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Deindustrialization in the 'Swing' States
Election Countdown: A Moment of Epic Decision
On the Subject of Intelligence Reorganization

**LaRouche: Putin Responds
To West's 'Storm over Asia'**



STORM OVER ASIA

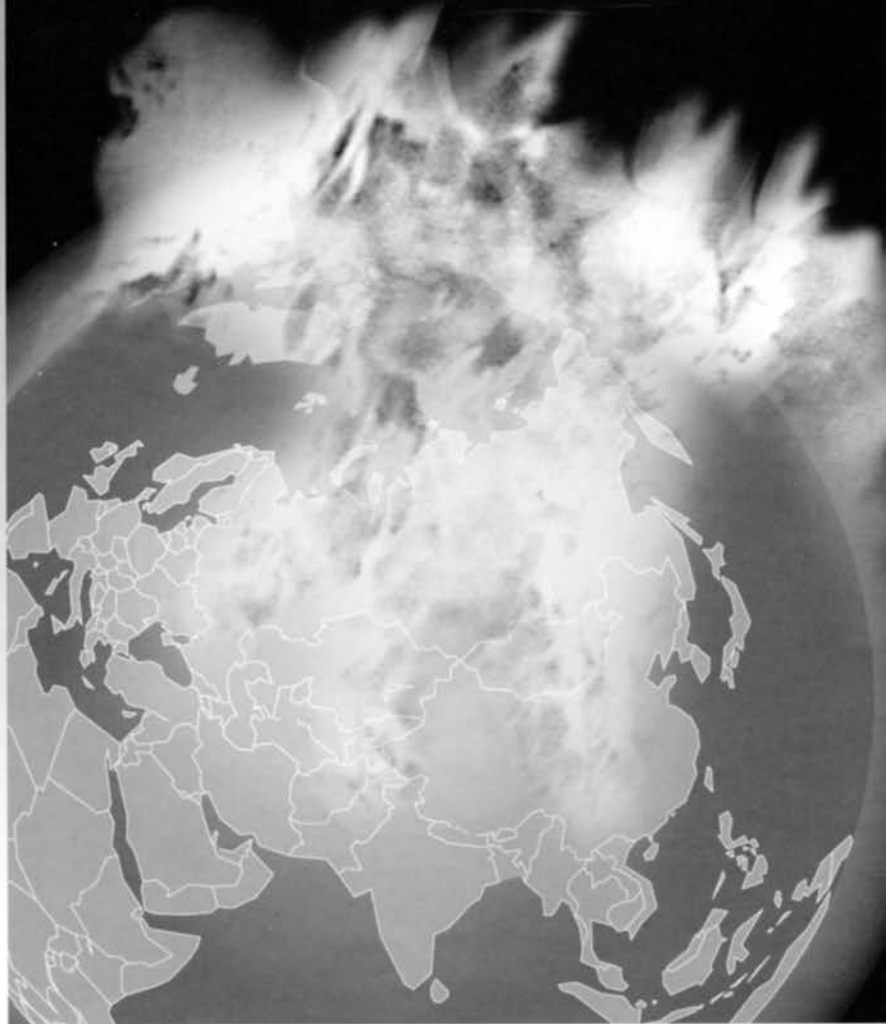
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e-mail: eirms@larouchepub.com*

European Headquarters: Executive Intelligence Review
Nachrichtenagentur GmbH, Postfach 2308,
D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,
Wiesbaden, Federal Republic of Germany
Tel: 49-611-73650.

Homepage: <http://www.eirma.com>
E-mail: eirma@eirma.com

Executive Directors: Anno Hellenbroich, Michael Liebig

In Montreal, Canada: 514-855-1699

In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE,
Tel. 35-43 60 40

In Mexico: EIR, Serapio Rendón No. 70 Int. 28, Col. San
Rafael, Del. Cuauhtémoc, México, DF 06470. Tels: 55-66-
0963, 55-46-2597, 55-46-0931, 55-46-0933 y 55-46-2400.

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From the Associate Editor

Lyndon LaRouche's article on the 9/11 Commission's fumbling recommendations, "How Can Intelligence Serve an Un-Intelligible President?" identifies two "elephants" standing in the room which are being ignored by those proposing to reorganize our national security institutions. First and foremost, is the fact that, as LaRouche states, "The world as a whole has already entered a period of fundamental phase-shift, a period of a fast-approaching great storm, which will soon, and suddenly, collapse the entirety of the world's present monetary-financial system."

This was the focus of the Schiller Institute's Labor Day conference, which convened under a polemical banner that read, "The Crash You Were Hoping for Is Here!" *Hoping for?* Why would anybody hope for a crash? LaRouche's keynote, which we publish in this issue, emphasized that the physical economy is already plunging almost to the point of no-return. A panel on "Animating Dead Economics," by EIR's Economics Staff, showed that the suffering which "globalization" has imposed on the Third World—in order to artificially prop up living standards in a United States which can no longer produce the means of its own subsistence—is now sweeping this country as well. Our *Economics* section documents the case for the formerly industrial Midwest and Mid-Atlantic states. Only once this point is driven home, will people be willing to change their axioms that have brought the economy crashing down around their heads. That is why we have been "hoping for" this crash to come.

The second "elephant" identified by LaRouche, ignored by the 9/11 Commission, is the fact that the 9/11 atrocity was *not* an attack on the United States by al-Qaeda. It was rather "a device for panicking the U.S. population and institutions into the kind of global, 'preventive nuclear warfare' which draft-dodger Dick Cheney and his chickenhawks have intended to conduct against the world since Cheney was the freakish, but officially frustrated Secretary of Defense under Bush 41."

That lesson has not been lost on Russian President Putin, as his chilling response to the school massacre in Beslan makes clear. Our *Strategic Studies* section situates this within the prophetic 1999 video made by LaRouche, "Storm Over Asia."

Susan Welsh

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Russian President Vladimir Putin, at the Kremlin on Sept. 6, honors the victims of the murderous assault in Beslan.



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Lyndon LaRouche’s keynote speech on Sept. 4. “What will happen 60 days from now, will determine the future of humanity. If the present Administration were re-elected, we will be plunging inevitably into wars, a continuation of what we see now in Asia.”

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By Lyndon H. LaRouche, Jr. "The real question to be faced is: How could any of the presently leading proposals for sudden revision in the organization of the security institutions of the U.S.A., protect our presently self-endangered republic from those forces of inevitable self-destruction which would be surely unleashed by the mere act of re-electing President George W. Bush, Jr.?"

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LaRouche Comments on Putin: The Issue Is World War III

by Lyndon H. LaRouche, Jr.

The following statement was uttered by LaRouche at a Labor Day conference on Sept. 6, and issued as a press release on Sept. 7 by LaRouche PAC.

On President Putin's statement, as reported in leading press in the United States, available today, such as the *New York Times*. The leading feature, the crucial feature of President Putin's statement, is featured internationally. This is the statement on Russia's reaction, to the attack in North Ossetia, by forces which are deployed from within the Caucasus, and with the tacit support and sympathy of not only certain governments which are closely tied to the U.S. government in the Caucasus at present, but with actually very obvious participation of covert elements, operating behind the scenes in these regions.

Now President Putin's statement, which is in the press, and which you can get copies of otherwise, is appropriate and ominous, in its characterization, that:

Russia has recognized it is under attack by terrorist methods, from sources outside Russia, which have a strategic interest in reducing Russia to impotence from its current status as a power. As some of this is reflected, in some of the European press, is, the argument is: Russia must pull its forces out of the Caucasus. That's the object.

We know there are people in the United States, including people who lap into the Democratic Party itself, through certain channels, who are behind this operation. This is an attack, a geopolitical attack, on a nuclear power, Russia; and, Putin, in plain language, without going further than need be said, is saying exactly that.

The commentaries which we have received on the Putin speech, in the meantime, as reported from Wiesbaden, for example, in interviews with key people in Europe, is a percep-

tion that the people doing this to Russia, are idiots. That, Russia has a history—not just Soviet Russia, but Russia, has a history which includes the history of Soviet Russia. This goes back to the Czars; it goes back to the 18th Century in particular, since Czar Peter, the Great; it goes through Alexander I, who, under Prussian influence, devised an effective strategy for destroying the invading army of Napoleon Bonaparte.

After that, in World War II, it goes to the response of Russia, strategy, which was an imitation, in a sense, of the policy of Alexander I under Prussian advice in the case of the war with Napoleon. Russian cities were to hold out. Stalingrad held out. Meanwhile, the Soviet forces were planning a strike from Asia, led by Zhukov, which hit the flank of the Nazi forces at Stalingrad, and then went on to the battle at Kursk, and a hard, rough, brutal battle, with great relative sacrifice of life and materiel, which ended up, in Berlin, and elsewhere.

This is characteristic Russian reaction. When an existential threat, to the existence of Russia is perceived, Russians, in whatever circumstance, *will unite*, in the great majority, and with great anger, and great force, against the known attacker.

The implication of the speech by Putin, is pointing directly the finger at President Bush and Cheney, and people around them. Putin is going to be cautious in that respect; but he is going to get the message across, in words which people should not misunderstand.¹ If we do not get rid of the Bush-Cheney

1. In the wake of Putin's statement, various news agencies have directly charged the West. For example, the Russian news agency KMNews.ru on Sept. 7 carried an unsigned commentary, laying the blame for the Beslan events at the doorstep of U.S. and British agencies. "Alas, it must be recognized that the co-authors of the current tragic events are to be found not in the Arab countries of the Middle East, but on the banks of the Thames and the Potomac." The popular Russian business news service RosBusinessConsult,

Administration, now, we are headed for a form of World War III, beyond the imagination of most.

In 1999 I produced a recorded tape, a videotape, called "Storm Over Asia." If you look at the events which have occurred, since the early Autumn of 1999, when that tape was produced, and trace the course of events up to this moment, the moment of the Putin speech, reported this weekend, then, you understand the nature of the present strategic situation. And you understand, that if we don't get rid of the Bush-Cheney Administration, this planet, as a whole, will go into, very rapidly, a succession of events which will culminate in the establishment of a planet-wide new dark age of all humanity.

This is not a debater's question. This is the question of the survival of humanity. And that is the question posed, in this U.S. Presidential election campaign. If Bush wins, kiss humanity good-bye, for some time to come.

Putin Addresses Russian Nation on the Crisis

Russian President Vladimir Putin flew into Beslan, North Ossetia in the early hours of Sept. 4. He held a meeting with security officials involved in the school hostage siege, then spent half an hour at one of the local hospitals, visiting wounded children and School No. 1 Principal Lidiya Tsaliyeva, who was seriously wounded but conscious.

Upon his return to the Kremlin, Putin addressed the nation later the same day with a statement excerpted below. It included a very sharp formulation about terrorism being run from the outside, by people who see Russia as a strategic adversary, highlighted in italic below.

It is difficult and bitter to speak. A terrible tragedy has taken place in our land. . . . We encountered not only murderers, but people who used their weapons against defenseless children. . . .

There are more than a few tragic pages and heavy events in the history of Russia. We are living in the conditions that came about after the collapse of an enormous, great state. A state that proved unviable in a rapidly changing world.

But, despite all the difficulties, we have managed to preserve the core of that giant, the Soviet Union. And we called this new country the Russian Federation. We all expected changes. Changes for the better.

But we turned out to be absolutely unprepared for much

also on Sept. 7, also fingered the "West" for the assault on Russia.

In addition, the Russian Foreign Ministry has asked for the extradition of top Chechen rebel leaders Akhmadov and Zakayev, who have asylum in Washington, D.C. and London, respectively.



Russian President Vladimir Putin on Sept. 7 in Moscow, lighting candles for the children, parents, and teachers slaughtered in Beslan.

of what changed in our lives. Why is that?

We are living in a transitional economy, which does not correspond to the condition and level of development of our society and political system.

We are living in conditions of internal conflicts and inter-ethnic frictions, which have become aggravated, having earlier been harshly suppressed by the state ideology.

We stopped paying adequate attention to defense and security, and allowed corruption to afflict the courts and law enforcement.

Moreover, our country, which had had the most powerful system of defense of its borders, in an instant became undefended from either West or East. It will take many years and billions of rubles to create new, modern, truly defended borders. But we could be more effective here, if we were to act in a timely and professional manner.

In general, it has to be admitted that we have failed to grasp the complexities and dangers of the processes taking place in our own country and in the world. In any event, we

The Caucasus Chessboard



were unable to react to them adequately. We showed weakness. And weak people get beaten up.

Some people would like to tear off a juicy morsel from us, others are helping them do it. Helping, on the assumption that Russia, as a major nuclear power, is still a threat to them. And therefore this threat should be removed.

Terrorism, of course, is only an instrument for achieving such goals.

As I have said many times, we have repeatedly encountered crises, rebellions and acts of terror. But what has happened now is an inhuman, unprecedentedly cruel crime of the terrorists. It is not a challenge to the President, the Parliament or the government. It is a challenge to all Russia. To our entire people.

It is an attack on our country.

The terrorists think they are stronger than we are. That they will be able to terrorize us with their cruelty, paralyze our will, and disintegrate our society. And, it would seem that we have a choice—to repulse them, or to come to terms with their claims. To give in, to allow Russia to be destroyed and dragged apart, in hopes that they will finally leave us in peace.

As President and head of the Russian state, as a person who has sworn to defend the country and its territorial integrity, and simply as a citizen of Russia, I am convinced that we really have simply no choice. Because if we allow ourselves to be blackmailed, and succumb to panic, we will plunge millions of people into an endless succession of bloody con-

flicts, like Karabakh and the Transdniester and other such tragedies. . . .

We are dealing not with individual acts of intimidation or discrete terrorist intrusions. We are dealing with a direct intervention of international terror against Russia. With a total, cruel, full-scale war, which again and again is taking the lives of our compatriots.

World experience shows, unfortunately, that such wars do not end fast. . . . We are obliged to create a rather more effective security system and to demand from our law enforcement agencies, actions adequate to the level and scale of the new threats that have emerged.

But the most important thing is the mobilization of the nation before this common danger. Events in other countries show that terrorists are most effectively repulsed, when they run up against not the power of the state, but organized civil society that has closed ranks.

Dear compatriots, those who sent the bandits to commit this terrible crime had the objective of setting our peoples one against another, terrorizing the citizens of Russia, and unleashing bloody strife in the North Caucasus.

I would like to say the following, in that connection.

First. In the immediate period ahead, a complex of measures will be prepared, for reinforcing the unity of the country.

Second. I believe that a new system of interaction must be established for the forces and resources involved in overseeing the situation in the North Caucasus.

Third. An effective anti-crisis management system needs to be created, including fundamentally new approaches to the work of law enforcement agencies. I especially stress that all of these measures will be completely constitutional.

Dear friends, together we are living through very difficult, sorrowful hours. . . . We were and shall always be stronger than them—with our morals, our courage, and our human solidarity. I saw this again last night. In Beslan, people literally soaked with grief and pain took even more care for and supported each other. And they were not afraid to risk themselves, for the life and peace of others. Even in the most inhuman conditions, they remained people. It is impossible to reconcile with the pain of these losses. But these trials have brought us closer together and made us re-evaluate many things. Today we must be together. That is the only way we shall defeat the enemy.

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Neo-Cons Knee Deep in Caucasus Provocations

by Jeffrey Steinberg

Russian Foreign Minister Sergei Lavrov on Sept. 8 delivered the most unambiguous attack on Western countries in recent memory, when he declared that they “bear direct responsibility for the tragedy of the Chechen people when they give political asylum to terrorists. When our Western partners say we should re-examine our policy, what you call tactics, I would advise them not to interfere in our Russian internal affairs.”

The immediate focus of Lavrov’s attacks on Russia’s “Western partners” was the actions of the United States and Great Britain, which have given political asylum to two Chechen separatist leaders, Ilyas Akhmadov and Akhmed Zakayev, who are now living, respectively, in Washington and London. Both men have been linked to Aslan Maskhadov and Shamil Basayev, who head two of the leading Chechen factions peddling independence from Russia.

But the fact that British and American authorities have chosen to give safe haven to people linked to the recent spate of terrorist attacks against Russia, is just the tip of a much uglier iceberg. *EIR* is in the process of assembling a dossier on the heavy involvement of U.S. and British neo-con “liberal imperialist” circles in the drive to oust Russia from the entire oil-rich Caucasus region.

Anglo-American schemes to drive the Russians out of the Caucasus have been building in intensity since 1999. But regional specialists point out that the overall targetting of the region was an integral part of the late-1970s “Bernard Lewis Plan,” which aimed to create an “arc of crisis” along the southern tier of the Soviet Union. The two foci of the destabilization scheme, which involved unleashing Islamist fundamentalist insurgencies, were Afghanistan and Chechnya.

Brzezinski, Haig, and Solarz

It should come as no surprise to regular readers of *EIR*, that one of the architects of the current Caucasus provocations is Jimmy Carter’s National Security Advisor Zbigniew Brzezinski, the man who first embraced British Arab Bureau spook Lewis’s geopolitical schemes to use Islamic radicalism against Soviet communism.

The Brzezinski-Bernard Lewis “arc of crisis” scheme was embraced by the incoming Reagan-Bush Administration in 1981, in part as the result of heavy lobbying of CIA director



Zbigniew Brzezinski, operating currently through the American Committee for Peace in Chechnya, is active in the destabilization of Russia—his lifelong career aim.

William Casey by the then-head of French intelligence, Alexandre de Maranches. The promotion of the Afghan mujahideen became a pet project of the neo-con gang that moved into the Reagan Pentagon and NSC, including such figures as Douglas Feith, Michael Ledeen, and Richard Perle.

In 1999, Freedom House, the neo-con “human rights” destabilization hub, founded by Leo Cherne, launched the American Committee for Peace in Chechnya (ACPC). The goal of the group was unabashed: to interfere into the internal affairs of Russia under the doublespeak slogan that the “Russo-Chechen war” must be settled “peacefully.”

A review of the group’s leading members reveals that this is anything but a bunch of peaceniks. The founding chairs of the group were Brzezinski, former Reagan Secretary of State Alexander “I’m in Charge Here” Haig, and former Congressman Stephen Solarz (D-N.Y.). Members include: Elliott Abrams, Kenneth Adelman, Richard Allen, Richard Burt, Eliot Cohen, Midge Decter, Thomas Donohue, Charles Fairbanks, Frank Gaffney, Irving Louis Horowitz, Bruce Jackson, Robert Kagan, Max Kampelman, William Kristol, Michael Ledeen, Seymour Martin Lipset, Robert McFarlane, Joshua Muravchik, Richard Perle, Richard Pipes, Norman Podhoretz, Arch Puddington, Gary Schmitt, Helmut Sonnenfeldt, Caspar Weinberger, and James Woolsey.

ACPC operates out of Freedom House and the Jamestown Foundation, a Cold War-era Washington think-tank which includes Brzezinski and Woolsey on its board, and which boasts a mission of conducting “democracy”-promoting operations inside “totalitarian” states. Jamestown publishes ACPC’s *Chechnya Weekly*, as well as propaganda briefs against China, North Korea, and other Eurasian countries deemed to be neo-con targets.

Target Chechnya

Indicative of the actual agenda of the ACPC was a Sept. 9, 2004 *New York Times* op-ed by board member Richard Pipes. He wrote, under the provocative title, “Give the Chechens a Land of Their Own,” that Russian President Vladimir Putin was dead wrong when he equated the terrorist attack in Beslan, North Ossetia with the 9/11 attacks on New York and Washington. Pipes threatened the Russian leader that Chechen terrorism would not stop until Russia granted the breakaway region its full independence. Citing France’s experiences in the 1950s with the Algerian independence movement, Pipes wrote: “The Russians ought to learn from the French. France, too, was once involved in a bloody colonial war in which thousands fell victim of terrorist violence. The Algerian war began in 1954 and dragged on without an end in sight, until Charles de Gaulle courageously solved the conflict by granting Algeria independence in 1962. This decision may have been even harder than the choice confronting President Putin, because Algeria was much larger and contributed more to the French economy than Chechnya does to Russia’s, and hundreds of thousands of French citizens lived there.”

Pipes threatened: “Until and unless Moscow follows the French example, the terrorist menace will not be alleviated. . . . Russia, the largest country on Earth, can surely afford to let go of a tiny colonial dependency, and ought to do so without delay.”

The ACPC’s *Chechnya Weekly*, on Sept. 8, further spilled oil on the Caucasus fires, by attacking Putin for failing to bring in the London-based “Chechen separatist diplomat Akhmad Zakayev” to negotiate with the hostage-takers.

Brits Recruit Caucasus Terrorists

What Russian officials also know is that, simultaneous to the launching of the ACPC, the British government was providing even more direct aid to the terrorist insurgents. As *EIR* documented in a Jan. 21, 2000 memorandum to then-U.S. Secretary of State Madeleine Albright, titled “Put Britain on the List of States Sponsoring Terrorism,” British authorities abetted recruitment inside England of jihadists, to be smuggled into Chechnya.

The *EIR* document stated, in part: “On Nov. 10, 1999, the Russian government had already filed a formal diplomatic demarche via the Russian Embassy in London, protesting the attacks on the Russian journalists, and also the admissions by Sheikh Omar Bakri Mohammed, the head of the ‘political wing’ of the bin Laden organization, Al Muhajiroon, that the group was recruiting Muslims in England to go to Chechnya to fight the Russian Army. Bakri’s organization operates freely from offices in the London suburb of Lee Valley, where they occupy two rooms at a local computer center, and maintain their own Internet company. Bakri has admitted that ‘retired’ British military officers are training new recruits in Lee Valley, before they are sent off to camps in Afghanistan or Pakistan, or are smuggled directly into Chechnya.”

LaRouche’s 1999 Video: ‘Storm Over Asia’

EIR released a feature-length video, “Storm Over Asia,” at a Washington press conference on Dec. 8, 1999. In the program, Lyndon LaRouche and associates gave a precise strategic evaluation of the Anglo-American financier oligarchy’s assault on, especially, Russia, China, and India. The following is excerpted from LaRouche’s script of his presentation.

The video begins with film footage of battles in Chechnya and on the India-Pakistan border.

1. War in Central Asia

What you’re seeing is a war in the North Caucasus region of southern Russia. What you’re also seeing, is a war which has broken out simultaneously in the border between Pakistan and India.

The forces behind these attacks on Russia and on India are the same. They are a mercenary force which was first set into motion by policies adopted at a Trilateral Commission meeting in Kyoto in 1975: policies originally of Brzezinski and his number-two man there, Samuel P. Huntington; the policies which were continued by then-Trilateral Commission member, that is, back in 1975: George Bush, before he became Vice President.

These were policies which were continued by George Bush as Vice President. Under Bush, this became known as the “Iran-Contra” drug-financed operations of mercenaries deployed with private funding all over the world: recruited from Islamic and other countries, and targeting Russia’s flank.

This mercenary force, created then, still exists. The primary responsibility for creating the force, was the government of the United Kingdom—most notably, most emphatically, the government of Margaret Thatcher, a policy which has been accelerated and continued in full madness by the present Prime Minister, Tony Blair of the United Kingdom.

This war, if continued, using mercenaries, can lead to nuclear general war. The major powers principally threatened today by this mercenary operation, are two of the world’s largest nations: China and India; China on its western borders, India on its northern borders.

Iran is also threatened; but, more notably, Russia. If these nations are pushed to the wall by a continuing escalation of a war which is modelled on the wars which the British ran against Russia, China, and so forth, during the Nineteenth Century and early Twentieth Century, this will lead to the point that Russia has to make the decision to accept the disin-

tegration of Russia as a nation, or to resort to the means it has, to exact terrible penalties on those who are attacking it, going closer and closer to the source, the forces behind the mercenaries—which includes, of course, Turkey, which is a prime NATO asset being used as a cover for much of this mercenary operation in the North Caucasus and in Central Asia.

This is our danger. The weapons the Russians have, are no longer the large armies, the capabilities we thought of under the old Ogarkov Plan of the 1980s. Those vast armies are dissipated, weakened. Russia is ruined almost, by a vast economic destruction, caused by IMF policies, and related policies. But Russia still has an arsenal, an arsenal of advanced weapons, and laboratories which can match the weaponry—most advanced weaponry—being developed in the United States, Israel, Britain, and elsewhere.

If Russia is pushed to the wall . . . the likely thing is, it will fight back. It will use the weapons it has. It does not have the weapons to win a war, but it has the weapons sufficient to impose a powerful, deadly deterrent on the nations behind the mercenary forces which are presently attacking it. There lies the danger.

Unfortunately, most people in the United States are living under the delusion, that with the collapse of the Soviet Union, the combined military power of the United States and its British Commonwealth allies—including Australia, New Zealand, and so forth, countries that are really under the British Queen personally, as the United Kingdom is—believe that these forces, Anglo-American forces, are so powerful, that they can ignore the United Nations Security Council, and conduct wars on their own, with impunity.

Most Americans tend to believe that, and believe they don't have to worry about foreign wars. They don't have to worry about terrible things happening in Africa or South America, or Eurasia generally. "It won't come here," just as many Americans said before Pearl Harbor about the war then ongoing in Europe.

In reality, it *can* come here. I'm not predicting that it *will*; I'm saying the likelihood—the danger—exists. And as long as the present policies of our government continue, especially the policies of the right-wing Stone Age faction inside the Congress, the right-wing policies of Vice President Al Gore and of Madeleine Albright, a Brzezinski associate—as long as these policies on the United States' part continue, the danger of war is growing.

It's not immediate, not tomorrow, and not the day after tomorrow. But wars come on like that: you get to a point of no return, there's still no war. Then, somewhere down the line, maybe a couple of years later, the war actually breaks out.

And war is breaking out all over the world war now; not only in the Balkans, as we saw recently, not only in an insane bombing attack on Saddam, for no reason whatsoever—the continued war against Iraq. Now the crazy intervention in Timor, which can lead to chaos in that region of the world.

War is breaking out in small wars, all over the world.

If that process continues under present conditions, we are headed in the direction of something terrible—possibly even a nuclear war. Americans have to wake up and realize that problem.

Think back to New York in the old days. We once had a man who sold merchandise cheaply with radio ads. He called himself "Crazy Eddie." And he used to say "my policies are insane." Crazy Eddie's policies and way of thinking, apparently has been picked up by Al Gore, and some people in the Defense Department and elsewhere in the United States. We've got to get the "Crazy Eddie policies" out of the United States government.

As I shall indicate, these—the problems we face are deadly ones, but they're problems which can be solved. . . .

[Omitted here are sections 2) War and Economic Crisis; 3) How I Addressed This Danger of War; 4) A Community of Principle as Policy. We resume with an excerpt from section 5—ed.]

5. The War-Danger Today

Now, Russia, as you shall hear in a moment, has been deliberately, willfully ruined and looted. It is not Russian gangsters coming out of Moscow who have put their money in banks in New York, and elsewhere; it is American gangsters put into power by the British, and by George Bush, back in 1991, when he appointed Bob Strauss as U.S. Ambassador to Moscow, who have hired Russians, retained Russians, *to loot Russia*. And they take part of the proceeds, which they pocket as commission for stealing from Russia and other countries, they deposit it in various banks, like the British monarchy's Antigua bank.

Antigua is totally under the British Crown, the British monarchy. And more people speak Russian in the business there, than any other language. Why do they speak Russian? Because they're Russian gangsters who keep their money there, and deploy their money through there. So, the gangsters which we hear about in the United States, the Russian gangsters, are British and American-controlled gangsters. They are thieves for the U.S. mafia.

So, these forces have looted Russia. And these are the forces these guys want to play with.

So that we've come to the point, that the Russian system is collapsing. The Russian people have a choice of taking back their country, getting rid of that—this gangster process, constituting government again, to meet the demands of the general welfare of Russia and its posterity; of cooperating with nations such as China, India, and other countries, Iran and other countries; Western Europe and other countries: to promote the general welfare and the sovereignty of nation-states.

And that, *that*, the authors of Globalization, which is a codeword for oligarchy, don't like. . . .

The Last Warning

Russian analyst Roman Bessonov looks at Russian society and the challenges to its leadership, in the wake of the Beslan school massacre.

A crowd of people at a blood donation station; not a soul in line at the airport's booking office; an old war movie on TV, for the first time in three years; a shrill voice on the radio, warning that the Civil Defense Service is testing the emergency warning system; the following measured strikes of the metronome. "This is war," said the head of state.

A death toll of 326 persons, including 157 children (according to the preliminary casualty figures), on top of the 90 victims of two airplane bombings a week earlier and nine dead on the street outside a Moscow subway station, is enough to knock entertainment programs off the air, and to make use of the silence for thinking. The past half year, not only this latest tragedy at School No. 1 in Beslan, North Ossetia, provides ample pretext for learning lessons. To do so effectively, one should start at an earlier point in time.

Volodya and Magomed

"The citizens of North and South Ossetia should find a common language with the progressive circles of Georgia. South and North Ossetia should be integrated into a single entity, in the framework of the Georgian Confederation. As the Russians will inevitably have to pack their luggage and get out of the Caucasus, this goal of unification is to be regarded as beneficial for the fight to liberate the Caucasus, and, moreover, as a natural and urgent objective."

Those words appear in a pamphlet, entitled *The Gazavat*, authored by one Magomed Tagayev, currently a prisoner in Makhachkala, Dagestan, in the Russian North Caucasus. He was arrested several months ago, after surreptitiously returning from Turkey, where he had undergone rather brutal treatment at the hands of representatives of Aslan Maskhadov, the fugitive Chechen leader. And no wonder: In one of his books, Tagayev expressed disgust at the fact that Maskhadov's son is "residing in a luxurious villa in Malaysia," while ordinary Chechens, badly injured in the war to secede from Russia, are begging in the streets.

This unusual author, whose writings smash traditional views of the situation in the Caucasus and its background, was born in 1945 in the highland district of Botlikh, Dagestan, which includes the *aul* (village) of Gunib, where the besieged Imam Shamil, an ethnic Avar, was besieged by the troops of Alexander II's Russian Army in 1859.

In police reports, Magomed Tagayev is regularly men-

tioned as "one of the leaders of the Wahhabites." From his texts, however, it is evident that he has hardly read a single book of the so-called Wahhabite theologians. Moreover, his concept of a Caucasus Confederation as an independent state, is based on a notion of mutual understanding among peoples of various religions, inhabiting the area. He hates only one of the Caucasus nations—the Armenians, whom, along with the Americans and the Russians, he considers to be serving as "instruments" of a global "Zionist" conspiracy.

Tagayev's sympathies changed during the late 1990s. He still regards Gen. Jokhar Dudayev, the ex-Soviet officer who declared Chechen independence in 1991 and was killed by a remote-controlled missile strike in 1996, as "the hero of the Caucasus," and he compares Chechen separatist field commander Shamil Basayev with Ernesto Che Guevara, as a revolutionary hero. But some other top regional bosses have disappointed him: Not only Maskhadov, but also, in particular, the Khachilayev brothers, who appeared to be fighting for the liberation of the entire Caucasus, but turned out to be merely instruments of some Moscow clans.

In one of his interviews, Magomed confesses that his original views were remote from his present romantic idea of the independent Caucasus Confederation. His first political experience dates back to 1957, when he was 12 years old. "In newspapers of that time, there was a campaign against Iosif Stalin," he says. "I felt that the attack against Stalin was not just, and I wrote some posters like 'Long Live Stalin!'" Tagayev laughs.

Ironically, shortly before the 2004 Presidential elections, a journalist from *Smena*, a St. Petersburg daily paper, interviewed a number of people who in the 1950s had attended a school in Baskov Lane, and found out that some of them, at the same age (in 1961, the year of the famous 22nd Congress of the Communist Party of the Soviet Union [CPSU], which launched full-scale "destalinization"), had drawn similar posters and secretly hung them out the window of a loft. This group of Leningrad "hooligans," according to the author, included a boy named Volodya Putin.

Putin, after graduating from Leningrad State University, joined his country's State Security Committee (KGB), while Tagayev was expelled from high school and found himself in jail, specifically in the famous Perm camp, in the company of liberal dissidents. The one young man was brought up on the



Vladimir Putin at the Kremlin on Sept. 6, in a moment of silence for the victims in North Ossetia. Putin's words to the nation on Sept. 4, after the events in Beslan, "would seem to serve as a mobilizing impetus for the intelligence and the military community. But they don't." So far, the agencies of the state have been bogged down in institutional reforms based on dubious axioms.

instructions of KGB Chairman Yuri Andropov; the other on the writings of the emigré Chechen writer Abdurakhman Avtorkhanov.

Surprisingly, the obedient serviceman and the insurgent ex-student still had something in common in their views. Andropov, even after being elevated to a top position in the CPSU, remained in touch with two Soviet dissidents, namely Roy Medvedev and Mikhail Gelfer, and politically protected the Moscow circle of young Bukharinists, including Anna Larina and Yuri Larin, the widow and the son of disgraced CPSU functionary Nikolai Bukharin, who had tried to oppose Stalin. Andropov's best disciple in the party ranks, the heir of an expropriated rich farmer from Stavropol Territory—Mikhail Gorbachov—became the last General Secretary of the CPSU, and prepared the economic preconditions for the collapse of the U.S.S.R., under a modern-day version of Bukharin's motto, "Enrich yourselves!"

Vladimir Putin's biographers, particularly the St. Petersburg political scientist Alexei Musakov, have emphasized that under Andropov's leadership, the Soviet KGB became an independent political entity, ideologically opposed to the CPSU Politburo. According to Musakov, Putin directly took up the legacy of Andropov. Indeed, immediately after his appointment as Prime Minister, Putin ordered the reinstallation of a memorial plaque, commemorating Andropov, on the front of the former KGB headquarters.

Under the Carpets and Around

Similar views of Andropov's historical role may be found in the writings of retired KGB colonel Yuri Lyubimov, former Soviet station chief in London and a leading liberal figure in

the ranks of retired intelligence officers in the late 1980s. A decade later, however, Lyubimov developed his conception in a Dostoevskian manner, declaring that the real purpose of Andropov's efforts to undermine the CPSU was to "lead his country through purgatory, in order to reshape the minds of its people and inspire a rebirth of the nation."

Other former colleagues of Andropov are less enthusiastic about his ideas and practice, considering them to be very controversial and based on some sophisticated combination of Bukharin's right-wing socialism, modern information theory, and occult teachings. Some months ago, *Nezavisimaya Gazeta* published revelations from a former KGB serviceman, who explained his decision to defect and emigrate, as due to a strange practice of homosexual orgies, introduced—on orders—at high levels of Soviet intelligence.

A former KGB agent, describing the practices of one circle of Moscow intellectuals, fond of Oriental philosophy of a neo-Buddhist kind, featured a number of sophisticated and exotic experiments, combining sexual perversions with attempts to revive dead people in cemeteries. The author of the report, appearing in the *Megapolis Express* tabloid, mentions the names of two participants, who are currently quite popular in leading Moscow intellectual circles: Alexander Dugin and Geydar Jemal. The St. Petersburg faction of the same circle, concentrated around musician Sergei Kuryokhin, shared the interest of his Moscow friends in the biography of Baron Ungern von Sternberg, a Buddhist turned White Army general, who was eventually executed by the Bolsheviks in Mongolia. In 1995, Kuryokhin organized a concert dedicated to his favorite philosopher, the occultist Alistair Crowley.

In 2002, the St. Petersburg film director Alexander So-

kurov received the top prize at the annual all-Russian film competition, for his movie "The Taurus," which depicts the death of Vladimir Ilyich Ulyanov-Lenin in the most naturalistic detail. The average viewer could feel nothing but nausea at the pathophysiological depiction of the paralyzed body, losing any ability to speak and to move. But the unnatural excitement of the movie's promoters in the top circles of the artistic elite, made clear that the director, heir to the worst existentialist practices of the late Soviet director Andrei Tarkovsky, was favored "at the very top"—in the Kremlin.

The irrational anti-Communist propaganda that marches across the TV screen and pains millions of aged people, who spent decades of their lives in the implementation and protection of what they associated with the nation's mission, could have been inspired by some direct disciples of Andropov, or perhaps by the President's trainers in judo, or both. The effect, in this case, is more important than the cause. The lost paradigm, rejected with fanatical force, leaves a vacuum in people's heads, which is filled with garbage from the TV screen. The names of young World War II heroes are erased from Moscow street-signs and from the memorial plaque at the Tauride Garden in St. Petersburg. Ask a Russian or Ossetian child who his favorite fictional character is. The common answer will be: Harry Potter.

General Irrelevance

Western experts, regardless of their attitudes towards Putin and how he deals with terrorism, agree on one point: Russia's intelligence and law enforcement bodies, despite their recent experience in the Caucasus, were strikingly unprepared to deal with the terrorist capture of the largest school in Beslan. And the renowned *Izvestia* essayist Irina Petrovskaya, who monitors and compares coverage of the same events in various mass media, diagnosed the irrelevance of the state-run TV channels, which seemed unprepared for the gun-battle that unfolded on the third day of the terrorist assault. The author was especially irritated by the fact that neither Russian TV correspondents nor ordinary citizens were allowed to approach the scene of the massacre.

Actually, irrelevance could be diagnosed in practically every sphere—in the misled and excited conclusions of ordinary Muscovites, as well as in the minds of renowned specialists.

Public rallies held in Moscow and St. Petersburg on Sunday, Sept. 5, under the motto of condemnation of terrorism, produced a schizophrenic impression on the average spectator. Vasili Lebedev's 1941 anthem, "Stand Up, Great Land!" sounded in dissonance next to Bulat Okudzhava's ballads, designed for listening rather in a dissident's kitchen, than in a square. Anti-American speeches by veterans were followed by an appeal from movie director Alexei German to repent for Stalin's crime of deporting the Chechen people in 1943, which, allegedly, is the major reason for terrorism in the Caucasus. German's apologetic repentance, however, concluded

with his appeal to re-establish the death penalty.

Most of the remarks made by famous and career-making political analysts in the press and electronic media were as irrelevant as the staged expressions of public indignation. The authors contradicted not only one another, but themselves. A number of them could not pass up the opportunity to push their own political and corporate agendas, exploiting the massacre in Beslan for materialist private purposes. While Stanislav Belkovsky insisted that political technologists (excepting himself?) should depart from Russian politics, Gleb Pavlovsky insisted on the opposite. Irina Hakamada, co-chairperson of Rightist Alliance Party, started her speech with a pathetic, "We, the opposition—," while the leftist pravda.ru website accused Vladimir Putin of oppressing the Communist politicians in Krasnodar, and concluded that "Putin should step down."

One after another specialist in geopolitics pointed to the possibility of renewed fighting between North Ossetia and Ingushetia, referring to the fact that some of the organizers of the June 2004 raid on Ingushetian government institutions had been jailed in Beslan, as well as to the interest of the current Georgian government in a "strike in the back" against North Ossetia, because of the latter's alleged active support for Georgia's breakaway autonomous district, South Ossetia.

Meanwhile, a huge public rally in Vladikavkaz, the capital of North Ossetia, not only condemned the terrorists, but demanded the resignation of North Ossetian President Alexander Dzasokhov. This development was completely missed by the renowned experts.

Like the hero of Ivan Krylov's fable, the experts were focussed on the ants, but they failed to notice the elephant. Only one, retired general Leonid Ivashov, quoted in *Izvestia* (whose editor has now been forced to resign for publishing too graphic pictures of the suffering in Beslan), emphasized that the army of Caucasus terrorists is expanding every day, because of terribly high unemployment in the region and the humiliation of the local citizens, who witness the luxurious life of Russian oligarchs, as they themselves travel to Moscow to earn money in menial, off-the-books jobs for employers who include the owners of luxury dachas.

The striking poverty in the North Caucasus, the arbitrary rules of local criminals, and the impoverishment of the majority of the local population, including skilled workers, engineers and scientists, have been depicted in numerous eyewitness reports. Abdurashid Sayidov, an activist in the political campaign for Boris Yeltsin in 1990, desperately wrote from Makhachkala five years later: "While industry has collapsed, the directors of enterprises ride in luxurious Western autos; education is barely surviving; scientists and scholars spend their summers planting onions in local fields."

Magomed Tagayev's account of events in this same period, is similar: "The professions, which were regarded as honorable, have lost their value. The pride of the people of the highlands has become a laughingstock. The official Sufi

clergy behave like the former Party bureaucracy, and make friends with the same gangsters. No wonder the Fundamentalists are becoming so popular. . . .”

The Origin of the ‘Fundamentalists’

A short-sighted Boris Yeltsin, addressing Russian soldiers and security servicemen before the miserably unsuccessful anti-terrorist operation in Pervomayskoye, Dagestan, in January 1996, boasted that his “36 snipers” would be able to solve the problem. With personnel picked up from the once powerful KGB, mostly from the “parquet” Ninth Directorate, he was completely unaware of the fact that Pervomayskoye was the major center of printing and distribution of revolutionary Islamic literature.

The list of the so-called Wahhabite books, published and spread by the republic’s unemployed intelligentsia, is dominated not by the books of Mohammad al-Wahhab, but by the prison writings of Egyptian Islamic scholars, jailed by President Gamal Abdel Nasser.

For President Nasser, the Soviet Union was an influential international power in opposition to the British colonial forces and their legacy, and he dealt with the Soviet leader at that time, CPSU General Secretary Nikita Khrushchov. He hardly knew that the General Secretary was independent politically, but not ideologically. Khrushchov was very fond of Lord Bertrand Russell, whose views on religion were ostensibly similar to his own. Russell declared that religion must be replaced by science.

One of the Egyptian revolutionaries who had once supported Nasser, but was thrown in jail and ended his life on a gallows in 1966, also read the books of Bertrand Russell. This person, Sayed Qutb, viewed his writings much more critically than did the CPSU General Secretary. He had his own view of the meaning of religion—not only Islam—for mankind. He also knew that the socialist experiment, planted by Khrushchov’s U.S.S.R. in a number of African countries, was a complete failure.

The “reactionary” theologian believed that the moral degeneration of the West had resulted from the degeneration of the Christian clergy, an argument he supported with many examples. He was convinced that Islam, on the contrary, could solve the problems which the Christians failed to solve: in particular, the contradiction between faith and science, as well as between science and nature. His independent mind and broad self-education allowed him to find valuable and human features in all the monotheistic religions. At the same time, he sincerely believed in a future world ruled by the principles of Islam.

Qutb’s own political experience, as well of that of his co-thinkers, had driven him to conclude that the U.S.S.R. of his time was “a global colonial force, just like the United States,” and that “the era of the White Man has come to an end.” These particular conclusions, made in the terrible heat of a merciless post-colonial Egyptian jail, were later reproduced not only by



Former KGB Chairman and Soviet President Yuri Andropov, who oversaw the Soviet intelligence services, where Putin made his first career. The mixed legacy of Andropov’s KGB included interaction with British intelligence agencies, involved in destabilization of the North Caucasus.

sincere followers, but by the most sophisticated neocolonialist agencies, seeking to exploit revolutionary Islam as an instrument for their globalistic purposes. This exploitation was initiated with the first battles in Afghanistan—a war into which the U.S.S.R. was dragged by the same Politburo members, who later brought Mikhail Gorbachov into the top position.

Nikita Khrushchov never guessed that his supposed co-thinker, Lord Russell, was not quite an atheist. Russell’s biographies cite his high appreciation of Alice Bailey’s “Esoteric Christianity,” over which he screamed, “That is a good religion!” This view was probably shared by the publishers at the Lucis Trust’s affiliate in Moscow, which translated the complete works of Mrs. Bailey into Russian in 1998.

In that very year, the romantic Magomed Tagayev became focussed on the materialistic issue of Caspian Basin oil, as a guarantee for the political viability of a Caucasus Confederation. “The decisive events in the Caucasus will start in the next year,” he predicted, probably basing his optimism on news he received from his “young friend Shamil Basayev.”

The grapes of wrath were ripe. The machine of manipulation was ready, as well. In August 1999, paramilitary troops, headed by Shamil Basayev and his brother-in-arms from Jordan, known as Emir Hattab, invaded Dagestan from Maskhadov-ruled Chechnya. At first, Maskhadov did not approve of the intervention. But somebody higher up probably knew better than he did, how Maskhadov was to act.

The first war in Chechnya (1994-96), sparked by the debate over routes for the export of Caspian oil, made a great impression on many in the Islamic world, but not on the pres-



Warlord Shamil Basayev (left) launched a new phase of the North Caucasus conflict in August 1999, when he and the Jordanian guerrilla named Hattab, sent paramilitary troops to invade Dagestan from Chechnya. Anglophile “oligarch” Boris Berezovsky (right) held shadowy negotiations with the Chechen guerrillas at that time, and now works with Chechen separatist figure Akhmad Zakayev in London, where they both live in exile.

ent top authorities of Qutb’s organization, the Muslim Brotherhood. They woke up, for some reason, only after the second war, which started in 1999 from inside Chechnya. The top authority of the former revolutionary party, Yusef al-Qaradawi, now safely functioning as a major propaganda force in the radical Sunni (Salafite) community, safely resides in Qatar. On April 18, 2004, he declared the war in Chechnya “the best *jihād* in the world.” This happened shortly after the assassination of a Salafite disciple, former Chechen President Zelimkhan Yandarbiyev, in Qatar, and the counter-assassination of Chechnya’s President Akhmad Kadyrov.

The election of Kadyrov’s successor, Alu Alkhanov, was approved by the League of Arab States, but received a negative reaction from the United States government. In a U.S. election campaign, it has become customary for the major oligarchic candidates and their teams to demonstrate their toughness before the ghost of that former geopolitical enemy, the Soviet Union. The relevant task force is traditionally composed of a subversion facility, a human rights-speculating facility, and a slander facility.

The Price of the Challenge

In a revelation published in *Versiya* weekly on Sept. 6, occultist Alexander Dugin’s crony Geydar Jemal declared that “the combination played, in order to elevate Vladimir Putin to power,” started with a deal struck by oligarch Boris Berezovsky and warlord Shamil Basayev. Allegedly, Basayev was promised the post of President of an independent Chechnya, in exchange for ceasing the warfare in Dagestan.

The version could be easily bought by Western experts, especially in Germany and Italy—but not in the United States, Britain, and France, where the national intelligence services are aware that Putin had one really serious rival in his bid for

the post of President of the Russian Federation. Until early December 1999, Boris Yeltsin had not rejected the option of naming Alexander Voloshin, then-head of the Kremlin Staff, as his successor. French intelligence agents, who identified Alexander Voloshin with Shamil Basayev at a villa on the Côte d’Azur, allegedly belonging to arms trader Adnan Khashoggi, did not notice any Vladimir Putin there. At the same time, the personal connections between Voloshin and Boris Berezovsky were an open secret.

A month before Yeltsin’s decision to select Putin as his immediate successor, Berezovsky hastily arranged to run for the State Duma from the Caucasus republic of Kara-

chay-Circassia. Commentaries at that time explained Berezovsky’s behavior as based on fear of disgrace in the Kremlin, and a desire for parliamentary immunity. This fact could be forgotten or underestimated by Western experts, but not by such well-informed persons as Geydar Jemal.

The disgraced oligarch, after the flop of the prophecies of an oncoming collapse of Putin’s regime in Russia, which Berezovsky has regularly issued during the three years of his exile in Britain, intended to play a decisive role in resolving the stand-off in Beslan. His Chechen partner, Maskhadov’s former deputy and current self-appointed “personal representative,” the also London-exiled Akhmad Zakayev, hurried to say, shortly after the massacre, that Maskhadov had intended to visit the place and play a crucial role in reaching a “compromise” with the terrorists. The conditions of the compromise were obvious from a number of other reports: They suggested the transformation of the area of both Ossetias (North Ossetia in Russia and South Ossetia in Georgia) into a “zone of international peacekeeping operations.” Were portable brothels supposed to arrive there, as well as to Kosovo in the Balkans?

On Sept. 7, Berezovsky’s *Nezavisimaya Gazeta* published a proposal for the partition of Chechnya into a southern “highland part” and a northern “plains part.” This option is quite familiar to the readers of another Berezovsky paper, *Kommersant*, where it was advertised in 1997—as a commercial proposition—by Baku-based Chechen “financier” Khozhakhmed Nukhayevev, earlier known as a top Moscow gangster, but highly respected by Britain’s Lord Alistair McAlpine, the former top fundraiser for Margaret Thatcher’s Tory party, later turned crony of the late Sir Jimmy Goldsmith. In the first week of September, this name appeared in the Russian press in a criminal context, once again:



The British connection: Baroness Margaret Thatcher, during a meeting in London in 1998 with Chechen separatist leader Aslan Makhadov (left) and Chechen “financier” Khozhakhmed Nukhayeve, earlier known as a top Moscow gangster.

Moskovsky Komsomolets’ intelligence-linked author Alexander Hinstein ascribed the death of American journalist Paul Khlebnikov to one of the heroes of his last book—Mr. Nukhayeve.

Hinstein’s piece contained some other details, seemingly related more to the shadow economy, than to shadow politics. He mentioned links between Nukhayeve and top figures from Yukos Oil, who crossed paths at the Port of Novorossiysk, controlled by the former Moscow gangster until 1998 (this information earlier appeared in other mass media).

The 1997 project for a Caucasus Common Market, designed in London and involving Nukhayeve’s secretary Maciej “Mansur” Jachimczyk, was supposed to involve family members of Georgia’s then-President Eduard Shevardnadze and the ruling Aliyev family of Azerbaijan, along with Aslan Maskhadov, who visited London for talks on this matter. Bezovsky’s involvement in the project was documented in a number of detailed Russian and foreign reports at the time. A year later, however, the British side, too impressed with the decapitation of a group of British engineers kidnapped in Chechnya, pulled out of the project, while the Krasnodar Territory government cleaned Nukhayeve’s influence out of Novorossiysk.

Meanwhile, Yukos was supposed to play a serious political role in the 2003 Russian State Duma elections, purchasing one political party after another. The company’s advocates visited Moscow one after another, including not only the zealous anti-anti-Semite Congressman Tom Lantos (D-Calif.), but also Sir Henry Kissinger and the father of today’s President of the United States. Persons from the same circle, especially James Baker III, were also very interested in the situa-

tion in Georgia.

On Sept. 1, when Vladimir Putin had to cancel his visit to a school, because of the unprecedented terrorist assault on the one in Beslan, he was faced with a clear and open challenge—either a concession with far more serious consequences than Budyonnovsk in 1995 (when Basayev’s forces seized a hospital), with a Caucasus Common Military Zone in the place of the Caucasus Common Market, followed by extension of the same pattern into the the Transdnistr area of Moldova, and western Ukraine; or, an operation with the forces available to him at the moment.

He viewed this assault as a challenge of war. The choice of the enemy to attack Ossetia was interpreted by him most seriously, and correctly: The Ossetians had historically been the most faithful allies of the Russians in the Caucasus. He could not look weak in the eyes of this small people, the best warriors of the Russian Empire and the best sportsmen of today (nine gold medals were won by ethnic Ossetians at the 2004 Olympic Games). And he could not betray them, since in the threatened scenario of Ossetian-Ingushi interethnic strife, they were supposed to be exterminated. That was impossible.

Caught in Disarray

Russian experts, producing a headache with their TV chattering immediately after the gun-battle in Beslan, missed one more “elephant”: the coincidence of the terrorist assault with two political events of global significance.

On Aug. 30, Putin hosted German Chancellor Gerhard Schröder and French President Jacques Chirac at his Summer residence near Sochi on the Black Sea. This summit had already been postponed once, and nearly failed again, due to

the kidnapping of two French journalists, held hostage and threatened with execution in Iraq.

And on Aug. 30, the Republican Convention would open in the United States, and approve the nominees for President and Vice President. The question of the Vice-Presidential nomination appeared not to be settled. In early August, *Izvestia* reported that the Republican Party might select Sen. John McCain (Ariz.) or the ex-Mayor of New York City, Rudolph Giuliani, instead of Dick Cheney.

When McCain, visiting Latvia on Aug. 21, called for the overthrow of Belarusian President Alexander Lukashenka, Putin commented in ironical tones, with Lukashenka standing beside him in Sochi: "There are many senators, but there is only one Belarus." Giuliani, on the other hand, was awaited in Moscow. Upon his arrival, Russian TV channels seemed to be complaining at the coincidence of the terrorist act with the arrival of this guest, who had just failed to be nominated. Quite possibly, it was wondered, the series of terrorist acts in Russia were supposed to, and did, influence the oligarchy's final choice of the Republican candidate for Veep.

Had the Kremlin's choice of playing a tactical game, associated with particular power figures in Washington, blown up in the most brutal terrorist act in post-Soviet Russian history? The only captured terrorist who remained alive in a chaotic and bloody rescue operation, appeared to be a personal body-guard of Shamil Basayev.

On Sept. 4, President Putin confused experts and observers with his address to the people, which referred not to the international community of Islamic terrorists, not to al-Qaeda, not to the "legacy of September 2001," but to evil intentions of outside forces, interested in the disintegration of Russia:

"In general, it has to be admitted that we have failed to grasp the complexities and dangers of the processes taking place in our own country and in the world. In any event, we were unable to react to them adequately. We showed weakness. And weak people get beaten up.

"Some people would like to tear off a juicy morsel from us, others are helping them do it. Helping, on the assumption that Russia, as a major nuclear power, is still a threat to them. And therefore this threat should be removed.

"Terrorism, of course, is only an instrument for achieving such goals."

These words, spectacularly deviating from the traditional mantra of anti-terrorist demagoguery, correspond to the feelings and thoughts of a majority of the Russians. These words would seem to serve as a mobilizing impetus for the intelligence and the military community. But they don't. The series of terrorist assaults has caught the Russian "enforcement" bureaucracy in the midst of a sluggish and murky reform, which is a riddle even for the top cadres. None of the deputy heads of Federal Security Service (FSB), in particular, is sure that he will not be replaced without any explanation. Simi-

larly, the military community is anxious about the decision to change the "Prussian model" of command, in which the General Staff has played a decisive role, into an "American," or some other model.

The top national figures of the Defense Ministry, the Internal Affairs Ministry, and the FSB were not visible at Beslan until after the tragedy. Lack of coordination among law enforcement bodies, in such a state of uncertainty, was quite natural.

Watch the Feet!

The number of police at Moscow metro stations on Sept. 4 was thrice greater than the day before. The celebration of Moscow's anniversary was scheduled, and though Mayor Yuri Luzhkov was forced to cancel most of the events, the police naturally expected some provocations such as clashes between Russian youngsters, calling themselves by the English-origin term *skinkhedy* ("skinheads"), and local market traders of Caucasus origin. This pretext for the alert coincided with another: Putin's return to Moscow from Sochi.

For six months, the Moscow Mayoralty has been in a nervous state. A number of investigations, initiated by top Kremlin agencies, pointed to a new political offensive from the Kremlin against the city leadership of Moscow. In such games, Russian youngsters with the foreign name of "skinheads" have repeatedly been used to undercut the authority of the popular Mayor.

The first effort to get rid of Luzhkov was staged in 1999 by a group of imagemakers, headed by postmodernist painter Marat Gelman, famous for baking a cake in the form of Vladimir Ulyanov-Lenin's body in the Mausoleum. The effort failed, but Gelman was elevated to the high position of a deputy general director of the now state-owned ORT TV. The campaign against Luzhkov at that time could be explained by his political alliance with ex-Premier Yevgeni Primakov, one of that time's potential contenders for the Presidency. This time, no immediate political reasons were obvious. "It appears irrational," a Moscow official told me.

Nor was there an explanation for the massive political campaign against former St. Petersburg Governor Vladimir Yakovlev, during his second term in 2000-04. Like Luzhkov, he had the legal right to be elected once again, but instead was appointed Vice Premier, responsible for transport and infrastructure. Then, in this year's reorganization of the government, that post was completely eliminated, despite Putin's own repeated, public recognition of the significance of infrastructure.

The government's 2005 budget has reduced allocations for transport and infrastructure, though it was Putin who had initiated the construction of Primorsk Port, a necessary alternative to Novorossiysk.

At the same time, reform of the social system has eliminated, in particular, benefits for the families of people unjustly

oppressed in the past—including the World War II-era deportees from the Caucasus. (See “Russian Economy: A Leap in the Wrong Direction,” *EIR*, July 30.) That includes thousands of Ingushi and Chechen families, for whom those benefits had served as vital means of survival. (Also eliminated were benefits, previously provided to regular blood donors in Russia!) This fact was also completely ignored by the experts, speculating on the background of the terrorist act in Beslan.

During the Summer, Russian papers were still full of speculation: Which regional governor would be the next one forced out without explanation? Meanwhile, a former gangster was elected Mayor of Vladivostok.

Politicians, too, have tried without success to guess the moves and intentions of the Kremlin. Many loyal politicians wanted to support economist Sergei Glazyev in his Rodina (Homeland) project, which garnered 9% in the December 2003 State Duma election. A few months later, the loyalists were jerked back. This time, it seemed that Kremlin was going to split the Communist Party. Still, the delegates to the costly alternative party congress found themselves a political non-entity, leaving their sponsors in a fury.

With his jerky style of management and decision-making, which sometimes seems to depend on which side of the bed he gets up on, Putin has multiplied the number of his enemies in administrative, business, military, and intelligence circles. Meanwhile, court players have learned to manipulate Kremlin cadre decisions. It is very simple: Just spread a rumor that Mr. Ivanov or Mr. Petrov is dreaming of the post of President.

Before Saying ‘B’

In his Sept. 4 address to the Russian people, President Putin uttered some words, which were later interpreted in diametrically different ways. What does it mean to take measures to improve the country’s integrity, after the elimination of entitlements that made it possible for millions of people to travel from one region to another? What does it mean to say that the country’s “transitional economy” does not match “the conditions and the development of our society and political system”?

Speaking of the need to mobilize the nation in the face of danger, the President used the term “civil society,” most familiar to Russians from the lexicon of George Soros. No wonder the organizers of the public rallies mixed patriotic and human right slogans into a mish-mash, leaving an ordinary citizen more bewildered than mobilized.

Meanwhile, after saying “A,” the President is now obliged to say “B,” as otherwise his phrases, which did resonate in the hearts of many Russians, will just be left hanging in the air, along with other questions addressed to him by people who still believe in him and are still potentially ready to mobilize, but need a clear and encouraging common formula of mobilization. Slogans like “Walk together!” don’t work any longer. Thousands of people, who decided to donate their

blood to the victims of Beslan, are a more valuable force than the entire immense cadre machine of the United Russia political party.

Putin referred to the complexity of global problems, which the nation has failed to grasp. Undoubtedly, he was speaking on his own behalf. During a certain period, he would spend a lot of time in London, accompanied by his family. Later, his flirtation with Tony Blair came to an end. His apparent trust in George W. Bush, after the Beslan tragedy, is clearly undermined. These disappointments may either clear the pathway to a sovereign view of the world, or leave the leader of Russia in a helpless state of internal split.

In a number of cases, Putin has seemed to be possessed of some kind of an instinct, which allows him to sense danger without rational explanation. In other cases, an error of instinct, such as last Spring’s session with fanatical proponents of the Cato Institute’s economic deregulation agenda, leads him to massive and practically irreparable mistakes.

A national strategy cannot zig-zag from one sympathy to another. It cannot be based upon mere considerations of control or the ephemeral loyalty of the Duma majority. It would require self-liberation from the mixture of ideological garbage, left over from grandfather Andropov’s suitcase. It would require recognition of some basic definitions, some axiomatic assumptions, that make it possible to draw a picture of the future that inspires confidence and can be radiated to the whole nation, including such maybe decent, but tragically misled people as the prisoner in Makhachkala.

Tactical decisions are worthless. Advice from power rivals is useless. The “PR product” of the politologists is meaningless. Time, which is valuable, can’t be wasted any longer. The tragedy of Beslan is the last warning.

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59 Days To Change History: A Moment Of Epic Decision

by Nancy Spannaus

The semi-annual conference of the LaRouche movement in the United States brought together approximately 900 persons at locations in Northern Virginia and Southern California on Sept. 4-6, to deliberate on how to save the United States, and the world, from disaster—specifically, the re-election of George Bush and Dick Cheney on Nov. 2. As Lyndon H. LaRouche, Jr. put it in his keynote address, entitled “A Moment of Epic Decision,” this is not a fight to win an election; “it’s a fight to turn the course of history.”

LaRouche, speaking before a polemical conference banner that read, “The Crash You Were Hoping for Is Here!” developed the key themes which define how this fight for the nation can be won, in the course of his keynote (which we print below). These themes were then picked up by subsequent presentations. In the evening of the first day, Helga Zepp-LaRouche, the leader of the German political party Civil Rights Movement Solidarity, and LaRouche’s wife, spoke on the theme, “The Crash Began in Germany.” She stirred the audience with a lively account, full of audio-visuals, of the progress of the 1989 Peaceful Revolution in Germany, which led to the fall of the Berlin Wall, and set the basis for the growing mass strike which the LaRouche Youth Movement is leading today.

On the morning of Sept. 5, two members of *EIR*’s economics team, Marcia Merry Baker and John Hoefle, gave a powerful review, with visual animation, of the rise and decline of the U.S. physical economy, in the form which LaRouche said must be used to awaken the lower 80% of income brackets of the United States, into action in the coming election.

That afternoon, LaRouche joined with his national spokespersons, Debra Freeman and Harley Schlanger, to present “The War Plan for November,” an outline of the method by which the LaRouche Youth Movement, in particular, has created the conditions in which LaRouche can shape both a landslide victory for the Kerry candidacy, and a Kerry Presidency armed with a team which can allow him to deal with the economic, financial, and strategic crises the world faces.



Lyndon LaRouche addresses the Labor Day weekend conference of the Schiller Institute, in Reston, Virginia: “Young people have to . . . get a sense that we can change the direction of society, in the direction of creating a landslide victory for Kerry. Not for Kerry—but Kerry, as the instrument of our victory.”

This was followed in the evening by a music panel devoted to the recently deceased vocal coach Sylvia Olden Lee, which served as a pedagogical demonstration of both the power of Classical music, and the quality by which an individual achieves immortality, by devoting his or her life to truth, and the welfare of future generations.

After a business meeting on Sept. 6, the hundreds of youth attending, both on the East and West Coasts, threw themselves into a cadre school, from which they intended to emerge on the morning of Sept. 8 with an all-out political offensive into the elections, determined to accept nothing less than victory.

Creating a Landslide Victory

As LaRouche pointed out in his opening remarks, the conference was occurring in the aftermath of a significant shift in the Kerry Campaign, which had just accepted the advice of the grouping around former President Bill Clinton, and downgraded the mis-advisors, like Bob Shrum, who have been blunting the Democratic message. Specifically, Clinton advisor Joe Lockhart has been brought onto the campaign. Shrum was responsible for the victory of Arnold Schwarzenegger in California’s gubernatorial race last year, LaRouche said; what idiot would want him in charge of this Presidential campaign?

The Clinton grouping has been consistently working in parallel with LaRouche and his youth movement, with the purpose of getting candidate Kerry to make contact with the forgotten men and women of the Democratic Party, and to sharply differentiate himself from Bush. For this reason, the sudden hospitalization of the former President on Sept. 3, in preparation for heart bypass surgery, is strategically signifi-

cant, because it will likely prevent him from campaigning in the crucial pre-election period.

When she opened the question period after LaRouche’s keynote, Debra Freeman called for the audience to authorize a message of best wishes for a speedy recovery, to President Clinton. This was done by acclamation.

Over the two days before the conference, Kerry had begun to counterattack the President, particularly in pointing out the outrage of draft-dodger Cheney attacking his Vietnam War record. There was no confusion in anyone’s mind, however, as to the responsibility that lies with the LaRouche movement itself, for ensuring a Kerry victory. The crucial factor, LaRouche emphasized, was the role of the LaRouche Youth Movement in sparking a transformation in the Democratic Party, and the forgotten men and women of the country, to begin to see themselves as moral citizens who must determine the future of their country, rather than as herded, or hunted, cattle. What has to be generated is a social *movement*, which will pull people into the political fight en masse, in order to bring about a landslide.

Such a landslide is the only way in which the plans of the Cheney-Bush team for fixing the elections, by voting machine fraud or otherwise, can be defeated, and in which conditions can be created for Kerry to govern as a great President, in the interest of the general welfare of the population, LaRouche said. What makes a great President is not just a good person, but a good person faced with a world-shaking crisis, and surrounded by a team of advisors who can provide him with the proper guidance on the crucial issues of the day. We have to create the circumstances in which Kerry becomes a great President, because that is what the times demand.

A Moment of Epic Decision

by Lyndon H. LaRouche, Jr.

Here is Lyndon LaRouche's keynote to the Labor Day conference of the International Caucus of Labor Committees and Schiller Institute, Sept. 4, 2004. The panel was chaired by EIR Editor and ICLC Executive Committee member Nancy Spannaus; Schiller Institute Vice Chairman Amelia Boynton Robinson introduced the speaker.

Well, as Nancy said, mark this day, Sept. 4, 2004. We have 59 days to change history. The central feature of this change at this time, is the candidate Sen. John Kerry. A few days ago, Senator Kerry's campaign seemed lackluster. He was carrying weight he shouldn't have carried. But then, a few days ago, with the intervention of various people, known to me, Senator Kerry was freed from his bondage—and you saw the result on the late night, after the incumbent so-called President, George W. Bush, was coming off the screen, Kerry gave an address, which marked the real campaign, finally getting under motion.

Now, I, and we, people associated with me, are, without any formal arrangement—we don't need one, at this stage—we are working together, each doing our part, to win this election. But, it's more than just winning an election: What will happen 60 days from now, will determine the future of humanity. If the present Administration were re-elected, we will be plunging inevitably into wars, a continuation of what we see now in Asia. For example, some of you may recall, that after Summer 1999, I produced a program on tape, which was broadcast and circulated otherwise in various parts of this world. The title of that is still "Storm Over Asia."

And, what you're seeing today, in the aftermath of what happened in Russia, North Ossetia, is the continuation, not of some local event, but it's a part of the same pattern as the war in Iraq, the abortion performed in Afghanistan—a mess which is now far worse, in every dimension, than before the U.S. forces moved in; an impossible situation developing in Iraq; a threat of an attack on Syria; the drums of war around Cheney's people, beating for an attack on Iran; the demand for \$100 a barrel oil, coming out of the Vice President's office, in the form of setting fire to the world to the degree in which the price of oil will go to about four times the price that the present world economy can stand, which is about \$25 a barrel.

Hundred-dollar-a-barrel oil, or anything approaching that, will mean a detonation, an immediate detonation of a hopelessly bankrupt international financial-monetary system. It would mean, with the continuation of these kinds of wars,

global asymmetric warfare, with nuclear and other weapons put in to enrich it—something far worse than the Vietnam War; something far worse than happened in Algeria. This planet would go into a new dark age, out of which, you would have, soon, a population—optimistically—of less than 1 billion people, from the more than 6 billion, who live today.

People around Cheney and Co. are pushing for a war with China. They're pushing for a war between forces on the island of Taiwan and the mainland of China. The best estimation is that if that were continued, you could talk about a general war, in the year 2007, under the next administration.

So therefore, winning this election is not winning a prize: It is moving in, at a moment of crisis, to save humanity when humanity might not otherwise survive. Oh, human beings would live as a population, but we would go through a new dark age. And whole languages that are spoken in the world today would disappear. Nations would disappear from the map, through the aid of globalization and similar kinds of ob-scenities.

So therefore, it's a fight to turn the course of history.

Empire Against the Republican Nation-State

Now, this kind of fight is not entirely unusual to the United States. In 1763, after a great struggle to establish the nation-state as an institution on this planet, which had been attempted first by the Renaissance in the 15th Century, and then, by the Treaty of Westphalia in the 17th Century, that Anglo-Dutch Liberalism, coming largely out of Venice, a clone of Venice, moving through William of Orange, the tyrant who moved into England, made an effort to establish a world empire, somewhat modelled upon the model of Venice.

In the 18th Century, after wars which attempted to disrupt the effort to rebuild the nation-state, the British East India Company organized a series of wars on the continent of Europe called the Seven Years' War. At the conclusion of that, there was a peace treaty, in February 1763. And this peace treaty established the British East India Company—not the King, but the British East India Company, an independent central banking system, if you please, *as a world empire*, immediately taking over India, which was the keystone of the British Empire from 1763 onward. And, taking over the northern part of North America, Canada, from the French. That was the beginning of the British Empire.

In 1763, when this empire was first established in that form, the freedom of the people in the North American En-

glish-speaking colonies was in jeopardy. All humanity was in jeopardy as a result of this new, evil empire: the empire of the British East India Company. There were other evils in the world, but the British Empire of that type, in that time, was the most important one.

Our people, in this country, in North America, began to struggle around Benjamin Franklin, first to negotiate and try to reform the British System, and then, knowing that the British System was not going to be reformed, to prepare to fight to establish a new republic on this planet. A new republic, cast in large part in the image of the 15th-Century Renaissance, cast in the image of the Treaty of Westphalia, cast in the image of Solon of Athens, cast in the image of those, like Plato in Greece, who had tried to prevent the collapse of civilization, then. And, while Greek civilization degenerated—and did collapse, despite Plato’s efforts, and despite the efforts of Alexander of Macedonia—the legacy of Classical Greek culture, as adopted and enriched by the mission of the Apostles Paul and John, persisted as a force for the greatness of humanity, from that time to the present time. And that inspired the founders of our republic to wage the fight. They reached out, and were reached to, by the greatest minds and the noblest spirits of Europe, which looked to the struggle to establish the United States as a republic. That struggle was recognized by all great Europeans as the investment of Europe, in its own recovery and survival. We were not just a bunch of people cast upon the shores of North America, trying to whack an existence out of the wilderness. We came here with a *mission!* The founders came with a *mission*, to establish *here*, on these shores, the republic, which could not then be established in Europe. Hoping thus, by establishing *this* republic, Europe would be enabled to free itself from a kind of slavery *from which Europe has not yet been freed to this day!*

So, we saved the world. We set a line of resistance against the empire, and similar evils. We were dedicated, very simply, to the conception that man is not a beast: that every person has not only the qualities of inorganic matter, not only the qualities of life, but an additional quality: a power of creativity, *which no animal has*. A power of creativity which is innate to the nature of every human being. A power of humanity which makes the individual human personality, potentially immortal, as no animal can be. And we shall deal with that question persistently, and pervasively, throughout the coming three days—the two days of the public conference, and our general business assembly, on the tasks before us, especially with the task of winning this election, firmly before our eyes. That is the nature of the situation.

So, this republic has a Constitution, formed and forged in blood and struggle, like no other constitution on this planet. Now, we don’t always submit to this Constitution. We have a lot of evil running loose. But, the Constitution, as embodied *essentially* in the Preamble and the conception of a Presidential system of government, this Constitution is the only true republican Constitution on this planet today.

Our job has been, repeatedly, when we as a nation, have erred, corrupted ourselves, and destroyed ourselves, as we have, particularly over the past 40 years; when we transformed ourselves, beginning about 40 years ago with the launching of the Vietnam War, from the world’s greatest producer nation, the nation which had been crucial in preventing fascism, under Hitler, from taking over the planet; the nation which had rebuilt a war-torn Europe at the end of the war, through the legacy of President Franklin Roosevelt: That great nation, with all its faults, that great tradition, with all the baggage encumbered with it, *saved Europe*, and saved the world, in the post-war period.

The End of the Line

But then, beginning 1964, in the wake of the Missile Crisis, in the wake of the assassination of President Kennedy, in the wake of the launching of that war, we changed. We went from being the world’s greatest producer nation, to becoming, increasingly, a decadent, post-industrial, morally, spiritually corrupt, *rotten* society. Step, by step, by step: through Nixon, through the establishment of the floating-exchange-rate monetary system in ’71-’72, through the system of rampant deregulation, launched under Brzezinski during the Carter Administration, and so forth and so on.

We, for 40 years, have gone, step by step, to the bottom of the sewer. And the sewer is our nation, in which we reside.

The lower 80% of family-income brackets suffer a degree of homelessness, which has not existed in our memory, in the United States! Vast tracts of our territory, which were once prosperous, are destroyed, and wastelands. The edifices upon which security stands today, inside the United States—I’m talking about health security, economic security—they’re crumbling! And they’re crumbling at a rapid rate, under the present administration.

So, we have reached the end.

Look at the rest of the world. There is not a Federal state in the United States today, which can survive, and maintain the present level of existence on the available tax revenues. It doesn’t exist. *We are bankrupt!* The same thing is true in Europe. There is not a nation in Europe—not a single one, on the European continent—which is not *bankrupt!*

On top of that, the entire world monetary-financial system is bankrupt: That is, the collapse of wealth, physical wealth, collapse of production in real terms, has been accelerating downward. You see it around you! You see it wherever you go. But, the spiral of monetary and financial aggregate zooms upwards, skyrockets. We’re in the greatest inflation in modern history! And the amount of debt outstanding is such that this can never be repaid. We’ve reached a boundary condition, a limit: *This system is now going to collapse!* It may collapse tomorrow morning (not because of what I say today); it may collapse in a week; it may collapse in two months; it may wait till the end of the year—I doubt it will make it that far. Its legs are giving out.



Helga Zepp-LaRouche gave the second keynote, on “The Crash Began in Germany.” She presented an historic overview of the collapse of the communist system in Eastern Europe, the reunification of Germany, and the need for a new international monetary-financial system today.

We will then be hit with the awareness of something far worse than the Depression of 1929. We will be hit by murderous conditions, far beyond those that our people suffered increasingly over the period of 1929, into the time of the inauguration of President Roosevelt.

This is the harsh reality now: Anyone who tells you there’s a prospect of recovery, is a liar or a fool! He should probably be incarcerated for his own protection. Maybe we could sort of seal the White House and keep the inmate in there. Unless we change, unless we change the direction in which we’ve been going, in particular for the past 40 years, we are not going to survive.

Now, as for the rest of the world: China seems to be a prosperous nation, relatively speaking. But, China’s prosperity depends on its exports to the United States and to Europe. That’s the ability of China to develop. If these markets collapse—and we are part of the market—then China collapses. The same is true of much of the world besides. There’s no place of refuge: This is a global problem.

Only the U.S.A. Can Provide the Solution

The problem, however, is this: Because the vestiges of the so-called “independent banking system” have not been lifted in Europe, because parliamentary governments prevail rather than true, Presidential constitutional systems, continental Europe *is incapable of saving itself* by reforms enacted by its own means. The only way that Europe is going to be saved, is by action from the United States to transform the interna-

tional monetary-financial system, and economic policy, *to eliminate globalization! To eliminate free trade!* To eliminate central banking systems. And to go back to the original Washington-Hamilton model of a Federal Presidency, in which, according to our Constitution, the power to create money, the *power to utter, is a monopoly of a sovereign government*, not a private central bank, or syndicate of private central banks.

It is the responsibility of government to regulate the circulation of that money, by law, by tariffs, by taxation, and other means, in order to ensure that the money does not go awry. Because money has no intrinsic reason. Money is a piece of paper; it’s a fiction. It’s an idiot. It can sometimes be a useful idiot, in the hands of government. We need to create money in order to foster, as the Massachusetts Bay Colony did in creating scrip as a kind of sovereign currency, back in the 17th Century, to promote employment, production, investment in capital. But we must regulate it. We must not let the money-changers, with money as such, transform the physical economy on which we depend for life, into a house of prostitution, which is what this monetary system is today.

Therefore, we must restore honest money. Now, money is not honest by intention, because money has no intention. Money is the perfect idiot. Therefore, you have to supply to money the intention which it lacks. And that is the function of the policies of government. The government has two functions: to build up the essential infrastructure upon which all of the functions of all of the territory and all of the people depend. And to consign to private entrepreneurs, the responsi-

bility for using their ingenuity and intention to make those useful improvements which we would encourage, through government, upon which the general growth of the nation depends.

That is essentially the American System of political economy, as defined, either explicitly or implicitly, by Alexander Hamilton, during his term of service as the Treasury Secretary of the United States.

In Europe, there was, for a time, admiration of the United States. But, it didn't last long. In 1789, you had the British—the British Foreign Office orchestrated what was called the French Revolution, beginning July 14, 1789. And thus, our greatest ally of that moment, the United States' greatest ally, France, was sent into turmoil, into a terrible reaction, *run* by Jeremy Bentham, as the key official of the secret committee of the British Foreign Office, who owned Philippe Égalité; who controlled the Swiss agent of Lord Shelburne, Jacques Necker; who controlled the Martinist cult, which organized Marat, which organized Danton, which organized the Jacobin Terror, and which created Napoleon Bonaparte, the first modern fascist terror.

There we were, a tiny nation, huddled upon the shores of this continent—7 million people—threatened by the combined powers of the British Empire and the Habsburg Holy Alliance system, which were rivals against each other, but which were commonly determined to *destroy us*, and to eradicate the very memory of our existence from the memory of Europe and the rest of the world. That has been our situation.

And because of that, Europe, to this day, has not developed a competent form of self-government: Because it continues the legacy of reformed parliaments, or reformed parliamentary systems, which are derived from feudalism, and reformed for modern times. It continues to be controlled, as Europe was controlled by the Norman chivalry, and the Venetians prior to the 15th Century. By syndicates of private financial cartels, which control money, control the credit and debt of nations, and make nations the mere pawns of international financier-oligarchical interests.

Europe is still a slave of those institutional traditions. We were able to save Europe, through Franklin Roosevelt. We were the only power in the world, which—well, the Soviet Union was a different case, a different kind of system. But, we were the key power which made possible the defense—including the defense of the Soviet Union—the defense of the world, the mobilization of Britain and the Soviet Union, and other forces, with us, to defeat the Nazi system. If Franklin



Kentucky State Rep. Perry Clark (D) addresses the conference, on his experience with organizing the “forgotten man.”

Roosevelt had not existed, if Franklin Roosevelt had not provided that kind of leadership to prevent the United States from becoming a fascist system under the control of a syndicate of the du Ponts, the Morgans, and Mellons and so forth, then—these were the people who helped to put Hitler into power in the first place; and they would have had a fascist system here, if Hoover had been re-elected. Franklin Roosevelt saved the United States, itself, from fascism; enabled a recovery of the U.S. economy; and created a situation in which both Britain, around Churchill, *and* the Soviet Union, were able to fight against the Nazi system, and made possible what would otherwise have been a worldwide Nazi empire today.

So, the United States saved Europe, then, in World War II. And the United States saved the world, even under this Truman, who was no shakes—and saved the world, by the legacy of Franklin Roosevelt's efforts, on behalf of the larger world, most notably Europe and the Americas.

It was not until 1964, that we began to throw that away.

‘We Became Like Ancient Rome’

We've now come to the point, 40 years later, after the launching of that war in Indo-China; and the launching of the effects of the Congress for Cultural Freedom which corrupted us; and the effects of young people going to the university, where it trained and produced the future elite—who went to college to learn, and took their clothes off and took LSD, and had sex with the nearest lamppost: And these people who did that, are now running the United States today. Or, should we say “ruining”?



At the conference in Los Angeles, the youth movement prepared pedagogical exhibits on geometry and science. They also presented a post-conference cadre school panel on “spherics.”

This was the post-industrial cult. This was the epidemic of free trade. This was hatred of honest work, with dirty hands and labor. This was the cult that hated honest labor, that hated the honest farmer, that hated the honest artisan, that hated the former independent entrepreneur, *and wanted the big financial corporations* which sit like parasites and suck the blood of the world, and our own people.

We destroyed our own character.

We became like ancient Rome, ancient Imperial Rome, which ceased to work, and stole by military means from the rest of the world; introduced large-scale slavery, and transformed its society, as we have transformed the United States these past 40 years, from the world’s greatest producer nation on the planet into a bread and circuses society, a hunger and mass-entertainment—or shall we say, “mass-degeneracy-as-entertainment”—today.

We have taken the morals, and judgment, and reason, out of our people. We are ruled by what is called “popular opinion,” by a sophistry, which would make the Sophists of Athens *blush*.

So, this has often happened to humanity, things like this. And this time, leadership must step forward. And what must we do? Establish a dictatorship? That is the general proposal these days, around most parts of the world: “Let’s have some more wars. Let’s terrify the people into submission. Let’s create tyrannies, as we used to have under feudalism, when Venice’s oligarchy ran the world with the help of the Norman chivalry, which killed everybody in such forms as crusades.” That’s what we’re talking about: We’re talking about a satanic crusade! Satan Cheney is going to lead a crusade to free the

world from Islam—from who knows what else? From people! Hmm? It’s just like this guy, Zell Miller, from Georgia, who’s proposing to defend the nation, for the defense of “our precious bodily fluids.” This kind of insanity.

So, that’s the direction we’re going in. You see that in that Nuremberg rally that was broadcast as the Republican National Convention! What do you think Zell Miller was doing? What do you think Cheney was doing? What did you see? You saw that the thing was totally scripted—Hollywood-style script, of the kind of thing that a Hollywood producer would be ashamed to produce. You have the script, it’s the speech. Everything is programmed to the last detail. In the speech, it’s marked: Cheney is going to talk about this—suddenly, the signs pop up, at the point that part of the speech is mentioned. And, the hyperventilated idiots get up, and start screaming, dancing, and roaring! Cheney waits. Then, he goes back to the script. He reads some more from the teleprompter—reads another sentence. The signs pop up, on the new theme, “Four more years! Four more years!” No more brains! Hmm?

Now, that gives you a portent of the mental quality of the current leadership of the Republican Party, under George Bush and Dick Cheney. Now, many Republicans are sane, but they’re in a prison. It’s called the “Republican Party,” where you’re compelled to be insane, or be killed, or beaten, or whatever. It’s coming: Next, they’ll have Abu Ghraib for dissident Republicans. Next thing you know, they’ll get out there and interrogate them to find out if they’re secret admirers of John Kerry. We’re getting to that kind of state of affairs.



The LaRouche Youth Movement chorus sings Bach's "Jesu Meine Freude," at the conference in Reston. The music panel was dedicated to Sylvia Olden Lee, the famed vocal coach and beloved friend of the Schiller Institute, who died earlier this year.

We have to actually save the nation.

Now, how do you save the nation? Well, first of all, you had to change the Democratic Party. The Democratic Party policy. The Democratic Party policy was, rely on the suburban vote, and the customary voters, who had voted at least three times out of the past four national elections. And people were doing things about how we could influence that expected vote. Now, four Federal elections is eight years. How many people reached the age of 18 in the past eight years? How many people have stopped voting because they don't see any point in it? And what about the people, who are so discouraged, they don't think about making government, they don't think about changing the government, which is what is needed now.

The government policies are wrong: Don't just try to change the policies. You have to change the people *who make the policies*. Policies are not things that come out and stand up by themselves, and make themselves! It's *people* that make policies. It's institutions, run by people, that make policies. And if the policies are wrong, and if you keep making wrong policies that lead to destruction, you obviously have to change *the policy-making people!* And we haven't done it. So, most of our citizens have given up.

What do most people do who do vote, especially from the lower 80% of family-income brackets? They don't vote for government! They beg! And threaten. "We will vote for you, if you give us this little thing. We will vote against you, if you don't give us this little thing!" "Don't talk to me about the Federal government. Don't talk to me about national policy.

"Tell me about my neighborhood!" "Tell me about my pet peeve." "Don't try to save the nation from going to Hell, my pet peeve is more important than Hell!"

Now, these are people. These are people who are perfectly capable of moral behavior. Many of them are normal family people who, in terms of concern for members of their family and so forth, and neighborhoods and whatnot, are perfectly normal people. But, they behave like idiots! Why? Because they are idiots? No, they're not too well educated; they're very badly informed, in fact. But, they're not idiots. They're perfectly capable, under the right circumstances, of being rational people, who will struggle to improve their minds, and will struggle to improve society. They have an instinct for what is good. They know that growing is good, living is good, health care is good, education is good. They know these things.

But, why do they behave in such a way? Because, they have been effectively put into the condition of *herded cattle*. They are told, "You are a cow. Go out into the field. You have a right to complain about the grass, but you don't have a right to complain about your condition of being a cow! "And, you will go to the slaughterhouse to be culled, when you are no longer useful, just like the other cows are!"

And that's happening to people: The HMO system is a system for *culling cows, human cows!* By denying people preventive health care, and denying them normal health care, apart from preventive health care, we're killing people. We're killing people because we don't want so many old people. So,

how do we kill them off? Well, Hitler had a method. We have a method: It's called HMO—no mo' people.

We take the population, look—they don't like—they're racists. The power in the country today is a fusion between Southern racists, who joined the Republican Party, together with the other type of racists who joined the Republican Party. And the honest Republicans find themselves overwhelmed and swamped, and they have no control over their own party.

So, you have this—this is manifest in hatred against so-called “minorities.” Which are really no longer minorities. If you add up all the minorities in this country, they're the majority! Including the lower 80%, the biggest minority of them all.

So, what do they do? How many people—young, black males, are either in prison, or have been in prison, and have ruined lives? How many people under the guidelines, are in prolonged sentences, for often what would be considered relatively secondary offenses, while the big boys go free? As in the case of Enron, which typifies how big boys may get ahead, while the little people sit in jail.

So, we have vast sections of our population which are being destroyed. Not only the immigrant population. Not only the people who are illegal immigrant population. But all kinds of the population are being systematically destroyed—by *triage*, one section after the other—to try to control the vote, so the African-American doesn't really have a vote, because there are not enough of them. And those who are so intimidated will often let themselves be bought. Bought for a peeve, or bought for some small, local favor. Or bought for a little piece of money, one at a time. And therefore, you destroy the ability of entire parts of the constituency composition of the society to govern; to even think about governing.

Youth Will Create a Landslide Democratic Victory

So therefore, what we have to do to win an election 60 days from now, what we have to do, is we have to create a landslide victory for the Democratic Party.

What we have to do to do that, is not go out and say, “Come in. Be our landslide.” What we have to do, is we have to go out and *earn* that effect. And we have to do it in 59 days!

How do we earn that effect? We earn that by getting the individual citizen, who is now estranged from the idea of controlling government, to think of himself or herself as important, and *being heard!* Being told and being heard. We have to do that, largely with youth. Because young people, 18-25, have a certain quality, which older people—that is, old people, like those 30 and 35—do not have. You get to my age, and the oldness wears off. You're no longer old. You've gone through that, and you're now back to your youth again!

I have great fun with these young people. I mean, many of them have real problems. They've been given a *terrible* education. They barely have a subsistence living—do you know that? They've been thrown out of the nest, and told to

forage on the streets, virtually, or something like that. Right? They weren't well-educated. But, they know one thing: They know that the United States today, as given to them by the generation which has reigned over the past 40 years *is a no-future society!* And, if you're 18-25, and you think you might have 40 years of life or so before you, you don't want to spend that 40 years in living Hell, or the alternative of going directly there, and taking the shortcut to Hell. Therefore, you have a deep, inner motivation to change the direction in which the society is going. Otherwise, you simply turn against society and become an anarchist. And therefore, young people have to, first of all, get a sense that we can change the direction of society, in the direction of creating a landslide victory for Kerry. Not for Kerry—but Kerry, as the instrument of our victory. As our representative, in the process of establishing our victory.

On the basis of doing this, we have to arm these young people with a form of organization where they can go to their parents' generation, and bring their parents' generation back into the process. As Roosevelt did, in his way, back in the 1930s, as the American Revolution was founded on.

You had an old geezer like me, Benjamin Franklin. And around Benjamin Franklin, you had a youth movement which included the Jeffersons, the Madisons, and Hamiltons, and so forth, and the others—who made the Constitution and made the Republic. Under Franklin's guidance, from the finest minds in Europe! Who had a great intellectual investment in creating this Republic on these shores. The greatest scientific, and political, and Classical literary, and other minds of Europe were devoted to bringing this nation forth, in the United States.

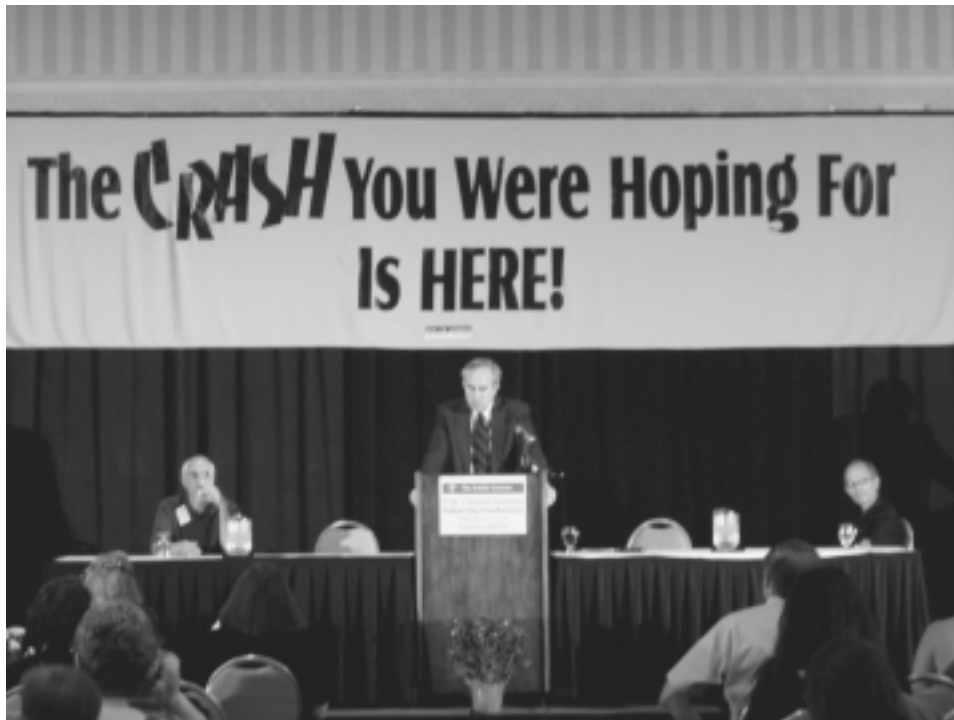
And they were mostly a youth movement of this particular generation: young people with energy, seeing the alternative, with building a future and a no-future society, who then are able, by their example and influence, to confront their parents' generation, and say, “Come on! Come back into the human race. Get out of fantasyland! Stop your escapist ideas. Rip up and destroy your comfort zones. Come back into reality! This society is dying!”

We Are Immortal!

Now, how can you do that with a human being? Well, we are immortal. And that theme of immortality is going to be persistent throughout the remaining days and hours of this conference—both in the two public sessions and the one internal session. And we're going to refer to some immortal people, including some of our immortals—by name—in order to give people a sensuous grasp of the fact that *we are* immortal.

Now, this does not mean you're picked up someplace, and put in storage, and then dumped out in some completely different universe. This means, that you are immortal *in this universe*. And the theologians used to call this “the simultaneity of eternity.”

Think about what the difference is between man and an



LaRouche's West Coast spokesperson Harley Schlanger addresses the conference from Los Angeles, on "The War Plan for November." He laid out the LaRouche movement's approach to winning in the "battleground states," through strategic deployment of forces of young organizers to win over the "unlikely voters."

animal: No animal could discover and apply a universal physical principle. Only the human mind can do that. All the so-called "physical principles" of that nature, the principles of Classical artistic composition, are of the same nature as science. No animal is capable of Classical artistic composition. (Though some human beings try to be animals when they do it, the results are not very satisfying.)

So therefore, because we are immortal, as we shall emphasize in various points here, in these proceedings these three days, when we develop an idea, or when we receive the ability to re-create that idea of principle within ourselves, we are expressing an immortal relationship between those who lived before us, and ourselves. When we talk about the discoveries of Archimedes, when we relive the act of those discoveries, we re-create the living Archimedes in our own mind, and Archimedes lives, as an efficient part of society, today.

This is true of all great discoveries. The progress of man from the few million individuals which a higher ape species could attain, to 6 billion or more today, is entirely the result of immortality: the ability of a human individual to receive, generate, and transmit discoveries of universal principle, from one generation and person to the next. That other people live within us. Those of us who know anything about life, know of the other people who live within us, who are now dead, but they live within us because something of themselves which has a creative impact, lives within us. It strengthens us, if we use it. It gives us the power to improve society. That is how society has progressed. That is why you must be optimistic about the native goodness of the human individual.

There are no inhuman individuals who are born *bad*. Every human individual has the creative power, which defines each human person, as in the image of the Creator. We are the only creature who can discover the principles of creation, of the Creator, can adopt them, can use them, and can increase man's power *over the universe*, by using those creative principles which the Creator has provided, but only we, as human beings, can access.

And when we participate in the Creator in that way, by devoting our lives to *that* side of our life which is truly human, we become consciously, really, and powerfully human. This is the power which is shown by Jeanne d'Arc, in making possible the establishment of the first modern nation-state in human existence. This was the same quality of creative passion which Martin Luther King showed, especially on the eve of his death, on the night before he was murdered.

Martin was not devoted simply to pleading a cause. Martin's cause was clear: *to heal the abuses of any and all, within this nation*, or nations of the world; to heal the abuses, that people in this nation suffer. You can not correct those errors one at a time. You must go to the core of the matter. You must uproot the cause of the rot. You must tap the principle which makes it possible to do that. You must uplift people, and say, "We must make *this nation whole*. We must *transform this nation*, so that *this nation* itself, by its own impulse, will not allow the legacy of slavery, or similar crimes to go on. That *we*, by being conscious, by being human, *as a nation*, will not, *as a nation*, allow humanity to suffer the kinds of conditions which it often has to suffer." And when we act, by scientific



Lyndon LaRouche and his spokesperson Debra Freeman. LaRouche told the conference that the youth will “confront their parents’ generation, and say, ‘Come on! Come back into the human race. Get out of fantasyland! Stop your escapist ideas. Rip up and destroy your comfort zones. Come back into reality! This society is dying!’”

discoveries, or by an act of goodness, in that direction, we are each immortal.

When we come to a crises like this, we have to awaken in the mind of the individual who feels on the lower echelons of life, who feels that he can only beg for favors, or blackmail the boss, to get him to look at himself in a higher sense, and say, “What’s important to you?” He says, “What I feel. What I sense.” I say, “But, you’re going to die. We’re all going to die. Therefore, what’s important to you, if you’re all going to die? What can you take in life, as a mortal being, that you can keep when you’re dead? Is there something which you as a human being, in the image of the Creator, must desire *above all other things*? To be a permanent part of creation by contributing to creative knowledge, and a creative act, which only a human being can do.”

Therefore, our job, as Martin Luther King tried to teach a lot of people in his development; as Jeanne d’Arc did, who went to her death knowing that *she had to go to her death*—not because she wanted to, but because if she took the route to escape that death, she would have left humanity with a betrayed gift which she carried. Therefore, she died willingly, with the image of Christ before her, because she was willing to take that sacrifice, because *it gave meaning to the purpose of her life, in the whole skein of humanity, and eternity.*

Now, you find, as Amelia has often emphasized, in talking about this fight for voters’ rights in the civil rights cause, in Alabama and elsewhere: Who were the first to support that cause? The have-nots. The people who knew they had nothing. As Amelia has often described this, what blocked others, who were also victims of the same persecution, but who had a house, who had a job, who had a profession, a business?

They could not put that earthly thing, that transient thing, on the line, for the greater principle. The have-nots, who had absolutely nothing, found it easier to say, “I’m going to do something, with my miserable, physical life—I’m going to do something with it which has meaning. I’m not going to be a meaningless zero, a meaningless person.”

That exists in all of our people. Oh, there are exceptions here and there. There are Cheney’s and so forth. There are mental defects, like George W. Bush. But, this is not the majority of our people. Our people are behaving *badly*. They’re often doing wicked things! But, they’re doing it out of their smallness! They’re trying to grasp on little things, petty things, to try to accommodate to their fears. They are not thinking of their eternity. They’re not thinking about immortality.

And they’re disregarding the legacy of their own families. For example: In my own case, I had a great-great-grandfather, Daniel Wood—he was a Quaker abolitionist, who was chased out of the Carolinas, because his anti-slavery policies were not popular among some of the local residents there. He went up to Ohio, married into a Quaker family up there, and he set up the Underground Railway station north of Columbus, in Delaware County, and was an associate of the Whigs, of Henry Clay and so forth. And—quite a life. Now, he was a personality at the dinner table of my family. He had died before I came along. But he was still well known and familiar to members of my family at the dinner table. He was a dominant figure in that part of world, where they were living, that part of the family, and therefore his name would come up as sort of a landmark in any significant dinner conversation where the family was gathered—particularly when they were coming together again, for some special occasion. And this is true of every part of our lives, if we know that. We can trace our personality back to generations before. We know people, directly and indirectly, who are part of us; whose idea, whose presence, whose touch, is part of us. We think of these people. We look inside ourselves, and we see the faces and memories of these people, who have long since died: They’re part of us, as we are going to be part of those who come after us.

Our interest, therefore, lies essentially in what we do with the mortal life we have. But, the thing for which we struggle is what we leave behind. As healthy, normal parents, as immigrants coming into the United States, sacrifice for their children and grandchildren. There are legacies of this, all over the world, of this kind of thing. The most normal thing, about human beings that we know, given a chance, is a willingness to sacrifice for the betterment of the generations coming after them. To take pride—and to die with a smile on their face! Because they *know* that their life has not been a waste. And that the good they have done, is being nurtured and protected for the benefit of humanity by those who come after them.

What do you want of a child that you have? You want that child to do something good. You don’t care what it is, as long as it’s something good. But, as you are dying, you want to



Marcia Merry Baker addressed the conference in Reston on "Animating Dead Economics," showing how the U.S. physical economy became the most productive in the world. John Hoefle then documented how that economy has been destroyed, in the post-1967 cultural-paradigm shift.

think about that child going forth in the world to do something good, that they choose to do. You take pride in that. You identify with that. That, to you, is a sense of beauty, a sense of permanence. It is, as is often said by theologians: It is an intimation of immortality.

Now, we've got poor people all over the United States, who fit into that category. And what they have to do, is know that someone is fighting for, above all others, the lower 80% of the people of this nation. And the way to get that across is to let the youth, who are immediately faced with the prospect of a non-immortality, a no-future society, let them inspire their parents' generation and others, to come back into the human fold, and stop being human sheep, herded, like human sheep.

The Science of Physical Economy

Now, what we're going to do, in addition to that, is we have a program which will be featured by some of our people, tomorrow morning here on this platform in the first session, which pertains to something I've insisted be done at this time. I always did this, in a sense, but, in trying to convey ideas to people who are stubbornly attached to money—if you wanted to explain what was wrong with the economy, you had to talk about money. And, I said, "Money is the last thing I want to get around to. Yes, we're going to have to use money. We're going to need it; we're going to use it. But, let's decide what we're going to do first, and come to the money part, second. In other words: What are we going to do? What does this country need? What do we need? And what are we going to

do about the money side of managing this country and the world? So, let's talk about the *physical* things, that are important."

The greatest problem is that when you say "physical," people think of sense-perception. "Show me the object! I'll buy it!" Money! "Purchasing power" now is the nexus of human identity. "I can be bought and sold, like anybody else. I'm a potato—I can be bought and sold."

But, what is human? This quality of humanity is not a sense-perceptual object. The quality that distinguishes man from a monkey—which some politicians have trouble in recognizing—is that man is capable of discovering a true universal physical, or Classical artistic, principle. No monkey can do that. A monkey is, "monkey see, monkey do." Like some of our politicians.

But, with a human being, what's the difference? The difference is, a human being is capable of discovering something that *can not be seen with the senses!* A universal physical principle. An artistic principle, like a Classical artistic principle—you can't see it! You can know it! But you can't see it. You have to go through a *cognitive process*, which is something beyond sense perception, to see a principle buried behind the shadows of sense-perception. That's what "physical" is. "Physical" is the development of those powers, the powers of knowledge, by which mankind is able to do what no monkey can do: Powers to make the universe *change, physically*, through the use of that knowledge. Whether it's in Classical art, in music, in the use of irony in poetry, in metaphor, or whether it's in a physical principle, a scientific principle. You

can never see a scientific principle. They can not be seen. They exist. You can prove they exist. But, you can't see them, through means of sense-perception.

So therefore, when we mean "physical," we don't mean—or, should not mean—simply objects of the senses. What we mean is: *the power to change the physical order of events*; the power to increase the productive powers of labor; the power to cure disease. These are powers which are based on knowledge of principle, and the experimental method of discovering, and *using* and applying those principles. In music: You can have idiots humming tunes. You can get a chimpanzee to hum a tune. That does not necessarily make him a musician. You may sneak him into a rock concert, but he's not a musician! As the great conductor Furtwängler said, the music lies between the notes, not on them. It's not the notes, as perceived. It's the way there's a principle operating to bring forth and replicate and communicate that principle to another mind. *That* is Classical music. To communicate an idea, not by dictionary uses of words, in the sense of the dictionary, but by putting words together in a way which conveys an actual idea, an idea you can not simply see directly. But, an idea which is efficient, nonetheless.

This is the kind of thing, to get away from this empiricist, "I'm only a monkey. I'm only a piece of human cattle."

And, to get that sense. And therefore, what we're going to show in these economic studies, which are going to use a lot of animation—you'll see some examples of what we're talking about tomorrow, here—we're going to show exactly how an economy actually works. And by showing this, to indicate to people, not only how the economy works, but *why* we must do certain things!

For example: The greatest issue today, in terms of government policy, is the question of basic economic infrastructure. Now, for 40 years, especially for the past 30-odd years, we have been saving tax money by destroying basic economic infrastructure, in mass transportation, in power generation and distribution, in the form of available health care in hospitals, and so forth and so on. We say, "we can't afford it. Therefore, we're going to *save money!* Oh, save tax money! We're going to make things better, by cutting tax expenditure," as Bush is doing. And what we're doing, thereby, as we have done for 40 years: We have let our dams, our water systems, our power systems, our school systems, our health-care systems, and everything else which is essential to life, collapse.

On top of that, with the introduction of free trade, and worse, with globalization, we have destroyed private capital, on which we depend for employment, and for improvement of the productive powers of labor. We say, "Now, the product that we consume, must go to the part of the world, where the production is the cheapest." By doing that, and using cheap labor, which we're actually burning out in other countries, to replace *our* production of these goods, we destroy the capital investment in *our* industries, in *our* farms, in *our* places of

employment. And we give the people the advantage of being able to buy the goods that are cheaper, at Wal-Mart, by this kind of process.

This is nuts! It's insane!

If we want to have a safe environment; if we want to have clean water; if we wish to have power; if we wish to have health care; if we wish to have education; if we wish to have national security; if we wish to have safe communities: We've got to invest in it, in terms of long-term investments in basic economic infrastructure.

For example: Let's take a person, 25 years old. Now, 25 years old, today, is the age at which a person could be expected to have acquired professional competence for their life's work. What is that 25 years? "What does this kid produce, in the 25 years? What does he produce when he's six years old? Maybe if we cut him out, we can save money!" Is that logical? The kid is not productive. Families will tell you, "We can't afford children—so let's abort them!" George says he's against abortion, George Bush. But, he's committed more abortions than any President on record! Simply by his economic and social policies!

So, the basic investment in society today, in a society at our technological level—unless we're going to become a Third World society—is investment in the development of our young people for the first 25 years of their life—a quarter of a century!

Now, long-term infrastructure investments have a life-cycle, a physical life-cycle, generally running in the order of at least a half-century. Industrial investment has a cycle of, at least, a quarter of a century. Elements of production have a life-cycle of less, maybe 5 years, 10 years, 15 years.

But therefore, it's investment in capital, in the form of *physical* capital, or intangible capital, such as the development of a human being, which is the basic unit on which a modern economy depends. And therefore, if you don't invest, and measure your investments today—in the United States, we have to invest, measure capital, in terms of quarter-centuries. That is, that part of the life-cycle, coming from birth to a matured professional, ready to enter life. We have to pay for that 25 years of that development of that individual. That means, not only payment to the family, or by the family, but payment to the community for those things that are provided by the community, or by the nation as the whole, for each of those individuals, as opposed to what comes out of the family income.

We have to do that; because, our basic capital is human. Our basic capital is human beings. And in modern civilization today, which is living up to being a modern civilization, the first 25 years of life *are the first, primary capital investment in society*. And therefore, we have to *protect*, we have to structure prices, we have to structure investments, and national policy, in such a way, that we ensure that for the entirety of our population, that standard of living of children and young people is maintained. That means we put a charge,

built into the price of everything produced, to cover that expense. It means we plan our tax programs that way. It means we plan our government budgets that way, to make things work. To get the maximum potential out of each person, but also to give them the potential to *be* that kind of producer.

We have to give people a vision of the physical reality. That it is this skill, that it is this investment into humanity, which is based on investment in knowledge; knowledge as expressed typically by scientific and related technological knowledge; and knowledge expressed by Classical culture, in various forms, which is an essential part of this.

We have to do that. We have to bring the individual member of society, especially those depressed and frightened, and who have given up, in the lower 80% of our family-income brackets, whose standard of income has been declining, decaying over the past 40 years, we have to give them a sense, that they have *the right*—not the opportunity, but the *right*—to have that kind of policy, in our nation, and in the world.

They don't believe they have that right.

You know, there's a professor out in the University of Chicago, or in that area, who has emphasized Franklin Roosevelt's Second Bill of Rights, which he uttered in the 1944 period, I believe, of his Presidency. And it has been recommended that we look into it, and I would encourage this—that we look into the Democratic Party's adoption of that Second Bill of Rights, as, at least, an educational policy, for the Democratic Party in this campaign: The idea, that people have *rights*; the nation has *rights*, and that we as a people, as an ensemble of people, must ensure that these rights are provided, are maintained, for our people.

By doing that, we have to go to our people, especially the lower 80%, and give them a sense that they are not forgotten, that they have rights. We may not be able to afford, right now, delivering on all those rights. But, we do have the power to commit ourselves to building ourselves to the point that *we can* deliver those rights, and declare them as rights!

This is the problem we face, all over the world.

Let me put it in this way—I've said it many times, but I think, at this point, it's a good way to cap this thing. Because, we'll talk about other parts, about what we're going to do with this campaign, tomorrow, and also the day after that; so there'll be more aspects of this discussed, practical aspects. But, the essential problem is that we have not actually understood adequately, the nature of man, nor of history. I've said today, a number of things about what's wrong with Europe, and I can tell you frankly, I do not exaggerate: If the United States were to disappear from this planet, in effect, today, there's nothing in Europe which would enable the governments and institutions of Europe to save themselves. They would go to Hell. These parts of the world, in fact, the planet as a whole, would not survive, without an intervention by the United States, of the type that Washington, and Hamilton, and others made, in that time of crisis; the kind of intervention

which Abraham Lincoln made, which was *not* simply something in the United States, it changed the world for the better, very quickly, throughout Europe and elsewhere; without the kind of critical change made by Franklin Roosevelt with his intervention: We, in the United States, must make that kind of intervention, in not only our own affairs, but in world affairs, now.

We Require a Great Presidency

We must understand that we, too, are immortal. We, as a nation, have a mission. We're the only nation on this planet which has these essential qualities, which the world needs from us. This was the case of the founding of the U.S. republic. This was the case of Lincoln. Lincoln saved humanity, by what he led us in doing. This is what Roosevelt did, who saved humanity, by the leadership he provided from the United States, at that time.

We are now at a point, where again, we require a great Presidency: a great Presidency, like that of Washington; a great Presidency, like that of Lincoln; a great Presidency, like that of Franklin Roosevelt. We need such a great Presidency. I understand how to be that kind of President. That's one of my weapons. I know how we can make a good President, such a President, by putting together the right forces in the right way, to transform John Kerry—who is a good man—but to transform him into the guy who could play the role of a great President. Because great Presidents are not simply secretions of individual people. There are many people, who have been great Presidents, who were no better—or great leaders of society—who were no better than people who seemed rather ordinary, in the course of history.

What defines a great President of the United States, is the coincidence of a crisis, the coincidence of a challenge to humanity, and to the United States itself, in which some person is great enough, to be able to fill the shoes of doing that job. It's like finding a general, to lead in winning a war. The general does not win the war. But, the general of that quality is essential to win the war. You need leaders, individual leaders, who you've strengthened, who are supported. In a time of crisis, when leadership is crucial, that makes for a great President. People who are equally good as potential Presidents or actual Presidents under other times, do not seem as great, because the challenge of their time was not so frightening, not so deadly.

But when we come to a point of crisis, when civilization as a whole is in danger, or a nation's existence is in peril, then a person who is adequate to play the job of leadership, who has the associates who, together with that leader, is capable of mobilizing the nation to save itself, becomes a great President, or a great leader. Such is the nature today: Do not expect John Kerry to be an absolute miracle-man. We have to make his Presidency look like that of a miracle-man, like a giant of modern history.

Thank you.

There Is No ‘Upswing’ In the Swing States

by Richard Freeman and Paul Gallagher

In the electoral “battleground states” of the formerly industrial Midwest and Mid-Atlantic, from Wisconsin and Missouri to Pennsylvania, campaign appeals to the “middle class” are ignoring the impoverishment and abandonment—of cities, workplaces, and decent jobs—with which globalization and deindustrialization have battered those states. During the years of the Cheney-Bush Administration, sharply rising poverty has made virtually all the cities of the industrial belt start to resemble the eastern Germany which is swept with demonstrations for jobs and reconstruction today.

The three decades-plus since 1970—since the turning point identified by Lyndon LaRouche as Presidential pre-candidate, when the abandonment of the fixed-exchange-rate Bretton Woods system brought on the era of “globalization”—have seen population growth in these states virtually stop, cities empty out, the manufacturing workforce shrink drastically, and living standards plummet. Cleveland, Ohio was reported in the 2003 Census to have reached an official poverty rate of 31.3%; scores of other industrial-belt cities have 20-30% of their residents officially in poverty. This is what the Census reports; counties and cities which do their own surveys of poverty report it to be still higher than the Federal reports say.

With their large numbers of discouraged workers and “unlikely voters,” these states’ citizens can only be rallied by an FDR-like call to mobilize the forgotten man and woman, and rebuild the nation’s lost productive economy.

The Former Industrial Heartland

The U.S. industrial belt begins in Buffalo in northwestern New York State, and swings in a swath from Philadelphia and Pittsburgh in Pennsylvania, clear across to St. Louis, Missouri. It is anchored by such formerly industrial cities as

Cleveland, Detroit, and Chicago, and in between, is filled in by hundreds of medium to small industrial cities, such as Scranton, Pennsylvania and Gary, Indiana.

This area once teemed with industrial capacity, from glowing steel blast furnaces to machine-tool factories, and a highly skilled, well-paid workforce. It was known as America’s Industrial Heartland, or sometimes, the Industrial Midwest.

The area’s intensive development was initiated directly by the networks of Benjamin Franklin and Alexander Hamilton. There was the building of railroads, canals, locks and dams, power systems. There was the utilization of the American Great Lakes, and river systems such as the Monongahela River for the transportation and water supply needed for the development of abundant steel plants surrounding and inside the city of Pittsburgh.

The imposition of the financier oligarchy’s post-industrial society in the mid-1960s, altered this, like a swarm of locusts flying through an area, destroying everything in sight. This region is now called the Rust Belt, but that sobriquet hardly captures the degree of destruction.

In the following pages, look at the number of cities that between 1970 and 2000, unnaturally lost more than one-third of their population, such as Pittsburgh, Cleveland, Detroit, Buffalo, and St. Louis. Almost every single major city in this industrial belt, has lost more than one-half of its manufacturing workforce, and these were the most productive manufacturing workers in the world.

The ratios of manufacturing workers to the total workforce, which for most of these cities hovered at 25-40% in 1960, are in the range of only 15-20% today, as financial services and various flotsam and jetsam now pass for jobs.

In the case of the ten leading cities of each of Pennsylva-

FIGURE 1

Swing-State Downswing: an Urban Crash



Source: EIRNS.

Virtually every major or other industrial city in the formerly industrial-belt states has been hit with drastic depopulation, alarming poverty levels, and loss of its productive labor force over the past three decades. The process is accelerating, and official poverty in Cleveland, for example, has passed 30% of its population.

nia, Ohio, and Michigan—three cornerstone states of America’s Industrial Heartland—there were one of two cities in each state (the financial speculation center and state capital of Columbus, Ohio, for example) where population grew, and poverty did not rise, as jobs were available in the financial services sector. Outside these political/financial capitals, the picture is one of real economic devastation. But even taking account of these few exceptions, the reality is that each of these states have suffered unnatural population losses in their once-urban industrial centers of 20% or more.

A result of this process is the explosive growth of poverty to the point that more than one-quarter of the populations of cities such as Cleveland and Gary, is below the “official” poverty level. The absurdly low official Federal poverty level of today severely understates the real level of poverty—in reality, in many of these cities it is 35% or above.

In addition, all of these cities have been suffering exploding fiscal crises, with many of them in, or approaching, the “distressed city” designation which is the modern legalism for a bankrupt municipality taken under state fiscal control. In the so-called homeland security era, they’ve had to lay off firemen and police, close hospitals, and neglect other infrastructure.

This is the deep-seated result of 40 years of a policy that

FIGURE 2

Rising Poverty Under Bush

State	% Poverty 2000	% Poverty 2003
Wisconsin	8.1%	10.0%
Illinois	10.0%	12.7%
Missouri	10.6%	10.8%
Michigan	9.7%	11.5%
Indiana	8.8%	9.5%
Kentucky	13.9%	14.3%
Ohio	9.8%	10.6%
New York	13.2%	14.3%

Source: U.S. Census Bureau.

changed America from the world’s leading producer society, to a consumer society. The industrial soul of America was lost. No “reforms” or band-aids can undo the deep-rooted damage. This should be the pre-eminent focus of the ongoing Presidential campaign. Only through a “Super-TVA” policy put forward by LaRouche, can the destroyed lives of the citizens in these cities be restored, the infrastructure be made to function, and the indispensable industrial capacity needed for all of America and the world, be revitalized and upgraded.

FIGURE 3

Depopulation, Deindustrialization, Poverty in 10 Pennsylvania Cities

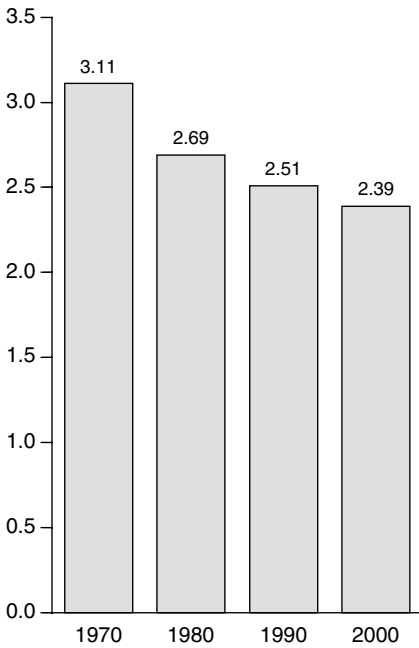


Source: EIR.

FIGURE 4

10 Leading Pennsylvania Cities: Population Falls by 36%

(Millions)

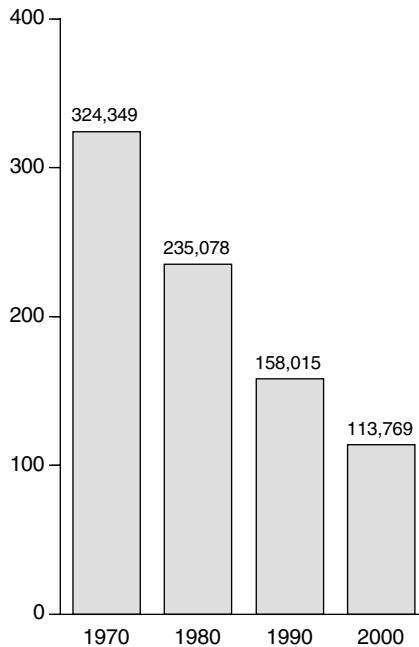


Source: Dept. of Housing and Urban Development, EIR.

FIGURE 5

10 Pennsylvania Cities: Manufacturing Workforce Falls by 65%

(Thousands)

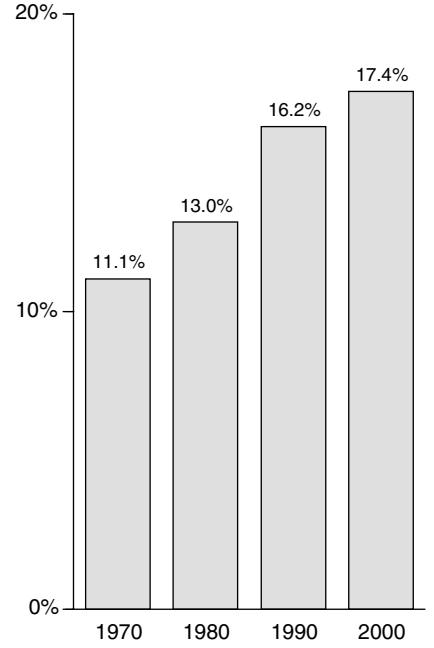


Source: Dept. of Housing and Urban Development, EIR.

FIGURE 6

10 Pennsylvania Cities: Poverty Rate

(Percent)

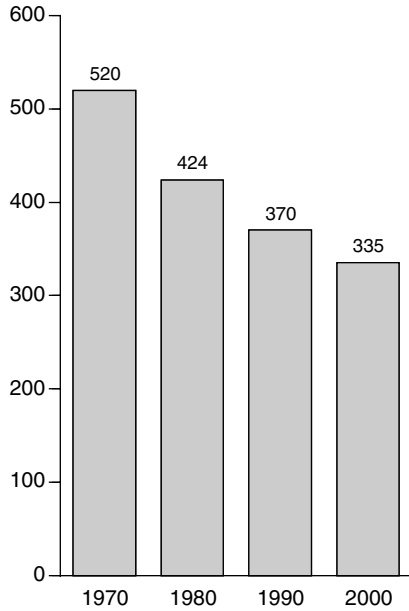


Source: Dept. of Housing and Urban Development, EIR.

FIGURE 7

Pittsburgh: Population Falls by 36%

(Thousands)

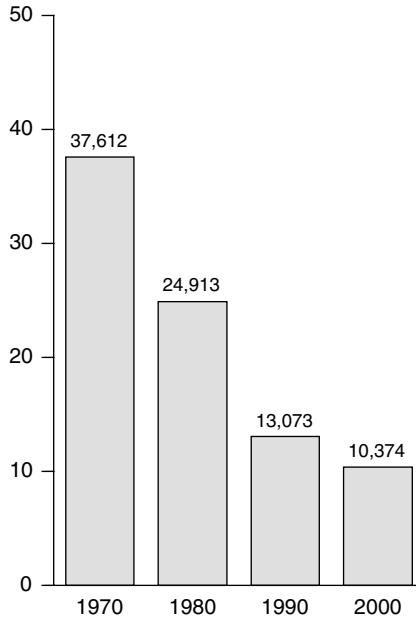


Source: Dept. of Housing and Urban Development, *EIR*

FIGURE 8

Pittsburgh: Manufacturing Workforce Falls by 72%

(Thousands)

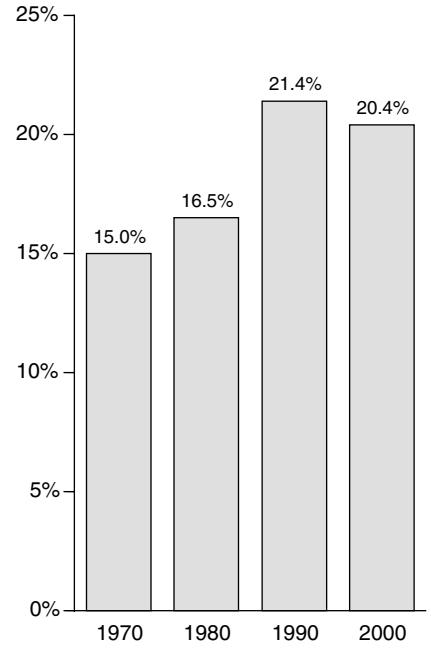


Source: Dept. of Housing and Urban Development, *EIR*

FIGURE 9

Pittsburgh: Poverty Rate

(Percent)

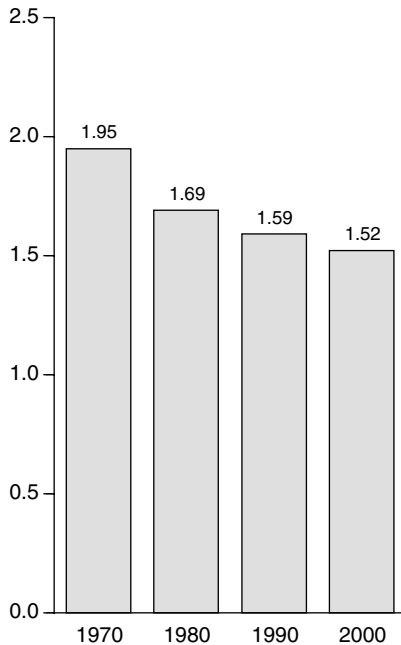


Source: Dept. of Housing and Urban Development, *EIR*

FIGURE 10

Philadelphia: Population Falls by 22%

(Millions)

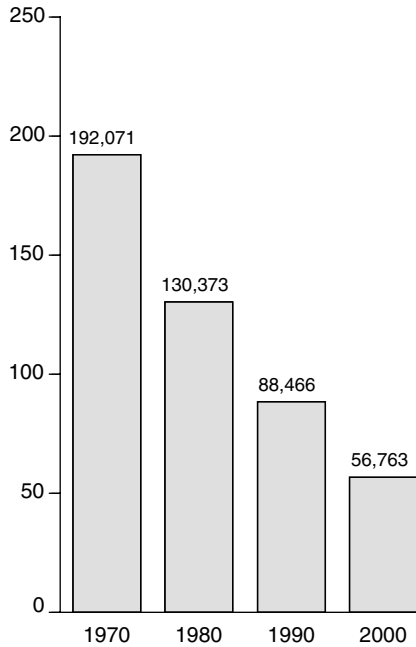


Source: Dept. of Housing and Urban Development, *EIR*

FIGURE 11

Philadelphia: Manufacturing Workforce Falls by 70%

(Thousands)

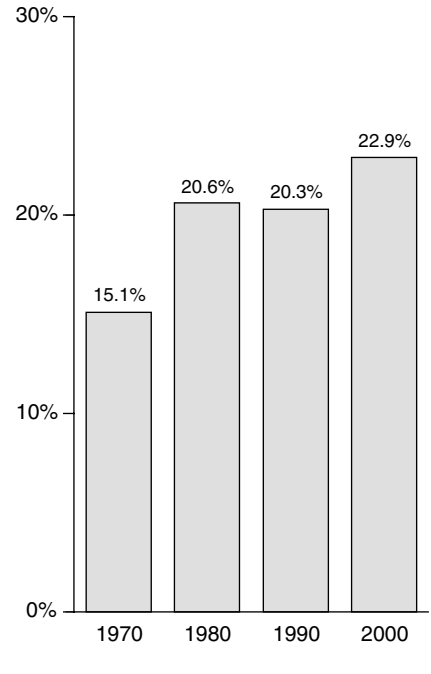


Source: Dept. of Housing and Urban Development, *EIR*

FIGURE 12

Philadelphia: Poverty Rate

(Percent)



Source: Dept. of Housing and Urban Development, *EIR*

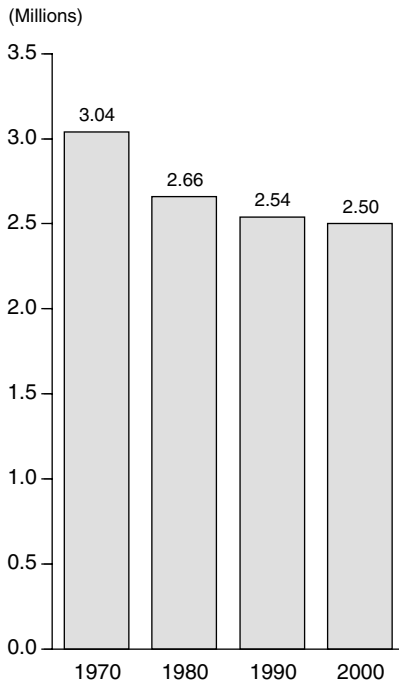
FIGURE 13

Depopulation, Deindustrialization, Poverty in 10 Ohio Cities



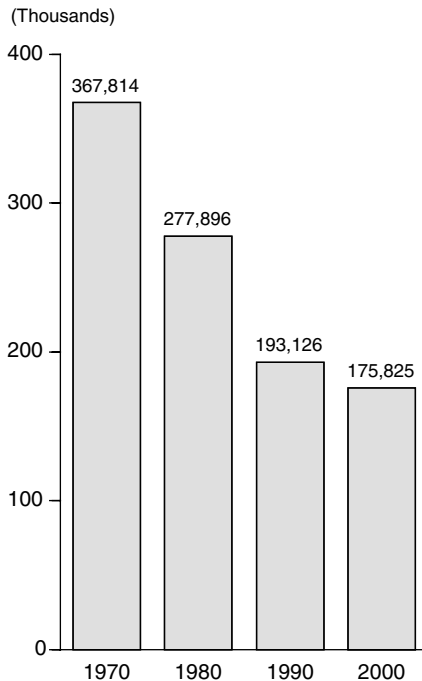
Source: EIR.

FIGURE 14
**10 Leading Ohio Cities:
Population Falls by 18%**



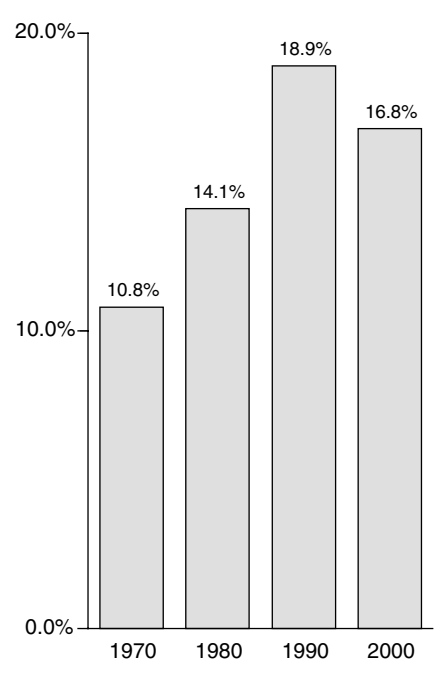
Source: Dept. of Housing and Urban Development, EIR.

FIGURE 15
**10 Ohio Cities: Manufacturing
Workforce Falls by 65%**



Source: Dept. of Housing and Urban Development, EIR.

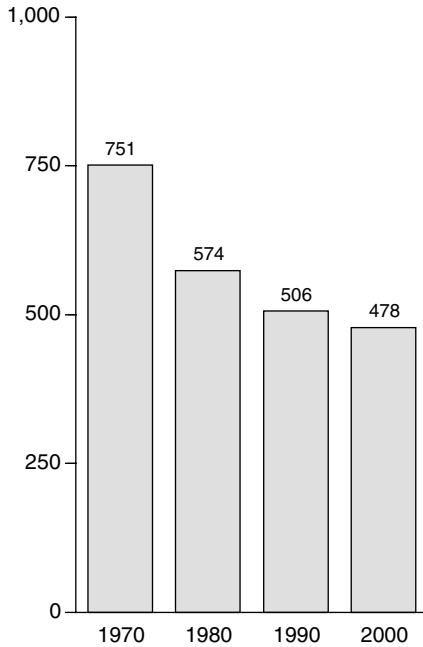
FIGURE 16
**10 Ohio Cities: Poverty Rate
(Percent)**



Source: Dept. of Housing and Urban Development, EIR.

FIGURE 17
Cleveland: Population Falls
by 36%

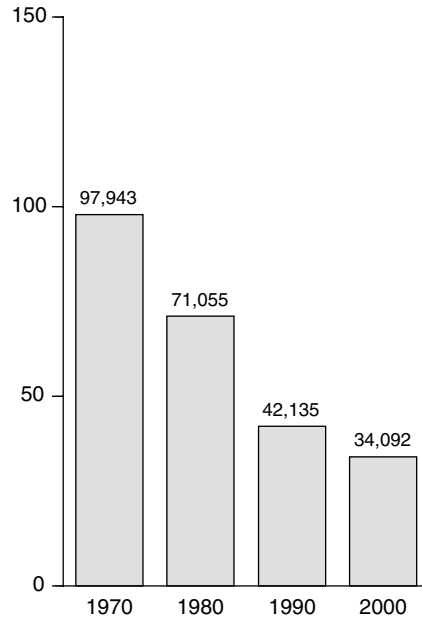
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 18
Cleveland: Manufacturing
Workforce Falls by 65%

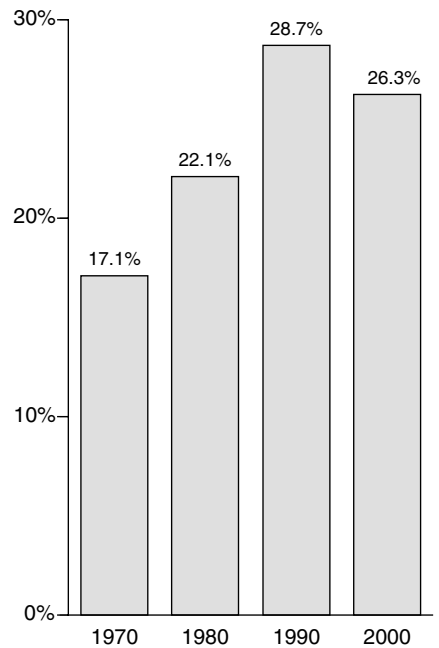
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 19
Cleveland: Poverty Rate

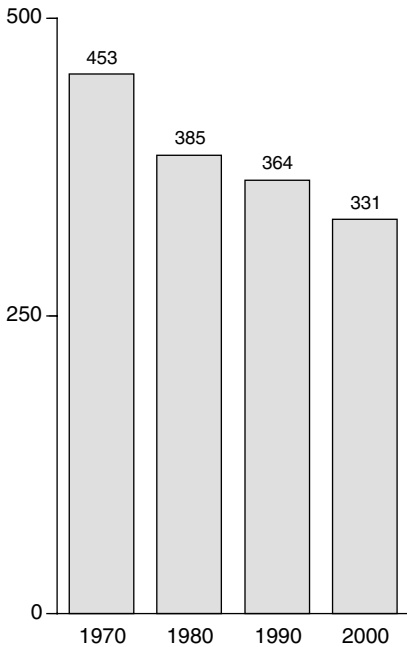
(Percent)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 20
Cincinnati: Population Falls
by 27%

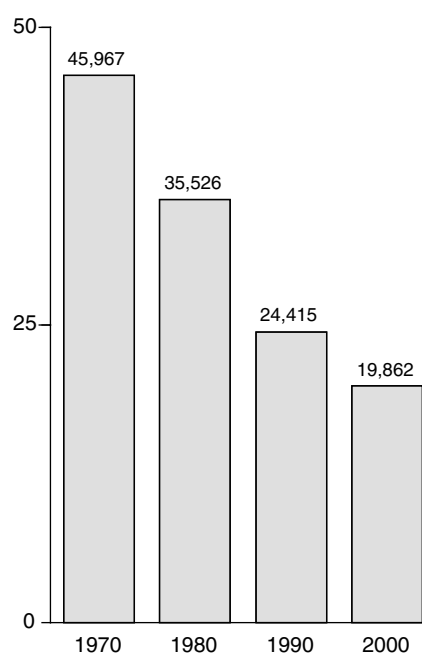
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 21
Cincinnati: Manufacturing
Workforce Falls by 57%

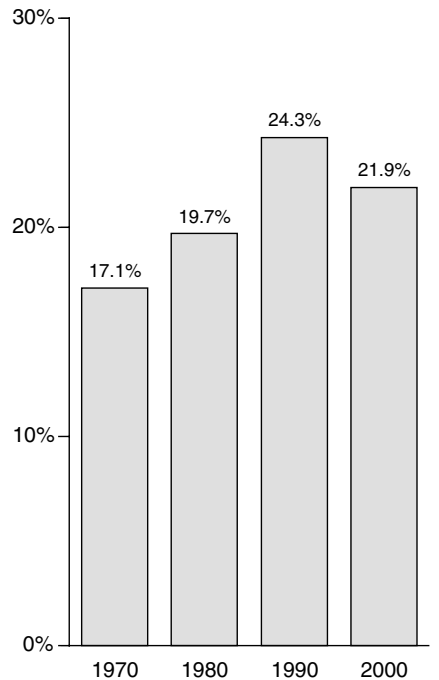
(Thousands)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 22
Cincinnati: Poverty Rate

(Percent)



Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 23

Depopulation, Deindustrialization, Poverty in 10 Michigan Cities

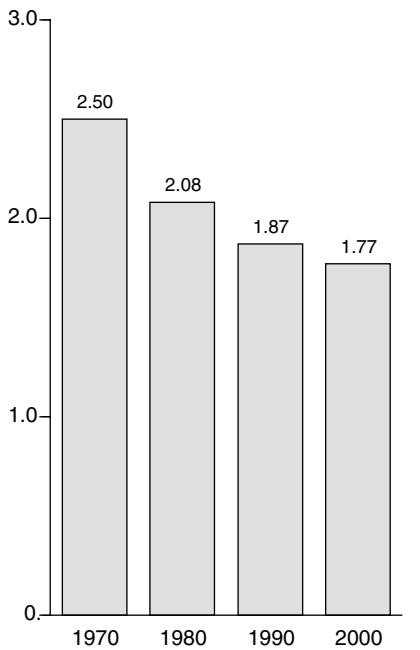


Source: *EIR*.

FIGURE 24

10 Leading Michigan Cities: Population Falls by 29%

(Millions)

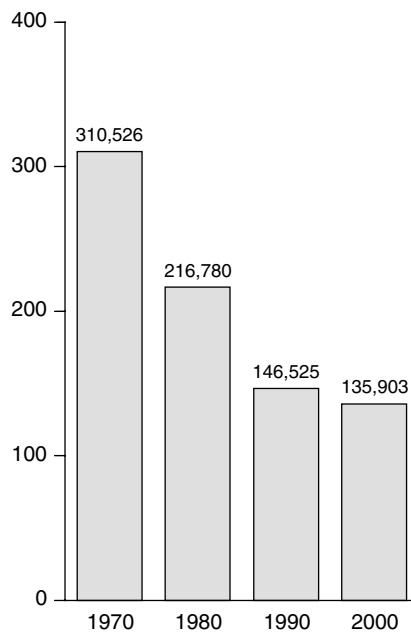


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 25

10 Michigan Cities: Manufacturing Workforce Falls by 56%

(Thousands)

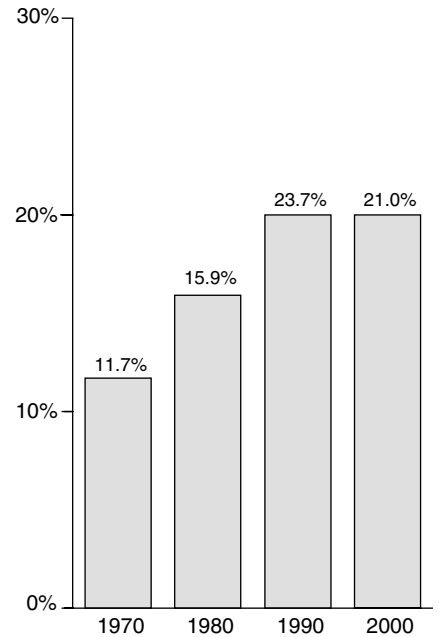


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 26

10 Michigan Cities: Poverty Rate

(Percent)

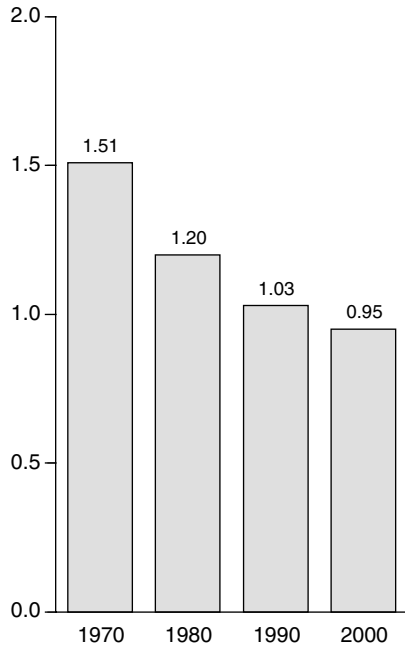


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 27

Detroit: Population Falls by 37%

(Millions)

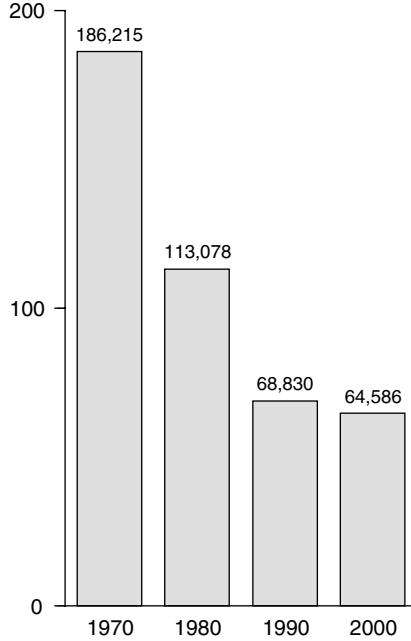


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 28

Detroit: Manufacturing Workforce Falls by 65%

(Thousands)

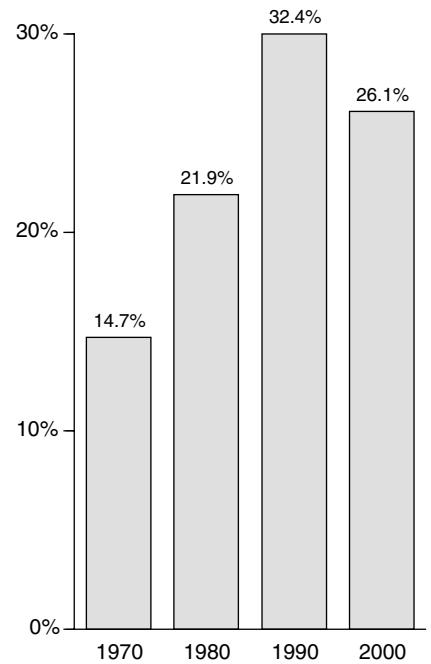


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 29

Detroit: Poverty Rate

(Percent)

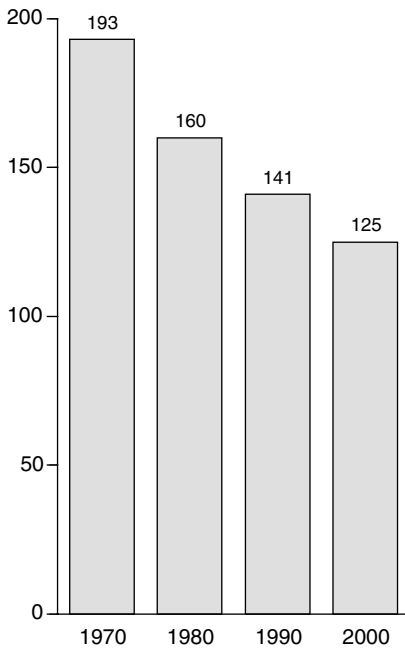


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 30

Flint: Population Falls by 35%

(Thousands)

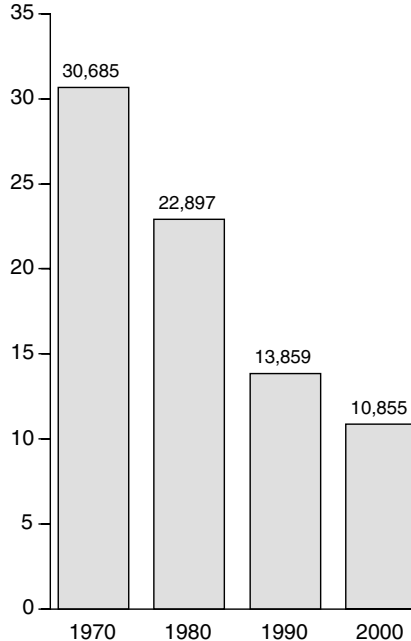


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 31

Flint: Manufacturing Workforce Falls by 65%

(Thousands)

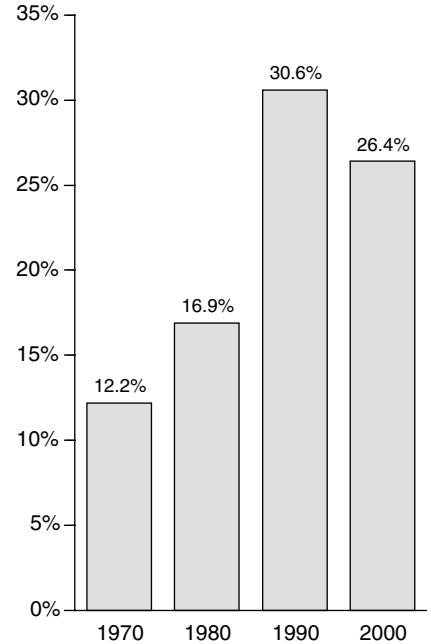


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 32

Flint: Poverty Rate

(Percent)

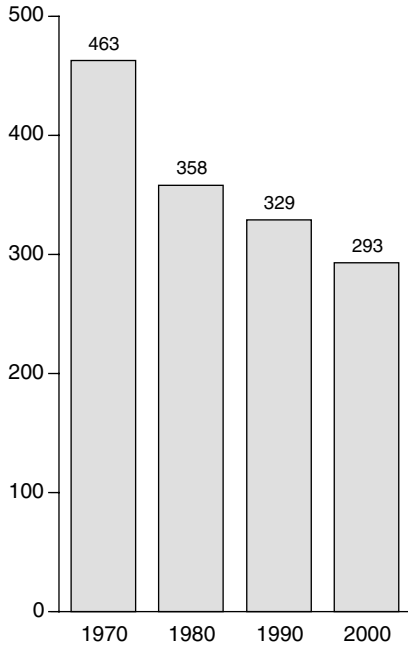


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 33

Buffalo: Population Falls by 37%

(Thousands)

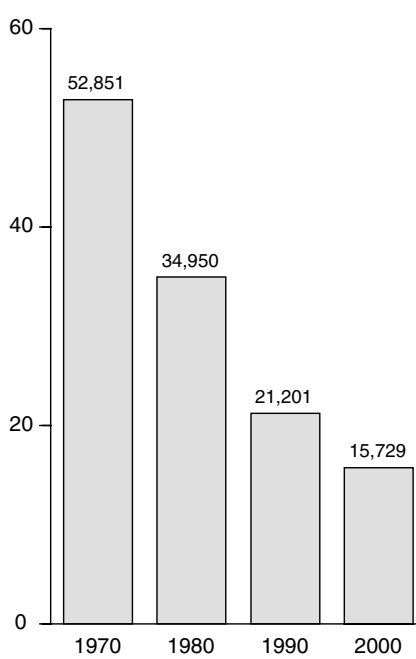


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 34

Buffalo: Manufacturing Workforce Falls by 70%

(Thousands)

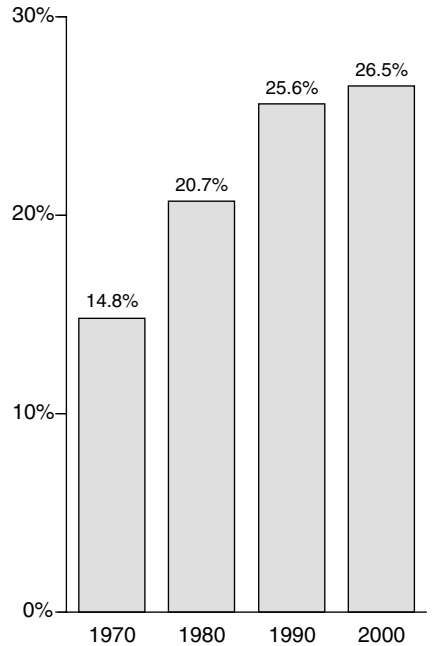


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 35

Buffalo: Poverty Rate

(Percent)

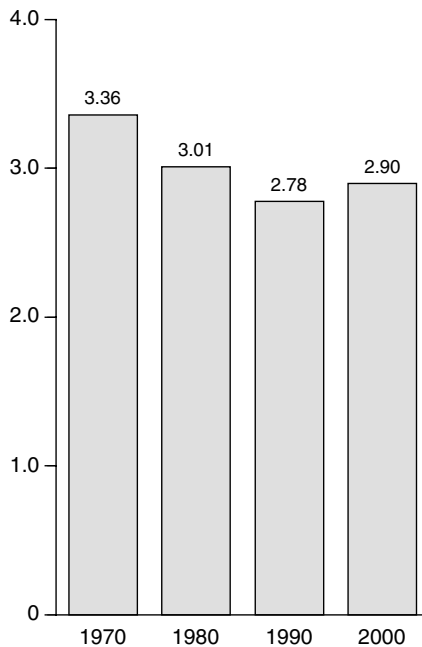


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 36

Chicago: Population Falls by 14%

(Millions)

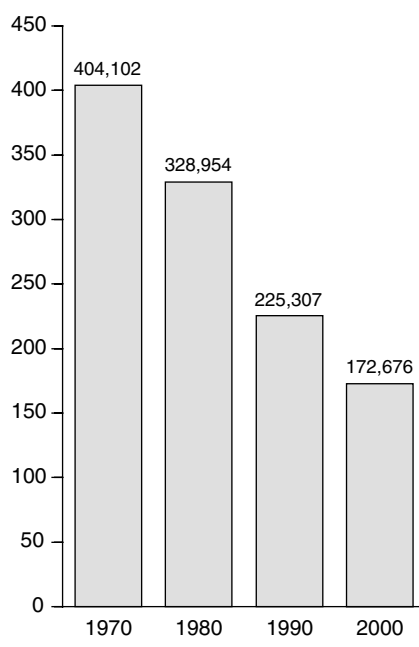


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 37

Chicago: Manufacturing Workforce Falls by 57%

(Thousands)

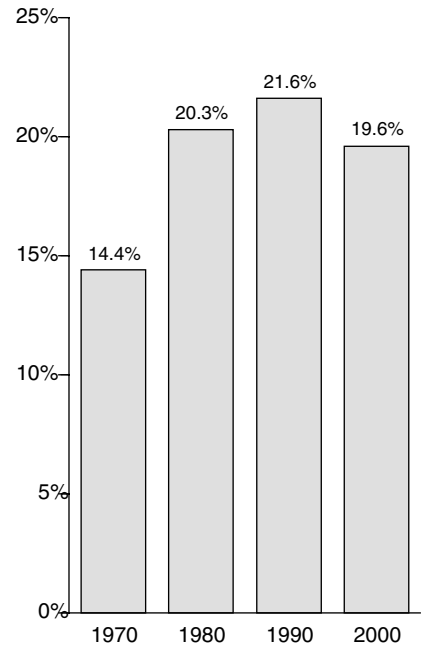


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 38

Chicago: Poverty Rate

(Percent)

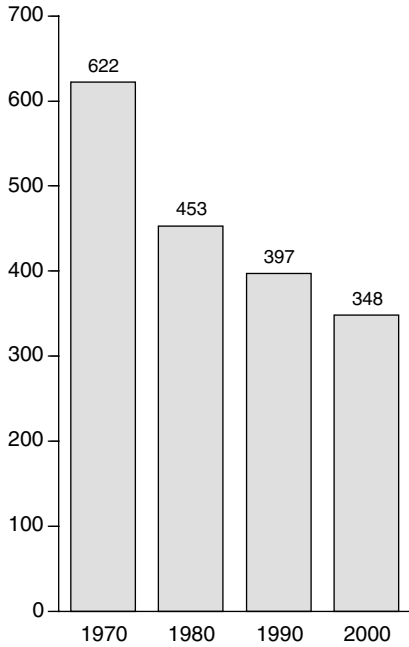


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 39

St. Louis: Population Falls by 44%

(Thousands)

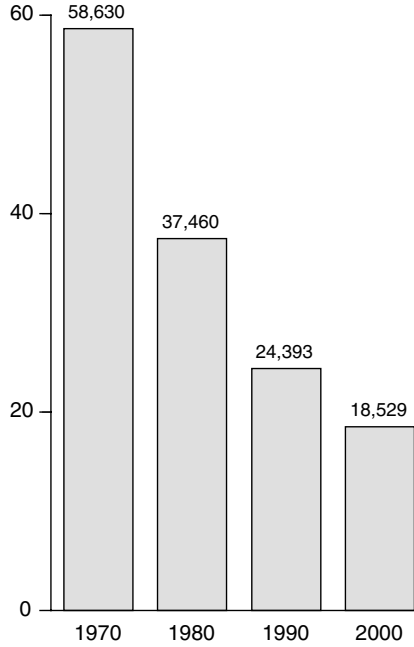


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 40

St. Louis: Manufacturing Workforce Falls by 53%

(Thousands)

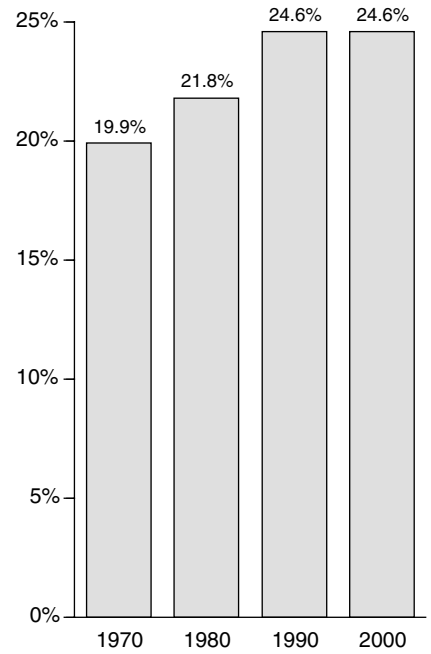


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 41

St. Louis: Poverty Rate

(Percent)

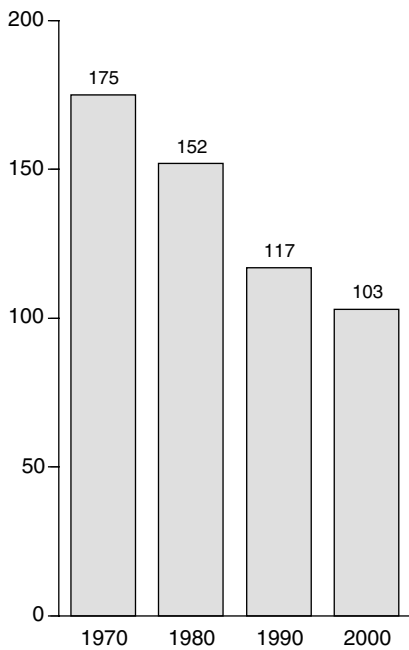


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 42

Gary: Population Falls by 41%

(Thousands)

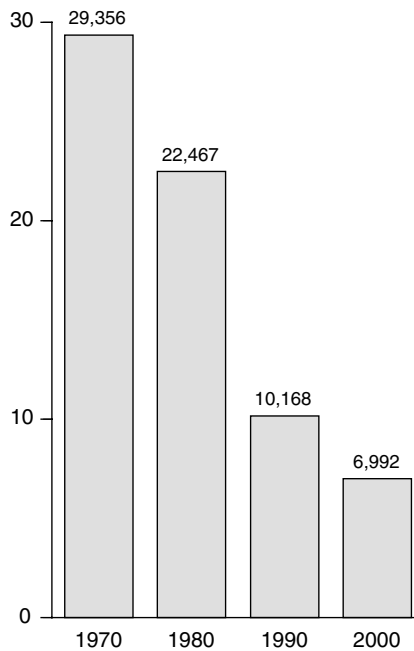


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 43

Gary: Manufacturing Workforce Falls by 76%

(Thousands)

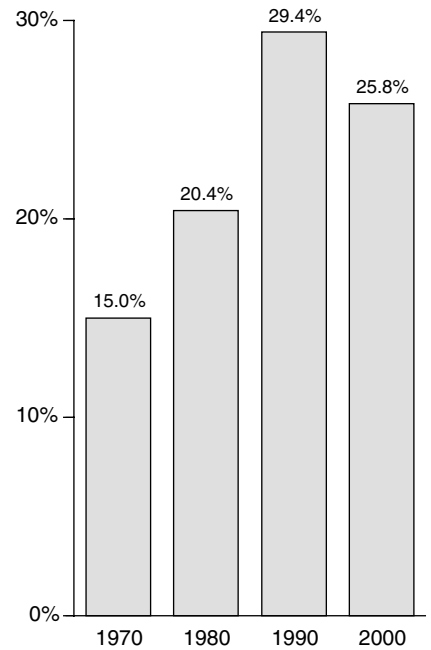


Source: Dept. of Housing and Urban Development, *EIR*.

FIGURE 44

Gary: Poverty Rate

(Percent)



Source: Dept. of Housing and Urban Development, *EIR*.

INTELLIGENCE ORGANIZATION

How Can Intelligence Serve An Un-Intelligible President?

by Lyndon H. LaRouche, Jr.

If you chose to vacation in the Sahara Desert, do not blame the weatherman for the lack of rain.

—Lyndon LaRouche today

It's the economy, stupid!

—James Carville, 1992

September 7, 2004

I watch the discussions among those members of the Senate and others, who are currently rushing in panic to so-called intelligence reforms. Yet, I see, on the positive side, that a number of them do present, nonetheless, a certain level of relevant expertise, and also, often, not only show good sense, but sometimes surprise me pleasantly with their insights on some matters, if only respecting relevant matters of detail. Yet, those happier aspects of the current proceedings acknowledged, all so far, including the representatives of the spokesmen for the “9/11” commission, have missed the crucial point at issue. As it used to be said, so far, the best among them have missed the forest for the trees.

My qualifications in this matter, include my long record as the most successful long-range economic forecaster over four continuing decades. I have not only a matchlessly impeccable public record in that field; but the uniqueness of the method underlying my achievement in this area of specialization, has spilled over naturally into other matters of strategic assessment and foresight.

The relevance of these overlapping areas of long-range intelligence work, is typified by my forecast, first publicized in 1983, of an approximately five-year outlook for an economic collapse of the Soviet system, a forecast which I

restated in my Columbus Day Berlin address of 1988, when I warned of the general collapse probably leading to the reunification of Germany, with Berlin as the future capital, beginning, probably, in Poland, in Eastern Europe, and spreading back into the Soviet Union itself. Every relevant government in Western Europe and the U.S.A. itself, missed the boat on that—until after it had already happened. They are all now missing the boat on both the global economic and general strategic crises already building up around the world today. On those and many similar issues of long-term strategic importance, nearly all of my putative rivals in forecasting have failed to grasp the essentials of the reality now before us all.

At this moment, the same types of official and other experts rushing into reckless innovations in intelligence reforms, have ignored the elephant standing in the middle of their conversation. The world as a whole has already entered a period of fundamental phase-shift, a period of a fast-approaching great storm, which will soon, and suddenly, collapse the entirety of the world's present monetary-financial system.

A non-linear phase-shift of this type, invalidates all precedents and assumed trend-lines premised on the kind of environment which existed, even during a relatively long time before that phase-shift began. While the keepers of a mentally defective U.S. President George Bush¹ continue to insist on their pathetically deluded dream of an approaching economic recovery, all too many Democrats refuse, similarly, to take

1. Cf. Dr. Justin Frank, *Bush on the Couch* (New York: HarperCollins Publishers, 2004).



The World Trade Center. "Unfortunately, there is no competent definition of the concept of strategic long-range mission in the general discussion of the matter of intelligence reform among official circles, and national press, today. That is the source of the intelligence failure which underlies both the lack of preparedness prior to Sept. 11, 2001, and the apparent inability to comprehend the motive forces behind, and global historical implications of that calamity."

up the fact of an already onrushing build-up toward early general collapse of the entire world monetary-financial system.

On this matter of forecasting, the current Bush Administration has sought to trap the Democratic Party into a pathetic debate over who will share the benefit of the promised riches of *the on-rushing recovery which would, in fact, never come under the present policies of the U.S.A. as long as the nation's and world's present economic policies were in effect.*

Meanwhile, the real question to be faced is: How could any of the presently leading proposals for sudden revision in the organization of the security institutions of the U.S.A., protect our presently self-endangered republic from those forces of inevitable self-destruction which would be surely unleashed by the mere act of re-electing President George W. Bush, Jr.? Isn't there something very sadly wrong about the current obsession with rushing to jam through half-baked remedies of intelligence reform, remedies which are already worse than what is proposed to be the disease?

This pattern of wishful nit-picking among governments and our own national intelligence services, is the ignored "trumpeting elephant standing in the middle of the couple's honeymoon bed," the strategic implications of the onrushing general collapse of the world's present monetary-financial system. This is the "elephant" which all of the visible proponents of reforms of U.S. intelligence insist on pretending isn't there. Similarly, the recent, hysterical efforts to deny the deadly global implications of U.S., British, and other meddling in Transcaucasia, is, like the Congress's consent to the ongoing new war in Iraq, typical of the frequent causes for catastrophic breakdown of the U.S. strategic and related intel-

ligence functions.² That is the elephant defecating in the middle of the bed, which the parties have habitually avoided seeing or smelling, thus far, in their proposals for intelligence reforms.

What they ignore, in fact, is the historical mission whose adoption by Benjamin Franklin's circles produced the conspiracy which created this nation, and which has been often indispensable for our continued survival, until now. Unfortunately, there is no competent definition of the concept of strategic long-range mission in the general discussion of the matter of intelligence reform among official circles, and national press, today. That is the source of the intelligence failure which underlies both the lack of preparedness prior to Sept. 11, 2001, and the apparent inability to comprehend the motive forces behind, and global historical implications of that calamity. This same disoriented state of the collective U.S. official mind is now being repeated in the discussion of the implications of the Beslan atrocity in leading press and related sources in the U.S. today.

As the late historian H. Graham Lowry documented this in his 1988 *How the Nation Was Won*, the building of what became that U.S. republic which emerged from World War II as the greatest producer economy on this planet, began in such locations as the Massachusetts Bay Colony under the

2. As Russian President Vladimir Putin has emphasized, in condemning the blunders of the Boris Yeltsin government in Chechnya, it is absurd to regard U.S.- and some western European-backed support for anti-Russia terrorist operations in Transcaucasia as a whole, as the issue of the bestial attack on Beslan. This is, as I warned in my 1999 "Storm over Asia" video. Beslan is the outgrowth of a long ongoing strategic attempt to destroy Russia itself; only a virtually rabid incompetent would overlook those implications.

Winthrops and Mathers, where the thrust was to develop a great new nation, across the continent of North America, from the Atlantic to the Pacific. It was to be a refuge from the oligarchical systems which reigned over Europe in that time, a new republic, cast in reflections on the memories of Solon of Athens and Plato, a bastion of freedom and hope among all mankind.

Our victory over Lord Shelburne's predatory British East India Company, then, and our continuing, hard-fought survival against such powerful foes aiming to destroy us, such as that British and Prince Metternich's Holy Roman Empire, defines that endless national mission which is the prime directive under which all competent national intelligence functions must be subsumed today.

We Were Not Always So Stupid

Our republic's intelligence services once had a brilliantly appropriate definition of the sense of mission which must govern all of our republic's policy-making, including the implicit counterintelligence functions of our diplomatic, military, and intelligence services.

That was the original conception of the mission of the U.S. intelligence services during the time, after 1815, when the Marquis de Lafayette lived as the reactivated leader of our original foreign and domestic intelligence and counterintelligence service. This was a time which featured such figures as James Fenimore Cooper and counter-intelligence specialist Edgar Allan Poe in that role. That was the conception of national mission articulated by Secretary of State John Quincy Adams, and by Adams' one-time protégé and U.S. Representative, Abraham Lincoln. That was the mission pursued by President Franklin D. Roosevelt until the moment of his most untimely death, a death which allowed certain sudden bad changes in national mission, changes toward a Hobbesian world-outlook which have been the principal root of all of our nation's major intelligence failures to the present time.

That original national mission of our republic, as selected under the body of international law founded by the 1648 Treaty of Westphalia, remains the proper, principled guide to a national intelligence service of the U.S.A. today. It was, and remains a mission diametrically opposed to those doctrines of the Bush-Cheney Administration, which have reigned since January 2001 to the present day. It is to the degree that the currently assigned mission of national intelligence functions fails to proceed from, and be ruled by that original, specific conception of national mission, that all of the structural and principled errors made by our national intelligence and military institutions have been derived, since the birth of our republic to the present day.

Such a stated, but often overlooked, overriding principle of mission-orientation, must be, without exception, the ruling conception of design of any revision in our intelligence services and its functions today. None of the leading current

proposals for legislated reform of the services has taken this most essential feature of the problem properly into account. For that reason, the one proposal is, in each case, only more foolish than the other.

That side of current official behavior can not be considered as intelligent. *Forgive them, for they know not what they do!*

I have been complaining, initially modestly, but more loudly and insistently since the middle to late 1960s, against systemic weaknesses in our national policy-making structures, as since my late 1956, privately circulated business forecast of a deep recession to begin during Spring 1957. That forecast had been based on studies of the way in which the influence of figures such as Arthur Burns had misled the changes in U.S. financial policy under an otherwise necessary, anti-utopian military traditionalist, President Eisenhower. It was a forecast which has been the springboard of all my outlooks on our republic's foreign and domestic strategic policy since the aftermath of the assassination of President John F. Kennedy. Reflection on my dedication, to that effect, over the recent forty years, has now more than fully validated that continuing concern of mine.

1. The Fallacy of Method

The most important fallacy of method in the practiced policy of our domestic and foreign intelligence services, is that they are often heirs of the sheer silliness which has been adopted as the incompetent investigative methods of some of our relevant institutions from the hands and mouth of the author of the childish Sherlock Holmes propaganda pieces, Sir Arthur Conan Doyle. That imported, nit-picking method of investigation promoted by Doyle's propagandistic campaign, the elementary-school sort of Hobbesian method of Sherlock Holmes' purely fictitious successes, typifies the most common root of the failures of relevant investigations of matters of national security interest today. The incompetent handling of the crafting of the report issued by the "9/11" Commission, is typical of the way in which popularized gumshoe methods of investigation in the small, have, unfortunately, set the pattern for strategically calamitous incompetence in matters in the large.

That fallacious method of formal inquiry is typified by an axiomatic incompetence, a formal fallacy of composition, in defining the subject of that investigation. Thus, where the report of the "9/11" Commission is at its relative best, is in its emphasis on the lack of precautions which should have been in place, and which were, generally, assumed to have been in place: a massive negligence failure, as by the President and Vice-President themselves, which made possible the relative ease with which an enormously complex plan of action was executed in such a successfully, precisely coordinated way on that fateful day. For example, the Commission's de facto

toleration of the off-hand assumption that no one had considered the use of a heavily fueled aircraft in that way, was, and remains, in effect, simply an outright lie; such a risk had been inherent in the ordinary business of the trade. The military, or quasi-military use of that capability, should not have come as a surprise to any relevant institution after the preceding Genoa threat to President George W. Bush's life, and the threat of an augmented Genoa-style, riotous incident being prepared in the Washington, D.C. area during August and early September of that year.

The more serious failing of the "9/11" Commission's report is what it, at leisure, had intentionally refused to moot before the republic, until some time after the coming election of the next President: Who actually organized what had been clearly the finely coordinated attack of 9/11, and *for what purpose?* Rage, or some specific, calculated strategic effect independent of the use of terrorist methods as means? What was the tell-tale intention expressed in the characteristic features of the event itself? To what variety of beast did that horrible footprint belong?

The arbitrary assumption used to evade that more crucial part of the investigation, is the presumption that "Osama bin Laden" did it, he and his al-Qaeda, all by their lonesome. Since Osama bin Laden had been drawn into the al-Qaeda business by circles of Vice-President George H.W. Bush and Britain's Jimmy Goldsmith, together with such wild-eyed neo-conservatives of the Iran-Contra antics as Oliver North, et al., as part of the asymmetric warfare launched by National Security Advisor Zbigniew Brzezinski against the Soviet Union in Afghanistan, we can not assume that Osama bin Laden's guilty role was not something like that of poor van der Lubbe in Nazi boss Hermann Göring's setting fire to the German Reichstag, especially since I had warned, *and that famously at the time, against precisely such a type of incident on the eve of President George W. Bush's installation as President.*

When I warned of an threatened impending event like Göring's orchestration of the Reichstag Fire of February 1933, a fire set to motivate the immediate adoption of the fascist law doctrine of one-time Leo Strauss patron Carl Schmitt, I had no crystal ball, nor wild impulse. Anyone who knew modern history should have recognized the manner of placing George W. Bush into the Presidency as the preparation for a certain type of legalized coup d'état against our Constitution. As I emphasized at that time, before President Bush had been installed, it was the economic conditions into which the U.S. and the world had already entered, which made some attempt with the effect of what became 9/11 virtually inevitable for some time during the months then ahead.

My warning of the likelihood of such a plot, had been premised upon my studies of the way in which that dark cartel, the financier-oligarchy-controlled Synarchist International of the 1919-1945 interval, had orchestrated the wave of fascist takeovers of the nations of Western and Central continental



Senators Joe Lieberman (D-Conn.) and John McCain (R-Ariz.), at a Sept. 7 press conference in Washington, announcing legislation to implement recommendations of the 9/11 Commission. Writes LaRouche: "Isn't there something very sadly wrong about the current obsession with rushing to jam through half-baked remedies of intelligence reform, remedies which are already worse than what is proposed to be the disease?"

Europe during the 1922-1945 interval: beginning with the action of the former British intelligence asset of the "Young Turk" plot, banker Volpi di Misurata's placing of his puppet, sometime Winston Churchill protégé Benito Mussolini into power. My studies had included the precedent of the 1934 plotted, fortunately aborted military coup against the U.S. government by financier interests of a kindred spirit from inside the U.S.A. itself. My January 2001 warnings had also taken into account my early 1980s studies, from once secret U.S. intelligence files, of the way in which Adolf Hitler, and certain complicit U.S. circles, had put Hitler's Synarchist organization into existence in Mexico, with the intention of using that Synarchist organization, which still exists as a force there today, as part of the Nazi plot for a joint Nazi-Japan attack on the U.S. from across the Mexico border, a plot aborted then, by the U.S. victory at Midway.

My warning took into account, most emphatically, the rumblings among the heirs of the pre-1945 Synarchist International, inside the U.S. and elsewhere today. If one knows the nature and habits of a man-eating tiger, one must expect the obvious, as I did in my warning of January 2001. I had no foresight into the mode in which the attack would come, but I had a clear, and well-grounded knowledge that an attack to that effect were, as I said, virtually inevitable soon under the new Bush Administration, unless action to prevent an attack of that nature were taken.

With my explicit warning to that effect in the public domain, the intelligence services of our republic should have been alarmed to the effect of putting all relevant resources on alert for the likelihood of a kind of action against which I had

warned publicly. Those services did not make those preparations. That, much more than the details of the 9/11 attack itself, should have been the starting-point of the 9/11 Commission's investigation. That should have been the subsuming premise of the recommendations to be made for reform of our intelligence services.

As I have variously authored and co-authored reports on the role of the Synarchist International cabal of global financial-oligarchical interests which were behind both the spread of fascist regimes throughout Western and Central continental Europe during the 1922-1945 interval, and as behind the neo-conservative assets of Vice-President Cheney's circles today, no investigation of the "9/11" incidents could be considered competent, if it failed to consider the intent of a terrorist action which was clearly intended to change the global strategic situation in the direction into which Vice-President Cheney and his chickenhawk cronies had already pre-shaped U.S. intelligence, military, and security policy since long prior to events of September 2001. The characteristic intention expressed by the "9/11" atrocity was not *primarily* an attack on the U.S.A.; it was shown by the characteristic features of that operation itself, to be a device for panicking the U.S. population and institutions into the kind of global, "preventive nuclear warfare" which draft-dodger Dick Cheney and his chickenhawks have intended to conduct against the world since Cheney was the freakish, but officially frustrated Secretary of Defense under Bush 41.

The "9/11" report said nothing about that elephant standing, glowering, in the middle of the hearing room where the public events of the Commission were conducted,

Certain features of the 9/11 incident were unique among peace-time terrorist acts in recent history; but the existence of a global strategic intention, one inherent in the implications of the act of "9/11" itself, was, as I had detailed this in January of that year, an already undeniable fact even long before midday of that Sept. 11, 2001.

Enter Beslan

Those implications of my forecast of something whose effect would be, and did actually become, an echo of Göring's orchestration of the February 1933 Reichstag arson, are key to the principal danger of new coups and related wars threatening the world today.

Now, the nightmare of mass-slaughter of children in Beslan, North Ossetia, has become a second "9/11," this time against Russia, and with far more ominous implications than the attack on the U.S.A. in Sept. 11, 2001; this time, a potential clash of major thermonuclear powers, and much more than that besides, is on the table. Now, unless the U.S.A. abandons its terrorist protégés in Transcaucasia, such as those associated with the Jamestown Foundation, the George Bush Administration has now put the world as a whole on a hair-trigger potential for global, thermonuclear-armed, increasingly global asymmetric warfare, a greater potential threat to the

planet than at the time of the Ogarkov Plan and the asymmetric warfare which the Anglo-Americans and their puppets, such as Osama bin Laden, ran in Afghanistan during the 1980s.

That implication of Beslan is the most telling indictment of the proposal to reform U.S. intelligence functions along the lines of some parody of the report of the "9/11" Commission.

Admittedly, the fable told about "9/11" is widely accepted, chiefly because the developments of the recent thirty-odd years, or more, have transformed most of our people from citizens in the true sense of the word, into underlings, people who no longer think of this government as ours, but someone else's government, to which the mass of our own citizen-underlings must adapt themselves, still today. If that were not so, a cringing Senate would not have unleashed an unconstitutional pathway to war in Iraq, and would have shown Vice-President Cheney the door, in one way or the other, more than a year ago.

When both the mass of the citizenry, and the majority of top-ranking members of the Congress behave like fearfully credulous chickens, as we have seen in the cases of so many crucial developments of late, it is all the more the duty of leading patriotic institutions to show courage precisely where the citizens lack the inclination to defend either their nation or themselves. A true leader, in a time of great troubles, is willing to put not only his career, but his life on line, for the defense of the nation and its people. That was once largely the case, when Franklin Roosevelt was still President, and even later. Over the past forty years, that required quality of our leading institutions has withered away, leaving only a relative handful of senior active and retired officials and others, to carry the great tradition of our nation's nobler years.

It is the duty of our government, especially its combined military, diplomatic, and intelligence services, to fight against such suicidal predilections of the majority of popular opinion. The relevant institutions of government must act to impel the nation, and its government, to save our citizenry even from the consequences of follies of popular opinion. The abused name of "democracy" is no excuse for the follies of official behavior. A crime is a crime, and a grievous folly a shame, especially when it is done in support of widely popularized gossip.

The problem is not merely that the citizenry no longer knows what to think; the problem is that, as a result of the build-up of a now prevalent custom of sophistry, most in our leading responsible institutions no longer know how to think about issues of strategic intelligence. They think, at best, like Sir Arthur Conan Doyle's cocaine-sniffing, all-too-elementary charlatan, Sherlock Holmes. They sniff out, and interpret isolated facts, and use that pretext of factualness to fabricate and adopt even wildly atrocious, implicitly lying fallacies of composition, all in the name of estimates of current popular opinion.

We must end a false tradition, under which influential institutions indoctrinate government and the governed in

“what to think,” to the degree that, often, none of these seem to know “how to think.”

2. The ‘Fishbowl Principle’

The foundations of competent strategic intelligence in European culture still today, have been the adoption of those foundations of such needed wisdom in the studies of ancient Greece, from Homer to the Athens of Solon, Socrates, and Plato, of what we know today as ancient Greece’s persistent, inbred tragedy, from the Trojan Wars which preceded ancient Greece’s ensuing dark age, through the self-doom of Greece’s independence wrought by the folly of the Peloponnesian War. All great European tragedians, from Aeschylus and Plato, through Shakespeare and Friedrich Schiller, have presented us the essence of actual history as historically grounded Classical drama on the stage.

That Classical tragedy always deals with the matter of the role of leading figures of entire societies in shaping the tragic destiny of nations and even entire cultures. The intended function of those tragedies, is to compel the little citizen of today to take the tragedies of actual history as a lesson in the way the minds of the most powerful figures of a society bring about the tragic calamities of entire nations and cultures. In this way, the passion of the ordinary member of the theater’s audience is impelled to wish that the tragic error of the powerful leaders of that historical case had not occurred. Thus, as the ordinary member of the audience’s society is impelled to adopt a passionate concern for the qualities of a society’s ruling leaders, the ordinary person is transformed into a true citizen, rather than a greedy, grubbing underling of his nation, rather than the poor, often self-doomed fool, who despises the big issues which determine the fate of the nation, in favor of considering nothing so much as “my neighborhood,” “my little personal gripe,” “my money.”

Therefore, Classical Greek tragedies, and the introduction of the Sublime to tragedy, by Plato’s repertoire of Socratic dialogues, typifies the absolutely mandatory foundation of all modern strategic intelligence functions. Thus, the primary work of the truly qualified statesman, and the military, diplomatic, and intelligence functions which assist him in this mission, is twofold. First, to be aware of the contemporary expressions of that principle of tragedy to which I have referred here. Second, to impart that knowledge to the mind of the citizen in the way in which the Classical tragedian uses the stage to elevate the habituated underlings into the state of mind of true citizens.

As the argument for the existence of the Noösphere by the scientist Vladimir I. Vernadsky has presented the Classical conception of science of ancient Greece in modern terms, there is the absolute distinction of the human mind from that of lower forms of life, such as apes.

Vernadsky’s concepts of Biosphere and Noösphere, for

example, restated the ancient Classical Greek concept of the Pythagoreans and Plato, of the distinction among non-living, living, and human noëtic principles. Vernadsky’s treatment of a geobiochemical notion of “fossils” points to a great demonstration of the absolute distinction of the human mind from the lower forms of life, and thus provides a uniquely interesting proof that the noëtic functions of the human mind reflect a higher quality in the person than possessed by mortal life itself. This reflected what was already emphasized by Plato in such locations as his *Timaeus*. It was a notion already implicit in the work of the founders of ancient scientific thinking, the Pythagoreans.

In my own program for self-education of a youth movement of, predominantly, the 18-25 age-interval, I presented two cornerstones of the building-up of a body of knowledge. The first was Carl Gauss’s attack on the intrinsic fallacies of the form of reductionism known as empiricism, as typified by the systemic fallacies of Euler, Lagrange, et al., as Gauss did this in his first, 1799 exposition of the “Fundamental Theorem of Algebra.” The second was training in the methods of counterpoint of J.S. Bach. The latter program combined the essential prerequisite of a Florentine *bel canto* program of training of the singing voice, without which Bach’s works such as his set of motets, for example, would be botched in performance. I proposed the adopted program of development of the choral performance of Bach’s *Jesu meine Freude*, and the acid test of the music program, one both challenging enough, and yet within practical reach, for this purpose.

My intention in defining a program of educational development for a youth movement in this way, was to afford those young adults of voting age a practicable means for understanding, and resisting those commonplace ideologies that I have often identified as expressing “a fishbowl syndrome.”

The relevance of this same approach to intelligence work is the aspect of that educational program being emphasized here, a program which should be mandatory for training and qualification of all future supervisory staff occupied with intelligence functions.

I explain.

Fallacy of Composition

After we take into account the most common source of faulty intelligence, pure and simple lying about matters of fact, the chief remaining source of incompetence, such as that which I have complained against in respect to the flaws of omission in the 9/11 Commission’s report, is what is termed, in technical language, as “fallacy of composition.”

Fallacy of composition is usually expressed in two categorically distinct ways: (a) Fallacy of composition of selection of category of facts. This includes both the omission of essential categories of facts, and the addition of irrelevant categories of facts. (b) Fallacy of composition of category of principles which define the functional relationship among facts: both exclusion of relevant true principles, or conceal-



LaRouche Youth Movement organizers on the Boston subway during the Democratic Convention at the end of July. At LaRouche's suggestion, the youth have developed a program of choral performance of Bach's motet "Jesu meine Freude," as the core of a music program that would be a primary focus of the political organizing drive. The effect was to transform both the city of Boston, and convention delegates.

ment of those principles' employment, or, also, the active or covert addition of false categories of principles into the "equation." It is the second category of fallacy of composition which defines what I have commonly termed "the fishbowl syndrome."

In teaching the relevant matters of principle, I usually begin with the subject of Cartesian geometry as a model for defining the rudiments of a "fishbowl syndrome." In making that point sufficiently clear at this juncture for the purposes of the subject of intelligence policy at hand in this location, I am obliged to explain, in summary, what will be regarded as a contentious point, but nonetheless a point which my experience in studying intelligence work has shown me to be the most important category of failure of well-meaning intelligence assessments adopted by our government or relevant comparable institutions.

The Classical Root of Our Constitution

The origin of systematic intelligence in the known history of now globally extended European culture, is located in pre-Aristotle Greece, especially in Athens and Magna Graecia of that time. The key points of known or estimable, datable reference include the Ionian Thales (ca. 624-547 B.C.) and, later, Heraclitus (ca. 540-480 B.C.); Solon of Athens (ca. 630-590 B.C.); Pythagoras (born ca. 529 B.C.) and his followers; and Plato (ca. 428-348 B.C.). The characteristic distinction of these founders of European scientific and other Classical culture, is their included emphasis on a pre-Sophist, pre-Aristotelean scientific method known as Sphaerics, a method adopted from the astronomy of Egypt, which had been the

world's most advanced known scientific culture of the time of Classical Greece's emergence from a preceding dark age. Plato's Socratic dialogues and his *Laws*, are the benchmark of reference for defining a well-ordered historian's approach to competent modern intelligence practice.

The implicit distinction adducible from close examination of the scientific method of these ancient Classical Greeks, is their emphasis on a notion of physical geometry which depended upon an experimental approach to all things from the standpoint of reference provided by the view of the astronomical universe, later resurrected from the decadent science of Rome by the followers of Nicholas of Cusa such as Luca Pacioli, Leonardo da Vinci, and the founder of modern systematic mathematical physics, Johannes Kepler.³ Instead of

3. As typified by Kepler's 1609 *The New Astronomy*. The central axis of development of modern mathematical physics after Kepler, was the work of Gottfried Leibniz and others, such as Gauss, Jacobi, Abel, Dirichlet, and Riemann, in carrying forth the work assigned to "future mathematicians" by Kepler, assignments, to develop a true infinitesimal calculus, and the generalization of elliptical functions, adduced from what Kepler recognized as the unsolved principled implications of his own discovery of a universal gravitation, as typified by his *The New Astronomy*. I.e., the fact that a.) the planets' orbit is elliptical, that b.) the rate of change of the planet's vectored motion is never constant over even the smallest of infinitesimal intervals, but that c.) the vectored motion is determined empirically as equal time, equal Solar area subtended, defines that motion as governed by universal principle of constant change, which is the elementary notion of physical principle of the infinitesimal calculus. The ordered, harmonic configuration of the orbital system within the physical space of the observed Solar System as a whole, that in a way related to the Florentine *bel canto* determination of musical harmonics, posed the same issue of elliptical functions so remarkably addressed, later, by J.S. Bach's system of well-tempered counterpoint. See the

the reductionist fallacy of “action at a distance,” as introduced by founder of empiricism Paolo Sarpi’s house-lackey Galileo Galilei, *the Classical Greek practice of Sphaerics*⁴ located the elementary form of human physical-scientific knowledge in those singularities which arise as the characteristic forms of action of change (e.g., Heraclitus, Archytas, Plato). Implicitly, this view by those relevant ancients already anticipated both Gottfried Leibniz’s uniquely original discovery (ca. 1676, in Paris) of an infinitesimal calculus, and Leibniz’s later refinement of that discovery, in collaboration with Jean Bernouilli, as a catenary-cued universal principle of physical least action. The latter discovery was the first systematic modern mathematical definition of the principle expressed by that physical-geometric concept of the complex domain developed through the contributions of Gauss, Abel, Dirichlet, and Riemann, most notably.

The modern significance of this development within European culture, from the practice of Sphaerics (e.g., spherical harmonics, such as the proof, by construction of the five Platonic Solids), whose work bridges the development of this traditional mathematical physics, from Pythagoreans through Plato, by modern developments of anti-reductionist science associated with the work of Leibniz, Gauss, Riemann, et al. on the subject of the functions of the complex domain.

The physical significance of the complex domain is that it represents the mathematical-functional expression of the bridging of the efficient power of unseen universal physical principles upon the domain of sense-perceptual experience. This conception is of crucial importance for all serious intelligence work, not only in the domain of mathematical physics, but respecting the ordering of human behavior in general. It is from this vantage-point, alone, that a clear understanding of the implications of the “fishbowl” syndrome can be efficiently understood.

The crucial point for all more serious tasks of intelligence work, is, that what we perceive with our verifiable sense-experience, is not the real universe, but a shadow which the real, unseen universe casts upon what the human mind comprehends as our sense-experience. This demands a rigorous, experimental verification of what we are to recognize rightfully as *universal physical and related principles of action.*

These universal principles, as associated with both physical experience as such, and also with those higher order of experience of human social interactions we should associate with principles of truly Classical forms of artistic composition, are defined as definite objects of thought by the same

presentation by the youth chorus at the Sunday evening, Sept. 5, session of the Reston, Virginia Schiller Institute conference for an example of the implications of this (www.schillerinstitute.org).

4. *Sphaerics* signifies viewing the astronomical universe as a great spheroid of vast dimension, and, thus, measuring continuous action and also singularities of motion in the visible universe in terms of measurement of a universe of spherical harmonics rather than the arbitrary, false standpoint of the *a priori*, linear assumptions of an Euclidean or Cartesian geometry.

principled notion of experimental proof required for what are considered universal physical principles *per se*. This notion of principles, as applicable to both so-called physical and social interactions, is known from the Pythagoreans et al. as *powers* (Gr. *dynamis*), rather than a cause of ostensibly percussive actions in naive notions of sense-experience (e.g., “action at a distance”). This notion of powers corresponds to Heraclitus’ famous aphorism, that nothing exists as constant (e.g., “permanent”) except change *per se*. This is a notion of a universal principle, as the English translation of Kepler defines the function of *intention* underlying the efficiency of universal gravitation. E.g., it is the efficient intention expressed in such forms as the pre-determined shape of the planetary orbit which is continuously determined by the efficiently active principle of the Solar System as a whole, rather than a reductionist’s notion of a percussive, implicitly linear impulse associated with a resulting trajectory.

From the standpoint of Sphaerics as developed by the Pythagoreans on the foundations of Egyptian astronomy, this acceptance of the efficient universe as the basis for the notion of universal physical laws, it is those principles adduced thus as universal, through proof by appropriate experimental methods, which define the proper intention of the term universal physical laws, and also discoverable universal laws of social processes.

By “mechanisms” analogous to those which Gestalt psychologists after Wolfgang Köhler attributed to the formation of object-like mental perceptions of higher apes, the individual human mind is capable of expressing the experience of a discovery of a universal physical principle as a mental object. In terms of the Gauss-Riemann complex domain, the existence of a universal physical principle is an object in the domain of Analysis Situs, rather than a mere string of calculations associated with the name of a putative discoverer. This notion of such higher forms of mental objects is the characteristic feature of the theses presented in, most notably, Riemann’s 1854 habilitation dissertation and 1857 *Theory of Abelian Functions*.

The same restrictions of meaning must be applied to the definition of actual principles of Classical artistic composition, as distinct from all other forms of composition. Leibniz’s principle of “the pursuit of happiness,” as this appears in the 1776 U.S. Declaration of Independence, and the same notion of the superior authority of natural law embodied in the Preamble of the Federal Constitution, are examples of the imprint of universal principles of Classical artistic composition upon the domain of social relations.

In physical science, especially since the noted work of Riemann, the standpoint of work is the return to the ancient notion of Sphaerics as employed by the Pythagoreans and Plato, but from a higher modern standpoint in detailed expressions of practical knowledge. In this approach, the treatment of all notions of physical principle conforms to notions of physical geometry, rather than a reductionist standpoint for

an arithmetic. By means of the complex domain, so situated conceptually, the human mind is greatly aided in taking into account the efficient nature of the connection between the unseen mental objects represented by universal physical principles, and the action of those principles upon the shadow-world of the adumbrated, ordinary sense-perceptual domain.

From this standpoint, the significance of the “Fishbowl” syndrome can be more clearly seen by the superior intelligence specialist. The best service of our republic demands the training and development of such specialists for the appreciation of the higher practical implications for national policy-making of relevant products of investigations.

The Pathological Euclid

To understand the degeneration in ancient Greek science from the level typified by the work of the Pythagoreans and Plato, toward relevant decadent levels of Latin-speaking culture, we must take into account the close relationship of the essentially exoteric, doctrinaire tradition of Aristotle; we must also take into account the influence of the Egyptian Euclid of the late Hellenistic period of Archimedes and Eratosthenes upon the famous neo-Aristotelean hoaxster Claudius Ptolemy. This intrinsically pathological, reductionist method, of Aristotle, Euclid, and Claudius Ptolemy, is expressed in modern times by such followers of the founder of modern empiricism Paolo Sarpi, as the British and French Eighteenth-century “Enlightenment,” as best typified by the principal targets of Gauss’s 1799 attack, the Voltaire crony D’Alembert, Euler, Lagrange, and empiricist turned quasi-neo-Aristotelean, Immanuel Kant (aka, “I Can’t!”). The Cartesian approach to matters of physical science, is the typification of the course taken by the most notable among our republic’s earliest philosophical enemies of the existence of our United States, the Eighteenth-Century British and French “Enlightenment.”

Most notable, for the epistemological standpoint of the higher quality of contemporary intelligence specialist, is the social origins of the shift from the ancient standpoint of Sphaerics to the relatively decadent standpoint of the reductionism expressed, already in ancient times, in various forms and degrees by the Eleatics, Sophists, and Aristoteleans. The surviving second part of Aeschylus’ Prometheus trilogy, *Prometheus Bound*, gives the show away.

Throughout the known history and pre-history of mankind, society in general has been characterized by the rule of a minority over a majority of mankind composed chiefly of herded or hunted human cattle. As the putative original “greenie,” the Olympian Zeus of the trilogy attests, what Zeus alleged to be the crime of Prometheus, was to share knowledge of the existence of universal physical principles of progress of the human condition with the underling humans. The transition from the Pythagoreans and Plato to the reductionists such as the Eleatics, Sophists, and Aristotle, represents, as does the later “code” specified by the Roman Emperor Diocle-

tian, a condemnation of ordinary folk to live as mere animals, condemned to do nothing to improve their customary practice above the fixed set of behaviorisms practiced by their ancestors.

The establishment of our constitutional republic represents the only clearly principled break with the rubble of that oppressive and inherently tragic tradition associated with ancient Greece’s mythological Olympus cult. This tradition of our republic defines the principle which must be proffered by us to our descendants here, and to those hungry for freedom in their own sovereign states, in other parts of the human family as a whole.

The functional distinction between the truly sovereign individual citizen and a mass of people, such as our own lower eighty percentile of family-income brackets today, is the opportunity to practice the kind of progress for all mankind which the tradition of the Olympian Zeus prohibits still today. To substitute the name of “democracy” for this is a travesty, an acceptance of the equality of free man and the man shackled with the burdens of being, by his own definition of the limits of his vision and behavior, a specimen of a mass of human cattle.

The quality of true freedom, which surpasses the condition of so-called democracy, is, as Frederick Douglass posed this for the American in and emerging from slavery, the development of the creative powers of the individual mind, which, unleashed, will soon bring about the true freedom of the slave or ex-slave in the living flesh. It is that freedom which we must assure to all of our people. It is the freedom to be something absolutely above and beyond the quality of mere sense-perceptual knowledge of the beast, or self-inflicted philosophical reductionist.

This desired quality of true individual freedom of the mind, is located essentially in the transfer of the sense of personal identity of the individual from locating himself or herself in the beast-like sense-certainties of the mere living flesh, to the immortality of the individual mind linked in perpetuity to the struggles for progress of mankind of past and future generations alike. The object must be to discover an individual sense of identity located in the permanence of a process of discovery of universal principles, rather than the beast-like form of existence in the bounds of a perception of only one’s flesh.

This problem is associated famously, with the case of the figure of Shakespeare’s Hamlet, the brave and efficient fighter who trembles in a disgusting exhibition, as in that Third Act soliloquy, out of fearful impotence which suddenly strikes him at the thought of what might await him after death. He lacks a sense of an efficiently immortal existence, and immortal action which lives within the fleshly bounds of the souls which come after him, as Jeanne d’Arc and the Reverend Martin Luther King dedicated their imperilled mortal existence to the permanence of what they contributed to the cause of the future nation, and also civilization more generally. The

life of the happy human individual is confidence in one's own efficient commitment to the discovery and perpetuation of true universal principles, thus honoring the past and enriching the future of mankind as a whole.

It is the individual who can locate his or her identity within the complex domain of science and Classical artistic principles of composition, who is the true citizen. It is our essential national mission, embedded in the passions and circumstances of our nation's birth, to be that kind of nation among nations, for the advantage of humanity as a whole. With that power of justified self-confidence, we can make miracles for the benefit of our future generations, and for humanity as a whole. To do this, we must see ourselves as the common principles of the Pythagoreans, Plato, and the modern science of Cusa, Leonardo, Kepler, Leibniz, Gauss, and Riemann typify our powers, and our true identity. We must become a happy, and therefore powerful people, a people of great power to do good for others, not to conquer them.

The source of needed strength for our republic, in this most perilous moment of modern history of the planet as a whole, is to discover that nobler identity in ourselves. It is what many mistakenly regard as the merely intangible aspect of the higher reaches of intelligence practice, which must be the guide for shaping the policies of practice to our institutions of government.

Life in a Fishbowl

The state of mind induced by submission to the false axioms suited to the role of human cattle, is typified as to form by the case of the Cartesian model. Whereas Riemann expunges all so-called *a priori* assumptions respecting geometry and physical science from science, and replaces these only with experimentally validated discoveries of universal physical principle, the slave-mentality sees physical reality only in terms of the delusory, *a priori* form of assumptions typified by the work of Aristotle, Euclid, and the modern empiricists. Thus, the victim of such a set of delusions, may be physically able to react appropriately to the real universe, but his mind will, ordinarily, not permit him to wander beyond the electric-fence-like boundaries defined by his adopted *a priori* assumptions.

That is what I mean by a "fishbowl syndrome": a condition in which the human mind behaves like that of a (mythical) goldfish habituated to the boundaries represented by a glass container within which waters he swims.

The pathological (i.e., *a priori*) set of definitions of a Euclidean or Cartesian geometry of space and time, are merely typical of a much broader array of conditioned mental behavior, more or less *a priori* conditions which act like an array of electrical cattle-prods and fences to regulate the rather typical behavior of the majority of U.S. citizens, in particular, today.

Typical is the doctrine known variously as *laissez-faire*, or "free trade." In fact, those doctrines are not merely absurd scientifically, but maliciously so, as shown by the post-1964

degeneration of the U.S. from the world's leading producer society, to the mass of "post-industrial" bread and circuses dump of today. These malignant, but widespread articles of ignorant blind faith in a-prioristic assumptions, imply a set of little green men operating from under the floorboards of reality, maliciously casting crooked dice to determine the fate of real, living human individuals dwelling above those floorboards.

Thus, the successive applications of those arbitrarily embedded false doctrines have prompted a nation seeking goods at the lowest price, to drive prices below the level at which productive households can exist, and at which the essential capital of production of goods by our consuming nations could avoid being scrapped. As we have witnessed, this systemic destruction of the economy, and conditions of life, during the sweep of the recent forty years of "floating exchange-rate" systems, of the lunacy of post-industrial utopianism, and Paul Volcker-led collapse of our economic system, have degraded a once-great nation to a degenerate, suppurating role as a "mass entertainment society."

We have a people hedged in, as by electric fences, by habituated delusions of popularized kinds of definitions, axioms, and postulates of human individual and social behavior. Unless we seize quickly the opportunity presented by the now onrushing early expectation of a general collapse of the present ideological system, to reinstall true, positive values, including those which made us the world's most productive power, the likelihood of the survival of our constitutional republic is virtually zero.

The same kind of problem confronts us in other nations, and in the cultural integument of the interplay among social systems of various nations and cultures.

Competent intelligence practice at the higher level of national estimates and policy formation, must not degrade itself to the mere Sherlock Holmes-like farce of interpreting facts in an empiricist's way. We must always focus upon the sets of variously real and merely fictitious notions of controlling principles, which define a kind of physical geometry, a physical geometry, false or true, but nonetheless believed, which controls human mass-behavior to the effect of defining the likely, characteristic form of action governing responses within that social system, either within, or among nations.

It is decisions, on estimates and proposed policies of practice, made at that indicated higher level of intelligence functions, which must subsume decisions on interpretation of developments, such as the case of 9/11, and proposed strategic and comparable actions. This requires a cadre of professional intelligence specialists who operate competently at that level of overview of the processes considered.

The world has lately entered a period of increasing turbulence, an increasingly stormy interaction between old habits of institutional belief and practice, and emergence of increasingly urgent demand for a revolutionary replacement of much of the old, by newly adopted guidelines of national practice.

These kinds of problems can not be mastered by a ordinary sort of practical approach; safe transit requires higher skills among the leading cadres of our national intelligence function, as I have outlined the nature of that challenge in the foregoing portions of this section of my report.

Hence the pressing need for a national intelligence institution, to afford the rigorous form of higher education which meets the requirements of a national intelligence service, as I have just indicated the principled characteristics of the challenge, above.

3. The Needed Remedy

The long-ranging objective which underlay the creation of our still wonderfully unique system of Federal Constitutional Republic, was that implicit in the adoption of the central principle of the 1648 Treaty of Westphalia, that peace among peoples is dependent upon commitment to a principle of “the advantage of the other,” the benefit of the other. This affirmation of the same principle of the sovereign nation-state, as opposed to all forms of empire, and to those “Towers of Babel” known as schemes for dissolving nations into a kind of common, “globalized” minestrone, was the laid cornerstone of all modern international law, as opposed to Hobbesian and kindred forms of global bestiality.

That was the commitment of the founders of the U.S. republic from the beginning, the precept expressed by Secretary of State John Quincy Adams’ crafting of what became known as the Monroe Doctrine, and of President Franklin D. Roosevelt’s explicitly prescribed intention, contrary to that of his successor, Harry Truman, for the reconstruction of the post-war world freed of colonialism, empire, and their vestiges: a global community of respectively perfectly sovereign nation-states under a body of international law echoing the intention of the 1648 Treaty of Westphalia.

The most essential features of our constitutional republic demand, that we pursue that course as expressing our most vital self-interest as a nation and its posterity. That is the argument of natural law, including the absolute rejection of John Locke’s doctrine, in favor of Leibniz’s explicit “the pursuit of happiness,” upon which the creation of our nation was premised. That is the subsuming statement of governing principle, expressed as the Preamble of our Federal Constitution. That is the basis on which the principle of our Presidential republic is premised, in rejection of the characteristically tragic failures lurking, embedded in the design of states based on Parliamentary government.

It was these distinctions of our constitutional republic which enabled us to avoid the spread of fascist tyrannies which the financier-oligarchy of the 1922-1945 interval imposed upon the states of Western and Central continental Europe. It was the summoning of that deep-rooted national character of our republic’s creation, in the form of President Franklin Roosevelt’s Presidency, which enabled us to escape

going under the imposition of fascist rule by our financier oligarchy, and which enabled us to provide the decisive margin of victory for freeing the world from the threat of a Hitler-regime-led, intended fascist world empire, saving us from the intended universal fascist tyranny of an Allgemeine-SS state.

Our national enemies are not other nations as such, but rather those attempts which threaten the establishment and security of a system of respectively absolutely sovereign nation-states under a natural form of international law traced to the 1648 Treaty of Westphalia. It is that principle which we must be prepared to defend, and to act to defend, as necessary. That pertains to the properly assigned mission of our military, diplomatic, and national intelligence functions.

Therefore, it became my concern, born of experience with the post-war world, that certain reforms of our national intelligence institutions must occur. I proposed the establishment of a national intelligence academy, paralleling the original intents of the establishment and development of the West Point and Annapolis academies. The intent of such a new institution must be, both to inculcate a historically informed sense of the mission-orientation of our republic’s existence, and to equip the matriculants in that knowledge and use of those skills appropriate for the long-ranging historically determined essential interests of our nation’s republic, interests coincident with the conception of an international law premised upon the principle of the benefit of the other.

The proper mission of our republic, to that end, must be rooted in an appreciation of those principles which set the individual person absolutely above all other forms of life. We must know that the possibility of durable peace among peoples will be secured only to the degree that the individual is freed from the still prevalent condition of being virtual human cattle, until the emergence of a still distant state of world affairs, in which there comes the prevalence of the true citizen, freed of those shackles on the mind which the “fishbowl” syndrome expresses.

Until that happy state of the individual can be made prevalent, a danger remains. However, we must combat that danger within and among nations, by choices of means which are consistent in intent of application with the promotion of that principle itself. Despite undeniable abuses, during and following World War II, that was the attitude expressed widely by the Roosevelt Administration and by most of the ordinary soldiers during and immediately following that war. The ugliness came back in the Truman Administration’s rejection of President Roosevelt’s policy, by such means as backing of the British imperial efforts to re-enforce colonialism in places such as Indo-China and Indonesia, and the imposition of a witch-hunt atmosphere here at home.

Therein lie the pluses and minuses of our appropriate national-security, military, and diplomatic policy. That must be the efficient mission-orientation of the career of the individual intelligence officer graduated from our national intelligence academy.



The axis of the functioning of a reformed intelligence system, LaRouche writes, must be a newly established national intelligence institute, comparable to the original intention of the West Point (shown here) and Annapolis Academies.

The Organization of Intelligence

There is probably little disagreement among our intelligence professionals, in particular, that the practice of combining a Director of Central Intelligence (DCI) and a Director of Intelligence (DI) in the same person, has been a mistake. What must be made clearly understood, is that many of the proposals for dividing the present, nominal or practised functions represent cures which are worse than the disease. None of those heard recent proposals would be relevant to having prevented the grave lapse of intelligence performance preceding the events of 9/11. Perhaps we might not have prevented the attack itself, but we should have prevented those attested lapses, noticed in the report, which were willfully perpetrated by both the President and Vice-President, which assuredly aided in the adversary's ability to bring about that horrible result.

We do not need a potential Heinrich Himmler for the United States. The proposals generally heard so far, do nothing to prevent the virtual inevitability of such an effect were the proposed "czar" functioning under a re-elected Bush-Cheney government.

We require an institution which has no principal mission but the discovery of the truth about the current and prospective future developments affecting the security of the U.S.A. in the performance of its continuing mission, from administration to administration. It must, first of all, provide forewarning, and otherwise advise the instruments of the Federal government, respecting the developing shape of world history. As an extension of that, it must assist appropriate functions of government in the missions of investigation which are either inherent in its primary function, or are assigned, as standing or ad hoc duties consistent with the intelligence function, by relevant

other institutions of government.

I point to work I have studied, of the functioning of U.S. military and other intelligence in the matter of the operations against the U.S.A. and Mexico, by the Nazi and related operations of Synarchist International during the interval between 1935 and the death of President Franklin Roosevelt, especially those conducted against operations in progress under Hitler, his flunky Francisco Franco, and Japan, prior to the U.S. military victory at Midway. These and related precedents, as determinants for rules of undercover engagement, for the special roles of intelligence functions, are still relevant for today. That is, provided those actions do not violate the Constitutional intention of the U.S.A. and its partnership in those principles of the 1648 Treaty of Westphalia which might be administered among nations through the appropriately defined duties of cooperation among perfectly sovereign nation-states assigned to a UNO.

The organization of our national intelligence function for this mission must reflect the interchangeable aspects of national command requirements for the alternate conditions of general warfare or peace. This must be pivoted in the form of a direct accountability for, and also by, the President as war-time commander-in-chief. This pivot on which those alternating roles of the national-intelligence swings, serves primarily as the arm of the President, but also as the role of the Presidency as a whole in checking as well as, otherwise, strengthening the President as a whole.

Suppose, for example, a President were discovered to be insane. Obviously, the power to impeach such a President lies with the Congress; but, the first step for such a case must be the influence of the leading elements of the Presidency upon the President himself, and by such means to avoid impeach-

ment except as a last resort.

For that and comparable reasons, there must be the least-action shift from a DI and DCI in the same person, to a DI as the coordinating official bringing together the sundry functions of the military, diplomatic establishment, and intelligence functions in a coordinated way. This function of the DI ought to be situated as the function associated with direct access to the President, but also regular access to the proceedings of the Cabinet. The other divisions of the intelligence establishment as a whole (military, diplomatic, DCI-directed intelligence, national law enforcement's intelligence functions), report in an ordinary way to the DI, but are not denied written or oral forms of direct access to the President when this is requested. An easily defined reporting to the Congress, is also needed. Thus, there must be checks-and-balances in the intelligence system as a whole, for both positive and negative reasons.

The axis of the functioning of this intelligence system as a whole, must be the location of a newly established national intelligence institute, comparable to the original intention of West Point and Annapolis Academies, which must be the shaping of the conscience and associated skills of the core of the cadres who join the regular ranks of the Central Intelligence Agency, or may be seconded for special educational programs of this type among military and diplomatic cadres.

Beyond such reforms, there is an additional requirement. For such a form of intelligence organization to function effectively, the nation must adopt a reformed affirmation of the sense of national, multi-generational mission to which I have referred earlier here.

In life, there is truly no set of permanently established sets of rules which might properly govern decision-making over successive generations. That function must be assigned to a higher level of policy-shaping, to the intent of a process of change through self-development of national practice, as changes in conditions and new opportunities for progress suggest such change. One of the appropriate institutions for coordinating studies of such processes would be the faculty of a national intelligence academy, which can serve as a rallying-point for the promotion and digestion of this advisory function.

It is also important to stress the need to establish the concept of a general staff function, a function of officers assigned to reach beyond the envelope of ordinary command, to explore new dimensions not adequately addressed by the regular order of command. This is especially required for all those intelligence functions whose authorities and duties bear on discovery of principles and special situations which arise beyond the ordinary line of command, the function of well trained officials acting for a time as the mavericks who reach beyond the envelope of ordinary practice, to places from which the effective flanking of otherwise stubborn problems of function may be effected.

Spy Scandal Centers On AIPAC Role

by Jeffrey Steinberg

According to sources close to the Bush Administration, Attorney General John Ashcroft moved in August to put the kibosh on an FBI counterintelligence probe into top operatives of the official Israeli lobby in America, the American Israel Public Affairs Committee (AIPAC); and when it became clear that there was a top-down cover-up under way, government officials leaked details of the spy probe to CBS News to prevent the probe from being shut down altogether.

While the CBS story, which was aired on Aug. 27, focused on a Pentagon desk officer, Larry Franklin, who is suspected of passing classified documents on Bush Administration policy towards Iran to Israel, the center of the probe, according to sources, has been the ties between AIPAC and top officials of the Israeli Embassy in Washington. Both the *Washington Post* and the *New York Times* have reported that the FBI has been conducting a counterintelligence investigation into AIPAC for more than two years, and that National Security Advisor Condoleezza Rice and her deputy Stephen Hadley were briefed by FBI officials in 2002 about the probe.

The Israeli daily *Ha'aretz* reported Sept. 9 that AIPAC had sent a letter to its supporters, seeking donations "to help it combat the allegations leveled against it in the context of a counterespionage investigation at the Pentagon. According to media reports, the FBI suspects two AIPAC officials of receiving a classified document from a Pentagon official and then passing it on to Israel."

The AIPAC letter, from President Bernice Manocherian and Executive Director Howard Kohr, read, in part: "We are writing to keep you informed and to ask for your help. Decision makers in Washington will be measuring your commitment to AIPAC as an indicator of AIPAC's overall strength. One of the few ways they can gauge confidence in AIPAC is by looking at our relative financial strength. . . . Your generosity at this time will help ensure that false allegations do not hamper our ability or yours to work for a strong U.S.-Israel relationship and a safe and secure Israel." The letter later complained that "The very essence of the U.S.-Israel relationship is under assault."

Ha'aretz noted that "Manocherian and Kohr flatly denied the allegations. They also stressed that the scandal would not deter the organization from continuing to lobby Congress

and the Administration on Israel-related issues, particularly the fight against Palestinian terror and Iran's nuclear ambitions."

Indeed, U.S. intelligence sources reported to this news service that the leak to CBS and other news outlets of the spy probe, was timed to pre-empt a massive public relations and lobbying mobilization by AIPAC, set to begin when Congress resumed on Sept. 7. The subject: The need for a more militant U.S. policy towards Iran, in keeping with the Sharon government's threat of a "breakaway ally" military strike against Iran's Bushehr nuclear reactor.

Lyndon LaRouche wrote a widely circulated memo on the Franklin case on Aug. 30 (see *EIR*, Sept. 10), assessing that the revelations about a new spy probe were aimed at preventing just such a "breakaway ally" attack on Iran, characterizing the leak as an "institutional intervention" to prevent the catastrophic provocation. LaRouche's memo "Franklin: A Non-Partisan Institutional Reflex," began:

"1. The 'Pollard Affair'-like issue of Paul Wolfowitz's asset Larry Franklin, and others, is the subject of a non-partisan response of relevant institutions of the U.S. Presidency to the active threat posed by the role of certain frankly lunatic, contaminated, and obviously expendable elements inside Israel, whose actions threaten to set off a nuclear version of 'A New Middle East War.' This would become immediately a globally spreading forest-fire of asymmetric warfare involving nuclear and other special weapons. Such a war would have immediately far, far more extensive immediate mass-homicidal ramifications and continuing reverberations than any earlier so-called 'Middle East War' of modern times.

"Oil prices of much more than \$100 a barrel would be only one among the likely early consequences.

"2. The subsuming intent of the culpable elements within U.S. institutions, is to set some of the military capabilities of Israel into an activated form of what RAND and related institutions defined, already decades ago, as a 'breakaway ally' mode of nuclear 'chicken,' including use of nuclear weapons, against Iran and other targets of that region. That is, a U.S. ally, who, ostensibly impatient at lack of such desired military action from the U.S.A. itself, starts a war, sneering at the U.S. itself, as if to say: 'We will start the war, and then you will have to fight it!'"

Policy Brawl

According to U.S. government sources, just prior to the CBS leak on Aug. 27, Attorney General John Ashcroft interceded to assign responsibility for the AIPAC/Larry Franklin probe to the U.S. Attorney's Office for the Eastern District of Virginia, thus forestalling arrest warrants against Franklin and several AIPAC officials.

The move to counter Ashcroft's suppression of the probe through media leaks is but one feature of a much bigger policy brawl, now taking place behind the scenes in Washington.

At the center of the fight is the continuing role of the Dick Cheney-protected neo-con "mole hill" at the Pentagon, inside the National Security Council, and in the State Department. Leading administration neo-cons, including Cheney's Chief of Staff Lewis "Scooter" Libby, Deputy Defense Secretary Paul Wolfowitz, Undersecretary of Defense for Policy Douglas Feith, Cheney staffer David Wurmser, and NSC Mideast chief Elliott Abrams, continue to push for wars in Southwest Asia, targeting Iran and Syria in the near term, even as the American occupation of Iraq continues to sink ever deeper into the quagmire.

As this news service has reported for years, the neo-con policy being peddled inside the Bush Administration is a clone of the policy first designed, in 1996, for Israel's right-wing Likud Prime Minister Benjamin Netanyahu. In July 1996, on the eve of a speech before a joint session of the U.S. Congress, newly installed Prime Minister Netanyahu was given a document titled "A Clean Break, A New Strategy for Securing the Realm." Authored by Richard Perle, until recently the chairman of the Bush Administration's Defense Policy Board; Feith; longtime Wolfowitz friend Charles Fairbanks; Wurmser; and his wife Meyrav Wurmser, "A Clean Break" spelled out an attack against the Oslo Accords, which focused on the overthrow of Saddam Hussein, the demonizing of Yasser Arafat as the "godfather" of Palestinian terrorism, the reoccupation of the West Bank areas turned over to the Palestinian Authority, and the eventual overthrow of the governments of Egypt, Syria, Iran, Saudi Arabia and Lebanon.

When "Clean Break" authors secured top posts in the "Bush 43" Administration, they set about implementing the Netanyahu foreign policy blueprint from the banks of the Potomac.

It is this larger issue that is at the heart of the policy brawl today. The real issue is not the passing of a draft Iran policy memo to Israel. The issue is the hijacking of U.S. national security policy by a group of neo-cons who, if left unchecked, will destroy both the United States and Israel, by blowing up the entire Southwest Asia region, through their utopian schemes.

When Prime Minister Yitzhak Rabin took office in 1992, one of his first acts was to come to Washington, and meet with top officials of AIPAC. Rabin scolded the group, for having allowed themselves to become puppets of the various right-wing Likud factions dedicated to stopping a peaceful solution to the Israel-Palestine conflict at all costs. Three years later, after having signed the Oslo Accords, Rabin was assassinated by a fanatic who was encouraged by some of the very Likud radicals whom Rabin has assailed—including Netanyahu and Sharon, subsequently prime ministers.

Whether there is war or peace in Southwest Asia is another issue being fought out—in surrogate fashion—in the ongoing AIPAC spy scandal.

Retired Officers Call for Independent Commission To Probe Prison Torture

by Edward Spannaus

In light of the obvious inability of the Bush Administration to investigate its own responsibility for the prison torture scandal, and in light of the unwillingness of Congress to aggressively conduct such an investigation, a group of eight retired flag officers has issued a call for the creation of an independent commission, to investigate and report the truth about the allegations of torture and abuse of prisoners in Iraq, Afghanistan, and Guantanamo.

At a Sept. 8 press conference in Washington, the day before hearings by the Senate and House Armed Services Committees, a spokesman for the officers' group, Rear Adm. John Hutson (ret.), stated that there are so many investigations of prisoner abuse, that critical issues are falling between the cracks. What we need, he said, is an "absolutely bullet-proof investigation," by individuals with nothing to lose or gain.

Hutson, the Judge Advocate General in the Navy in 1997-2000, characterized the current investigations this way: "We said that these were just a few 'bad apples,' and then we reverse-engineered the investigations to prove that it's just a few bad apples." Hutson noted that, in the military, if someone at the top says "bad apples," this is passed down the line and the investigation ends up proving "bad apples."

The call for an independent commission has been endorsed by eight retired generals and admirals, including Gen. Joseph Hoar, the former CENTCOM commander (an interview with whom was published in the May 21 *EIR*), former Army Judge Advocate General Gen. John Fugh, Gen. James Cullen, Gen. Robert Gard, former Navy Inspector General Adm. Lee Gunn, Gen. Richard O'Meara, and former Marine Corps Senior Legal Advisor Gen. David Brahms. The press conference was co-sponsored by Human Rights First, formerly called the Lawyers Committee for Human Rights.

The same day, Sen. Jack Reed (D-R.I.), a senior member of the Senate Armed Services Committee, announced his support for the creation of an independent commission. "I think we really have to investigate this issue as one complete piece," Reed said, noting that, "ideally . . . it should have been done by an investigation by the Congress." Two members of the House Armed Services Committee, Silvestre Reyes (D-Tex.) and Ellen Tauscher (D-Calif.), supported the call for an independent commission at their committee hearing the next day.

Feith and Cambone

At the Sept. 8 press conference, in which the gaps and limitations in the current investigations were being discussed, *EIR*'s correspondent commented that the biggest gap in the investigations, is that pertaining to the civilians who wrote the torture memos. *EIR* further noted that the Office of Undersecretary Defense for Policy Doug Feith, now under fire in the Ahmed Chalabi and Israeli espionage cases, is also the Pentagon office with official responsibility for detainee policy; so it seems that the same group of people, including Feith and Undersecretary for Intelligence Stephen Cambone, who are among those responsible for the mess we're in in Iraq, are also responsible for this policy—but no one has pursued that at all.

Admiral Hutson responded that this is "a politically charged area to pursue, but it's critical," and that this is why an independent investigation is needed.

A report issued by Human Rights First notes that Feith's office has "primary staff responsibility" for overseeing detainee programs, but points out that neither the Army's Fay Report nor other reports have inquired into Feith's role. Human Rights First noted that the reports and Congressional testimony have shown the following officials to be involved: Feith, Cambone, Cambone's deputy William Boykin, Guantanamo commander Gen. Geoffrey Miller, and Defense Secretary Donald Rumsfeld; yet none has been investigated, nor has their responsibility for the prisoner abuses been determined.

The 'Ghost Detainees'

Closely related to this failure, is the most dramatic revelation coming out of the Sept. 9 hearings: the admission by Gen. Paul Kern—the appointing officer for the Fay-Jones investigation on the role of Military Intelligence—that there were "dozens and perhaps up to 100" so-called "ghost detainees," that is, prisoners brought in by the CIA who were kept "off the books" and unrecorded, in violation of Army regulations and U.S. obligations under international treaty arrangements. Investigator Gen. George Fay acknowledged that there are many "unanswered questions" about the ghost detainees, about which, he admitted, Rumsfeld has not been asked, and about which the CIA has refused to provide information.

The crucial background to this, is the report by investigative journalist Seymour Hersh published in the May 24 *New Yorker* magazine, entitled, "The Gray Zone." Hersh described how Defense Secretary Rumsfeld had created a super-secret program which had blanket advance approval to kill, or to capture and interrogate, "high-value" targets in the "war on terrorism." A "Special-Access Program" (SAP) was established which involved Navy SEAL teams, the Army's Delta Force, and CIA paramilitary operatives. Hersh reported that Cambone was deeply involved in this program, and that he had insisted that he be given control of all SAPs related to the war on terrorism.

The Fay Report states that when Guantanamo commander Gen. Geoffrey Miller visited Iraq in August-September 2003, he was tasked to visit Task Force 20 "to discuss current theatre ability to exploit internees rapidly for actionable intelligence." No further description of Task Force 20 is given in the Fay Report, but there have been a number of published accounts of its activities, despite the fact that almost all information about it is classified. It is said to consist of Army Delta Force and Rangers, Navy SEALs, CIA paramilitary operators, and others, and to be based at Baghdad International Airport. TF-20 was in the forefront of the hunt for former regime officials in Iraq, including Saddam Hussein, and was instrumental in the killing of Saddam's sons on July 27, 2003. (On Nov. 7, 2003, the *New York Times* reported that TF-20 in Iraq had been merged with Task Force 5 in Afghanistan, to form Task Force 121.)

By description, TF-20 corresponds to the secret SAP programs created by Rumsfeld. This would explain why the CIA would be bringing prisoners to Abu Ghraib and other facilities for interrogation, and also why, as became evident in the Sept. 9 hearings, there is no formal paper trail regarding the handling of CIA detainees by Army personnel.

Last May, when the gaps in the ongoing investigations were already in evidence, former Deputy Secretary of Defense John Hamre was quoted by the *Washington Post* asking whether the proliferation of new inquiries was part of a strategy "to have lots of activity going on around the center of this thing without quoting the center itself." The *Post* noted the "some defense experts suspect that the Pentagon may be trying to prevent investigations from exposing the existence of a secret intelligence-gathering effort that either overlapped with some of the publicized abuses, or operated in the same combat zones."

After citing the Hersh article on the SAPs, the *Post* quoted Hamre again: "Every intelligence operation has a breakaway point, where you try to protect the organization with a cover story. What some people are saying is that the Pentagon is still trying to keep the breakaway line at the rogue-soldier level."

Hearings To Be Shut Down?

Going into the Sept. 9 hearings, knowledgeable sources advised *EIR* that the Republican leadership in Congress was

planning to shut down any further investigation of the torture scandal, after this double set of hearings which featured one panel consisting of former Defense Secretaries James Schlesinger and Harold Brown—two of four members of the panel appointed by Rumsfeld to review detention operations—and a second panel of Generals Kern, Fay, Anthony Jones, and others involved in the Army investigations.

In the House, Armed Services Committee Chairman Duncan Hunter (R-Calif.) tried to run his hearing as a defend-Rumsfeld rally, with the full cooperation of Schlesinger and Brown. Hunter started the questioning by eliciting testimony that the Abu Ghraib photos aren't as bad as they look. Hunter went to great pains to show that the prisoner photographed with electrodes attached to him, wasn't really subject to electric shocks; the photo was taken "just for fun."

However, many Committee Democrats and a number of Republicans refused to play along, suggesting it may not be possible for Hunter to shut everything down.

Three Republican Congressmen bucked the "party line," two quite forcefully. Roscoe Bartlett (R-Md.) took issue with Schlesinger's and Brown's testimony that there was no policy that encouraged or justified abuse of prisoners. Then why, he asked, did we place prisoners at Guantanamo Bay, beyond the reach of our Constitution, and beyond the protection of the Geneva Conventions? Why would we do that, Bartlett asked, "if we did not intend to treat them in ways not consistent with the Constitution and the Geneva Conventions?"

Heather Wilson (R-N.M.) went after Schlesinger and Brown on the "ghost detainees." Brown had alluded to the lack of information available from the CIA, and suggested that perhaps the Intelligence Committees should take this up. An obviously irritated Wilson pressed for disclosure of what she believes is an official policy guidance allowing certain prisoners to be held outside the protections of the Geneva Conventions.

Significantly, Rep. John Spratt (D-S.C.) raised the matter of the infamous "torture memo" written by the Justice Department's Office of Legal Counsel, noting that although the State Department argued that the Geneva Conventions should apply in Afghanistan, OLC took the opposition position and went on to say that the President as Commander in Chief can authorize torture. Spratt also raised the question of how Guantanamo commander General Miller got sent to Iraq, and noted that Miller had taken with him a list of interrogation techniques authorized for use in Guantanamo, which were not authorized in Iraq.

In the Senate hearing, Edward Kennedy (D-Mass.) criticized the reports issued to date, for not holding anyone accountable for failure to provide leadership at the top levels. The "service men and women down at the lower level of the line in the chain of command . . . have been left holding the bag," Kennedy charged.

GOP Convention Shows A Party in Disarray

by William Jones

The neatly scripted four-day gala event in New York, which Republican party operatives so pompously labelled their National Convention, would have won the admiration of Leni Riefenstahl, the film choreographer of that monumental 1934 Nazi rally in Nuremberg, which Riefenstahl memorialized in her propaganda film “The Triumph of the Will.” But underneath the strong show of unity behind Republican Presidential nominee George W. Bush, the party is in a state of turmoil, with a variety of factions jockeying to gain influence over a second Bush Administration, assuming he is re-elected.

Prior to the convention, there had been a concerted push by saner elements in the Republican Party to force Bush to jettison Dick Cheney, the éminence grise behind the wild-eyed neo-conservatives, a number of whom are now under investigation for transmitting highly classified information on U.S. policy on Iran, to Israel, through an interface in the American Israel Public Affairs Committee (AIPAC). Unfortunately for the fate of the world, Cheney won that fight, and flaunted his victory by emerging from the shadows to play a more visible, prominent role in this year’s convention.

Cheney’s Position Enhanced

It was, in fact, the Vice President who effectively opened the convention by arriving in New York City one day before the formal opening, to give a speech at Ellis Island. With Lower Manhattan as his backdrop, Cheney announced the theme of the convention as: George Bush—the stalwart defender of the nation after Sept. 11.

The disastrous war on Iraq has led notable figures in the Republican Party, including former cabinet members, diplomats, and retired military officers, to harshly criticize the Bush Administration’s conduct of the war. In a number of high-profile cases, some, like Lt. Gen. Michael McPeak, have even left the Republican Party in disgust in order to work for Democratic candidate John Kerr.

Nevertheless, it was clear to Karl Rove and the Bush team that George Bush’s only chance of being re-elected was to don the garb of the “compassionate conservative,” as he had in the 2000 election. This would broaden his base beyond the small circle of neo-con warmongers and their fans, and the fundamentalist Christians, who tend to view Iraq as part of a Great Crusade, that is never-ending (or at least continues until “the Rapture” carries them away). Therefore, moderate Republicans were prominently featured as speakers in the prime-time television slots. Kicking off the speakers’ list was Ari-

zona Senator John McCain. While giving his support to Bush, he still refused to line up behind the vicious attacks against John Kerry being conducted on behalf of the Administration by the “Swift Boat Veterans for Truth” group, and instead he called for respecting one’s opponents.

No matter. The organizers had already lined up attack dogs like Zell Miller, an unreconstructed George Wallace-style southern Democrat, to lead the pack in an attack on Kerry. Miller, in a virtual frenzy, let fly the absolutely worse fillips against the Democratic Party presidential candidate. Miller was followed by a gloating Dick Cheney, who knew that any nasty things he might say against Kerry in his own speech would pale in comparison to the venom spewed by Miller. While reiterating the familiar “unfit to command” shibboleths against Kerry, Cheney generally tried to adopt a “kinder, gentler look.” For example, he followed up his earlier statements in favor of gay marriages with a statement of support for his lesbian daughter, who accompanied him to the convention but played no major role in the proceedings.

Still in the Saddle, If Not on the Stage

Although few from the conservative wing of the party were given slots on the speaker’s platform, they were heavily involved in the delegate hotels with a flurry of activity throughout the four days. There were the daily prayer breakfasts, as well as the introduction of Catholic services, as part of the outreach to the traditional Democratic Catholic voters. At an invitation-only event hosted by that darling of the Christian right, Sen. Sam Brownback, on Aug. 31, Brownback called for “a broad social conservative agenda notably different from the televised presentations.” The Brownback agenda included “loosening the requirements on the separation of church and state.”

President Bush also flaunted his own “born-again” credentials by referring in his acceptance speech to the “mission” which the country had received “from beyond the stars.” A videotape was also shown throughout the convention, entitled “Faith in the White House,” gushing over Bush’s “born-again” Christianity. This was narrated by Christian talk-show hostess and raving pro-Sharon clone, Janet Parshall, who was also featured prominently in the off-site and invitation-only events held by the Armageddon crowd during the convention.

A number of party honchos felt that the “social agenda” might also be used in Republican outreach to Democratic layers. This approach was most clearly evidenced in a “Grass-Roots Training Session” held by GOPAC on Aug. 31, featuring former House Speaker and now talking-head Newt Gingrich, Mississippi Governor Haley Barbour, and former Oklahoma Congressman, J.C. Watts. Gingrich—the principal author of the fascist “Contract With America” in 1994—laid out the program for “A 21st Century Contract” for the Republican Party.

Gingrich described the current war on terrorism as “like the war against Hitler in the 1930s.” As to Bush’s statement a few days prior that the war on terrorism was “unwinnable,”



Tuskegee Airmen, veterans of World War II, rally at Grant's Tomb in New York City on Aug. 30. Described as "the greatest of the Great Generation," referring to the all-black unit, the Airmen were joined by other veterans to organize the vote for John Kerry. Rep. Charles Rangel, in whose Harlem district the rally took place, addressed the crowd.

Gingrich predicted it would "take until 2070" to emerge victorious. "We're closer to the beginning than we are to the end of the war on terrorism," he intoned.

In addition to the fighting of endless wars, Gingrich proposed that the Republican Party fight for bringing God back into politics, and making sure our school system "teaches children to be Americans," referring to immigrants. The aim of the 1990s Contract With America was to create a Republican majority, bring down the Soviet Union, and end the welfare state. We did that, he stated, now it's time for the next Contract.

New GOP Targets: Blacks and Jews

Among the targetted groups in the Democratic ranks are the black churches. This is in contrast to the highly controversial, and still bitterly resented, policy of the 2000 campaign, in which the Republican suppression of a large chunk of the black vote in Florida helped throw the election into the Supreme Court, thus guaranteeing a Bush victory. Now, Republican campaign coordinators, under the skilled hand of J.C. Watts, are trying to co-opt some of the black vote by forging ties with the black churches under the guise of their contrived "moral" agenda.

In mid-September, Watts announced, 300 pastors will come out in support of Bush, and only 5% of them are Republicans. There is no such thing anymore as a "traditionally Democratic black constituency," the speakers insisted. Electing just ten black Congressmen would break the hold of the left (that is, the Democratic Party) over the Congressional Black Caucus, Gingrich drooled.

A second traditionally Democratic constituency targetted by the Republican Party was the American Jewish community. There was high-profile support given to the Republican

Jewish Coalition (RJC), a prime funder of pro-Zionist Republican candidates. The RJC hosted several events, including a "Salute to the Republican Congress" held Aug. 30, the first evening of the Convention, at which close to two dozen Republican congressmen and senators came to "salute" their Likudnik backers, by reiterating their unconditional support for the state of Israel. The star of the show was House Majority Leader Tom "the Hammer" DeLay (R-Tex.), who has always been prepared to go farther out on the limb than his colleagues in his fervant support for a Greater Israel in the Mideast. This occasion was no exception. "There is no Israeli-Palestinian conflict," DeLay said. "There is only a global war on terrorism!"

"Foresaking Israel now is tantamount to foresaking Great Britain in 1940," DeLay railed, while Sen. Arlen Specter (R-Penna.) assured the frenzied RJC members that the President is "now taking measures to make sure Iran doesn't have nuclear weapons to threaten the state of Israel."

Vice President Dick Cheney was billed as the honored guest at an RJC event on Sept. 2. The organizers were delighted to host such a high-level Administration official, sure it would attract a great deal of media attention. For Cheney, however, this became something of a predicament. Just prior to the convention, the scandal around the Doug Feith Pentagon spy shop had broken, involving allegations of a transfer of classified intelligence to the Israelis through contacts in the Washington office of the American Israel Public Affairs Committee. Although AIPAC representatives in New York had held an event on Aug. 30 to deny the charges, the atmosphere was hot, especially for Cheney, whose own office had been a command post for the same Pentagon operatives. Cheney told the RJC organizers that he would attend the Sept. 2 event, but that he would not allow media access. Anything

GOP Newsletter Assails 'Bush's Party of Power'

In its lead story Sept. 6, *The Big Picture*, a prestigious newsletter that circulates widely among Republican Party movers and shakers, blasted the Cheney-Bush crowd for its scripted Republican Convention, and the Party's intolerance and dedication only to preserving the President's power.

Under the headline "Bush's Party of Power," newsletter publisher Richard Whalen wrote: "The traditional Grand Old Party of Taft, Eisenhower, Goldwater, Nixon, and Reagan is gone. Vanished without a trace is the old GOP's 'Big Tent' philosophy, where the party's distinct liberal and conservative 'wings' fought out their differences on issues and ideology. . . . President George W. Bush's party is shaped like a church, and not a very big one. . . . Although the entire federal government establishment is in Republican hands, the party is insecure, narrow, doctrinaire, and intolerant. The Bush party is entirely dedicated to perpetuating the President's power."

Whalen also blasted the Bush Administration's Iraq

war, which he described as a "tragic detour" from the war on terrorism, and he zeroed in on Dick Cheney for having plotted an invasion of Iraq for years, in league with the neo-cons.

Whalen assailed both Sen. Zell Miller (Ga.) and Dick Cheney for delivering "stunningly mean-spirited speeches," which set the tone for Bush's own acceptance speech, "exploiting the memory of 9/11 and the public confusion between 'the war on terror' and the war in Iraq." Whalen's prognosis: "If the November election turns on Iraq and the war on terrorism, Bush will win. If the election turns on the disappointing economy, which remains more than a million jobs short in the third year of 'recovery,' Kerry will win."

Whalen also railed against Bush and his "brain," Karl Rove, for devising an election strategy targetted almost exclusively at the Religious Right, dividing and polarizing America.

Whalen's conclusion: "The Republican Party urgently needs a long overdue post-Cold War updating and redefinition, especially the rejection of an unwanted empire and the hopeless doctrine of permanent war. . . . America must regain domestic purpose and international respect through re-dedication to principles of freedom, nationalism and non-interference in the affairs of others."

Cheney said, it seems, would be off the record for reporters—and the American people.

Traditional Republicans Alienated

Those Republicans who still hold to the belief that government that "governs least, governs best," have either migrated to other pastures, sorely disappointed by the way the Bush Administration has created the biggest government boondoggle—and government deficit—in history. The Republican "deficit hawks" have been left licking their wounds by the Bush policy of launching preemptive wars on several different fronts, and creating a veritable "Fortress America," with the new Department of Homeland Security and its adjuncts.

And what about those within the Republican Party who have traditionally been the stalwart defenders of "freedom of the individual"? With the draconian "Patriot Act" of Ashcroft & Company up for renewal, to which even tougher restrictions may be imposed, the rights of individuals in the United States, especially those of Arab heritage, are being rapidly curtailed.

This was the key issue at event sponsored by the Arab American Institute on Sept. 1, in parallel with the Republican Convention. Former Republican Congressman Robert Barr stated there that "the Administration will not tolerate or consider any limitations whatsoever on the Patriot Act," and has

instead proposed enhancements. They have "ignored complaints from groups and Congressmen," of the violation of the civil rights of individuals targetted by the Act. Asked if he regretted voting for the Patriot Act, Rep. Barr said he did.

Most severely handicapped in the new direction given by Bush to the Republican Party are those—people like Senators Chuck Hagel (R-Neb.), and Richard Lugar (R-Ind.)—who rejected the knee-jerk unilateralism and chauvinistic arrogance of the neo-conservative ideologues under Cheney, who had choreographed that bloody "cakewalk" into Iraq. Although they are still conducting a fight within the Republican Party in an attempt to return it to a more traditional orientation, they realize that this is an uphill battle. "The Republican Party has come loose of its moorings," Hagel told the *Washington Post*. "I think you've got a party that is in a state of uncertainty." That's putting the case too mildly.

While the well-orchestrated Republican "Nuremberg Rally on the Hudson" seemed to give the impression that the disparate elements of the Republican Party are all shouting "Four more years," a goodly number of them are beginning to view such a contingency with a great deal of trepidation. Many traditional Republicans, who have not wholly gone over to supporting John Kerry, perhaps feel in their heart of hearts, that the best thing to happen to the Grand Ole Party, might be a good solid defeat in November.

Don't Mess With Iraq's Moral Authority and Historic Legacy!

by Hussein Askary

It is a very, very sensitive thing to attempt to deal with sectarian issues within religion. I, as an Iraqi who does not identify himself with any sect other than Islam and its universal principles, endeavored to write this limited and short description of the historical background of the actors on the Iraqi battle field, in order to give readers and observers a sense of the people involved in the events of Iraq today. My aim is not to give a lecture in history, because this short piece is far from any thorough review. Its aim is to forewarn those who could act to change the policies of the United States, and other nations, of the consequences of their failure to act now.

One very important statement has to be made right from the outset. There is no conflict today between Shi'a and Sunnis, either in Iraq or in any other place in the Muslim world, except for where the British wish to have one, such as in Pakistan. The Iraqis are united today around one goal, which is to free the nation from the Anglo-American occupation and rebuild the nation. Almost all Shi'a and Sunni religious scholars have agreed that the old disputes, which go back more than 1,300 years in the history of Islam, and are mentioned in this report, cannot be resolved on the basis of who was right and who was wrong. They are all Muslims, and the differences are on certain rituals and secondary issues, not the fundamentals.

Power-corrupted, power-hungry individuals and groups often forget on what planet they exist and within the history of which species they act. Utopians who believe that might makes right always lose, but quite often at a very high price for mankind. What happened in Iraq in late August, with the peaceful resolution—although it might not last, as long as Cheney and Bush are in power—of the siege of the holy city of Najaf, was a reminder of that fact. By the intervention of one man, a frail, 74-year-old religious scholar, Ayatollah Ali al-Husseini al-Sistani, who had just interrupted his recuperation after heart surgery in London, an end was put to fighting between the world's single superpower and its puppet local government on the one hand, and those who resist them among the militia of radical cleric Moqtada al-Sadr. This is not, as some would speculate, a case of a development of a theocracy.

Al-Sistani and most religious leaders in Iraq have the position that, in the absence of a legitimate government, it is their responsibility to care for the interests of the people of Iraq and their territory. The religious institutions have become a lawful resort for the Iraqi people after the interchangeably stupid or evil Anglo-American occupation demolished all the institutions pertaining to a modern nation-state.



Ayatollah al-Sistani

As Muriel Mirak-Weissbach put it in a previous article in *EIR* (Sept. 3), “Moral authority is greater than military might.” But where does al-Sistani’s authority come from? The man has no political mandate, and is not even an Iraqi by birth. As his name suggests, he is from Sistan province in Iran. So was Sheikh Mohammed Taqi al-Shirazi, born in Shiraz in Iran, who led the Iraqi revolution against the British Empire in 1920. Being born in a different land did not make them less patriotic to Iraq. On the other hand, their identity was tied to Islam first and foremost. They are not politicians, but they have a moral responsibility toward the people they live among. What is common between the two men is that they both were Shi’ite religious authorities, or *Marji’a* (in the singular). They resided in Shi’ite holy cities in Iraq, Karbala and Najaf.

What Is Shi’ism?

Shi’ism or *Tashayu’*, which is one of two main schools within the Islamic faith, is shared mainly by people in Iran and Iraq. The religious seminaries are spread in cities in both countries, such as Najaf, Karbala, Kadhimiya in Iraq, and Qum and Mashhad in Iran. Students and scholars have moved freely between the two countries since the middle of the 16th Century, when the Safawid Dynasty in Iran “converted” to Shi’ism, breaking with the Sunni Ottoman dynasty in Turkey, which considered itself the bearer of the banner of Islam and

leader of all Muslims on Earth. That conflict, like the Venice-manipulated Crusades, was a geopolitical conflict, not a religious one. This one too, smells of a Venetian intrigue.

Shi'ism or *Tashayu'* means, approximately: support, loyalty, or following. Shi'a means "party" or group of supporters. It is a historic reference to the supporters of Imam Ali bin Abi-Talib, in the dispute over the succession of leadership after the death of Prophet Mohammed in 632 A.D. According to the Shi'ite version, Mohammed had instructed the faithful that Ali, the prophet's cousin and life-long companion, should become the leader of Muslims after him. They support this with statements from Mohammed himself. Another group had the opinion, that on the day of the death of Mohammed, there should be a process of "consultation and deliberation" (*Shura*) among the elite to choose one among them to the position of *Khalifa* (successor). This faction developed historically as the Sunni branch of Islam. Sunni means a follower of the tradition of the Prophet (*Sunnat-ul Rasul*): That means the emulation of the Prophet and the strict interpretation of the instructions listed in the holy book, the Koran. The Shi'a view is that Ali is to Mohammed, what Aaron was to Moses, or, more precisely, what St. Peter was to Jesus Christ. The Shi'a argue that since Imam Ali lived with the Prophet and received his education in Islam directly from him, he had more knowledge of the religion and its social, political, military, and spiritual aspects, and therefore should be the Prophet's natural successor. Mohammed, at the age of 40, had "adopted" the orphan Ali, who was six at the time.

The Shi'ites subsequently attached mystical attributes to Imam Ali and his posterity, the most controversial among them being that of "infallibility," and the belief that they should, in a hereditary manner, assume leadership of the Muslim nation. The Shi'a list 12 Imams in the lineage of Ali and his wife Fatima, the daughter of Mohammed, who were the "natural successors" of Mohammed. Almost of all of them were killed, "martyred," or persecuted by rivals who took power by force. This created a great and deep historical grievance among the Shi'ites, who, at different intervals, were forced to practice their faith secretly to avoid prosecution at the hands of other Muslim leaders.

The last of the 12 Imams was Mohammed bin al-Hasan al-Mahdi "the Awaited." Reportedly, al-Mahdi vanished from his house in Samarra, in what is now Iraq, as he was being pursued by the guards of the Abbasid ruler al-Mutadhid (869-870 A.D.). Al-Mahdi, according to various Shi'ite traditions, will return to the world to lead a fight side by side with the Messiah, Jesus of Nazareth, "to fill the Earth with justice and equality, after it has been filled with injustice and cruelty."

After the Prophet Mohammed's death, three Khalifas were chosen by the elite leadership in Medina and Mecca, bypassing Ali. During their reign, the Islamic state expanded throughout the Arabian peninsula; north to Syria, the Holy

Land, and Egypt; west to North Africa; and east to the Indus and Oxus rivers.

The Split Within Islam

By the time Ali became the fourth Khalifa in 656, the Islamic state was split. The Muslim governor of Syria, Muawiya bin Abi-Sufian, was a rival to Ali on the question of leadership. Muawiya was a scion of the Umayyads, financier oligarchs and slave-owners who fought against Mohammed, but when overwhelmed, joined Islam to protect their wealth. Wars and intrigues were launched. Ali moved the capital of the Islamic state from Medina (in today's Saudi Arabia) to Kufa, in Iraq. Ali was assassinated during prayer in January 661, and was buried on a hill near Kufa. A city was built up around his mausoleum. That city is Najaf today. Muawiya declared himself the sole leader of the Muslims. Ali's first son was forced to accept this takeover, in order not to split the nation; he was later poisoned.

When Muawiya died and the throne was passed down to his son Yazid, Ali's second son, Hussein, refused to recognize this power transfer. He moved to Iraq with the idea of retaking the leadership role of his father, with the support of the Iraqis. On his way to Kufa, Hussein's camp was put under siege by a huge army sent by Yazid. Their demand was that Hussein should return to Medina and recognize Yazid's leadership. Hussein refused and decided to fight, even though he had only a handful of soldiers and supporters, many of them of his own household, against an army of many thousands. He and many of his family members were slaughtered, and the women were taken as prisoners. The heroic martyrdom of Imam Hussein is remembered every year by Shi'ites around the world. For them it has become a symbol and a message of the selfless fight for truth. In European terms, his martyrdom can only be compared to that of Jeanne D'Arc. Imam Hussein and his family members were buried at the spot around which today's holy city of Karbala was later built.

Hence the significance of these two cities, Najaf and Karbala, for Shi'ites around the world. These very cities were turned into bloody battlegrounds in a major way twice in history: once by Saddam Hussein during the 1991 uprising, and recently by the Cheney-Bush U.S. Administration.

The two cities and the shrines within them have become the academic centers for Shi'a scholars. There are several Shi'a *maraji'a* (authorities) in Iraq. Al-Sistani is the highest in rank informally. Other important *maraji'a* are Mohammed Said al-Hakim, Mohammed Taqi al-Modarresi, Hadi al-Modarresi, Sayid Ali al-Shirazi, and Mohammed Kadhim al-Hairi (based in Qum, Iran, the spiritual leader of Moqtada al-Sadr). There are also a number of prominent Shi'a *maraji'a* in Iran (the largest country with a Shi'a majority) and Lebanon. There are Muslims embracing the Shi'ite branch of Islam who live as minorities in Saudi Arabia, Kuwait, the United Arab Emirates (U.A.E.), Pakistan, India, Lebanon, and as an under-privileged majority in Bahrain.

The ‘Source of Emulation’

A very significant factor in the Shi’ite religious-social structure is that each individual follower of the sect should adopt a *living marji’a*, one among the prominent scholars who are still alive, and have him as a “source of emulation” in daily religious practices and other social issues. The individual thus builds a connection to the tradition, the 12 Imams of the household of the Prophet, and the Prophet himself, through a living individual. People are free to choose the authority they follow, but this means that the word of the “source of emulation” becomes law.

There are slight differences in details among the different prominent scholars, but the basics are the same. They have to consult with each other in a time of crisis, or if a new issue comes up, which is not stated in the tradition—for example, stem cell research. An interesting aspect in Shi’ism is the application of *Ijtihad* (reasoning) to matters that are completely new. If the Koran or the Prophet has not touched this issue, the scholar has to use his reasoning capabilities and the existing general principles of Islam to determine the matter. However, this *Ijtihad* is not a Shi’ite monopoly. Since the rapid development of modern civilization has brought with it very complicated issues, all sects of Islam are obliged to resort to reasoning to be able to deal with new developments.

The *maraji’a* also acquire significant financial power, through voluntary taxes and charitable donations given by their followers. This contribution is a voluntary tax called *Khums* (fifth), meaning one fifth of the individual’s annual profit.

The *living* relationship between the individual, and the history and legacy of Shi’ism through the “source of emulation” is the basis for the immense authority enjoyed by those scholars. Since there is an informal agreement among almost all the Shi’ite *maraji’a* that al-Sistani is most qualified to be the *primus inter pares*, his word has to be respected by the others. That enabled al-Sistani to exert his authority over all others, including Moqtada al-Sadr.

Al-Sistani’s Authority

The difference between al-Sistani, and al-Sadr and his mentor Ayatollah Kadhim al-Haeri, is that al-Sistani belongs to what has been increasingly described as the “silent” *marji’ya*. Its difference with the “voiced” one of al-Sadr, is that al-Sistani’s does not involve itself in political affairs of society, except in extreme cases. In the absence of a legitimate government or political authority, the scholar regards himself as the guardian of the interests of the nation and its survival. That is an essential difference between Iran’s current system of *Vilayeti Faqih* (The State of Scholar), which is partially a theocracy, and al-Sistani’s school. Therefore the fears that al-Sistani’s growing authority could lead to a theocracy in Iraq too are baseless. There are certain religious forces in Iraq that desire a theocratic state, but that is not the common view.

Al-Sadr, on the other side, is the last of the al-Sadr family.

The al-Sadr family is also a family of religious scholars and thinkers with a long history. The al-Sadr have been victims of especially Saddam Hussein’s regime. Muqtada’s father and brother were killed by Iraqi intelligence in 1999. So were his uncle Mohammed Baqir al-Sadr and his aunt. The al-Sadr’s belong to what they call “Al-Marji’ya Al-Mujahidah” or the Voiced Marji’ya, which means that it is politically active. Mohammed Baqir al-Sadr was killed in 1980, one year after the Islamic revolution, led by Khomeini, took over Iran. Al-Sadr played a certain role in the ideological development of the Islamic Republic. He is actually the shadow author of the Iranian constitution. He also proposed a new Islamic economic and banking system called “The Non-usurious Bank in Islam”. Al-Sadr is revered by all different Shi’ite scholars as one of the most brilliant modern Islamic scholars. He has written several books on philosophy and economy. However, he was not a mere scholar. He started the Islamic Daawa movement which opposed both the communist and the Iraqi Baathist parties. It ended up in exile in Iran after Saddam’s regime killed thousands of its leaders and followers. The militant vision, and the rage produced by the injustice inflicted upon al-Sadr’s family, are driving forces for Muqtada and his followers.

Al-Sistani is not likely to issue a *fatwa* (religious edict) for *jihad* (holy war) against the U.S.-British occupation, although he has the authority to do so. However, if the folly of the occupiers and their puppet regime in Baghdad persists, and elections in January are not held, al-Sistani would most likely make hints about the legitimacy of military resistance against the occupiers. He has refrained so far, as his predecessor Sheikh Mohammed Taqi al-Shirazi did in 1919. But when the British reneged on their promises, the latter made his famous declaration: “It is a duty of all Iraqis to call for their rights. While they do that, they should make sure that security and peace are preserved. But, they can resort to defensive force, if the British refuse to comply with their demands.” Although this was not a call for *jihad*, it was interpreted by nationalist Iraqi forces as permission to launch armed resistance, and the 1920 Revolution against the British became a fact (see *EIR*, Nov. 14, 2003). Al-Shirazi restrained himself for a long time, but when the suffering of the Iraqi people was no longer tolerable, he had to take an offensive position.

This is the situation today. Many modern scholars are the sons or grandsons of those who fought in the 1920 Revolution. Its details are vivid in their minds. This does not mean that only the Shi’a in Iraq would revolt; as was the case in 1920, all Iraqis—Sunni, Shi’a, and Kurds—joined forces against the British. There are also the Shi’ites in Iran, Saudi Arabia, Kuwait, Bahrain, Lebanon, the U.A.E., Pakistan, and India, who would not sit on the fence of a burning Iraq with their arms crossed.

An end to the power of the Bush-Cheney neo-conservatives should come soon. Otherwise, not only Iraq, but all Southwest Asia will be set aflame.

BüSo Calls for Good Jobs, at Germany Demos

by Rainer Apel

Armed with a leaflet calling for millions of new jobs and productive credit, the LaRouche Youth Movement (LYM) and other activists with the Civil Rights Movement Solidarity party (BüSo) began a new round of policy interventions throughout Germany's Monday rallies, on Sept. 6. The mass leaflet, "Manifesto for the Monday Demonstrations" by BüSo Chairwoman Helga Zepp-LaRouche, (see *EIR*, Sept. 3) was circulated in 70,000 copies alone in Saxony, which will hold its state parliament election on Sept. 19, and another 30,000 in other German states.

The leaflet makes the crucial point that is too often neglected in the revitalized public debate in Germany on the jobs issue: To regain full employment requires no less 8 million entirely new, productive jobs, and to create these real jobs, requires a complete reversal of current investment and employment policies. Instead of continuing, even in "milder" versions, the present monetarist policies, we need a New Deal approach, like that of Franklin Delano Roosevelt 70 years ago.

There were Monday protest rallies in more than 220 cities throughout Germany, on Sept. 6, and the LYM and BüSo spoke in eight of these: Leipzig and Dresden (Saxony's two biggest cities), and six cities in Brandenburg, which borders Saxony to the north—Senftenberg, Potsdam, Eisenhüttenstadt, Fürstenwalde, Königswusterhausen, and Brandenburg. In Leipzig, where the LYM and BüSo started the Monday rallies earlier this Summer, the Sept. 6 rally, and the LaRouche Youth Movement role in it, were covered by international media, including CNN and Radio France Internationale, and the Dresden event, and the LYM's performance of Beethoven's "Ode to Joy" there, were covered in the *Sächsische Zeitung* newspaper.

Battling Against Old Axioms

In some cases, it took a political struggle to put the LYM on the official podium of the Monday rally. It will also take a struggle to elevate policy debates at the rallies, in general, to consider real economic alternatives to the prevailing monetarist doctrine. The leftist organizers of many rallies, in particular, subscribe to "redistributionism," which means that they believe jobs can be created by taxing the rich, or by pollution taxes on the entire population, or by extra bonuses to citizens with low incomes to thereby increase their consumer power. All of that will, leftists claim, somehow create new jobs.

But what all citizens, not only those in Saxony, really want is jobs, productive jobs that can feed a family, create better conditions for the youth, and promote progress in the economy. An opinion poll published by the Leipzig Institute of Market Research on Aug. 30, three weeks before the Sept. 19 election for Saxony state parliament, found that Saxons consider the following four issues their top priorities: 98% consider the creation of new jobs the most important issue, and 97% pointed equally to more state support for small and medium-sized firms, and to better job opportunities for the youth, whereas 95% said that industry generally should receive more state support. The same opinion poll also found another interesting priority for Saxon citizens: 84% of them support the Monday rallies as a way of changing policies, as do even 75% of the voters of the Christian Democratic Union, which currently governs Saxony.

This poses a special challenge to the CDU, whose national leadership is presently under firm control by the neo-cons around Chairwoman Angela Merkel. Merkel supports the brutal budget-cutting policy of the Social Democratic-Green national government, and she would cut even further. But as the Leipzig opinion poll illustrates, the party base and the CDU voters have migrated into the camp of the anti-austerity critics, and now the Christian Democrats are faced with enormous problems of keeping their constituencies loyal.

In the Saarland state parliament election Sept. 5, the Social Democrats (SPD) got the full barrage of voter discontent, losing a third of the vote (a drop from 44 to 30%) that they received in the 1999 election. But the CDU lost voters as well, and it did not really benefit from the erosion of the SPD; its 1999 vote of 45% improved in this election to just 47%. This bodes ill for the two big parties in the Saxony and Brandenburg elections on Sept. 19, a fact that seemed to dawn on CDU general party manager Laurenz Meyer. In his first assessment of the Saarland vote, Meyer said that the CDU has to find answers to what the voters want, and "what the citizens want is jobs, jobs, and jobs again!"

The only place the CDU leaders will find these "answers" is in the programmatic material of the LaRouche movement. In 1999, the CDU received 56% of the vote, but a current poll gave it no more than 46%. With one-third of its citizens at working age but without a regular real job, Saxony has an economy that works far below its potential. Saxony could, for example become a leading supplier of industrial goods for the neighboring countries of Eastern Europe, and for countries within the Eurasian land-mass, such as Kazakhstan, India, and China.

Many Saxons have told LYM organizers in the streets, or on the phone, that they consider the LaRouche campaign material distributed in the past eight weeks, much more constructive than the material put out by all the other political parties. There is a good chance, therefore, that in the "round-tables" that are being created in several cities, from among Monday rally participants, the LaRouche proposals will be on the agenda.

Philippines in Crisis Turns to China

by Mike Billington

Philippines President Gloria Macapagal-Arroyo, just weeks after her dramatic decision to withdraw the small Filipino military contingent from Iraq, and the hostile retaliation to that act from the Bush-Cheney regime in Washington, has now carried out a high-profile three-day state visit to China, signing a series of breakthrough agreements. These agreements, covering especially Chinese investments in Philippine infrastructure, oil development in the contentious Spratly Islands region, and defense cooperation, are significant not only for the region, but for the world.

However, faced with national bankruptcy, President Arroyo has also opted to implement a set of vicious austerity conditions on the nation, in a desperate effort to appease the International Monetary Fund (IMF) and the Anglo-American financial institutions, in order to pay an unpayable debt service, which payments will translate into the destruction of the livelihood of even more millions of Philippine citizens.

President Arroyo's visit to China is an effort to counter Washington's anger over her hubris in defying Cheney's imperial war policy, by turning to China to find alternatives to her nation's overwhelming economic dependence on the United States. But she must also recognize that the horrendous economic crisis in her country, while brought on by the foreign looting facilitated by the former regime of Kissinger asset, President Fidel Ramos, and her own adoption of similar policies in her Presidency to date, is not simply a domestic issue, but a reflection of the ongoing collapse of the global monetary-financial system. Austerity measures will not solve the problem, but will bring on more misery. Sovereign economic policies, defying the "Washington consensus," as she has defied the Cheney war policy, while joining forces with like-minded leaders around the world to demand a new world monetary system, is the only path to avoid the "Argentina-style" destruction planned for the Philippines today.

State Visit to China

The Sept. 1-3 visit to China by President Arroyo and her entourage, was planned long before the recent conflict with the United States, for her to speak at the International Conference of Asian Political Parties being held in China. But the visit was upgraded into an official state visit, in the past weeks, following the crisis in U.S.-Philippine relations. Soon after the crisis emerged, on Aug. 10, Philippine Sen. Miriam De-

fensor-Santiago, a member of the President's party, and the incoming Senate Foreign Relations Committee Chairwoman, warned the Arroyo Administration to expect "punishment" from Washington for the pull-out from Iraq, and suggested that "we should prepare and begin scouting for other big powers, other highly influential foreign governments that can help boost our trade relations outside the country. . . . We should be wary of the kind of punishment we are about to receive."

One of several dramatic results of the China visit is that the Philippines will now join other nations of Southeast Asia as recipients of China's ambitious and generous infrastructure development policy. China has extended a nearly \$400 million development loan for the first phase of the rebuilding of the main railway line in the Philippines, the North Luzon Railway, connecting the capital city, Manila, with northern Luzon Island. This crucial railway, as described in detail in the accompanying article, has been dormant for 20 years—a symbol of the systemic decay of the Philippine economy.

China, unlike the United States, still holds to the former American belief that generous state infrastructure aid to developing nations benefits both lender and recipient, through enhanced productivity—even if the terms do not provide assured profits to private investors. As President Arroyo told CNN, the Chinese "provide us with the most generous financing terms for our major projects," unlike the onerous "unequal contracts" imposed by Enron and other pirates during the Ramos regime in the 1990s, which have left the nation bankrupt. President Arroyo also reported that China is expected to invest in the subsequent phases of the Northrail project, and in other infrastructure projects over the coming years.

Equally dramatic was the decision to undertake the joint development of the oil and gas fields in the highly contentious Spratly Islands in the South China Sea, which are subject to multiple territorial claims by nations in the region. Sen. Aquilino Pimentel, the head of the opposition in the Senate, joined President Arroyo on the China visit, and said afterwards, "the best thing that can be said of the trip is that it started some concrete, modest steps to ease tensions in the Spratlys." He described the intention of the agreement as a "condominium development approach to the utilization of resources that may be discovered in the islets . . . to avoid resorting to force to settle the [territorial] dispute." The agreement calls for an initial "Joint Marine Seismic Undertaking" to determine the potential for drilling in the region.

Perhaps the greatest concern that President Arroyo's trip provoked in the backrooms of the neo-conservative enclaves within the Bush Administration, is that China and the Philippines have agreed to significant defense cooperation. Beginning with military exchanges, training assistance, and intelligence information-sharing, the agreement will soon be further developed in a visit by Philippine Defense Secretary Avelino Cruz to Beijing.

The two nations also determined to double their current two-way trade to \$20 billion. Trade relations were already



Philippines President Gloria Macapagal-Arroyo, shown here at a meeting in Manila earlier this Summer. Her Sept. 1-3 visit to China resulted in breakthrough agreements on infrastructure projects and defense cooperation. But her country still faces bankruptcy, due to her subservience to the austerity conditionalities of the International Monetary Fund.

expanding rapidly, from \$5.26 billion in 2002 to \$9.4 billion in 2003.

Nuclear Power and Austerity

Although nuclear power development was not on the agenda in Beijing (at least, not publicly), the Arroyo Administration has announced a major shift of national policy in this regard, which is crucial for the nation's future. In addition to the deserted Northrail line, there is a second symbol of decay in the Philippines—the fully completed nuclear power facility, built by Westinghouse in the 1980s, which was deserted after the coup against President Ferdinand Marcos in 1986—without generating even one watt of electricity—under the guise of the irrational hysteria against the use of nuclear power. (It is noteworthy that Westinghouse built two nuclear power plants for South Korea at the same time, which have contributed to that nation's dramatic economic development.) The Philippines is still paying \$155,000 *per day* in debt service on that deserted nuclear facility.

However, on Aug. 18, Philippine Energy Secretary Vincent Perez announced that “Nuclear power has been a component of countries that are energy independent—South Korea, Japan, China, Taiwan, someday Vietnam. So it should always be an option.” The Arroyo Administration also hosted Iranian Foreign Minister Kamal Kharrazi in late August, despite Bush Administration efforts to paint Iran as a target for pre-emptive war, because of its nuclear power development project. The joint Iran-Philippine communiqué even asserted “the need to strengthen the nuclear non-proliferation regime, as well as Iran's right to use nuclear technology for peaceful purposes.”

But here a paradox becomes apparent. While opening up to the only viable means for solving the energy crisis—bilateral ties to oil producers, cooperation with China in developing oil resources, and reviving nuclear energy—President Arroyo has adopted for the short term an energy policy which is unworkable, and in the long term self-destructive. Faced with both a power crisis and a national debt crisis, she has adopted vicious austerity, increased energy prices to businesses and consumers alike, restricted energy usage, and promoted wasteful so-called “renewable” energy resources such as wind and solar. A solution to the energy problem requires rapidly *expanding* energy usage in rebuilding the advanced energy (and other) infrastructure for the future, just as the only solution to the debt crisis is to implement a debt moratorium on the artificial and unjust portions of the foreign debt, while new credits are directed toward reconstruction rather than debt service. Anything less would simply aggravate the crisis.

The real state of the economic crisis was outlined by Ernesto Maceda, the former Philippines Ambassador to the United States. He wrote on July 27 that President Arroyo, in her State of the Union Speech, should have reported: “The number of hungry people has soared to 43% or 36 million Filipinos, up from 31%. . . . The unemployment rate is at a record 13.7%. . . . Seventy percent of our revenues will be used just to pay our foreign obligations. . . . There is a deterioration of the educational system with the chronic shortage of school rooms, teachers and books unsolved. . . . Government health services cannot keep up with the needs of the population. Doctors are leaving [and taking jobs] as nurses. Trained

nurses are all applying to leave for foreign shores. . . . The peso-dollar rate is at an all-time high. Prices of everything are up, including meat, fish, vegetables, electricity, water, gasoline, toll rates and transportation fare.”

On Aug. 23, President Arroyo admitted the severity of the situation, by declaring a “financial crisis” in the Philippines as a result of the huge and growing national debt. However, the declaration followed the release of a scurrilous report by a team of economists from the University of the Philippines (UP), called “The Deepening Crisis: The Real Score on Deficits and Public Debt,” which warns of state bankruptcy and the “Argentina treatment” within two years. Although the warning is viable, their solution is insane, following classic IMF austerity demands, including the slashing of wages and government spending, raising taxes and fees, and retaining the portion of national tax funds which are (by law) returned to the local governments. The IMF-apologists from UP also denounced the growing calls for a moratorium on the debt, despite the fact that debt service could consume upwards of 70% of the federal budget next year.

President Arroyo essentially adopted the proposals, although she included hopeful calls for increased infrastructure and new jobs—which will be impossible to achieve within the confines of the austerity program.

More ominously, the “financial crisis” may be used to justify presidential decrees, to impose policies which are certain to create social crisis. This includes the possible withholding of tax funds to local governments—a policy which was imposed on Argentina by the IMF, and which contributed to intense civil strife between the regions and the central government. It also may include tax hikes, which are unlikely to pass through the normally required Congressional approval process. Such an “economic martial law” was imposed (with a rubber stamp from the Congress) by former President Fidel Ramos, allowing him to establish energy contracts with his cohorts among the foreign energy pirates, without any oversight—contracts which placed the entire risk on the Philippines, forcing the nation to buy unneeded electricity at dollar rates, in deflated pesos, a process which has drained billions out of the Philippines economy. An emergency *reconstruction* policy, rather than an emergency *austerity* program, would not only win Congressional approval, but rally a suffering people to a new national mission.

In that light, the League of Filipino Democrats (Katipunan ng Demokratikong Pilipino) and the LaRouche Youth Movement of the Philippines issued on Aug. 24 a “Call to Defend the Filipino People,” which is being widely circulated in the country. The call, in part, makes a request of the leaders of the nation “to exercise the mandate given to them to protect the general welfare and to defend our right to exist as human beings.” It calls on President Arroyo “to recognize that the global financial system is presently collapsing, and to guard our people from all those who seek material gain through a dehumanizing process,” and calls on the Filipino people to

act in solidarity with all “victims of the IMF and the financial oligarchy.” It proposes a moratorium on foreign debts, to “allow time to rebuild and expand a productive physical economy,” and outlines a program to achieve the required physical and social infrastructure development to reverse the current decline into chaos.

Railway Diplomacy In the Philippines

by Gary L. Satre

Gary Satre, a longtime friend of EIR who lives in the Philippines, received a master's degree from the University of the Philippines after working as a U.S. Navy journalist. He writes and speaks on railroad issues in the Philippines.

When most Filipinos in their late teens or early 20s think of trains, images of the light-rail transit system usually come to mind—if they live in Metro Manila. The first of those three commuter lines made its appearance in 1981, after nearly a 40-year absence, after the destruction of the Manila metro rail during World War II.

Their parents, however, may recall long-distance trains going to places like Dagupan in the north, and south to Legaspi. If they are from Panay Island, the sixth largest in the archipelago, they may remember the line across that island. Those memories are certainly fading, however, due to decades of government neglect of the rail system.

Rail service today south from Manila to Legazpi is marginal; one train a day each way. The line north has not seen any trains on it for least the last 22 years! The latter is apparently about to make a comeback, with substantial help from the Chinese—support for the “NorthRail” project was the first of five agreements signed during President Macapagal-Arroyo's recent trip to Beijing (see accompanying article). NorthRail, a subsidiary of the “Bases Conversion Development Authority” (created to restructure the U.S. military bases after the Philippines Senate refused to extend their contracts in 1991), is about to restore and substantially increase the capacity of the historic North Main Line, the route of the Manila-Dagupan railway. A supplier credit of \$395.22 million is being furnished by the China National Machinery and Equipment Corporation. This loan will be payable in 20 years, at 3% interest, with a grace period of five years. “This is the first time China has given a 20-year concessionary loan to a country,” Economic Planning Secretary Romulo L. Neri pointed out on Aug. 16th.

“The Manila-Dagupan railroad was the single most important infrastructure [project] built in the Philippines during



Traces of what was once a four-track stub yard are seen among the squatter shanties near San Jose Station.

the Spanish colonial period that was not initiated by the [Roman Catholic] Church,” Dr. Arturo G. Corpuz points out early in his book *The Colonial Iron Horse: Railroads and Regional Development in the Philippines*. Dr. Corpuz, an urban planner with Ayala Land, Inc., and a professorial lecturer in the School of Urban and Regional Planning, University of the Philippines, drew on his 1989 Cornell University dissertation for his text.

“It has long been an accepted notion that transportation is an important component, whether as cause or effect, of economic development” Corpuz writes. “In the Philippine Islands, the importance of transportation was highlighted by the Philippine Commission; just twelve days after it became a legislative body in 1900, the governing body of the colony enacted its first piece of legislation, appropriating one million dollars for the construction and repair of roads and bridges.”

The Schurman Commission, charged with looking over the islands after the signing of the Treaty of Paris (ending the Spanish-American War in 1898), found anything but a modern nation, after more than 370 years of Spanish rule. Poor infrastructure was one sign. Earlier, the German scholar Fedor Jagor traveled extensively on the largest island of Luzon, from 1859 to 1861, using Manila as his base. He believed that bad road conditions reflected Spanish colonial policy, “which was always directed to effect the isolation of the separate provinces of their great transmarine possessions, and to prevent the growth of a sense of national interest in order to facilitate their government by the distant mother country.” The Philippines was the farthest outpost in Spain’s empire.

Opened for business in November of 1892, the Manila Railroad Company’s (MRC) 196 km-long line to Dagupan played a significant role in the Philippine Revolution and the Philippine-American War. Corpuz: “From 1896 to 1900, the Manila-Dagupan line was successively under the control of the Spaniards, the Filipinos, and the Americans. After American rule was established during the first decades of the 20th Century, the MRC began expanding its lines northward and southward.”

Thus, it’s ironic that the Philippines’ first long-distance rail has been virtually abandoned for more than 20 years, while the 479 km South Main Line remains in operation, but just barely—just two trains a day, down from four just a year ago.

The NorthRail project calls for a double-tracked narrow-gauge line to San Fernando in the north. The original MRC line was single-tracked. It will use the same track width widely used in Japan on its conventional main lines. The project is in four phases:

Phase I’s first section is from Manila to the former Clark

Rail Development in Luzon



Air Base, now also known as Macapagal International Airport, named for the former President and father of the current President Gloria Macapagal-Arroyo.

Phase II is a branch line running from Clark to the Subic Bay Freeport. There's historical precedence for this line too. Eduardo Lopez Navarro, senior engineer-in-charge of the railroad planning committee, mentioned in his February 1876 general plan a branch line along this route, which passed through the hometown of the Macapagals.

Phase III is an extension within Metro Manila.

Phase IV is from Clark to San Fernando, to the north.

Connecting to the Eurasian Land-Bridge

It was suggested by this reporter in the December 1999 issue of the *Japan Railway and Transport Review* that reviving the Cabanatuan Line and filling the gap from Cabanatuan to San Jose along the abandoned 55 km San Jose Branch Line, would bring points to the north closer to Metro Manila. This would be particularly useful to the operations of the Cagayan Economic Zone Authority (CEZA) and Free Port, centered in Santa Ana on Luzon's northeastern coast. Providing this link, and extending the line to the northern coast, would allow the Philippines to connect with the Eurasian Land-Bridge rail route from China to Europe. Cargo could be shipped through Santa Ana to China or to Busan, South Korea.

In an interview with this author, Librado Quitariano of the Infrastructure Staff of the National Economic Development Authority (NEDA) said that he believes that, while the project's start is mostly a done deal financially (the diplomatic spadework was completed in February), one major issue that still needs to be dealt with is how to best relocate the squatters that live very close—dangerously close to be accurate—to the right of way. This part of the project is being handled by the National Housing Authority (NHA). NHA has identified 18,135 families along the abandoned right of way of the Caloocan-Malolos section that will need to be moved elsewhere. Each family will receive government assistance totalling P202,470 (about \$3,616), for the families to build modest homes and for livelihood assistance.

What will come of NorthRail remains to be seen. But this reporter has not heard rail-related talk coming from high places as intensely as this since the first State-of-the-Nation address of former President Joseph Estrada in 1998. This time, it comes with large participation from the People's Republic of China. Let's see if Mrs. Arroyo's government can rebuild the railway line which had such a dramatic impact at a turning point in Philippine history. As Corpuz pointed out: "The railroads of Luzon benefited many of the settlements along its route by significantly improving regional linkages and thus providing local economies more opportunities to respond to larger markets. Many towns served directly by the railroad, especially those that were previously inaccessible, experienced extraordinary urban and economic growth."

Equatorial Guinea

Maggie Thatcher's Son And the Failed Coup

by Dean Andromidas

At 7:00 a.m., on Aug. 25, agents of South Africa's Scorpions, the elite special police unit deployed for the most serious of crimes, arrived on Mark Thatcher's doorstep in Cape Town to announce to the pajama-clad Thatcher that he was under arrest. South African authorities announced that "credible evidence" indicated that Mark Thatcher, the son of Great Britain's infamous prime minister, Margaret Thatcher, had helped finance a coup attempt in Equatorial Guinea. His good friend Simon Mann, the British, Eton-educated mercenary, had already been languishing in Chikurubi Maximum Security Prison in Zimbabwe since March 7, after he and 69 other mercenaries were arrested, and charged with illegally buying weapons in Zimbabwe, as they were on their way to carry out a planned coup d'état in Equatorial Guinea.

The widespread international press coverage after Thatcher's arrest, put the spotlight on an Anglo-American network of financial and political interests, and the mercenaries they hire, that are responsible for setting up the brutal exploitation of Africa's raw materials by launching genocidal wars throughout sub-Saharan Africa. This network was exposed in the *EIR* Special Report, "Britain's 'Invisible' Empire Unleashes the Dogs of War" (Aug. 22, 1997).

Lyndon H. LaRouche, in his recent security memo, "Facts Behind the Franklin Case: We Are Gripped by a Global Strategy of Tension" (*EIR*, Sept. 10, 2004), identified the arrest of Mark Thatcher as part of a counter-operation to this global destabilization. The network behind Thatcher has not confined itself to Africa, but has been deployed into Central Asia, especially in support of the anti-Russian irregular war in Chechnya, and now in Southwest Asia, where British "private military companies"—the euphemism for mercenaries—are making hundreds of millions of dollars dominating the "private security market" in Iraq.

Mark Thatcher's connections to the neo-cons is through the Margaret Thatcher Foundation, which for a number of years was based in Mark's business office when he lived in Texas. Among the directors of the Foundation are Timothy Forbes, chief operating officer of the right-wing *Forbes* magazine; Dwayne Andreas of Archer Daniels Midland; and Thomas J. Watson, Chairman of IBM and former ambassador to Russia. In 1995 Thatcher moved from Texas to South Africa, following a bitter lawsuit brought by his former business

partner, which accused him of fraud and racketeering. The case was settled out of court.

The African Bloodbath That Failed

EIR investigations reveal that Thatcher and Simon Mann were supplying the financing and muscle for this coup attempt that also involved the Spanish government of then-Prime Minister José María Aznar, an enthusiastic supporter of Bush and Cheney's march to war against Iraq. The war's ultimate authors were Vice President Dick Cheney and the cabal of neo-con advisors that dominate the Bush Administration.

Equatorial Guinea has large oil reserves, and it has become sub-Saharan Africa's third-largest oil supplier to the United States, after Nigeria and Angola; sub-Saharan Africa now supplies the United States with more than 15% of its oil imports. With Southwest Asia now a battleground in the financier oligarchy's global "clash of civilizations," Cheney and his neo-con friends see the securing of the oil resources of West Africa, and particularly the Gulf of Guinea, as a strategic priority. In fact, the plan for a West Africa oil grab was outlined in a policy document published by the Institute for Advanced Strategic and Political Studies (IASPS), with offices in Jerusalem and Washington, D.C. In 1996 this same institute published the neo-cons' blueprint for war in Southwest Asia, the infamous "A Clean Break: A New Strategy for Securing the Realm," written by, among others, the "prince of darkness" Richard Perle and the current Undersecretary of Defense for Policy Doug Feith.

Shortly after Cheney's office released its National Energy Policy Report on May 16, 2001, which called for the United States to exploit the oil of West Africa, this same institute formed the African Oil Policy Initiative Group, whose purpose was to get the United States to declare the Gulf of Guinea an area of "Vital Interest."

Paul M. Wihbey drafted the IASPS policy paper in consultation with senior advisors to Cheney and Secretary of Defense Donald Rumsfeld. As recently as July 9, Wihbey described West African oil as an alternative to Saudi Arabian oil, at a conference sponsored by the Hudson Institute, one of the temples of neo-con policymaking. Another participant was none other than Laurent Murawiec, a former associate of LaRouche who turned traitor and became the protégé of Richard Perle, who brought him into the Pentagon on July 10, 2002 to deliver a rant against Saudi Arabia. Murawiec, at Hudson, once again foamed at the mouth about how Saudi Arabia should be treated as an enemy of the United States.

Furthermore, the main oil companies in Equatorial Guinea include the giant ExxonMobil, ChevronTexaco, Amerada Hess, and Marathon Oil. Dick Cheney's own Halliburton has extensive contracts in the country, as well as the entire region, providing technical support to the petrochemical companies.

At the end of February, two weeks before the coup was to take place, according to South African intelligence sources,

the United States froze the bank accounts Equatorial Guinea held in Riggs Bank in Washington, D.C. Thus if the coup had been successful, Equatorial Guinea President Teodoro Obiang Nguema Mbasogo would have been blocked from withdrawing the funds.

Spain, the former colonial master of Equatorial Guinea, was to play a crucial role in the coup. First it provided the front-man for the coup attempt, Severo Moto Nsa—whose role was similar to the role neo-con stooge Ahmed Chalabi played in the invasion of Iraq. Nsa has been a protégé of Aznar for over 20 years.

"I knew Mr. Aznar even before I began my own political career," Moto told *The Guardian*. It was Aznar who told Moto to establish a government in exile.

The coup scenario was to follow the recent African pattern. Simon Mann's mercenaries would engineer "popular unrest" in the country, most likely by conducting provocations between rival clans. The inter-clan violence would spread throughout the capital and other cities. Spain's role was to supply a contingent of marines which would land in the country under the pretext of protecting foreign nationals. Last February, departing from NATO's Rota naval base in Spain, a Spanish Navy frigate and a troop carrier with 500 marines headed for the Gulf of Guinea. But because the plot was blown, the ships went no farther than the Canary Islands.

A few days before the coup was to take place, Moto himself was flown down to the Canary Islands, and on to Bamako, Mali, according to some reports, in a plane whose charter was reportedly financed by Thatcher. Once the coup was blown, Moto returned to Spain. The coup attempt was slated to take place the same week as the March 11 Madrid train bombings, where nearly 200 people were killed.

Simon Mann's Dogs of War

Great Britain's role was to supply the muscle, not with regular troops, but with Her Majesty's "dogs of war." The regime change was to be carried out by the rent-a-coup operation of Simon Mann, the aristocratic ex-Special Air Services (SAS) officer who founded Executive Outcomes and Sandline. His former partner and Sandline director, Col. Tim Spicer, just received an over-\$300-million private security contract from Donald Rumsfeld's Department of Defense for private security operations in Iraq.

The financial resources were to be lined up by Mark Thatcher, who served as his mother's bag man, collecting millions of dollars in "commissions" from Middle East arms deals, back in the 1980s and 1990s.

Shortly after his arrest, Mann smuggled a letter to his wife out of his Zimbabwe prison cell, calling on Thatcher, who had the code name "Scratcher," to contact the other financiers of the coup to collect "plenty of wonga" to get him out of prison. In addition to the names in the letter, this "wonga list" has grown in the course of the investigation, and includes some of the same pirates who have been involved in financing

the mining operations in war zones throughout Africa, which are only possible when secured by groups of mercenaries:

Eli Calil: Referred to as “Smelly” in Mann’s letter, he is a Nigerian-born Lebanese oil trader based in London. Calil changed his name from Elie Khalil after he was arrested in June 2002 in Paris for his alleged involvement as a middleman in payoffs worth \$70 million to former Nigerian President Sani Abacha from the French oil company, Elf Aquitaine, between 1989 and 1993. Some press reports indicate he might be involved in the Technip case, involving Halliburton bribes in Nigeria. Calil once rented his apartment to Tony Blair’s “handler,” Peter Mandelson (who is now the European Commissioner for Trade).

David Hart: A former advisor of Maggie Thatcher, he served as her key go-between with American political-intelligence circles. Hart, who made millions on Southwest Asian arms deals, was Maggie Thatcher’s key liaison with the Reagan Administration’s Pentagon, where he reportedly cooperated with Richard Perle, among others. Hart is now a consultant for Boeing.

Lord (Jeffrey Howard) Archer: A top Conservative Party insider, he was recently released from prison after serving a sentence for perjury. He is said to have deposited \$134,000 into a bank account of Simon Mann under the name of J.H. Archer, four days before the coup attempt. Elie Calil is his good friend and financial advisor.

Greg Wales: A British businessman named by coup conspirator Nick du Toit; du Toit is now on trial in Equatorial Guinea. That government has issued a writ for Wales’ arrest. Wales was a frequent visitor to Washington where, along with Mann, he met people in the Administration, and relevant think-tanks. Although he denies involvement in the coup, he nonetheless claims to have informed a U.S. Department of Defense official, a week before the coup was to take place, that the situation in Equatorial Guinea would become “dangerous” and to expect trouble.

Gianfranco Cicogna: The grandson of Countess Cicogna and Giuseppe Volpi di Misurata, Mussolini’s finance minister, he was named by Mann as having promised to contribute \$200,000 for the “project.”

Mercenary operations in Africa, or anywhere else, invariably involve Israeli networks, and so, there is an intriguing Israeli connection here, as well. One of the conspirators arrested in Equatorial Guinea was a German national, Gerhard Eugen Merz, who died in prison. He was the transportation officer of the network. Merz had been a resident of Israel until 1963. In 1994 Merz, along with two others, was put on the U.S. State Department’s sanctions list for selling forbidden chemicals to Iran. An Israeli operative, Moshe Regev, who was part of this same network, and who used the name Regenstreich, was an arms dealer-fraudster and sometime Mossad stringer. He fled South Africa in 1999 following the collapse of a fraudulent loan scheme. He is now in a Swiss prison following a conviction for fraud.

Failure and Exposure

The coup plot began to unravel before it could get off the ground. In their arrogance, the coup plotters failed to see that other interests would move against them. It has been rumored that France blew the whistle on the attempt. Saner circles in Washington could also have moved to prevent yet another disaster for American foreign and security policy.

But on March 7, no sooner had the aging Boeing 727, which Mann chartered, landed at Zimbabwe’s Harare airport, than a team of Zimbabwe police, having been tipped off by South African intelligence, stormed the plane, arresting Mann and 69 other mercenaries, including South Africans, Namibians, Angolans, and Armenians.

Then on March 8, Nick du Toit, a former South African army officer, and also a founder of Executive Outcomes, was arrested in Equatorial Guinea along with the advance team of 19 mercenaries. Facing a death sentence if convicted, du Toit, an Afrikaner, began spilling some of the beans during his trial.

Thatcher came into the picture in July 20, when the above-cited letter Mann smuggled out of his cell was mysteriously leaked to the London *Observer*. At that time Thatcher hired top spin-doctor Lord Bell, who also worked for Thatcher’s mother and for billionaire dirty-trickster Jimmy Goldsmith. When the police closed in on him in August, he already had flight tickets to leave on Aug. 30 for Texas, the home of his wife, the former Diane Burgdorf, the daughter of a wealthy Texan Bush supporter.

Where do things stand now? In Zimbabwe, Mann was convicted of attempting to purchase arms illegally, and could face a ten-year prison sentence. Most of the South African mercenaries were acquitted in Zimbabwe, but were arrested on their return to South Africa to face charges of violating South Africa’s anti-mercenary laws. Nick du Toit’s trial continues.

As for Thatcher, his mother has come up with nearly \$200,000 to pay for his bail, but his troubles have only begun. Some of the conspirators are now cooperating with the police and have given evidence on exactly how Thatcher financed the coup attempt.

The story is far from over. As one South African intelligence source told *EIR*, “They have a lot of dirt and it’s all going to come out.”

David Cherry and Roger Moore contributed to this article.

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The Reality Is the Crash

As we head toward the normally turbulent conclusion of the third quarter, a new set of warnings about a financial blowout, coming on top of the deepening global depression, has been issued. This *is* reality: The global financial system is both bankrupt, and on the precipice of a blowout which could come at any moment.

For example, the lead editorial in the German financial paper *Handelsblatt* on Sept. 8 told its readers to prepare for a new crash, of the sort that broke out in September 1998 with the Long Term Capital Management hedge fund. The piece, headlined “Full Risk,” picked up recent reports on the rapidly expanding hedge fund business, and pointed to what happened six years ago: “On Sept. 22, 1998, top managers of 13 banks met in the office of the New York Federal Reserve. They were very concerned about the stability of the worldwide financial system, because the hedge fund Long-Term Capital Management (LTCM) was in trouble due to failed speculations on Russia bonds. Under pressure from supervision agencies, Wall Street on the next day put together a rescue package for LTCM.” Six years later, “banks and hedge funds are again engaging in risky financial transactions” in order to boost profits. “The entire sector has enormously expanded its risk positions in the last few years.” Financial traders are in particular using derivatives, once described by Warren Buffett as “financial weapons of mass destruction.”

The linkage between hedge funds and banks is even stronger today than it was six years ago, the editorial asserted.

It’s “high time,” the editorial went on, that bank managers remember what happened in September 1998. Since the beginning of this year, the \$900 billion hedge-fund “industry” has not earned any money. “Some funds have been hit by huge losses. Dozens of hedge funds have been dissolved in recent months—so far without receiving much attention. But any moment a big bomb can explode.”

This view is by no means restricted to *Handelsblatt*. A recent report from the Bank for International Settlements indicates a huge new balloon over the recent

months, of high-risk investment in so-called derivatives—i.e., gambling side-bets. A review of the German banking system, in the most recent issue of *Der Spiegel* magazine, points to how all the major banks are turning into de facto casinos. “The dark memories of LTCM” are re-emerging, the *Spiegel* article concludes.

Do you remember LTCM? This was the “little” hedge fund which nearly brought down the world financial system in the Fall of 1998, following the collapse of the Russian markets that August. Thanks to the huge leverage of the derivative and other markets, LTCM’s bankruptcy erupted into a systemic crisis, which was only stanchied by an emergency bailout arranged by Fed Chairman Alan Greenspan. Not until nine months later did the poobahs of the international financial institutions, such as International Monetary Fund Managing Director Michel Camdessus and Bank of England head Eddie George, come out and admit how close the system had come to collapse.

In June 1999, George said: “When we were last here . . . [that is, the year before], I suggested that we were living in a dangerous international financial and economic environment. These were strong words for a central banker—but perhaps not strong enough. That environment rapidly became worse through the Autumn, so that by around the time of the IMF annual meeting in October, there was a good deal of talk about *global financial meltdown, and impending world recession—which is not simply journalistic hyperbole.*”

Today, there is no doubt that the situation is worse—both in the banking system, and the physical conditions of life for billions of people. That is the reality which electoral campaigns, and all political activity, have to deal with, if they are to be relevant to the conditions of life of the people they address.

EIR’s ongoing physical economy features, are the best source you can find for understanding this crisis, and the urgent need to resolve it. But first, you have to face the nature of the crisis as a *breakdown* of the system. Now that even the financial press is again warning of disaster, can you afford not to listen?

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Lyndon H. LaRouche, Jr.

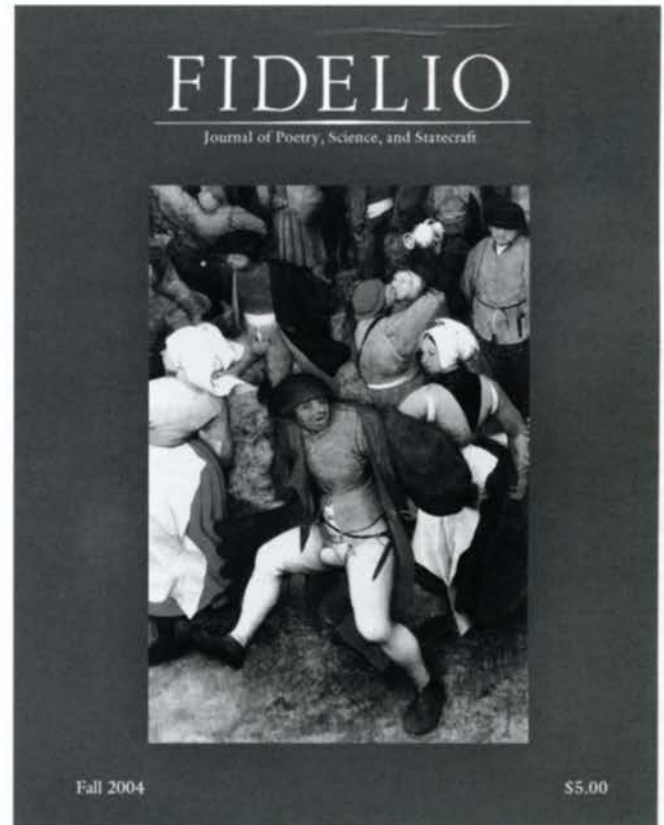
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