conclusions, and to come up with detailed plans."

There has been an argument between the Transrapid consortium and the Chinese about a special cable that is being used for the maglev tracks. The German side claims the problem is minor. But, as the current Shanghai-Pudong maglev route is the first commercial line ever, the Chinese don't want to take the risk, and insist that 920 kilometers of cables will be replaced. This creates now huge orders for the cable-producing company Nexans in Hanover. About 150 Thyssen-Krupp specialists will then be flown to Shanghai to get the job done in round-the-clock work between early October and year-end, so that on Jan. 1, 2004, the route can be opened on schedule for commercial traffic.

Futures

'Terror Futures' Was Crazy, But Typical

Adm. John Poindexter's now-squelched "terrorism and assassination futures market" was nuts, but valid under prevailing economics and information theory. According to a July 29 release by the Defense Advanced Research Projects Agency (DARPA), the "market method" is superior to other methods in predicting terrorist actions and other overt activities. "There is potential for application of market-based methods to analyses of interest to the DOD. These may include analysis of political stability in regions of the world, prediction of the timing and impact on national security of emerging technologies, analysis of the outcomes of advanced technology programs, or other future events of interest to the DOD. In addition, the rapid reaction of markets to knowledge held by only a few participants may provide an early warning system to avoid surprise." Is this different from the idea that the financial markets determine the true value of financial assets based upon what speculators are willing to pay for them?

The Synarchist Threat Since 9/11: Why Cheney Must Go

by Jeffrey Steinberg

This presentation was given by telephone on July 26 to a national conference of the Citizens Electoral Councils, the Australian movement of co-thinkers of U.S. Presidential pre-candidate Lyndon LaRouche.

The July 22 pre-planned and flaunted assassinations in Mosul of Saddam Hussein's two sons, violated standing U.S. military policy since World War II, and constituted the latest evidence of the readiness of Vice President Cheney and Secretary of Defense Rumsfeld to flout all the international conventions of war, to pursue an actually fascist, aggressive war policy. That policy is part of the crucial evidence of the present control of American and British strategic policy by circles strictly defined as Synarchist fascists, for whom Cheney is the current chief front-man and political gang-leader, who has to be removed from office to salvage the United States and its Presidency.

Now, people remember that in 1938, and 1939, Hitler's Germany invaded Poland and Czechoslovakia, using the same kinds of fraudulent excuses that were used by Cheney and Wolfowitz and Rumsfeld, and Richard Perle, and the whole gang, to get this Iraq war going. And indeed, there were people in the Nazi regime, who were tried, convicted, and executed at Nuremberg for the crime of conducting preventive war. In the early 1950s, the United Nations adopted all of the international law precedents of the Nuremberg trial as part of international law to be administered by the UN Security Council. And so, we have high-ranking officials of the current U.S. government carrying out the exact same crimes that led to trials, convictions, and executions, at Nuremberg.

Indeed, the events of Sept. 11, 2001, precisely as Lyndon LaRouche identified them, represented a coup d'état, against the Constitutional system of government of the United States. The precise details of Sept. 11 were not known to us in advance; there are still some aspects of it that remain unknown, but in January 2001, when we were fighting against the nomination of John Ashcroft as Attorney



To the global financial faction known since World War II as Synarchism, the events of 9/11 were the “Reichstag Fire” to institute emergency rule in the United States. Attorney General John Ashcroft (left, with Bush), whose nomination Lyndon LaRouche almost stopped by warning of such a “Reichstag Fire,” has moved for police-state measures. But it is Vice President Cheney (right) whose imperial war policy leads the Synarchist threat, and whose resignation would break it up.

General of the United States, Lyndon LaRouche’s spokeswoman delivered testimony to the U.S. Senate Judiciary Committee opposing Ashcroft, and warning that Ashcroft was the kind of fascist who would look for the opportunity to stage a Reichstag fire type of incident, in order to impose fascist police state provisions in the United States.

And so nine months before the events of Sept. 11, Lyndon LaRouche was already warning about such events. Not only were his warnings prophetic, but they established Mr. LaRouche’s credentials as the single most qualified individual to mobilize and lead a counter-coup against everything that has occurred since those events of Sept. 11.

So, we’re now at a very critical moment in world history, where there are two features of the current reality—the strategic reality—that define the battle in which the LaRouche movement is playing an ever-increasing leadership role.

Perpetual War, Global Bank Rule

First, we’re dealing with an effort on the part of the international financial oligarchy to realize the same Synarchist universal fascist agenda which was attempted through the Hitler coup in Germany, and through the larger events around the Second World War. That Synarchist effort, which I will discuss in greater detail over the course of the next hour or so, was nearly crushed altogether by Franklin Roosevelt, through his paradoxical partnership with Winston Churchill during the World War II period.

It was paradoxical because, at every step along the way, Roosevelt was aware of the fact that his agenda and Church-

ill’s agenda were fundamentally antagonistic. Roosevelt’s agenda was to end the era of colonialism and imperialism forever, and to proceed ahead with the classic American foreign policy of building a perfect community of principle amongst sovereign nation-states. Churchill, on the other hand, was seeking to preserve and expand the English-speaking British Empire, for the post-war period.

The present generation of the Synarchist apparatus, this Venetian-modelled financial oligarchy, which has spores in many countries around the world, is presently committed to the destruction of the United States, and the end of the Westphalia system of nation-states which came about in 1648, with the Treaty of Westphalia that ended over a hundred years of brutal religious, ethnic, and other warfare that destroyed civilization in much of the European continent.

It was out of the Treaty of Westphalia that the nation-state system was consolidated, and the Synarchists of today intend to bring an end to that system. Among the tools they intend to use to reach that objective: the all-too-familiar Clash of Civilizations, perpetual war emanating out of the Middle East, but engulfing the entire planet if they are not stopped. We already have the Iraq phase of this perpetual war. As we know, this Synarchism crowd, the chicken-hawks in and around the Bush Administration, are seeking to extend that war into Syria, Iran, Saudi Arabia, Egypt, Jordan, and then into the Pacific North, the entire Korean Peninsula, and eventually war against China.

The Synarchist concept, the larger universal fascist agenda, that was at the heart of World War II, was the destruc-

tion of the Soviet Union, and then eventually either a war of destruction against the United States, or a Synarchist coup d'état inside the United States. Under the sponsorship of the Morgan Bank, a coup d'état against Franklin Roosevelt, during the first years of his Presidency, was attempted, but was defeated.

We've seen recently that this Synarchist apparatus, this Venetian-modelled, universal financial oligarchy, is intent on replacing the existing nation-state system, as fragile as it is, with a universal bankers' dictatorship. At a recent meeting in Siena, Italy, some of the leading Synarchist financiers and assets, toadies of this financial oligarchy—people like the so-called Nobel Prize-winning economist Robert Mundell, former U.S. Federal Reserve Chairman Paul Volcker, and assets of the international speculator George Soros, met and put forward a proposal to create a single world currency, one that would be too big to collapse, that would be directly controlled out of the Bank for International Settlements.

The Bank for International Settlements was created in 1930 as the financial instrument for destroying Germany and paving the way, and eventually financing, Hitler's coming into power and his military build-up for the war. This was not a German bank; it was a bank of the international private financial oligarchy, the old families and their various banker employees. People like Montagu Norman of the Bank of England; Hjalmar Schacht of the Reichsbank in Germany; Benjamin Strong, who headed up the New York Federal Reserve Bank, were all involved, along with private financiers like Averell Harriman, Prescott Bush, Sr.—the grandfather of the current President—and others, the entire Lazard Frères banking apparatus, hardcore universal fascists, in the middle of the Bank for International Settlements' plot to install Hitler into power, and get the war going. So now, the current generation of Synarchists facing the destruction, the final end-game collapse of their own international financial system, are proposing their own scheme for a new era of dictatorship, fascism, and war, under the direct dictatorial control of the Bank for International Settlements, to create a single world currency—pegged to a 19th-Century British, colonialist gold standard—literally to run the world and oversee a period of perpetual war and mass murder.

LaRouche's Leadership Against This Coup

So, that's a pretty big agenda, an undertaking which Lyndon LaRouche, through his 2004 Presidential campaign, is leading the international opposition to. And we're doing a pretty damn good job of it, evidenced by the fact that you can't pick up a newspaper in the United States or in Western Europe—I presume now as well in Australia—without reading about the latest exposés and revelations of the crimes of Dick Cheney, Donald Rumsfeld, Paul Wolfowitz, et al.

So, arrayed against this financiers scheme to literally revive a new and even more virulent form of fascism, is the LaRouche campaign and a growing array of American and

international political circles who are looking to LaRouche for leadership in this period of crisis. Now, it's not surprising in that context, that the official data coming out of the Federal Election Commission reveals that of all of the Democratic candidates for President, LaRouche is number two in terms of the number of individual contributors to his campaign. In other words, real, live, thinking, breathing citizens, are throwing their weight behind LaRouche's campaign. Technically speaking, Howard Dean in the last quarter, had more individual contributors giving over \$200 to his campaign, but we're now investigating indications that much of this money came over the Internet, and there are serious suspicions that there is not a lot behind this, that there may be a great deal of fraud and chicanery.

But what's more significant, is that LaRouche is the undisputed front-runner among all of the Democratic candidates, in money spent. People contribute for LaRouche's campaign, and they can count on the fact that there will be a massive amount of activity generated by those contributions. That's not true of any other candidate. They have no constituency support; they have virtually nothing to say, at least nothing that any sane, normal human being would want to have overheard coming out of his or her mouth. And so, what we're dealing with is a situation in which more and more people are turning to LaRouche's campaign as the voice of "the other America"—the America that is fighting to reverse this Sept. 11th coup, and with greater and greater success.

Internationally, LaRouche is known for the Eurasian Land-Bridge, and for the call for reviving the core concepts behind Franklin Roosevelt's original Bretton Woods system, with some of the egregious mistakes that were included in it, to be corrected. For example, no more private central banking. We go back to national banking, and sovereign governmental control over the currency and credit of the nations of this planet.

So, what LaRouche is doing, is reviving and building off a tradition that has been known for the past 200 years plus, as the American System. It's what people referred to when they looked to the United States as "the city on the hill," as the beacon of hope for all of the rest of the world. LaRouche and his campaign personify that other America, which is on the offense once again. And a bit later, Sam Dixon will give you a report, on the activities of the LaRouche Youth Movement, which, apart from Mr. LaRouche's own personal activities, is the single most significant and dynamic and driving factor in LaRouche's Presidential campaign.

Fascism Arose Against American Revolution

Now, having given that kind of overview of the present strategic situation, I want to give a little bit of the historical background so you have a more in-depth idea of what it is that we're dealing with, in the present fight.

And, we've got to go back in this case, to the American Revolution, which was an international event of profound



President Franklin Roosevelt's "paradoxical pre-war and wartime partnership" with Prime Minister Winston Churchill, whose world-view and policies were antagonistic to his own, originated with the realization by both leaders that Synarchism had to be stopped from consolidating a "fascist empire of Europe."

historical importance—perhaps unprecedented historical importance in the entire history of mankind. It was a self-conscious revolution based upon the principle of the Socratic Republic, of the scientific discoveries of the Renaissance, the people, more immediately, like Gottfried Wilhelm Leibniz, and of course the work of Benjamin Franklin.

The American Revolution succeeded with a great deal of international support—the American Revolution probably would not have succeeded were it not for the League of Armed Neutrality, that was organized by Russia and other European countries to ensure the safe arrival of supplies from Europe for the American republicans fighting against the British. The success of the American Revolution and the threat that those principles would spread back into Europe, where they were initially born, caused absolute panic among the combined European oligarchy. At that point, this oligarchy was dominated, but not overwhelmingly so, by the British oligarchy, particularly the Venetian faction in Britain, centered around the East India Company, the Barings Bank, and the personality of Lord Shelburne, and his chief enforcer, Jeremy Bentham, but there were others. There were the Orléanist faction in France. There were the Hapsburgs, there were others, who were equally horrified at the prospect of, particularly, a constitutional monarchy in France organized by the Marquis de Lafayette, by [Jean-Sylvain] Bailly, and by other leading French Republicans, friends and allies of the American Revolution.

And so to prevent this from happening, largely through

the initiatives of the Shelburne, Bentham, British East India Company factions, you had a fascist revolution in France to exterminate the Republican movement, literally. And so, you had the Jacobins in the 1790s, and this literally was a left-wing fascist, mob-violence phenomenon; they murdered the scientists; they drove the Republicans out of France; they took over and destroyed the Ecole Polytechnique, one of the great centers of science. And leading figures who were already part of the British occult circles, began talking about a revival of a Roman Empire to counteract and crush this new Republican phenomenon, the United States.

Joseph De Maistre, who was a French occultist, the forerunner of Leo Strauss and Alexandre Kojève; who went to Russia, but who wrote about the coming revolution in France; developed the concept of purgative violence, and the need for universal tyranny. In 1798, Napoleon Bonaparte read Joseph De Maistre's book, and on the basis of that decided that he was the new Caesar, the man to launch this new imperial Roman Empire. Napoleon modelled himself on Tiberius, the Roman Emperor who dispatched a relative, personally, to the Holy Land to crucify Christ, and who headed up the Mithra Cult on the Island of Capri, which was the private domain of every Roman Empero—until the 5th Century when Rome collapsed, and the responsibility for maintaining the Mithra Cult at Capri was turned over to the Benedictine Order, which to this day, is part of the extended network of the Venetian Party international oligarchy.

So, when you have a movement, a revival of the imperial



British, Hapsburg, French Napoleonic attempt to destroy the United States, and despite the fact of the assassination of Abraham Lincoln, this attempt to destroy the United States through the provoking of this secessionist insurrection, failed. It failed to a very significant degree, because again, international friends of these Republican ideas, and the United States of Abraham Lincoln, intervened to help save the Union. In particular, the alliance between Abraham Lincoln and the Russian Tsar Alexander II, was pivotal. There were Russian military officers serving as spies in the South, in the early phases of the secessionist insurrection, who provided vital intelligence that prevented some early Confederate victories, that were intended to trigger a British/French/Spanish intervention, on behalf of the South.

It was the deployment of the Russian Navy to New York and San Francisco, for the bulk of the Civil War, and Russia's threat to go to war against Britain, France and Spain, if they entered on the side of the Confederates, that prevented that from happening. In fact, it was later learned that Tsar Alexander II had sent a secret communiqué to Abraham Lincoln indicating that if Britain were to enter the war on the side of the Confederacy, the entire Russian Navy was to go under the command of President Lincoln.

Historically, Synarchist fascism began as the European reaction against the "threat" of the republican revolution in America spreading to Europe. It always took the form of worship of the imperial reign of the first modern fascist, Napoleon Bonaparte, whose power rose from the destruction of France's attempt at revolution.

Roman cult centered around Tiberius, the man responsible for the crucifixion of Jesus Christ, you get an idea that you are dealing here with something that is pretty Satanic. And so Napoleon Bonaparte followed from the Jacobins, in attempting to establish a universal Roman imperial tyranny. And here we have the launching of modern fascism.

Now after the defeat of Napoleon at Waterloo, the Napoleonic circles themselves fled to many parts of the world. A large number of Napoleon's officer corps fled to the United States and took up refuge in the deep South, and became among some of the leading figures in the Confederacy. A bit later, you had the phenomenon of Teddy Roosevelt, coming into the Presidency of the United States in 1901, as a result of the assassination of President William McKinley. And one of Roosevelt's first acts was to appoint Charles Bonaparte, a direct descendant of Napoleon, as the Attorney General of the United States. And Charles Bonaparte's great claim to fame is that he launched the Federal Bureau of Investigation.

The 'Threat' of the American System

Now, during the 1850s and '60s, the combined European oligarchy launched a campaign to destroy the United States, a campaign that is widely misnamed the Civil War. It was a

Now, even as the war of Southern secession, this international war—which had conflicts in Mexico, with the Napoleonic intervention there, which involved the attempt to launch a destabilization of Russia through certain Jacobin operations in Poland—all of these things nevertheless failed. And even as the war was being pursued, President Lincoln understood that you had to do other things to preserve and save the Union.

And so in 1862, even as the Civil War was raging, Lincoln pushed through Congress the legislation that launched the building of the transcontinental railroad, to consolidate a coast-to-coast continental republic. This was the biggest scientific and technological revolution in a very, very long time. The locomotive had only been invented in 1829. Three years later, in his first campaign for public office, Abraham Lincoln had campaigned for the Illinois State legislature on a platform of building the transcontinental railroad. At the time, he had never ridden on a railroad, and probably had never even seen a locomotive, in person. But he understood that this was a scientific revolution. There had been no fundamental change in the mode of transportation from the time of Plato. You had

long ships, you had chariots and carriages and horses, and things like that, but there was no high-speed transit overland. And so this revolution was something that Lincoln adopted, and it became a core feature of the entire American Revolution, the continuation of the Revolution into the post-Civil War period.

The transcontinental railroad was completed in 1869. It was the largest engineering project in history, perhaps, up until that point, with major discovery in large-scale infrastructure building. For the first time, the United States was bound together as a single continental republic, and we didn't stop there. American engineers went to Russia, and worked with some of the Russian engineers who had been in the United States working on the transcontinental railroad, and helped launch the Trans-Siberian Railroad. On the hundredth anniversary of the United States in 1876, there was an industrial exposition in Philadelphia attended by people like Thomas Edison, in which people came from all over the world to share in the technological breakthroughs. And at the center of that, was the idea of massive railroad construction, city-building, infrastructure all over the globe.

By the end of the 19th Century, you had the completion of the Trans-Siberian Railroad with the idea of linking all of Eurasia to North America, through a channel through various transit routes, through the Bering Strait. You had rail-lines being built from Berlin to Baghdad, linking Europe with the Middle East, the vital crossroads of Eurasia. You had French grants for building up massive railroad infrastructure in Africa. You had the rail-line running from Paris to Vladivostok. In South America, American engineers were down in Peru, and were building rail-lines through the Andes, to link up the Eastern and Western portions of South America, and to link that up with a North-South rail-line to run from the very top of Alaska, down to Tierra del Fuego at the very southern tip of Argentina.

This was the momentum that was building on behalf of these American system policies. You had the Meiji Revolution in Japan, in which American System economists including E. Peshine Smith, who was a leading example, were chief economic advisors to the Japanese courts. You had Sun Yat-sen, trained by American missionaries, developing a plan for the economic integration of China through massive rail projects. You had, in Germany, the legacy of Friedrich List, in the creation, in 1870, of a unified German State for the first time, 100 years after the American Revolution.

The History of Synarchism

All of these events posed an existential threat to the extended international oligarchical families that had been accustomed to running Europe, and preventing the development of Republican forms of government in Europe. Germany, under the ideas of List implemented through the Bismarck period, represented the next-greatest threat since the French Revolution destroyed France, for the expansion of American Repub-

lican ideas back into Europe; and so it was in this period that you had the official launching of the Synarchist movement.

A Frenchman, named Saint-Yves d'Alveydre, began writing a series of late-19th-Century tracts in which he coined the concept of Synarchism, which was simply a new term to describe a dictatorship by the private financial oligarchy, the old families, the Venetian *fondi* system. He proposed the destruction of the nation-state, and the building up of a bureaucratic, fascist series of regional empires, to be combined into a kind of supra-global empire, but to have the world divided up into five, largely geographic and ethnic and language regions, each to be controlled as part of this new imperial arrangement.

In the meantime, the combined European oligarchs launched what came to be known as World War I, as a means of destroying the momentum that was building, for this American System spreading around the globe. (And when [my wife] Michele and I were in Australia several years ago, much of the conference that we attended out in Perth, was devoted to the piece of this story dealing with the fight for a republican Australia. And that too is part of this fight, which we are now on the verge of winning in a decisive way.)

So, we had World War I, as the means of preventing these American System ideas from becoming contagious, and spreading like the rail-line all over Eurasia.

After World War I, under the Versailles arrangement, not only were the defeated countries to be looted, but that process concealed a far more significant Synarchist effort. During the end of the war period, particularly the mid-1920s onwards, leading international financier circles I've already mentioned—Hjalmar Schacht, Montagu Norman, from the United States you have the House of Morgan banking interests, you have Brown Brothers, Harriman banking interests, you have the Dillon Reed brokerage house in New York, you have the Lazard Brothers brokerage house, with branches in Paris, London and New York—all scheming to establish certain international cartel arrangements to control the material through which the world economy would either sink, or prosper.

During the late 1920s, through to the mid-1930s, you had cartel agreements to control the steel sector, the coal sector, electricity, oil and fuel production, ball bearing production, many of the key areas—these were international supranational alliances among financial oligarchies that transcended, and in fact, rejected national identity. This was the Synarchist scheme that was devised and was intended to be the actual basis for what came to be World War II.

What was the actual plan?

The actual plan goes back to the writings of Saint-Yves d'Alveydre back in the 1870s and 1880s, and he was a reviver of the cult of Napoleon, as the reincarnation of the Roman Emperor, Tiberius. The idea was to form an international Synarchist alliance—Germany, Britain, France, Spain under Franco, Portugal, Italy under Mussolini, Japan—to launch a

A Short Definition of Synarchism

“Synarchism” is a name adopted during the Twentieth Century for an occult freemasonic sect, known as the Martinists, based on worship of the tradition of the Emperor Napoleon Bonaparte. During the interval from the early 1920s through 1945, it was officially classed by U.S.A. and other nations’ intelligence services under the file name of “Synarchism: Nazi/Communist,” so defined because of its deploying simultaneously both ostensibly opposing pro-communist and extreme right-wing forces for encirclement of a targetted government. Twentieth-Century and later fascist movements, like most terrorist movements, are all Synarchist creations.

Synarchism was the central feature of the organization of the fascist governments of Italy, Germany, Spain, and Vichy and Laval France, during that period, and was also spread as a Spanish channel of the Nazi Party, through Mexico, throughout Central and South America. The PAN party of Mexico was born as an outgrowth of this infiltration. It is typified by the followers of the late Leo Strauss and Alexandre Kojève today.

This occult freemasonic conspiracy, is found among both nominally left-wing and also extreme right-wing factions such as the editorial board of the *Wall Street Journal*, the Mont Pelerin Society, and American Enterprise Institute and Hudson Institute, and the so-called integrist far right inside the Catholic clergy. The underlying authority behind these cults is a contemporary network of private banks of that medieval Venetian model known as *fondi*. The Synarchist Banque Worms conspiracy of the wartime 1940s, is merely typical of the role of such banking interests operating behind sundry fascist governments of that period.

The Synarchists originated in fact among the immediate circles of Napoleon Bonaparte; veteran officers of Napoleon’s campaigns spread the cult’s practice around the world. G.W.F. Hegel, a passionate admirer of Bonaparte’s image as Emperor, was the first to supply a fascist historical doctrine of the state. Nietzsche’s writings supplied Hegel’s theory the added doctrine of the beast-man-created Dionysiac terror of Twentieth-Century fascist movements and regimes. The most notable fascist ideologues of post-World War II academia are Chicago University’s Leo Strauss, who was the inspiration of today’s U.S. neo-conservative ideologues, and Strauss’s Paris co-thinker Alexandre Kojève.

—Lyndon H. LaRouche, Jr.

war to destroy the Soviet Union, to loot the East and then to turn on the United States, and either take over the United States through these various Synarchist coup plots, or to eventually go to war and destroy the United States, and in effect to recolonize it.

Now, had there been an alliance in the 1930s, between Germany, France, Spain, Portugal, Italy, England, and Japan, you would have had a concentration of naval and land power that would have been a very, very serious threat to the survival of mankind. Churchill, being a devout national imperialist, was only concerned with the question of whether or not Britain would be the *primus inter pares*, the first among equals, in this Synarchist arrangement. And he was not convinced that Britain reigned supreme. Therefore he opposed Britain joining this universal fascist arrangement, not out of any morality, not out of any sense of patriotism, as you in Australia, or we in the United States might think of it, but in allegiance to a certain concept of Britain’s role as the overwhelmingly dominant imperial power on the planet.

He didn’t see it under these arrangements, so he balked and he went to Roosevelt. And Roosevelt, having a deeper understanding of all of this, agreed to enter into a very tricky alliance with Churchill. Those of you who have had a chance

to read the book by Franklin Roosevelt’s son Elliott, a very important book called *As He Saw It*, will have an idea of the complexities of the relationship that Roosevelt had both to Churchill and to Stalin during the war period. But it was that alliance, and the very challenging efforts by Roosevelt to manage those people in the banking and business community in the United States who were fully a part of these cartel arrangements, and who therefore, favored the United States being brought into this Synarchist arrangement. And they failed in their actual outright coup plot and assassination efforts against Roosevelt during his early years in office. These were the very people that Roosevelt had to deal with in building up the war mobilization, so it was a very challenging phenomenon.

Now, some of you may recall, that in 1982 Lyndon LaRouche launched a project in which an important element was the initial unearthing of these Synarchist documents, which we have dusted off and have been reviewing and studying in the context of all of our work on the Straussians and the Kojévians in the United States, who are central players in the Cheney/Rumsfeld/Wolfowitz putsch, inside the Bush Administration, since 9/11. But it is worth taking a few minutes to give you a description of this earlier project.

Synarchism, Nazism, and World War II

Between 1981-1985, Lyndon LaRouche was involved with some very senior people in the U.S. government, in the military, in the intelligence community, inside the Reagan Administration, in launching an attempt to revive the caliber of U.S. intelligence that had existed among the best elements during the World War II period.

Let's just say that certain people in the U.S. government took a great interest in Lyndon LaRouche launching this effort to, among other things, establish a national intelligence academy, a training academy for future intelligence officers, to deal with the fact that the university system inside the United States had been completely destroyed over the previous 20 or so years. And you were getting people coming out with PhD's in history and political science, who were thoroughly ignorant about the truth of history.

The idea was to launch a curriculum, to launch a program—and as a pilot project, we ourselves undertook a review of the crucial intelligence files of World War II, of the State Department, the Office of Strategic Services, the military intelligence branches, and their understanding of the Synarchist threat, which they understood quite well. They had in-depth intelligence, and certain people made special arrangements, so that people designated by LaRouche, would be given access to certain temporarily declassified government documents, so that we could obtain the raw materials to conduct this study of what was the caliber of American intelligence's intellectual understanding of this Synarchist threat, during the World War II period.

In fact, over the past few days, I've been reviewing these files for a lot of very exciting material to be published in the *EIR* and other publications. One of the published documents that I've been reviewing is a book that was written in 1950, called *All Honorable Men*, written by a man named John Stewart Martin. Martin was, at the end of the World War II, in charge of the decartelization program in Germany, and he had the opportunity to study all of the records in Germany, in the Netherlands, in France, in Belgium. And it was he, among others, who discovered this international Synarchist set of cartel arrangements, to where American companies, through their cartel agreements with German companies, were secretly providing crucial war materiel for the Germans, and in some cases were withholding that materiel from the United States itself, at the height of the war effort and the military build-up for America's eventual entering into the war against Germany and Japan.

I wanted to just read you one of the sections from the concluding portion of this book. And again, bear in mind that this book was written in 1950 by a man who resigned his position as head of this decartelization program, when he realized that his own superiors, including Gen. William Draper—later to be one of the biggest zero-population freaks in the United States—who was head of the economics divi-

sion of the war-time, post-war occupation government in Germany, were on the other side.

Draper had been a chairman of the Dillon Reed brokerage house, which was one of the leading American firms, along with Lazard Brothers, Chase National Bank, National City Bank, Morgan, and others, to float the bonds that set up these industrial cartels, that helped rearm and then stoke the entire [Nazi] war operation.

So, in one of the concluding chapters, John Stewart Martin says:

After two and half years, I came back from Germany quite well aware, that I had been wrestling with a buzz saw. We had not been stopped in Germany by German business, we had been stopped in Germany by American business. The forces that stopped us had operated from the United States, but had not operated in the open. We were not stopped by a law of Congress, by an Executive Order of the President, or even by a change of policy approved by the President or any member of his cabinet. In short, whatever it was that had stopped us, was not "the government." But it clearly had command of channels through which the government normally operates. The relative powerlessness of government in the face of growing economic power, is of course not new. Between the two World Wars, the outstanding development in world economics was the division of territories and markets by private agreement, among the largest corporations of Britain, Germany, and the United States, with minor participation by their counterparts in France, Italy, and Japan. National government stood on the sidelines while bigger operators arranged the world's affairs.

In the United States in 1933, President Roosevelt tried to establish a government powerful enough to talk back to the private operators. For a time the Roosevelt government asserted its right to control business activities, wherever they might affect the public interest. But with the outbreak of war, men who had been on the outside during the New Deal era, cursing "that man," from their chairs at the Union League Club, had to be called to Washington. The government of the U.S. found that it was in no position to fight a war, unless it made a deal with the powers in control of the country's productive capacity.

With World War II, business moved into government. Men from high positions in investment banking, and in the management of the top industrial holding companies, came to Washington to guide the war production program. Later, they moved up to high policy-making positions. Especially noteworthy was a group drawn from the Morgan company and their pilot fish, the bankers of the Harriman firm, and the business man-

agement specialists of Dillon Reed and Company. James Forrestal, former president of Dillon Reed, moved from Undersecretary of the Navy, a position largely concerned with coordinating of industry programs to speed materiel procurement, up to Secretary of Defense. Robert Lovett, former partner in Brown Brothers, Harriman and Company, moved from Assistant Secretary of War, to Undersecretary of State. W. Averell Harriman himself started as a liberal businessman, sent on a mission to Moscow in connection with Lend-Lease. He later became Ambassador to Russia, Ambassador to England, Secretary of Commerce, and finally, roving Ambassador for the Marshall Plan, all the while retaining a limited partnership in the Brown Brothers, Harriman firm.

The Purpose of the DLC

It goes on from there for quite some time, but you get the idea that people at the time had a deep grasp of Synarchism. U.S. Army files, OSS files, State Department files, warned repeatedly of the danger represented by this “Synarchist/Nazi-Communist” plot, that posed a grave threat to the United States.

Now, I don’t think for a moment that it’s a coincidence that it was at the point that we were pointing to this Achilles’ heel of the financial oligarchy, this Synarchist phenomenon, that all hell broke loose—that these private circles, working through their agents in government launched a campaign to either kill, or railroad Lyndon LaRouche into jail, and attempt to destroy our entire international political movement at precisely the moment that we were putting a public spotlight on the Synarchist phenomenon.

Inside the Democratic Party in the United States, an organization was created in 1985 called the Democratic Leadership Council (DLC). This was an outgrowth of a Political Action Committee created by Averell Harriman’s widow, Pamela Harriman, the former wife of a member of the Churchill family. The DLC, according to top officials of the Democratic Party with whom we’ve spoken, was created unofficially as the Stop LaRouche Movement, and so it is no surprise today, that we find that the DLC is the Synarchist faction—the Lazard Brothers, Harriman faction inside the Democratic Party, the bankers’ fascist faction—and that their entire *raison d’être* is to destroy LaRouche and our political movement.

Now, we’ve spoken briefly about Dick Cheney, the Vice President—the President in charge of Vice—who’s got to go. We’ve talked about Paul Wolfowitz, we’ve talked about some of the others, and I know the afternoon panel will give you a much more in-depth picture of this cast of universal fascists. But I want to point to another thing that we know about the Bush Administration, which gets us even more fundamentally to this Synarchist issue.

Probably, many of you have, at various times in your life, thought about some very interesting and intriguing and

conspiratorial event that was taking place, where you wished that you could be the fly on the wall to observe and overhear and see for yourself, what was going on behind these closed doors. Well, on July of 2000, we actually had the opportunity to place a fly on the wall of a very important event at the New York Council on Foreign Relations. The CFR is sort of the large, friends of empire, friends of Synarchy umbrella organization that is far too large to function as a really effective conspiracy. But it’s a kind of fraternity house for wanna-be conspirators, who get to mingle and tingle with some real live conspirators.

Anyway, in 1999 and 2000, the CFR conducted a lengthy series of study groups and meetings on the issue of the next major global financial crash, and what to do about it.

Clinton and the 1997-98 Crisis

Well, ultimately after a lot of scenario-mongering, they actually, in January 2000, staged a war-game, a bankers’ war-game on what to do in the event of a financial crash. They had a concluding session in New York at the CFR headquarters, in July 2000. And one of *EIR*’s economics experts, Richard Freeman, managed to worm an invitation, and he was there. And not surprisingly, they had no solutions. But the one thing that they knew, was that they had to be certain that the next President of the United States was, a) a moron, and b) thoroughly under their control. This was overt, it was openly discussed, and they were quite pleased at that point, that it looked like the Presidential elections were going to be between George W. Bush, certainly a certifiable mean-spirited dummy, and Al Gore, who was kookier than Bush, maybe not quite as dumb, but slavishly loyal to these Synarchist circles. Just compare Al Gore’s views on humanity and population with those of Prince Philip and Prince Bernhard, two of the leading Synarchist figures of the post-war period, and you see that Gore was their man.

Bush, of course, was a different kettle of fish. The Bush family, through Grandpa Prescott Bush, had been right there with Averell Harriman, promoting this Synarchist project, their little Hitler project, during World War II. But they knew something else as well. They knew that just as they had had a close call in 1933—where they just barely put Hitler in power in time—they had had a very close call in 1998.

In 1933, if you remember, you had the von Schleicher government in Germany that was attempting to put through the economic policy reforms promoted by the Friedrich List Society, typified by a plan very similar to Roosevelt’s New Deal, that had been developed by the German economist and List Society leader, Wilhelm Lautenbach. It was imperative to have Hitler in power before Franklin Roosevelt was inaugurated in March of 1933 as President of the United States. If that had not happened, if you had a von Schleicher government in Germany and a Roosevelt government in the United States, the entire Synarchist scheme would have likely blown up and you would have had a possibility of a U.S./German, and many

other countries, alliance. You would have never had Hitler, you would have never had World War II, and we would have been in a very different world. So this was a close call.

In 1997, and 1998, as the various manifestations of the global financial breakdown crisis began to surface—first with the Asia crisis of 1997, then the Russian default on GKO government bonds in August of 1998, the collapse of the Long-Term Capital Management off-shore hedge fund in September 1998—this whole system was about to blow at that point. And, since the beginning of 1997, Lyndon LaRouche had been organizing worldwide, intensively, around the idea of a New Bretton Woods conference. And those ideas were rumbling and were having a significant impact inside the Clinton Administration.

You had the launching by Treasury Secretary Rubin, of the Group of 22, in April of 1998, where there was a meeting convened of the G-7 countries plus the G-15 countries made up of the largest and fastest growing countries in the developing world. This kind of idea—and both President Clinton and Secretary of the Treasury Rubin, frequently commented during that period on the need for a new global financial architecture—scared the hell out the Synarchist crowd. Because just as LaRouche had won over Ronald Reagan to the Strategic Defense Initiative, which was a revival of the American/Russian strategic partnership on the highest principles of scientific and technological cooperation, so now there was the danger that, under conditions of accelerating global financial collapse, President Clinton just might adopt LaRouche's New Bretton Woods policy. And Clinton gave a speech at the Council on Foreign Relations in September of 1998 where he talked of the need for a new global financial architecture.

That was the context in which the Lewinsky affair erupted. You might say, that in August-September of 1998, President Clinton blew it! And as a result of that, a moment of opportunity to save the planet from the kind of potential hell which we still face, was lost. This was a coup. We don't know all of the details, but very often the truth jumps out at you when you simply look at a precise timeline of leading events. As a result of the Lewinsky affair, the prospect of Clinton going with the New Bretton Woods was eliminated.

And if you noticed, the Gore/Lieberman faction, the DLC faction, that was the inside element of that coup, immediately—once Clinton was under the gun of the impeachment—launched a move to have a war against Iraq, the very same war that George W. Bush inherited from Paul Wolfowitz and Richard Perle and company, prior to his being elected President. And these guys were the Vulcan advisors. The number-one strategic agenda item that they rammed down his throat was war on Iraq, because Wolfowitz's friend, Fairbanks, with Richard Perle, Doug Feith, David Wurmser, et al., had come up with a strategy for perpetual war in the Middle East in 1996; they presented it to [Israeli Prime Minister] Benjamin Netanyahu, who is a universal fascist. His father was one of the most intimate collaborators of [Vladimir] Jabotinsky, a

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Children of Satan

The 'Ignoble Liars' Behind Bush's No-Exit War

\$5 Suggested Contribution

This LaRouche campaign pamphlet exposing the political henchmen of Synarchism in the Bush Administration as "Straussians" (linked by the fascist political theories of the University of Chicago's Leo Strauss) has circulated in 1 million copies in the United States and generated spin-off exposés in major press worldwide, making it possible to throw the Cheney gang out.

believer in all of these Roman imperial cults.

This apparatus had designed the plan for perpetual war in the Middle East, the Synarchist agenda, and it was presented in 1996 to Netanyahu, and it was the pabulum that was fed to George Bush beginning in 1999.

The U.S. Global Empire Idea

But back to the CFR event in July 2000: The strategy was to make sure that the next President of the United States would not, under any circumstances, consider going with LaRouche's New Bretton Woods option, but would instead be slavishly loyal to the policies, the failed policy, the insane fascist policies of Alan Greenspan and the whole private central banking apparatus that Greenspan fronts for in the United States.

So, this is the situation that led to the Bush Presidency. Wall Street, the City of London, their other allies in the major centers of Venetian Party power around the planet, all worked together with the assistance of the DLC, the Trojan Horse inside the Democratic Party, to install George W. Bush as President of the United States—not to get him elected, but to

have him installed by a thoroughly corrupt Straussian gang, power-freak gang, on the U.S. Supreme Court headed up by Scalia, Rehnquist, Thomas, and some of the others.

So Bush came in, and as far as Wolfowitz, Cheney, George Shultz—a very important figure, second generation Synarchism—as far as these people were concerned, there was only one item on the agenda, and that was proceeding ahead to a war against Iraq. This is a war for a doctrine of preventive warfare, imperial Roman warfare, that had been promoted by Cheney and Wolfowitz since 1990, and the point that the Soviet Union collapsed. This has been the policy of launching an American, Synarchist, global empire from that point on.

But before 9/11 they didn't have the configuration to do it. And once 9/11 occurred, it was the clarion voice of Lyndon LaRouche in the United States, that warned about this as an internal coup d'état—not an action by Osama bin Laden undertaken from some hide-out, some bat cave in Afghanistan, but an internally run, special warfare operation with the agenda being the creation of a Reichstag fire to justify the Iraq war.

Well, we got in the way—big time! We got out a series of LaRouche in 2004 campaign reports, including *Zbigniew Brzezinski and September 11th*, which identified the underlying personalities and agenda. We got out tens of millions of leaflets; we built a powerful youth movement unlike anything that has been seen in the United States, perhaps since the time of the American Revolution, when Ben Franklin started a youth movement of people named Washington, Hamilton, Jefferson, Adams, Madison, Lafayette; it was an international youth movement. Kids in their late teens, early 20s, who actually made the Revolution.

So, through this intervention, through LaRouche having the guts to say that we were living under a coup d'état regime—and understanding that the target was not the poor dummy, this mean-spirited, recovering alcoholic, drug addict George W. Bush, but it was the circles centered around Lynne Cheney's Dick, that were at the heart of the problem.

So they got their war in Iraq, but it was not the war that they wanted. The war that they wanted was a perpetual war going from Iraq, to Syria, to Iran, to Saudi Arabia. It's now come out in recent days, that way back in the beginning of the Bush Administration, when Lynne Cheney's Dick was put in charge of the Administration's Energy Taskforce, Cheney drew up secret maps with Bechtel, with Halliburton, with the other big oil companies, with Schlumberger—the old original French Revolutionary Synarchist family—for the carving up of the oil fields of Iraq, Saudi Arabia, Iran.

So, suddenly, these people are not successfully running their Straussian war, on the basis of a succession of Big Lies, the Goebbels-like Big Lie. They've been caught. And the momentum is building for these people to be brought down. If you bring down Lynne Cheney's Dick in the United States, bring down Tony Blair and John Howard, in Britain and Australia, you have an entirely new strategic geometry in which

suddenly Lyndon LaRouche's Presidential campaign, Lyndon LaRouche as the organizer of republican victory on a global scale, becomes the dominant political phenomenon on this planet.

The Current Threats of New Wars

We're very close to that, right now. We're incredibly close. There are details that I know, of how close we are to pulling this off, that I'm not at liberty to talk about here. But you can see enough of the evidence every day in the newspapers, in our daily briefing, the exposés of Cheney, the lies about the Niger yellowcake uranium, the lies about the Weapons of Mass Destruction, the lies to justify a Roman Imperial preventive war doctrine. This is not going over very well with the American people; it's not going over very well with leading political circles in the United States and around the world.

Therefore, we are passing through a very dangerous moment. These people will not take defeat lying down. They will scramble, they will behave like the mad dogs, like the universal Synarchist fascists that they are, and they will attempt to start wars. And we've just got to make sure that we're waiting there at every turn to stop them. We know they want a war in Iran, and they may resort to having Ariel Sharon, the universal fascist blubber-boy in Israel—who is less of a universal fascist than Benjamin Netanyahu and some of the Jabotinskyites inside the Israeli military, and if he gets in the way, Sharon may find himself targetted—but there are crazy Jabotinskyite Synarchists in Israel who are prepared, in their insanity, to bomb the nuclear reactor sites in Iran. Israel is a hand grenade in the hands of the international Synarchist oligarchy. And some of these people in Israel are so mad, and so driven by these occult beliefs, like the Masada complex of purgative suicidal violence, that they could be driven to self-destruct.

You've got a precarious situation with North Korea, and attempts to provoke a war in North Asia to disrupt the movement towards the Eurasian Land-Bridge in that region. You can't rule out another 9/11, including perhaps even another assassination or attempted assassination against Bush, to put Cheney right there in power. All of these things are possible; they are all immediately on the agenda, and we intend to prevent them from happening by pre-emptive exposé.

So, here we are, on the verge of a historic strategic victory. And one of the driving factors, as I've said earlier, in the LaRouche campaign internationally, is the development of a whole new generation of leadership through the international LaRouche Youth Movement, which is one of the most powerful weapons at the disposal of LaRouche's worldwide campaign to destroy the Synarchists once and for all—to fulfil the legacy of the Founding Fathers through Franklin Roosevelt. And so here we are at this moment. Victory is within our grasp. It's a very dangerous moment, but one that offers the greatest potential for humanity in a very, very long time.

My Unique Role in the Americas

by Lyndon H. LaRouche, Jr.

This statement was released by the LaRouche in 2004 Presidential campaign, on July 30, 2003.

I report here on certain leading, essential implications of that profound responsibility of my presently indispensable role in combatting the ongoing process of attempted obliteration of the republics of Central and South America. Already, under the conditions which have developed since 1982, the economic and related features of sovereignty of some of those republics have ceased to exist in fact; others, such as Argentina, are under immediate threat. Under the impact of the presently ongoing general breakdown crisis of the post-1971, “floating-exchange-rate” form of the International Monetary Fund’s world monetary-financial system, the early total destruction of the sovereignties of all of the Central and South American republics, is now the imminent catastrophe to be averted. In such a period of world history, only one sane free choice of commitment is available to the world at large. Therefore, I, as measured in popular financial support, a leading candidate for the 2004 U.S. Presidential election, am devoting all that I have the means to accomplish, to promoting the single choice of solution available to civilization at this present conjuncture. The case of Central and South America is a prominent, personally special part of an integral effort which reflects my broader dedication on behalf of humanity as a whole.

Not only am I committed to that cause. My contribution is presently indispensable, if there is to be hope of survival of the nations of Central and South America, in particular. Specifically, at this moment, under those conditions, the prospect for the survival of those nations, depends upon the effectiveness of my continuing that uniquely personal role, as an intellectual and political leader on this issue, throughout our hemisphere.

This role is a continuation of that which I have continued to play, more or less conspicuously at various times, since my Spring 1982 defense of Ibero-America against Prime Minister Thatcher’s Malvinas War. This was a continuation of my activity begun during the closing phase of that Malvinas War, in my attempt to avert, or, at least, resist the expected late-Summer attack on Mexico from what were then New York-centered financier interests.

That concern about Mexico’s situation for the near term, involved me in hastened preparations for precautionary ac-

tion, preparations which including the preparation and publication of my *Operation Juárez* report. That report was the manual guiding my part in the subsequent, August-October 1982 defense of Mexico, against the attack from specific alien forces. These were forces which were in fact descendants of the same Europe-based financier interest on whose behalf France’s Napoleon III had deployed Habsburg Maximilian’s Nazi-like occupation and looting of Mexico. That *Operation Juárez* report reflects the essentials of my continuing policy for the Americas today.

In the cases of Argentina and Mexico that year, I acted, as a significant U.S. public figure, upon a lawful authority which was in the same U.S. tradition of international law, under which, since the mid-1970s, I, as a Presidential candidate of the United States, have conducted a presently continuing defense of the sovereignty of the republics of Central and South America. That issue of international law may be summarized as follows.

This tradition in law which I invoked in defense of Argentina and Mexico then, is rooted in an official policy, which was sealed by sundry subsequent treaty agreements, which was first introduced to law as U.S. Secretary of State John Quincy Adams’ 1823 advice to President James Monroe. As I wrote in my 1977 book-length *The Case of Walter Lippmann*, that Monroe Doctrine, uttered by Monroe, but crafted by Adams, defined a vital, long-term U.S. policy of strategic defense, a long-term commitment to the effort to establish and defend a community of principle among the emerging republics of the Americas. This Adams doctrine committed the United States to organizing a common defense, *as soon as the U.S.A. had the power to do so*, against those internationally predatory forces of Europe known in the Americas since the 1920s by the name of *Synarchism*.

That U.S. doctrine, as crafted by Adams, was applied with force for the first time in the United States’ 1866 expulsion of France’s occupation troops from Mexico. Those French troops left under U.S. orders, thus ending the attacks by the Spanish and other partners of Napoleon III in their Nazi-like enterprise of putting the puppet-bandit Maximilian as proconsul for that occupation and mass-murderous looting of Mexico. That U.S. order led to the downfall of the tyrant Maximilian, and made possible the restoration of the legitimate government of President Benito Juárez. Those were the historical circumstances of the 1860s which I adopted as pre-



LaRouche's 1982 declaration of war on Synarchist fascism in Central and South America. His internationally-known pamphlet outlining strategically how to relaunch the economic development of Ibero-American nations, was his Operación Juárez. It was the ammunition of his attempt to prevent the destruction of those nations by Synarchist financier networks' rampage of debt looting, begun with British Prime Minister Thatcher's Malvinas War against Argentina, and continuing today.

edent for the title of my August 1982 document *Operation Juárez*.

Approximately two years after the publication of that document, I obtained a large collection of freshly declassified, formerly secret U.S. military intelligence, and also of similar OSS, FBI, and French intelligence files, on the subject of the Synarchists. These files, reporting facts from the period from the 1920s through 1945, supplemented what I learned from relatively high-ranking, veteran, first-hand participants in war-time combat against fascism. These reports have been supplemented at later times by an additional mass of documents of and about the Synarchists, documents collected as part of a continuing counter-intelligence investigation of the continuing roots of fascism. Some reports incorporating verified evidence from these sources, were published by me as reports in Mexico and elsewhere. In one nationally broadcast report, on related matters of U.S. foreign policy, during the close of the 1984 U.S. Presidential election-campaign. I detailed some of the fascist connections of the Mexico Synarchists there at that time. Most recently, this same subject has been covered extensively by me and my associates in reports based upon both that and greatly expanded knowledge of current strategic problems, in reports which are currently widely circulated in the U.S.A. and Europe (see *Children of Satan: The "Ignoble Liars" Behind Bush's No-Exit War*, LaRouche in 2004 mass-circulation pamphlet).

Maximilian is long dead, but the Synarchists who represent his cause, are still rampant in Central and South America,

and are among the neo-conservative circles associated now with U.S. Vice-President Dick Cheney. The survival of the states of Central and South America, requires the recognition and early defeat of the danger these fascists represent. I identify them again, summarily, here.

As I emphasize in the body of this report, Synarchism is an outgrowth of a financier-controlled organization dating from the Eighteenth Century, whose influence and effects were typified in Adams' time in the combined and competing predatory practices of the rival British monarchy and the Habsburg-led Holy Alliance. Those known as the Synarchist financiers today, are the heirs of a cabal of private bankers, which was typified during the Eighteenth Century by the French-speaking Swiss-French circles of Schlumberger, de Neuflyze, and Mallet, and also by the illustrative

historical case of Jacques Necker. Those typified the circles which emerged as contender for world financier power through their association with the first modern fascist, the tyrant Napoleon Bonaparte. They came to an imperial form of power as bankers for that bandit Bonaparte, and have continued as a form of ultra-conspiratorial variety of cabalistic, wildly occult freemasonic cult, known as the Martinists. They have continued to be the leading adversary of the states of Central and South America under that name, since the 1920s, through the present time.

It has been my personal war against those same Synarchists, since 1984, and since even two decades earlier in fact, which has supplied me since the 1970s all of my presently notable leading enemies from any part of the world, including sundry fascists operating under religious cover, in the U.S.A. and Mexico, from that time up to the present moment. The neo-conservative cabal around the present U.S. Administration's Vice-President Cheney, is typical of the liveried lackeys deployed by a Synarchist private banker's cult, a set merely typified by the neo-conservative circles of Robert Mundell et al., in or around the editorial board of the *Wall Street Journal*, such as my long-standing personal enemy Robert Bartley.

In the present report, I shall first identify, first, what every concerned citizen of the nations of the Americas must come to recognize, soon, as the Synarchist threat to each and all of our republics. After that, secondly, I shall outline the rudiments of the needed policy for crushing this enemy.

1. What Is Synarchism?

Since a time from the initial consolidation of the combined power of Venice's imperial form of financier-oligarchical maritime power, and Venice's Norman chivalric allies, during an interval from before the Norman Conquest through the doom of England's Richard III, the left-over tradition of that Venetian-Norman-dominated, feudal form of pro-imperialist, financier-dominated tradition, has been the leading, perpetual enemy of the institution of the modern sovereign republic, a reform proposed successively by Dante Alighieri and Cardinal Nicholas of Cusa. This reform was first established in practice by the precedents of Louis XI's France and Henry VII's England, during the course of Europe's Fifteenth-Century Renaissance. The subsequent, brutish religious wars and related Satanic obscenities of the Venice-directed, Habsburg-dominated 1511-1648 interval, preceding the 1648 Treaty of Westphalia, are typical of the role of the feudal reactionaries who fought to revive and continue the tradition of the medieval Norman-Venetian symbiosis.

Unfortunately, despite the great legacy of the 1648 Treaty of Westphalia, the combined impact of the crime of Spain's 1492 expulsion of the Jews and Moors, and the Venice-led reaction of 1511-1648, left deep cultural wounds in European culture as a whole—wounds whose effects have not been healed to the present day. In those circumstances, an orgy of sophistry was launched by the Seventeenth-Century empiricism of Paolo Sarpi, Galileo Galilei, and René Descartes, and continued by the Eighteenth Century's neo-Cartesian and Kantian "Enlightenment." These are each and all philosophically reductionist cults which, as I have emphasized in my "Visualizing the Complex Domain," express, as the existentialists do, a specifically Satanic denial of the possible existence of any knowable difference between man and beast.

It was the orgy of sophistry which such reductionist currents represent, which created the climate in which the enemies of republicanism launched the roles of British agents Philippe Égalité, Jacques Necker, Danton, and Marat against 1789 France. It was the circumstances so produced which fostered the subsequent tyranny of the first modern fascist dictator, Napoleon Bonaparte. These developments in 1789-1815 France are of same type of evidence on which the 1920-1945 U.S. military intelligence characterization of Synarchism as "Nazi/Communist" was, rightly, factually premised. The cases of U.S. contemporary Synarchists, such as neo-conservative Richard Perle, and sundry former Trotskyists who appear to swing from left to right without pausing at center, like the cases of Boris Souvarine, Alexandre Kojève, or the Hudson Institute's Laurent Murawiec, are—like Napoleon's own swing from Jacobin to fascist—are typical of that Nazi-Communist characteristic of Synarchism today.

Synarchism was created to become counter-measure to



Synarchism goes back to adulation of Napoleon's imperial order of Europe; but in the 1920s and 1930s, American intelligence agencies closely watched Synarchist operations which again sought a Europe-wide fascist order. Those pre-war and wartime files were made available to LaRouche's study during the early 1980s.

the American Revolution of 1776-1789. To this day, as I have personally studied a sampling of such clinical cases at close range, their hatred against the legacy of that American Revolution is frequently an immediate apparent hall-mark of the Synarchist type of fascist personality, which often appears, clinically, as the pivot of a violent shift of a subject from "left" to "right." This curious anti-Americanism has a relevant historic sociological precedent in the 1789-1815 history of Europe.

The French Revolution was generated, willfully, from above, as a reaction against the infectious influence—on Europe, and on the emerging states of Central and South America—of both the achievement of U.S. Independence, and the implications for international law of the U.S. Federal Constitution. Typical of that U.S. influence itself, is the draft constitution for the French monarchy presented, unsuccessfully, by Bailly and Lafayette. On the opposite side, the anti-American "Old Europe" of that time was represented by an uneasy alliance among an assortment of liberal-imperialist maritime powers such as the British and Dutch monarchies, with sundry continental monarchies of a more traditionally pro-feudal inclination. The potentates of "Old Europe," as typified by the rival British and Habsburg, anti-American monarchies, trembled in their seats of power, trembling in response to a seismic American rumble felt from across the ocean. The pro-feudal conservatives among those European leaders, sought to defend their thrones. Whereas, in France, a different form of reaction against the U.S.A. erupted: the successive, right-left waves of the Jacobin Terror and the emergent right-wing "reactionary" tyranny of the Emperor Napoleon.

A summary of that different reaction from 1790s France

is needed here, to show how what we call fascism today came into being.

Throughout the 1776-1789 interval, support for the American cause had reverberated throughout the British Isles and the continent. The greatest scientific intellects and artists, and others, such as participants in Germany's Readers' Societies, were usually supporters of the American cause. The strongest political sympathy came from among a certain section of the intelligentsia of France's aristocracy. This portion of France's intelligentsia, as typified by the judicially murdered Lavoisier, was the principal target for eradication by those British and other foreign services directing agents and assets such as Philippe Égalité, Swiss banker Jacques Necker, Danton, Marat, and so on.

So, the first stage of the French Revolution was consumed by the emergence of the Terror, a reign of terror intended to eradicate much of those forces in France allied to the U.S. republic's cause; the second, reactionary phase was the effort to establish an empire modelled upon the precedents of the Roman Law of the Caesars. This became that Napoleonic form of imperialism known to the Twentieth Century as fascism.

The financial organization of the system built around the emerging imperial figure of Napoleon, was dominated by a certain type of merchant-banking influence, largely from a French-speaking Swiss pedigree, a type of banking mentality which both tended toward parodies of the Rhone Valley's Cathar cult, and also enjoyed relevant business connections to the circles of the Anglo-Dutch India Companies' principals. Jacques Necker's connection, through Gibbon, et al. to Baring's Lord Shelburne, was merely typical.

Notably, Danton and Marat were London-trained agents of the British Foreign Office operations directed by Shelburne's favorite Jeremy Bentham. The Swiss-linked circles of the type of Schlumberger, de Neuflyze, and Mallet, who came upon the stage of the French Revolution as signal participants, were key figures of the Napoleonic arrangements; these bankers brought long-standing connections of this type to the fray. The marketable military figure of the Swiss Jomini, whose aberrant doctrinal notions contributed to Polk's war with Mexico, and, as a consequence, later, the Confederate side of the U.S. Civil War, turns up amid the collection.

Not only did one-time Jacobin and artillery captain Napoleon require special funding for his rapid rise from the rank of a Maximilien Robespierre agent, to Emperor. Especially after the twin battle of Jena-Auerstedt, Napoleon the Emperor turned pretty much into a bandit, seeking out and conducting wars in search of the loot to fill his treasury in Paris, pretty much as Vice-President Cheney's friends at Halliburton and Bechtel swoop like vultures upon the prostrate remains of Iraq today. For the market of this pillage, Napoleon required financier traders in loot. The included fruit of this symbiosis between bandit and banker, was the sociological framework upon which the occult ideological side of contemporary Sy-

narchism was draped: the addition of a curious ideological parody of cabalism and other arcane bric-a-brac formed the mystical, specifically Martinist freemasonry of the Napoleonic cult.

With the defeat of the Emperor Napoleon, his temporary triumphs became the "lost cause" adopted as a model for creating future empires. Typical was the case of G.W.F. Hegel, formerly a wild-eyed pro-Jacobin leftist, like many U.S. neo-conservatives today who were Trotskyists—such as RAND Corporation's Albert Wohlstetter—or the like, but turned fascist. Hegel became, after 1803-1806, the wild Romantic whose almost sexually rapturous admiration of Napoleon, served as the model for the first systemic doctrines of fascism, Hegel's doctrines of history and the state. The wilder Romantics, who followed Romantics Kant and Hegel, included the Twentieth-Century existentialists, such as Martin Heidegger and his "Frankfurt School" cronies, who reflected that explicitly pro-Satanic doctrine of Nietzsche. The latter, the set of Nietzsche, Heidegger, Jaspers, Adorno, Arendt, and their followers, designed the pro-Synarchist pre-image of Adolf Hitler as the terrifying beast-man, a design fit for the new Bonaparte, which Hitler, to one degree at least, saw himself to be.

The Utopian Essence of Evil

These followers of Napoleon's imperial legacy were not merely bandits, but monsters. Killing and stealing are criminal behavior, but they are not Satanically evil behavior in themselves. The Synarchists are not merely criminals, they are monsters, as evil as Hitler may be considered to be. They are evil because of the adopted nature of the utopian form of religious-like devotion to wickedness, such as that of Texas' notorious Tom DeLay, embedded in their system of behavior.

This is the key to understanding mankind's Synarchist adversary today. The role of Hegel in outlining a theory of history and the state to fit the Napoleonic model, is key to pinpointing the crucial Satanic factor. Hegel gave the Napoleonic phenomenon a systemic character; the way in which insightful Synarchists such as Paris's Alexandre Kojève have recognized the "end of history" doctrine and the prescription of a Dionysiac "beast-man" leader of society in Hegel, is a relevant illustration of the point.

Since the principal intended audience for this report is composed of speakers of Spanish or Portuguese, let us consider three examples of a systemic form of evil from the history of Spain and its colonies.

First, there is the example of the expulsion of the Jews and Moors from Spain. This gave Isabella's Spain a touch of systemic evil from the beginning.

Second, however, she was not guilty of one of the principal crimes of the Spanish monarchy, the toleration of slavery, a toleration which, with one most notable Eighteenth-Century interruption, was, with peonage, the continued practice by Spain into the late Nineteenth Century. Spain's religious apol-



“The neo-conservative cabal around the present U.S. Administration’s Vice-President Cheney, is typical of the liveried lackeys deployed by a Synarchist private banker’s cult,” to use America’s power, and wars and threats of wars, to enforce an imperium.

ogy for slavery, was excused on the presumption that persons of dark-skinned African descent were naturally predestined to be property, on grounds they were not truly human. The use of such a theological argument, presented as within the bounds of Christianity, represents a pro-Satanic quality of evil, precisely because it is a crime against the institution of Christianity itself.

Third, was the ostensibly theological argument, related to that in support of slavery, for the already referenced institution of peonage, as in Mexico. Again, when made by gnostics using the violated name of the Christian Church, such defense of peonage is a crime against Christianity as in other ways. That is a feature of the trend toward evil in right-wing currents of Synarchism found in Spanish-speaking nations, such as among the ideological followers of Dictator Francisco Franco.

To hold a man in slavery, is not only wrong, but wicked. However, if the slave-holder is only relatively stupid, and does not attempt to make a universal law out of such practice, he is committing a crime against natural law, but is not evil in the sense of seeking to make a explicitly Satanic law of nature out of his wicked act. Hegel’s evil is that he seeks to make a perfectable universal system out of the Napoleonic system of banditry, just as the thoroughly Satanic Bertrand Russell introduced the doctrine of “preventive nuclear war” as a necessary means to bring about the submission of the world to a system of world government.

Take the comparable case of “free trade.” If a man tries to impose the practice of “free trade” on his personal conduct, he may be stupid, or even felonious, but not necessarily evil. If a set of governments attempts to impose “free trade” on the world, a deed which would inevitably promote a genocidal

effect, the attempt to make “free trade” a utopian sort of universal system, is an evil. In the case of the Synarchist, he is attempting to make a compulsory universal system out of murder and other forms of banditry. That is what Hegel does; that is the intrinsically evil character of that freemasonic cult known as Synarchism.

Kojève made the point indelibly with his recognition of the fusion of Hegel and Nietzsche, and his related, Dionysiac doctrine of an “end of history.” How did the implicit Synarchist Bertrand Russell propose to establish the system of “world government” which his confederate H.G. Wells prescribes in his 1928 *The Open Conspiracy*? Russell proposed the threat of “preventive nuclear war,” just as Synarchist Vice-President Cheney has done. In other words, unleash a monster so awful that nations would cringe before that virtual but consummately evil god. That is Nietzsche’s “Superman.” That is the supreme hero of Hegel’s implicitly Nazi-like history of philosophy and theory of the state. On that count, Kojève’s reading of Hegel is accurate.

The same argument of Hegel’s is reflected as Kojève’s and U.S. neo-conservative Kojève follower Francis Fukuyama’s notorious babbling about “the end of history.” Fukuyama’s is a purely Satanic cult-concept, but one already implicit in Hegel. This feature of Synarchism, while congruent with Spanish monarchical apologies for slavery and peonage, is closer to the bone of Synarchism as a system; it is key to a comprehensive understanding of Synarchism’s hatred of the legacy of the Solon, Pythagoras, et al., who, in turn traced the foundations of their conception of history to Egypt. The crucial features of this Greek contribution to European civilization as a whole, which Synarchism seeks to uproot, are traced to Plato, and to the incorporation of the most essential features of Plato’s work in the mission of Jesus Christ and such Apostles as John and Paul, most notably.

Certain essentials of this “Christian Revolution” were extended into Judaism—as in the work of the Apostle Peter’s associate Philo of Alexandria—and within Islam. The “Andalusian phenomenon,” which 1492 Spain sought to destroy, reflects, as did the Baghdad Abassid Caliphate, an example of that ecumenical principle which underlies European civilization as a whole.

The essential feature of this European civilization, from Solon through today, is most clearly expressed the Christian’s notion of the Mosaic principle of *Genesis* 1: that man and woman are made equally in the likeness of the Creator of the universe, and assigned and empowered to manage that Creation. This systemic distinction between man and beast, which the pro-slavery and pro-peonage gnostics of the Spanish monarchy violated, is the basis for European civilization’s notion of history.

As I detail the argument in my “Visualizing the Complex Domain” (*EIR*, July 11), the human mind is absolutely distinguished from all lower animal species by the human mind’s capacity to discern objects, called universal physical princi-

ples, which rule the universe, but which are beyond the powers of direct observation by sense-perception. By discovering and mastering the principles discovered by that uniquely human capacity (e.g., *capax Dei*), man is able to change the universe systemically, transmitting discoveries of this type from one mortal generation to the next. That process, of increasing mankind's power to exist, through such discoveries and their transmission, is history. Christian man, man in the Classical Greek tradition, is inherently Promethean, struggling against the Satanic oligarchical forces of Zeus's fascist Olympus.

Beginning of Modern History

The Fifteenth-Century European Renaissance, by imposing upon the modern sovereign state the responsibility for the general welfare of all of the people and their posterity alike, established real history, modern history. The state and its people must now judge their decisions, the outcome of their performance, by the connections of general welfare and posterity, the synonyms for the common good, the commonwealth.

The "end of history" signifies bringing the planet under the role of a candidate for the title of "Anti-Christ," a Nietzschean monster who commits unspeakable evil abominations publicly, as a device of such a "superman" for terrifying the spectators not only into submission, but even into a Hegelian master-slave emulation of the obscenities he displays. The result is a state of political affairs in which the intended permanent rule of the planet by such Hegelian monsters eradicates the practice of those qualities which express man and woman as in the likeness of the Creator. That is the "end of history" as attempted by the sheer horror of World War I, by the horror which was Hitler, by Bertrand Russell's and Vice President Cheney's doctrine of "preventive nuclear warfare," and by the impact of the successive 1962 missile-crisis and 1963 assassination of President Kennedy upon the generation entering young adulthood during the middle through late 1960s.

This was the banker-backed ideological tradition, and social composition of the cult which assumed the conspiratorial matrix of those forms of Synarchism which came to be associated with the notorious European fascist regimes of the post-Versailles Treaty decades.

This implicitly Satanic cult of Napoleon was perpetuated beyond 1815 by, among others, veteran Napoleonic officers who deployed as filibusterers on the borders of the young U.S. republic, and who exerted a great influence on pre-shaping the later ideology of the plotters of the Confederacy. The myth of Napoleon, as echoed by Stendahl's *Le Rouge et le Noir*, and other wild-eyed adorations, was given fresh incarnation by the regime of France's Napoleon III, the Napoleon III who called the region "Latin America," thus expressing the intention to take over the former colonies of Spain and Portugal. As in the case of the intervention against Mexico by the

combined forces of the pro-slavery Spanish monarchy, the British, and French, Austrian, and other occupation forces, the immediately controlling motives were chiefly two. First, the immediate interests of a cabal of financiers, who were mainly typical of what are known as the Synarchists today. Second, the re-enforcement of a feudalistic landlord system which reduced the majority of the population of Mexico to human cattle.

2. Briefly, the Solution

The solution for the present crisis has two aspects. One is the formally economic aspect of the solution. The other, the political. Consider the political first.

The Fifteenth-Century European Renaissance took the revolutionary step of introducing the modern form of sovereign nation-state, a form of state whose authority to govern was made conditional on the government's efficient devotion to promotion of the general welfare of all of the persons of present and future generations. This reflected a principle of law extensively argued in Plato's *The Republic*, the principle later central to Christianity, as stated most famously by the Apostle Paul in his *I Corinthians* 13.

This revolution in statecraft went further and much deeper than a hand-waving interpretation of "general welfare." The notion of general welfare was premised on the conception of *capax Dei*: that the sublime nature of the human individual, man or woman, placed each apart from and above the beasts, a creature distinguished from the beasts by the power to participate in God. This notion, which the greatest theologians and others of that century identified with the implicit theology of Plato's Classical Greek, and of *I Corinthians* 13, signified the human individual's power to know, and to command those efficient universal physical principles which are invisible to the merely animal-like powers of sense-perception.

These considerations identify what Cusa, Leonardo da Vinci, Kepler, and Leibniz defined as anti-reductionist physical science, and Classical forms of artistic composition, as those forms of individual and social practice which are characteristically human, as distinct from bestial. Although progress in discovery and realization of universal physical principles and Classical art, is necessary for maintaining and improving the demographic condition of society, the moral aspect of this activity is what is morally essential. It is mankind's participation in the discovery and practice of these sublime qualities, rather than merely their so-called practical use, which is essential for the moral condition of society. That participation must be the expression of man's likeness, however imperfect, to God.

The essential obligation of the state, is not to care for the people as if they were farm animals. The essential responsibility is to care for mankind in ways which are consistent with the

protection and further development of man's sublime nature. The only thing which is sacred about human life, as distinct from animal life, is that it is specifically human. Society must love human life, as Plato's Socrates and Paul's *I Corinthians* 13 defines the functional, intrinsically sublime meaning of that principle of *agapē* which is consonant with the knowledgeable reading of the reference to "general welfare" in the Preamble of the U.S. Federal Constitution.

This universal principle of *agapē*, so comprehended, requires that society as a whole must be composed of a community of principle among respectively sovereign nation-states. This does not mean a Hobbesian kind of sovereignty which might afford a nation the hermetic sovereign right to condone cannibalism or slavery; it means a universal principle of truthfulness as such, to which all states are subject. This does not mean a fixed code of positive law; it signifies common submission to a Socratic activity of truth-seeking among persons and peoples. For such a community to come into being in practice, requires that nations have risen, at last, to the beneficial state of mind in which the intent of such a principle may become understood and efficiently adopted.

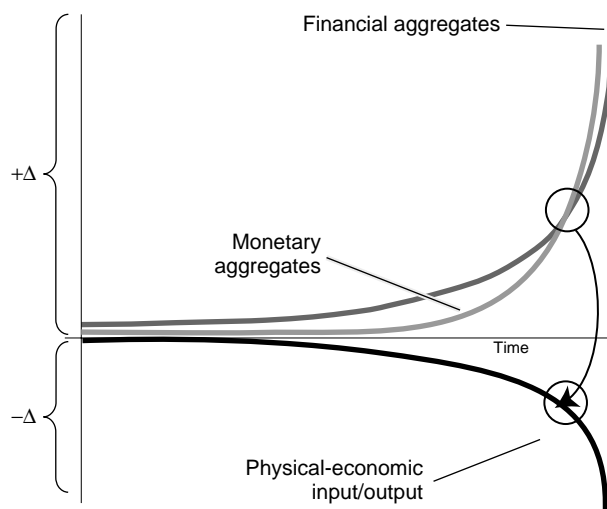
It is my persuasion, that mankind has entered a nuclear-weapons age in which a categorical rejection of an implicitly imperial (e.g., *ultramontane*) world government, in favor of a community of principle among sovereign nation-state republics, is both indispensable and feasible. I know, that were I the President of the U.S.A., under presently erupting conditions of world economic and other crisis, agreement to such a community of principle were feasible among most nations, and therefore implicitly all. The intent to realize that accomplishment, forged in memory of Nicholas of Cusa, Leibniz, Benjamin Franklin, and Abraham Lincoln, should it prevail, will be known thereafter as my life's-work mission. So be it. Such is the temper of my intention; let that be known in those terms.

The world is presently gripped by the terminal phase of existence of a foredoomed, "floating-exchange-rate" form of IMF-dominated world monetary-financial system. Were that foolish and cruel system not placed in bankruptcy receivership by governments, and subject to those measures of general reorganization which transform it into a regulated, protectionist form of fixed-exchange-rate system, this planet were doomed to plunge soon into a new Dark Age of possibly several or more generations. There is a set of outstanding, both moral and practical, considerations which must be recognized and honored in practice if any nation, in the Americas or elsewhere, would be capable of surviving much longer. I conclude this report with a summary of some of those considerations.

Sometimes, Money Is Evil

At the close of a 1995 Vatican conference on the subject of health, I submitted a paper in which I featured a diagram intended to illustrate the economic pressures on health-care,

The Collapse Reaches a Critical Point of Instability



LaRouche's "Collapse Function" heuristic for the downward evolution of the industrial economies from the late 1960s currency crises onward; the increasingly post-industrial era of Wall Street and London's floating-exchange-rate system. Note the 1999-2000 singularity of the "wall of money," out-of-control increase in monetary emissions, which he discusses here.

for laymen, in the relatively simplest possible way. On later reflection, I employed the same illustration for my 1996 campaign for the U.S. Democratic Party nomination. I have used that and related forms of illustrations frequently since that time, bringing the figures into conformity with the need to bring up to date, a showing of the effects of crucial changes in the world economy since. The same type of illustration makes a moral as well as a technical economic point, both of which are of outstanding relevance for the conclusion of this present report.

To begin, I describe the relevant features of the figure.

The figure shows the general nature of the changes in relationships among per-capita magnitudes of nominal financial assets, monetary circulation, and net real physical output, over an interval from U.S. fiscal period 1966-67 to approximately the present time. Until approximately 1999-2000, the pattern for the U.S.A. was as follows. There was a trend toward a hyperbolic increase of nominal financial assets; a slower rate of growth of monetary emission; and a downward, accelerating plunge of physical values.

A qualitative change occurred from approximately the time of the October 1998 Washington, D.C. monetary conference, the conference which was convened in the wake of the Long Term Capital Management disaster. With the

ominous threat of a February 1999 Brazil crisis looming, and the Presidential election-campaign of 1999-2000 taken into account, the desperate U.S. decision was made, to attempt to drown threatened new major financial crises with "a wall of money." Not only printing presses, but electronic uttering was harnessed for what was, in fact, a hyperinflationary mission. During 1999, the rate of monetary emission tended to exceed the troubled financial assets being rolled over. The U.S. Fannie Mae and Freddie Mac mortgage-based asset bubble is a current reflection of some of the effects of that monetary flooding. By Spring 2000, the pattern had become unquestionably a systemic trend. By Election-Day, November 2000, the presently accelerating collapse of the U.S. economy could no longer be concealed from any but the most foolish observers.

This nearly forty-year decline of the U.S. economy was accelerated by the 1971-1972 transformation of the IMF from a fixed-exchange-rate to floating-exchange-rate monetary system, but the decay of the U.S. and U.K. physical economies was fully under way at the time of the U.K.'s first Harold Wilson government. The sterling crisis of Autumn 1967 and the succession of dollar crises of January-March 1968 reflected this. The monetary insanity of the post-1971 floating-exchange-rate system, was a complement to a deeper, long-range shift of the U.S. economy, from the world's leading engine of production, into a rusted-out, predatory, now disintegrating "consumerism" culture.

Against that historic background, what my pedagogical figures illustrate, is essentially the following.

Money has no intrinsic value in itself. Even the price of monetary gold is not an expression of self-evidently intrinsic worth. In any sane organization of society, the utterance of money is a monopoly of perfectly sovereign nation-state governments. To avoid the kind of divergence among financial, monetary, and physical assets which the pedagogical figures illustrate, government and governments must act. They must act singly; and, they must act jointly, as was done under the fixed-exchange-rate phase of the IMF system.

Two general objectives must be served. The national and international systems must be managed, top-down, by government, in the interest of promoting real capital formation, and to ensure that the price of money does not run ahead of the production of per-capita physical values of production.

On the first account, the development of modern economy requires relatively massive rates of formation of the physical capital of production and basic economic infrastructure. Basic economy infrastructure investments involve primary capital cycles of from one to two generations, that is, from twenty-five to fifty years. In modern economy, the healthy ration of investment formation and maintenance of basic economic infrastructure represents about half the total output of a national economy. To this end, international trade and lending requirements require a fixed-exchange monetary system, with primary lending rates at between 1

and 2% simple interest per year.

On the account of current production, various protectionist and related measures are required. A commitment to development of an industry often requires the protection of a fair-trade policy. Taxation policies must be crafted to channel flows preferentially, while providing for the requirements of government. The contrast between the prudence of President Kennedy's investment-tax credit and the utter folly of the Kemp-Roth reduction of the financial capital-gains tax, is an example.

To actually accomplish such ends, the legitimate, essential role of private entrepreneurship must be understood, fostered, and protected in the following ways.

Ultimately, there is no source of real profit of a national or the world economy, but the function of those same creative powers of the individual mind which generate experimentally validated discoveries of universal principles, such as those discoveries made by the methods of Johannes Kepler and Gottfried Leibniz: *capax Dei*. I qualify that in my "Visualizing the Complex Domain." Progress in the functions of basic economic infrastructure depends upon that source of principled innovations; the primary function of private entrepreneurship is to give the freest possible play to the useful expression of such creative powers of the individual minds of the entrepreneur and his or her associates.

This obliges the state to consider its responsibility to foster the production and labor of such producers, both entrepreneur and employee. This responsibility is economic; it is, at the same time, a moral responsibility for cultivating the powers associated with the principle of *capax Dei*. Of these two, the moral responsibility must prevail, as for example, in education, and, therefore also in the conditions of family and community life.

The primary mission of economy is not the production of wealth, but rather the promotion of the essential role of production for the production and maintenance of people according to the creative potential which they, in turn, express in such included forms as scientific and technological progress in developing the productive powers of labor. Let the present mission of economy be defined, as to free people from the last vestiges of slavery and peonage, to reawaken the true force of history, and to foster the moral development of people to their highest possible degree of potential for that time.

This terrible present crisis of world economy presents us with the obligation and opportunity to craft a new set of cooperative relations among sovereign nation-states. We must transform crisis into opportunity seized. This means, inclusively, the Phoenix-like revival and flourishing of the nearly crushed nations of Central and South America. We urgently require the world system in which that development of those nations becomes possible once more. To that end, bury Synarchism where it lies, and let it, or its like, never trouble us again.

EIR SPECIAL REPORT

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Did Cheney and Co. Cook Korea Intelligence, Too?

by Kathy Wolfe

Vice President Dick Cheney, Defense Secretary Donald Rumsfeld, and their neo-conservative theorists have refused to rule out an American military first strike on North Korea, citing allegations of a North Korean nuclear threat. Rumsfeld adviser Richard Perle, of the Defense Policy Board, said on June 13 that Washington “cannot exclude the kind of surgical strike we saw in 1981,” on Iraq’s Osirak nuclear facility, this time by the United States against North Korea (the D.P.R.K.).

But some in the U.S. intelligence community are sounding a warning. Former CIA Director John Deutch told the House Permanent Select Committee on Intelligence on July 24: “If no weapons of mass destruction or only a residual capability is found [in Iraq], the principal justification enunciated by the U.S. government for launching this war will have proven not to be credible. It is an intelligence failure, in my judgment, of massive proportions. . . . The next time military intervention is judged necessary to combat the spread weapons of mass destruction, for example, in North Korea, there will be skepticism about the quality of our intelligence.”

Korean and Japanese elites are asking: Is the Administration’s intelligence on North Korea also based political manipulation, as with its intelligence on Iraq?

Some professional U.S. military and intelligence experts are saying: “Could be.”

For example, Dr. Jonathan Pollack, chairman of the Strategic Research Department of the U.S. Naval War College, writing in the *Naval War College Review*,¹ presents documentation that under the Bush Administration’s new Korea policy since 2001:

1. “Decades-old” CIA estimates on North Korea’s plutonium

program were altered, to state that North Korea “has the bomb;” in effect, a re-writing of history.

2. Senior Administration officials created the October 2002 confrontation with Pyongyang, by charging the D.P.R.K. with also enriching uranium to weapons grade, despite the fact that evidence gathered by the CIA and other agencies “is far from definitive.”

3. The Administration did this in order to disrupt the normalization of North Korean ties with Japan and other neighbors, America’s allies.

4. Senior Administration officials “opted to exploit the intelligence for political purposes,” as did the North Koreans.

A ‘Scripted’ Conflict

U.S. diplomatic sources have told *EIR* that it was Vice President Cheney and National Security Adviser Condoleezza Rice who wrote the “fixed script” which Assistant Secretary of State for East Asian Affairs James Kelly took to Pyongyang last October, creating a confrontation over the uranium issue, which led to the collapse of the U.S.-D.P.R.K. Agreed Framework. Kelly charged that Pyongyang had an illegal uranium enrichment program to build nuclear weapons.

Dr. Pollack names no names, but he warns that “the severest of future crises could yet loom. One or both states might ultimately be sobered by these possibilities, but this realization is not at hand.”

Pollack’s perhaps most surprising conclusion—that the Administration in effect staged today’s confrontation course with Pyongyang, to stop normalization of D.P.R.K. ties with Japan and others—shows that some in the U.S. military might support such normalization, if they understood it as the road to a solution to the crisis, based on development of the region’s physical economy, in the interests of all concerned.

1. Jonathan Pollack, “The United States, North Korea, and the End of the Agreed Framework,” *Naval War College Review*, Summer 2003 [www.nwc.navy.mil/press/Review/2003/Summer/art1-su3.htm].

In an interview, Pollack indicated that following the Kelly trip last October, he was gathering information for a routine briefing, when “a light went on” that something “was not quite right. . . . Wait a minute,” he said. “There is no enrichment facility. So how are they saying that uranium is being enriched?”

Working completely independently—including from investigations on the quality of intelligence on Iraq—Pollack made the decision that a scholarly study was in order, in early February. He insists this had no relation to President Bush’s January State of the Union speech—now the subject of such controversy—nor to Ambassador Joseph Wilson’s decision, also in early February, to debunk the speech’s assertions about Iraq’s uranium program. “Nobody told me to look for anything,” he said.

But wherever honest men look—even when they’re not looking for it—there is a pattern here, in the Land of the Pre-Emptive Strike.

CIA Altered Estimates, Retroactively

Pollack points out that the CIA, in December 2001, suddenly altered previously published 1990s reports, which stated only that North Korea had plutonium, without concluding that it had been weaponized, nor any bomb produced.

“In 1993, the Central Intelligence Agency first concluded that in the late 1980s, ‘North Korea . . . [had] produced enough plutonium for at least one, and possibly two, nuclear weapons.’ ” Pollack writes—but the agency did not conclude that Pyongyang “had the bomb,” he implies. “This judgment was reaffirmed in all unclassified intelligence . . . up to mid-2001.”

“However, the intelligence community assessment shifted noticeably in December 2001, when an unclassified version of a National Intelligence Estimate (NIE) asserted that ‘the Intelligence Community judged in the mid-1990s that North Korea had produced one, possibly two, nuclear weapons.’ ” The new assessment “moved back the date that intelligence analysts believed North Korea had fabricated one or two weapons, or the supposed date when the CIA made this determination.”

“Decade-old estimates were now being sharply recast, with direct implications for future U.S. policy toward Pyongyang,” Pollack wrote.

To be more blunt: History was re-written, after Sept. 11, 2001, to cast North Korea as a direct threat to the United States. Then came Bush’s Jan. 29, 2002 “Axis of Evil” speech, and more.

“Other disclosures and policy statements, including the prospective [American] use of nuclear weapons in a major Korean contingency, outlined in the 2001 Nuclear Posture Review and reported in mid-March 2002; the President’s June 2002 speech at the U.S. Military Academy; and the September 2002 release of ‘The National Security Strategy of the United States of America’—all elevated North Korea to one of America’s defining national security threats,” Pollack reports.



Assistant Secretary of State James Kelly, whose “fixed script” for confrontation with North Korea, during his visit there last October, was written by Dick Cheney and Condoleezza Rice. The “intelligence” behind his allegations turns out to be a fraud.

“The U.S. intelligence community concluded in the summer of 2002 that North Korea had undertaken a covert uranium-enrichment program,” Pollack writes. *However*, he then points out, citing an unclassified CIA estimate to the U.S. Congress on Nov. 19, 2002, construction was not initiated “until recently” and “the facility was at least three years from becoming operational.”

The Enrichment Facility That Wasn’t

Thus, “a final but especially significant factor remains overlooked in the larger story of the U.S. intelligence findings—North Korea had no operational enrichment facility to declare. The intelligence community believed that North Korea still confronted daunting obstacles had it decided to build an enriched-uranium weapon, or even to acquire the production capabilities that might ultimately permit such an option.”

“Equally important, enrichment facilities serve an entirely legitimate civilian purpose,” Pollack points out: “fabricating the low-enriched uranium (fuel enriched to 4.4% U-235) to power light-water reactors. Numerous signatories to the NPT [Nuclear Non-Proliferation Treaty] possess such reprocessing capabilities.” Pollack states that “the evidence was far from definitive” whether the D.P.R.K. was planning 4.4% enrichment for fuel, or the entirely different process of weapons-grade high-enriched uranium (HEU) to 93% U-235, which would require more advanced equipment, and take even more years to complete.

Despite this, James Kelly was dispatched to Pyongyang during Oct. 4-5, 2002, with what Kelly told a Spring 2003 press conference, was a fixed script from his superiors. Kelly confronted the North Korean leadership with having an illegal uranium weapons program and demanded that “it had to be

dismantled immediately,” as Kelly himself put it in report-back discussions.

And yet, Pollack notes, “The imprecision in the CIA analysis underscored the difficulties of estimating the extant capabilities and ultimate purposes of the North’s enrichment program, a point that begs the question of how complete and compelling the intelligence data may have been on which the United States decided to confront North Korea.”

In plain English: None of the professional CIA or other intelligence reports justified the charges Kelly was told to make. The Bush Administration, since 2001, had made clear its distaste for the 1994 Clinton Agreed Framework. Now, “clearly, certain administration officials saw this as the opportunity for a deal breaker—and they took that opportunity,” as Pollack put it in the interview.

“In theory, a facility designed for low enrichment can be converted to high enrichment by the installation of additional centrifuges and tubing, enabling the repeated recycling of uranium hexafluoride gas to achieve higher enrichment levels, though the likelihood of equipment failure would be far higher when relying on more basic enrichment technology,” Pollack notes. But “despite these constraints and the absence of an identified enrichment facility, senior U.S. officials had concluded that North Korea was pursuing an HEU capability, not one designed for civilian use.”

Intent to Block Japan

Secretary of State Colin Powell is quoted as saying in July 2002 that he had a friendly meeting in Brunei with his North Korean counterpart, “to move forward with the North Koreans.” Pollack suggests that Administration officials, absorbed with the looming war against Iraq, did not want to be distracted by the Korean situation, and believed there was no urgency to the nuclear issue.

But Pollack’s next sentence reads as follows:

“Four weeks later, the stunning disclosure of Japanese prime minister Junichiro Koizumi’s impending visit to Pyongyang, triggered movement in U.S. policy. The negotiations over a possible Koizumi visit had been conducted with the utmost secrecy within Japanese bureaucratic channels. . . . Given that messages had been passed between Pyongyang and Tokyo as early as the previous Fall, the absence of prior communication between Japan and the United States on the prime minister’s impending visit was remarkable enough in its own right. In the context of recent intelligence findings about North Korea’s enrichment activities, the prime minister’s last-minute disclosure to the United States was even more stunning to American officials. . . .

“The Bush administration confronted the prospect of abrupt and unanticipated changes in the Northeast Asian political and security environment. The D.P.R.K. had opened the door to a new relationship with America’s most important Asian ally and, prospectively, a major aid donor to the North. There was a real possibility that U.S. options on the peninsula

would be driven increasingly by policy agendas of others.”

This was intolerable to the Administration, and they sent Kelly to Pyongyang to create a confrontation.

Koizumi’s surprise visit to Pyongyang was key in the plan by China, Russia, Japan, and South Korea, to create a strategic shift in the region, which led to the opening of the Korean Demilitarized Zone last September, and the June 14, 2003 re-connection of the Trans-Korean Railroad. Japan, as the industrial leader in Asia, is crucial to the construction of the Eurasian Land-Bridge, and the necessary financial reorganization for it. But since the overture to Pyongyang, Tokyo has been under heavy pressure by Cheney and Rumsfeld to shift to a less friendly policy toward North Korea: sanctions, or even a blockade.

Pollack points out that, even after Kelly’s October 2002 Pyongyang trip, the CIA briefed Congress on Nov. 19, 2002 that the uranium facility “was at least 3 years from becoming operational” if it were to produce only civilian-grade uranium—and even more years away from being operational, if it were to produce weapons-grade uranium. “However, on 12 March 2003, James Kelly sharply contradicted this assessment,” Pollack writes. “In testimony to the Senate Foreign Relations Committee, Kelly stated: ‘The enriched uranium issue which some have assumed is somewhere off in the fog of the distant future is not. . . . It is only probably a matter of months, not years. . . . Despite his much less equivocal judgment, he also acknowledged ‘serious limitations . . . [in the U.S.] ability to verify the uranium enrichment.’ ”

Diplomatic sources say that Mr. Kelly has since admitted that he was “dead wrong” in asserting the North was on the verge of reprocessing. Yet he has never corrected himself on the record.

Thus Pollack concludes, U.S. officials, as well as North Korean officials, “opted to exploit the intelligence for political purposes.” “Is there a parallel with what is now going on, after the fact, in estimates about Iraq?” Pollack was asked by Nicholas Kristof of the *New York Times* in a July 16 interview. Pollack answered: “I think there may be.”

Koizumi plans to visit Pyongyang again this September, Tokyo’s *Nikkei News* reported July 6. This visit is “to finally break the stalemate in international negotiations,” a Tokyo official told *EIR*. “The Iraq revelations raise the question—just as you said last month—as to how much Bush Administration intelligence on North Korea is valid.” the official said. “It has been difficult for Japan to take leadership in the region, however interested we are in the Eurasian Land-Bridge, because we are under such enormous pressure from Washington to join their blockade of North Korea, and worse. . . .

“But the bottom line is: there is not a single country in Eurasia, which will go along with the U.S. if it proposes a war on the Korean peninsula. We must do everything in our power to prevent it.” Even Koizumi, dumb as he is, the official said, had told Bush at their May summit: “Japan won’t stand for an attack on North Korea.”

Blair Seeking Permanent Refuge in Barbados?

by Mark Burdman

Funeral services were to be held on Aug. 6 for Dr. David Kelly, the leading British expert on Iraqi weapons of mass destruction (WMD), who died of an apparent suicide on July 17. Churches around the country will ring their bells in memorial, and the nation will mourn a man seen as a figure of integrity, driven to his death by Blair government pressures and threats. This will be the largest incidence of national mourning since the emotional reaction to the death of Princess Diana, on the night of Aug. 31-Sept. 1, 1997.

Where will Britain's Prime Minister Tony Blair be on that date, for an occasion that certainly shapes up as an affair of state? As the funeral was set, Blair let it be known that he would be proceeding with his previously announced plans to go on vacation in Barbados, at the estate of multi-millionaire rock star Cliff Richards—this, just after his just-concluded failed multi-nation tour of Asia. Even Richards has announced that he has no intention of being anywhere near the Barbados when the Blairs arrive, so disgusted is he by the recent behavior of the government.

'Nothing Works in This Country'

In Britain, Blair faces the political equivalent of someone standing at the fault line of an earthquake measuring 8.5 on the Richter scale. Because of the cooking-up of bogus intelligence, and his role in the circumstances causing Kelly's death, Blair's spin doctor and Press Secretary Alastair Campbell is in deep trouble, as is Defense Secretary Geoff Hoon, for the same set of reasons. Hitting even closer to home, the British press is now opening phase two of "Cheriegate," with articles focussing on wife Cherie's bizarre relations with her New Age guru, Carole Caplin.

On Aug. 1, Lord Hutton, the senior Law Lord who was formerly Lord Chief Justice of Northern Ireland, opened up his official inquiry into the death of Kelly. According to numerous press reports, Hutton has in his possession a diary that Kelly kept, detailing the last days before his death. Hutton received this from Kelly's widow Janice. Intimates of Kelly claim that, in his last hours, he was warning of "dark actors playing games" against him. Hutton also possesses a videotape of Kelly's interview with the BBC "Newsnight" program, in which he is shown debunking the Blair government's phantasmagoric assertions about Iraqi WMDs.

Indeed, another Blair flashpoint, is that he is in a fratricidal war with the government-owned British Broadcasting Corp.

(BBC), a war that has taken new and ugly turns in the last days of July. His chief Labour Party rival, Chancellor of the Exchequer Gordon Brown, who has aspirations to succeed him as Prime Minister, is working with the top leadership of BBC.

Also inside the Labour Party, Blair's former International Development Secretary, Clare Short, who resigned in May in protest at the Iraq War, has launched blistering attacks on him. Most damaging was her charge, made in an interview with *Independent* political editor Andrew Grice on July 28, denouncing Blair as would-be "emperor," who has become "a complete convert to the neo-Conservative view of the world." She blamed the death of Dr. Kelly on "an abuse of power" by Blair's government, but said that the greatest crime of the government is "how we went to war in Iraq and how much half-truth and deceit there was on the way."

Beyond all this, there is growing "nervousness . . . around the British monarchy" about Blair's out-of-control behavior, and usurping of such royal prerogatives as the right to declare war, according to Harold Brooks-Baker, publishing director of *Burke's Peerage*, the authoritative publication about the British peerage and landed nobility. Brooks-Baker told *EIR* on July 30 that Blair's behavior is "not pleasing to the powers-that-be. . . . His end may soon come."

Most damaging to the Prime Minister, in the period ahead, is the increasingly deep crisis in the British economy, especially the collapse of infrastructure. In Brooks-Baker's words, "Nothing works in this country, not trains, not planes, the roads are all broken down. It's a mess. I came over here 46 years ago, from Maryland in the States, and I no longer recognize this as the country I came to. I've never seen anything like this deterioration. . . . The whole situation is unsustainable."

Indeed, on July 30, the British press was filled with prominent stories about a major crisis now erupting in the British economy, because of the combined problem of ballooning consumer debt and a housing-price boom far exceeding even that in the United States. The stories were provoked by a new Bank of England report, documenting that consumer borrowing grew, in one month, by £10 billion, the highest-ever, over three-quarters of which is to pay for mortgages. The July 30 *Daily Express*, the tabloid read by millions of Britons every day, ran a giant banner headline, "Biggest Debt Crisis in Our History." The same day's London *Times* Business section ran this matter as its lead story, with a warning from Vincent Cable, economics spokesman for the opposition Liberal Democrats, that British homeowners could soon face "an almighty crash."

The British media is filled to the brim with articles about Campbell's imminent demise, and violent denunciations of his behavior in having "sexed up" the September 2002 "Blair dossier" on Iraqi WMDs, which claimed that Saddam could put together and launch weapons "in 45 minutes," threatening British troops in the Near East-Mediterranean, and possibly the British Isles itself. This was the main point that angered

the late Dr. Kelly, as he told journalists of his objections to the dossier. Incredibly, Campbell also presided at meetings of the Joint Intelligence Committee (JIC), which coordinates all British intelligence services—unheard-of, for a media czar.

Campbell has created a vast array of enemies in the U.K. Cartoons have begun depicting him with a long, long nose, with the caption, “Spinocchio.” In 1999, as the war with Kosovo was building steam, Campbell was rushed to NATO headquarters, to coordinate disinformation to legitimize the war. After Sept. 11, he created, with collaborators in the Bush-Cheney Administration, the Coalition Information Center. It was out of this unit, that the other, February 2003, “dodgy dossier” on Iraqi WMDs was circulated. This was the fraud, based on years-old information from a plagiarized academic’s PhD thesis.

Campbell’s own make-up is unstable; years ago, after having been a gigolo in southern France as a young man, he worked for the late wheeler-and-dealer Robert Maxwell at the *Daily Mirror*, during which time he had severe drinking problems, and suffered a nervous breakdown. He was put back together, as an “alpha male,” belligerent, provocative, and confrontationist. This disgusting combination of traits is bringing his career to an end.

‘Rogues and Putschists’

In the last days of July, the pace and tone of British government attacks on the BBC intensified, as threats were mounted that “revenge” would be taken, for BBC’s role in exposing government chicanery on the Iraqi WMD front. A high-level BBC source told the *Independent* July 27, “There have been phone calls from within government, saying ‘We are going to get you,’ talking about ‘vengeance.’ There’s a war going on against the BBC of some kind.” Threats have come from some government ministers, and from Blair guru Peter Mandelson, formerly of the Blair Cabinet, to put BBC under some new form of regulation.

On July 27, BBC Chairman Sir Gavyn Davies counterattacked with an article in the *Sunday Telegraph*, in which he charged that “bullying” Cabinet ministers were trying to destroy the BBC’s independence. Davies warned that the BBC’s integrity is now under attack, because it has dared “to take a different view on editorial matters from that of the government and its supporters.” The Blair government is hinting that a system that “has protected the BBC for 80 years should be swept away, and replaced by an external regulator that will ‘bring the BBC to heel.’ ” Davies underscored that BBC has always been trusted by its audiences, because “it is emphatically not the voice of the state.” He accused Alastair Campbell of “a full-frontal assault on the motivation, skill, and professionalism of the entire news corporation.” Citing what has subsequently been learned about the qualifications of Dr. Kelly to speak about Iraq’s weapons of mass destruction (or absence thereof), Davies argued that it would have been “pro-

foundly wrong” for BBC to suppress the exposés it had.

After Davies’ strong attack, government ministers backed off. But now “private” oligarchical backers of the transatlantic war party have rallied to the Blair government’s defense. Most egregious among these is Lord Conrad Black of Cross-harbour, the Toronto-based owner of the Hollinger Corp., the media empire that has enormous negative influence in both Britain and the United States. On July 26, Black took the extraordinary step of sending a signed letter to the *Daily Telegraph*, which he owns. In it, he ranted that “the BBC is pathologically hostile to the government and official opposition, most British institutions, American policy in almost every field. . . . [S]adly, it has become the greatest menace facing the country it was founded to serve and inform.”

Black griped that “it is not the BBC’s function to assassinate the truth about the Iraq war. . . . [T]he BBC’s only interest seems to have been to destroy and supplant the government as a source of authority in the country. It must not succeed.” He then chided the late Dr. Kelly, for not having “been more careful” when talking to journalists, and BBC Defense Correspondent Andrew Gilligan for his “inexcusable . . . apparent exaggerations” of what Kelly had said. Rounding to the crescendo of his diatribe, Black virtually called on Blair, to send in troops: “He should use his office to expose the BBC for the rogue and putschist organization it has become.”

Black has been joined, in the past days, by Rupert Murdoch, who obviously has designs on taking over more of the British media, and by the *Wall Street Journal*, whose commentator Michael Gonzalez claimed that the BBC was “Orwellian” (emphasizing, in the process, that Orwell’s real family name was Blair).

On July 27, Murdoch’s *Sunday Times* ran a full-page interview with Lynn Forrester, the American-born multimillionaire magnate who is now respectfully known in Britain, as Lady de Rothschild, after having married Sir Evelyn de Rothschild, a top scion of the super-rich and super-powerful Rothschild banking clan. In the interview, Forrester/de Rothschild proclaimed that she would put significant sums, from her vast fortune, to support the work of the Blair government, and of top Blair guru Peter Mandelson. As *EIR* has documented in its *Children of Satan* report on the American followers of the fascist philosopher Leo Strauss, the de Rothschild-Forrester funding of the Mandelson Policy Network thinktank, is a crucial channel, through which the Blair gang works with the Democratic Leadership Council (DLC) in the U.S.

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Diaspora Liberians Seek International Intervention

by Uwe Friesecke

A conference of Liberians living in Europe called on the international community to intervene with a military stabilization force to end the bloodshed in their war-wracked country. The conference took place in Doorn, the Netherlands on July 25-27. Conferees also demanded that the international community form a caretaker government for Liberia, if the current negotiations among representatives of Liberia's government and rebel groups, meeting in Accra, Ghana, are unable to produce by Aug. 2. Most Liberians, inside and outside the country, have lost all hope that the Liberian parties themselves can come to meaningful agreements about how to end the crisis.

More than a million citizens of Liberia's capital, Monrovia, are trapped by the crossfire between the government and rebel groups which have encircled the city. These civilians are the victims of indiscriminate brutality of the fighting forces. After two weeks of heavy fighting, with no food supplies able to reach the city, Monrovians, and the refugees who packed the city, are slowly starving to death—as usual, children especially are suffering. And now, torrential rains and the breakdown of sanitation are making the situation far worse.

The government of former rebel-leader Charles Taylor has been encircled by two new rebel groups. The Liberians for Reconciliation and Democracy (LURD), backed by Guinea, came from the north and northeast. The Movement for Democracy in Liberia (MODEL), supported by neighboring Ivory Coast, came from the south. Liberian sources report that these rebel forces made their advances during mid-July with the tacit agreement of the U.S. and British governments. While UN Secretary General Kofi Annan has made urgent appeals for an international intervention to end the humanitarian catastrophe, the United States government in particular hid behind indecision. Only on July 25, did President George Bush direct Secretary of Defense Donald Rumsfeld to position military forces off the coast of Liberia to support a deployment of troops from West African countries. And only on July 28 did U.S. Ambassador to the UN John Negroponte begin discussing a UN resolution for Liberia with other UN Security Council members.

In early June, President Charles Taylor was indicted by a UN-backed Sierra Leone Special Court for war crimes, just as the new rebel offensive was in preparation. The chief prose-

cutor, David Crane, is an American. British troops are stationed in neighboring Sierra Leone, and French troops in Ivory Coast. Paris, London, and Washington all seem to have an agreement for removing Taylor, the former rebel who bears responsibility for Liberia's barbaric civil war of the 1990s.

But, rather than creating the political and economic conditions in West Africa, under which Liberians could resolve their own conflicts peacefully, the two former colonial powers, Britain and France, and the United States, with its special ties to Liberia going back to President James Monroe, are returning to their old geopolitical methods. Taylor's rebel group was helped to power in 1997; now, apparently, the time has come to remove him from power by new rebel groups. Some of these new rebels are old rebels from the 1980s and 1990s. LURD's vice president is Chayee Doe, younger brother of former President Samuel Doe, who was tortured to death in 1990 by a splinter group of Taylor's National Patriotic Front of Liberia (NPFL).

So, the Western powers continue to manipulate the conflicts in Liberia, as they did throughout the 1990s civil war. The ones who suffer, as before, are the civilians. This is why the LURD and MODEL rebels could advance to encircle Monrovia, with utter disregard for the fate of more than 1 million people. The geopolitical considerations of those power groups in the West that seek to control Africa's vast mineral wealth, through manipulated conflicts, have at best cynical disregard for the plight of Africa's people.

Fall Into the Abyss

The civil war that eventually tore Liberia apart in the 1990s has its roots in the crisis of 1979-80. And this was not just a crisis of Liberia or even West Africa. This period marked the decisive turning point in Africa policy after the fight for independence in the 1950s and 1960s. The Anglo-American and French powers made strategic decisions to give up any real development orientation for Africa, and imposed, instead, the neo-colonialist austerity policies of the International Monetary Fund/World Bank. At the same time, the financier and cartel interests sought control to loot Africa's raw materials more intensively. The Western powers used either willing African governments, such as Nigeria's Babangida dictatorship in the 1980s, or so-called rebel movements as in Liberia, southern Sudan, Uganda, and later in the Congo.

As developments in Liberia and Sierra Leone show most clearly, in the late 1970s and early 1980s, the West, ironically with the help of Libya, set into motion the most nihilistic forces, which had nothing but contempt for civilized human life. The recruitment of child-soldiers in Liberia, Uganda, and the Congo is one reflection of this.

Departing from this mold, Liberia's President William Tolbert (1974-80) had increasingly oriented towards the Non-Aligned Movement; he sided with the Palestinian cause in the UN; and opened diplomatic relations to the Soviet bloc. In

Liberian Diaspora Issue Call

Liberian exile groups and citizens living in Germany, France, Sweden, Britain, and the Netherlands issued the following statement from their July 25-27 Doorn meeting.

We have concluded that the following points must be urgently addressed: 1. Peace; 2. Security; 3. Development; 4. International Dimensions.

Peace: To attain peace, there must be an unconditional and immediate cease-fire and the formation of an interim government; we also demand an international stabilization force. If there is no decision reached from the ongoing peace talks in Accra, Ghana, between now and Aug. 2, 2003, we demand that the international community should form a caretaker government, which we believe would bring the indiscriminate killings and destructions on the part of the rebels and government forces to a halt.

Security: We demand immediate, unconditional and total disarmament of all factions, including the Armed Forces of Liberia, all paramilitary forces and militias. This should be followed by an immediate demobilization and decommissioning of weapons. Therefore a Truth and Reconciliation Commission should be formed. Rehabilitation and reintegration of ex-combatants and the reinforcement of an arms embargo must be implemented.

Development: Education and training for the entire

citizenry of Liberia with special emphasis on ex-combatants and their victims.

War Economy and International Dimensions: Re-enforce sanctions on the export of the country's natural and mineral resources. Unlawful buyers and exporters of these natural resources should be prosecuted. To stop the geopolitical interplay for economic gain and control. To change the orientation of the world economy to accept our internal economic changes, as a war-ravaged country.

Liberia needs to make some economic adjustments in the first five years that may not suit certain conditions of the IMF and World Bank standards but may be in the interest of Liberia's economic revitalization.

The conference recognized that the Liberian crisis started with the military coup of April 1980, when President Tolbert, who had followed the policy of the Non-Aligned Movement, was killed by Samuel Doe, the first of the rebels who would destroy Liberia. During a Monrovia meeting of the Organization of African Union (OAU) in September 1979, demands for a new, just world economic order were voiced, influenced then by Lyndon LaRouche's 1975 proposal for an International Development Bank (IDB). This Monrovia discussion led to the adoption of the Lagos Plan of Action by the OAU in April 1980. But instead of following that road, the IMF forced "structural adjustment policies" on every African government. The genocidal results of this are only too visible in Africa today. The need for the establishment of a new, just world economic order, based on the principle of peace through development, was therefore discussed as the necessary solution for Liberia's and Africa's problems.

1979, he hosted a meeting of the Organization of African Unity (OAU) which discussed proposals for a new, just world economic order against the IMF-World Bank depredations. These ideas had been intensely discussed by the Non-Aligned Movement, also prominently featuring Lyndon LaRouche's 1975 proposal for an International Development Bank (IDB). Guyana's Foreign Minister Fred Wills of Guyana presented the idea of debt moratoria for the poorest nations to the UN General Assembly on Sept. 27, 1976. Earlier that Summer, the Non-Aligned Movement summit in Colombo, Sri Lanka, also demanded such changes in the global economic system, which would correct the injustices from economic looting of the developing sector. In Africa, the result of the debate was the Lagos Plan of Action, which was adopted the OAU heads of state summit in April 1980, in Lagos, Nigeria.

By that time, a military coup under the almost-illiterate Master Sgt. Samuel Doe had removed Tolbert from power, and had him killed on April 12, 1980. The coup was supported

by the U.S. intelligence services. Washington recognized Doe immediately as Liberia's new head of state. The coup symbolizes the strategic decision by Anglo-American power groups—to which the French agreed—to block any real independence of Africa. Instead, one African country after another was forced to accept the IMF's structural adjustment programs—hammering the poor to achieve "freedom of the marketplace" and pay the foreign debt. Today, 23 years later, the results are visible, in the ruin of almost every one of Africa's economies, the ever-increasing poverty and genocidal disease.

Equally important, Doe's coup launched a culture of violence which would culminate in the atrocities of the 1990s' rebel movements that continues today. Right after President Tolbert was killed, members of his cabinet and other influentials were humiliated by passing them half-naked before a public tribunal for corruption. Thirteen of them were dragged to the beach in Monrovia, tied to stakes and publicly executed

by a mob of soldiers. All this was filmed and given worldwide publicity. Still, the United States had no problem recognizing the new government. Samuel Doe and his People's Redemption Council (PRC) reversed all pro-Non-Aligned Movement policies, and returned dutifully to the fold. Doe was honored with an extraordinary state visit to the United States during the Reagan Administration. Washington also stood by Doe when he rigged the elections of 1985, and when he started to eliminate rivals and opponents in most brutal ways. In January 1987, Secretary of State George Shultz, passing through Monrovia, praised President Doe's government for its "genuine progress" towards democracy. During the Cold War, Liberia was the most important U.S. power base in West Africa, with a key satellite-tracking facility.

This changed with the end of the Cold War in 1989: Samuel Doe lost his usefulness to the U.S. and a "rebellion" was in preparation.

On Dec. 24, 1989, Charles Taylor invaded Liberia with a 100-man rebel force—backed by Libya and Ivory Coast—in Nimba County in the north. Taylor had been active in radical U.S. student politics in the 1970s. He later served in the Doe government, but fled to the United States in 1983. Upon request from the Liberian government, Taylor was arrested. But, 15 months later, he miraculously escaped from a Massachusetts prison, and got back to Africa. From Ghana, Taylor and other Liberian exiles of radical Marxist persuasion, linked up with circles in Burkina Faso and Ivory Coast. In Burkina Faso, the Liberian exiles joined Blaise Compaoré in killing Burkina President Sankara, and making Compaoré Burkina Faso's President in 1987.

Compaoré in turn introduced Taylor to Libya's Col. Muammar Qaddafi, who had set up "revolutionary" training camps for dissidents from many African countries. The West African radicals, through Libya, became connected to the East African radicals, who fought for Yoweri Museveni in Uganda, John Garang in Southern Sudan, or Isaias Afwerki in Eritrea, and later for Laurent Kabila in Congo. But Taylor also cultivated his own French connection, both through Ivory Coast President Félix Houphouët-Boigny. Most of his business partners were linked to France.

By July 1990, Taylor's rebellion had spread throughout Liberia, encircling Monrovia. Then, too, the U.S. declined to intervene. Nigerian ECOMOG troops, deployed through the West African nations' ECOMOG, landed in Monrovia in August, and denied Taylor a victory in the capital. But a splinter group of Taylor's NPFL, under the command of Prince Johnson managed to trap President Doe, and tortured and killed him—the same he had meted out to the Tolbert government, in 1980. His torture and slow killing was filmed and broadcast by the Prince Johnson forces.

From then on Liberia sank into the Hell where one warlord after another fought each other. Taylor was the strongest. He controlled much of the country as Greater Liberia from his

government in Gbarnga. Because he also controlled the port city of Buchanan, he set up most lucrative trade relationships with international businesses in timber, iron ore, rubber—and diamonds. Taylor became the richest warlord, and financed the weapons for his forces which were delivered by the well-known international arms merchants. Other rebel groups were formed during the 1990s and worked on the same principle. No rebel group did not have its outside support, and all also supported rebellions such as those in Sierra Leone.

But the worst was the culture of brutality that became the fighters' code of conduct. Most of the child-soldiers were drugged, and some watched the most violent Hollywood fare, such as "Rambo," before being sent into battle. Children of eight or ten years of age joined rebel forces, and some survivors are now in their 20s and still fighting. Some estimate that in this war, from 1989 to 1997, up to 250,000 people died, out of a total population of 2.5-3 million.

After many broken peace agreements, finally in July 1997, special elections were held. Charles Taylor won. Liberians was so desperate, that slogans like "Taylor killed my father and my mother—I will vote for him," were common. But Taylor's grip on power in Monrovia was short-lived. Already in 1999, the LURD was formed in Guinea to unseat him.

Lessons from the Crisis

Today, Africa is paying the price for policy decisions which were taken by the Western powers more than 25 years ago. The denial of economic development has produced a poverty that cries out to Heaven. But the unleashing of nihilistic forces, like the rebels and warlords in Liberia or the Congo, has deeply marked whole societies for generations. The sheer terror spread by the use of child-soldiers, especially, has driven whole social strata into fear and irrationality. Liberia is faced with a collective trauma. Many families include both victims and perpetrators among them. It seems like a never-ending nightmare.

But throughout it all, the Western powers profited from this conflict: The financiers, cartels, and power groups of the French, British, and American establishments, have nothing but racist contempt for African nations and people. And they shed not a tear, when Africans are driven to such desperation as those in in Monrovia or Congo have been in the last five years.

As much as immediate military intervention, under the auspices of the UN and possibly led by the United States, is called for to end the carnage in Liberia, this will not solve the problem. The West has to overthrow every last vestige of its own genocidal policies in Africa, and give that continent's nations the sovereignty they deserve, for their own development. If we are to achieve these policy changes, in Washington, London, and Paris, the financier-backed followers of Nietzsche's philosophy of nihilism—or the "ignoble liars" school of Leo Strauss—must be removed from influence.

Philippines Mutineers Point to the Neo-Cons

by Mike Billington

A few dozen young Filipino military officers (average age, 27) with a few hundred soldiers in support, carried out a rebellious military action on July 27 which has dramatically transformed Philippines politics, and focussed attention on the role of the neo-conservative war party in Washington in corrupting and manipulating the Philippine government and military. Coming at a time when Vice President Dick Cheney and Defense Secretary Donald Rumsfeld are being exposed internationally for the fraud used to justify their war on Iraq, the Philippines events add yet another piece of evidence regarding the crimes of the chicken-hawks in the Bush Administration.

The 321 officers and soldiers seized and occupied a shopping and apartment complex in Makati, the financial district of Manila, at 3:00 a.m. on July 27, while releasing a videotape explaining their action, not as a coup, but to force their grievances to be heard. The action lasted for about 20 hours, when the troops agreed to return to their barracks and face court martial, provided their charges be investigated.

The charges by the rebels are extremely serious, but not surprising to readers of *EIR*, which has documented the role of the Bush Administration, especially Donald Rumsfeld, in efforts to circumvent the Philippine Constitution by establishing a permanent U.S. military presence in the Philippines, part of the neo-conservative game-plan to surround and confront China (see “Chicken-hawks as China-hawks,” *EIR*, May 23).

In the videotape, which was played repeatedly on local television, the rebel spokesman, Lt. Senior Grade Antonio Trillanes, charged that Defense Minister Gen. Angelo Reyes and Military Intelligence chief Gen. Victor Corpus were guilty of providing arms to the Abu Sayyaf criminal gang and to the separatist Moro Islamic Liberation Force (MILF) in the southern Province of Mindanao. Even more damning, the mutineers charged General Reyes and General Corpus with being the masterminds behind a series of deadly terrorist bombings in Mindanao—all to the purpose of gaining favor with the United States and justifying an increased U.S. military role in the country. They also charged that more terrorist bombings were being planned, with the possible added intention of justifying martial law, and the cancellation of the scheduled 2004 election.

The First Head To Roll

The rebels demanded the resignations of three senior officials: Defense Minister Reyes, Military Intelligence chief General Corpus, and Police Chief Gen. Hermogenes Ebdane. Ebdane is considered responsible for the astonishing escape from custody of Fathur Rohman al-Ghozi, an Indonesian convicted of terrorist bombings in the Philippines, and thought to be a member of the Jemaah Islamiah terrorist organization. Al-Ghozi simply walked out of prison with two members of Abu Sayyaf on July 14, and is still at large. President Gloria Macapagal-Arroyo, on July 20, told General Ebdane to find al-Ghozi or resign. The rebels believe the escape may have been orchestrated in order to create further justification for U.S. intervention, and/or for a declaration of martial law.

Although General Reyes had refused to step down, General Corpus announced his resignation on July 29. The Corpus resignation undermined the effort by President Arroyo and Defense Minister Reyes to direct the investigation away from the grievances of the young officers, looking only into the supposed political instigators behind the insurrection. The letter of resignation from Corpus said that, in chess, “when a Queen is beleaguered, it is sometimes necessary to sacrifice a knight to save the game,” and acknowledged that “the restiveness will not calm down with my continued presence.” He denied having a hand in the Mindanao bombings, but warned that “the current political crisis is far from over.”

While Corpus agreed to fall on his sword for the President, several sources in Manila concur that Reyes will also have to go, or the rage in the military, and in the population, will boil over. In fact, Reyes may be encouraged from Washington to fall on his sword as well—not to protect President Arroyo, but to protect Rumsfeld and Cheney.

Just one year ago, in August 2002, General Reyes was welcomed to the Pentagon by Rumsfeld in order to establish a separate chain of command from Washington to Manila in regard to the expanding U.S. military operations in the country. Secretary of State Colin Powell had just completed a tour of the region, assuring the Filipinos that the U.S. had no intention of either participating in combat within the country, nor establishing bases—two issues which were causing intense protest within both the Philippine Congress and the population. But Powell’s view was not shared by the civilian leaders in the Pentagon, who, as in the case of Iraq, were more interested in creating a justification for their preconceived policy—here, establishing bases in the Philippines, and confrontation with China.

Rumsfeld therefore established a joint U.S./Philippines “Defense Policy Board,” as a direct channel between himself and General Reyes. In the words of the Pentagon spokesman at the time, there existed several dialogue venues “for uniformed military officers, but no forum for defense officials who are civilians.” While this “Defense Policy Board” has

apparently played no significant public role, any serious investigation into the grievances of the July 27 mutiny would require an examination of private channels to Rumsfeld and the Office of Special Plans, the rogue intelligence unit set up in the Pentagon to fabricate the intelligence desired by the neo-conservatives, when traditional intelligence reports failed to conform to their plans.

Military Coups, Philippine Style

While General Reyes is accusing the young officers of the attempted coup which they deny, the fact is that Reyes himself was the leading figure in the *de facto* military coup of January 2001 which placed President Arroyo (and Reyes) in power. Former President Gen. Fidel Ramos, the mentor of Reyes, orchestrated that coup against the elected President Joseph Estrada, on the same model Ramos had used in the 1986 coup against President Ferdinand Marcos. In the 2001 coup—known as “People’s Power, II” but better known as Washington’s “military coup, Philippines-style”—then-Armed Forces Chief General Reyes withdrew Armed Forces support from the Commander in Chief, President Estrada, in favor of Arroyo, despite the illegal and unconstitutional nature of the action.

It is thus most ironic to review certain statements from Anglo-American leaders after the July 27 mutiny was resolved. Australian Foreign Minister Alexander Downer congratulated the “democratically elected government of the President of the Philippines”—who has, in fact, never been elected. The Foreign Ministry in Singapore denounced the “resort to unconstitutional means by the rebels,” a charge which would be better applied to the coup which placed Arroyo in office. As journalist Gary LaMoshi pointed out in an article entitled “The Day Irony Failed” in the July 29 *Asia Times*, of the five Presidents who have served since the 1986 military coup against Marcos, “only Fidel Ramos entered office via election and left at the end of his legal term.”

Crisis Still Unfolding

The government is desperately attempting to pin the mutiny on either former President Estrada (who is now in prison facing charges of corruption by those who overthrew him), and/or Senator Gregorio “Gringo” Honasan. Honasan, as a young colonel, ran several coup attempts against the post-Marcos government of President Cory Aquino in the 1980s, but is now an elected Senator. He admitted that he has worked with the young officers involved in the mutiny, who adopted his “National Reconstruction Program” as their own, but denies any role in the action—in fact, he intervened with the rebels to encourage them to stand down. There were, nonetheless, reports that Honasan might be arrested.

President Arroyo set up a three-member commission to investigate the incident, but the independence of the group is in doubt, as it is headed by a justice of the Supreme Court,

which voted in 2001 to approve the coup against Estrada—on the patently false basis that Estrada had resigned—and confirmed Arroyo’s claim to the Presidency.

The Senate, on the other hand, has launched an investigation which intends to get at the root of the young officers’ charges. As of July 31, the Senate has called for the officers who led the action to testify before the Senate immediately, and responded angrily to the refusal of the military leadership to allow their testimony. Even Senate President Franklin Drilon, a strong Arroyo supporter, sternly responded: “I would strongly suggest to the Armed Forces that they honor our invitation . . . so we do not have to resort to the more compulsive/coercive process of a subpoena.”

Opposition Senator Aquilino Pimentel described the military stonewalling as “ominous, in the sense that there’s an unseen hand trying to prevent the unearthing of truth.” Senator Pimentel is also challenging the legality of the “state of rebellion” declared by President Arroyo, arguing that such a declaration had no definition under the Constitution. Senator Edgardo Angara called the “state of rebellion” an “invention of the Administration [to] evade the requirements of martial law and the checks by the legislature” and to “eliminate all the safeguards that afford an ordinary citizen his Constitutional protection.”

The military is conducting its own investigation of the mutiny, including the rebels’ charges of corruption within the military.

No Turning Back

The Arroyo government is attempting to display a show of force to squash any discussion or investigation of the crimes alleged by the rebelling officers. The government announced on July 31 that charges of rebellion will be filed against the 321 military men who participated in the mutiny, while similar charges have been filed against a former cabinet minister in the Estrada government, whose home was supposedly used as a staging area for the July 27 action. Others, including Senator Honasan, may also be charged.

But public and official attention will certainly not be diverted from the stinging accusations against the military and government leaders, and their sponsors in Washington, accusations coming from the very youth who have been trained by the military to defend the honor of the nation.

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Afghan-Pakistan Relations Reach A New Low: Will the Taliban Return?

by Ramtanu Maitra

In several discussions with Pakistani analyst Ahmed Rashid in mid-July, Afghan President Hamid Karzai expressed his deep concern at the hostile posture of the Pakistani troops along the borders of his country. Karzai has also accused Pakistan of carrying out a rampant insurgency within Afghanistan, and has made clear to Pakistan's President Pervez Musharraf that Afghanistan cannot be considered as the "strategic depth" for the Pakistani Army—a phrase used by the pro-Taliban Pakistani Army officers repeatedly—and that the only way such a strategic depth can be established is through friendship.

These developments have not gone wholly unnoticed in Washington. But tied down by its contradictory policies, the Bush Administration can do little to intervene to change the equation. U.S. Special Envoy to Afghanistan Zalmay Khalilzad, a personal friend of President Karzai, has, however, acknowledged that Pakistan is playing the same game with Afghanistan as it is on the cross-border terrorism issue with India. On Pakistan not allowing its territory to be used by Taliban elements, Khalilzad said, "We need 100% assurances on this [from Pakistan], not 50% assurances, and we know the Taliban are planning in Quetta."

U.S. General Confirms Pakistan's Role

According to Ahmed Rashid, an expert on the Taliban and Afghanistan in general, President Karzai was clearly bolstered by the fact that every Western and Asian Ambassador in Kabul, the United Nations, non-governmental organizations (NGOs), and every Afghan leader including those once extremely friendly to Pakistan—such as Vice President Hedayat Arsala and leaders of the Afghan Pushtuns—believe that President Musharraf, the Pakistani Army, the Inter-Services Intelligence (ISI), and the Muttahida Majlis-e-Amal (MMA—the Islamic fundamentalist party in political control of the Pakistan-Afghanistan border areas) are directly supporting the Taliban. This, President Karzai identifies as the Pakistani state policy, and not simply the policy of some rogue elements within Pakistan.

Meanwhile, for almost three weeks now, gunfire exchanges between the Pakistani and Afghan troops have become routine. On July 21, Jawed Ludin, spokesman for President Hamid Karzai, told the Pakistani *News* daily that Afghanistan has urged Islamabad to take "serious steps" against suspected Taliban fighters to prevent them from com-

ing over to launch terrorist attacks within Afghanistan. "We will take it seriously to confront it. So our expectation is for all those involved in the war against terror to take serious steps," Jawed Ludin added. Ludin's allegation against the authorities in Islamabad came a day after U.S. Maj. Gen. Frank "Buster" Hagenbeck said that Pakistan was helping the Taliban to regroup and cross over into Afghanistan's southern Helmand Province and the east of the country. "Several groups of fighters trained in Pakistan have crossed into Afghanistan and divided the eastern part of the country into three zones for mounting attacks. They have occupied large areas of the territory," Hagenbeck said.

Increased Taliban Presence

Phil Zabriskie of *Time* (Asia), reporting from Spin Boldak in the southeastern Afghan province of Kandahar close to the Pakistan border—the scene of a recent effort by U.S. troops to capture and eliminate al-Qaeda members—pointed out in the July 21 issue that the Taliban are regrouping now. Following their ouster from Afghanistan in the Winter of 2001, most Taliban leaders found sanctuary among fellow ethnic Pushtuns in Pakistan's lawless and nominally governed Northwest Frontier Province (NWFP). Zabriskie said that accusations persist that ISI agents, or ex-agents, still back the Taliban.

On July 27, the governor of the volatile southern Afghan province of Zabul, Mullah Mohammad Omar—a namesake of the Taliban supremo—urged U.S. action on free-roaming hundreds of Taliban in their distinctive black or white robes and black or white turbans. The Zabul governor said these Taliban are moving around freely challenging the powerless district and provincial officials in southern Afghanistan. "If coalition forces do not launch a big operation here, it will be a big problem."

But President Karzai's accusations go beyond that. He told Ahmed Rashid: "I want to make Afghanistan's feelings known to both the United States and Pakistan. I saw President Musharraf's earlier remarks against us as pre-Sept. 11 thinking. There was a feeling amongst some Afghans that an understanding had been reached between the United States and Pakistan (when President Musharraf was in Washington last June) that Afghanistan could be 'sub-contracted' to the Pakistanis. I want nobody to be under any illusion that Afghanistan will allow any other country to control it. We are in control of our destiny."

Subsequent to these strong allegations, Islamabad has given some indications that it would like to talk things over. But the enmity has deepened and it is evident that unless Islamabad starts recognizing Afghanistan as an independent identity, and not a suzerainty of Pakistan approved by the Americans, the situation will not improve.

In an op-ed with the *Daily Times* of Lahore, Ahmed Rashid pointed out that since the Taliban were ousted, the Indians have built schools for Afghan children and hospitals for Afghan women, and Indian buses ply Kabul's streets; the national airline Ariana is being resurrected by the free gift of three Airbuses from India. India is building roads in western Afghanistan and repairing dams in eastern Afghanistan. As a contrast, Ahmed Rashid notes, "Pakistan has not built a single hospital, school or road in Afghanistan. There is no Fatima Jinnah Hospital for Women or Mohammad Iqbal School for Children to compete with the Indira Gandhi, Nehru and other signposted Indian monuments to reconstruction."

The Durand Line Fiasco

The open hostility between Pakistan and Afghanistan began on the night of July 11, when the Afghan troops fired at a Pakistani check post in Yakubi Kandau. The firing continued throughout the next day while the choppers flew overhead. The Afghan Foreign Minister Abdullah Abdullah, the Afghan Defense Secretary, and the governor of Nangarhar, Din Mohammad, a close associate of President Karzai, all alleged that Pakistani forces had made incursions into Afghanistan. While the allegations were rejected by President Musharraf's spokesman, thousands of Afghans ransacked the premises of the Pakistani Embassy in Kabul, burned the Pakistani flag, attacked and injured members of the Pakistani diplomatic staff and other employees.

It is an irony that only about three weeks before the first shooting incidents across the borders, on June 17, a tripartite meeting of the Americans, Afghans, and Pakistanis in Islamabad had decided on launching a joint operation, Operation United Resolve, under the supervision of the U.S. military command, to flush out the remnant Taliban and al-Qaeda fighters in the southeastern border region of Afghanistan.

The subsequent hostilities between Pakistan and Afghanistan have been taken seriously in Washington and elsewhere. Writing for the Power and Interest News Group (PINR), Jonathan Feiser said the Durand Line has now been destabilized. The Line was drawn in 1893 by Sir Mortimer Durand during the British Raj, to stabilize a clear security risk to British interests—the Pushtun tribes of the Indian frontier. In light of recent events in Afghanistan, it is probable that deeper roots of friction are at work along wobbly ethnic, historical, and tribal fault lines. Today, Feiser pointed out, the United States finds itself in a similar position to that of the British Empire before it: Faced with a situation in which military expansion is necessary to establish national security. In this light, the geopolitical as well as the symbolic value of the Durand Line

is not lost on the United States.

Human Rights Abuses

While the border situation with Pakistan makes things difficult for President Karzai, and makes him wonder about Washington's commitment to the well-being of Afghanistan, problems inside Afghanistan are more serious. The New York-based Human Rights Watch groups published on July 29 a 101-page document, "Killing You Is a Very Easy Thing for Us." It details the army and police kidnappings of Afghans and holding them for ransom in unofficial prisons; breaking into households and robbing families; raping women, girls, and boys; and extorting shopkeepers and bus, truck, and taxi drivers. "Human rights abuses in Afghanistan are being committed by gunmen and warlords who were propelled into power by the United States and its coalition partners after the Taliban fell in 2001," said Brad Adams, executive director of the Asia Division of Human Rights Watch.

The document, besides accusing the United States of collusion with the warlords, has implicated military and political officials through the testimonies given by witnesses. These officials include Mohammad Qaseem Fahim, the Minister of Defense; Hazrat Ali, the military leader of the Eastern Region; Younis Qanooni, the Minister of Education; Burhanuddin Rabbani, the former President of Afghanistan; and Abdul Rab al-Rasul Sayyaf, a powerful former mujahideen leader and part of the Northern Alliance. The document has, in essence, accused not only the most prominent leaders but also the pillars of the Northern Alliance. It is the virulently anti-Taliban, anti-Pakistan Northern Alliance that has kept the U.S.-backed Hamid Karzai in power. The document suggests that these Northern Alliance leaders are as deplorable as the Taliban, if not more.

This report would provide a boost to the Taliban, weaken the Karzai regime, and may start a process of separation between Kabul and the Northern Alliance. If that happens, the whole wobbly Afghan system that George Bush and his henchmen had propped up, will fall flat on its face. It is almost a certainty that very little help will ensue from Washington at that point. One does not have to be a rocket scientist to figure out which way Islamabad would lean.

During the week of July 21, Washington, after months of paralysis, shone a little ray of hope on Kabul when the *Washington Post* quoted senior officials of the Bush Administration saying that it is now ready to push a \$1 billion aid package to Afghanistan. If the U.S. Congress accepts the proposal, it would more than triple the paltry \$300 million in U.S. aid. Reports also indicated that the Afghan and U.S. officials expect other international donors to come up with another \$600 million to \$1 billion.

If that happens, there will be at least some money made available to reconstruct infrastructure. "Reconstruction creates jobs. It creates a sense of trust and gives people hope for a more peaceful future," said Tayab Jawad, President Karzai's chief of staff, on July 27.

International Intelligence

India Food Supply: A 'Peculiar Dilemma'

Speaking on July 25 at the all-party meeting on the Public Distribution System (PDS), Indian Prime Minister Atal Behari Vajpayee said: "We are faced with a peculiar dilemma of surplus on the resource side and deficit on the consumption end of the [food] production-supply chain." Vajpayee was pointing at the growing surplus of foodgrains in India's grain storages. One reason behind "deficit on the consumption end of the production-supply chain" is the growing consumption of vegetables and proteins. Earlier, the population, poorer than it is now, was consuming more grains. Now, vegetables have replaced some grains in many households. As a result, the overall foodgrain consumption among the non-poor category has dropped significantly.

Among India's poor, grain consumption has not gone down much. The government had increased the PDS quota in 2001 for those who avail themselves of the system. That, however, did not change the situation, because the poor do not have the extra cash to buy more grains.

From what Vajpayee, and some members of the Cabinet suggested, it seems New Delhi is heading toward renovating the PDS system. It is unlikely that it would help the poor much. What is needed instead, is to make available to the poor a minimum amount of foodgrain free of charge, allowing those poor families, who need to enhance nutrition, to get that through the PDS.

BBC-Government Battle Intensifying

On July 27, BBC Chairman Gavyn Davies wrote an article in the London *Sunday Telegraph*, in which he charged that "bullying" cabinet ministers were trying to destroy the BBC's independence. In the piece, "These Threats to the BBC Are Serious and Sinister," Davies charged that BBC's integrity is now under attack, because it has dared

"to take a different view on editorial matters from that of the government and its supporters." The Blair government is hinting that a system that "has protected the BBC for 80 years should be swept away, and replaced by an external regulator that will 'bring the BBC to heel.'" The BBC's charter will be reviewed by the government later this year.

In what other British dailies described as an unprecedented attack by a BBC chairman on a sitting government, Davies underscored that BBC has always been trusted by its audiences, because "it is emphatically not the voice of the state." The BBC, Davies said, has made it a priority to place "an unshakable barrier between the BBC's editorial processes and political bullying," which came from politicians who wanted BBC support for "the Government's case for war." The BBC stood up to "intolerable pressures," and Britons "flocked to BBC News in overwhelming numbers" as a result.

Davies then zeroed in on Prime Minister Tony Blair's media czar Alastair Campbell, who launched "a full frontal assault on the motivation, skill and professionalism of the entire news corporation." Given what has subsequently been learned about the qualifications of the late Dr. David Kelly, to speak about Iraq's weapons of mass destruction (or absence thereof), Davies argued that it would have been "profoundly wrong" for BBC to suppress the stories it had, that Blair's government had not been truthful about the Iraqi threat to Britain, which Blair made the *casus belli* to line Britons, Parliament, and the media up for the war.

Brazil's Development Bank Pushed Aside?

Brazil's National Economic and Social Development Bank (BNDES) has reportedly been pushed to one side in the planning for major infrastructure development projects, according to *O Estado de São Paulo* on July 24. During a July 17 cabinet meeting, BNDES President Carlos Lessa had given

a detailed presentation on what projects the bank thought should be implemented over the next four years, requiring financing of between \$90-140 billion. Following that meeting, according to *O Estado*, President Lula da Silva had described Lessa's plan as "a dream," and said something more "grounded in reality" were necessary. Lessa's presentation had focused on the energy sector, including a number of "mega-projects," such as the plan to link all of Brazil's hydrographic basins, in order to guarantee an energy supply equal in volume to that supplied by the giant Itaipú Dam today.

BNDES has now reportedly been excluded from government discussion on infrastructure planning, which is supposed to map out "emergency" measures to address the economic crisis, as well as longer-term plans. Bank officials are continuing to participate in debate on two areas of the government's three-pronged strategy—industrial policy and export-oriented activity—but is excluded from the crucial area of infrastructure planning, now being overseen by the chief of economic planning at the Planning Ministry. And the Finance Ministry, run by orthodox monetarist Antonio Palocci, is overseeing the entire process which means, as *O Estado* pointed out, "that all projects considered to be 'exaggerated,' will be duly halted by the conservative hand of Antonio Palocci."

Iran and India To Build Transport Corridors

Iran has emerged as India's potential gateway to Afghanistan, Central Asia, and Europe, said A.K. Srivastava, chairman of the Indian section of India-Iran Joint Business Council (IIJBC), said in New Delhi on July 22. Srivastava said, "India and Iran are working together to develop transport corridors from India . . . through Iranian territory." Touching on the recent visit of Indian Oil Minister Ram Naik to Tehran, Srivastava said complementarity of interests between both countries in energy production should be developed as a strategic area of their fu-

MILITARY historian Martin van Crefeld said of Iran's Shahab-3 missile in *Die Welt* on July 29, that it means "very little" in that surface-to-surface missiles do not transport conventional weapons long distances, and "are not especially useful to transport chemical or biological weapons." This would change, he says, if Iran had nuclear weapons. "The 2003 Gulf war has created a situation, in which Iraq as a unified state no longer exists and Iran is encircled by U.S. troops: to the west (Iraq), to the south (Persian Gulf), and to the east (Afghanistan)"—and U.S. bases in the Central Asian Republics.

LAROCHE associate Edward Spannaus blasted Dick Cheney in an Al-Jazeera TV interview on July 25. The fact that Spannaus, introduced as "expert on legal affairs for *Executive Intelligence Review*," was the only participant from the United States in an international panel on the intelligence hoaxes that led to the Iraq War, is a sign of the impact of the LaRouche campaign to oust Cheney.

CAMBODIA'S general elections on July 28 ran smoothly. The ruling Cambodian People's Party, led by Prime Minister Hun Sen, came in 8 votes short of the two-thirds absolute majority to form a single-party government. Out of 123 seats in the National Assembly, the royalist Funcinpec party led by Prince Ranaridh, son of King Norodom Sihanouk, received 26 votes, and the eponymous Sam Rainsy Party, 24. Rainsy was heavily funded by the National Endowment for Democracy.

SAUDI paper *As Sharq al-Awsat* reported on July 30 that a U.S. military official held meetings in Iraq with the anti-Iran group Mujahideen e-Khalq (MKO), during which the United States agreed to leave the MKO with over 2,000 tanks and weapons, including anti-aircraft missiles. The report follows others alleging that the United States is considering using the MKO, officially designated by the State Department as a terrorist organization, against Iran.

ture relationship. He said that investment in upstream and downstream activities in the oil sector, liquefied natural gas tie-ups, and secure modes of transport are the areas to further strengthen the relations. He also cited the two countries' opportunities for cooperation in defense areas, including training and exchange of visits.

Iranian Deputy Foreign Minister Aminzadeh said, "The issue of the North-South transport corridor between India, Iran, and Russia is one of the most important fields for development of regional cooperation, which will further link Europe and Asia with the adjoining countries of Central Asia and the Caucasus, Syria, and all other countries of the region." According to *Ettela'at*, he said that Iranian-Indian strategic cooperation in transit and transport "would enter an infrastructural phase with the development of Chabahar port and the construction of the 600 km-long Chabahar-Fahraj railway line that will link this port to the nationwide railway and road network of Iran, that will also establish a link between the countries of Central Asia and Caucasus, the Caspian Sea, Russia, and Turkey."

Jordan and Egypt In Biggest Gas Project

Egyptian President Hosni Mubarak and King Abdullah II of Jordan were to inaugurate the biggest Arab integrated project, to carry Egyptian natural gas to Jordan and other countries, on July 27. Egypt's natural gas will be carried from the Egyptian port of Taba to the Jordanian thermal station at Aqaba. Future stages include carrying Egyptian natural gas to Syria via Jordan, to the Lebanese Al-Zahrani refinery by the year 2005, and to Cyprus in 2006, and then to Europe via Turkey at a total cost of \$1 billion.

Jordanian Minister of Energy Mohammad Batayineh told reporters July 26 that the King would head for Taba July 27, with a high-ranking delegation, to inaugurate the Egyptian part of the project with President Mubarak. The two Arab leaders, he added,

would then go to Aqaba via by sea to open the Taba-Aqaba phase of the project. Their schedule included touring the civil and electro-mechanical works, as well as ground facilities for extending gas to Jordan. They will also tour the filtering station and facilities for the plan to feed the Aqaba power station, whose capacity hits 100,000 cubic meters.

The first stage of the Arab gas pipeline project (Arish-Taba), with investments up to \$220 million, involves extending a line 248 km long, with a diameter of 26 inches, and then an undersea line will be extended to the Jordanian port of Aqaba. Egyptian Ambassador to Jordan Dr. Mohamed Higazy said the project confirmed Mubarak's commitment to an Arab common market.

IAEA To Discuss Israel's Nukes

"The Israeli Nuclear Capabilities and Threat" will be included as an agenda item at the 47th General Conference of the International Atomic Energy Agency, Sept. 15-19. The item was placed on the agenda at the request of the Arab states, transmitted in a letter from the Ambassador of the Sultanate of Oman. An accompanying memo concludes, "The General Conference of the International Atomic Energy Agency must take appropriate measures to ensure that Israel places all its nuclear installations under Agency safeguards and accedes to the Treaty on the Non-Proliferation of Nuclear Weapons."

The memo notes that all the Arab states have signed on to the Non-Proliferation Treaty (NPT), but that Israel has refused to do so. "Israel's possession of nuclear weapons is likely to lead to a destructive nuclear arms race in the region, especially if Israel's nuclear installations remain outside any international control."

The memo also lists several resolutions of both the United Nations General Assembly and the IAEA, which call on Israel to accede to the NPT and place its nuclear installations under IAEA safeguards.

Beauty Is a Necessary Condition of Man

by Helga Zepp-LaRouche

Helga Zepp-LaRouche gave the following presentation to a two-day cadre school of the LaRouche Youth Movement on Feb. 18, which following the International Caucus of Labor Committees/Schiller Institute annual Presidents' Day weekend conference. Her presentation was followed by several animated hours of discussion. She was introduced by LYM leader Michelle Lerner. The transcript has been edited for publication.

Michelle Lerner: Something that comes up once in a while in organizing, is that someone will say to you, “Why are you so concerned with a bunch of dead white guys?” And: “Isn't LaRouche just another white guy? A patriarch?” That just shows that most people are uneducated about history, culture, and especially about the sublime!

And the irony, is that behind all great men there is usually a great woman—as long as it's not his mother! [laughter] So, over the course of history, I'm not sure if there have been many women so committed to the dialogue of civilizations as the beloved wife of Lyndon LaRouche. So, without further introduction, I present to you the “New Silk Road Lady,” Helga Zepp-LaRouche.

Helga Zepp-LaRouche: Well, there is a little male chauvinism coming out here. Because Lyn is actually standing behind me. And behind us, is Mai-Bow [their dog].

I was considering the difficulty of talking about why Classical art is really the only one. It came out in the discussion already, I think yesterday or two days ago, where somebody said, “Is there not going to be, at one point, something which supersedes Classical art? And how can we not—you know maybe—okay, accept Classical art, but then move on to something more easy and modern?” The difficulty is that people really don't have a clear conception of what Classical art is.

Therefore, I want to confront it today, first of all with what it is not, and what has led to this present confusion of so-called modern culture, which mostly is no culture at all. You have to go back to the attack on Classical art by the Romantics.

This is an historically very important period. People have, generally, not only no idea what Classical culture is, they also don't know what Romantic is. Because if you ask anybody in the street and say, “What is your definition of Romanticism, or Romantic?” They'll probably say, “Oh, this is when my Valentine gives me flowers on Feb. 14.” Or, “It is a beautiful candlelight dinner, where we are sitting there, having dinner together, the two of us, with candles,” and so forth.

I have put up the thesis, and I think I can make my case pretty convincingly, that the present ugliness of culture, in all of its many depraved, degenerated forms, is the end result of what started with the Romantic period.

It is very interesting that even the *Financial Times*, which is the organ of the financial oligarchy in Great Britain, already two years ago had an article entitled, “Dark Age or Renaissance?” in which they said that the individualization, the deification of the individual, caused by the free-market economy, by globalization and so forth, has led to an erosion of traditional structures of society, and totally destroyed the sense for the common good; and that now we have reached the point where this utopia of the total individualization is triumphing. This goal has now been reached. The utopia is there; and this would be excellent. There's only one problem: It stinks. They say, the end result of this is, that Classical culture is on its deathbed, and nobody has any more the authority to insist on any artistic standard.

Well, that is actually true. I mean, I have not been able for at least 20 years to go into any Classical performance of Schiller's plays in Germany without having either gotten sick



Helga Zepp-LaRouche: "I think I can make my case pretty convincingly, that the present ugliness of culture, in all of its many depraved, degenerated forms, is the end result of what started with the Romantic period."

in the stomach or going out early or something. There is the so-called *Regietheater*—now, I don't know this word in English. It's basically that a modern *regisseur*, a director of a play, takes a Classical piece of art and then puts his own interpretation in it. So that, for 30 years now the so-called *Regietheater* has been doing the same thing: that people are urinating on the stage, that they are having sex on the stage, that they take their clothes off. This is supposed to be "happenings." But, you know, typical for Baby-Boomer monotony, they are doing the same things for 30 years and nothing new happens.

I always say that they should not ruin Classical art and Classical plays—they should write their own plays. If they want to be perverse, then they can write whatever. But they should leave, please, the Classical theater in peace.

So, no theater, no poetry, no modern poetry; modern architecture is ugly. I don't know if anybody has ever been in Houston. Unfortunately, you can go to any strip mall in the United States. If you drop from a helicopter down out of the skies into a strip mall, and you get a \$64 million question, "Which city are you in?" I bet you cannot get the \$64 million, because they are all the same! For example, here, the environment of this hotel and around—it's *ugly*. It's just blocks, glass; no architecture. The same thing goes naturally for all other areas. For example, you could say, modern music is awful, but pop music is awful. Modern rock music, gothic rock, is terrible. Hip hop is terrible. Pop is the worst of it.

A while ago, because of Lyn's influence, I did not look at these things for a long time. And then, because young people look at it all the time, I decided, "I will now actually take a

look." Because the argument was, that there is creativity in hip hop, or rap. Well, I emphatically came to the conclusion there is *zilch* creativity in it.

Then I looked at Britney Spears. I was truly shocked, because she has a vocabulary of 80 words. Among the many 80 words she has, she came to the conclusion that she is in favor of the death penalty. Why? So that these guys don't do it the second time around! [laughter] Then, I found out that I was already way behind, because Britney Spears is now out. She is gone. And instead, you have the Atomic Kittens. You have Shakira, and all of these things.

If you actually look at it, it is really Romantic. It is completely Romantic. I am going to prove this a little bit down the road. For example, Madonna recently had a pop video where she dies on an electric chair, but she fights back. She has a split personality, truly schizophrenic. She is the good girl and the bad girl. It is just totally insane. Then Jennifer

Lopez plays out death penalties in pop videos. Christina Aguilera, the so-called "clean girl," now has the desire to be a total whore. The big Italian star, Eros Ramazzotti—he plays necrophilia on the stage, with corpses, with dead heads, and so forth. So, you know, it's pretty bad.

The Romantic Roots of Rock Counterculture

If you look at all of this—well, how could it happen? Now, I have really come to the conclusion that it all goes back to the Romantic attack on the Weimar Classics, and the false idea which they spread. It's very difficult to say, was the Romantic movement—the so-called "early Romantics," which quickly turned into the political Romantics (these are different periods), were they an agent operation of the financial oligarchy at the time of the Holy Alliance from the beginning? Or, were they just a spontaneous group of crazy people, who then were picked up for a political purpose, of political reaction?

Schiller in his *Aesthetical Letters* had made the definition that the most noble and complete piece of art is the construction of political freedom. This can only occur if each person develops to be the ideal man in himself. And, to coincide with that inner ideal man is the great task of his existence. People ask, what is the meaning of life? To become that potentially ideal person which you could be. Therefore, the key question is the ennoblement of the individual, the ennoblement of the character. Schiller makes emphatically the point that all perfection of man proceeds from the notion of beauty.

In *Kallias*, he defines beauty, because he is trying to come

to a notion of beauty based on reason, an intelligible notion of beauty, in which he defines it, that beauty is the free principle in man.

In *Grace and Dignity*, he says, “Love alone is the free emotion, because it derives from our divine nature. It is the absolute greatness itself which imitates itself in grace and dignity. It is the lawgiver himself, the God in us, who plays with his own image in the world of the senses.”

For Schiller, in the moment when the artist creates beautiful art, the artist is divine. The artist is in the image of God, the Creator, who continues the process of creation through the music he creates, through the poetry, through the great drama. In the Tenth Letter [of the *Aesthetical Letters*], Schiller says, “The pure notion of reason of beauty must be found through abstraction. It must be possible to show beauty as a necessary condition of mankind.”

This was also against the bestial notion of the British Enlightenment, that man was only motivated by egoism, by his own interest, and so forth. Against this influence, already [Moses] Mendelssohn and [Gotthold] Lessing had basically said, that with art it is possible to ennoble the emotions to universal lawfulness. And, that, consequently, if you have a society in which there is no beauty—like in the British Enlightenment or in America today—the lack of beauty means that mankind degenerates and civilization collapses.

Schiller and Goethe, in particular, were trying to find generally universally binding laws of aesthetics, which would be eternally true. Of all the attacks of the Romantics, the successive attacks on the notion of beauty, as being *the* essential thing about art, were the most devastating. Therefore, you have a direct line from the early Romantics, which was Novalis, Tieck, the Schlegel brothers, to the philosophical Romantics, the so-called “late Romantics”: Savigny, who was the one who replaced natural law through case law; Niebuhr, Nietzsche, Wagner, Carl Schmitt, directly into the Nazis. You have a direct line from Kant, Schlegel, Novalis, Tieck, E.T.A. Hoffmann, to Schopenhauer, Hegel, Freud, the Frankfurt School, depth psychology, and the cult of ugliness today. I will elaborate this.

Mendelssohn and Lessing defended Leibniz against the Enlightenment, and the efforts by agents of the English and French Enlightenment to bring these ideas of Newton through people like Euler and Maupertuis to the Berlin Academy of Science. There was a whole group of court academicians, to which also Kant from Königsberg belonged.

And since, Mendelssohn, who was known to be the Socrates of the 18th Century, because he not only picked up Plato’s dialogues, but he wrote them for modern times and talked about the immortality of the soul—as long as he was alive, Kant did not dare to completely attack his notions; but the moment Mendelssohn had died, Kant really proceeded to attack the idea of reason. He defined reason to be “the negation of the negation,” and made reason, therefore, a deductive construct. He said the seed of freedom in man is the radical



An Alice Cooper rock “concert” in Sweden. As the poet Heinrich Heine once observed, the best place for Romantic so-called artists, is in insane asylums.

evil in him. In this way putting himself in the tradition of Pomponazzi, Sarpi, Locke, and so forth.

At that point it was especially Friedrich Reichart—the composer whom Goethe liked most because he would only set tones to his poems—he sent Kant around in Germany, and so eventually Schiller got these Critiques: *The Critique of Practical Reason*, *The Critique of Pure Reason*, *The Critique of Judgment*. When Schiller read this, that art was supposed to be an arbitrary thing, with no lawfulness in it whatsoever, Schiller got very upset. He said: Look, Kant must have had a terrible childhood, because he did not grasp what beauty is; he did not grasp what art is. He only wrote for the slaves, and he did not write for the children of the house. Schiller’s idea of the children of the house was beautiful souls.

Kant was already a very important step in the destruction of the inner cohesion between the good, truth, and beauty. The good thing about Kant’s writings, if you ever have tried to pick up one of his books, is that they are so boring and so convoluted, that nobody can actually, really understand them or get excited about them; but he was an important stepping

stone, so that when Novalis, Tieck, the Schlegel brothers, and E.T.A. Hoffmann came along, they had already a theoretical preparation, so that their evil writings could fall on a fertile ground.

Now, Friedrich Schlegel—who you probably haven't heard of, but he was very important in this process; he was not a poet, he was not an important figure at all—he laid the theory of the Romantics in his famous 1795 writings about the studies of Greek poetry. In which, he said, there is not one, a unique Classical form, but there are limitless possibilities of poetry. He basically brought, for the first time, the idea of ugliness into culture as the central question.

Schlegel, an 'Overbearing, Cold Cynic'

Schiller met Friedrich Schlegel for the first time in 1792, and he had a terrible impression of him. He said, "What an overbearing, cold cynic." And he wrote to his friend Körner, whom I had mentioned already the day before yesterday, that he was completely confused and had no talent at all.

In January 1796, Schiller wrote his famous *About Naïve and Sentimental Poetry*, discussing the difference between ancient and modern poetry, and came to the conclusion that neither of them had found all answers, but that a new poetry on a higher level was necessary, because neither can exhaust the potential of beautifulness in humanity, which can only come from a combination of both. And he said, "The more each of them becomes poetical, the shortcoming disappears." So, he says, it's not a question of, is the ancient poetry or the modern poetry better, but are they poetical? Are they good poems? And the same thing is true naturally for how you measure any poems in the present. Are they good?

Schlegel, in the same year he wrote the thesis about Greek poetry, pretended to defend the Greek poetry against the modern. He said, the modern poetry is not beautiful, it's just interesting. Supposedly he attacks modern art as a complete degeneration and pretends as if he wants to wish a revival of Classical art. Then Schiller's piece came out about *Naïve and Sentimental Poetry* and Schlegel got very upset, because he saw his own piece superseded before it was even published. Then, in the famous "Lyceum" fragment—this he wrote two years later—Schlegel made a 180° turn-around and totally attacked the Classics, and all Classical forms, as being ridiculous. And then, he started to replace the notion of modern with Romantic.

Two years earlier, he had written in the thesis about Greek poetry, "If there are pure laws of beauty and art, they must apply all the time. From that standpoint, all modern art has no value at all. If one only tries to titillate desires and please raw lust, one can only get low, degenerated art. The lack of character seems to be the only character of modern poetry. Confusion, lawlessness, insatiable thirst for new material as long as the effect is strong; but through every consumption the desire becomes more greedy; the demand gets higher. The new becomes old. The rare becomes common. The excite-

ment becomes stale. In the end, the taste only wants disgusting perversions and finally dies all together."

This is actually Schlegel's own life, because from there on, he went downhill. He became an active secretary of Metternich and disappeared in nothingness, actually. But by replacing the notion of beauty in art, with the "interesting," he started to pull the rug from under the structures of Classical art.

The "interesting," obviously, must always be new. There can never be a highest "interesting." The desire can never be satisfied. And Schlegel himself wrote, "So I tumble from desire to lust, and in lust I starve for desire." Because it never gets satisfied. There has to always be an escalation, a highest new, because there is no highest new, and no highest ugly.

On the other side, Schiller said, and you heard it in the poem "The Artists," that there is a highest beauty. Remember that in the last strophe of "The Artists," he says to the artists, "you, free sons of the freest mother," meaning art, "swing upward with a constant face, and strive, then, after no crown other, to highest beauty's radiant place."

Now, why can you have no highest ugliness and no highest interest, but you can have a highest beauty? Well, because Schiller defines beauty as the free expression of an inner lawfulness. Beauty is also the harmony of the sensuous and reason, but, in the realm of sensuousness. Beauty, therefore, is something coherent and not a mixture. For the same reason, in a truly poetical world, all disharmonies disappear, and a higher unity is accomplished. As long as this clarity of beauty existed, it was also clear that beauty, the truth, and the good, were one and the same thing.

As long as this was the case, the principle of Classical art was unattackable. And it was exactly that axiom which Schlegel attacked. So, step by step from there on, you had a devaluation of art, and it prepared the ground for a totally different category of modern art. What Schlegel did was, he said, "The beauty in general, which includes the sublime, beauty, in a narrow definition, and the attractive, is the pleasant appearance of the good."

This was a very mean trick, because people would say, "Okay fine. Why is the sublime and beauty not the same thing?" But for Schiller, beauty and the sublime are not at all the same thing. Because the sublime reflects the mixed nature of man. It is not harmonious, and it is not like beauty, or harmony, but it reflects the contradiction of the sensuous nature of man. Because it requires a fight. And only after the fight, only after man has conquered that which prevents him from having his identity on the highest principle, that he is on the level of reason; but the sublime is not just some harmonious thing. It requires a tremendous overcoming of an agony.

Therefore, when Schlegel did that, it was only one step for him to introduce the notion of the "sublime ugliness," and the "ugly sublime." From there, naturally, it goes down the road.

And so it was not very profound ideas, but the significance

of all this was that there was a theoretical basis for the Romantics. The brother of Friedrich, Wilhelm August Schlegel, started to teach these ideas in the university from 1798 onward. This is basically the beginning of the principle that in art everything goes. That as long as it is new, as long as it is titillating your senses, as long as it is more interesting than what was there before, it is art. And that is absolutely not the case.

Now, in Classical art, ugliness is also allowed, but in a completely different form, and I will give you later on an example. It is only allowed as an artistic means, sometimes to get strong effects, but only in a very definite and stylistically determined way.

Then Schlegel proceeded to put beauty and ugliness on the same level, and that led to the destruction of beauty in art. The ugly becomes the interesting. The sublime ugliness is the key in modern art. And soon, you have no universal truth any more at all.

Schiller's Standard for the Artist

Now, Schiller, on the other side, in a critique of the landscape painter, Matthisson, which is a very worthwhile piece to read, defined a very clear standard for the artist. He said that because of the great effect an artist has on the audience, because he has a key into the innermost feelings and emotions of the soul, therefore, before the artist should dare to move the audience, he must have elevated himself to an ideal man. He has to ennoble himself to become the representative of the species, before he can dare to move his audience. Because, at least for a moment, of the creation of the poetry, of writing the music, of doing some great painting or sculpture, he has immense power over the audience, and therefore, he can only call himself an artist, if the effect is intelligible and noble.

Now, how can that be? How can an artist, or a poet, or a composer go to an audience, which consists of a hundred people, or a thousand people—how can he be absolutely sure, what is the effect of what he is doing, because there are all these different people who have different reactions, different experiences? And Schiller says: No, the artist must be absolutely certain about the effect, or he should not call himself an artist at all. And, the only way you can accomplish that is that the artist has to be an ideal man, in that moment of creation, and he has to talk about a universal truth. But, the effect nevertheless, has to be free, it cannot be moralistic, it cannot be by force, it cannot be through coercion. And, all of this is only possible when the poet has elevated himself to the species-character of man, and his subject is universally true.

Now the Romantics rejected this completely. They said, against this idea of idealization, they put the theory of letting the unconsciousness go. Genius is not this idealization, but fantasy; new possibilities; let the reality be cushioned with nice dreams. Art as a stimulating drug or as a mild anaesthesia, depending on how you are on that day.

Compare that to Schiller. Schiller said, "Only through the

morning gate of beauty will you enter the land of cognition." Art, for Schiller, is the idea to develop the cognitive powers, to ennoble the individual. And, the Romantics say the exact opposite. They say, let yourself go. No matter what your morbid fantasy requires, just live it out, let it go. They started with a glorification of the unconscious, the dreaming.

I have actually put it on myself, which I do sometimes, to read things the enemy is writing, like Samuel Huntington, Brzezinski, and these people, because you have to study how these people think. With the same painful burden, I actually did read a lot of Novalis, Tieck, or E.T.A. Hoffmann. I can only tell you it is unbelievable. You should maybe pick one of these writings once, just to get a sense, to get the notion of what Romanticism is out of your system once and for all.

The Greek Classic and the Birth of Human Dignity

But let's just locate this. The Classical period in Germany was a tremendous step forward in European, and actually world, universal civilization. Because, what was the situation? You had the Thirty Years' War; you had the complete destruction of Europe. Culture was degenerated: Voltaire, the Enlightenment. Classicism in France was oriented toward the Roman period.

So, it took a gigantic effort to re-establish the principles of the Greek Classics. Why is the Greek Classic as a reference point, so absolutely important? Homer was actually the first one to introduce man as a free person based on reason. Homer, however, was not yet quite it. The Greek tragedians Sophocles, Aeschylus, and so forth, they went a step further. And the greatest of them was actually Aeschylus, who, in the *Prometheus* play, for the first time, established man being a Prometheus, a god, but who challenges the irrationality of the gods.

But, it was only through Plato that the idea of man being capable of ideas, of reason, emerged in European civilization, because, up to that point, in all the previous empires—Mesopotamia, Babylon, and so forth—you have to put your mind into how people were thinking then: Everything was magic, demons; you had some priests reading some oracles; people had no sense of themselves; they were superstitious; they were manipulated; they were surrounded by irrational powers. Basically, only through this Greek Classical period, came the idea that man is able to develop valid ideas concerning the real universe, and that the universe, as it is there, reflects reason in the form of beauty. It is what Schiller discusses in "The Artists" as the birth of mankind.

With the Greek Classic, the idea of the dignity of man, the idea of the inalienable rights of man, were born. This was really a birthplace. I am a great friend of other cultures: I love Chinese culture; I love Indian culture; I love ancient Egyptian culture. But I must say, the idea that man is capable, again and again, to produce valid conceptions about the physical universe—and this, as a continuous process of perfection—



The German Classical tradition was an integral part of American culture in the 19th Century, as shown by the statues of Schiller and Goethe that were erected in cities all over the country (here, right to left: Chicago, New York City, Cleveland). The Romantics were deployed to smash this influence.

started there. I'm not saying that these other cultures have not incredibly valid contributions, but this was unique to universal history.

This was revived in the Italian Renaissance, especially because, when the Council of Florence took place—the Council of Florence was the effort to reunite the churches, between the Orthodox Church and the Roman Church—when the Greek Church fathers brought Plato, it was for the first time translated, for the first time fully impacted Europe in this way: This led to the incredible explosion of cultural optimism and the beautiful contributions of the Italian Renaissance which laid the foundations of 500 years to come.

Then when the German Classics occurred, through the works of Mendelssohn, Lessing, but especially then, Schiller, Humboldt, and Goethe, the highest level so far in history—and I'm saying this, ready for anybody to challenge this and say, “No, it's not true”—but, this period produced the highest conception of the image of man. Just think of Beethoven's Ninth Symphony, the “Ode to Joy” by Schiller, and Beethoven's beautiful music: “All men will become brethren.”

And then you had [Wilhelm von] Humboldt, who was one of the towering giants of the German Classical period, who wanted to form Schiller's ideas into an educational system, where every child would have access to universal history, universal education. Just imagine if every child, starting with the Humboldt reforms, would have had exactly what we are trying to do with the youth movement today. Actually,

Humboldt was proposing a youth movement based on universal education. He was a government minister. He was for a short period of time able to implement his ideas.

The Oligarchy Attacks German Classics

Obviously, the oligarchy was completely freaked out, because, if you have every child becoming a genius, that's the end of the oligarchy. So, I am absolutely convinced that one of the reasons why Germany has been attacked so much, not only because of the Holocaust and the Nazis, but, in this period—from Bach through Mozart, Beethoven, Schubert, Schumann, up to Brahms, and from Lessing, Mendelssohn, Schiller, Goethe, some other people worth noting—this was in one sense the richest period in terms of culture at all.

If that would have spread—look, for example, America was nearly taken over by this culture, because whenever the suppression hit in Europe, there were millions of people immigrating to the United States. In the entire 19th Century you had not one professor in the United States who was not either educated in Germany or who was educated with a German professor who had been educated in Germany. Still in 1905, at the 100th anniversary of Schiller's death, when they performed *Wilhelm Tell* in German in Chicago, 4,000 people watched and could understand it. German culture was so much an integral part of American culture, that it was only because of Teddy Roosevelt and Woodrow Wilson, and then unfortunately America joining Great Britain in World War I on the

wrong side, that there was this break. But if you look at the 19th Century, this was permeating in the United States everywhere.

But, it was very clear that the oligarchy was completely terrified, because, also in Germany, the richest cultural period was actually the period of the Weimar Classic, and immediately after that, the period into the Liberation Wars against Napoleon, where, for example, every soldier—not every soldier, but many, many soldiers, when they would go into the war, they would take little pieces of Schiller’s poems on their breast, you know, as a source of strength, and they would write letters back. If you read the letter exchanges of this period, I can assure you, these ordinary people were much, much, much more educated than the modern day’s politicians.

Romantic Politics, Nordic Myths, and Hitler

What did the Romantics do? It started off with the poetical, first the early Romantics; but they quickly moved to politics. Not only did they have their strange ideas about stories, but they projected a falsified image of the Middle Ages by focussing, not on the Greek Classics, saying, “This is unimportant; we have to focus on the Nordic mythologies.” They focussed on an unexplainable longing for death, a death-wish. They focussed on an unlimited indulgence in fantasy life. So that Heinrich Heine, who wrote the very notable book about the Romantic School, which you should really look at, he said, “What strange curiosity drives them to look into the graves of the past? Such behavior always occurs at the end of periods shortly before catastrophes.” And you know, how right he was. And he warned, he said, these people are very dangerous, because of the effect they have on the population, and therefore, they are a threat to the Fatherland.

Now what happened? In the second half of the 1890s, when you had already Schiller working with Goethe, having his correspondences with von Humboldt, in Jena a group gathered around the Schlegels—August Wilhelm, I mentioned already; he married Carolina Böhme, whom Schiller called “Dame Lucifer,” because she was so devilish. Then Friedrich Schlegel was married to Dorothea Veit [née Mendelssohn], the daughter of Moses Mendelssohn, which shows that the children do not always fulfill the hopes of their parents. Schiller, as I said, broke contact with them immediately, because they were so disgusting, but they immediately worked as a counter-gang, by putting out the organ of the Classical writers whom Schiller had collected, called *Horen*, and they put out another thing called *Athenäum*. In this, wrote Schleiermacher, a religious fundamentalist like Pat Robertson; Novalis; the sister of Tieck, and so forth.

When the 15-year-old fiancée of Novalis died, he started to go into these death fantasies. He wrote, for example, the *Hymns to the Night*. Then he wrote a political work called *Christianity, Or the Unity of Europe*, which was a proposal for a new empire, where the emperor would rule over a system

of kings, like an early Ashcroft model. The head of the church would make sure that the spread of sciences would not lead to the belief of people that everybody could be intelligent—that was a very dangerous thing that had to be fought. Even for Goethe, who in the very beginning had flirted with the Romantics because they spread his works everywhere, this went too far, because he knew actual history and recognized the falsification right along.

But then, they started to glorify the minstrel songs of the Minnesänger, the *Nibelungen* songs. Basically, August Wilhelm said that the *Nibelungen* would be comparable to the *Iliad* of Homer.

But Schiller and Goethe were completely disgusted with the Nordic myths. They said, these are rather demons and gremlins, but not gods. Schiller said the Nordic myths are too specific and nationalistic, because only the Greek mythologies regard man as timeless and universal. Schiller, already then, expressed his worry about what that would lead to: Well, we know what it led to, because these Nordic myths were picked up by Wagner—*Parsifal*, *Lowengrin*, *Tristan und Isolde*—the whole *Völkisch* idea comes from there, and that became the court music of the Nazis. So, the Romantics are the source of Nazism and Hitler.

Programmed Insanity

Now, I do not do this to you to recount all these stories, but just to give you a taste. You have heard of the famous “Blue Flower of Romanticism”—maybe not, but that is the symbol of Romanticism. This goes back to a novel written by Novalis called *Heinrich von Ofterdingen*, in which it’s just a young man lying in bed all the time, dreaming, and eventually he has fantasies, morbid fantasies, incestuous fantasies, war fantasies, and eventually a flower, a blue flower, turns into the face of his fiancée. It’s just endless—it’s like soap operas, never ending, a stream of consciousness.

Then, just to give you another example: Tieck wrote something called *The Fair Eckbert*. The knight Eckbert lives in the woods, alone with his wife, Bertha, and then a visitor comes, called Walther. And Bertha tells the story of her life: When she was eight, she was beaten by her father, and goes away from home. She goes into the woods, into the house of an old woman, and takes care of her bird. But then, when the old woman is gone, she steals the bird and the pearls, and then the bird starts to sing. She kills the bird. And, basically, when she’s finished with her story, this guest, Walther, says, “I can imagine how you killed your dog.” Then Bertha gets sick and dies. Her husband Eckbert goes out, shoots Walther. Then a new guest comes, Hugo. Eckbert is paranoid that he knows his secret. And then, Hugo’s face turns into the face of Walther and the old woman. And she says, “I was Walther; I was Hugo; Bertha was your sister.” Then Eckbert goes insane and dies.

I’m just telling you this, because, what is the meaning of



Richard Wagner's opera "Das Rheingold"—the pure expression of Romanticism, and the court music of the Nazis.

this? There is a bipolar father, beating the eight-year-old girl, who develops a schizophrenic personality and has a fascination with insanity. That is *the* subject of all Romantic poetry.

In another novel called *Runenberg* the plants and the roots cry, when you step on the ground. When you pull them out, there is a scream. The flowers and the trees are the corpses of previous worlds. This is actually Prince Charles—you know, he is a complete Romantic. With E.T.A. Hoffmann, it was known that he would go to insane asylums to study the cases, and make that the basis of his literature.

Today, if you read literature about psychoanalysis, psychiatry, they openly say that they all go back to E.T.A. Hoffmann, and his idea of free association and all notions of modern psychology, like free association, convertibility of mental energies, reaction formation, and so forth, they all go back to these Romantic writings. Sigmund Freud, the so-called "father of psychology," says that his theory, and the frustration about civilization of the Romantics, have the same roots, and that he owes them everything. Then you have other such people, like R.D. Laing, who actually was in the circle of [H.G.] Wells and [Bertrand] Russell, who studied things like how to induce psychosis. He worked for the Tavistock Insti-

tute. He was an expert on psychedelic drugs; he worked with MK-Ultra, LSD, the famous manipulation of the students' minds by drugging them without their knowledge.

Goethe, interestingly enough, quoted an English publication called the *Foreign Quarterly Review*, where he actually said that the novels of E.T.A. Hoffmann are material for doctors, rather than for literary critiques. Goethe said the same thing that Heine said: That whoever is concerned with nation-building should have the greatest concern about the insanity induced by these writings. Heine said, "To look at the pile of Romantic poets, you had better go to the insane asylum in Charenton"—Charenton was the famous psychiatric clinic in France at the time. Goethe later came to the conclusion: The Classic is the sane, the Romantic is the insane.

Classic vs. Romantic Ideal of Man

Let's quickly look at the two world outlooks. What is the ideal of man of the Classic? It is perfected man, man without limit, becoming more perfected, more beautiful, developing all potentialities of his personality. For the Romantics, man is not the center; man is only one element in a limitless nature, in the oceans, in the ether.

Schiller says, because poetry is the key to the innermost secrets of the soul, therefore the artist must be a noble person, he must represent the ideal man. His subject must be universal and truthful. The poet must not try to be popular. He should not lower himself down to the vulgar, popular taste, but playfully elevate the audience to the level of the ideal. So, the artist must be on the highest level, and he should not go down to the popular taste of the masses, but he should elevate people in a playful way.

Well, Novalis says, on the other side, no, popularity is the biggest aim. You should go with whatever, go with the flow, go with what people like. The Romantics said, any purpose or rules are immoral. They are a limitation on our freedom of expression. They naturally used the word "freedom" in a completely different way than the Classics. Schleiermacher said, "There is no truth. Each opinion counts as much as the other one."

Schiller and Goethe had tried to find eternally valid laws of art, and demanded that the artist try to have the highest realization of these eternal laws. The Romantics, on the other side, said, arbitrariness of the poet is the highest law. Friedrich Schlegel said, "Heaven protect us from eternal works."

For the Classical poets, it was clear that when they reached true poetry, they would express the simultaneity of eternity. Goethe, for example, said, "Each moment has an infinite value, because it is a representative of the entire eternity."

Friedrich Schlegel, in his terrible piece *Lucinda*, said, "O laziness, O laziness." And he suggested that laziness should become a science, and that people should work on it, write books about it, and so forth.

Schlegel also had a completely different view on the fa-



The Classical Greek sculpture of Laocoön and his sons fighting with dragons. Contrary to Goethe's view, the Romantics Schlegel and Novalis complained that the figures should be screaming more, in an "ecstasy" of pain.

mous sculpture, *Laocoön*. This is a Greek sculpture in which Laocoön and his sons are fighting with dragons, and this was a very beautiful piece of art, because it shows mid-motion, it shows overcoming of pain. It was a big debate, because, despite the fact that this was a dramatic situation—because wounds were inflicted, but nevertheless, the artist has Laocoön and his sons in a very restrained way, not screaming painfully. Because, as Lessing would later say, if you put in art a face which is screaming, the open mouth is just an ugly hole. So, you cannot show the extreme pain, but you have to do it in a restrained way, because otherwise it becomes so ugly, that you do not get across what you want to say.

Goethe said therefore that what was important about the *Laocoön* sculpture is that it was the most noble expression of humanity, exactly because it managed to show pain, but in a restrained way. Novalis, on the other side, said, "No! He should scream more. The pain should go into ecstasy!"

For the Romantics, Dionysian ecstasy was what they wanted. Schiller, on the other side, said about ecstasy, that in the moment man feels ecstasy, his personality is disconnected, deleted. He is taken over by his emotions. He is out of himself, or beside himself. He is not any more inside himself.

So therefore, Schiller says, if one wants to restore the person's identity, who is in ecstasy, in German you say, "*Mann muß in sich gehen*," you have to go into yourself; being beside yourself, you have to get the inside of yourself

back into your own person. The Romantics had no interest to restore the personality. They wanted people to go out of themselves, being beside themselves.

The Classical Method

Now, the same methodological difference is between the two, in respect to death. Hölderlein talked of a lust for death, a death-wish, longing for the abyss. Novalis said: Life is the beginning of death; life exists only for death's sake. And Schiller, who, as we know, was burdened with a lot of sicknesses himself, for him, beauty and the sublime were superior even to death. It is the great destiny, that elevates man even if it crushes him. Remember the beautiful Schiller poem, "Belonging."

Then, the question of an end. Well, you remember that Schiller's dramas are composed in a very rigorous way, like a Classical composition. Every one of Schiller's dramas starts with a pregnant moment, mostly in the first act. In this first act, you have already everything which will unfold throughout the drama: It's like a germ form, like a seed which then becomes the large tree. Then the story develops, and you reach the *punctum saliens*. This is the moment, when the artfulness of the play recaptures everything, so that the hero or the heroine has the choice to either go this way or that way, to either resolve the situation on the level of the sublime or, by not being able to do it, going in the direction of tragedy. Then, the tragedy or the sublime unfolds, and it ends in a necessary way—as in the same way, the late string quartets of Beethoven: If you would add one more note, you would ruin it. In the same way, everything in Schiller's plays is absolutely necessary, because, it's completed, it's concluded.

But, Tieck says, "Why must everything have an end? All end is arbitrary, it should go on forever." Remember "The Artists," the first strophe, the exposition of the idea, the development; the last strophe, recapturing the idea on the highest level. Or think about Joan of Arc. You have the beautiful call, the mission. The shepherd girl takes the mission; she liberates France; she gets into captivity, but she is able to reach out—then, when France is again in danger—and reaches the level of the sublime. In a certain sense, the same idea like in the beginning, but after having worked through the struggle, the becoming more conscious, the ending on the highest level. This is a Classical art form.

In the Classical method, freedom and necessity become one. The essence of Classical method, is that *the conflict must be overcome on a higher level, where no conflict exists*. This is the equivalent of Nicolaus of Cusa's *Coincidentia Oppositorum*, the highest level on which no conflict exists. Schiller says, "Man is greater than his destiny." You have to educate your emotions, so that you can blindly rely on your emotions to overcome problems. You *overcome*, you do not indulge. The Romantic indulges. Heine basically said, the indulging of the Romantics is the disease. And Goethe called it the delirium of lunatics.



Schlegel's perverse idea of "sublime ugliness" finds its expression in this painting by Jackson Pollock at the Museum of Modern Art in New York City.

If you think back: Solon, according to Schiller, had defined the aim of mankind being perfection. And, all Classical periods, always tried to get man more perfect, more beautiful, more elaborated in his talents, while the oligarchy always was trying to keep backwardness. And every imperial rule *always* tried to make the population crazy, violence prone. Just think of the Roman Empire and then compare modern days, Hollywood movies, "The Gladiator," "Hannibal," and so forth. Now, if you read the writings of the Roman Empire about art, Ovid, Seneca, Lucans, you find the most *horrifying* descriptions of how people in the battlefield are ripped apart, how their blood is jumping out of their head, and so forth.

Now, once you brutalize a population through such stories, you reduce them to the level of Pavlovian dogs. You know, the training of Pavlovian dogs: You give a dog food and the bell rings. You do this again and again, and so eventually, you just ring the bell, but you don't give the dog food; but he starts drooling, as if he gets food. That is exactly what Hollywood movies are doing with people. Because sex, pornography, perversion, action movies—the drooling starts: People immediately get wet on their seat and other places. [laughter]

There was a movie called "Hannibal," in which Hannibal is a cannibal, who starts to cut out some of his brain. He bakes it and starts to eat it. This is on the Internet! Just recently there was a big scandal in Germany because a homosexual contacted a fellow homosexual on the Internet. They agreed that the one would cut the balls off the other, and they would both fry them and eat them, together. They did that, and then

only the one died in the process, because of the bleeding and so forth. But this actually happened! All of these things—I say this deliberately—because the present culture is so full of this stuff; you should be able to recognize this, as a means of the oligarchy controlling your mind. And you must develop *an absolute inner sense to absolutely reject it*. Don't watch, anytime, any more, any such movie, or, do not allow ugliness to penetrate your mind. Because it does have, unfortunately, a long effect.

'The Cranes of Ibykus'

Now, I was saying before that ugliness, in Classical art, has a function, namely, to cause a strong effect. I want to give you a quote from a very beautiful poem called "The Cranes of Ibykus," which is a very beautiful story.

For those of you who don't know it: The poet Ibykus, goes to the festival of poets in Greece. He marches along and then all of a sudden two murderers come. Since he is a poet, his arm is not so strong, they can kill him. There is no witness, only some cranes are flying over in the sky. He says, "If there is nobody to be witness of my murder, I give you, cranes, the task to be my avengers." And then he dies.

So, then the poetry festival takes place. All the poets, from all the islands and all the countries, come, and they mourn the fact that Ibykus is not there, and they are completely upset. Then, they are all gathered in the big audience, and the chorus of the Erinyes comes onstage. This is a typical Greek custom, that a chorus comes in, and they tell the old rules. Then, because such uneasiness is established by these Erinyes, the

murderers cannot take the tension. When the chorus goes out, the murderers see the cranes. They are the only ones who know the significance of these cranes, but it comes out of their bosoms: They say, "*Sieh da! sieh da!*"—"See there, see there, there are the cranes of Ibykus!" Because this incredible tension has been established, everybody all speaks all at once, "Who says 'Ibykus'? It can only be the murderers. Take them, and put them in front of a trial."

Schiller says they reveal themselves, not because they have a bad conscience, because murderers don't have a bad conscience. They are so depraved, they don't have that. But, the presence of the supernatural, in the form of the Erinnyes, forces them to reveal themselves. It is a Nemesis. It's a higher law, natural law which acts, and makes them show their own guilt.

Now I want Kathy Wolfe to read this, the passage where the Erinnyes are coming into the audience. I will read it in German after that.

Which, stern and grave, i'th' custom aged,
With footsteps lingering and gauged
Comes forward from the hinterground,
The theater thus strolling round.
Thus strideth forth no earthly woman,
They are no mortal progeny!
The giant span of each one's person
Transcends by far what's humanly.

Their loins a mantle black is striking,
Within their fleshless hands they're swinging
The torch with gloomy reddish glow,
Within their cheeks no blood doth flow;
And where the locks do lovely flutter,
And friendly wave o'er the human brow,
There sees one snakes and here the adder
Whose bellies swell with poison now.

And in the circle ghastly twisted
The melody of the hymn they sounded,
Which through the heart so rending drives,
The fetters round the villain ties.
Reflection robbing, heart deluded
The song of Erinnyes doth sound,
It sounds, the hearer's marrow eating,
And suffers not the lyre to sound.

"He's blessed, who free from guilt and failing
The child's pure spirit is preserving!
We may not near him vengingly,
He wanders on life's pathway free.
Yet woeful, woeful him, who hidden
Hath done the deed of murder base!
Upon his very soles we fasten,
The black of night's most dreadful race.

And hopes he to escape by fleeing,
On wings we're there, our nets ensnaring
Around his flying feet we throw,
That he to the ground brought low.
So tiring never, him we follow,
Repentance ne'er us can appease,
Him on and on unto the shadow
And give him even there no ease."

So singing are they roundly dancing,
And silence like the hush of dying
Lies o'er the whole house heavily,
As if had near'd the deity.
And solemnly, i'th' custom aged,
The theater thus strolling round,
With footsteps lingering and gauged
They vanish in the hinterground.

Helga Zepp-LaRouche: I'll just do the same thing in German.

der, streng und ernst, nach alter Sitte,
mit langsam abgemessnem Schritte
hervortritt aus dem Hintergrund,
umwandelnd des Theaters Rund.
So schreiten keine ird'schen Weiber,
die zeugete kein sterblich Haus!
Es steigt das Riesenmaß der Leiber
hoch über Menschliches hinaus.

Ein schwarzer Mantel schlägt die Lenden,
sie schwingen in entfleischten Händen,
der Fackel düsterrote Glut,
in ihren Wangen fließt kein Blut;
und wo die Haare lieblich flattern,
um Menschenstirnen freundlich wehn,
da sieht man Schlangen hier und Nattern
die giftgeschwollen Bäuche blähn.

Und schauerlich gedreht im Kreise
beginnen sie des Hymnus Weise,
der durch das Herz zerreißend dringt,
die Bande um den Frevler schlingt.
Besinnungsraubend, herzbetörend
schallt der Erinnyen Gesang,
er schallt, des Hörers Mark verzehrend,
und duldet nicht der Leier Klang:

"Wohl dem, der frei von Schuld und Fehle
bewahrt die kindlich reine Seele!
Ihm dürfen wir nicht rächend nahn,
er wandelt frei des Lebens Bahn.
Doch wehe, wehe, wer verstoßen
des Mordes schwere Tat vollbracht!

Wir heften uns an seine Sohlen,
das furchtbare Geschlecht der Nacht.

Und glaubt er fliehend zu entspringen,
geflügelt sind wir da, die Schlingen
ihm werfend um den flücht'gen Fuß,
daß er zu Boden fallen muß.

So jagen wir ihn ohn Ermatten,
versöhnen kann uns keine Reu,
ihn fort und fort bis zu den Schatten,
und geben ihn auch dort nicht frei."

So singend tanzen sie den Reigen,
und Stille wie des Todes Schweigen
liegt überm ganzen Hause schwer,
als ob die Gottheit nahe wär.
Und feierlich, nach alter Sitte,
umwandelnd des Theaters Rund,
mit langsam abgemeßnem Schritte
verschwinden sie im Hintergrund.

Now, here you have a treatment of the ugly from a Classical standpoint, because obviously, snakes and vipers, with poison-swollen stomachs instead of hair, is all so terrible, but it is not out of control. "With stern and grave i'th' custom agèd, with footsteps lingering in gait." This

is not out of control, but it is an ugliness, but in a controlled way. And then, quietness follows, "as if had near'd the deity." So the horrible is not an end in itself, to indulge and go into endless dreams or fantasy, but the horrible is only used as a means to portray the presence of the supernatural, the deity, because you need something to bring this there, to bring Nemesis. And the idea of Nemesis, by the way, was a recurring theme in all of Schiller's work, that you can violate the laws of nature, but you cannot do it for a very long time, without that Nemesis will strike back eventually.

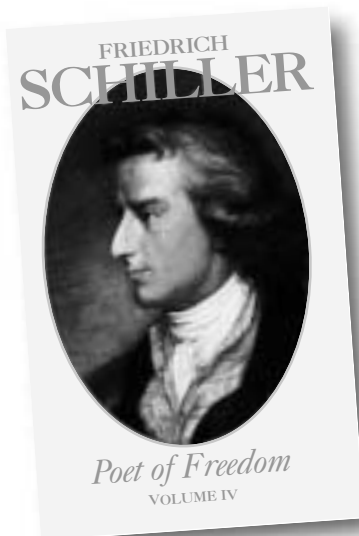
Now, Schiller said, in *The Fiancée of Messina*, another very beautiful play of his, true art is not a game. It has the very serious aim, to make man truly free and to awaken a power in him beyond the time he watches the play or listens to the poem or the music. It wants to enable him to rule over the material realm through ideas.

Beauty has a lasting effect in this way because it makes man more noble, even beyond the immediate performance. But, so does the ugly. The ugly has a lasting effect too. If you ever have watched something ugly, an ugly movie or something, it stays with you. You can't get it out of your system.

I want to end here and just say, let's make beauty our business. Because beauty *is* the necessary condition of man, and I think America should become beautiful.

"There is a limit to the tyrant's power."

—Friedrich Schiller,
Wilhelm Tell.



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THE DLC WANES

Sewers Are Often Suburban

by Lyndon H. LaRouche, Jr.

The following statement was issued by the LaRouche in 2004 Presidential campaign committee on July 29, 2003.

The right-wing Democratic Leadership Council (DLC) with its right-wing suburban twist, is to today's Republican far right what Henry "Scoop" Jackson's gang was to the frankly racist "Southern Strategy" of Richard Nixon. Currently that DLC is exerting a ruinous, if waning degree of control over the Democratic National Committee (DNC). Therefore, no one should be surprised that the current polls show little net difference between the candidacy of incumbent President George W. Bush and the pitiful pack of nine DNC-managed rivals for my own 2004 Democratic Presidential nomination. If the Democrats would dump the DLC and its Tweedledee copying of the right-wing rhetoric of Tweedledum Bush, Bush's re-election-campaign would already be trailing hopelessly far behind.

Those Democrats have yet to learn, that the only important appeal of the supposedly popular Brand X, is that it can be bought for a cheaper price. The reason the Democratic National Committee has been losing, is that it insists upon producing some sleazy Brand X variety of "greasy kid stuff." Get the greasy DLC out of sight and smell, and the Democratic Party, spruced up and freshly wrapped, could move way ahead.

Despite the current leadership of the DNC, Franklin Roosevelt's Democratic Party is not dead; it is only being muffled by the current party bureaucracy. Fortunately, there is a growing, lively ferment being stirred by some leading elected Democratic officials at the national and state levels. For example, the pressure from Congressmen and others for Vice-President Dick "yellowcake" Cheney's resignation, is doing the good work of putting the Bush White House over a barrel.

Part of that pressure is from some good Democrats, and also some good Republicans, who are already filling an important part of the moral and intellectual vacuum left by the present, almost vacant DNC leadership.

Therefore the first, simplest question to be asked by all serious political figures, Democrats or Republicans, today, is: Would Bush lose the 2004 election if he dumps Cheney now, or, is it inevitable that he will lose if he keeps Cheney? Is the defeat of Bush's reelection effort by a competent rival not already inevitable, either way?

Meanwhile, the increasingly apparent, Vietnam-like folly of Cheney's and Rumsfeld's Iraq policy, combined with the onrushing breakdown-like collapse of the current, "floating-exchange-rate" world monetary-financial system and the matching tailspin-like dive of the U.S. dollar, are pushing the remembered recovery policies of FDR back onto the agenda. The only way the Democrats could lose the 2004 election, is to blow it, by foolishly following the silliness of a current DNC leadership which continues to be fiddle-footed on the present life-and-death issues of war and economy.

The question should not be: who is going to win the next election? The issue is: if the combination of Bush and one of the DNC-approved Democratic contenders win the Presidential nominations, will the nation survive the result? The question is: where is the candidate who could lead our nation out of the disaster which either the election of President Bush, or of any among my nine current rivals, would guarantee?

Where President Bush is concerned, there is only one deliverable offer which the Democrats could make to him. Show him the way in which he can prepare to have a safe exit from office, come January 2005. Tell him and his family circle: "Get rid of that pesky pack of Gingrich-like neo-conservatives, and let the wiser heads of the institutions of the



While the DLC huddled defensively in Philadelphia July 26-27, explaining its recent isolation among Democrats, Lyndon LaRouche's campaign youth movement was mobilized—outside the meeting, nailing the DLC for protecting Dick Cheney from ouster; and at a July 26 California cadre school held by young LaRouche activists.

Presidency guide you through safe passage to an honorable exit. Mr. President, you really have no other option; what we are offering is the best deal that anyone could actually deliver to you." I, for my part, would sign on to the proffer of that guarantee, if he would adopt it before he commits some horrible new blunder which would force the offer to be withdrawn.

That said, what is the most crucial challenge which the next President of the United States must overcome?

The Roosevelt Syndrome

Today, any serious discussion of electoral strategies begins with a reference to the nearly comparable situation which faced Franklin Roosevelt, from the time of his 1932 election-campaign, until his death. No Presidential candidate should be seriously considered for the nomination, unless and until he or she recognizes certain crucial similarities between the situation which Roosevelt faced then, and what you would have heard already from any competent choice of candidate for the Democratic nomination at this time.

The principal active threat to the security of our republic, now, as during the quarter century following the post-World War I Versailles Treaty, is an organization which was known to the world's leading intelligence services as the Synarchists. This organization was classed in the files of various among the world's intelligence services, including those of the United States as "Synarchism: Nazi/Communist." This Synarchist association, steered by a consortium of private family banking interests, was the creator and controller of a network of fascist governments including Mussolini's Italy, Hitler's Germany, Franco's Spain, and the Vichy and Laval governments of war-time France, and, also, a network of Nazi Party-run Synarchists, coordinated through Spain, and subversive movements run from Mexico on south, throughout South America. This same Synarchist network is the agency behind those so-called neo-conservatives, grouped around Cheney and Rumsfeld,

which has used the clearly intended effect of Sept. 11, 2001, to virtually take over the U.S. government's domestic and foreign policies. This Synarchist faction is the present political enemy which every U.S. patriot must be prepared to defeat; any different view is not only a foolish one, but also a potentially fatal error, an error now already threatening our constitutional form of government.

When the 1940 Nazi defeat of the continental forces of France, Belgium, and Britain put western Europe under Hitler's domination, Britain's Winston Churchill and our Franklin Roosevelt faced the following, horrifying prospect. Were the British naval forces to fall into the hands of Hitler at that time, a combination of Nazi-led, Synarchist-created fascist regimes in Germany, Italy, Spain, France, and Japan, would proceed to gobble up the Soviet Union and then present the U.S.A. with a hopeless situation, a prospective strategic threat to it, from the combined naval and other forces of Britain, France, Germany, Italy, and Japan. On this account, President Roosevelt and Churchill reached agreement on a politically very difficult alliance between them, an alliance which, with all its enormous defects, saved the world from virtual Hell.

We are in an analogous situation today. The difference now, is that the presently grave military threat to the U.S.A. comes not from Europe, but from the risk that the nuclear arsenal of the U.S.A. might fall under the general control of the Synarchists' neo-conservative circles associated with Cheney and Rumsfeld.

There are certain added parallels of crucial strategic importance, including economic parallels, which must be taken into account as the basis for the Democratic Party's policies for the present pre-election campaigns.

What became known, after the Versailles Treaty, as the Synarchist International, was the kept property of a consortium of medieval-Venice-style private bankers, as typified by the Banque Worms complex which ran Vichy and Laval's



The LaRouche campaign as a whole was mobilized to take over the Party, in town meetings like this one in Los Angeles on July 19, held around the mass-leafletting drive to force Cheney's resignation.

France in partnership with the Nazi circles of Hermann Goering et al. The political forces controlled by these bankers were held together by a strange, occult variety of freemasonic sect, known as the Martinists. This sect, whose political forces had later become known as the Synarchists, had been in existence since it was formed within the dictatorship of the world's first fascist regime, that of the Emperor Napoleon Bonaparte. Following Napoleon's defeat, the notion of creating a new Europe-wide Empire based on the Napoleon model, was a design elaborated by the principal writings of such devotees of the Napoleon image as G.W.F. Hegel, as also beast-man Friedrich Nietzsche.

This occult conspiratorial sect was steered by consortia of such private bankers throughout the history of Europe, from Napoleon's time on. It assumed its present modes of operation in the setting of the Versailles Treaty, after which it surfaced under the rubric of Fascism in financier Volpe di Misurata's Italy, as the Mussolini dictatorship. All of the fascist movements of Europe and the Americas during the following period were products of a single Synarchist network which came to be dominated, for a time, by the Nazi regime of Nietzschean beast-man Hitler.

The key to Synarchist plots, then and now, has always been economic.

From the beginning, as John Maynard Keynes' treatise on Versailles warned more or less correctly, the international monetary-financial system hammered out at Versailles was doomed from the start. The system was based on Germany's obligation to pay an unpayable mass of imposed war-debts, chiefly to a France and Britain which carried an enormous burden of war-related debt to New York bankers. The built-in, foreseen doom of that Versailles monetary-financier system,

was the motive-force behind the spread of fascist coups throughout much of Europe, just as the presently onrushing, inevitable breakdown-collapse of the post-1971-72 IMF "floating-exchange-rate" monetary-financial system, is the driving force behind the warfare and dictatorship policies of those Synarchists, calling themselves "neo-conservatives," grouped around Cheney and Rumsfeld.

Germany failed to adopt its needed economic reform in the available time, a failure which produced the Hitler dictatorship. Roosevelt introduced the relevant reform in time in the United States, a reform which ultimately saved the world as a whole from an excursion through Nazi Hell. That is the most crucial of the lessons from history which the Democratic Party must learn today. Time is running out; at some early point, waiting to expel Cheney from office a day too long might prove to be as fatal to the

U.S.A. as the choice of Hitler was for Germany.

Unfortunately, the Democratic Party's leadership has abandoned its Franklin Roosevelt legacy. That is the sickness I intend that the party must now correct, a correction which must be made now, if the nation is to be saved from the present threat.

Economics & Morals

The intermeshed 1928-1933 economic and political developments in Europe and the Americas were a reflection of an oncoming general breakdown crisis of that world monetary-financial system established under the Versailles Treaty, just as the present world strategic crises are usually a reflection of the onrushing systemic breakdown-collapse of the IMF's post-1971, "floating-exchange-rate" world monetary-financial system.

Provided governments can put people back to useful work at levels sufficient to balance the current physical costs and expenses of an economy, government could overcome any general financial collapse, in approximately the manner President Franklin Roosevelt did. In the case of the U.S.A., our republic has a special kind of capability for dealing with such a crisis, a capability embedded in the supreme law of our republic, the Preamble of our Federal Constitution. Our law mandates our government to respond to any crisis by acting to defend our sovereignty, the general welfare of our people, and our posterity, from any threat. This feature of our Constitution was that mustered by the Franklin Roosevelt administration to pull the U.S.A. up and out of the Great Depression, to emerge from ruin and war as the world's most productive and richest nation.

At this moment, as I write, the new financial collapse is

pounding at the doors of the monstrous mortgage-backed-securities bubble which Alan Greenspan has built up around Fannie Mae and Freddie Mac. That rumbling sound is just one warning that it is now time to react with a Roosevelt-like reflex, once again.

Some people did not agree with Roosevelt then, and some will disagree with me now. The kind of bankers behind the Synarchists demand that, in time of general financial crisis, government must be prevented from applying the principles of our Constitution's Preamble, from applying what the Franklin Roosevelt era identified repeatedly as "the general welfare principle." Already, since the Richard Nixon administration, where Rumsfeld and Cheney were introduced to power, the long-term trend in U.S. policy-shaping by the varieties of financier interests represented by my fanatical personal political enemies at the *Wall Street Journal*, has been to uproot and destroy, one after the other, every feature of the system of constitutional "general welfare" protection built into the reforms which rescued the U.S.A. and its people from the follies of Coolidge and Hoover.

Since the 1789 French Revolution, each time the possibility arises, that governments are faced by an onrushing threat of systemic collapse of the current money-economy, certain

private, Venetian-style banking circles reach for the political weapon known today as Synarchism. The argument is, that those bankers' financial claims will be paid profitably, no matter how many people must die to guarantee payments to entities such as Bechtel or Halliburton now, or the Nazis' Banque Worms complex earlier. So, the so-called "suburban" ideologues of the Democratic Party machine are acting, even despite today's galloping financial crises. In the name of "the middle," they are acting to prevent the nomination of any Presidential candidate who is disposed to act as Franklin Roosevelt did.

However, unless the U.S. voters choose a candidate who is committed to the same sense of history as Franklin Roosevelt, our nation, and those voters generally, will have no chance worth mentioning, even for the personal lives of most, during the years immediately ahead. Right now, I am the only qualified such candidate in sight. To save this nation from who-knows-what coming down in the months and more ahead, we require, again, a President who will face both economic depression and the warlike threats of the Synarchists, as the lesson of Franklin Roosevelt's Presidency warns us a nation must sometimes be led. The next President must look Hell in the eye, and make it back down.

'You Should Be Democrats!'

The 2003 "Annual Conversation" of the Democratic Leadership Council (DLC) in Philadelphia was a flop. While it claims to have the "only formula" for winning the White House in 2004, the candidate who represents the DLC, Sen. Joe Lieberman, is steadily losing ground. The July 28 televised sessions showed speeches being delivered to a half-empty room. And the *Washington Post* revealed that the DLC now is "having to fight for its position and its policies inside the party," because of its slavish defense of Dick Cheney's Iraq War. Absent from the *Post*'s account: It is Lyndon LaRouche's exposé of the DLC as Cheney's "protection racket" that is sinking it.

The LaRouche Youth Movement reported: "On Sunday, July 27, the New Jersey and Philadelphia Chapters of the LaRouche Youth Movement (LYM) descended upon the Wyndham Franklin Plaza Hotel in downtown Philadelphia, as part of an international campaign to force the resignation or impeachment of America's number one chickenhawk, Vice President Dick Cheney. We, being the 'real' Democrats, in the tradition of Franklin Delano Roosevelt, wanted to induce the Mafia-influenced Democratic Leadership Council (DLC) to stop the protection racket that they have been running for Cheney.

"The signs, banners, chants, and songs with which we greeted, challenged, and serenaded the DLCers elicited strong reactions. . . . Our signs polemically posed the question, 'What does D-L-C actually stand for? Is it Defenders of Lies of Cheney? Is it Democratic Lovers of Cheney? Is it Democratic Losers and Chumps for Cheney? Other signs declared, 'One Tricky Dick was Enough! Impeach Cheney Now!'

"We also came equipped with some classically inspired canons. One was to the tune of Haydn's 'To a Greedy Person,' entitled, 'You Should Be Democrats!'

You should be Democrats—
Fools, our Vice, our Dick, you know—
To go to Iraq,
He used Hussein, Saddam Hussein,
He lied, he lied, he lied
'Bout yellowcake, he tried,
While the DLC takes bribes
From Rich and Steinhardt's crimes.
Is Donna Brazile a guy? Resign!'

"From the outset, the angry DLC bureaucrats proved to be Cheney's protecters still, and called the police to surround the LYM organizers, hoping to contain their impact. But the lively organizers stole the show with real politics, humor and classical culture."

Rumsfeld Assassination Policy Violates U.S. Military, Legal Tradition

by Edward Spannaus

At the end of World War II, when the Allies were facing the question of how to deal with Nazi leaders, whose crimes were on a scale far beyond anything attributed to Saddam Hussein or other Iraqi leaders, the majority of the Allies came down foursquare against carrying out summary executions of war criminals after the war, and rather supported the creation of an international tribunal to try top Nazis. This was the consistent position of Franklin D. Roosevelt for the United States, as well as of France's Charles de Gaulle, and the Soviet Union's Josef Stalin.

The British, as represented by Winston Churchill and the Foreign Office, opposed trials and instead demanded summary executions. Some have suggested that the British were afraid to put leading Nazis on trial, for fear that evidence of British complicity in the establishment of the Nazi regime would come out. Stalin apparently hinted at this; after an October 1942 meeting in Moscow, Churchill informed Roosevelt that "Uncle Joe" had expressed the view that, "There must be no executions without trial, otherwise the world would say that we were afraid to try them."

A proposal for summary executions was included in the U.S. Treasury Department's scheme, known as the Morgenthau Plan, which is best known for its demand to return Germany to a medieval agricultural economy, with its industrial sector dismantled. That was, of course, rejected, in favor of the wiser approach, of winning the peace by rebuilding Germany through the Marshall Plan. The U.S. War Department (predecessor of today's Defense Department) was among the strongest opponents of the criminal Morgenthau Plan.

After Roosevelt's death, the final decision was to be made by the new President, Harry Truman. Truman had appointed U.S. Supreme Court Justice Robert H. Jackson as the U.S. representative and counsel for war crimes. Jackson told Truman that "undiscriminating executions or punishments without definite findings of guilt, fairly arrived at, would violate pledges repeatedly given, and would not set easily on the American conscience or be remembered by our children with pride."

Jackson argued that victory in war, did not give the victors the right to simply execute their enemies. Guilt must be proven in a fair trial, Jackson argued, observing that, "The President of the United States has no power to convict anyone.

He can only accuse."

In his profoundly memorable opening statement to the Nuremberg Tribunal, Jackson stated: "That four great nations, flushed with victory and stung with injury, stay the hand of vengeance and voluntarily submit their captive enemies to the judgment of law, is one of the most significant tributes that Power has ever paid to Reason."

As a party to the Charter of the Nuremberg Tribunal, the United States is still solemnly bound by its principles to this day.

With that backdrop, we review the contrary policies which the United States, under the direction of Defense Secretary Donald Rumsfeld and Vice President Dick Cheney, are carrying out in Iraq today.

'Hunter-Killer' Teams

In our Jan. 17 issue, *EIR* reported that Rumsfeld was attempting to take parts of the U.S. Special Operations Forces (SOF) and turn them into "hunter-killer" teams modelled on the Vietnam-era "Phoenix" assassination program. Various sources had reported intense opposition, within the uniformed military, to Rumsfeld's scheme; the Joint Chiefs of Staff did not want to see their special forces turned into assassination squads.

At the center of Rumsfeld's plans was the reactivation of the Army's Iran/Contra-era Intelligence Support Activity (ISA), now operating under the name of "Grey Fox." According to a number of recent reports, Grey Fox has been spearheading the search for Saddam Hussein and his family, under the broader umbrella of "Joint Special Operations Task Force 20," which also includes Navy Seals, the Army's Delta Force, and 106th Special Operations Aviation Regiment.

The first public implementation of the Rumsfeld policy was the killing of six men—one allegedly an al-Qaeda leader—in Yemen last November, when a U.S. rocket destroyed their automobile travelling in the desert.

Now, with the unnecessary killing—rather than capturing—of Saddam Hussein's two sons in Mosul, and the recent series of killings of Iraqi civilians, the indications are that Rumsfeld is well along the way in his effort to create Waffen SS-type killer squads in the U.S. military, in violation of traditional American military policy.

From all accounts of the Mosul raid, there was never any intention of capturing Saddam's sons alive—although this obviously would have constituted an intelligence bonanza for the United States.

But, as some commentators have pointed out, that may have been exactly why Rumsfeld and Co. didn't want them alive and talking. It seems that other top Iraqi officials and scientists, who surrendered or were taken alive, are not telling their interrogators what Rumsfeld and Cheney want to hear. Not to mention, that some Iraqi officials may still remember Rumsfeld's visits to Baghdad in 1983-84, when he embraced Saddam Hussein, and set up the channels through which the

United States armed Iraq during the 1980-88 Iran-Iraq War—including providing precursors for chemical and biological weapons.

It has been observed, that any police SWAT team in any major U.S. city probably could have captured Uday and Qusay Hussein alive. But, according to a high-level military intelligence source, the current rules of engagement, as set by the Pentagon, do not call for taking such “high-value” targets alive, and any change in policy would have to come from Rumsfeld directly.

In reviewing the reports of the Mosul action, Democratic Presidential pre-candidate Lyndon LaRouche stressed that this is not an action that would have been carried out by the professional military, but that they were dragged into this, by Rumsfeld and Cheney. LaRouche noted the insanity of carrying out an assassination policy, while the U.S. military is an occupying power already subject to a rising level of guerrilla attacks; LaRouche also noted the complications that such an insane policy creates, in terms of fashioning an “exit strategy” for the U.S. military.

Such Israeli-style “targetted assassinations” are also in direct violation of the official U.S. ban on executions of foreign leaders, which has been in effect since 1976. The Executive Order signed by President Gerald Ford, and reinforced by later Presidents, makes no distinction between peacetime and wartime; there is no loophole for the war on terrorism, as the Bush Administration suggests.

Pattern of Incidents

U.S. forces in Iraq have been engaged in an increasing number of killings of civilians, as the campaign against resistance fighters, and the hunt for Saddam, have intensified.

The *Washington Post* recently reported that more than 300 Iraqi “fighters” have been killed in hundreds of raids over the past six weeks, while more than 1,000 “suspected fighters” have been detained. (Those captured are “suspected fighters,” while those killed are simply “fighters.”)

The July 27 raid on a mansion in Baghdad’s wealthy Mousour district, carried out by elements of Task Force 20, resulted in the deaths of five civilians, shot in their cars near roadblocks. According to eyewitness accounts, some of those leading the raid were wearing civilian clothes. Otherwise, it is reported, Task Force 20 operatives try to blend in with supporting forces—which means that regular U.S. Army soldiers often get blamed for Task Force 20’s brutality and killings, and then become further targets for retaliatory guerrilla attacks.

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Cheney Chicanery

by Ray McGovern

Ray McGovern, a co-founder of Veteran Intelligence Professionals for Sanity (VIPS), chaired National Intelligence Estimates (NIEs) and prepared/briefed the President’s Daily Brief during his 27-year career at the Central Intelligence Agency. On July 14, VIPS sent a “Memorandum for the President” to President Bush, urging him to ask for Vice President Cheney’s immediate resignation (see EIR, July 25).

Asked by the press why VIPS is calling for Cheney’s resignation, he answered, “The evidence on Cheney is just simply more comprehensive than the evidence on all the rest of the folks. . . . All the evidence points to him as the prime mover behind this magnificent deception.” On Cheney being forced to resign, McGovern cited the case of Richard Nixon’s Vice President Spiro Agnew. Although Agnew was only guilty of petty graft—in contrast to Cheney’s offenses of using lies to take the nation into war—as Nixon himself came under increasing pressure, Agnew was jettisoned. “It is conceivable to me that Vice President Cheney could be jettisoned” in the same way.

This statement from VIPS, issued on July 27, reviewed Cheney’s July 24 speech at the American Enterprise Institute (AEI) in Washington.

When Vice President Dick Cheney comes out of seclusion to brand critics “irresponsible,” you know the Administration is in trouble.

Cheney was enlisted to do so in the Spring of 2002, amid reports that warning given to President Bush before 9/11 should have prompted preventive action. Cheney branded such commentary “irresponsible,” and critics in the press and elsewhere were duly intimidated. It will be interesting to see what happens this time.

Sifting through the congressional report on 9/11, I was reminded of the President’s Daily Brief item of August 6, 2001, titled “Bin Laden Determined to Strike in US.” Dana Priest of the *Washington Post* has learned that this PDB article stated that “bin Laden had wanted to conduct attacks in the United States for years and that [his] group apparently maintained a support base here.”

According to Priest, the PDB went on to cite “FBI judgments about patterns of activity consistent with preparations for hijackings or other types of attacks.” The President has cited executive privilege in refusing to declassify the PDB item.

‘Get Out of the Hole We’re In’

With the administration under fire once again, the vice president came off the bench with a major statement on July 24 in which he tried to hit two birds with one speech: 1) to distract attention from the highly embarrassing 9/11 report released that same day; and 2) arrest the plunge in Administration credibility caused by the absence of “weapons of mass destruction” in Iraq and the use of spurious reporting alleging that Iraq had been seeking uranium in Africa. In the words of one Cheney aide, “We had to get out of the hole we were in.”

But, alas, they have dug themselves in deeper by pushing disingenuousness to new heights—or depths. Cheney made the centerpiece of his speech a series of quotes from the key National Intelligence Estimate (NIE), “Iraq’s Continuing Programs for Weapons of Mass Destruction” published on Oct. 1, 2002. The NIE judgments he selected were adduced to prove that Iraq posed such an urgent threat to the US that it would have been “irresponsible” to shy away from making war.

Inconveniently, experience on the ground in Iraq for more than four months now has cast great doubt on the validity of those judgments. Worse still, as Cheney knows better than anyone, it was largely the unrelenting pressure he put on intelligence analysts—for example, by his unprecedented “multiple visits” to CIA headquarters—that rendered those judgments so dubious.

Giving new meaning to chutzpah, Cheney quoted four statements from the NIE:

- “Baghdad has chemical and biological weapons—if left unchecked, it probably will have a nuclear weapon during this decade.” Where are the chemical and biological weapons?

- “All key aspects—the R&D, production, and weaponization—of Iraq’s offensive (biological weapons) program are active, and most elements are larger and more advanced than they were before the Gulf War.” Where are they?

- “Since inspections ended in 1998, Iraq has maintained its chemical weapons effort, energized its missile program, and invested more heavily in biological weapons; in the view of most agencies, Baghdad is reconstituting its nuclear weapons program.” Where is the evidence of this in Iraq?

- The Intelligence Community has “high confidence” in the conclusion that “Iraq is continuing, and in some areas expanding, its chemical, biological, nuclear and missile programs contrary to UN Resolutions.”

The last four months have shown that such judgments—though stated to be marked by “high confidence”—were far off the mark. I know from my own experience that this is frequently the case when analysts are put under pressure from policymakers who have already publicly asserted, *a priori*, the “correct” answers to key questions.

Intelligence Experts Debunked Cheney

Cheney did so in the administration’s rollout of its market-ing strategy for war, when he charged in a major address on



Ray McGovern (center) at a July 15 press briefing with Rep. Dennis Kucinich (D-Ohio, right) and Australian intelligence veteran Andrew Wilkie, at which McGovern called for Vice President Cheney’s resignation, on behalf of other veterans of the CIA and other agencies.

Aug. 26, 2002, “Saddam has resumed his efforts to acquire nuclear weapons.” The intelligence community spent the subsequent weeks in a desperate search for evidence to prove Cheney right. If he is looking for something to label “irresponsible in the extreme,” the extreme pressure he put on intelligence analysts last September certainly qualifies.

Cheney did not mention in his speech that analysts in the State Department’s Bureau of Intelligence and Research (INR) insisted on recording in the NIE, their strong dissent on the key nuclear issue. All signs point to their having chosen the wiser approach. Their diplomatically stated—but nonetheless biting—dissent is worth a careful read: “The activities we have detected do not, however, add up to a compelling case that Iraq is currently pursuing ‘an integrated and comprehensive approach to acquire nuclear weapons.’ INR considers available evidence inadequate to support such a judgment. Lacking persuasive evidence that Baghdad has launched a coherent effort to reconstitute its nuclear weapons program, INR is unwilling to project a time line for completion of activities it does not now see happening.”

It was also INR analysts who branded the infamous Iraq-seeking-uranium-from-Niger story (widely recognized as bogus but included in the estimate anyway) “highly dubious.” One of the ironies here is that the intelligence analysts at State, a department steeped in politics, felt more secure in speaking truth to power than their counterparts in the CIA. In my day, CIA analysts were generally given the necessary insulation from pressure from policymakers—and career protection when it was necessary to face them down.

Here the buck stops with CIA Director George Tenet. And fresh light was thrown on his remarkable malleability when Newt Gingrich (also a frequent visitor to CIA over recent months) made this gratuitous comment to ABC on July 27: “Tenet is so grateful and loyal that he will do anything he can to help President Bush.”

A Tale of Two Meetings

by Dean Andromidas

While the media has broadly covered Israeli Prime Minister Ariel Sharon's July 29 meeting with President George Bush, which lasted only 30 minutes, another meeting took place one day later, of which nothing has been written or said—between Sharon and Vice President Dick Cheney. The two meetings reflect the very different Middle East policies that are cohabiting within Bush's Administration. The first is the President's "vision" embodied in the Road Map, backed by the "quartet" of Russia, the European Union, and the United Nations along with the United States. The second policy is perpetual war, including regime change in Iran, Syria, and Saudi Arabia. This is being promoted by Cheney, Secretary of Defense Donald Rumsfeld, and their allies.

Lyndon LaRouche commented on July 31 that Bush's gutlessness toward Sharon, reflected in their July 29 press conference, represents the greatest security threat to the United States at this time—especially since Cheney and his chicken-hawks have been hyping the threat of renewed Sept. 11-style terrorism. Cheney forecast the terrorist threat in his speech at the American Enterprise Institute on July 24, a speech designed to "change the subject" from the drumbeat to remove the Vice President from office because of his lies about Iraq.

LaRouche has warned that the Cheney cabal may be planning just such a terrorist incident in order to complete their own fascist takeover. LaRouche posed the following question to Cheney: "Are you going to organize a terrorist incident, of the type you've been discussing, just as your friends organized Sept. 11?" Ariel Sharon possesses the kind of covert capabilities, through operatives such as Rafi Eytan—reported to be in the United States under an assumed identity—which could supply "false-flag" terrorism that could be used to such an end, just as the Nazis exploited the Reichstag Fire.

Mild Rhetoric or a Bad Policy.

Bush made it clear at his meeting with Sharon that he is not prepared to confront the Israeli Prime Minister on any of the key issues facing the implementation of the Road Map, such as construction of the Israeli "Berlin Wall," being built in the West Bank; the Israeli settlements and illegal outposts; and the Israeli refusal to release Palestinian prisoners "with blood on their hands." Nonetheless all these issues were taken up by Secretary of State Colin Powell and National Security Advisor Condoleezza Rice in their own meetings with Sharon. They made clear they expected progress on these issues, including removal of outposts, a complete halt to expansion of settlements, release of Palestinian prisoners, and

easing brutal conditions Israel continues to impose on the occupied territories.

Lebanon's *Daily Star* likely reflected Middle East leaders' thinking: "When the American President urges the [Israeli] prime minister 'to carefully consider all the consequences of Israel's actions as we move forward on the road to peace,' he delivers a rather explicit policy statement, but does so by using rather mild rhetoric. The honest observer could take this in either of two ways: The substance of the policy overrides the style of the rhetoric, or the other way around. . . . We hope that Mr. Bush's easy-easy public posture reflects his firm belief that this is the best way to generate eventual Israeli compliance. If not, we face the ugly prospect of the U.S. backing off after meeting stiff resistance from Israel."

If the "mild rhetoric" becomes the substance of Bush's policy, then the Road Map will collapse. As of this writing, there has been no progress on any of these issues, which has led to a firestorm of criticism by Palestinian leaders. On July 29, speaking in Jordan, where he was meeting King Abdullah II, Palestinian Prime Minister Abu Mazen (Mahmoud Abbas) said, "The fence is racist. It represents a title for non-coexistence." Palestinian Information Minister Nabil Amr said that Sharon's performance at the White House was "entirely negative," reported the *Palestinian Chronicle* on July 29. Sharon "is not stopping the settlements and he is going on with the wall. . . . I think that President Bush made an effort about the wall but Israel did not pay respect to him." Hanan Ashrawi, the highly respected member of the Palestinian Legislative Council, who has paid many visits to Washington, warned that Bush must do more to save the Road Map. The White House should not "think lip service will help Abbas; it won't," Ashrawi said.

The continuing construction of the wall, in itself, would collapse the Road Map. Originally touted as a "security fence" along the 1967 border, it now, in effect, will ultimately surround the Palestinian population centers, carving out two small *bantustans*. The wall has already grabbed thousands more hectares of Palestinian lands, including agricultural lands now cut off from their owners. Those who approach the "military zone" defined by the wall will be killed, including children. In some areas, it is comprised of man-made mounds of earth 100 meters high, in fact worse than the Berlin Wall. In front of the wall is a ditch and barbed wire, and behind it, a road wide enough for tanks. The World Bank drafted a report indicating that in the first phase of the wall, 12,000 Palestinians in 13 villages will find themselves to the west of the wall and thus, de facto, within Israel's borders. Because it cuts off agricultural land from those who work it, it will threaten the livelihood of over 200,000 Palestinians, almost 15% of the West Bank population. Sharon is personally approving and supervising every meter of this wall.

The President's apparent equivocation might have to do with Sharon's political allies among the U.S. neo-conservatives and Christian Zionists, who form an important base of

electoral support for Bush, and have been mobilizing against the Road Map. While Sharon was in Washington, Tom DeLay, U.S. House majority leader and top right-wing Christian Zionist, was in Israel speaking in the Knesset (parliament) in full support of all of Israel's positions. DeLay's trip was preceded by that of Gary Bauer, one of the most outspoken Christian Zionist political activists in the United States. Bauer, who has been one of the top opponents of the Road Map, was in Israel the week of July 11, where he announced that he would muster the electoral strength of the Christian right to undermine Bush's support for the Road Map.

The Other Meeting

Sharon's meeting with his other partner, Dick Cheney, whose proceedings remain secret, came at a time when the entire chicken-hawk cabal has been under tremendous pressure as a result of Presidential pre-candidate Lyndon LaRouche's campaign to get Cheney impeached. LaRouche warned on July 18 that Cheney could start a new war by having Sharon launch a pre-emptive strike on Iran's nuclear complex ("Will Sharon Be Cheney's Hand Grenade?" *EIR*, July 25). There are clear indications that the Sharon-Cheney meeting centered on laying the groundwork for a strike against Iran, utilizing the same secret cooperation that took place during the build-up for the war against Iraq. Over the past weeks, Cheney's crew has demanded regime change in Iran and Syria.

This was hinted in a story in the Israeli daily *Ha'aretz* on July 30. Citing sources claiming to have been close to the talks between Sharon and President Bush, *Ha'aretz* said Sharon presented Bush with aerial photographs and other alleged evidence of Iranian efforts to attain enriched uranium for use in weapons development. Sharon also presented evidence claiming that Iran was supporting militant groups, including Hamas and Hizbollah, and that Iran was trying to undermine the cease-fire. He even alleged that Iran was offering \$50,000 to would-be suicide bombers.

There can be little doubt that Sharon's "report" would have been presented in far greater detail in his meeting with Cheney, where it is sure to be cooked up for the ongoing mobilization against Iran. In the above-cited article, *EIR* documented that Sharon had established, many months ago, his own channel into Defense Secretary Rumsfeld's Office of Special Plans, which cooked up "intelligence" on alleged weapons of mass destruction in Iraq, in direct cooperation with Cheney's office. It appears that this cooperation is now being extended to the operations against Iran and Syria.

Even in his press conference with Bush, Sharon attacked Iran and Syria saying, "It must be made clear to these countries that their evil deeds cannot continue." National Security Council spokesman Sean McCormack echoed, "Both Iran and Syria need to make a fundamental choice about the war on terrorism and to stop harboring and supporting terrorists and terrorist networks."

LaRouche Responds To 'Pure Politics' Questions

Presidential candidate Lyndon LaRouche replied on July 27 to the following set of questions submitted by Paige Rohe for PurePolitics.com. The interview has also been posted on the website.

Q: In light of your decades-long struggle against charges of conspiracy by the U.S. government, how do you think this would affect your relationship with the CIA, FBI, and Department of State were you to be elected President?

LaRouche: Already, today, after more than two years of poor George, and with the ongoing U.S. catastrophe in the hot sands of Iraq, many professionals would be delighted with the change. Others, according to custom, would adjust. A few skunks would discreetly seek employment away from the henhouse. Such is the relevant best available of all possible worlds.

All the documented 1973-1989 conspiracies against me, including discovered assassination-plots, came from within, most notably, the U.S. or Soviet governments, were done either under a government which no longer exists, or by powerful financier interests whose power would be much diminished by the mere fact of my election. Most in government have the habit of "going along to get along" with the presently established arrangements of that occasion.

Q: In order to help save what you refer to as a doomed world and national economy, Mr. LaRouche, you recommend removing the international "free trade" hegemony and replacing it with "the promotion of protected hard-commodity international trade, as part of the promotion of a global, long-term economic-recovery effort." [Paige references LaRouche's "Economics: At the End of a Delusion," which appears on the LaRouche in 2004 campaign website; it was also published in the Feb. 8, 2002 issue of *EIR*—ed.] Could you elaborate on how you will convince Congress and the American people that this plan is in their best interest?

LaRouche: In broad terms, I have several crucial advantages working for me. As FDR had the "advantage" of Hoover's bad performance, I will have, as negative advantages, the support of popular hatred against any prolongation of the presently accelerating effects of a systemic breakdown-crisis of the world's present, floating-exchange-rate monetary-financial system, and the related spectacle of Alan Greenspan fleeing the pages of history in his nightshirt. On the positive side, I would benefit from the combined factors of my published record of unequalled success of more than

thirty years as the world's leading long-range economic forecaster, and my position as the first President since Nixon's 1996-68 campaign as actually an advocate of the interests of "the forgotten man," the lower eighty percentile of family-income brackets.

The people will tend to support the President who supports the people; for most Americans today, such as those now watching their social security, power supplies, and health-care evaporate under both recent and current managements, that will be an unusual but gratifying experience.

Q: In addition to resolving the United States's economic problems, could you expound upon your views on your top three domestic issues you will believe are of primary importance to the American people (i.e., adequate health care, crime, the war on terror)?

LaRouche: The customary politics of "what are your issues?" frankly turns my stomach, especially when secondary-school teachers assign their cruelly misinformed charges the task of writing letters to candidates on "Where do you stand on the issues?" I do think, however, that that reflected state of our educational system is a significant issue. A competent occupant of the position of President of the U.S.A. proceeds according a mission-orientation for the performance of his office in his time, as General Douglas MacArthur won that Pacific War which was fought over the greatest area, with the lowest cost of life, by avoiding battles not worth fighting, all in the quickest possible time. MacArthur's whole life was summed up in that one consuming mission of 1941-45. So it goes, as for MacArthur's case, with those qualified U.S. Presidents, who have left their honorable mark on the continuing historical development of our institutions.

The all-subsuming issue is: I am the only visible contender who actually has competently defined, and documented a comprehensive mission for the Presidency, our economy, and our foreign relations, at this juncture of national and world history. The evidence indicates that the single most important issue of the present campaign is, that none of my putative rivals could define a coherent mission-orientation, even if they were willing to try, even if the neo-conservatives now dominating the Democratic National Committee gave them permission to speak. One of the more significant reasons they could not, is that they are so busy ducking, bobbing, and weaving demands for their stated "position on each of the list of issues," that they no longer seem actually to know who they themselves are. (I presume you know the fable of the toad and the centipede.)

Q: What would be your role as President in promoting national security, in light of the events of September 11th, 2001, and the establishment of the office of Homeland Security?

LaRouche: Sept. 11, 2001 was the U.S.A.'s approximation of the Reichstag Fire of February 1933, an incident which

was stage-managed by Goering on Hitler's behalf. This was precisely the type of likely risk against which I had warned publicly at the time of George W. Bush's January inauguration. This incident of Sept. 11th brought Vice-President Cheney and his neo-conservative rabble to their presently, widely exposed position of power inside the Bush Administration.

I am not a poor dumb bunny like our current George. Although I more than merely suspect that there are some who might wish to do something against my Presidency, as they did against his, I doubt that anyone capable of successfully orchestrating such a stunt would be reckless enough to take the risk of attempting that against my administration. Had adequate security of the type which had been supposed to be operational on Sept. 11, 2001, been properly functioning, three successive planes could not have done by surprise what was done that day. Maybe the first incident had been barely possible, but not three in an on-line-coordinated, controlled administrative pattern of the type recorded as the pattern on that day.

The cumbersome "Rube Goldberg" of Homeland Defense would have done no good that day, or perhaps any day. Traditional security and law-enforcement vigilance, properly implemented, would be our best possible defense. I do intend to strengthen the relevant intelligence functions, as I have discussed these matters with relevant types of senior professionals to whom I would, once again, turn for advice and related assistance. The lessons of "our Reichstag Fire" will prompt me to ensure that what should have been in place on the morning of Sept. 11th, or any comparable future day, will be in place, and functioning, and regularly reviewed for improvements.

Q: Under your administration what do you foresee the role of the United States will be in the decisions and actions of the United Nations?

LaRouche: The historic interest of our republic, from the beginning, was to prepare the way for a world composed of a community of principle among a system of perfectly sovereign nation-state republics. Broadly, in addition to its vital, primary, Security Council function of enforcing a military doctrine of strategic defense among nations, the UNO is presently the most convenient diplomatic forum within which to promote such a "community of principle," as Secretary of State John Quincy Adams defined that term in his letter advising President Monroe in the matter of the Monroe Doctrine.

Q: In an attempt to bring the readers of PurePolitics.com a more intimate view of the candidates for President, we are asking one question to all, irrelevant of their political campaigns. Mr. LaRouche, what is your favorite flavor of ice cream?

LaRouche: At the moment, lime. Since you brought that subject up, I can imagine the taste of it now!

House Votes Against FCC Ownership Rule

Opponents in the House, of the Federal Communications Commission's June 2 ruling loosening media ownership rules, have so far been successful in an end run around House Majority Leader Tom DeLay (R-Tex.) and Energy and Commerce Committee chairman Bill Tauzin (R-La.), both of whom support the new rule. An amendment added to the appropriations bill funding the Departments of Commerce, Justice, and State and the Judiciary, in the House Appropriations Committee survived, intact, two days of debate on the House floor, and the bill passed by a decisive 400-21 vote. The amendment, sponsored by David Obey (D-Wisc.), specifically prohibits the FCC from expending any funds to license any commercial television station if such license gives the owner access to more than an aggregate 35% of the national audience, as opposed to the 45% allowed by the June 2 ruling.

The House beat back an attempt to repeal the entire FCC package, however. Obey, otherwise expressing sympathy with the amendment's supporters, argued that any effort to repeal the whole package would be doomed to defeat. He warned that if the amendment were to pass, "we will not be able to get enough votes on this bill to demonstrate to the White House that they should not veto the bill because of this provision." He told the House that, even with the committee approach, "we are taking on the media giants . . . and when you do that, you had doggone well better win," and that the FCC's opponents would not win with the amendment.

On the Senate side, meanwhile, Byron Dorgan (D-N.D.) and Trent Lott (R-Miss.) announced on July 29 that they would be pressing ahead with their privileged resolution, which repeals the entire FCC ruling, and were

expecting to bring it to the Senate floor in early September. Dorgan said that if their resolution does not pass the House, or if it does and the President vetoes it, "at that point, there's another way to deal with this, and that's to deal with parts of it, and that's what the House of Representatives has done."

Thomas Apologizes for Calling Police on Dems

House Ways and Means Committee chairman Bill Thomas (R-Calif.), in what one reporter called "an extraordinary display," took to the floor of the House, on July 23, to offer his apology for calling the Capitol Police on the Democratic members of his committee during a markup session, on July 18. He told the House that "as a result of decisions made by members of the committee, and by me as chairman, there was a breakdown of order and decorum." He said he agreed with columnist Norm Ornstein, who wrote in *Roll Call* that Thomas' calling of the police was "just plain stupid." He told the House that he had learned a "painful lesson" and that because of his poor judgment, "the stewardship of my party as the majority party of this House has been unfairly criticized."

According to columnist Robert Novak, Thomas' apology came about because the House GOP leadership was worried that his conduct would wind up handing the Democrats a public relations victory. Novak wrote, however, that Thomas is part of a broader problem in the House, wherein long-time Republican members are "still resolved to repay indignities suffered as the minority party. The result is an arrogance that provokes disorder."

Democrats, while praising Thomas' contrition, are still far from satisfied. Rep. Charles Rangel (N.Y.), the

ranking Democrat on the Ways and Means Committee, told the House, immediately after Thomas' apology, the while the majority party has the responsibility to lead the House, and to pass their legislation, "the minority has the right to be respected, to be heard, and to know, in a timely fashion, when that legislation is coming up, to know what is in the bill, to have time, and to be able to use . . . the rules of civility that allowed this body to exist for over 200 years." It remains to be seen whether the Republicans will now try to run the House more fairly.

Head Start Bill Approved by House

On July 24, the House narrowly passed, by a 217-216 vote, a bill to "reform" the Federal Head Start program, including the addition of what Democrats charged was a block grant program. The bill had been scheduled to go to the House floor a week earlier, but the Republican leadership delayed it, apparently fearing that they did not have the votes to pass it. House Education and the Workforce Committee chairman John Boehner (R-Ohio) did say, during the debate, that the bill, "reflects a consensus agreement" among House members on what needs to be done to strengthen Head Start.

One provision of the bill would require all Head Start teachers to have associate degrees by 2005. The block grant provision would give eight states "the opportunity to coordinate Head Start with their own preschool programs," according to Boehner. The most contentious provision, after the block grants, would repeal existing law against hiring discrimination by faith-based organizations that participate in the program.

George Miller (Calif.), the ranking Democrat on the Education and the

Workforce Committee, charged that the bill will do exactly the opposite of what its proponents claim. "It decreases the standards and decreases the accountability, and it weakens our commitment to quality and it asks less of the states," he said. He warned that the states participating in the block grant program will not have to meet the present standards. "Nothing requires a showing that the system that will be created is better than the current Head Start system," he said. Miller offered a substitute amendment to do away with the block grant program, but it was defeated on a 200-299 vote.

Lyn Woolsey (D-Calif.) offered an amendment to strip out the provision on faith-based providers of Head Start programs. She charged that while present civil rights law already allows religious organizations to discriminate on the basis of faith when using their own money, the bill will allow them to discriminate using taxpayers' money. Boehner called Woolsey's amendment "a direct attack on faith-based service providers seeking to participate in the Head Start program." Robert Scott (D-Va.) responded that 8% of Head Start programs are already provided by faith-based organizations, and they provide those services "just as any other sponsor of a Federally-funded program." Woolsey's amendment was defeated by a vote of 199-231.

Veterans' Health-Care Budget Under Fire

The dispute that has been simmering over budget allocations for veterans' health-care continued on July 25, when the House passed, by a vote of 316-109, the Department of Veterans Affairs/Housing and Urban Development appropriations bill. The dispute has its origins in the Fiscal 2004 bud-

get resolution which called for \$15 billion in cuts to veterans' health-care programs over the next ten years. The appropriations bill, while providing \$1.8 billion more for veterans' health-care than last year's budget, was denounced from both sides of the aisle for not providing enough to meet needs.

The bill went to the floor under a rule that did not protect two amendments to add additional funding to the Veterans Administration (VA) medical system. One, by Rep. Chet Edwards (D-Tex.) would have provided an additional \$2.2 billion for the VA and the second, by Veterans Affairs Committee chairman Chris Smith (R-N.J.) would have provided a boost of \$1.8 billion. Both amendments were offered during the debate, and both were struck down on points of order, that they were in violation of the budget resolution. Smith was not present for the vote on the rule, which passed 229-196, though he did vote against passage of the bill, itself.

Louise Slaughter (D-N.Y.) noted that Edwards' amendment would have been paid for by a reduction in the GOP's tax cut for millionaires. "We should not accept the proposition that the government is able to pay for a \$350 billion tax cut for the wealthiest Americans but is unable to fund \$2 billion more for veterans health-care needs," she said.

Stevens Blasts House For Not Funding Firemen

On July 25, in one of its last acts before departing for the Summer recess, the House passed, by a vote of 352-60, a supplemental appropriations bill to provide \$983 million to the Federal Emergency Management Agency (FEMA), now part of the Homeland Security Department. The bill, how-

ever, fell short of what the White House asked for, what the Democrats felt should be in it, and what the Senate had already passed. In particular, the Senate version included additional money for fighting forest fires and for keeping the Americorps program funded until the end of the year. Senate Appropriations Committee chairman Ted Stevens (R-Ak.) warned before the House vote, "If they leave tonight without giving us the money we need to meet these disaster needs, then I think we're going to have a real, real terrible September."

House Democrats were no more friendly, though few were going to vote against the bill. James McGovern (Mass.) charged that the GOP had deliberately underfunded FEMA in order to meet the budget constraints. "They knew full well that they would have to come back for more FEMA funding," he said. David Obey (Wisc.) questioned whether the funding level in the bill would be sufficient to meet disaster relief needs for the remainder of the fiscal year, "unless we get by with virtually a storm-free Summer, and I would not expect that."

House Budget Committee chairman Jim Nussle (R-Id.), piggy-backing on the Democrats' charge of under-funding of FEMA, noted that the Bush Administration had requested that an extra \$1 billion back in February be added to the fiscal 2003 omnibus appropriations bill, but that that money ended up in other accounts. House Appropriations Committee chairman C.W. Bill Young (R-Fla.) replied that if his committee had been allowed to do its work last year, "we would not have had those kinds of problems, where we had to make adjustments in order to cover the balance of the 2003 issues"—referring to the fact that 11 of the 13 annual spending bills were not completed until early 2003, almost six months into the fiscal year.

Rumsfeld Threatens Defense Bill Veto

Secretary of Defense Donald Rumsfeld has sent a letter to House Armed Services Committee Chairman Duncan Hunter (R-Calif.) warning that if the Pentagon doesn't get exactly what it wants in the defense authorization bill, and if certain provisions currently in the bill aren't removed, he will recommend that President Bush veto it. Among the items that Rumsfeld doesn't want are changes to the round of base closures in 2005—which was approved a couple of years ago; the "Buy America" provision in the House bill; and the Senate proposal for concurrent receipt of military retirement pay and disability pay—it's apparently too expensive care for retired, disabled military veterans—along with other unrequested entitlements in both bills.

Two items that Rumsfeld wants included are the so-called National Security Personnel System, which dismantles the present Federal Civil Service system, and direct authority to assist other nations in training and equipment, authority which presently rests with the State Department. This authority, Rumsfeld says, "would allow the Department to be developing training relationships" in countries supporting U.S. military activity "related to the global war on terrorism."

Tom DeLay In Mideast To Stop Road Map

House Majority Leader Tom DeLay (R-Tex.) went to Israel, the Palestinian National Authority, and Jordan, in the last week of July, where he was to meet with Israeli Prime Minister Ariel Sharon, P.N.A. Prime Minister Abu Mazen, and Jordan's King Abdullah, to whom he intends to deliver a "dissenting message" against the Bush Administration's Road Map for Middle East peace. DeLay wants to "remind the Bush Administration to pay heed to its right flank," meaning the fundamentalist vote.

The July 24 *New York Times* quoted him saying, "I'm sure there are some in the Administration who are smarter than me, but I can't imagine in the very near future that a Palestinian state could ever happen. I can't imagine this President supporting a sovereign state of terrorists. You'd have to change almost an entire generation's culture."

DeLay is calling for the United States not to give any aid directly to Palestinian leaders and entities, and instead to take direct responsibility to carry out a "Marshall Plan" to rebuild the economy there. He said he intends to bring this up with leaders in the Mideast directly, and he has been trying to persuade the President of this. The *Times* noted that DeLay has in the past called the Administration's peace plan, "a Road Map to destruction." It further notes that, "As an evangelical Christian, he is the most prominent member in Washington of the Christian Zionist movement." DeLay is quoted on how, in his faith, which "came from that part of the world—fighting for right and wrong, and understanding good and evil, is pretty apparent and pretty straightforward."

In August, Rep. Steny Hoyer (D-Md.) will lead a delegation of 29 House members to Israel, where he hopes would carry a more optimistic view of the peace effort.

'D.C. General Substitute' Hospital To Be Shut

On July 18, Washington Health Department officials recommended the shut-down of Greater Southeast Community Hospital—the only one remaining in D.C.'s Southeast quadrant—for persistent violations of safety and health standards. The hospital went into bankruptcy on Nov. 20, 2002. Six preventable deaths have been reported at the hospital this year. The confidential recommendation was made by D.C. hospital inspectors, led by Theodore J. Gordon, the Health Department's senior regulator. Greater Southeast is owned by Doctors Community Healthcare (DCHC) of Arizona, a scavenger outfit that privatizes public and community hospitals for profit, which was exposed during the LaRouche movement-led citizens' fight to preserve D.C. General Hospital; that

DCGH was closed in July 2001. In March 2003, Gordon recommended "de-licensure."

Health Department Director James A. Buford and City Administrator John A. Koskinen are trying to keep the facility open. Koskinen is quoted in the July 25 *Washington Post*, "The department and regulators have an obligation to ensure quality care is provided and people aren't being put at risk, but it's in a context where the operation of Greater Southeast is important to a significant part of the city." The hospital is the principal intake center for D.C. Healthcare Alliance, the privatized program for the uninsured, and for Medicaid, jail, and thousands of other patients, which took over for D.C. General, the city's only public hospital—a top-ranking national facility in its own right, which had been established under George Washington.

If Buford relents, and acts on the closure recommendation, the hospital will have 30 days to appeal; it could be sold out of bankruptcy by auction. This situation typifies the urban hospital crises in Los Angeles, Detroit, and many other urban centers.

DOD Challenged on Health Care in Iraq

At the July 25 Pentagon press briefing, *EIR* challenged an Defense Department spokesman on the man appointed to be interim Health Minister of Iraq, James K. Haveman, Jr. Haveman, as director of Michigan's Department of Mental health, closed 10 of the state's 15 psychiatric hospitals, and all but one of its developmental disabilities centers, resulting in 50% of those incarcerated in the three Michigan county jails being diagnosed with mental illness. One state senator told the *Lansing State Journal*, "He single-handedly did more damage to the mental health system than I can imagine an army doing."

Haveman is now the U.S. senior advisor to the Iraqi Ministry of Health, working under "viceroy" Paul Bremer, perhaps giving the same kind of budget-cutting advice he gave to Michigan's Gov. John Engler. Dr. William Winkenwerder, the Assistant Secretary of Defense for Health Affairs, who

WASHINGTON, D.C. ranks lowest in lives saved in medical emergencies, found a survey of patients in cardiac arrest. The survey was published on July 28 by *USA Today*. Washington is near or at the bottom of 50 large cities, with only 4% of patients saved. The medical director for Washington's Fire and Emergency Medical System pointed to the severe shortage of medics, and less emergency-room space since the closing of D.C. General Hospital two years ago.

STRAUSSIAN Daniel Pipes' nomination to the U.S. Institute for Peace may be cancelled; it caused a firestorm among liberal and pro-Arab circles because of his ultra-right-wing, racist views on Muslims and Arabs. The Senate Health, Education, Labor and Pension Committee, at the initiative of Edward Kennedy (D-Mass.) and other committee Democrats and some Republicans, postponed discussion of the nomination indefinitely on July 27.

A TRANSPORTATION Department proposal would turn Amtrak rail system over to bankrupt states. Legislation proposed July 29 by Transportation Secretary Norman Mineta, would split Amtrak into operating and maintenance companies, both opened to competition from outside contractors. Under the plan, Federal subsidies to Amtrak, necessary to keep it operating, would be replaced by 50-50 matching grants to states, all of which are being forced to cut their expenditures. Some long-distance train routes would be scrapped, Administration officials acknowledge.

FANNIE MAE regulator nominee Mark Brickell, a former J.P. Morgan derivatives trader, was slammed by Sen. Paul Sarbanes (D-Md.) on July 22, as "the fox guarding the henhouse." The Senate Banking Committee's top Democrat charged that Brickell "led lobbying efforts to prevent regulation of derivatives," and noted, "Questionable accounting for derivatives is at the heart of the recent troubles at Freddie Mac."

gave the briefing on the Iraqi health-care system, was challenged by *EIR* on Haveman's qualifications. Winkenwerder claimed that Haveman, who is not a physician, is doing "an outstanding job," and that he has "quickly established credibility and strong ties with the medical leadership and has the full support of everybody involved."

Public health expert Dr. Frederick Burkle, Jr., MD, MPH, FAAP, FACEP, with great experience in complex humanitarian emergencies, was originally appointed to the Iraq post, but was fired 24 hours after telling doctors at Baghdad's largest hospital, "We are not here to direct, to dictate; we are here to facilitate." Winkenwerder could not clarify why Dr. Burkle was removed, claiming, "The job to be done . . . is not humanitarian assistance or crisis medical relief. It is rebuilding the health-care system, and obviously, Mr. Haveman brings the right set of skills to that task."

'Compromise' Continues California's Crisis

The state of California is far from out of the woods of its fiscal disaster, despite passage on July 30 of a long-delayed "compromise" budget which makes for large state layoffs and healthcare cuts, and requires the state borrow \$10-12 billion with its bond rating shattered.

After more than 24 hours of rancorous debate and two failed votes, the California Assembly passed the compromise budget crafted and passed by the Senate earlier. The only thing "compromised" was the protection of citizens' general welfare. Desperate for a budget, Democrats agreed to "no new taxes," a GOP demand, and otherwise conceded on spending cuts. Gov. Gray Davis (D) is expected to sign it as soon as it hits his desk.

While "erasing" the \$38 billion deficit for *this* fiscal year, the deal pushes an \$8 billion deficit into the *next* fiscal year, gouges health-care services, hikes higher education tuitions, imposes a nearly 10% cut in state employee salaries, will result in almost 15,000 job cuts, and slashes child-care programs through restricting eligibility and

reducing reimbursements—to name only the worst cuts.

One component to this new budget is nearly \$13 billion in authorized new borrowing. The state will issue \$10.7 billion in five-year deficit retirement bonds, which will put the state in hock for both the principal and also interest, which is now at higher rates, because the state bond ratings were downgraded to near-junk bond status earlier in July. Approval for pension obligation bonds and tobacco securitization bonds was also granted. All these bonds must be paid out of future state revenues.

Indebting the state in this way, while making drastic cuts in its real wealth-producing activity, ensures large future deficits, unless there is LaRouche-led economic recovery in the broken-down national economy.

Congress Still For Electricity Dereg

Despite the 2000-2002 disaster in California, and the failure or rejection of electric power and natural gas price regulation in many other states, Congress appeared ready, on July 30, to scrap the FDR-era legislation passed precisely to end similar thievery and scandals of the "Roaring Twenties." The House of Representatives voted to repeal the Public Utility Holding Company Act (PUHCA) in April as part of its energy package, and the Senate was poised to vote on repealing PUHCA in the last week of July. The July 30 *Washington Post*, described repeal as a "top priority of large U.S. investor-owned utilities and Bush Administration officials, who describe the law as the fossilized remains of a bygone era."

PUHCA was created under Franklin D. Roosevelt's Presidency to break up the Morgan-dominated electricity cartel, and its repeal is being pushed so that the cartel can be rebuilt. Electricity deregulation is what Lyndon LaRouche said it was from the beginning: a scheme to allow the financiers to draw off the electricity income stream, after these same financiers have bled dry whole nations' economies.

Graham's Historic Mission

H. Graham Lowry died on July 28, after a long illness. A longtime associate of Lyndon LaRouche, he was a member of the National Committee of the International Caucus of Labor Committees, and the author of How the Nation Was Won: America's Untold Story, Volume I, 1630-1754.

There are certain facts which must be noted, and said by me, at this time, so that we may seize the unique occasion of this moment, to mobilize our commitment to what we must do in honor of fallen soldier Graham Lowry's importance for our association. We have in our hands an uncompleted mission, a mission for the benefit of humanity which he set into motion with his unique approach, as a working professional historian, to original researches into the Leibniz roots of the American Revolution of 1776-1789. On that account, I must take this moment to do something for our true patriot and historian Graham which he can no longer do for himself.

Graham has combined a sensitive regard for truth, with the addition of an indispensable, creative, personalized treatment of subject, which marks the distinctively, irreplaceably personal mark left by the truly professional truth-seekers among historians. Such historians are the soul of the political intelligence profession, and the indispensable inspiration of the conscience of the true statesman. To serve those ends, the true historian's challenge is to bring past history to life, as it actually was, as such among the greatest Classical dramatists and historians such as Friedrich Schiller did. So, the true historian brings belated justice to the sufferings and achievements of the past. He, or she breathes fresh life into a moment taken from the simultaneity of eternity. As I know of his state of mind from my discussion of this work with Graham himself, his approach in writing his celebrated book, was just that, and this shows in the reading.

The pioneering quality of his work, parallels that begun at a time before Graham defined his project, by the crucial, pioneering, 1970s work of our deceased collabora-

tor Allen Salisbury, by the contributions of the late statesman, freedom fighter, and friend Fred Wills, and by the two projects launched in echo of Allen's work, the parallel undertakings by Graham and Anton Chaitkin. Yet, for more than a decade, the fundamental contributions to American historiography by Graham, and Allen earlier, lay fallow, unfinished, chiefly because of the takeover of the leadership of the organization in the Americas by a turncoat agent of our own association's and the U.S.A.'s avowed Synarchist enemy, Fernando Quijano. The moment for justice on that account has come.



H. Graham Lowry, 1943-2003

When that Quijano delivered his menacing, fraudulent version of world and American history, at a 1990s conference, Graham, seconded by Chaitkin, had the courage to rise to the occasion to denounce that viciously fraudulent sketch which had been just delivered from the podium. Virtual illiterate Quijano promptly showed his special hatred for Graham's work, just as Quijano had worked similarly in his attempt to discredit the 1970s work of Allen Salisbury. In an especially vicious reaction to Graham's intervention, the same Quijano and his corrupted accomplices, organized a

political-lynch-mob effort at a rump meeting called for this purpose, to expel Graham from the National Committee, and to cut Graham out of the organization as much as possible.

As soon as I had the power to do so, years later, I organized the restoration of Graham to his proper position of leadership. Graham then moved to resume his work, as much as his seriously impaired health allowed. Now, only some important fragments of this more recent work survive, but we, Nancy Spannaus and relevant others, shall do our utmost to bring the intended result to completion, for the honor of our association, and for the benefit of mankind.

Graham will have his place in immortality. Thank you, Graham, for being.

—Lyndon H. LaRouche, Jr.

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