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## **This Week You Need To Know**

### **Cheney's Lies Will Bring Him Down**

**by Jeffrey Steinberg**

*This article is reprinted from The New Federalist of Nov. 28.*

Nov. 25 (EIRNS)—Vice President Dick Cheney has spent the past week delivering a series of rants against Administration critics who dare accuse him of lying the United States into a disastrous war with Iraq. Speaking on Nov. 21 at the American Enterprise Institute, Cheney snarled that anyone making such accusations is "reprehensible" and practically guilty of high treason. His scheduled 90-minute appearance at the primo neocon thinktank in Washington, where his wife Lynne is a resident fellow, lasted a total of 19 minutes. Cheney came, he ranted, and he departed, without taking a single question.

The Vice President is a man with something to hide. The simple truth is: Cheney did lie, repeatedly, to bludgeon the U.S. Congress into approving an unnecessary and disastrous invasion and occupation of Iraq. According to several eyewitness accounts, Cheney personally lied to members of the U.S. Senate, claiming that the White House had rock-solid proof that Saddam Hussein was close to building a nuclear bomb, and that war was the only option. No such evidence existed.

Now, despite Cheney's campaign of obstruction, the Senate Select Committee on Intelligence (SSCI) is scheduled to produce a Phase II report on the role of policymakers, starting with the Vice President, in the so-called "intelligence failures" leading up to the Iraq invasion. No doubt, there were some significant intelligence failures—mostly failures of nerve by senior intelligence community bureaucrats, to resist White House pressure to spin the intelligence to justify invasion. But the overriding factor in the rush to war was a campaign of lies by Cheney and what Col. Lawrence Wilkerson (USA-ret.), former Secretary of State Colin Powell's former chief of staff, dubbed the "Cheney-Rumsfeld Cabal."

While the SSCI probe is expected to take months, and a parallel investigation by the Pentagon's Inspector General into the role of former Undersecretary of Defense for Policy Douglas Feith in intelligence fakery is not expected to be completed until March, there are already some "smoking guns" proving the Cheney-Rumsfeld Cabal wittingly lied America into the Iraq war. And a number of those lies had already been refuted by the U.S. intelligence community.

#### **- Saddam and al-Qaeda -**

Senate Democrats have demanded the White House provide the SSCI the text of a Sept. 21, 2001 President's Daily Briefing, and a more in-depth CIA analysis, dealing with the alleged links between Saddam Hussein and Osama bin Laden. The White House has refused.

Why? One of Dick Cheney's favorite arguments for invading Iraq and overthrowing Saddam was that Iraq was behind the 9/11 attacks on New York and Washington. And according to news accounts, the Sept. 21, 2001 PDB made clear that there was no evidence of any Saddam/al-Qaeda ties. In fact, the intelligence estimate presented to President Bush, Cheney, and other top national security officials on Sept. 21, was that Saddam was an archenemy of al-Qaeda, and had spied on it.

Despite this, and an in-depth CIA study on why the Saddam/al-Qaeda ties were bogus, Cheney and company kept on lying that Saddam was behind 9/11.

The Sept. 21, 2001 PDB came in response to demands from the White House for all available evidence of a Saddam link to the authors of the 9/11 attack. Days before the PDB, President Bush had convened a war cabinet meeting at Camp David, where the planned attack on Afghanistan was finalized. At that meeting, Deputy Defense Secretary Paul Wolfowitz, speaking for the Cheney-Rumsfeld Cabal, had called for an invasion of Iraq, claiming Saddam was at the center of global terror and should be first target.

To counter the assessments of the official U.S. intelligence establishment, the Cheney-Rumsfeld Cabal created a secret "Iraq intelligence unit" in the office of Undersecretary Feith, Wolfowitz's policy deputy. This Counter-Terrorism Evaluations Group (CTEG) initially consisted of two well-known neocons with no intelligence backgrounds: David Wurmser and Michael Maloof. They produced scores of reports, based on a combination of "cherry-picked" intelligence from the community's data base, and information gathered from outside sources, particularly from the Iraqi National Congress of Ahmed Chalabi. Their reports claimed the CIA, DIA, and other agencies had ignored "proof" of Saddam's role in the 9/11 attacks, and similar "proof" of Saddam's nuclear weapons and other WMD programs. Wurmser would later serve as executive assistant to John Bolton, the State Department's top arms control official and a leading neocon, and then move on to Cheney's office as the key Mideast aide, a post he still holds.

The Chalabi-generated disinformation was "stovepiped" to Feith's office and to senior staff in the Office of the Vice President. Even when the Chalabi fabrications were passed to the CIA and DIA for vetting, they often appeared in Cheney speeches before the agencies did their work.

A most revealing handwritten note by Dick Cheney has recently surfaced on a CTEG document. It reads: "This is very good indeed.... Encouraging.... Not like the crap we are all so used to getting out of CIA."

### **- The Libby Draft -**

Another White House document demanded by the Senate intelligence panel but refused by Cheney, was the draft UN testimony for Secretary of State Colin Powell, written by Scooter Libby, Cheney's chief of staff and chief national security aide until his indictment on Oct. 28, 2005 in the Valerie Plame Wilson case.

According to numerous news accounts, the Libby draft was tossed in the garbage by Powell, after he reviewed it with intelligence community analysts and senior officials, on the eve of his appearance at the UN Security Council Feb. 5, 2003. The Libby draft contained allegations against Iraq that were not backed up by intelligence community data. Where did Libby get the bogus information from? The answer to that question, sources report, has Dick Cheney sweating bullets. It may be the "smoking gun" that proves that Cheney was running his own rogue disinformation operation, to fake the case for war.

There's much more.

### **- Curveball -**

In his Security Council testimony, Powell cited what he claimed as hard evidence that Saddam had developed mobile WMD labs, which were producing biological and chemical weapons that posed a grave threat to the region. Powell has since called that testimony the low point of his long career.

The source on the mobile labs was an Iraqi informant codenamed "Curveball," who was controlled by the German intelligence service BND.

On Nov. 20, 2005, the Los Angeles Times published an exposé based on interviews with five BND officials, revealing that the German government had warned repeatedly that Curveball was a fabricator and a drunk, his information highly suspect. The CIA later issued its own warnings that Curveball was yet another frontman for Chalabi's INC. As of 1996, the CIA had written off the INC as a collection of corrupt losers and fabricators.

### **- Rendon Group's Info Warfare -**

After the CIA's mid-1990s dumping of Chalabi, the convicted bank swindler kept up his ties to such neocon havens as the American Enterprise Institute and the Jewish Institute for National Security Affairs. When Bush-Cheney came into office in 2001, the Pentagon picked up the INC franchise, and gave a lucrative contract to a Beltway PR firm the Rendon Group, to promote the overthrow of Saddam. The Rendon Group had literally created the INC back in 1992, on a secret CIA contract to begin covert operation to overthrow Saddam.

Under Bush-Cheney, the Rendon Group and INC ran a Pentagon-funded program, the Information Collection Program, via which Iraqi defectors were debriefed on Saddam regime crimes.

In December 2001, the INC promoted a defector, Saeed al-Haideri, who claimed to have worked at dozens of secret WMD sites in Iraq. A CIA polygraph exam exposed him as a liar. Yet, within weeks of submission of the CIA assessment, the New York Times' Judith Miller and Australian Broadcasting Corporation's Paul Moran were publishing "exclusive" stories based on interviews with al-Haideri. Cheney gave a series of speeches based on the Miller article.

On Sept. 8, 2002, as Cheney was gearing up the war drive, Miller wrote another "exclusive" INC-sourced story, claiming Iraq had purchased aluminum tubes that could only be used for centrifuges, a key component of a nuclear weapons program.

The State Department intelligence unit and Department of Energy strenuously objected to the story. But based on Miller's article, and already-discredited reports that Iraq was seeking to buy yellowcake uranium from Africa, Cheney et al. forced the war down the throat of Congress with images of "nuclear mushroom clouds."

## **Latest From LaRouche**

### **Reorganizing the Auto Industry: LaRouche Open Letter to Bill Ford**

*What follows is the text of Lyndon LaRouche's public letter to Ford Motor Company chairman and CEO Bill Ford. See this week's InDepth article "Which Will It Be in America's Auto Crisis: Conversion or Wipeout?" by Richard Freeman, for more on the crisis in the auto industry.*

*RE: Reorganizing the Auto Industry*

Dear Chairman Ford:

I not only wish to express my hearty agreement with the statement of Nov. 22, 2005, which you delivered to the National

Press Club, but to indicate the emergency measures which are both feasible and necessary. These are measures which our government must undertake as essential measures of assistance, to prevent a looming catastrophe for the economic future of a U.S.A. which remains, despite everything, still today, the pivot and hope of a general economic recovery for a crisis-wracked world at large.

The views I express here are the same which I address to relevant members of the U.S. Congress and others on this and related subjects. Putting this on the public record, with you, in this way, should be helpful to those leading members of the Congress who share my own and your expressed concern on this matter.

To wit:

Since the shift in outlook of our most influential circles which occurred over the course of the 1964-81 interval, we have shifted from being the greatest productive machine the world had ever known, to the ruin of a post-industrial utopian "service economy." This is apparent to us, if we calculate as I and my associates have done, and present an animated view of year-by-year downshifts in physical characteristics of our nation's economy, county by county, during the course of the recent decades.

As your statement implies, the U.S. automobile industry is essentially the major component of the machine-tool design capability of our republic as a whole, complemented chiefly by a kindred role of the machine-tool-design component of the aerospace sector. If we dismember that specific capability, we become a Third World-like relic of our former selves. Economic devastation will sweep every part of the nation's communities, which would be directly and indirectly affected by such a ruinous development.

This industry is not made by automobiles; it, among other things, makes automobiles. It can produce almost anything which we might rely upon the existing auto industry to produce, such as a new mass-transportation grid, including magnetic-levitation grids, crucial elements of urgently needed new power-generation installations, essential components required for rebuilding the nation's ruined and depleted water-management systems. Essentially one-half of a competent design of a modern economy depends upon basic economic infrastructure. That is the ration which distinguishes us from the highly vulnerable industrial sectors of the economies of the Asian countries such as China and India today, where national income, at current export prices, is insufficient to meet the needs of the lower 80% of family-income brackets of those nations today.

Now, the process of transforming our nation from the world's leading agro-industrial power into a depleted, bankrupt "services economy" of today, has reached the point that we are a bankrupt nation. Only those powers of national sovereignty embedded in our Constitutional system, enable us to avoid imminent national bankruptcy; but, this can not be continued much longer under present trends. We require a general reorganization in bankruptcy of an otherwise hopelessly bankrupt present Federal Reserve System, as virtually all of the world has a similar or worse predicament. We require a method of mobilizing a recovery which looks back to what worked to make us, once again, the world's greatest economic power ever, under programs such as those of President Franklin Roosevelt's Harry Hopkins and Harold Ickes.

The required stimulus for a U.S. economy under the recovery measures which a reorganization of the Federal Reserve requires, will be a concentration on basic economic infrastructure by government, coupled with the revival of the private sector through contracts and credit to private vendors in participating support of those programs at the Federal and state levels. The national-security urgency of rationalizing a national air-rail system of functional reunification of our territory, is merely an apt illustration of the way in which the capacity of the automobile industry must be diversified, a full utilization of its machine-tool-vectored capacity as a whole, within a new division of labor in respect to the industry's net product.

This requires a core remedy built around an Act of Congress which enlists a sufficient part of the existing potential of the

industry to maintain existing machine-tool developmental potential and present community employment to maintain the capacity of the industry intact, while diversifying its product in ways which are both consistent with the national interest and represent an adaptation to the reduction of the domestic market for automobiles manufactured by U.S. firms.

We have ruined our nation and its economy with the recent four decades of drift downward into what is termed, euphemistically, a "services economy" today; but, we remain, with all our ruinous faults, the nation on whose exemplary leadership the world depends, politically, for a recovery from the immediate threat of a general financial-monetary breakdown-crisis of the present world monetary-financial system at large.

You struck the right note on the subject of recent economic history. We need the right implementation that implies. That is not merely an option; it is presently the only economic option our nation actually has available. The U.S. Senate and related institutions will need support on the matter of feasibility of the required reforms in national mission-orientation. A widened dialogue on the implied substance of the issues is timely.

This will require an act of Congress, probably emanating from the relevant committee of the U.S. Senate, to create the authority providing the needed cover for the reorganization of the existing automotive industry to that effect.

Under such an act, the existing industries, and their associated key machine-tool associates, would enjoy federally supported means for orderly reorientation without loss of any essential productive elements. A special facility, established under Federal law, would be needed to provide a protective cover for this, while creating the programs of expanded categories of activities, beyond the existing industries' present marketing missions, in mass transport and other fields.

You and your associates have the experience needed to craft relevant proposals defining the primary opportunities for relevant technological forms of market diversification based the industries' existing machine-tool design potentials.

This Federal provision must include the orientation of establishing the U.S.A. as once again the technological leader which we encourage and assist other nations to match and emulate. Science and its indispensable partner, machine-tool design, must become once again the exemplary standard of U.S. industrial performance. That must be the mission of the Federal provision for this reform.

Sincerely yours,

Lyndon H. LaRouche, Jr.

cc: U.S. Senate

## **Which Will It Be in America's Auto Crisis: Conversion or Wipeout?**

**by Richard Freeman**

*Nov. 25 (EIRNS)—Speaking at the National Press Club in Washington, D.C. Nov. 22, Ford Motor Co. chairman and CEO Bill Ford urged the U.S. Congress to provide tax credits for the conversion of auto factories, and the retraining of the auto workforce. He urged "a collaboration between government and business."*

Ford's proposal would head the auto sector in a different direction than that offered by General Motors CEO Rick Wagoner, who announced Nov. 21 that he would close all or part of 12 GM production facilities in the U.S. and Canada, and fire

30,000 production workers—slashing GM's production workforce by 30%. A week earlier, the CEO of GM spinoff Delphi (the nation's largest auto-parts maker), Wall Street thug Steve Miller, had declared that he would lay off 24,000 of Delphi's 34,750 production workers in the U.S. and Canada—71% of the workforce.

There could not be a starker contrast in approaches to the crisis in American auto.

On Nov. 23, economist and statesman Lyndon LaRouche wrote a letter on the matter of reorganizing the U.S. auto industry to Bill Ford (see letter, p. 1), in which LaRouche expressed agreement with Ford's statement, and indicated emergency measures for the auto sector.

He emphasized the need to develop the scientifically advanced machine-tool-design capability embedded in the auto industry, which is capable of producing almost anything needed to reconstruct the U.S. economy. LaRouche proposed an Act of Congress to create the authority for such a reorganization of the auto industry.

On Nov. 24, LaRouche issued a policy memorandum that focussed the reorganization of the auto sector from the advanced standpoint of launching a world economic revival and an emergency reform of the international monetary system (see p. 1). The Nov. 17 rally and day of lobbying carried out Capitol Hill by the LaRouche Youth Movement and United Auto Workers leaders, many of them from Delphi plants, represents the political force coalescing around LaRouche's approach. - Manufacturing Innovation -

In his Nov. 22 speech, Ford remarked that "Innovation is always what's made American manufacturing the envy of the world.... Innovation is what made Ford a leader—from the Model T, to the assembly line, the \$5-a-day wage, flathead V8, ... and passenger-side airbags." And he underscored the World War II auto-industry conversion process: "[Innovation] is also what helped us play a role in Detroit's Arsenal of Democracy. As you may know, Ford applied its manufacturing prowess to the construction of the B-24 Liberator Bomber at our Willow Run facility."

Ford stressed a "new dynamic to American innovation: the collaboration between government and industry," as opposed to industry going it alone, and favorably cited Japan's "subsidies to their domestic auto suppliers."

He pointed out the fallacy of the so-called post-industrial society: "There are some who shrug their shoulders at all this. They say American manufacturing is yesterday's news and that we should rely squarely on the service sector. They say it's okay to be a consumer society and to leave the production to other parts of the world[,]... that the only thing that matters is that we get our goods as cheaply as possible— that we shouldn't worry about the collateral damage.

"Well, I'm not convinced.

"I believe that with the right investments, America and the American manufacturing sector can win. It can maintain its leadership stature in the world. "

Ford also outlined "six cooperative measures between industry and government" the U.S. should take, including two measures which propose a framework for retooling the auto industry:

- \* "Challenging Congress to consider tax incentives to help American manufacturers convert existing—but outmoded—plants into high-tech facilities.

- \* "Calling for investment in the American workers who build the advanced technology products with training programs and incentives to upgrade workers' skills, helping us move into the future while preserving American jobs." - GM's Takedown -

Meanwhile, driven by the rapacity of the City of London-Wall Street financiers (Goldman Sachs analyst Robert Barry has called for further GM "restructuring" and for the UAW to agree to "more aggressive" concessions), GM's Rick Wagoner took the course of killing off his company. Of his program of shutdown and layoff, he claimed, "These actions are necessary for GM to get its costs in line with our major global competitors." He also claimed this will "save" GM \$7 billion per year in costs.

The shutdown will hammer production centers upon which cities and communities across the nation depend:

- \* Oklahoma City, Okla. assembly plant; 2,534 production workers.
- \* Spring Hill, Tenn. plant/line #1 assembly plant; 5,067 production workers.
- \* Doraville, Ga. assembly plant; 2,856 production workers.
- \* Lansing, Mich. Craft Center; 350 production workers.
- \* Lansing, Mich. Metal Center; 1,514 production workers.
- \* Moraine, Ohio assembly plant; third shift; 1,274 production workers.
- \* Pittsburgh, Pa. Metal Center; 541 production workers.
- \* Oshawa, Ontario, Canada assembly plant #2; 2,300 production workers.
- \* Oshawa, Ontario, Canada assembly plant #1; the third shift will be eliminated; 1,000 production workers.

Parts distribution centers will be closed in Portland, Ore.; St. Louis, Mo., and Ypsilanti, Mich.

As the crisis intensifies, Wagoner will likely move up the closing date of these plants, and shut down more plants.

Once the shutdowns are final, GM will produce 4.2 million vehicles in North America; in 2000, it produced 6.2 million vehicles, so one-third of this invaluable production capacity will have been closed in five years.

At the start of 2005, GM employed 114,000 production workers in the United States. GM shut five production facilities earlier this year; with that, and with attrition, the number of production workers was reduced to 106,000. Of the 30,000 production workers Wagoner announced he will fire, 26,400 are in the U.S., the rest in Canada. When this phase of shutdown is completed, GM will employ just 79,600 U.S. production workers, a drop of 30% from the start of 2005. (In 1978, GM employed 520,000 production workers in the United States.)

## The Peretz Effect Melts Down the Likud

by Dean Andromidas

*Nov. 25 (EIRNS)—The latest aftershock from the political earthquake generated by the election of Amir Peretz as chairman*

*of the Israeli Labor Party, and the simultaneous weakening of the neo-con Cheney cabal in Washington, has collapsed the biggest political house in Israel, the right-wing Likud Party.*

On Nov. 21, Ariel Sharon, Israeli Prime Minister and founding member of the Likud Party, resigned as the party's chairman and left the Likud, taking 13 of Likud's Knesset members with him (the Knesset is the Israeli parliament). Sharon's new party, Kadmina (Forward), also includes non-Likud Knesset members such as Haim Ramon of the Labor Party and independent David Tal.

While Sharon is convinced his latest maneuver will enable him to keep his office in the March 28 general election, well-known Israeli military historian Meir Pa'il told New Federalist that the reality is that Sharon's splitting the Likud has put the rightwing's largest faction into a "process of disintegration. This is good news— no matter what Sharon's own intentions might be." With the disintegration of the right, the election of Peretz as new Labor Party leader is now transforming the entire Israeli political landscape, allowing for the first time an open debate on "what Israel must do for the next generations," Pa'il said.

Pa'il, who is also a member of the pro-peace Meretz-Yahad Party, said that a successful future for Israel requires a withdrawal from the West Bank and a peace treaty with the Palestinians. With the remains of the Likud in the hands of leaders like Benjamin Netanyahu and Uzi Landau, that party will continue in disarray. Netanyahu and Landau are "Israeli Jewish fascists, I would not call them Nazis, but they are fascists," said Pa'il.

Statesman Lyndon LaRouche commented that Sharon, ever the political realist, is reacting to the coming ouster of his political patron in Washington, Vice President Dick Cheney. And while the Cheney cabal continues to press Israel to launch a new war against almost anybody, Sharon may not go along, for his own survival. After all, said LaRouche, Sharon only commits the crimes that he knows he can get away with.

## **The Peretz Effect**

Internally, Sharon's latest gambit is aimed at defeating the new agenda Peretz has set for the country. Peretz is demanding an end to the neo-liberal economic policies implemented by Netanyahu when the latter was Finance Minister in Sharon's government. These policies have led to widespread poverty, leaving one in four Israeli children living under the poverty line; many go hungry, and Israeli pensioners can be seen rummaging through garbage bins. At the same time, Sharon has been spending billions of dollars on building his Berlin Wall of the Middle East; his so called "settlement blocks" that take up half of the West Bank; and a military machine that just purchased two submarines equipped with nuclear weapons.

A powerhouse grass-roots organizer and chairman of the Histadrut trade-union federation, Peretz has tremendous credibility among Israel's growing numbers of economically distressed. Born in Morocco, Peretz is seen as a powerful leader within the "Mazrahi" (Jews born in Muslim countries of North Africa and Southwest Asia), whose primary base of support has been from that economically distressed Mazrahi community.

Peretz is also orienting his campaign to political developments in Washington centered on American statesman Lyndon LaRouche's mobilization against Cheney and his cabal. Within days of his election as head of Labor, Peretz held private meetings with former President Bill Clinton and Sen. Hillary Clinton (D-NY).

For more than a year, Sharon had been conspiring with Haim Roman, the Labor Party Knesset member who just defected to Sharon's party, to create a new "centrist" party, taking members from both Likud and Labor. However, the Peretz victory reshuffled the political deck and put fight back into the Labor Party, and Sharon has failed to gain the support from Labor he expected.



In what is being reported as a major blow to Sharon, Avishai Braverman, the highly respected president of Ben Gurion University of the Negev, rebuffed Sharon's invitation to join his new party, and then announced on Nov. 24 that he was joining the Labor Party.

All Israeli opinion polls have so far given Sharon up to 33 seats in the 120-seat Knesset in the upcoming elections, a result which would make him Prime Minister. But another poll revealed that 65% of the public view Omri Sharon, the son of Ariel Sharon, as the most corrupt public official in Israel, while 54% believe this title belongs to Netanyahu and 41% believe the title belongs to Ariel Sharon!

One Israeli political commentator told New Federalist, "The polls are showing Sharon will win if elections were held today, but they're not. Between now and March 28, the date of the elections, who knows, maybe Sharon will get indicted for corruption."

On Nov. 22, the office of Israeli Attorney General Menachem Mazuz released a statement saying that it had no intention of letting up on the ongoing investigation into possible criminal activity by Sharon. This involves the case called the Cyril Kern Affair. Kern allegedly transferred up to \$4.5 million into the bank accounts of Sharon's ranch, which could be considered a case of bribery.

## War Threat

Meanwhile, there continues to be talk of Sharon initiating a war as a campaign tactic.

Military commentator Ze'ev Schiff, writing in the Israeli daily Ha'aretz, made an explicit warning that Sharon's security chiefs might help him in his election campaign by launching provocations that could influence the elections.

Schiff refers to the fear that Israeli Chief of Staff Dan Halutz, Mossad chief Meir Dagan, and Shin Bet chief Yuval Diskin will now lack "internal monitoring" and possibly launch unwarranted targeted assassinations and other aggressive activity.

Schiff failed to mention the one fact that everyone knows: These three security chiefs have all been handpicked by Sharon and follow his orders.

## LaRouche Says Cheney's 'Shared Sovereignty' Plan Means Fascism by Gretchen Small

*Nov. 25 (EIRNS)—General Bantz Craddock, head of the U.S. military's Southern Command, is on a rampage in South America, insisting that the war on terrorism has made the classic concept of sovereignty outmoded, and therefore U.S. neighbors must accept a new doctrine of so-called "cooperative sovereignty."*

The doctrine espoused by Craddock is the latest euphemism invented to push the end-of-the-nation-state policy of the Cheney-Rumsfeld gang. It is fascism and imperialism, U.S. statesman Lyndon LaRouche stated bluntly in a recent discussion of the Americas. Craddock does *not* represent the United States, but something else, he said. It is the duty of the U.S. to assist the independence and sovereignty of the nations and people of Central and South America, LaRouche emphasized. Anything else is against the United States' own national interest. - Running Amok -

Craddock insisted this so-called "cooperative sovereignty" doctrine be the central issue at a Nov. 15-16 Andean Region security conference hosted by Ecuador, but organized by the U.S. Southern Command. The meeting brought together top

military officers of all the Andean countries except for Venezuela (Colombia, Ecuador, Peru, and Bolivia), Craddock and his team, and Brazilian officers (as observers).

Craddock declared at the meeting that drugs, terrorism, and the other so-called "new threats" could never be defeated in South America on an individual-country basis, and therefore the idea of "cooperative sovereignty" had to prevail, whereby "the forces of each nation unite to improve and perfect processes and systems of multilateral focus."

Craddock is known to be a crony of Defense Secretary Donald Rumsfeld, who for the last three years has been demanding a supranational regional force be established in the Americas to secure the reign of free trade. Rumsfeld first proposed this publicly in November 2002, when he told a meeting of the Defense Ministers of the Americas that a standing regional force was required to intervene in so-called failed states and "ungovernable areas"—in the name of defending "democracy" and "free trade," even as the "free trade" policy is the single greatest *cause* of ungovernability across the region.

Briefed on Craddock's focussed attack on the concept of national sovereignty in Ecuador, LaRouche responded: This is fascism and imperialism. He asked: does the Bush Administration know what Craddock is preaching? Craddock's comments give the impression that the U.S. is pushing fascism. President Bush talks about democracy, which is a very nice word, but then Craddock is promoting universal fascism like that of Chile's former dictator, Augusto Pinochet. So either Bush is lying when he talks about democracy, or he doesn't know what's going on, LaRouche said. - Target Bolivia -

This was not the first time Gen. Craddock pushed this line. Reliable sources recently informed this news service that in an off-the-record discussion at the end of October at a Washington, D.C. defense institution, Craddock had singled out Bolivia as a likely target of the drive to eliminate "sovereignty."

Echoing Rumsfeld, Craddock spoke of how social conflict and "weak democracies" constitute a threat to regional security, as he put up a map of Bolivia to illustrate his point. Securing stability in Bolivia is complicated, and may take years, he went on. He labelled Bolivia a "high-risk" country, as he showed a picture of Evo Morales, the George Soros asset coca-producer who may well win Bolivia's Dec. 18 Presidential elections. It was then that Craddock stated directly that when countries face problems of this magnitude, the classical concept of sovereignty must be replaced by "cooperative sovereignty."

The message was taken by those present to be that the U.S. and/or other nations in the region will have to intervene to secure stability in Bolivia, because the Bolivians can't.

The Cheney crowd at the American Enterprise Institute (AEI) set out to make Bolivia a test case for such doctrines in June 2004, when they forecast that Bolivia would split into two countries: a highlands ruled by the drug trade, and the oil-and-gas-rich western lowlands which would be run by the multinationals. The AEI's "forecast," now playing out around the December elections, is a recipe for civil war and regional intervention.

This AEI offensive against Bolivia is one and the same thing as Craddock's remarks, LaRouche emphasized in his discussion of the Ecuador meeting. This is an operation run by the U.S. right-wing to destroy the sovereignty of our neighbors to the south. We have had enough of such designs coming out of the Pinochet factory. This little fascist project is jeopardizing the sovereignty which is vital to the United States itself—and it must stop.

## **New German Gov't Threatened By Int'l Bankers on Austerity Program** by L. Wolfe

*Nov. 25 (EIRNS)—The Bundestag—the German Parliament—on Nov. 22 voted to confirm Christian Democrat Angela*

*Merkel as Chancellor of the new "Grand Coalition" government. Merkel received the votes of 397 members of the three coalition parties—her own Christian Democrats (CDU), the Social Democrats (SPD) of outgoing Chancellor Gerhard Schroeder, and the Bavaria-based conservatives of the Christian Socialist Union (CSU); the number was 89 votes above a simple majority of 308.*

Later that afternoon, the new Grand Coalition cabinet was sworn in and held its first meeting.

More than 51 members of the three coalition parties refused to vote for the Merkel Chancellorship, not a good omen for the Coalition's stability.

However, even before the Coalition formally took office, the international banking community had already delivered a stern warning that its compromise social and economic policy program, adopted two weeks ago after months of discussion, did not go far enough in imposing austerity on a population that is already suffering unemployment worse than at any time since the 1930s, in the period right before Hitler took power.

## **The Bankers Attack**

On Nov. 18, Bundesbank Governor Axel Weber criticized the new government's emphasis on growth and job creation, saying it was sending out the "wrong signals to the markets." Later, in its monthly report, the Bundesbank virtually demanded that the European Union seek sanctions and fines against Germany for the apparent failure of the government's program to reduce social spending to conform to the dictates of the EU's Maastricht austerity treaty, which imposes targets for spending on European Union member governments. The sanctions (whose imposition could lead to fines of up to 10 billion euros) are urgent, said the Bundesbank, if the government follows the course implied by its announced program, since that program would further erode support for Maastricht.

The Bundesbank statements followed a direct attack Nov. 17 on the new government by Standard & Poor's bond rating agency, which slammed the proposed economic program and its austerity targets as "insufficient." Implied in such statements was that Germany's "AAA" (highest) credit rating could be downgraded, increasing the country's borrowing costs.

## **Need a Real Recovery Program**

The fact is that the object of these attacks, the social and economic program, is already heavily compromised in favor of Maastricht and the banks; and is therefore grossly inadequate to meet the needs of an economy in the throes of its worst economic problems since the Great Depression. It would appear that the mere indication that some of the coalition partners cannot swallow a faster-paced assault on social programs—already slashed under the SPD government's "Hartz IV" reforms—was enough to send the international financial community into paroxysms.

Helga Zepp LaRouche, chairman of the BueSo Party, has called the programs inadequate, while recognizing that some positive steps were taken in rejecting the worse austerity of the Maastricht targets, and in proposing new infrastructure/jobs-creation programs. Zepp LaRouche said in a recent policy statement that Germany must assert its sovereignty over its own economic affairs, and repeated her call for the country to pull out of the euro-bloc and readopt the deutschemark as its national currency.

The BueSo chairwoman established the benchmark for a real recovery program as spending the equivalent of more than 100 billion euros on infrastructure building, including high-speed rail transportation, such as maglev, while joining with a hoped-for U.S.-led effort, under the leadership of her husband, Lyndon LaRouche, to create a fixed-exchange-rate-based

New Bretton Woods monetary system.

Germany's new coalition government is clearly not willing to go this far. However, the commitment of some of its members to "growth," and at the same time "acceptable" levels of austerity, creates a paradox. That was shown in EIR magazine's exclusive interview with the new Minister for Agriculture, the CSU's Horst Seehofer. He said that while the level of investment spending in the proposed budget is not enough, and that some cuts in other spending will have to be made, the coalition talks had developed a clear consensus that the "ruling economic theory, that you have to make cuts in social security, in order to get economic growth, is finally finished. Instead, we say: 'We need to make reforms [cuts] in certain areas, but this has to be flanked by strong innovative and dynamic economic measures.' "

## **In Mexico: Real Security Against Bird Flu Requires Ending Farm, Food Free Trade**

### **Special to New Federalist**

*Nov. 25 (EIRNS)—Mexico is the fourth-largest producer of chicken meat in the world, and fifth-largest producer of hen eggs. Some 588,000 persons are involved in the poultry industry, and the average Mexican diet relies on chicken and eggs as a principal source of animal protein, with average annual per capita chicken consumption in the range of 23 kilos.*

Thus there is intense interest in the farm regions and university and veterinary centers, in the latest developments in avian flu. To begin with, Mexican poultry specialists unanimously denounced the media's practice of whipping up fear, without informing the public of what is involved. Recently in Mexico, the price of chicken dropped 20% in one day, as sales fell based on fear scare that eating chicken will cause disease. So, even before the dreaded event of human-to-human transmission of avian flu, the food supply disruption is underway in the Americas, as in Asia.

During a tour of Mexico Nov. 7-16, EIR Economics Editor Marcia Merry Baker met with livestock experts and students at major farm colleges and centers, discussing threats from avian flu, the overall crisis in the economy, and the political prospects for change in Washington, D.C. to make possible introduction of emergency measures. - Mexico—Major Producer -

As of 2003, world output of chicken meat ranked as follows: United States (14.927 million tons), China (8.898 mil tons), Brazil (7.761 mil tons), Mexico (2.150 mil tons). In 2004, Mexico produced 2.381 million tons. As of 2004, hen-egg production ranked as follows: China (24 million tons), United States (5.252 mil tons), Japan (2.505 mil tons), Russia (1.97 mil tons), Mexico (1.920 mil tons).

For over a decade, Mexico has had experience with a low-pathogenicity avian flu (H5N2) causing sporadic outbreaks among its flocks, and has much veterinary experience in how it spreads. For example, besides the obvious channels of transmission (contaminated vehicles, farmworker clothing, etc.), it has been shown that the sheep breed "Blackbird," one of the breeds owned by Bachoco—the largest poultry company in Mexico—can carry the flu in its mucous membranes.

The consensus among many livestock vets favors a mass poultry vaccination campaign, to buy time to make progress on how to control and diminish avian influenza threats—in particular to humans.

Merry Baker participated in a conference at the Antonio Narro Autonomous Agriculture University, at Saltillo in Coahuila, home to a major poultry research and a center of production; and spoke at the Department of Veterinary Medicine at the Nuevo Leon University in Monterrey. In Guanajuato, a leading farm state, she met with vets at a commercial livestock feed

operation based in Celaya. In Saltillo, her presentation at the Expo Narro 2005 was titled, "Avian Flu in the World, and How to Combat It." - Patterns of Concentration -

Several of the poultry specialists spoke of the extreme patterns of concentration imposed under recent years of free trade. Fully 70% of all the brood hens of Mexico have come to be concentrated in a tri-state region of southern Coahuila, and adjacent Durango and Nuevo Leon. These are the hens whose eggs go to produce the laying hens in operations around the rest of the nation, or to produce the chicks that will themselves produce broiler flocks. Therefore bio-security in this region is of intense concern.

These patterns of concentration have come about as major multinationals have moved into Mexico's poultry production over the past 10 years of NAFTA and the WTO. As of 2003, at least 25% of the Mexican poultry industry was foreign controlled—Pilgrim's Pride and Tyson Foods are among the famous commercial names. The original intent of this domination was in line with making Mexico a source-region for cartel commodity exports—as has been done with frozen vegetables, fresh fruits, and other products. However, when some of the sanitation and other factors were not considered adequate in poultry, cartel intentions shifted.

Merry Baker gave briefings on the extreme degree of concentration worldwide of many basic commodities, such as soybean cultivation, under cartel control of processing and marketing. At the same time, per-capita agriculture production in Mexico has dropped over the past 20 years, for such food necessities as beans and rice. Under the slogan of GATT: "One World—One Market," Mexico and other nations were ordered to rely on imports for consumption. The effect? Hunger, malnutrition, and a takedown of the national agriculture sector.

The Guanajuato livestock nutritionists stress that farmers have been driven into the ground, their revenue driven below their costs of production. The Mexican agriculture sector has been devastated. - Shift in Washington, D.C. -

Therefore, many in Mexico wanted the latest update on prospects for a political shift in Washington, D.C., as represented in "Cheney-Gate," away from the era of radical free-trade "Enronomics" and Halliburton swindles. Many asked: Will the United States really act on livestock health and the food supply? Or, will there be a pretense of stockpiling enough flu vaccine for Americans, and the rest of the world should suffer?

## **Fitzgerald Indicts Neo-Con Piggy Bank Conrad Black on Fraud**

### **Special to New Federalist**

*Nov. 25 (EIRNS)—Patrick Fitzgerald, the no-nonsense Special Prosecutor in the "Plamegate" case, in his other capacity as U.S. Attorney for the Northern District of Illinois has indicted neo-con piggy-bank Conrad Black and other former top executives of the Hollinger International, Inc. (HII) media empire on Federal fraud charges. The indictment, unsealed on Nov. 17, supersedes an August 2005 indictment that charged Black, who formerly headed the international corporation, and others with fraudulently diverting more than \$32 million from the U.S.-based holding company, Hollinger International Inc.*

### **Looting the Company**

As this newspaper has reported in articles going back as far as 2003, the misuse of Hollinger funds by Black included buying up neo-con thinktanks and publications in the U.S. that have promoted the agenda of the Dick Cheney-led policy cabal that controls the Bush Administration. EIR also reported that "Prince of Darkness" Richard Perle, a leading neo-con mouthpiece and former member of the Defense Policy Board, as president of one of HII's spinoffs got some of Black's

questionable funds.

The August 2005 charges were brought against F. David Radler (former publisher of Hollinger's Chicago Sun-Times), Chicago attorney Mark S. Kipnis (an officer of HII) and Toronto attorney Peter Y. Atkinson (an officer of Hollinger International and of Canada's Hollinger, Inc.). Radler pleaded guilty to a fraud count and is cooperating in the ongoing investigation.

The new 11-count indictment realleges the original fraud scheme, and adds two new fraud schemes and three new defendants. One alleged fraud concerns diversion of \$51.8 million in 2000 from HII's multibillion-dollar sale of assets; the second fraud concerns misuse of corporate perks. The new defendants, in addition to Black, are the Ravelston Corporation Ltd. (a Canadian company based in Toronto, now in bankruptcy proceedings, which had 98.5% of its equity owned by officers and directors of HII and HI with Black as the controlling shareholder), and John A. Boulton (an officer of HII, HI, and Ravelston).

Hollinger ousted Black as its chairman and CEO in 2003, and then filed a \$1.3-billion RICO civil suit in 2004 against Lord Black and Radler, vice-chairman, president, and chief operating officer of HII. That suit charges that they broke their fiduciary duties to other shareholders, through their looting schemes. The suit further charges that "the Black Group used Hollinger as a cash cow to be milked of every possible drop of cash."

In a report to the Securities and Exchange Commission on Aug. 30, 2004, HII described how Hollinger was systemically manipulated and used by its controlling shareholders for their sole benefit, and in a manner that violated every concept of fiduciary duty. The report stated that Black and Radler made it their business to line their pockets at the expense of Hollinger almost every day, in almost every way they could devise.

## **War Hero Says Get U.S. Troops Out of Iraq**

**by Michele Steinberg**

*On Nov. 17, 2005, a press conference and resolution in the House of Representatives, introduced by Democratic Congressman John Murtha (Pa), created a political explosion which is still shaking Washington, D.C. In a few sentences, Murtha gave the U.S. the opportunity for an honorable end to the Iraq war—which had a dishonorable beginning, in the lies and false intelligence used by the Bush Administration to mislead the American people, the U.S. Congress, and the world.*

The next day, the U.S. House of Representatives held a six-hour floor debate on the Iraq war. In response to the Murtha amendment, Vice President Dick Cheney unleashed a barrage of personal attacks against Murtha, accusing him of being a cross between anti-war film producer Michael Moore and Osama Bin Laden. GOP attack dogs accused Murtha of cowardice. To preempt debate on the Murtha resolution, House Armed Services Committee chairman Duncan Hunter (R-Calif) introduced a resolution calling for immediate withdrawal of all U.S. troops from Iraq—a resolution Hunter and the White House went all out to defeat!

By Cheney's hysterical flight forward, the House floor debate was transformed into more than a debate on Iraq policy. It became a referendum on Cheney's despicable attacks on Murtha, a decorated war hero with over 30 years of service in the U.S. Marine Corps. A bipartisan majority rose to defend Murtha against the Cheney-instigated smears, and by the end of the debate, Cheney's vise-like grip over Congress had been broken decisively.

Here we excerpt Rep. Murtha's press conference of Nov. 17, and print the text of the resolution and highlights of the floor debate.

*Murtha at Press Conference:*

The war in Iraq is not going as advertised. It is a flawed policy wrapped in illusion. The American public is way ahead of us. The United States and coalition troops have done all they can in Iraq, but it is time for a change in direction.

Our military is suffering. The future of our country is at risk. We cannot continue on the present course. It is evident that continued military action is not in the best interests of the United States of America, the Iraqi people, or the Persian Gulf Region.

General Casey said in a September 2005 hearing: "The perception of occupation in Iraq is a major driving force behind the insurgency." General Abizaid said on the same date: "Reducing the size and visibility of the coalition forces in Iraq is part of our counterinsurgency strategy."

For two and a half years, I have been concerned about the U.S. policy, and the plan in Iraq. I have addressed my concerns with the Administration and the Pentagon, and have spoken out in public about my concerns.

The main reason for going to war has been discredited. A few days before the start of the war I was in Kuwait. The military drew a red line around Baghdad and said: "When U.S. forces cross that line they will be attacked by the Iraqis with Weapons of Mass Destruction." And I believed it and they believed it. But the U.S. forces said they were prepared. They had well-trained forces with the appropriate protective gear.

We spend more money on intelligence than all the countries in the world together, and more on intelligence than most countries' GDP. But the intelligence concerning Iraq was wrong. It is not a world intelligence failure. It is a U.S. intelligence failure, and the way that intelligence was misused.

I have been visiting our wounded troops at Bethesda and Walter Reed hospitals almost every week since the beginning of the war. And what demoralizes them is not the criticism. What demoralizes them is going to war with not enough troops and equipment to make the transition to peace; the devastation caused by IEDs; being deployed to Iraq when their homes have been ravaged by hurricanes; being on their second or third deployment and leaving their families behind without a network of support....

Our military has been fighting this war in Iraq for over two and a half years. Our military has accomplished its mission and done its duty. Our military captured Saddam Hussein, captured or killed his closest associates, but the war continues to intensify.

Deaths and injuries are growing, and over 2,079 of confirmed American deaths, over 15,500 have been seriously injured—half of them returned to duty—and it's estimated over 50,000 will suffer from what I call battle fatigue. And there have been reports at least 30,000 Iraqi civilians have been killed.

I just recently visited Anbar province in Iraq in order to assess the conditions on the ground. And last May, we put in the emergency supplemental spending bill, the Moran amendment, which was accepted in conference, which required the Secretary of Defense to submit a quarterly report, and accurately measure the stability and security in Iraq.

We've now received two reports. So I've just come from Iraq and I've looked at the next report. I'm disturbed by the findings in the key indicator areas.

Oil production and energy production are below pre-war level. You remember they said that was going to pay for the war, and it's below pre-war level.

Our reconstruction efforts have been crippled by the security situation. Only \$9 billion of \$18 billion appropriated for reconstruction has been spent.

And I said on the floor of the House, when they passed the \$87 billion, the \$18 billion was the most important part of it because you've got to get people back to work; you've got to get electricity; you've got to get water.

Unemployment is 60%. Now, they tell you in the United States it's less than that. So it may be 40%. But in Iraq, they told me it's 60%, when I was there.

Clean water is scarce and they only spent \$500 million of the \$2.2 billion appropriated for water projects.

And, most importantly—this is the most important point—incidents have increased from 150 a week to over 700, in the last year. Instead of attacks going down over a time when we had additional more troops, attacks have grown dramatically. Since the revelations at Abu Ghraib, American casualties have doubled.

You look at the timeline. You'll see one per day average before Abu Ghraib. After Abu Ghraib, you'll see two a day—two killed per day because of the dramatic impact that Abu Ghraib had on what we were doing.

And the State Department reported in 2004, right before they quit putting reports out, that indicated a sharp increase in global terrorism.

I said over a year ago now, the military and the Administration agrees now that Iraq cannot be won militarily. I said two years ago, "The key to progress in Iraq is "Iraqitize," internationalize, and energize."

Now, we have a packet for you where I sent a letter to the President in September and I got an answer back from the Assistant Secretary of Defense five months later.

I believe the same today. They don't want input. They only want to criticize.

Bush One was the opposite.

Bush One might not like the criticism and constructive suggestion, but he listened to what we had to say.

I believe and I have concluded the presence of U.S. troops in Iraq is impeding this progress. Our troops have become the primary target of the insurgency. They are united against U.S. forces, and we have become a catalyst for violence. U.S. troops are the common enemy of the Sunnis, the Saddamists, and the foreign jihadists. And let me tell you, they haven't captured any in this latest activity, so this idea that they're coming in from outside, we still think there's only 7%.

I believe with a U.S. troop redeployment, the Iraqi security forces will be incentivized to take control. A poll recently conducted—this is a British poll reported in the *Washington Times*—over 80% of Iraqis are strongly opposed to the presence of coalition forces and about 45% of Iraqi population believe attacks against American troops are justified.

I believe we need to turn Iraq over to the Iraqis. I believe before the Iraqi elections, scheduled for mid-December, the Iraqi



people and the emerging government must be put on notice: The United States will immediately redeploy—immediately redeploy.

No schedule which can be changed, nothing that's controlled by the Iraqis, this is an immediate redeployment of our American forces because they have become the target.

All of Iraq must know that Iraq is free, free from a United States occupation. And I believe this will send a signal to the Sunnis to join the political process.

My experience in a guerrilla war says that until you find out where they are, until the public is willing to tell you where the insurgent is, you're not going to win this war.

In Vietnam it was the same way. If you have a military operation, and you tell the Sunnis, because their families are in jeopardy—you tell the Iraqis, then they are going to tell the insurgents, because they're worried about their families.

My plan calls for immediate redeployment of U.S. troops consistent with the safety of U.S. forces to create a quick reaction force in the region, to create an over-the-horizon presence of Marines, and to diplomatically pursue security and stability in Iraq.

*The House Resolution:*

Whereas Congress and the American People have not been shown clear, measurable progress toward establishment of stable and improving security in Iraq or of a stable and improving economy in Iraq, both of which are essential to "promote the emergence of a democratic government";

Whereas additional stabilization in Iraq by U.S. military forces cannot be achieved without the deployment of hundreds of thousands of additional U.S. troops, which in turn cannot be achieved without a military draft;

Whereas more than \$277 billion has been appropriated by the United States Congress to prosecute U.S. military action in Iraq and Afghanistan;

Whereas, as of the drafting of this resolution, 2,079 U.S. troops have been killed in Operation Iraqi Freedom;

Whereas U.S. forces have become the target of the insurgency;

Whereas, according to recent polls, over 80% of the Iraqi people want U.S. forces out of Iraq;

Whereas, polls also indicate that 45% of the Iraqi people feel that the attacks on U.S. forces are justified;

Whereas, due to the foregoing, Congress finds it evident that continuing U.S. military action in Iraq is not in the best interests of the United States of America, the people of Iraq, or the Persian Gulf Region, which were cited in Public Law 107-243 as justification for undertaking such action;

Therefore, be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that:

- 1) The deployment of United States forces in Iraq, by direction of Congress, is hereby terminated and the forces involved are to be redeployed at the earliest practicable date.
- 2) A quick-reaction U.S. force and an over-the-horizon presence of U.S. Marines shall be deployed in the region.
- 3) The United States of America shall pursue security and stability in Iraq through diplomacy.

*Rep. David Obey (D-Wisc):*

Mr. Speaker, how dare you? How dare you? Yesterday, the gentleman from Pennsylvania (Mr. Murtha), the ranking Democrat on the Defense Appropriations Subcommittee, a 27-year Marine, a veteran of, I believe, three tours in Vietnam, a well-known conservative hawk, announced that he was introducing a resolution that was meant to stimulate a thoughtful and profound debate on how we salvage a failed policy in Iraq. That resolution was meant to stimulate the kind of hearings that Bill Fulbright ran during the Vietnam War, hearings which could bring in the best military minds and the best experts on the Middle East to try to help us find a new direction to American policy in Iraq.

The reaction of the Republican leadership of this House is nothing short of disgraceful, and, in my view, that reaction dishonors the traditions of this House and this democracy. This [Republican] resolution ... is nothing less than an effort to drive a stake through the heart of the Murtha resolution, without any effort to get at the facts with respect to Iraq. For the House to be asked to vote on whether or not we ought to withdraw immediately from Iraq without having the benefit of those thoughtful hearings is a disgraceful abdication of our responsibility to think this issue through clearly and with judgment. I am absolutely appalled, I am absolutely appalled, at this action. It is a cheap political stunt that does a disservice to every serviceman and woman fighting in Iraq today, and whoever thought up this pipe dream should be ashamed of themselves. It brings incredible shame to this House.... This House ... ought to try to find a way for once to bring people in this institution together, instead of dividing them by phony, cynical, political, outrageously tricky and sneaky maneuvers like this.

*Rep. Curt Weldon (R-Pa):*

Mr. Speaker, all of us support our troops, but I want to tell my colleagues, in my 19 years I learned a lesson of supporting the troops from the gentleman from Pennsylvania. He took me under his wing when I came here as a freshman 19 years ago. I have traveled with him around the world. I have seen his personal dedication to the men and women who serve. Now, there are many others in this body on both sides of the aisle that we can say the same thing about, but I want to stand up as a Representative from the other side of Pennsylvania and tell the story of JACK MURTHA who epitomizes what our military's all about.

I wish I could say I have been to Landstuhl, a medical facility in Germany, as many times as JACK MURTHA has been there. I wish I could say that weekly I would go over to Walter Reed Hospital and meet with the troops as JACK MURTHA has done week after week after week. I wish I could say I have gone and held the hands of the wives and the children of the sailors at Bethesda as JACK MURTHA has done. Mr. Speaker, I wish I could say that I have done all that, but I cannot. JACK MURTHA is one of a kind. He is an example for all of us in this body, and none of us should ever think of questioning his motives, his desires or support for our American troops.

Mr. Speaker, I also want to say I have been here 19 years. I have been here with Republican and Democrat Presidents. Yes, JACK MURTHA's been there. He stood up when Bill Clinton tried to cut the funding for our troops, and he stood with us on some very tough votes. He stood up with us on the tough policy questions. He was with us on missile defense. He was with us when others in his party would not be with us on defense and security issues.

On some very tough leadership spots JACK MURTHA was there, and for the 5 years that President Bush has been President, I cannot count on my hands the number of times JACK MURTHA has stood with our President in supporting our troops in supporting more money, in supporting the policies that give us the kind of capability that we need....

## **SCANLON PLEA TORPEDOES DELAY, INC.**

**by Anton Chaitkin**

*Nov. 25 (EIRNS)—The end is coming near for Dick Cheney's political thug machine headed by former House Majority Leader Tom DeLay (R-Texas): A top DeLay aide who knows where all the bodies are buried, so to speak, has agreed to cooperate with prosecutors in ongoing Federal and Texas state probes.*

Facing decades in prison for his role in "DeLay, Inc.'s" nefarious operations, DeLay aide Michael Scanlon pleaded guilty Nov. 21 and agreed to the cooperation.

Following indictments in separate cases of Scanlon's former boss, Rep. Tom DeLay, and of Scanlon's partner and DeLay's money-bags, casino operator and financier Jack Abramoff, Scanlon's plea bargain is no doubt striking fear into the heart of DeLay, Inc. and its controller, Dick Cheney.

### **How DeLay, Inc. Worked**

Scanlon was in on the creation of the DeLay, Inc. apparatus. As DeLay's spokesman bluntly outlined in a February 1999 memo, the DeLay gang would create a permanent union of crooked financiers, lobbyists, and rightwing politicians: "We must now ignore others and focus solely on what we can directly control."

This "direct control" was attained by rotating DeLay's staffers and closest sponsors out into partnership with nominally private lobbying and corporate agencies. Money-laundering, bribery, and coercion gave a Venetian-style possession of Congress to the same interests that Cheney represents in the Executive branch.

Scanlon personally became rich after transferring from DeLay's official House staff over to a private influence-peddling alliance with casino lobbyist Abramoff. Scanlon's Federal indictment for bribery and fraud described the scheme in which Abramoff and Scanlon took millions from the Tigua Indians of Texas to lobby for reopening the Tigua casino which they had secretly campaigned to shut down. Congressman Robert Ney (R-Ohio), author of the U.S. election law under which Bush/Cheney won in 2004, helped the scheme and got large donations from the conspirators.

Abramoff and his partners took over the SunCruz casino cruise-ships company, in a plot for which Scanlon arranged Rep. Ney's connivance, a fraud DeLay personally and his staff helped consummate. When the former SunCruz owner was killed gangland-style, company spokesman Scanlon told the press Abramoff wasn't involved. But a Mafia man, paid by SunCruz under Abramoff/Scanlon, has been indicted for the murder.

### **Why Cheney Should Worry**

Scanlon's Federal prosecutors are reportedly looking over a vast field of potential targets among Congressmen, lobbyists, DeLay staffers, and others. Scanlon's potential testimony—and possibly Abramoff's, should he decide to try to save himself—could implicate many in the national power structure, including Dick Cheney, whose weakened position leaves him unable to protect DeLay, Inc.—even as he needs its services more than ever. Cheney's weakness is also no doubt contributing to the rats like Scanlon fleeing this sinking ship.

In the inner circle with Abramoff were lobbyist Grover Norquist and Christian Coalition founder Ralph Reed, an Abramoff/Scanlon fraud partner. Among the operations DeLay, Inc. carried out was the promotion of Enron's various privatization scams, for which Cheney's friends at Enron paid DeLay, Inc. handsomely; they funded DeLay's chief of staff, Ed Buckham, to set up a nominally private lobbying company, Alexander Strategy Group. Reportedly on the recommendation of George W. Bush adviser Karl Rove, Enron hired Ralph Reed to sell privatization to the states. Dick Cheney's White House energy task force promoted the scheme, and billions were looted from California and elsewhere.

The Buckham money laundry created the main funding mechanism for Rep. Roy Blunt (R-Mo), who became interim House Majority Leader after DeLay's money-laundering indictment.

Michael Scanlon may also be able to tell the Feds something of the adventures of Abramoff's assistant, Susan Ralston, who managed casino-derived money laundering for Abramoff and Scanlon. Ralston was later assistant to Karl Rove during the scheming to "out" CIA agent Valerie Plame. Ralston coordinated her management of Rove's communications, by consultation with Abramoff/Scanlon secret partner Grover Norquist, the strategist of Tom DeLay's relations to the Washington lobbying community.

## **Congressional Closeup**

**by Carl Osgood**

### **House, Senate Heading Towards Clash on Spending, Tax Cuts**

The House and Senate each made apparent progress on budget reconciliation, before Congress left town for the Thanksgiving break, but the two chambers remain far apart on spending cuts and tax cuts. The Senate voted, 64 to 33, on Nov. 17, to pass its reconciliation tax bill, which provides for about \$60 billion in tax cuts over the next five years. The bill, however, excludes extension of the cuts in dividends and capital-gains taxes passed in 2001, which expire in 2008. Senate Finance Committee chairman Charles Grassley (R-Iowa) had sought a two-year extension but could not get the bill out of his committee with that provision because of the opposition of Sen. Olympia Snowe (R-Maine). The House acted several hours later, at about 1:30 a.m., in fact, to pass its budget-cut bill by a vote of 217 to 215. The House bill reduces spending in mandatory programs by about \$50 billion, including \$11 billion from Medicaid, but the Republican leadership was only able to bring it to the floor after weeks of wrangling within the GOP caucus and, in the end, making promises to Republican moderates to ameliorate some of the worst provisions, such as the \$700 million cut in the food-stamp program.

If the Republicans succeed in their aims, they will have passed a budget bill that reduces mandatory spending by somewhere between \$35 billion—the amount of the Senate-passed bill—and \$50 billion and a tax-cut bill of about \$70 billion. Whether either bill can become law remains to be seen, however, because of the substantial differences between the House and Senate versions. In any case, Democrats have pointed out that the net effect of the two bills together is to increase the deficit by at least \$20 billion over the next five years, making a mockery of the neo-conservatives' claims that the spending cuts are needed to pay for the \$60 billion in appropriations to pay for relief efforts in the aftermath of Hurricanes Katrina and Rita. The neo-cons' rhetoric has not applied to the more than \$250 billion Congress has appropriated to pay for the war in Iraq. None of that money has been offset by spending cuts elsewhere in the budget.

Senator Robert Byrd (D-WVa) subjected the entire budget process to blistering criticism, during the Senate debate on the tax bill. Byrd warned that what has happened over the years since the passage of the 1974 Congressional Budget Act is that the Congress has ceded more and more of its constitutional power over the purse to the Executive branch. "The budget process increasingly serves as a means to circumvent the role of the Senate to deliberate, and, lately, it has been used in a way that has fostered an unprecedented and unbroken string of deficits and debt," he said. He noted that, in recent years, Senate amendments to reconciliation bills have been taken up in what are known as "vote-a-ramas," where amendments are

considered for two minutes, then voted on, in rapid succession. "We cannot claim to serve the interests of our constituents if we don't have time even to read the amendments on which we are casting our votes," he said. He warned that the process as it now functions damages the Senate "severely" and "weakens the Senate as an institution and does a great disservice to the American people."

## **House Republicans Lose Spending Bill Vote**

Republicans got their heads handed to them on the Labor/Health and Human Services/Education spending bill, which was defeated on a 224 to 209 vote, on Nov. 17. The bill, as passed by the Senate, included \$8 billion in emergency spending for preparation for a possible avian flu epidemic, but that money was stripped out in conference with the House, on the insistence of conservative Republicans who opposed any such spending unless it is offset by cuts elsewhere in the budget. Rep. Ralph Regula (R-Ohio), the chairman of the Labor/Health and Human Services/Education Departments appropriations subcommittee, told the House that the avian flu provision is such a big ticket item that, "There's no way to offset \$7 billion or \$8 billion." The bill included \$63.4 billion for the Department of Health and Human Services, almost \$1 billion less than last year.

Democrats opposed the bill because of the reduced spending levels, which hit most of the social programs in the bill. "This is the day when the price of Republican tax cuts for the wealthy becomes quite clear," said Rep. David Obey (D-Wisc), the ranking Democrat on the House appropriations committee. He noted that the bill cuts \$437 million out of job training and employment services programs, even though there are 7.5 million Americans out of work. He also reported that the bill cuts rural health-care programs, low-income home assistance, and many other such programs, even though the need for them is growing. The bill is now likely to wind up as part of a year-end omnibus appropriations bill, something that House appropriations committee chairman Jerry Lewis (R-Calif) had vowed, at the beginning of the year would not happen.

Just before taking up the Labor/HHS bill, the House approved another continuing resolution, this one to keep the government open until Dec. 17, while Congress tries to wrap up the remaining spending bills. As of Nov. 18, only five of the 12 bills had been signed into law. Obey blamed the situation on the Republican-authored fiscal 2006 budget resolution, passed last spring, which was "so skewed in favor of the ideological right within the majority party caucus that, in the end, even a number of Republican moderates have not wanted to vote for some of these bills."

## **Filibuster Threat Stalls Patriot Act Reauthorization**

House and Senate leaders backed off from a planned quick vote on reauthorization of the Patriot Act, on Nov. 18, when a bipartisan group of Senators threatened to use every procedural device available to them if a conference agreement on the bill did not substantially agree with the Senate version of the bill. The key provisions at issue include the so-called "library" provision, which allows the FBI to seize business records without a warrant, and the ability to use "roving wiretaps," on suspects. Both provisions have four-year sunsets in the Senate bill, but the House provided for ten-year sunsets. Opponents of the ten-year sunsets argue that four-year sunsets make the Department of Justice far more responsive to Congressional oversight than would otherwise be the case.

The bipartisan grouping, which includes Sens. Russell Feingold (D-Wisc), John Sununu (R-NH), Richard Durbin (D-Ill), Larry Craig (R-Idaho), Lisa Murkowski (R-Alaska) and Ken Salazar (D-Colo) complained, at a Nov. 18 press conference, that the GOP leadership was trying to ram the conference report through both Houses in time to go home for Thanksgiving, without giving members of either House time to fully digest the contents of the bill. They also expressed support for the Senate provisions. "We hope that the leaders on both sides of the Rotunda will come to realize that they have a strong bipartisan coalition for meaningful Patriot Act reform," said Durbin. "If they do not, and there are test votes, I believe we can demonstrate on the floor of the United States Senate that a substantial bipartisan majority opposes this Patriot Act as it's been currently proposed."

That threat was apparently enough to make Senate Judiciary Committee chairman Arlen Specter (R-Pa) back down. Specter himself expressed support for the four-year sunsets, and could not understand why House negotiators were proposing ten years, even though the House had passed a motion, by voice vote on Nov. 9, instructing House conferees to agree to the four-year sunsets. "My view is," Specter said, "that there ought to be a four-year sunset so we can review it again in a reasonably timely fashion." Later, Specter reported that under conditions of a filibuster threat, he and House Judiciary Committee chairman James Sensenbrenner (R-Wisc) had agreed to put off consideration of the conference report until December. He also indicated, however, that, in spite of the filibuster threat, he would sign the conference report at a certain point, even if the House negotiators don't back down on the sunset provision.

## **White House Threatens Veto of Senate-Passed Pension Bill**

Labor Secretary Elaine Chow emphasized, in an MSNBC-TV interview Nov. 18, that the White House intends to veto the "pension reform" bill passed Nov. 16 by the Senate, 97-2, unless the Republican leadership blocks it in the House. The bill, sponsored by Sens. Mike Enzi (R-Oregon) and Edward M. Kennedy (D-Mass) of the Health, Education, Labor, and Pensions Committee, was the least draconian of the various versions of the original White House "reform"; but all these versions would, according to analyses by the Congressional Budget Office, increase the rate at which companies are abandoning their pension plans.

This bill would give underfunded companies seven years to catch up to 100% funding of their plans—much too long, according to Chao. It would increase the premiums the companies pay PBGC from \$19 to \$30 per worker, per year. Senators Debbie Stabenow and Carl Levin, both Democrats of Michigan, voted no because of additional penalty premiums and faster "catch-up contributions" required of companies with low credit ratings. The Senate bill allows airlines, only, 20 years to catch up on their funding; and allows pilots, who must retire at 60, to collect full pensions at that age.

Of note, the bill contains a key bankruptcy rule change, brought over from the House Ways and Means Committee, which imposes a "fine" of \$1,250 per worker, per year, on any company which tries to emerge from bankruptcy having dumped its pension plan. In the Delphi case, for example, this "fine," paid to the Pension Benefit Guaranty Corporation, would be \$30 million a year, or about one-third of Delphi's currently scheduled annual pension contributions (which it has suspended).

## **This Week in History**

### **November 29 - December 5, 1863**

#### **The Statue of Freedom Is Bolted to the New Capitol Dome**

When the District of Columbia became an armed camp at the start of the Civil War, many of the public buildings had to be used for military purposes. One of these was the Capitol building itself, where soldiers camped in the halls and bread ovens were installed in the basement. The ongoing construction project for enlarging the Capitol into the building we recognize today ground to a halt for about a year, but President Lincoln recognized that during war you must also plan for peace. He convinced Congress to provide the funding for finishing the construction, saying that, "if people see the Capitol going on ... it is a sign we intend the Union shall go on."

Senator Solomon Foot of Vermont agreed, and told the Senate that leaving the Capitol incomplete would be "a humiliating confession, to the country and to the world, of a national weakness and imbecility, of a national impoverishment and bankruptcy. We are strong enough yet, thank God, to put down this rebellion and to put up this our Capitol at the same time."

The enlargement of the Capitol was necessary to accommodate the growth of the legislative branch and the nation, as the growing number of states sent a growing number of Senators and Representatives. Before the War of 1812, the Capitol had consisted of a north and south wing, joined by a temporary wooden arcade. After the British burned the Capitol during their 1814 attack on Washington, architect Benjamin Henry Latrobe had redesigned parts of the interior and enriched the building with details such as his Greek columns carved with American capitals of corn plants and tobacco leaves.

Latrobe was succeeded by Charles Bulfinch, who finished rebuilding the chambers for the Senate, House, and Supreme Court in 1819. Then, he followed President James Monroe's idea of adding a copper-clad wooden dome somewhat higher than the original design. This building was completed in 1826, but only 20 years later it was insufficient for the representatives of the 30 states of the Union, and more were soon to come. Therefore, in 1850 an architectural competition was held for plans to enlarge the Capitol.

Congress could not choose between the designs, so the prize was divided among five architects. President Millard Fillmore finally made the decision, choosing the plans of architect Thomas U. Walter of Philadelphia. Walter designed two large extensions of the building, each almost as large as the original building. He also proposed to replace the wooden dome with a magnificent dome made of cast iron which was more than twice the height of the original.

The cornerstone for the new construction was laid on July 4, 1851, and the stone was laid with the same trowel that had been used by President George Washington at the original ceremony. In his invocation, the Senate Chaplain called the Capitol the cornerstone of the Union, which held the states together. Daniel Webster, in his oration, said that were Washington at the present ceremony, he would remind his listeners of the importance of preserving the Union, "cemented as it was by our prayers, our tears, and our blood." Webster promised to heed Washington's words and to allow no "ruthless hand" to "undermine that bright arch of Union and Liberty which spans the continent from Washington to California."

In 1855, Congress approved Thomas Walter's plan to construct a massive dome made of cast iron. There were several domes constructed in Europe during the 1850s and 1860s which utilized cast iron, but Thomas Walter designed one which was unique. An inner shell was connected to the larger outer dome by trusses and girders. The dome weighed approximately 9 million pounds, but at that weight it was still much lighter than a masonry dome, and could, therefore, be assembled much faster. The parts of the dome were manufactured in a foundry and lifted into position by steam-powered derricks. Then they were bolted into place.

The design of the dome utilized the symbols of the American nation. The drum on which the dome rests has a ring of 36 columns, representing the number of states at the time it was constructed. The topmost lantern has 13 columns, which represent the 13 original states. To crown the lantern, Walter had sketched the statue of a woman, an "Armed Liberty." The commission for designing that statue was awarded to sculptor Thomas Crawford, who proposed an allegorical figure of "Freedom triumphant in War and Peace."

Raised in New York City and apprenticed to a monument-making firm, Crawford had sailed to Italy in 1835 to study sculpture in Rome. As he learned his art, his expenditures for books, casts, and materials plunged him into poverty and ill-health. He was rescued by the American consul at Rome, and he began to receive small commissions for busts, including those of Commodore Isaac Hull and Charles Sumner, the future Senator from Massachusetts.

Sumner gathered funds in Boston to further the sculptor's work, and in 1849, Crawford returned to America to find that the City of Richmond, Va. was holding a competition for the design of an equestrian statue of George Washington. He won the competition, and his design came to the notice of Congress, which awarded him several commissions for the reconstruction of the Capitol. These included the pedimental group called "The Past and Present of America" and the bronze doors for the Senate wing. Crawford returned to his studio in Rome to produce the plaster models, which were then shipped to America. The pediment for over the Senate doors was carved by Italian workmen out of Massachusetts marble on the Capitol

grounds.

But the statue for the Capitol dome was to be cast in bronze. Crawford finished the plaster model, but died in 1857 before it could be shipped to America. The next year, the sections of the model were packed up in six crates and left Italy in a small sailing vessel. The journey was fraught with danger, for the ship encountered severe storms and had to keep putting in for repairs. After a stop at Gibraltar, a long layover in Bermuda, and final landfall at New York, the crates eventually reached Washington in March of 1859.

The next year, architect and sculptor Clark Mills was given the contract for casting the statue. Mills had served as the official in charge of public buildings for almost a 20-year period beginning in the 1830s, and had himself submitted several plans for the extension of the Capitol during the 1840s. He had also established an experimental bronze foundry on the outskirts of Washington, and had succeeded in casting several monumental statues for the city.

Mills was a slaveowner, and when his foundry foreman demanded more money, Mills turned to Philip Reid, one of his slaves, to supervise the casting. Reid was skilled and diligent, but he was paid only for his work on Sundays, which was his own time. But in 1863, when the statue was raised to the top of the Capitol, Reid was a free man, for the District of Columbia Emancipation Act, passed by Congress and signed by President Lincoln, had gone into effect on April 16, 1862.

The statue which Reid had helped to create is 19-and-a-half feet tall and weighs almost 15,000 pounds. Freedom's right hand rests on the hilt of a sheathed sword, symbolizing readiness to defend liberty, but a preference for peace. The statue's left hand holds a wreath of laurels and rests on the shield of the United States. A brooch inscribed "U.S." holds her fringed robes. On her head, Freedom wears a helmet bordered by stars and crested with an eagle's head and feathers.

As the work on the Capitol went forward, Americans did come to view it as a harbinger of better times to come. And interest in the construction was not limited to the North. Even Confederate generals and officials, many of whom had served in Washington before the war, asked their northern counterparts during negotiations or other meetings how work on the Capitol was progressing.

Finally, on Dec. 2, 1863, the final section of the statue of Freedom was raised to the top of the Capitol lantern and bolted into place. A huge crowd assembled for the noon ceremony, and a 35-gun salute by the 22nd Army Corps was answered by the guns of the 12 forts around Washington. The Sacramento *Daily Union* reporter described the salute as an expression of respect for "this material symbol of the principles on which our Government is based."

Just six days later, on Dec. 8, President Lincoln delivered his Annual Message to Congress, and described his "Proclamation of Amnesty and Reconstruction" issued on the same date, which would allow the reunification of the states on a humane and charitable basis, and thus bring to realization the values for which the Capitol stood.

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