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From the Associate Editor

This week's issue is a preview of the key agenda items that Lyndon LaRouche will present at his Feb. 23 Washington webcast, which can be viewed live starting at 1:00 p.m. Eastern time at www.larouche.pac.com.

Since Vice President Cheney became the subject of uncontrollable waves of laughter worldwide, following his attempts to cover up his "shooting accident" of Feb. 11, there can be no question that the pace of political developments has picked up, providing opportunities for change in Washington that previously did not exist. LaRouche's intervention will be hard-hitting and precise.

In our *Feature*, Jeffrey Steinberg lays out the broad institutional backlash against Cheney, and the need for Democrats to regain the sense of mission they displayed in last year's fight against Social Security privatization—an intestinal fortitude that was lacking during the effort to defeat Federalist Society fascist Samuel Alito's bid for the Supreme Court. We also provide LaRouche's ongoing series of memos as the Cheney shoot-out crisis broke, and a timeline of Cheney's crimes in the Valerie Plame case.

Now, with Cheney on the ropes, is not the time for parliamentary maneuvers by Congressmen on either side of the aisle. The facts of Cheney's drive for imperial rule and a Nazi-style "unitary executive" are there for all to see; what's needed now is the guts to impeach him.

The drumbeat for war against Iran is growing louder, from the synarchist circles behind Cheney, as the world financial system gets closer to the precipice of collapse. George Shultz is a key operative in this effort, as Steven Meyer reports in *International*. Indeed, Shultz enunciated the doctrine of pre-emptive war—the keystone of the Cheney Doctrine—as early as 1984. Shultz is currently maneuvering to install his crony, Benjamin Netanyahu, in the post of Israel's Prime Minister, to ready a war against Syria.

Any new outbreak of war in the Mideast, as LaRouche has warned, will amount to lighting the fuse of the bomb that detonates the global financial system. Paul Gallagher's report on the inflation in the commodities markets points in this direction, bearing out Lyndon LaRouche's forecast in September 2005, of a hyperinflationary "hedge-fund driven shock-front" in the months ahead.

Susan Welsh

EIRContents

Cover This Week



John Sherffius

4 Cheney: Caught in the Act of Being Himself

The Texas “hunting accident” of Feb. 11 showed the true face of the Vice President, as a bald-faced liar and “scowling incompetent.” Despite Administration efforts to say that the incident is “over,” the fact is that Cheney has become a subject of universal ridicule, and will never recover from this public exposure of his true self. As Lyndon LaRouche advised in a Nov. 16, 2005 webcast, “The post-Cheney era in world affairs” has now begun.

6 Cheney Bags His Limit

8 They Didn’t Smell Cheney’s Breath!

By Lyndon LaRouche, Feb. 16.

8 Character Tells: Cheney’s Doom

By Lyndon LaRouche, Feb. 15.

9 Shoot, Look, & Listen

By Lyndon LaRouche, Feb. 13.

10 Cheney’s Crimes: The Wilson-Plame Affair

Economics

14 Commodity Hyperinflation: Bomb at the End of Iran-War Fuse

If the countdown to war against Iran is not stopped, the already intense inflation in the markets for almost all industrial commodities, will create an explosion. Another huge jump in the crude oil and oil products prices, triggered by such a war, will hit already hyperinflationary markets for metals, plastics, and chemicals, and crush industry in the United States, Europe, and Japan.

17 Hyperinflationary Patterns: Inflation Runs Wild

In September 2005, Lyndon H. LaRouche, Jr. warned of the “hedge fund-driven shock front” of inflation that he said was beginning to strike the commodities markets.

17 Shocks in Unsound Economies

Excerpted from a memo by Lyndon H. LaRouche, Jr. from September 2005.

19 A Renaissance in Nuclear Power Is Under Way Around the World

20 Mexican LYM: Use ‘Nuclear Option’ To Stop Fascism

22 The Bolkestein Directive: European Labor Erupts Against Dereg Policy

23 Business Briefs

International

24 Netanyahu's Fascist Record: All Roads Lead to Shultz

George Shultz groomed Netanyahu in the 1980s to support his pre-emptive war policy "to stop terrorism," and to push for fascist austerity inside Israel. Now, Shultz is pushing for Benjamin Netanyahu to again become Israel's Prime Minister.

28 Dow Jones Stokes Riots Against Thai Premier

30 Iran Crisis: British Empire Is Up to Its Old Tricks

A statement by Helga Zepp-LaRouche, the national chairwoman of the Civil Rights Movement Solidarity party (BüSo) in Germany.

32 EIR Cairo Visit Exposes Psywar Behind Cartoons

National

34 Bipartisan Coalition Won't Work Until Cheney Goes

In every significant area of policy, the Cheney apparatus has thrown down the gauntlet to Congress: Either move to impeach us, or submit to our unlimited prerogatives to do what we wish.

40 Lyndon LaRouche: Rumsfeld's 'Long War' Is Imperial Fascism

An analysis of the Department of Defense's Quadrennial Defense Review.

43 National News

44 Congressional Closeup

Departments

36 From the Congress

Democrats challenge the constitutionality of the Omnibus 2005 budget law.

Strategic Studies

46 Lessons of the Peloponnesian War: Winning the Battle Against Sophistry

"The LaRouche Show," an Internet radio program, interviewed *EIR* Editorial Board member Gerry Rose. Host Harley Schlanger was joined by LaRouche Youth Movement panelists Quincy O'Neill and Randy Kim.

Editorial

56 Presidents' Day

Cheney: Caught In the Act of Being Himself

by Jeffrey Steinberg

During the weekend of Feb. 11-12, Vice President Dick Cheney was caught in the act of being himself. During a quail shoot at the elite Armstrong Ranch in south Texas, Cheney shot a fellow hunter, 78-year-old Texas attorney and Republican Party fundraiser Harry Whittington. While precise details of the incident may never be publicly known, and there are reliable reports that some of the shooters, including Cheney, had been drinking, one fact is certain: Cheney reacted according to profile and immediately went into full damage-control mode.

News of the incident was blacked out for 18 hours, and sheriff's deputies responding to the "accidental shooting" were blocked by Cheney's Secret Service detail from interviewing the Vice President or any other witnesses until the next morning—thus preventing any evidence of alcohol abuse from being obtained.

When Cheney's office finally did issue a statement—after local media reported the shooting—the statement was full of lies. Cheney's claims that he had authorized the Armstrong family to alert the local press were vigorously denied by the Armstrongs, who said they called the press without informing the Veep.

When Whittington suffered a reported heart attack as the result of the bird-shot, fired by Cheney, lodging near his heart, the Cheney-mandated coverup collapsed, and a media feeding frenzy ensued, which has yet to die down.

The reaction to Cheney's arrogant mishandling of what should have passed as an unfortunate, garden-variety hunting accident, peaked on Feb. 16, with a pair of opinion pieces, demanding Cheney's immediate resignation.

New York Times columnist Bob Herbert summed up the verdict in his headline, "Mr. Vice President, It's Time to Go." Herbert wrote, "It's time for Dick Cheney to step down—for the sake of the country and for the sake of the Bush Administration." Cheney "got his war, and while the nation's brave young soldiers and marines were bouncing around Iraq in shamefully vulnerable humvees and other vehicles, dodging bullets, bombs, and improvised explosive devices, Mr. Cheney (a gold-medal winner in the acquisition of wartime deferments) felt perfectly comfortable packing his fancy 28-gauge Perazzi shotgun and heading off to Texas with a covey of fat cats to shoot quail." The shooting incident, Herbert continued, "was the



White House

Vice President Cheney with other Cabinet members and senior staff, immediately after 9/11. Cheney has now become the "hate magnet" in the Administration, as leading Republicans are thinking the previously unthinkable: Dick, it's time to go back to Wyoming.

moment when the legend of the tough, hawkish, take-no-prisoners vice president began morphing into the less-than-heroic image of a reckless, scowling incompetent who mistook his buddy for a bird. This story is never going away. . . . Dick Cheney is a constant reminder of those things the White House would most like to forget. . . . Mr. Cheney would do his nation and his president a service by packing his bags and heading back to Wyoming. He's become a joke. But not a funny one."

But the real message was delivered, the same day, by a prestigious Republican policy advisor and speech writer for Presidents Ronald Reagan and George H.W. Bush, Peggy Noonan. Writing in the flagship publication of Wall Street, Dow Jones' *Wall Street Journal*, Noonan spoke for a growing chorus of prominent GOP insiders: "The Dick Cheney shooting incident will, in a way, go away. And, in a way, not—ever. . . . Dick Cheney . . . has been painted as the dark force of the administration, and now there's a mental picture to go with the reputation. Pull! Sorry, Harry! Pull!"

Noonan voiced the thinking of many in the George W. Bush White House, writing: "I suspect what they're thinking and not saying is, 'If Dick Cheney weren't vice president, who would be a good vice president?' They're thinking, 'At some point down the road we may wind up thinking about a new plan.' And one night over drinks at a barbecue in McLean one top guy will turn to another top guy and say, 'Under the never permeable and never porous Dome of Silence, tell me . . . wouldn't you like to replace Cheney?' " Noonan explained: "It's not the shooting incident itself, it's that Dick Cheney has been the administration's hate magnet for five

years now. Halliburton, energy meetings, Libby, Plamegate. . . . But, at a certain point a hate magnet can draw so much hate you don't want to hold it in your hands anymore, you want to drop it, and pick up something else. This is a White House that likes to hit 'refresh' when the screen freezes. Right now the screen is stuck, with poll numbers in the low 40s, or high 30s." Noonan ended: "In 1992, when George H.W. Bush was in trouble . . . a lot of people urged him to hit refresh by dumping Dan Quayle. He didn't. George W. Bush loves to do what his father didn't. . . . Who would the Cheney replacement be? That's what I suspect the president's men are asking themselves."

As Lyndon LaRouche noted, in a series of widely circulated comments following the Cheney shoot-out revelations, late night pundits, like Jay Leno, David Letterman, and Jon Stewart, thoroughly outclassed most Democratic Party leaders, dubbing Cheney the "Shooter-in-Chief," and unleashing a non-stop barrage of devastating jokes. Among the Democrats, aside from LaRouche, only Sen. Patrick Leahy (Vt.) captured the moment. Referring to an incident on the U.S. Senate floor in July 2004, in which Vice President Cheney told him to his face, "Go f— yourself," Leahy, comparing himself to Whittington, said, "I guess I got off easy."

The south Texas shooting incident—and coverup—in short, became a public metaphor for every crime of imperial arrogance and "chicken hawk" war-mongering committed by Dick Cheney over the past five years. After committing a string of "high crimes and misdemeanors," Cheney may now be brought down by his own childish aversion to public displays of truth.

The Post-Cheney Era

On Nov. 16, 2005, Lyndon LaRouche delivered an international webcast address, declaring that “the post-Cheney era in world affairs” had begun. That webcast came less than three weeks after Lewis “Scooter” Libby, Vice President Cheney’s chief of staff and chief national security aide, was indicted on perjury and obstruction of justice charges by Special Counsel Patrick Fitzgerald. Fitzgerald was named in December 2003 to probe the leaking of the identity of undercover CIA officer Valerie Plame, to syndicated columnist Robert Novak and other journalists in July 2003. Plame is the wife of former Ambassador Joseph Wilson, who had conducted a CIA-sponsored fact-finding mission to Niger in February 2002, which disproved reports that Iraq had been seeking to illegally obtain uranium for a nuclear bomb from the African state.

The text of the Oct. 28, 2005 Libby indictment named Cheney as Libby’s source on Valerie Plame, and set the stage for a second-phase grand jury probe by Fitzgerald, focussing on Cheney as the target-in-chief.

Unfortunately, at precisely the moment that Cheney was

in the process of going down for the count, Congressional Democrats went limp. While Democratic and independent voters were going apoplectic over Bush-Cheney crimes and scandals—from the Iraq War quagmire and mounting death and injury toll, to the Jack Abramoff corruption scandal, to the National Security Agency’s illegal spying on American citizens, to the Medicare prescription drug blowout, to the Hurricane Katrina abject failures—Democratic lawmakers, with few exceptions, were nowhere to be found. While LaRouche called upon Democratic elected officials to hold 1,000 town hall meetings to rally the public during the year-end Congressional recess, the Democratic Party largely went on vacation. By the time the U.S. Senate reconvened in mid-January 2006, and immediately took up the nomination of Samuel Alito to the United States Supreme Court, the Democratic Party was in a full-blown state of regression, compared to its 2005 routing of the so-called “Bush mandate,” a routing that was catalyzed by LaRouche and the LaRouche Youth Movement’s active and leading role.

Nobody in their right mind could have presumed that the post-Cheney era would come in with a whimper. The Synarchist bankers who installed Cheney as their White House Grand Inquisitor, and managed him through more reliable and intelligent assets like George Shultz, moved aggressively, at the start of 2006, to launch global chaos through a stage-managed military confrontation with Iran. That confrontation had originally been scheduled for the August 2005 Congressional recess, but was postponed in the face of stiff U.S. military and intelligence community opposition and a LaRouche-led campaign to silence Cheney’s “Guns of August.”

Several factors changed between August 2005 and January-February 2006, driving the Iran military showdown. First and foremost, the global financial and monetary system moved rapidly closer to the breaking point—highlighted by skyrocketing raw-material prices, currency instabilities, and hedge-fund and private equity-fund moves to rapidly seize ownership over actually productive enterprises in North America and Western Europe.

As LaRouche warned a group of diplomats on Feb. 11, the London-centered bankers behind Shultz and Cheney are moving to provoke global chaos through a war against Iran, sure to drive oil prices up to \$100-150 a barrel overnight. British Foreign Secretary Jack Straw took the lead in accelerating the Iran showdown via a series of late-January 2006 provocations, including the British-sponsored drive to kick the Iranian nuclear program into the United Nations Security Council—a move telegraphed in advance by inflammatory statements by Shultz, in his capacity as co-chairman of the Committee on the Present Danger, a Cold War-era confrontationist front, which was recently revived to promote the “Clash of Civilizations” permanent war with Islam.

Two other factors also intervened. First, the election of President Mahmood Ahmadinejad in Iran placed a minority radical faction, centered in the Revolutionary Guard, into a

Cheney Bags His Limit

From the vast outpouring of humorous late-night TV and other commentary at the expense of Dick Cheney, here are EIR’s top picks:

Sen. Patrick Leahy (D-Vt.): “In retrospect, I got off easy.”

David Letterman, CBS TV: “We can’t get bin Laden, but we nailed a 78-year-old attorney. . . . The good news, ladies and gentlemen, we finally located weapons of mass destruction: It’s Dick Cheney. . . . But here’s the sad part—before the trip, Donald Rumsfeld had denied the guy’s request for body armor.”

Jay Leno, NBC TV: “I think Cheney is starting to lose it. After he shot the guy, he screamed, ‘Anyone else want to call domestic wiretapping illegal?’ ”

Ron Coddry on the “Daily Show”: “Jon, tonight the Vice President is standing by his decision to shoot Harry Whittington.”

Then **Jon Stewart** put things in historical perspective, noting that Alexander Hamilton was the last person shot by a Vice President. “Hamilton, of course, was shot in a duel with Aaron Burr over issues of honor, integrity, and political maneuvering. Whittington? Mistaken for a bird.”

Michael Goodwin in the *New York Daily News*: “He is the Dead Veep Walking.”

position of power. Ahmadinejad's childish provocations against Israel, delivered at an Organization of Islamic Conference event in Mecca, offered a perfect pretext for the London-orchestrated Shultz-Cheney counter-provocations.

The second development was the sudden removal of Ariel Sharon from the Israeli political equation, shortly after he called new elections for late March, and split from the Likud party to form the centrist Kadima party. It is a supreme irony that "Greater Israel" fanatic Sharon had come to terms with Israel's demographic crisis, and was resolved to accepting a two-state solution to the Palestinian-Israeli deadlock, albeit an Israeli-imposed solution. With Sharon's near-fatal stroke, permanently removing him from politics, Shultz and Cheney moved instantly to create the conditions for a Benjamin "Bibi" Netanyahu victory-through-war (see article, p. 24). According to senior U.S. and Israeli sources, Cheney has been "working overtime" to secure a long-shot Netanyahu Likud victory over acting Prime Minister Ehud Olmert, whose Kadima party would form a unity government with Labor. The price for a Bibi victory: war against Syria—in the event that U.S. military and diplomatic opposition to an Iran pre-emptive strike trumps Cheney and Shultz's maneuverings, maneuverings carefully orchestrated from within Britain's Blair government by Jack Straw.

An Institutional Reflex

Even as Congressional Democrats were dodging responsibility for bringing down Cheney for an array of borderline treasonous acts, U.S. political institutions, led by the uniformed military, were forcefully weighing in against Cheney's Iran war schemes. According to U.S. military and diplomatic sources, the Joint Chiefs of Staff unceremoniously informed the White House that there was no viable military option against Iran—especially so long as 140,000 American troops, and another 60,000 American "contractors," remain on the ground in neighboring Iraq as virtual hostages of the Shi'ite majority government imposed with Washington's blessing. According to one source, the generals and admirals delivered this stark warning to the White House: Order an attack on predominantly Shi'ite Iran—even a limited bombing strike against a few select military targets—and you will be impeached, because thousands of American soldiers will die at the hands of our Iraqi Shi'ite "allies."

Two additional institutional "shots-across-the-bow" were delivered against Cheney in early February. First, John Negroponte, President Bush's Director of National Intelligence, in his annual state of the world threat assessment to Congress, reiterated the findings of a 2005 National Intelligence Estimate: Iran is a decade away from a deliverable nuclear bomb. Reportedly, Negroponte's testimony, aimed at chilling the neo-conservative war fever against Tehran, caused fits of rage in the Vice President's Office.

Second, Paul Pillar, the recently retired Middle East director of the National Intelligence Council, penned an article for

the Council on Foreign Relations' journal, *Foreign Affairs*, assailing the Bush-Cheney White House's abuse of the pre-Iraq War intelligence assessments. Cheney and company came into office in January 2001, already determined to go to war to overthrow Saddam Hussein, and they willfully suppressed or ignored all of the extensive intelligence findings that argued against claims of Saddam's ties to al-Qaeda and stockpiles of weapons of mass destruction.

These U.S. institutions had challenged Cheney—just as LaRouche had demanded in his Jan. 11, 2006 Washington webcast. But bigger guns were also about to be fired.

Fitzgerald Speaks

In the immediate aftermath of the narrow Senate vote, confirming Federalist Society darling Samuel Alito as Supreme Court Justice, replacing Sandra Day O'Connor, Special Council Patrick Fitzgerald released a series of court documents in the Libby case, which rekindled Cheneygate.

First, Fitzgerald released a letter to Libby's attorneys, informing them that he possessed evidence that e-mails relevant to the Plame case had been destroyed in the Office of the Vice President (*EIR*, Feb. 17, 2006). Other court submissions, previously kept from the public, were then released, via an Appellate Court ruling, indicating that, in his grand jury testimony, Libby had, in effect, said that he had been ordered by "higher-ups" to leak Iraq War-related classified information, including select portions of the October 2002 National Intelligence Estimate on Iraq's alleged weapons of mass destruction, to reporters. Libby's now-released grand jury statements, in short, sank Dick Cheney.

The new Fitzgerald revelations sent Cheney into a predictable flight forward. During the same Feb. 15, 2006 Fox TV interview with the neo-con-friendly Brit Hume, in which he defended his stall-and-appeal behavior following the Whittington shooting, Cheney claimed that an Executive Order signed by President Bush had empowered him, as Vice President, to declassify national security secrets. In response to Libby's "the Devil made me do it" defense, Cheney replied with an assertion of Vice Presidential powers bordering on the divine rights of kings.

Well-placed Washington sources say that Cheney, now more than ever, is on the top of Fitzgerald's hit parade—along with John Bolton, Frederick Fleitz, and Stephen Hadley. Fitzgerald's grand jury mandate extends well into 2007, and the Libby trial is scheduled to begin next January. Fitzgerald is expected to interrogate the Vice President sometime before the start of that trial.

LaRouche's message, presented to the Washington diplomats on Feb. 16, emphasized immediate action: If you want to stop a policy disaster—like a pre-emptive U.S. military strike against Iran, triggering global financial disintegration and a worldwide medieval religious war—the most efficient course of action is to fire the policymaker. In this case, that means dumping Dick Cheney, now!

They Didn't Smell Cheney's Breath!

by Lyndon H. LaRouche, Jr.

February 16, 2006

Did it occur to you, that almost everything which Vice-President Cheney said about the events of the past weekend, was almost a complete lie? What is Cheney really trying to hide with that utterly unbelievable *mea culpa* told to Brit Hume?

To begin with, Vice President Dick Cheney is, clinically, as his "*virtù*," a pathological liar. On this, consider as probable evidence the following tidbit from a report written by *EIR* economic analyst John Hoefle:

"Media Matters for America reported that Katharine Armstrong told the 2/14 *Washington Post* that she, her mother Anne Armstrong, and her sister, Sara Storey Armstrong Hixon, decided on Sunday morning after breakfast to report the shooting incident to the media."

Which should be believed: Cheney or Katharine Armstrong? Take the rest of his belated statement to Brit Hume, et al. There is no part of Cheney's tale (or, should we say, "tail") which has standing when the source of his utterance is taken into consideration.

It is not merely that he lies; lies fall from his lips like a species of feces from the flipping tail of a hippopotamus. This behavioral pattern of his is, specifically, clinically psychopathic. Without rhyme or reason, he just lies and lies and lies and lies. It is as if feces were his species!

But, after that is said: What really happened that Saturday? Why did Cheney's party go to such extraordinary lengths to prevent the sheriff's men from smelling his breath on his way on from the ranch that day? Was the day spent only as a shooting party?

The point is, that in any case of a potentially fatal shooting under the publicly stated conditions of the day, one thing law enforcement must do as soon as possible, is to check for possible intoxication. Were Cheney inebriated during that day, he had to bluff his way past any contact with law enforcement until such time as the effects of alcoholic intake had been washed out of his system. According to the initial report issued, the Sheriff's department was not allowed to approach Cheney.

Take all the statement from Cheney's own side into account. Present that to a body of experts. Is that statement believable to any body of experts in relevant forms of gunnery practice? Look at the significance of the Katherine Armstrong

statement as reported by Media Matters for America. What might be the significance of the gap between the time, on Saturday, Cheney is reported to have left the premises of the ranch and the time, on Sunday, when Katherine Armstrong decided to call the "media"? Why did Karl Rove et al. hold back the press release available to be issued on Saturday evening?

Not Only in China

Character Tells: Cheney's Doom

by Lyndon H. LaRouche, Jr.

February 15, 2006

Apparently, most of the Democratic politicians have not yet come out from under the stupor of the sudden capitulation to Alito's nomination. This time, on the issue of cowardly Cheney's shooting his victim, it is the TV's nightly comedians, not the elected politicians, who are closest to the world's current political realities. Which is to say that the famous Democratic donkey, which should have responded immediately to this issue, needs a solid kick in the party's ass.

It could be said to Cheney, as the character in *The Iceman Cometh* said to first hearing of the shocking truth, "Hickey, you took the life out of the booze!" Cheney, you took the life out of the beer served before the shooting started that ominous Saturday afternoon.

What set Cheney up for the political chop in these events, and also the career of that Lady Macbeth to which he is married, was the way he displayed his utter lack of personal moral character, and of just plain guts, in both his shooting of his victim, and in the way he reacted, on reflex, to attempt to cover up the truth about the incident. Cheney's reaction to his folly, was a flood of the most immediately obvious kind of pathetic whimpering, wild evasion, and outright lying which he has shown in any public appearances since his January 2001 inauguration. The TV comedians here, and in other parts of the world, got the smell of the situation in their nostrils as soon as the story broke. The leadership of the Democrats in the Congress apparently did not.

According to every account supplied, Cheney turned and shot the man coming up behind him in the line of march. It was just that simple. Forget the spin. Then, as the circumstantial and other related evidence shows clearly, he attempted an

immediate cover-up of the event, taking steps to attempt to prevent press attention, or law enforcement reaction to the event. According to all credible accounts, the White House knew, but kept the public lid on the development until Karl Rove & Company, deigned to inform the White House press spokesman only shortly before what was a credibly astonished McClellan went out to meet the clamor of an energetic press corps.

Whether Cheney knew that there was a companion coming behind him, into the line of fire, is irrelevant. Cheney apparently says no; but no one has any reason to believe Cheney on that count, either. Firing in the direction of someone behind you in the line of march of the hunters, is pretty close to a case of “fragging.” Perhaps Cheney did not consciously intend to shoot Whittington personally, but in his lust to kill a bird, Cheney didn’t care whether Whittington was in his line of fire, or not. Cheney acted in the grip of his malicious passion of that movement, a passion which prompted him to break, passionately, the most elementary safety rule of that day’s hunt.

Cowardly Cheney lost it in the clinches, as he always will. This time the cowardice of the mafia hit-man type showed through the bully’s mask.

Cheney’s public statement has not helped his case at all. The statement is obviously simply a typical Cheney evasion of the point at issue, with Cheney caught, this time, with his hand in the cookie-jar of political history. The sheer cowardice of the pattern of evasion and lying in Cheney’s trail from the exit gates of the Armstrong ranch, reveals the innermost character of the man. The stench of that moral depravity, like the blood on Lady Macbeth’s hand, will not go away.

Simply, as perhaps nearly everyone of relevance at the White House knows, the time has come for Cheney to go, and take his “Lady Macbeth” with him. Shakespeare was right, after all. Cheney’s career is doomed. His stinking political pelt is there for anyone who might wish to take it as a trophy. Whew!

That much is obvious to any chivalrous TV comedian looking at these events from as far away as Germany’s nightly Harald Schmidt.

The issue is no longer really Cheney. The issue is the guts, or lack thereof, of leading, past and present, elected Democrats. This is no time for them to whimper and sniff at the sides of lampposts and fireplugs. The most crucial issue in world politics and strategy today, is the fact that Cheney is ripe for the political trash can. Get rid of him, Democrats, before the stench of continued Cheney presence in his present office, attaches itself to you!

Cheney, with this deed you have disgusted us all. It is time for you to go, and take the dwindling ranks of your admirers with you. This is one time, the President should whisper into Cheney’s ear: “You have become a personal embarrassment to me. It is time for you to go.”

Shoot, Look, & Listen

by Lyndon H. LaRouche, Jr.

February 13, 2006

What Cheney did at the Armstrong Ranch this past weekend was once called “friendly fire.” Technically, cases of “friendly fire” include not only the companion shot in the face, but the cases of, for one, the shooter limping back from the battle to the aid-station after shooting himself in the foot, or, the other case, of the fellow eligible for the Vietnam draft, who avoided service for yet another time, by a miraculously timely impregnation of his wife. Both interpretations are appropriate for what Cheney tried to cover up this past weekend, after apparently mistaking his Republican ally for a flock of birds on Saturday. All come under the heading of “friendly fire.” Shakespeare would advise, “Keep Cheney away from his rival, President Bush.” Time to take his guns away from him, before he kills more innocent birds, and people, too.

Evasion like that perpetrated by Vice-Cheney, over the matter of the Saturday shooting incident, is not only a case of implicitly fraudulent negligence. It expresses a form of lying. Cheney lied in inducing the U.S. Senate to support what is still the ongoing asymmetric warfare in Iraq; Cheney is lying again—some would say, habitually—about the urgency of launching an attack on Iran whose included effect, apart from killing an enormous number of people, would almost certainly be to blow out the entire world’s present monetary-financial system.

What is needed now, is not more of Cheney’s “friendly fire,” but a downright hostile expulsion of the reckless shooter from the office of Vice-President, as Walter Mondale once said, “Early and often.”

This sweet Tuesday would be a good day to send sweet messages, such as “Dump Cheney while we still have a planet!” Who knows what new cases of “friendly fire” might be prevented in that way? London’s dumping Cheney accomplices such as Britain’s Blair and Straw, would be a very good idea, too. Unfortunately, since it is the time of the February events at which Democratic and Republican aspirants are lining up for the long-distance run to the November 2008 Presidential election, the perceptions of personal and national interests are not necessarily harmonious ones at this moment. The fighting Democratic Party of 2005 is needed back in the trenches, where the fight to save the nation, and probably also civilization, is the crucial issue of these days. The flopping on the deadly issue of the Alito confirmation, shows a certain ominous confusion among some of the leading Democrats,

who have matters other than the judgment of history before their eyes.

Sometimes, as Shakespeare's reference to the Ides of March illustrates the point, the spell of oncoming history is shown in a small discordant event, such as the way the moral character flaws of Vice-President Cheney were exhibited so dramatically by his part in the case of friendly fire—or was it, knowing Cheney, “fragging”?—this past weekend. The great Shakespeare, in his later years, would surely have

crafted a dramatic presentation of the tragedy of our times in ominous small events, such as Cheney's unmasking his soul in his shameful flight from the scene at the Armstrong Ranch this past weekend.

The least we could do, for the cause of public safety of people and birds alike, is to remove that ugly, scowling character, that penny-ante Iago, Cheney, from the stage, while there is still time to do so. It is time for Congress, or, perhaps, President Bush, to arrange that expulsion now.

Chronology

Cheney's Crimes: The Wilson-Plame Affair

2001

October-December: U.S., British, French, and Israeli intelligence services receive reports from the Italian intelligence agency SISMI that Niger government documents show that agents of the Saddam Hussein regime sought to purchase tons of yellowcake uranium from the African state.

2002

February: In response to a query from Vice President Dick Cheney about the alleged Niger-Iraq yellowcake deal, the CIA dispatches former Ambassador Joseph Wilson IV to Niger. In the same approximate time frame, the Pentagon dispatches an active-duty Marine general to Niger to probe the same allegations. Both Wilson and the Marine general conclude that the story is untrue.

August: White House Iraq Group (WHIG) is formed, and operates out of the Vice President's office, to publicize the alleged threat posed by Saddam Hussein. Judith Miller of the *New York Times* is one of its primary outlets. The WHIG included Condoleezza Rice, Stephen Hadley, Karl Rove, Karen Hughes, Lewis Libby, and others from Cheney's office. Cheney attends some meetings, and discusses, in late Spring 2003, background interviews that Wilson had given to Nicholas Kristoff of the *New York Times* before Wilson went public.

2003

Jan. 28: President Bush delivers State of the Union Address, which includes the infamous 16 words: “The British government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa.”

March 7: International Atomic Energy Agency head Dr. Mohammed ElBaradei testifies before the United Nations Security Council that IAEA inspectors in Iraq have found no evidence of a nuclear weapons program. ElBaradei also reveals publicly, for the first time, that the Niger documents

alleging the Iraqi attempts to purchase yellowcake, are shoddy forgeries.

March 8: Amb. Joseph Wilson appears on CNN television and says that Bush Administration officials had evidence in their possession, prior to the ElBaradei testimony, showing that the Niger documents were false.

March 9: A meeting takes place in the Office of Vice President Cheney, involving Libby, Rove, Hadley, and John Hannah, to discuss the Wilson TV appearance. A background probe is ordered, and subsequently, information against Wilson is shared with neo-conservative members of the Defense Policy Board, according to several U.S. intelligence sources.

“The way I remember it,” a former CIA official who was at the meeting says, “is that the Vice President was obsessed with Wilson. He called him an ‘asshole,’ a son-of-a-bitch. He took his [Wilson's] comments very personally. He wanted us to do everything in our power to destroy his reputation, and he wanted to be kept up to date about the progress.”

March 19: Iraq War begins.

May 6: Nicholas Kristoff's column is published in the *New York Times*, entitled “Missing in Action: Truth,” which reveals the existence of the CIA fact-finding mission to Niger in February 2002, without citing Wilson's name. After this column appears, Cheney visits CIA headquarters to inquire about Wilson. “Cheney and Libby made it clear that Wilson had to be shut down,” says a former CIA official.

May 29: Lewis Libby asks a State Department official, reportedly Undersecretary of State Marc Grossman, for information concerning Wilson's trip to Africa.

June 9: Classified documents concerning Wilson's trip (but not mentioning Wilson by name), are faxed to the Office of the Vice President to the personal attention of Libby.

June 10: A State Department memo, prepared under the supervision of the Intelligence and Research (INR) Division, identifies Valerie Plame as the wife of Ambassador Wilson,



Member of the White House Iraq Group Stephen Hadley. The WHIG was formed in August 2002 to publicize the alleged threat posed by Saddam Hussein.

NATO

and a counterproliferation expert with the CIA. High-level intelligence community sources tell *EIR* that the insertion of Plame's name and identity was done at the arms control office of the State Department, then headed by John Bolton. Bolton's personal deputy at the time is Frederick Fleitz, a CIA officer on loan to the Department, who had worked with Plame. The INR memo will circulate among top State Department officials, and will be transmitted to Secretary of State Colin Powell in July, while he is traveling in Africa with President Bush.

June 11-12: Libby is told by a State Department official, probably Grossman, that Wilson's wife worked at the CIA. Libby then asked a senior CIA official about Wilson's trip, and was told that Wilson's wife worked at the CIA.

June 12: Libby is told by Cheney that Wilson's wife worked at the CIA in the Counterproliferation Division. High-level intelligence community sources report to *EIR* that Cheney's source on Valerie Plame is likely CIA Director George Tenet.

June 23: Libby meets with *New York Times* reporter Judith Miller; Libby criticizes the CIA, and tells Miller that Wilson's wife might work at the CIA.

July 2: In Lyndon LaRouche's Washington, D.C. international webcast, "A Real President for the U.S.A.," he declares: Get rid of Cheney for the good of the nation.

July 6: Sunday *New York Times* publishes Joe Wilson op-ed criticizing Bush's remarks on Iraq yellowcake purchase in Niger, for relying on forged documents. Wilson states that the CIA provided this intelligence to the White House prior to Bush's State of the Union Address in January 2003. Wilson is also interviewed by the *Washington Post*, and appears on NBC's "Meet the Press."

July 7: Libby tells White House Press Secretary Ari

Fleischer that it was Wilson's wife, not Cheney, who sent Wilson to Africa, and that she works in "the Counterproliferation area of the CIA."

July 8: Libby meets with Judith Miller, tells her that Wilson's wife works for the CIA, and discloses classified information from the October 2002 National Intelligence Estimate on Iraq. Libby also meets with Cheney's legal counsel David Addington and asks him what paperwork there would be at CIA if an employee's spouse undertook an overseas trip.

July 10-11: Libby speaks with White House official "A," who tells him of a conversation he had with journalist Robert Novak, and tells Libby that Novak will be writing a column about Wilson's wife as a CIA employee. Libby also speaks with NBC's Tim Russert.

July 12: Libby speaks by telephone with *Time* magazine's Matt Cooper, and confirms to Cooper that he had heard that Wilson's wife was involved in sending Wilson on the Africa trip.

July 14: Syndicated columnist Robert Novak "outs" Valerie Plame as a CIA operative, writing: "Wilson never worked for the CIA, but his wife, Valerie Plame, is an Agency operative on weapons of mass destruction. Two senior Administration officials told me Wilson's wife suggested sending him to Niger to investigate the Italian report."

July 21: Wilson receives a telephone call, about a week after his wife's "outing," from TV talk-show host Chris Matthews of "Hardball," who tells him that Karl Rove, President Bush's top political advisor, has just told him, "Wilson's wife is fair game."

July 22: *Newsday* is even more specific, saying that Plame "works at the agency [CIA] on weapons of mass destruction issues in an undercover capacity."

July 22: White House spokesman Scott McClellan says there is no truth to the suggestion that someone in the White House leaked the Plame information.

July 24: Sen. Charles Schumer (D-N.Y.) calls on the FBI to investigate whether a crime has been committed in the Plame leak.

Late July: The CIA files a "crime report" with the U.S. Department of Justice (DOJ) suggesting that the leak of Wilson's wife's name and covert status might entail criminal acts.

Sept. 14: Cheney appears on NBC's "Meet the Press," and states: "I don't know Joe Wilson. . . . I don't know who sent Joe Wilson. . . . I don't know Joe Wilson. I have no idea who hired him."

Sept. 23: The CIA files papers with DOJ as part of preliminary investigation.

Sept. 26: John Dion, director of the DOJ's Counterespionage section, authorizes the FBI to commence a criminal investigation regarding the unauthorized disclosure of classified information concerning Plame's affiliation with the CIA.

Sept. 28: A source in the Administration confirms to the *Washington Post* that two senior Administration officials contacted at least six reporters about the identity and occupation



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Attorney General Alberto Gonzales, as White House General Counsel in September 2003, withheld several e-mails that reportedly incriminate Cheney and others from the Department of Justice investigation, citing "executive privilege" and "national security."

of Wilson's wife. The source claims, "Clearly, it was meant purely and simply for revenge." He states that he is sharing the information because the disclosure was "wrong and a huge miscalculation, because they were irrelevant and did nothing to diminish Wilson's credibility."

Sept. 29: The *Washington Post* reports that, although President Bush says he will cooperate with the Plame leak probe, "Bush has no plans to ask his staff members whether they played a role."

Sept. 29: At a White House press briefing, Cheney's name is raised three times, forcing White House spokesman Scott McClellan to issue a categorical denial of Cheney's involvement. "There's been nothing, absolutely nothing brought to our attention to suggest any White House involvement, and that includes the Vice President's Office as well," McClellan says.

Sept. 29-30: DOJ notifies the White House of its decision to move ahead with a full investigation on the evening of Sept. 29. Bush is informed on the morning of Sept. 30, by then White House General Counsel Alberto Gonzales.

Sept. 30: Eleven hours pass between the time that the White House is notified of the investigation and the time that Administration officials ask staff to preserve records. Gonzales then spends two more weeks screening e-mails, and withholds a number of e-mails that reportedly incriminate Cheney and his aides and other White House officials; Gonzales cites "Executive privilege" and "national security" as grounds for withholding the documents.

Oct. 1: Sen. Chuck Hagel (R-Neb.) says that Bush needs to be proactive: "He has that main responsibility to see this through and see it through quickly, and that would include, if I was President, sitting down with my Vice President and asking what he knows about it."

Oct. 2: Attorney General Ashcroft is under pressure to recuse himself from the investigation because of his ties to Karl Rove. Sen. Arlen Specter (R-Pa.) says "recusal is something Ashcroft ought to consider."

Oct. 7: Before an internal investigation is conducted, the White House rules out Karl Rove, Vice Presidential chief of staff Lewis Libby, and National Security Council senior director Elliott Abrams as possible sources for the news leak.

Oct. 8: Bush tells reporters that the leaker is not likely to be found, because reporters won't reveal the source. Besides, "this is a large Administration, and there's a lot of senior officials," the U.S. President said.

Oct. 9: Senate Minority Leader Thomas Daschle (D-S.D.) and Democratic Senators Joseph Biden (Del.), Carl Levin (Mich.), and Charles Schumer (N.Y.), send a letter to President Bush pointing to "five missteps" in the investigation of the blown cover of CIA agent Valerie Plame Wilson:

1. Decision of then-White House Counsel Alberto Gonzales to screen documents of White House employees submitted in response to the DOJ request, and his possible claim of "Executive privilege" to withhold some;
2. The DOJ begins its investigation on Sept. 26, but does not ask the White House to order employees to preserve relevant evidence until Sept. 29;
3. The DOJ does not ask the Pentagon and State Department to preserve possible evidence until late on Oct. 1, after news reports that such a request was coming;
4. White House Press Secretary McClellan says said that he determined that three senior officials who were the subject of speculation in news accounts were not involved in leaking classified information; the Senators believe that this displayed rank incompetence; and,
5. Attorney General Ashcroft remains responsible for the probe, despite his close political and personal relationships with Bush and his top aides.

Oct. 14 and Nov. 26: Libby is interviewed twice by FBI special agents, and lies about his discussions with NBC's Tim Russert and *Time*'s Matt Cooper, and the *New York Times*'s Judith Miller. He states that he first learned about Plame's identity from Russert, whereas in truth, he had previously learned of it from Cheney.

Dec. 22: Senators Levin and Daschle demand the appointment of a special prosecutor.

Dec. 30: Attorney General Ashcroft recuses himself from the leak investigation. James Comey, Deputy Attorney General, appoints Patrick Fitzgerald, the U.S. Attorney in Chicago, as "special counsel" to take over the investigation.

2004

January: Fitzgerald subpoenas notes, e-mails, and attendance records for the WHIG.

Early 2004: Cheney is interviewed by Fitzgerald, and reportedly denies that either he or his staff was involved in disclosing Plame's identity, or that anyone in his office tried to discredit Joe Wilson.

March 5 and 24: Libby testifies falsely before the grand jury about his discussions with NBC's Tim Russert, *Time*'s Matt Cooper, and the *New York Times*'s Judith Miller, and he lies that he had learned of Plame's identity from reporters, whereas he had learned it from Cheney.

April 1: Fitzgerald is reported to have expanded his probe into the issue of White House officials lying to investigators, and mishandling classified information.

May 21: Fitzgerald is reported to have issued subpoenas to journalists who discussed the matter with the White House between July 6 and 13, including *Time*'s Matt Cooper.

June 6: The *Washington Post* reports that representatives of special prosecutor Fitzgerald have interviewed Dick Cheney.

June 16: White House Counsel Alberto Gonzales testifies before the grand jury.

June 24: President Bush is questioned by Fitzgerald. The interview lasts more than an hour, and a White House spokesman confirms that the President has retained private counsel.

July 20: Matt Cooper is held in contempt for not responding to Fitzgerald's subpoena.

Aug. 12: Fitzgerald subpoenas *New York Times* reporter Judith Miller on her discussions with the White House.

Aug. 13: Former Ambassador Wilson comments on the pending actions against the reporters, saying that the President could easily solve the problem: "The question is, who could get to the bottom of this very quickly? The President of the United States. There has to be an internal investigation into who's betraying the country—an investigation with sworn affidavits from everybody on his staff—and the President ought to insist everybody who talked to any reporter about this subject sign a waiver."

September-October: Fitzgerald submits sealed affidavits to the court, in seeking to find Miller and Cooper in contempt of court; Fitzgerald tells the court that his investigation has expanded to include the offenses of perjury and obstruction of justice.

Oct. 16: Karl Rove testifies before the grand jury.

2005

Feb. 15: D.C. Circuit Court of Appeals upholds contempt ruling against Cooper and Miller.

July 6: Judith Miller goes to jail, but Matt Cooper agrees to testify, after receiving a call and a waiver from his White House source.

July 18: After testifying to the grand jury on July 13, Cooper writes an account saying that Karl Rove was the first person to tell him that Wilson's wife was a CIA officer.

Aug. 12: Deputy Attorney General Comey designates a 40-year Justice Department career professional, David Margolis, to oversee the Fitzgerald investigation, thus preempting a rumored "Saturday Night Massacre" in which Cheney would have put a Bush crony in charge of the investigation, who would then fire Fitzgerald and shut the investigation down.



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Karl Rove was the first person to tell Time reporter Matt Cooper that Wilson's wife was a CIA agent, Cooper said on July 18, 2005. But the White House had ruled out Rove's involvement back in 2003.

Sept. 29-30: Miller agrees to testify to the grand jury. She is released from jail on Sept 29, and appears before the grand jury the next day. She testifies before the grand jury again on Oct. 12.

October: Rove is called back to the grand jury, and testifies for the fourth time.

Oct. 28: Libby is indicted on five counts of making false statements, perjury, and obstruction of justice. Although the grand jury's term is expiring, Fitzgerald announces that his investigation is continuing.

Nov. 14: *Washington Post* reporter Bob Woodward testifies under oath in a deposition taken by Fitzgerald; his testimony reportedly involves the WHIG group.

Nov. 18: Fitzgerald informs the court that he will be convening a new grand jury.

Dec. 7: Fitzgerald presents evidence to a new grand jury.

Late December: Fitzgerald is reported to be investigating the Niger document forgeries, according to *EIR*'s sources and others.

2006

January-February: Fitzgerald continues to meet with the new grand jury, usually twice a week.

Jan. 23: In a letter to Libby's attorneys, Fitzgerald states that "not all e-mail of the Office of Vice President and the Executive Office of the President was preserved through the normal archiving process on the White House computer system."

Mid-February: Sources tell *EIR* that Cheney continues to be a major focus of Fitzgerald's investigation, and is likely to be called again to testify, prior to Libby's trial, which is now scheduled for January 2007. Among the issues: Cheney's own perjured statements in interview with Fitzgerald, which matched precisely testimony by Libby that was the basis for his obstruction and perjury indictment; and the disappearance of e-mails in Cheney's office relating to the Plame matter, and the possibility of tampering with computer hard-drives.

Commodity Hyperinflation: Bomb At the End of Iran-War Fuse

by Paul Gallagher

A U.S.-British military attack on Iran is now a looming threat, under the imperial-war strategy Dick Cheney brought to this Administration. If the countdown is not stopped by the removal of Cheney from the White House, a war on Iran will turn what is already intense inflation in the markets for almost all industrial commodities, into an explosion. Another huge jump in the crude oil and oil products prices, triggered by a spreading new war in the Mideast, will hit already hyperinflationary markets for metals, plastics, chemicals, etc., and crush industry in the United States, Europe, and Japan in a blowout. This is one explosive shell of the bomb, for which Blair's and Cheney's war on Iran will be the fuse.

In a warning memo, "Hyperflationary Patterns," published in *EIR* last Sept. 30 and reprinted below with its crucial illustration, Lyndon LaRouche compared the "hedge fund-driven shock front" of inflation that he said was then striking commodities, to the midpoint of 1923 in Weimar Germany. That was the cycle that ended in a classic hyperinflationary blowout which left Germany's money worthless, and led to foreign government interventions which hastened Hitler's fascist coup.

The commodities-market events since then have proven both LaRouche's memo, and the distinctive "Riemannian shock-front" illustration he added to it (see page 18), to be entirely accurate. For the typical commodity widely used in industry, hyperinflation took off sometime between August and October of 2005—just when LaRouche was writing—and has since driven its price up 40-60% in less than half a year (see the charts), despite the lack of further oil price increases since October. The inflationary shock jumped to the next wave of commodities—copper, aluminum, iron, zinc, lead, tin, gold, silver, resins, chemicals, and even computer chips—just as LaRouche had it illustrated in his "conical shock-wave model." In every case, the pouring into these spot and futures markets of speculative bank-loaned and other

hedge-fund capital, followed by private equity funds, and increasingly by pension funds, drove the inflationary shock.

The copper price made one lurid and typical example: By the end of October, large London-based hedge funds, pouring funds into "long" copper bets, had trapped a big Chinese trading company which was shorting the copper price (China is the largest user of many of these commodities); the consequences of the London funds' speculative victory triggered the price to zoom to an all-time high of \$4,000/ton. Copper supply? Copper stocks on the London Metals Exchange are at their highest in over a year. Copper demand? It had fallen by 2% in the first half of 2005. But the price had risen by 65% from early 2004, and 25% since early 2005.

"'Copper Peak' Due to Hedge Funds" headlined the London *Financial Times*, quoting a large bank's analyst: "The funds are going to try to hold the price up. This is all fund buying; that is all it has been. The hedge funds are self-fulfilling; they create the momentum and then they run along with it." But it was not a peak; within three more months, the price had jumped another 25%, to over \$5,000/ton. Standard Bank of London issued a report on Feb. 7 which estimated, and no doubt underestimated: "Hedge fund and equity fund investments in commodities will rise almost 50%, to \$120 billion this year [2006]," after rising 35% from 2004 to 2005.

If the hedge fund shock front again piles into oil and petrochemical spot markets and futures markets in the boiling heat of a new war—possibly involving nuclear weapons—in the Mideast, the hyperinflationary explosion will blow huge holes in what remains of industrial capabilities and agriculture internationally.

The Commodity Research Bureau's (CRB) international index of prices of all industrial commodities hit its all-time high (it has been compiled since the depths of the last Depression in 1934) at the beginning of February, and a *New York Times* report noted that "commodities have become the new

tech stocks” for private equity funds and hedge funds, referring to the huge global IT bubble which blew out at the end of the 1990s. The broad CRB index had risen 21% in the year since Feb. 1, 2005; by 13% in just the two months since Nov. 30, 2005; it had hit new record highs 31 times since June 2005.

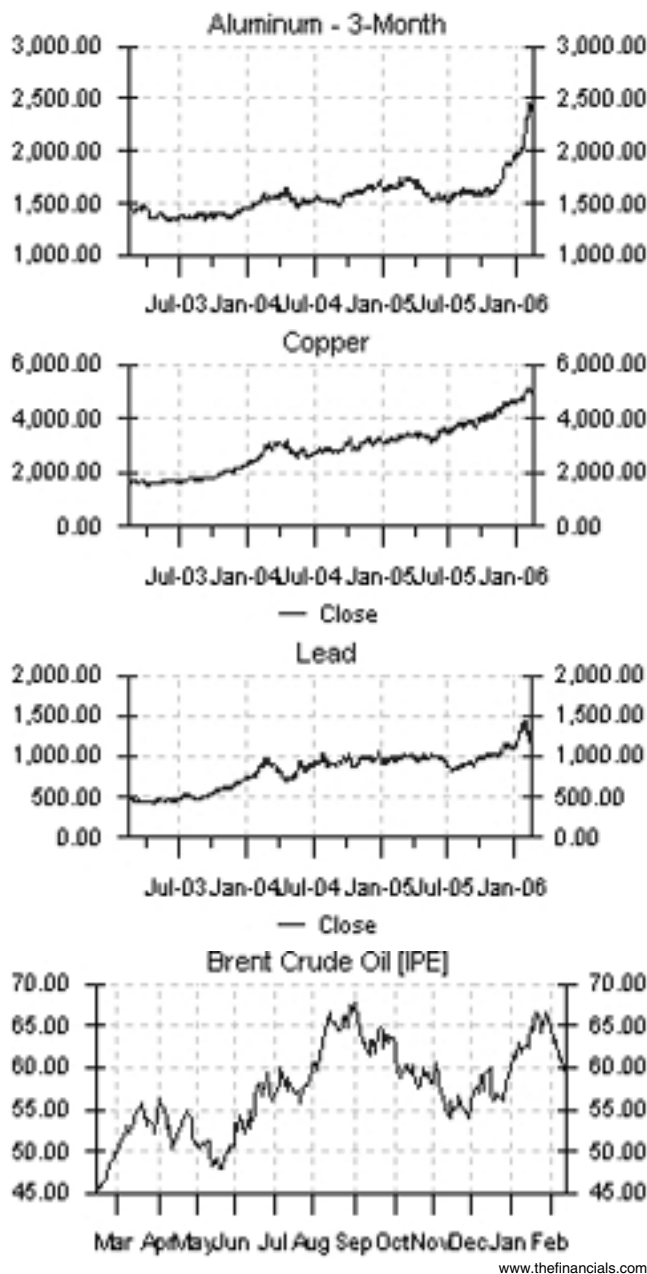
The world market price of iron, for example, escalated by 71% in 2005 and is rising by another 15% now by an agreement imposed by the three British Commonwealth producers—Anglo, Rio Tinto, and BHP Billiton—which dominate the global market. And since early 2004, the price of coal per ton has roughly doubled, to about \$60/ton coming from the mine mouth. The combined result of this inflation? World-wide production of steel, outside of China, fell for the year as a whole, by more than 1%. World prices for steel rose sharply throughout the middle of 2005, and were up 30% since 2003—hitting auto production, among others—though leveling off at the end of 2005.

Into that breach lunged the world’s biggest steel producer, Mittal Steel, surrounded by a feeding school of hedge funds, to attempt a takeover of number-two Arcelor Steel; the purpose, as CEO Lakshmi Mittal makes clear, is to “rationalize the steel market” by further reducing production—getting hold of Arcelor steel mills and closing them, as Mittal has done with International Steel Group mills in Indiana, West Virginia, and Maryland. Thus, to resume the upward march of steel price inflation.

The world’s largest hedge funds, based in London and New York, including GLG Partners, Cerberus Capital, and Perry Capital, piled into stock shares of Arcelor and Mittal in early February, in a publicized drive to force up the price of the merger by 25% or more—extract more capital from it. “Everyone in the hedge fund industry is looking at this deal,” a London banker told the *Financial Times* on Feb. 5. By mid-February, the funds forced Arcelor to double its dividend, paying out 770 million euros (\$920 million). The British government tried to threaten the French government to stay out, and make no efforts to block the hostile takeover.

Meanwhile, Mittal is attempting the takeover largely with bank debt, as it has the other purchases of older, less capitalized producers around the Third World and Eastern Europe; it counted on the hedge fund sharks coming in, and is working to bring them into the deal itself—in effect, borrowing some of the escalating takeover price from the funds. Mittal, which has been called “the next Parmalat” by one close observer, has just reported sharply fallen profits for 2005, and expects the same in 2006. Its huge accumulation of bank and hedge fund debt could blow more holes in the steel industry.

The same is true in plastics and other industrial chemicals. “Plastics prices continue to frustrate buyers in a wide swath of industries,” *Reed Business Information* reported on Feb. 1, quoting industry supply-chain managers and buyers on 5-8% price increases in January for resins and plastic films. But as the typical chart for plastic mold (“blow”) indicates, the price inflation for most plastics has been 60% from July 2005-February 2006. At the end of January, the plastics price index



Aluminum, copper, lead: three out of scores of industrial commodities with 40-60% price inflation, driven by hedge fund speculation, since about September 2005, when Lyndon LaRouche’s published memo warned “Hyperinflationary Patterns” stalked the economy. Note this was despite a lull in oil price increases; Cheney and Blair’s Iran war would change that dramatically.

was at its highest monthly level ever, reported Purchasingdata.com.

The prices of many categories of distributed random-access memory computer chips (DRAMs) have risen by 25-30% since July 2005, with sharp jumps and dips caused by speculative funds plunging in the spot markets.

The hyperinflation has been strongest in the prices of metals, not only the precious metals gold, silver, platinum, but all



More examples: The surge in inflation in platinum, silver, zinc; and the price of plastic molds ("blow") shows the same hedge-fund-driven inflation has hit plastics and chemicals, as metals.

of the non-ferrous industrial metals, as well as iron and steel, as described above. Aluminum reached an all-time record, nearing \$2,600/ton, a 55% increase from the \$1,700/ton price at the beginning of 2005. This is another case, like copper, where supply-and-demand "fundamentals" are overridden.

Stockpiles of the metal had been rising, the *London Times* noted on Feb. 1, with London Metals Exchange aluminum inventories at a 13-month high of 710,000 tons. Global aluminum output was a record 31.5 million tons in 2005, up 6.8%. World demand has been flat.

As is clear from the charts (pages 15-16), the Fall of 2005, when LaRouche issued his memo, was a breaking point. The price of lead rose 55% from September 2005 to February 2006; gold rose 22% in that period; copper, 44%; aluminum, 50%. Tin rose 30% in price from December 2005-February 2006; and zinc rose 100% from August to February. There has also been a funds-bubble in sugar, speculating on its use in producing fuels, which pulled its price up to a 25-year high.

The farther the inflationary wave has gone, the farther into futures has speculative fund capital poured. A *Financial Times* article on Feb. 15 reviewed the highly unusual situation which has developed, where prices of industrial metals for long-term delivery, such as five-year contracts, were rising faster than spot-market and short-term futures, and pulling the latter up. Between Nov. 1, 2005 and Feb. 1, for example, the price of aluminum for delivery three months in the future rose from \$1,980 to \$2,500/ton, or 26%; but aluminum for delivery in five years, rose from \$1,700 to \$2,400/ton, or 41%. Companies producing the metals are not leading this speculation, because their prices are rising so fast that they have stopped buying future "hedges" for fear of undershooting what the price will rise to. Instead, they prefer to sell their production on the current spot markets. It is the hedge funds and equity funds which are doing the short-term and longer-term speculation, driving the prices upward. Hedge funds are increasingly pulling pension funds into this long-term commodities speculation, dragging them toward the precipice of a blow-out which can destroy their workers' retirement assets.

The case of Mittal's hostile bid for Arcelor shows that the process of the speculation by hedge funds, acting in teams, forcing mergers and acquisitions—or, in some cases, break-ups of targetted companies, which are then acquired in pieces—is just as advanced in the industrial commodities markets as in others. The results are that production of the commodities is held down or reduced, and industrial prices rise further. For finished aluminum-ingot products, for example, there was an average rise of 6.4% just from the third to the fourth quarter of 2005. Alcan, the world's second largest producer, bought Pechiney Metals (Montreal) and Novellis Metals during 2005; Alcan also closed down several of its mills in Europe and one in Canada. It thus plans to see a global deficit of 300,000 tons of aluminum, below demand, in 2006.

For copper and nickel, a new world's-largest producer is being formed by the merger of British Inco Ltd. and Toronto-headquartered Falconbridge Ltd. This \$12.1 billion merger will be larger than Norilsk Nickel in Russia. A notable feature: Falconbridge mined 7.4% less copper in 2005 than 2004, and sold 4.6% less, even while prices were zooming to all-time records; it mined 22% less nickel in 2005.

When petrochemicals and metals prices suddenly took a plunge from Feb. 8-15, it was reported that governments were trying to intervene against the growing hyperinflation, by raising interest rates. The Japanese government leaked rumors on Feb. 8 that it would abandon its effective zero-interest-rate policy—setting off a commodity-prices drop—though it then denied taking any immediate action. U.S. interest rates have been rising through February. But the financial locusts were simply dumping metal and other commodity futures temporarily to speculate in interest rates.

Governments could exercise greater force against the hyperinflation by intervening to stop the Mittal takeover of Arcelor, as a signal that the galloping monopoly mergers in coal, aluminum, copper, steel, and other industries might be undone. But the dumping of Dick Cheney would be a more powerful step, because what is necessary above all, is to prevent an attack on Iran from triggering \$100-plus/barrel oil and a completely uncontrollable hyperinflation.

Hyperinflationary Patterns: Inflation Runs Wild

by Lyndon H. LaRouche, Jr.

First published in EIR, Sept. 30, 2005.

The world is presently gripped by a hyperinflationary wave-front of a Riemannian type. The situation is already comparable, at its primary-commodities “spear point,” to Germany during the second half of 1923, with the other categories, such as consumer prices generally, on the way to being driven to overtake the effects seen currently in the domain of primary commodities being led, as a pack, by wild-eyed petroleum-price speculation.

Think of the way in which a “sonic boom” moves across the landscape, with its point running ahead and the effects on the ground coming up afterwards as the conical front of the wave moves onward. Think of a shaped-charge detonation “seen” from the “inside.”

From that standpoint, the system as a whole is already in a state comparable to some point in the second half of 1923 Weimar Germany. We must estimate the general shape of that monetary-financial-economic “sonic boom” front’s movements, slightly understating the actual effects for the sake of not stumbling into accidental overestimations which might impair the credibility of our warnings. However, consider the hyperinflationary explosion fully on, in ways comparable to the second half of 1923.

Beyond that broad-brush, historical view of the matter, there are significant differences in detail which we must recognize.

The leading edge of this rising hyperinflationary panic is the hedge-fund crisis centered in hot spots such as the Cayman

Islands (where Satan spends his weekends visiting his closest human relatives, and their money). In the attempt to bail out of the Spring bubble’s collapse, the hedge-fund money focused on hyperinflationary gambles in primary materials, led by the control over petroleum markets. The attempt to turn vast masses of newly generated fictitious liquidity into apparent profits in commodities, that at rates sufficient to stave off the inevitable collapse of their monetary-financial system, a shock-wave-front-line acceleration of primary materials rise, led by petroleum prices, moved like an accelerating supersonic vehicle across and above the landscape below, sending

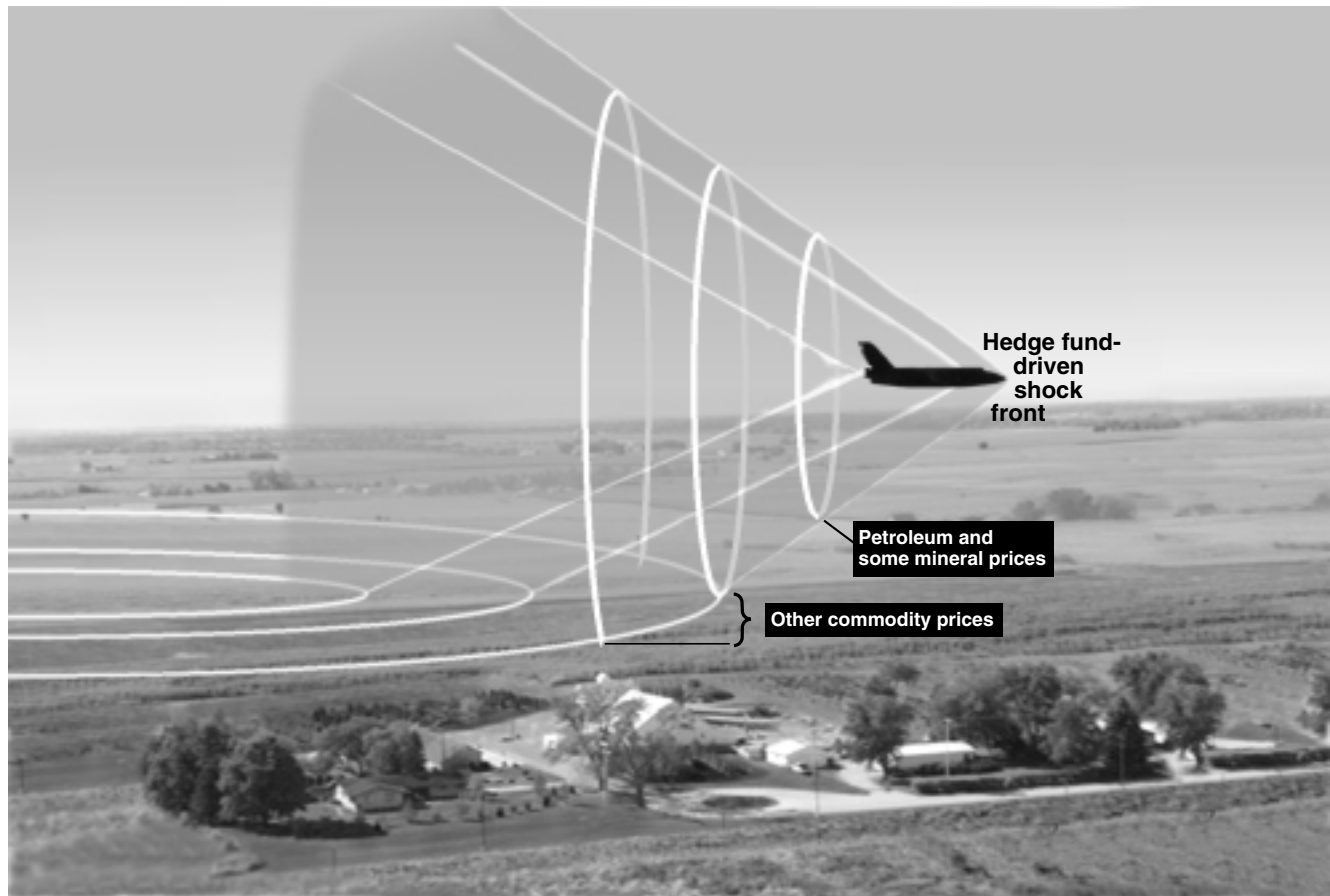
Shocks in Unsound Economies

Excerpted from a memo published in EIR, Sept. 30, 2005.

In both the present case, as in 1923 Germany, a hyperinflationary explosion was building up over an extended period. In this case, the origin of the condition which caused this chain-reaction-like present explosion of primary commodities and other prices has been building up since the mid-1990s, with the subsumed points of inflection of 1997-1998. Ironically, the measures used to control the aftermath of the LCTM hedge-fund crisis, actually created the preconditions for the explosion which has now occurred, that in a manner similar to the way a building-up explosion of prices was contained until approximately the middle of 1923, when the explosion of the wild hyperinflation then occurred. A condition of “overload” was approached, akin to the discomfort of the supersonic aircraft (or would-be supersonic aircraft) as it approaches the relevant boundary-condition of the process.

Thus, this present hyperinflationary outburst has been building up since the immediate aftermath of October 1987, when the U.S. economy slipped into the implicitly hyperinflationary mode launched under Alan Greenspan’s assumption of the post of Federal Reserve Chairman: a point in the process comparable to approximately May-June 1923 in Germany has already been reached. The attempt to bail out the hedge funds has triggered the shift from contained hyperinflation to explosive hyperinflation, a critical, uncontrollable phase of the present system, a phase comparable to a Riemann shock-front has been entered. Without a sudden change in the system, as Riemann’s work implies, the world economy is now doomed to an early and ugly, chain-reaction collapse.—*Lyndon H. LaRouche, Jr.*

FIGURE 1

LaRouche-Riemann Conical Shock Wave Model of Hyperinflation

The present hedge-fund-driven hyperinflation is comparable to a sonic boom moving across the landscape. At the tip of the cone, where the shock front forms, is the speculative bubble in hedge funds and related derivatives, orders of magnitude larger in monetary value than the physical economy. The commodity price inflation, led by petroleum and certain minerals, is dragged along in the opening conical tail. Prices of other commodities and consumer goods lag behind in time and are diffused as they spread out in the conical opening. As in the Gauss-Riemann representation of the complex domain, visible or empirically determinable measures (in this case prices) are actually being determined in the non-visible, complex domain. A Riemann-type shock front forms at the cone-shaped boundary layer where the rate of increase of out-of-control speculation confronts the declining rate of real physical economic growth.

shattering shocks to the land-based economy as the trailing edge of the cone touched land below.

Thus, the rate of inflationary rise of prices of petroleum and related primary commodities now, is the rate which is already in the process of striking commodities on the land below the passing of the hedge-fund-drive hyperinflationary shock-point. That is the gist of the way in which you must think about this situation. What is hitting in the petroleum-price domain is the current trend of onrush of prices of all commodities in general. Do not commit the blunder of measuring price-changes from the ground up; the rate of change on the ground-level is actually the rate of change expressed as oil-price inflation.

The conical function [the graphic on this page—ed.] is a simulation of a higher-order actual process; but, the general

effect of a conical function is correct, nonetheless.

There are several ways in which this could be refined. All proceed from the fact that it is the rate of acceleration of the price-inflation at the nose-sector (the apparent point of the cone) that is the determinant of the rate of hyperinflation. The actual hyperinflation is generated in the financial-derivatives sector prior to the oil-price-zoom effect (an area of high turbulence in at the front of the tip of the first commodity-transaction, e.g., petroleum). The characteristic which defines the hyperinflationary rate is the rate of acceleration relative to the normal price-commodity turnover in the economy. Hence the relationship of increase of speed, measured in “Mach-number”-like increments, to the “speed of sound,” the resonant rate of commodity turnover in the base-economy relative to petroleum primary commodities.

A Renaissance in Nuclear Power Is Under Way Around the World

by Marsha Freeman

On virtually every continent of the world, nations are making the determination that “the future is nuclear.” In an article with that title, printed by United Press International on Feb. 13, Russian Academician and renowned physicist Yevgeny Velikhov stated; “Nuclear power engineering is capable of reassuring all those who are not certain about having sufficient energy today and tomorrow. There is no doubt it is the only source of energy that can ensure the world’s steady development in the foreseeable future. Today, this fact is understood not only by physicists, but also by politicians, who have to accept it as an axiom. . . . Thank God, today’s world compels politicians to think about the future.”

The dramatic shift in international energy policy that is under way, is evident in nations that had expansive nuclear power generation programs in the past, but abandoned them, as well as those that had tried, but until now, had not been allowed to succeed, in going nuclear.

Recent issues of *EIR* have documented the changing global political winds. In Europe, France and Finland are building new nuclear plants, and Germany and Sweden are reconsidering their anti-nuclear policies.

On Feb. 12, the junior environment minister of the Netherlands, Pieter van Geel, said that a second nuclear power station in that nation was now a realistic option. Last year the government rescinded an earlier decision to close down its only operating station, and instead, will extend its operation until 2033.

Russian President Vladimir Putin has announced a sweeping revitalization of his nation’s nuclear enterprise, to include reintegration of the former Soviet Union’s multi-nation nuclear industry, and cooperative agreements with Kazakhstan and Ukraine to mine uranium for nuclear fuel, in exchange for nuclear technology development (see *EIR*, Feb. 10, 2006).

In South Africa, that nation has made a commitment not only to “go nuclear,” but to be at the forefront of advanced nuclear technology by developing, for domestic use and export, high-temperature modular pebble bed reactors (see *EIR*, Feb. 6, 2006). This requires a very substantial commitment of resources.

At a conference of the South African Young Nuclear Professionals Society in early February, Department of Minerals and Energy director Tseliso Maqubela reported that there are about 3,500 nuclear professionals in South Africa now, and

that up to 800 new scientists will be needed within ten years. The government has identified a need to focus attention on higher education, including research projects for Masters and Doctoral students, and is considering how to intervene in rural and township schools to improve the level of achievement in mathematics and science.

The destructive anti-nuclear policies in the United States, which led to the cancellation of 100 nuclear power plants between the mid-1970s and mid-1980s, are being reversed. Electric utilities that already operate nuclear plants have organized themselves into consortia, and are submitting applications to the Nuclear Regulatory Commission (NRC) to obtain approval for the construction of new plants. Sections of the country that project electricity shortages in the near future, increasingly recognize that the solution is to “go nuclear.”

The change of course in the United States has encouraged other nations to re-evaluate their own failed anti-nuclear policies, and helped open the door to countries that are embarking on nuclear power development for the first time. The challenge is immense. As *EIR* has documented, to bring the world population up to a decent living standard would require building 6,000 new nuclear plants by 2050.

U.S. Playing Catch Up

In August, the Energy Policy Act of 2005 became law. It was well understood by Congressional supporters that in addition to Federal funds for developing more advanced nuclear technology, the government would also have to take some responsibility for ensuring that utilities ordering nuclear plants would not be sabotaged by malthusian officials, or “intervenor” such as “ecologists,” who had been allowed to wreck the nuclear industry in the 1970s.

The new law provides “risk insurance” to protect against unforeseen Federal, state, and local regulatory delays, for as many as six new reactors (regardless of who builds them), that are built under the Nuclear Regulatory Commission’s new combined construction and operating licenses. The NRC has streamlined its licensing procedures, to avoid the previous quagmire, where even after a plant was completed, objections could again be raised, and the owner’s operating license delayed, sometimes for a decade. Although this new procedure will eliminate many intervenor opportunities, the law is there to protect the public interest. Delays costing up to \$500 mil-

lion each, for first two new reactors, caused by the regulatory process or litigation, and 50% of the delay costs for each of the next four plants, up to \$2 billion in total, will be covered.

In recognition of the fact that nuclear power is the most capital-intensive energy technology, the law provides for a production tax credit of 1.8 cents per kilowatt-hour, for the first 6,000 megawatts of new nuclear capacity, for the first 8 years of each plant's operation. Loan guarantees are available for up to 80% of the project cost, to be repaid within 30 years.

A phrase that became popular in the counter-culture "me first" ideology of the past 30 years, in response to the announcement that a project was to be built was: "Not in my back yard." However, communities that are home to an operating nuclear plant know that the taxes the utility pays on the high-value plant pay for their schools and other services, and provide highly skilled, well-paying jobs that create additional indirect employment.

Finally, two decades after the accident at the Three Mile Island nuclear plant, where no one was even injured, more and more Americans have begun to realize they had been

taken for a ride. Nuclear is, in fact, the safest way to generate electricity, and even prominent members of the "environmental" movement, such as Greenpeace's Patrick Moore, have tossed aside silly visions of windmills defacing the landscape, and are backing the nuclear renaissance.

Now, *per contra*, there is a competition between towns and states to try to entice utilities to build new nuclear plants in their "back yards." The Louisiana Public Service Commission passed a resolution last July, to support the addition of a new reactor at River Bend in St. Francisville, as did the local Chamber of Commerce. The Calvert County Board of County Commissioners, in Maryland, passed a resolution last summer supporting the selection of Calvert Cliffs for a new reactor. Similar resolutions have been passed by the city of Oswego, New York, in Fort Gibson, Mississippi, and in Claiborne County, Mississippi.

On Feb. 4, two state legislators from Wisconsin announced that they will introduce a bill to make it easier to build new nuclear plants in their state. The state Department of Administration reports that Wisconsin could face an elec-

Mexican LYM: Use 'Nuclear Option' To Stop Fascism

The policy statement excerpted here was released by the LaRouche Youth Movement (LYM) of Mexico on Feb. 7:

No, not a nuclear *bomb*. Nuclear *energy*.

In late January, Mexico's Energy Minister announced that the Fox government would promote the building of a single, new nuclear energy plant in the country, in a location to be decided before Fox leaves office in December 2006.

The LaRouche Youth Movement of Mexico does not think that we should be building *one* nuclear plant: We need 20! We have to return to the nation-building policies of ex-President José López Portillo, including building 20 nuclear energy plants, dozens of new industrial cities especially near the coastline, and in general exchanging our oil for advanced technology. We have to rapidly industrialize, achieve food self-sufficiency, and—most important of all—create millions of new productive jobs, and educate and train the new generations of young Mexicans for them, so that our nation's most valuable resource, its people, stay at home to contribute to national development.

Ya basta with the brain-drain, where our population is being dumped into slave labor conditions in the United States!

Such a nuclear-centered development program is the

key to Mexico's 2006 Presidential elections. This is the opportunity for Mexico to end the nightmare of the last two decades of neo-liberal economic policies; to drive all vestiges of synarchism from national politics and return to its republican roots; and to resume its rightful, historical role as a leader in Ibero-America. This is the opportunity to put an end to the fascist economic policies of the synarchist international bankers globally. . . .

Why Nuclear?

Natural gas is fine. Hydroelectric plants are okay. But the only path to true energy independence and technological advance is *nuclear energy*. . . .

But there is a deeper reason for going nuclear. When we choose an energy source, the critical consideration is what the physical economist Lyndon LaRouche has called "energy flux density." This means that the way the source of energy is *organized*—its density of economic application—is as important as the absolute amount. For example, it is not the same thing to have 60 kilowatts of energy in the form of a thousand 60-watt light bulbs, as it is to organize those same 60 kilowatts in the form of a *laser beam*. The laser can do *work* that a thousand light bulbs cannot. (It's sort of like the difference between having a real President, versus a dim bulb, in the Presidential palace.). . .

Lyndon LaRouche and José López Portillo were right—and Mexicans should have the courage to admit it. We have been on the wrong path for the last 25 years, and 2006 is the year to change that. Stop acting like Sancho Panza: Only a burro refuses to budge, when his actions for the last 25 years have proven to be a mistake.

tricity capacity shortage as early as next year, and must get 6,300 megawatts of new capacity online by 2016.

U.S. Neighbors

In Canada, the Ontario Power Authority is circulating a plan recommending up to \$40 billion of nuclear power plant investments, which would include building 12 new nuclear plants. By 2025, nuclear power would provide half of the province's electricity. The Authority warns of a looming electricity crisis, where in two years, Toronto risks rolling electricity blackouts.

In addition to the recent expression of interest in expanding nuclear energy in Mexico (see box), Ibero-America, taken as a whole, has among its nations the infrastructure and manpower needed for advanced nuclear research and development, and a full-scale nuclear industry.

On Nov. 30, the Presidents of Argentina and Brazil signed a "Joint Statement on Nuclear Policy," to increase cooperation and the integration of both of their nuclear power and research plants, nuclear medicine programs, and industrial applications. Both nations have operating nuclear plants, and Argentina designs, builds, and exports indigenous small research reactors. Last year, Brazil won the political battle with the international non-proliferation mafia to complete development of its uranium enrichment facility. It will produce fuel for nuclear power plants domestically, and eventually, enough for export.

Recently, both Venezuela and Chile indicated their interest in civilian nuclear power. The resources of Argentina and Brazil in particular, can lead the long-overdue nuclear renaissance in Ibero-America.

A Second Tier in Asia

Throughout the 1970s and 1980s, a first tier of Asian countries went nuclear, buying, and then in some cases licensing for local production, reactors and technology from the United States, Canada, and Europe. By 2005, Japan had 56 operating plants, South Korea had 20, India had 15, China had 9, and Taiwan had 6. Japan, India, South Korea, and China have also developed domestic nuclear plant manufacturing, and research and development programs, and in some cases are ahead of the United States in next-generation technology.

The two nations with the world's largest populations must go nuclear for their very survival. India has eight plants under construction, a fast-breeder reactor, and plans for a total of 24 new power plants during the next two decades. In China, two plants are nearing completion, a half dozen more are nearing the start of construction, with a total of 30 or so plants planned over the next two decades (see *EIR*, April 29, 2005 and Nov. 18, 2005). More recently, nations in Asia that have not yet built nuclear power plants are doing studies, contacting vendors, and making plans.

Anatolia news agency reported on Feb. 8, that after a tour of the Lake Anna nuclear plant in Virginia, and a meeting

with Energy Secretary Samuel Bodman, Turkish Minister of Energy and Natural Resources, Hilmi Guler, told reporters in Washington that Turkey needs an additional 54,000 megawatts of electricity by 2020. It projects that nuclear energy will provide 5,000 megawatts of that. Currently, Turkey has no nuclear plants. Asked by a skeptical reporter if Turkey had a solid plan to meet its requirements, Guler replied that Turkey does, and that it must invest \$128 billion in energy supply over the next 15 years. He described nuclear power as an "utmost priority," due to the increase in oil and gas prices and need for multiple sources of energy.

One year ago, Minister Guler announced that Turkey was spending \$5 million to re-establish its office of nuclear energy. Turkey had been in discussions with Canada and the United States in the mid-1990s, regarding purchase of nuclear reactors, but this initiative was abandoned in the year 2000, thanks to the International Monetary Fund, which said it would not approve the plants, even if Canada financed their purchase.

In mid-December, Indonesia's state-owned electricity company, PLN, announced that it had signed a memorandum of understanding with South Korea's Electric Power Corp., and the Korea Hydro & Nuclear Power Company, to carry out a one-year feasibility study on building the country's first nuclear power plant. The study will evaluate the purchase by Indonesia of Korea's POR-1000 technology.

Feasibility studies for such a plant had already been carried out by Indonesia's National Atomic Power Authority (Batan) in the past, which considered a site at the foot of Mount Muria in Central Java. There is no nuclear plant included in PLN's development program until 2015, but were investors to show interest, PLN would be eager for discussions, generation director Ali Herman Ibrahim told *Asia Times* on Dec. 16, 2005.

Vietnam has also expressed interest in building its first nuclear power plant. It has discussed the possibility of buying a small, floating nuclear power plant with Russia, which design is based on Russia's nuclear-powered ship reactors. These 50-MW modules do not require the on-land infrastructure of conventional plants, and are versatile and can be deployed quickly. Russia has been in discussions with China to gain financing to build the manufacturing infrastructure needed to build the small reactors.

Even the island nation, and financial haven of Singapore may go nuclear. Since 1974, Singapore, which has been a member of the International Atomic Energy Agency since the mid-1960s, has been involved in 25 projects relating to nuclear physics and medical applications. A recent article proposes that even for a small country, which is devoid of any natural resources, "nuclear is an option that merits serious consideration."

The ongoing renaissance in nuclear power will accelerate the development of the next generation of fission power technologies, and then, as Academician Velikhov has been fighting for, more advanced nuclear fusion.

European Labor Erupts Against Dereg Policy

by Rainer Apel

The European Parliament began a three-day debate on Feb. 14, on the European Commission's Services Directive—called the “Bolkestein Directive” after its initiator, former European Union Commissioner Frits Bolkestein. The directive plans, by 2010, the full deregulation of all services in the EU—at present, 70% of all economic activities in Europe.

A Sledgehammer Against Labor

The core of the Bolkestein Directive is the “country of origin” principle, which says that services can be offered in any EU country, under the wage, social, and regulatory conditions existing in the “country of origin,” rather than those of the country where the services actually are performed.

Labor unions in both eastern and western Europe have launched a mobilization against the policy, which would drive down wages and erode social and health standards in western Europe, while cementing the low-wage, low-standard status of eastern Europe. This in the interests of neither and unions from both parts of Europe are furious. The eastern unions are also concerned with stemming the migration of workers to the better-paying west: In Poland, for example, there is an acute shortage of 20,000 nurses, many of whom are working in the west, because they cannot make a living with the scandalously low pay they receive at Polish hospitals.

Labor protests culminated with a rally of 40,000 German trade unionists in Berlin, on Feb. 11, and in European-wide rallies in Strasbourg, France that same day and again on Feb. 14, of another 15,000 and 40,000 respectively. Strikes have been ongoing in the public sector (transport, medical sector, municipal services) since the beginning of February.

In France, the unions staged protests in about 100 cities on Feb. 7, against a government plan to give firms “greater flexibility” in hiring and firing. The government's policy originates with the EU Commission's pressure for deregulation, as the unionists are well aware.

In Germany, the public services union initiated open-ended strikes against plans to increase the weekly working hours of employees on Feb. 13—strikes that a week later had hit 10 out of Germany's 16 states. Labor rightly perceives the

planned changes in the public sector as originating with renewed pressure from the European Commission on EU member countries to “consolidate public sector budgets.”

The European Commission wants to avoid another defeat like the one it suffered on Jan. 18, when the European Parliament voted down, with a 75% majority, the deregulation/liberalization “Port Package II Directive” and the Draft EU Commission Budget 2007-2012. The Commission has offered “compromises” on the “country of origin” matter, but these are so far mostly semantic: just eliminating the phrase “country of origin” from the text, while trying to preserve most of the substance of its deregulation drive.

Prominent Euro-Parliament members of the Socialist and Conservative parties have endorsed the “compromise” formula, but the labor unions are calling it a “foul compromise,” and are urging the Euro-Parliament not to walk into this trap. Irrespective of how the Parliament votes on Feb. 16 in its first session on the issue, labor unions are committed to keep fighting against the Commission's policies, at least until the second session in April.

Broaden the Fight!

The LaRouche movement is intervening into this ferment with a leaflet calling on labor to transform the protest wave against the Bolkestein Directive into one for the abolition of the main evil behind the Commission's policies—the Maastricht Treaty system. The leaflet, which was distributed at the Berlin and Strasbourg labor rallies, calls on union members to make the decisive step from protests on a single issue, toward a broad mobilization for a profound change of economic and financial policies. The public sector, whose workers are directly threatened by the ongoing, downward spiral of public sector investments and employment, of outsourcing and privatization, has a special role to play, in this mobilization, the leaflet says.

From a somewhat different angle, this point was also made by Alfred Wohlfahrt, chairman of the Baden-Wuerttemberg state section of the German public services union, who on Feb. 7, and in radio and newspaper interviews during the days following, said that the conflict is over a “fundamental issue”: Will the public sector, at a time when private industry is continuing to lay off workers at an alarming pace, intervene against this destructive process, or will it play along, with ever-more cuts of its own in employment and investment? Will the public sector work out ways of securing the common good, rather than allow budgets to be slashed again and again? Wohlfahrt asked.

The German public services strike actions are supported by the civil servants association (DBB), which has placed full-page ads in leading news dailies, attacking the ideology of budget-cutting that has eliminated 1.2 million jobs in the German public sector, since 1992—a policy that puts into question the very ability of the state to function.

Business Briefs

Monetary System

Hamiltonian Ideas Called For at Davos Forum

Italian Finance Minister Giulio Tremonti, the main speaker in a discussion of the European Monetary System at the Davos Economic Forum in Switzerland on Jan. 24, started a brawl, by beginning his speech saying that he had just proposed, in a closed-door meeting with EU Commissioner Joaquín Almunia, and European Central Bank chairman Jean-Claude Trichet, the issue of "Eurobonds" to finance investment projects in defense, space, and the "Lisbon Agenda" approach to infrastructure, according to *Il Sole-24 Ore*, on Jan. 28.

Tremonti stated that "The United States of America started from a revolution that allowed the creation of a public debt. Just read again the writings of an American founding father, such as Alexander Hamilton, to understand the connection between public debt and politics." This was his first public mention of Hamilton outside of Italy. Tremonti proposed also that a portion of the tax revenues of EU member countries should be invested in the development budget.

Although Tremonti's proposal straddles the line between national sovereignty and supranational power, the idea of creating debt for investments was enough to make Eurocrats go berserk. EU Finance Commissioner Almunia said, "The sore point is to find new resources, not new debt." Trichet said that creation of debt would provoke a "loss of confidence."

Banking

Wal-Mart Wants To Be Your Bank

Wal-Mart, the leviathan that both dominates and devastates retail, has applied to the State of Utah for a charter to operate an ILC (industrial loan company) bank, and has applied to the FDIC for deposit insurance for that ILC. Wal-Mart tried to buy an Okla-

homa bank several years ago, and then tried to buy an existing ILC in California, but both attempts failed. ILC banks, which can take deposits and make loans but can not offer checking accounts, are not regulated by the Fed, and as such are niche players. Were Wal-Mart to gain a full-fledged banking charter and put branches of its bank in its stores, it would destroy local banking, that layer of banking most closely tied to the real, or productive, economy.

Agribusiness

Argentina Joins Legal Suit Against Monsanto

The government of President Néstor Kirchner has joined with Dutch and Danish importers of Argentine soy flour in a legal suit against the Monsanto Corporation. In an attempt to force Argentina to pay royalties on the use of Roundup Ready soybean seed, which is *not* patented in the country, Monsanto sued Dutch and Danish importers of Argentine soy flour last June, charging them with patent infringement and violation of its intellectual property rights. Recently, Monsanto stopped a shipment of 5,900 tons of Argentine soy flour in the port of Liverpool using the legal proceedings as a pretext, and has stopped two other Argentine shipments to Spain, according to Argentine press accounts. The government has charged Monsanto with extortion. Monsanto is demanding a royalty payment of 15% of the total value of any soy shipment.

In a Feb. 7 press release, Argentina's Agriculture Secretary Miguel Campos charged that with this action, Monsanto is seriously damaging Argentina's exports, and Eduardo Buzzi, head of the Argentine Agrarian Federation (FAA) accused Monsanto of violating international treaties, adding that its illegal action reflects "one more chapter in Monsanto's coemmercial voraciousness." Carpab, another agricultural organization, pointed out that Monsanto's legal suit in Europe was filed while negotiations with the Argentine government were

taking place in Buenos Aires. Carpab called on the state to immediately seize all of Monsanto's assets inside Argentina, and urged producers not to purchase any of the company's products.

In the United States, Monsanto has filed 199 lawsuits against farmers, since 1997, for infringing on patent rights, with a significant increase in 2004.

Transportation

British Rail a Mess Thanks Largely to Blair

Ten years after the beginning of rail privatization in Britain, the National Union of Rail, Maritime, and Transport Workers workers (RMT) issued a statement which calls for "an end to a ten-year experiment that has failed by any and every measure."

"The Tories promised us cheaper and more efficient railways, but they shattered our network into pieces, and gave us the opposite," RMT general-secretary Bob Crow said in London, Feb. 8.

"The private sector gets more than three times the subsidy that [then-state-run] British Rail (BR) got, yet punctuality is still below even the levels set by BR a decade ago. Commuters were promised they would win from competition, yet fares have risen by 24% since privatization, and Britain's fares are just about the biggest rip-off in Europe.

"Taxpayers, passengers, and railway workers are being mugged daily, by privateers who have siphoned cash out of the railways, at the rate of at least 800 million pounds sterling a year.

"Worst of all, the railway's safety culture has been relegated to second place behind the interests of shareholders," the statement said. In prior discussions with this news service, RMT representatives have repeatedly pointed out that in part, the ruin of the rail system has progressed even more under Blair's New Labour government, than under Tory Prime Minister John Major, during whose term the privatization of British Rail began in 1996.

Netanyahu's Fascist Record: All Roads Lead to Shultz

by Steven Meyer

If supporting the fascist Pinochet coup in Chile with its death squads, and creating the Cheney/Bush regime which now threatens to blow up Southwest Asia were not enough, former U.S. Secretary of State George P. Shultz can add another notch to his belt as the man who created and directed Israel's Benjamin "Bibi" Netanyahu.

Dick Cheney, Shultz's thug-in-residence in the Bush Administration, is pushing for Bibi to again become Prime Minister of Israel, so that he can start a war against Syria, in case resistance to a planned war against Iran succeeds.

Netanyahu's net worth to Shultz has been several-fold. As the leading voice of the Likud, he fingered Prime Minister Yitzhak Rabin for assassination to stop the peace process. As Prime Minister, he used the 1996 "Clean Break" dossier to bury the Oslo Accords and spark the Intifada, lighting the fire that would start the "Clash of Civilizations." As Israel's Finance Minister, Netanyahu implemented a brutal fascist austerity program which put the final nail in the coffin, burying Israel's once thriving scientific and industrial economy. One of every four Israelis now lives in poverty.

Netanyahu's political career was meteoric, thanks to Shultz and Israel's Ambassador to the United States Moshe Ahrens, who in April 1982 plucked the young travelling salesman for Israel's Rim Furniture company, and placed him in Washington as the Deputy Chief of Mission in the Israeli Embassy. With no diplomatic or political experience whatsoever, Netanyahu's job was to sell a different commodity to the U.S. population and Congress: Israel's invasion of Lebanon, and the subsequent Sabra and Shatila massacres.

Bibi did such a good job, that in February 1983, when Ambassador Ahrens was called back to Israel to become the new Defense Minister after Ariel Sharon was sacked for his role in the Lebanon massacres, Shultz pressured Prime Minis-

ter Yitzhak Shamir to appoint Netanyahu to Ahrens's vacant post as Ambassador!

Shamir refused, but in the interim six months before there was a new appointment, Netanyahu took charge of the embassy. From there Shultz called young Bibi into his State Department Office for a chat.

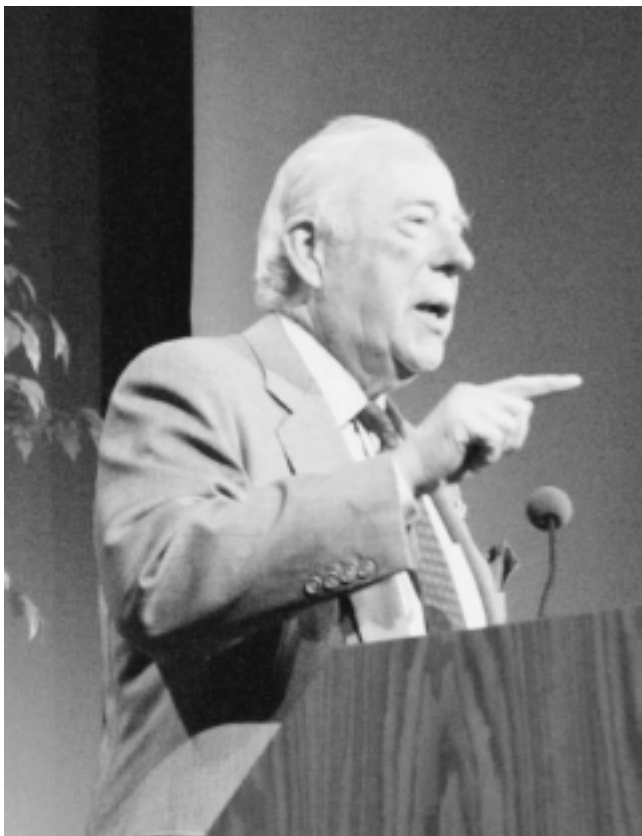
Shultz shared classified information from the CIA on terrorism in Libya, Syria, Iraq, and Iran with Netanyahu, and as described by authors Ben Caspit and Ilan Kfir in their 1998 book *Netanyahu, The Road to Power*, Shultz said: "Those terrorists are wild animals and not human beings. I have decided to change American policy towards terrorism.

"Shultz told Netanyahu about the sharp debate between himself and Caspar Weinberger, who opposed the use of American and international force against terrorism. . . ."

Shultz and Pre-emptive Use of Force

Netanyahu and Shultz decided to hold an international conference on terrorism in Washington, D.C., at which Shultz would give the keynote and announce his new policy of pre-emptive use of force. The conference would be hosted by the Jonathan Institute for the International Study of Terrorism, named after Bibi's brother Yoni, who was killed in the Israeli anti-terrorist raid in Entebbe, Uganda. The chairman of the Institute was Benzion Netanyahu, Bibi's father. Ahrens served as Benzion's personal secretary, when the latter chaired the international Revisionist Movement after the death of Vladimir Jabotinsky.

As the story goes, Netanyahu left Shultz's office and set up a meeting with his friend Doug Feith to discuss how to organize the conference. (Feith would be one of the authors of the "Clean Break" document that was written for Netanyahu more than a decade later, when he would become Prime Min-



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George Shultz: the man who handpicked and groomed George W. Bush and Israeli fascist Benjamin Netanyahu, and helped put Gen. Augusto Pinochet into power in Chile.



EIRNS/Stuart Lewis

“Bibi” Netanyahu, the former furniture salesman who owes his ugly political career to Shultz, could get another chance as Prime Minister to serve his master by detonating a wider Mideast war.

ister of Israel.)

The Washington conference, held on June 24-27, 1984, was a mega-event. Some 36 experts on terrorism spoke during the four-day conference, including the self-described universal fascist Michael Ledeen, and many others from the U.S. neo-con stable who would later play an essential role in spreading the intelligence lies that were used for the invasion of Iraq.

Shultz’s keynote was broadcast live internationally, and it was a foretaste of what he would launch with the Cheney/Bush Administration. “. . . Can we as a country, can the community of free nations, stand in a purely defensive posture and absorb the blows dealt by terrorists?”

“I think not. From a practical standpoint, a purely passive defense does not provide enough of a deterrent to terrorism and the states that sponsor it. It is time to think long, hard, and seriously about more active means of defense—defense through appropriate preventive or pre-emptive actions against terrorist groups *before* they strike.”

Ironically, Shultz continued: “We will need to strengthen our capabilities in the area of intelligence and quick reaction. Intelligence will be particularly important, since our societies

demand that we know with reasonable clarity just what we are doing and against whom we are acting. . . .

“We must face that challenge with realism, determination, and strength of will. I have great faith that we do have such will, and the capability to act decisively against this threat.”

At the same conference, Walter Berns, an American Enterprise Institute Scholar and one of Leo Strauss’s foremost protégés, who is an expert on Constitutional Law for the Federalist Society, gave a presentation on the “unitary executive” theory of powers in the fight against terrorism.

Netanyahu served as chairman of the conference and gave the opening and closing address. With Shultz’s backing and the appropriate media hype, he was made into an instant political star and an overnight expert on terrorism.

Less than three months later, Netanyahu was promoted as Israel’s Ambassador to the United Nations. Two rather well kept secrets accompanied him. The first was that Bibi’s posting included Bernard Lewis, the British Intelligence Arab hand who is the father of the “Clash of Civilizations” policy. Lewis, who had spoken at the terrorism conference, joined Netanyahu’s UN staff. Second, David Bar-Ilan, who had organized the entire Jonathan Institute conference, and who

was a regular contributor to Norman Podhoretz's neo-con *Commentary* Magazine, became a full-time paid advisor.

Bar-Ilan was critical for Bibi. Netanyahu's major speeches were ghost-written by him, and he served as a go-between for Netanyahu and the powerful conservative Jewish Republicans who would finance Bibi's endeavors. Podhoretz and his wife, Midge Decter, both of whom spoke at the terrorism conference, personally took Bibi under their wing, introducing him to all the leading conservatives, neo-cons, and free-market economic gurus in Shultz's stable.

Shultz continued to promote Netanyahu as an up-and-coming political figure. The two appeared together as main speakers at a Jewish fund-raising dinner at the Waldorf Astoria in New York months later, where Shultz sang the praises of Netanyahu for changing international policy in dealing with terrorism.

Shultz's Netanyahu project went hand-in-hand with his take-down of the Israeli economy. In 1983, Shultz sent Stanley Fisher, the current chairman of the Bank of Israel, and American Enterprise Institute economist Herb Stein, to Israel as his personal emissaries to launch the "Chicago School" restructuring, which has brought Israel to its knees. As Prime Minister and Finance Minister, Netanyahu would put Israel through the final phases of Shultz's economic recipe of destruction.

Before he left New York and the UN, in 1988, Netanyahu had crafted a plan to return to Israel to take over the leadership of the Likud and become Israel's Prime Minister. By 1996, he had done both.

Shultz and 'Clean Break'

When Netanyahu took office as Prime Minister in 1996, he was handed the infamous "Clean Break" document which was issued by the Jerusalem-based Institute for Advanced Strategic and Political Studies (IASPS). "Clean Break" called for the destruction of the Oslo Accords and regime change in Iraq, Iran, and Syria. Internal Revenue Service documents reveal that IASPS is financed by the San Francisco-based Koret Foundation. George Shultz is a key advisor to Koret, which is a mega-funder of the Hoover Institution and many of Shultz's projects.

The same week that IASPS handed Netanyahu the "Clean Break" document, it also provided him with an economic program, "A Jubilee Plan," to further privatize and loot what was left of Israel's economy. The report was authored by former Congressman Jack Kemp, an IASPS trustee, and Alvin Rabushka, a Hoover Institution economic specialist who originated the Flat Tax. These two, along with IASPS director Robert J. Loewenberg, met with Netanyahu to advise him of their plan.

Kemp was a speaker at the Jonathan Institute conference on terrorism, and had befriended Netanyahu while he was UN ambassador, recruiting him to the "Chicago School" of economics.

Koret is also a regular funder of the Israel Center for Social and Economic Progress (ICSEP), a joint Anglo-American economics think-tank, whose director, Daniel Doron, is a member of the Mont Pelerin Society. Doron has served as a financial advisor to Netanyahu.

The think-tank has both a British and an American board of advisors. Leading economists on the British side devised Margaret Thatcher's privatizing and austerity economic policy. Neo-con Irving Kristol serves as chairman emeritus of the U.S. Board of Advisors. Other board members include Midge Decter and Judge Abraham Sofaer, a Koret board member who is the George P. Shultz Scholar at the Hoover Institution.

Armed with the double-barrelled input from both think-tanks, Netanyahu gave an interview which was featured on the cover of the January 1997 international edition of *Business Week*, where he boasted that he was the first Israeli Prime Minister who has the will and determination to enforce the necessary economic reforms and privatizations to transform Israel into a "post-industrial economy."

In 1996, Shultz received the first "Koret Prize" for his role of Gauleiter over the Israeli economy, and he continued to advise Netanyahu on economic and strategic policy throughout Bibi's years as Prime Minister.

Shultz's Koret also funds *Commentary* Magazine, the American Enterprise Institute, Daniel Pipes's Middle East Forum, and the war-mongering Middle East Media and Research Institute (MEMRI). Koret provided the funds for Condoleezza Rice to become a Hoover Fellow, in 1999, before Shultz placed her as President Bush's National Security Advisor.

Did Shultz Choose Bibi for His Nazi Pedigree?

Why would George Shultz invest his time in promoting the career of a 33-year-old furniture salesman with no political or academic experience? Could it have been Netanyahu's pedigree?

Netanyahu's father Benzion (now deceased), who has been described as Bibi's personal mentor as well as his political advisor, was a supporter of fascism as a young man in Palestine in the 1920s. This was not a passing fad for the elder Netanyahu, for of all the ways to celebrate the 50th anniversary of the founding of Israel, in 1998, Benzion chose to commemorate the life of his mentor, self-proclaimed fascist Abba Achimeir, with a special public lecture. At the time, Benzion was an advisor to his son, the Prime Minister.

According to Revisionist archivist Laurence Cramer, Achimeir recruited Benzion Netanyahu to the Brit Habiryonim (the Brotherhood of Hoodlums or Band of Zealots) which was modelled on the Hitler youth and Mussolini's brown shirts. The Brit Habiryonim frequently busted up meetings of their political opponents. For example, Cramer documents that Netanyahu and Achimier led the disruption of historian

Dr. Norman Bentwich, who was giving a lecture at Hebrew University.

Achimier was a political and intellectual leader in Jabotinsky's revisionist Zionist movement, and he authored a column in the Palestine Revisionist newspaper *Doar Hayom* entitled "From the Desk of a Fascist," in which he sang the praises of Mussolini and Hitler. At that time, the Revisionist press published Mussolini's speeches and ran articles on his corporatist economic policies. Achimeir was committed to the principle of the dictator and wanted Jabotinsky to refer to himself as "Il Duce."

Achimeir was a hard-core fascist. According to archival material in the Jabotinsky Institute in Israel, Achimeir lamented in 1952, that one of the failings of Revisionists was that they did not succeed in the early 1930s in preventing the association of fascism with anti-Semitism, and this had been one of their main objectives.

Netanyahu's mentor recruited young Zionists to the inner core of the Brit Habiryonim with a tract entitled "The Scroll of the Sicarri." The Sicarri were the Jewish fundamentalists who flourished at the time of the destruction of the Second Temple in Jerusalem, who armed themselves with daggers (*Sica*) under their cloaks to assassinate their opponents, both Roman and Jewish.

In early 1934, Achimeir openly called for the assassination of Jewish opponents of Revisionism in a speech in Haifa. Then, in 1935, his paper began a character assassination of Chaim Arlosoroff, David Ben Gurion's "Foreign Minister," who was secretly negotiating with leading Arabs and the Emir of Jordan to form a bi-national state, which the Jabotinskyites opposed. After months of targetting, Arlosoroff was gunned down and killed as he walked with his wife on the beach at night.

Netanyahu's mentor Achimeir was arrested as the author of the assassination, along with two of his Brit Habiryonim followers whom Mrs. Arlosoroff identified as the killers. Controversy and judicial technicalities resulted in all three being released. They denied any involvement, claiming that "young Arabs" had killed Arlosoroff during an attempted robbery. Subsequent ballistics tests done years later on the gun that killed British High Commissioner Lord Moyne in Egypt in 1944 (an act carried out by two young members of the Canaanites, an Achimeir-derived group), proved it to be the same gun that killed Arlosoroff. The nascent peace process was now dead.

Netanyahu Condoned the Rabin Assassination

Leah Rabin, widow of the assassinated Prime Minister, recalled the Arlosoroff assassination when her husband was felled by the extremist Israeli Yigal Amir. She never accepted the condolences of Bibi Netanyahu, who had set the stage for her husband's assassin, much as Achimeir had done for the Arlosoroff murder.

As the chairman of the Likud and political opposition leader to Rabin, Netanyahu knew of the plot to assassinate Rabin and did nothing to stop it. Moreover, he had taken part in demonstrations calling for the death of her husband. The slain Prime Minister's wife said of Bibi: "Netanyahu was the one who supplied the inspiration to the group of subversives planning the execution, and to the assassin himself." As Caspit and Kfir report, at the beginning of July 1995, Bibi headed a "funeral procession" in which Rabin's coffin and a hangman's noose were borne on high, and shouts of "Death to Rabin" could be heard. For the first time, the slogan was heard "Through blood and fire [a slogan used by Brit Habiryonim] Rabin shall expire."

After the rally, Carmi Gilon, the head of the Israeli internal security police, Shin Bet, briefed Netanyahu on newly gathered intelligence that there was a plot to assassinate Rabin, and he asked him to tone down his public remarks. Netanyahu refused.

As the campaign against Rabin reached its peak in October 1995, Netanyahu went to a mass rally in Ra'anana, and publicly shook hands with the protesters, who were carrying a coffin draped with a black cloth and yelling, "We are burying Prime Minister Rabin." As Caspit and Kfir report, Netanyahu "gave carte blanche—a stamp of kashruth [kosher]—for a future attack on Rabin's life."

When Oslo II was voted up by the Knesset later that month, a mass rally of all Israel's right wing joined forces in Jerusalem's Zion Square. More than 100,000 hysterical fanatics rallied against Rabin, some burning him in effigy. Netanyahu addressed the crowd from the front of the speaker's stage, his hands stroking the huge red letters on the poster which called for "Death to Rabin." As Caspit and Kfir relate, "... [F]or older members of Israeli society, survivors of the Holocaust, this sight brought back memories of Kristallnacht in Nazi Germany."

The Imminent Danger

After the March 28 elections in Israel, Bibi could again become Prime Minister, thereby turning Israel into a potential hand grenade for starting a new Mideast war under Shultz's orders. The election polls now show the Likud Party trailing both the Ariel Sharon founded Kadima party and the Labor Party, but these polls mean very little, because most Israeli elections are determined in the last three days before the vote. Moreover, even if the Labor Party were to win, it would still have to form a coalition with another party. If that fails, the initiative to form a government could go either to Ehud Olmert of Kadima, or Netanyahu.

Either way, in a Kadima-Likud coalition, which despite media commentaries is more likely than a Kadima-Labor coalition, Netanyahu could very well end up in the Prime Minister's seat or as number two in the government. If Shultz's other puppet, Dick Cheney, is not out of the White House, this danger become more likely indeed.

Dow Jones Stokes Riots Against Thai Premier

by Mike Billington

Dow Jones & Company, the publisher of the *Wall Street Journal*, keeps a high profile in Asia. Besides its own publications, including the *Asian Wall Street Journal* and the *Far Eastern Economic Review* (FEER), it holds part ownership in *The Nation*, a leading English-language newspaper in Bangkok, Thailand. It has used this media presence to attack Thai Prime Minister Thaksin Shinawatra consistently, since his overwhelming election victory in 2001, and re-election in 2005. This past month, however, *The Nation* has gone over the edge, openly promoting violence and bloodshed in the streets as the only means to achieve its desired “regime change” against Thaksin, and turning its website into a virtual command center for mass actions in the streets, providing minute-to-minute reporting and directions for the very demonstrators it suggests must turn violent in order to be “successful.” There are concerns within Thailand that some military factions may be planning to intervene if such a bloody scenario is played out.

The recent spate of unrest and demonstrations against Thaksin, who became rich and famous as a telecommunications mogul during the hot-money days of the 1990s, was organized by another business tycoon from the same era, Sondhi Limthongkul, a publisher best known in the West for his launching of the *Asia Times*. Sondhi turned against his former ally, Thaksin, in 2005, and began organizing weekly demonstrations in December, demanding Thaksin’s resignation. The theme of Sondhi’s attacks on Thaksin, in addition to charges of corruption, was that Thaksin had insulted King Bhumipol Adulyadet—an extremely volatile accusation in Thailand, where matters regarding the King can stir the passions. Sondhi even suggested that the nation should revert to direct monarchical rule, as opposed to the present Constitutional Monarchy, with a Prime Minister.

On Jan. 13, Sondhi led his coterie of weekly demonstrators in a march on Government House, the Prime Minister’s residence. A number of demonstrators broke into the grounds, provoking a skirmish with police, while the rioters placed a banner on the grounds which read: “Return Power to the King.” Plans for a mass rally were then announced for Feb. 4, with wide speculation that it might turn violent.

Some Close Calls

Although Sondhi has only a small base of popular support himself, his well-funded campaign intersects real grievances

within the population, which he hopes to draw into his questionable movement. Prime Minister Thaksin, on the other hand, has a broad base of support, built through economic policies which emphasize huge infrastructure development projects, together with extensive health and education programs for the poor.

On the other hand, Thaksin has adopted some aspects of the Washington consensus, including a push to privatize the state Electricity Generating Corporation of Thailand (EGAT) and other state enterprises, and launching negotiations with the United States for a U.S./Thailand Free Trade Agreement (FTA). This has met widespread opposition, including labor-led demonstrations which have severely limited the original plans for privatizing EGAT, and large demonstrations by farmers, labor, health workers, and others, against the FTA.

But these demonstrators are generally not interested in becoming cannon fodder for Wall Street political manipulations. Efforts by Sondhi, with help from *The Nation* and other opposition press, to rally these elements to Sondhi’s cause have been unsuccessful, thus far. Similar efforts to bring in opposition forces from the South, where the government has been unable to pacify the bloody separatist violence in the Islamic regions, have not succeeded either.

In this environment, on the day of the planned Feb. 4 demonstration, *The Nation* published the following call for violence, by one Supalak Ganjanakhundee: “All of Thaksin’s desperate attempts [to stay in power—ed.] could be rendered meaningless if the rally ends with an eruption of violence. Thailand’s political history shows that mass rallies that leave people dead and wounded, eventually involve a government leader being forced to step down. Field Marshal Thanom Kitikachorn, Field Marshal Prapas Jarusathien, and General Suchinda Kraprayoon are good examples of leaders who were disgraced after uprisings against their administrations ended in fatalities. Thaksin could face the same destiny as these three, should today’s rally overflow the streets and tempers flare.”

The security forces succeeded in maintaining peace at the rally. They did not allow themselves to be provoked, even when Sondhi left the rally site with some of the demonstrators to present a petition to the King, through the Privy Council, which called on Thaksin to be removed from power.

The Nation escalated its provocation on Feb. 11, the day of the next scheduled demonstration. This time, it placed itself at the center of the action, by turning its website into a real-time center for the activists, and the potential violence. Logging in to *The Nation* website on the morning of the demonstration, a colorful banner appeared, reading: “The torch has been passed by Sondhi Limthongkul to a major coalition of civil groups.” This page morphed into a picture of the demonstrators at the Royal Plaza in Bangkok, and then into a minute-to-minute account in real time of the events unfolding around the city.

Again the security forces maintained the peace. The most truthful statement at the rally came from a lecturer from Rajabhat Institute, who compared their movement to “rallies in the Philippines which toppled President Estrada.” This infamous process, in January 2001, was a classic case of a Washington-orchestrated military coup, run under the cover of middle-class and student demonstrations in the capital city, leaving the country in the hands of the IMF and its assets.

Why Thaksin?

Thaksin enjoyed support from the U.S. establishment during the run up to his election in 2001. As a prominent and wealthy businessman in the 1990s Information Technology bubble, he had good relations both on Wall Street and in Washington. He soon proved to have different ideas about governing, however. When he used government credit to back major infrastructure programs, to assure access to hospital care for every citizen at extremely low cost, and similar policies for the general welfare, Wall Street yelled foul. By late 2001, the Dow Jones publication, *FEER*, ran an article titled “The Risk of Directed Credit,” denouncing Thaksin’s use of “policy-directed lending” and a “state-led economic development model,” while demanding that Thaksin drop any protection of national industries, and return to IMF orthodoxy. The *FEER* was particularly worried that Thaksin was working closely with Malaysia’s Prime Minister Dr. Mahathir bin Mohamad, who had demonstrated that independence from the IMF was both possible and good for a nation’s well being.

As in the current conflict with *The Nation*, *FEER* also alleged that there was a brewing conflict between Thaksin and the King, as did the British-based *Economist*. The offending issues from both magazines were promptly banned in Thailand, and the writers’ visas were rescinded.

The neo-conservatives in Washington are also furious with Thaksin for his refusal to join in their isolation and subversion of Myanmar. Thaksin has insisted on engaging Myanmar (and its similarly poor neighbors to the east, Laos and Cambodia) as the absolutely necessary means for bringing regional peace and stability to all of Southeast Asia, for the first time in centuries. The development of regional road and rail projects, connecting India, China, and Thailand through Myanmar, are already in the works, as are plans for jointly developed dams on the Salween River, on the Myanmar side of the border with Thailand. Discussions of a Myanmar/Thai/China oil pipeline have also been initiated.

When Sen. John McCain, head of the subversive International Republican Institute, and his cohort Sen. Mitch McConnell, called for sanctions against *Thailand* for refusing to sanction *Myanmar*, Thaksin responded: “We are an equal, not a lackey. . . . It’s about sovereignty. Leave us alone.”

Free Trade Kills

Nonetheless, Thaksin has brought on some of the public discontent through his own misdeeds. Under constant criticism for maintaining ownership within his family of his telecom firm, Shin Corp., when he became Prime Minister, Thaksin finally decided to sell the family’s shares to the state telecom company in Singapore, Temasek, for nearly \$2 billion. Rather than ending the criticism, the sale—which used loopholes to avoid any capital gains taxes, and may have skirted the laws about foreign ownership of Thai industries—has actually fueled popular anger over issues of corruption. The Constitutional Court even accepted a petition from 28 Senators alleging that Thaksin had illegally continued running Shin Corp during his Prime Ministership, although it voted eight to six against opening a formal investigation.

A more serious problem is the free trade deal being discussed with the United States, which is demanding that Thailand drastically restrict its production of generic drugs, an area in which Thailand has taken a leading role, especially in producing generic, affordable drugs for AIDS victims. U.S. demands go far beyond those of the World Trade Organization’s agreement on Trade Related Intellectual Property (TRIPs). Also included are “NAFTA-style” agriculture agreements; the Thais are very much aware of the disaster wrought to Mexican agriculture by NAFTA. Also targeted by the U.S. negotiators is the services sector, demanding that protection of national banking and finance be nearly eliminated. Thailand, of course, well remembers how George Soros and his fellow hedge funds raped the Thai banking system in the 1997-98 speculative assault on the Asian nations, and the nation is wary of deregulating or opening up any further.

The bribe which the United States is offering the Thais in exchange for these concessions, is as bad or worse than the concessions themselves. The United States is dangling an offer to lift the 25% tariff on pick-up trucks imported into the United States, which would be another severe blow to the already collapsing domestic U.S. auto industry. Thailand produces 500,000 pick-up trucks annually—second in the world after the United States—but sells none to the United States as of now due to the tariff. Exporting more trucks now may seem like a good deal to the Thais, but it would be one more blow to the reeling U.S. manufacturing sector, while the unfolding collapse of the U.S. financial bubble will undermine the entire world economy, including that of Thailand.

While a few state employee unions have joined Sondhi’s rallies, most of the Thai industrial unions have not. Some of these unions, including some who oppose Thaksin, are demanding an end to the Free Trade Agreement talks, and an end to the privatization of the state electricity industry, but reject any unconstitutional regime change under the guise of “people’s power.”

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Iran Crisis: British Empire Is Up to Its Old Tricks

by Helga Zepp-LaRouche

Mrs. Zepp-LaRouche is the national chairwoman of the Civil Rights Movement Solidarity party (BüSo) in Germany. This statement, released on Feb. 3, has been translated from German.

If the dramatically escalating crisis over Iran is not immediately overcome, it could reach the point, within a few weeks, of a military strike against Iran by either the Bush Administration or Israel. But Iran is not Iraq. One would have to count on massive counterattacks. The conflict would have the potential of leading to a strategic catastrophe and a collapse of the world financial system.

Yet in order to stop this from happening, it is still possible to find a diplomatic solution, but only if it is understood that the crisis has quite different reasons than those that are being discussed. The crisis over Iran's nuclear program is being manipulated, but also the escalation of violence after the publication of the defamatory cartoons of the Prophet Mohammed, is being consciously staged.

And before some contemporary blockheads start to scream and accuse us of spreading conspiracy theories, we should recall how it was that the Iraq War came about. Like Iranian President Ahmadinejad, so in 2002 Saddam Hussein was portrayed as a big monster, who could reach the whole world within 45 minutes with weapons of mass destruction, and with direct connections to al-Qaeda, etc. And today? The Iraq War has become, according to Gen. William Odom (the former head of the NSA secret service), "the greatest strategic disaster" in the history of the U.S.A. The American Congress is investigating the lies that the parallel structures of the neo-cons put into play, in order to obtain the agreement of Congress and the international community for launching the war against Iraq. In Congress there are already efforts under way to conduct impeachment proceedings against Bush and Cheney.

Dinner With the British Foreign Secretary

When we speak of the "British Empire," we do not mean the territory of Great Britain, but the continuity of the international financial forces, who have their headquarters in the City of London. The role of the British government is, however, not at all concealed: On Jan. 30, British Foreign Secretary Jack Straw gave a dinner at his private residence for the four

foreign ministers of the other permanent members of the UN Security Council. Straw knew—very much in the tradition of the Anglo-French Sykes-Picot Accord of 1916—that Russia and China were against the International Atomic Energy Agency (IAEA) turning over the Iran question to the UN Security Council, since that was to be the way that the U.S.A. and Great Britain ended up launching the Iraq War through their "unilateral" decision and "the coalition of the willing." Straw proposed turning the matter over to the Security Council; U.S. Secretary of State Condoleezza Rice said it should be done immediately, and Straw then came forward with a "compromise": to "inform" the Security Council about the matter now, and then, after the official report of the IAEA, to "turn it over." Russia and China found themselves caught off guard, and agreed to this formulation.

The mention of the word "UN Security Council" led Tehran to reject President Putin's proposal, that Iranian uranium be enriched on Russian territory.¹ When the Iranian President, playing out his role as a figure on the British chessboard, called, for reasons of domestic politics, for wiping Israel off the map, this gave Bush and Cheney the pretext to once again evoke the "military option" against Iran.

George Shultz and the Cartoons

At the same time, the conflict heated up over the defamatory cartoons against the Prophet Mohammed, through their publication in several countries, setting the scene in a dramatic way for the coming military strike against Iran. Among experts in Islam it is undisputed, that the original publication of the cartoons in the Danish newspaper *Jyllands-Posten* was a provocation, whose goal was to unleash a "War of Cultures." And who sits on the board of the think-tank CEPOS, which is supported by *Jyllands-Posten*? None other than George Shultz, the former U.S. Secretary of State and éminence grise of the neo-cons—the mentor of Cheney, Rumsfeld, and Rice.

The flaring of violence against European embassies in the Near East was the work of a few hundred people. Nothing is easier than to wave a "red flag" in front of religious fundamentalists, and one only has to remember the actions of the British Arab Bureau, of Glub Pasha and the Sykes-Picot Accord, to understand how the violence was stage-managed. The Iranian government was also manipulated, believing that limited military strikes would be able to actually strengthen their domestic political position. From such illusions, great wars have often come about.

At the same time, at the Munich Security Conference (formerly called the Wehrkunde Conference), the squad of "usual suspects" from 2002, before the Iraq War, surfaced: Rumsfeld, McCain, and Lieberman—and they made the same bellicose speeches against Iran as they had previously against Iraq. The sole difference is that now Schröder is no longer

1. This rejection subsequently changed to a delay in negotiations—ed.



Helga Zepp-LaRouche is interviewed by a member of the German LaRouche Youth Movement in September 2005, during her campaign for Chancellor. Now, she warns Europeans and others, "Stop being a piece on a chessboard!"

Chancellor, while Chancellor Merkel does her best to prove that she considers her relationship to the Bush Administration as a priority.

The Results of an Attack Against Iran

The chessboard is set for a great catastrophe. All that is needed now is a trigger—for example, a terrorist attack with "Islamic" handwriting, or "merely" a decision by Tehran to stop trading with dollars on the Iranian oil and gas energy market, but rather in some other currency—and it could very quickly reach the point of military attacks against Iran. Iran could strike back against U.S. and NATO troops in Iraq, Afghanistan, Turkey, against Israel, and Israel could launch attacks against Iran; the use of nuclear weapons would become rather likely. This would be the beginning of an asymmetrical world war.

A military attack against Iran would not only hit the German export economy in a dramatic way, as several newspapers have remarked, but could lead to a collapse of the dollar and thereby of the world financial system. This could lead automatically to emergency decrees and police-state measures. The masses of the population would be the victims. The big cartels and hedge funds, which now dominate raw materials and energy markets, would consolidate their control. The sovereign nation-state, which normally would be able to defend the common good, would be wiped out by measures of a state of emergency: globalization in the name of "war against terrorism" would be perfected.

It has already been clear for quite some time, that the world financial system has entered the end-phase of its collapse. Is it far-fetched to conclude that those who are steering

the crisis know this, and that they see, in an artificially manipulated collapse, the only way to keep their own control?

Stop Being a Piece on a Chessboard!

Mankind potentially faces a tremendous catastrophe, such as the First and Second World Wars were, but it is not yet too late to find a diplomatic solution, as, for example, President Putin has proposed for Iran's civil nuclear program. However, all participants—all the pieces on the chessboard, so to speak—must stop reacting on the basis of blindly following their emotionally perceived self-interest. That is how they are manipulated, and manipulable.

In hindsight, historians can investigate the complexity of the events that led to a catastrophe. The pre-history of the First World War included over two decades of diplomatic and secret-service manipulation, in which the British Empire played the most important role, seeing its geopolitical interests as endangered. In the case of the Iraq War, the role of secret-service manipulation by the British MI-6 and the Pentagon's Office of Special Plans is now under investigation by the U.S. Congress, and former Secretary of State Colin Powell described his speech to the UN Security Council of Feb. 3, 2003 as his "darkest hour," since he had fallen for these manipulations.

Let us also not make the blunder of seeking simplistic, superficial explanations for the Iran crisis. There is simply no military option here. Diplomacy must find a solution.

But a conclusive solution can only be found, if the real reason for this escalation is removed, and that is the systemic crisis of the financial system. The world will only be secure, if the U.S.A. places on the agenda a new financial architecture, a New Bretton Woods system, in the tradition of Franklin Roosevelt. Only when we achieve a new, just world economic order, which puts an end to all forms of imperialism and colonialism, as Roosevelt envisioned at the end of the Second World War, does a lasting peace become possible.

Thus we must construct today a new Atlantic Alliance, with the real America: the America of Benjamin Franklin, Alexander Hamilton, John Quincy Adams, Abraham Lincoln, Franklin Roosevelt, and Martin Luther King—the tradition that today is embodied in Lyndon LaRouche.

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EIR Cairo Visit Exposes Psywar Behind Cartoons

by Muriel Mirak-Weissbach

As this author has just experienced during a visit to Cairo, the outpouring of rage provoked by the issue of the anti-Islamic cartoons is unprecedented. It had been building up, against injustice in Palestine, the ongoing destruction of Iraq, and the preparations for a military strike against Iran. But the cartoons were the proverbial straw that broke the camel's back. The cartoons were deliberately published to provoke such a reaction, and the reaction came, according to profile.

The enraged reaction will contribute nothing to overcoming the crises afflicting the Islamic and Arab world. To do this, governments and peoples must be equipped with an understanding of the larger geopolitical picture, in which the anti-Iran drive, and the psywar of the cartoons, are crucial pieces.

In this context, it was a happy coincidence that this writer, as an editorial board member of *EIR*, had been invited to Cairo, to present the views of Lyndon LaRouche on these and related issues, to an Egyptian audience. The invitation was to deliver a lecture at the Center for Asian Studies of the Faculty of Economics and Political Science, on Feb. 6.

The focus of the presentation, entitled, "Strategic Options for the Post-Cheney Era: Implications for the Middle East and Asia," was on the two interconnected but opposing processes unfolding in the United States today: the drive for Presidential dictatorship, by the Cheney cabal, and the campaign, led by Lyndon LaRouche in the Democratic Party, to defeat this fascist effort and defend the U.S. Constitution. I told my Egyptian interlocutors, "You cannot understand anything about the current situation in U.S. politics, and U.S. policy for the world, unless you grasp this dynamic."

Most of the participants at the lecture were unaware of the revolutionary ferment which is sweeping America, under the slogan "Impeachment!" Two burning issues, it was explained, have mobilized the U.S. population in a drive to impeach the entire neo-con cabal that has usurped power in Washington: the Iraq catastrophe, and the National Security Agency spying scandal. Moves in the Congress towards plans for withdrawal of troops in a rational exit strategy were reported, sparked by the intervention Nov. 17 of Rep. John Murtha (D-Pa.), which has gotten important backing in devas-

tating critiques of the Bush Iraq policy from high-ranking military professionals.

A report of the mass turnout at town meetings with Murtha (for example, in Virginia, where 1,000 citizens showed up), impressed on the Egyptian audience that indeed something extraordinary is occurring in America. Egyptian press had reported on the NSA spying scandal, which had been exposed by the *New York Times* just prior to the debate on the Patriot Act. But the explosive potential of these revelations, to fuel the drive for impeachment, had not been conveyed to the reading public.

It was in the context of this dynamic internal U.S. political battle, that the threat of military action against Iran was located and discussed. The drumbeat for confrontation around Iran's nuclear energy program, was generally known. What was *not* known, was the broader strategic picture, specifically, how the British financial oligarchy has been manipulating the Iran affair, to prepare a military action which will bring down the current financial-monetary system, and pave the way for City of London financial interests to lay claim, through their hedge fund holdings, to the vast raw materials assets in the world today. Their oligarchy's thinking is: He who holds these assets, controls the world.

An Electric Response

The response, by the diplomats, political figures, press, and students attending the event, was electric. Many wanted a better grasp of the workings of internal U.S. politics. How is it that Bush won re-election? asked one student. Why does the American population not bring down the Bush Administration? How could the American people believe the lies about Iraq's presumed weapons of mass destruction, at the same time that they are being hit with higher taxes and deprived of basic social services? The courage displayed by the LaRouche movement and *EIR* in taking on the fascist conspirators, was lauded by many.

Other questions dealt with the strategic crisis points, especially Iran. Prof. Mohammad Sayed Selim, who heads the Center for Asian Studies at Cairo University, asked how one could account for the fact that China had apparently

shifted its stance regarding Iran's nuclear program, and allowed the International Atomic Energy Agency "report" to go through. China is, after all, dependent on Iran for energy supplies. What will China's future strategy be? Another question was: What will future relations be among the United States, Russia, and China, if the latter two make use of their veto rights at the UN Security Council, to kill a resolution against Iran? Others asked about the implications of the fact that many Arab and Muslim countries had voted for the IAEA resolution on Iran: Did this not mean that the Iranian leadership was miscalculating the response from these quarters?

The most pertinent question raised was: How can Iran avoid a military confrontation, without giving up its right to a peaceful nuclear energy program? Here, the potential of the Russian proposal, for a joint uranium enrichment facility on Russian territory, was discussed. However, as Professor Selim noted, the *cause* of the crisis is not Iran's nuclear energy program. A quick glance at North Korea, which has acknowledged its nuclear weapons capability, shows that this is *not* the issue. Rather, it is the drive towards military aggression, in the context of geopolitical ambitions for hegemony.

The other leading issue raised by the participants was that of the anti-Islamic cartoons published first in Denmark. Here, as Professor Selim underlined, *EIR* had a unique analysis. Although at the time of the lecture, crucial information regarding the entities behind the cartoon affair had not yet been unearthed, it was clear by the *modus operandi* of the publications, as well as by consideration of the *analysis situs*—the context in which they appeared—that this was not the spontaneous initiative of some cartoonist, but a deliberately planned psychological warfare operation, typical of intelligence agencies, aimed at creating the psychological climate within which a strike against Iran could be orchestrated.

That same evening, the debate was brought to a much larger audience, in Egypt and abroad, through Egyptian national television, Nile TV. Both Selim and this author were guests on the weekly program "Viewpoint," hosted by Nihal Saad. In an animated debate punctuated by calls from viewers, the issue was thrashed out, and the evidence presented that the current countdown to conflict has nothing to do with Iran's nuclear program. Selim noted that both South Korea and Japan have uranium enrichment facilities, and yet no one is questioning their legitimacy. Not only that, but North Korea, which has admitted to having weapons, is being offered negotiations and incentives, rather than military threats.

Selim was asked about the response of the Arab and non-aligned nations, which, in large part, accepted the IAEA resolution against Iran. He reported on how particularly the Persian Gulf states had been pressured by the United States to close ranks against Iran. Iran's nuclear program, he said,

had never been cause for alarm in the Gulf Cooperation Council, until 2005, when U.S. diplomats began to put on the squeeze.

Selim referred to an important conference in a Gulf country that he had attended last year, during which U.S. representatives literally announced Washington's intention of bombing Iran, and asked merely, what the response of the neighboring countries would be. At the most recent Gulf Cooperation Council meeting, he recalled, there had been an explicit proposal to establish a zone free of weapons of mass destruction in "the Gulf," that is, targeting Iran. Fortunately, he said, in the course of the conference, others intervened, to redefine this demand, to embrace the entire "Middle East," that is, including Israel, whose nuclear capabilities are well known. For Selim, the best thing the Arab countries can do, is to push through this demand for a WMD-free zone in the entire region.

LaRouche's Role in Solving the Crisis

This author had the opportunity to elaborate on LaRouche's unique analysis of the crisis, highlighting what the British manipulation of the whole situation has been, and the objective of the London-centered financial interests in bringing down the entire world financial-economic system to impose a global dictatorship through control of raw materials. In this context, it was possible to brief the television audience on the raging fight in the United States for the impeachment of Cheney and Bush, and the revolutionary atmosphere this has created in the United States. Ultimately, it is the outcome of this political battle which will determine whether or not Iran will be attacked.

At the same time, the errors made by the current Iranian leadership were addressed. While Selim emphasized the fact, that Iran was wrong to even enter the discussions with the EU-3, because that meant taking the entire nuclear issue outside the proper context of the IAEA, this author noted the failure of Tehran to recognize the contrived, manipulated nature of the entire game, and the error of responding to provocations with counter-provocations. As for possible ways out of the crisis, it was clear that Iran does have options. In LaRouche's view, the Iranian government would do well to accept the Russian proposal for the enrichment of uranium in Russia, as the best option provided to Iran to defuse the crisis.

As a result of further discussions with journalists from *Al Gumhuriya*, *Al Ahram*, and wire services, it is expected that there will be major coverage on LaRouche's unique insight into the current crisis. The press showed special interest in the background information that *EIR* has compiled on the psywar operation around the Danish cartoons. To the extent that the broader strategic picture, as well as the nitty-gritty details of who's doing what to whom in the cartoon affair, can be made clear to a broad Arab and Islamic public, there can be hopes of thwarting the campaign for war.

Bipartisan Coalition Won't Work Until Cheney Goes

by Nancy Spannaus

A pattern of bipartisan collaboration in Congress, against the outrageous negligence or abuses being carried out by the Cheney-Bush Administration, has raised the hopeful potential for Congressional action in areas such as rebuilding after Hurricane Katrina, and stopping police-state abuses. However, as Lyndon LaRouche has pointed out, the expression of Congressional concern is nothing but impotent kvetching, if the legislators do not remove the lawless Cheney apparatus from power.

In every significant area of policy, the Cheney apparatus has thrown down the gauntlet to Congress: Either move to impeach us, or submit to our unlimited prerogatives to do what we wish. This was made starkly clear when President Bush announced at his signing of the Defense Authorization Bill with the McCain anti-torture amendment, that he was reserving the right to interpret that statute from the standpoint of his arbitrarily claimed powers as Commander-in-Chief. A similar message was delivered during the appearance of Attorney General Alberto "Stonewall" Gonzales at the Senate Judiciary Committee hearing on National Security Agency (NSA) eavesdropping, on Feb. 6. Gonzales, who gets his orders from Cheney and Cheney's chief counsel (now chief-of-staff) David Addington, asserted that the President had the right to violate the Foreign Intelligence Surveillance Act (FISA), by authorizing wiretaps without a warrant, and showed no signs of recognizing the law.

But what has the Congress done? It has asked for investigations and hearings. In fact, the Administration even agreed, in the face of Rep. Heather Wilson (R-N.M.) demanding an investigation, to hold closed-door briefings on the wiretap program, to both the full Senate and House Intelligence Committees. But, as Sen. Dianne Feinstein (D-Calif.) said, listening to Gonzales stonewall in private session was no more enlightening than it was in the public hearing.

Faced with an Administration that lies, stonewalls, threatens, and asserts unrestricted Executive power, the Congress cannot get anywhere by asking for more testimony, or even new legislation. The Cheney-Bush Administration cares nothing for the law, so there is no need to discuss changing the law under which FISA operates. The only alternative is to move for prosecutions, and impeachment. So far, there is little motion in Congress on this front.

Instead, the Republican leaders of the House and Senate Intelligence Committees are acting as enforcers for Cheney. An aide to Rep. Peter Hoekstra (R-Mich.), head of the House committee, told the *New York Times* Feb. 17 that any investigation would be limited in scope; whereas Wilson had called for one of "multiple avenues." On the Senate side, Intelligence Committee chair Pat Roberts (R-Kan.) has maneuvered to postpone any investigation at all, after the White House, with its fingers crossed behind its back, agreed to open discussions about changing Federal surveillance law.

Blasting Bush on Katrina

But there is a lot of talk, coming from both sides of the aisle, on the failures of the Bush Administration. One of the most dramatic examples of bipartisan unrest is in the area of the Administration's abysmal failure in dealing with Hurricane Katrina. Congressional reports and testimony presented Feb. 10-15, on the Administration's failed Hurricane Katrina response, showed that the President and his key homeland security advisors were aware of the dangers of the oncoming storm, yet failed to act quickly to save lives. This was, as LaRouche charged soon after Katrina hit the U.S. Gulf Coast on Aug. 28, 2005, *de facto* criminal negligence.

The evidence of this negligence is now so overwhelming that on Feb. 15, the all-Republican, 11-member House Select Committee on Katrina released a 600-page investigative re-

port, which found failure at all levels of government, including at the Department of Homeland Security (DHS) and the White House. The report concluded that, shunning early levee breach reports, arguing that there were conflicting reports, “the White House failed to de-conflict varying damage assessments and discounted information that ultimately proved accurate.”

In releasing the report, Rep. Tom Davis (R-Va.), the chairman of the House Select Katrina Committee, said, “Our investigation revealed that Katrina was a national failure, an abdication of the most solemn obligation to provide for the common welfare. At every level, individual, corporate, philanthropic, and governmental, we failed to meet the challenge that was Katrina.”

DHS head Michael Chertoff is singled out in the report for his failure to set up an inter-agency team to secure and deploy emergency supplies and rescue teams. DHS “failed to anticipate the likely consequences . . . and procure buses, boats, and aircraft” to “evacuate the flooded city prior to Katrina’s landfall.” DHS’s utter failure in the face of “advance warning” made the committee wonder, “If this is what happens when we have advance warning, we shudder to imagine the consequences when we do not,” referring to a potential terror attack.

Upon release of the report, House Democratic Caucus chair Rep. James Clyburn (S.C.) told the media, “We have the truth but not the whole truth” (both the White House and Defense Department refused to provide documents to the committee). Democrats, anticipating a whitewash, chose not to join the Bush-initiated committee. Rep. Steny Hoyer (D-Md.) scored the “practice of this Congress to cover up for the White House,” but noted that “this time it couldn’t be done”; the disaster was too great. “Even now, this Administration sits negligently by, while people suffer,” charged Hoyer, as he renewed Democrats’ call for an independent Katrina commission.

Admitting that the Federal Emergency Management Agency’s (FEMA’s) failures were largely due to its having been put under DHS, Republican members called for it to be re-established as an independent agency.

Yet, even as Democrats and Republicans were scoring the Administration for its failures—from blatantly incompetent FEMA head Michael Brown, to arrogant administrator Chertoff—they all ignored the source of the policy which led to the disaster: Cheney.

It was Cheney who insisted that the previously operational FEMA be submerged into the DHS, where it was basically dismantled both through replacing of competent staff, and being deprived of money. Cheney’s so-called reorganization of counter-terrorism resulted in the destruction of disaster preparedness, and that, coming on top of the decades of stripping of vital anti-flood infrastructure projects, ensured the Katrina disaster.

Bipartisan cooperation was also on display on Feb. 14,

when the House Committee on Government Reform’s Subcommittee on National Security, Emerging Threats, and International Relations, held a hearing on national security whistleblowers post-9/11. The hearing, which was chaired by Christopher Shays (R-Conn.), featured testimony from a number of whistleblowers about Administration criminal policies, such as torture, illegal surveillance, and the like. The ostensible subject was the need to extend protection to whistleblowers in national security areas of the government.

Exemplary of the shocking testimony was that from Sgt. Sam Provance, who was an intelligence specialist at Abu Ghraib prison. He described how the group of Military Intelligence (MI) soldiers that came from (Guantanamo) were in conflict with the MI teams already there. They introduced a new regimen that involved the use of dogs, nakedness and sexual humiliation, sleep deprivation, beatings, and other brutality. They used the detainees’ faith in Islam to try and break them. He said that after the first set of Abu Ghraib photos came out, there was an effort to exclude the MI people from the investigations, and that Secretary of Defense Rumsfeld appeared to be setting up low-level MPs to be scapegoated, and to deny that what happened at Abu Ghraib was the result of policies and decisions by himself and others high in the chain of command. He said that the investigations and prosecutions seemed focussed on shutting off the responsibility of those up the chain of command. He was pressured to change his story, and lost his security clearance after he spoke out.

While Democrats and Republicans expressed their sympathy with him, and others, what good is that going to do? Every one of them knows that Cheney developed, and insists upon, the torture policy. Does anyone think that this policy is going to change, because there is new legal protection for whistleblowers?

Will They Back Off?

Alongside these hearings, where the Congressmen talk tough, there are signs that the threats coming from the Administration are also taking their toll. This is clearly the case on the matter of the Patriot Act, which, after a few very slight changes, is apparently going to be accepted by virtually every one of its previous opponents, except Sen. Russ Feingold (D-Wisc.). It was a filibuster threat by Republicans and Democrats which forced the Administration into a holding pattern over the year-end.

The Administration threat, of course, is that those who oppose such “national security” measures are effectively agents of al-Qaeda. A similar tack is being used on the question of the NSA eavesdropping, and there are clear indications that some Congressional leaders, including Democrats, are backing down and set to endorse the program, as long as they are “briefed” or “consulted.”

The only alternative course would be for the opponents of such lawlessness to stand firm, and insist that the source of this lawlessness, Cheney, be removed.

From the Congress

Dems Challenge Constitutionality Of Omnibus 2005 Budget Law

On Feb. 14, the House Democratic leadership, under Rep. Nancy Pelosi (Calif.), sent a letter to House Speaker Dennis Hastert (Ill.), pointing out the illegitimacy of the Budget Reconciliation Spending conference report, which was signed by President Bush on Feb. 1. Representative Pelosi wrote Hastert that “the integrity of the House requires that you take two steps to address this serious situation. First, we insist that you inform the American people of what happened, and that you recognize the abuse of this process. Second, we urge you to reconsider this legislation this week, and to work with the Senate to ensure that any spending reconciliation bill that is passed is identical in both the House and the Senate, as the Constitution demands, and then presented to the President for his signature.”

Pelosi's action followed two other initiatives by her colleagues, both of whom also signed the letter. On Feb. 10, Rep. Charles Rangel (N.Y.), the Ranking Democrat on the House Ways and Means Committee, sent a letter to Hastert about the “problems” with the final budget bill. Rangel noted that “I don't yet know exactly what happened, and who is at fault, but it is clear that the legislation signed by the President on Wednesday [Feb. 8] is not what actually passed the House of Representatives on Feb. 1.” He asked that Hastert make plans to rectify the situation.

Then, on Feb. 14, Rep. Henry Waxman (Calif.), the Ranking Democrat on the Committee on Government Reform, issued a seven-page letter to Pelosi, in which he documented precisely what had happened, and cited expert legal opinion on the fact that the Budget Act, as signed, “violates the Bicameral Clause of the Constitution, which requires that before a bill may become law, both houses of Congress must pass it in precisely identical form.”

Waxman concluded his letter as follows:

“The effort by the Republican leadership in Congress to enact a law that has not been passed by both Houses of Con-

gress is not a ‘technical problem,’ as House Whip Roy Blunt recently called it. It is a major abuse of power. The budget legislation is not valid law, and should be brought back before Congress for another vote.”

Sending her letter/demand to Hastert later the same day, Pelosi included Waxman's letter. Joining her were not only Waxman and Rangel, but James E. Clyburn (S.C.), Chair, Democratic Caucus; John D. Dingell (Mich.), Ranking Member, Committee on Energy and Commerce; Steny Hoyer (Md.), Democratic Whip; John B. Larson (Conn.), Vice Chair, Democratic Caucus; and John Spratt (S.C.), Ranking Member, Committee on Budget.

Constitutional Implications

As explained in the letter from Waxman below, which we reprint in full (except for the footnotes), the difference in substance between the budget bill passed by the House, and that signed by the Senate, is not large. But, as Lyndon LaRouche pointed out when briefed on the Democratic complaint, the substantial issue here is the Constitution itself. In such a case, legal action is not a diversion.



EIRNS/Stuart Lewis

Rep. Charles Rangel



EIRNS/Steve Komm

The budget signed by President Bush was not the version that had been passed by the House—a violation of the Constitution. The differences between the House and Senate versions of the bill, dealt with efforts to cut Medicare costs for Durable Medical Equipment. Show here is a Medicare patient using oxygen equipment.

According to the Constitution, matters of budget and finance are the special responsibility of the House of Representatives, and evasion of that responsibility by the House Leadership is a serious violation.

If Speaker Hastert does not move to remedy the situation, it is quite possible that opponents of the Budget bill will challenge it on the grounds of it being unconstitutional, since it was amended after the House voted on it. While Congressmen themselves do not have standing to bring such a suit, the action is likely to be taken by organizations representing individuals or groups who would be hurt by the Bill's enactment. One such organization which has indicated that it might do so, is the Emergency Campaign for America's Priorities (ECAP), whose spokesman Brad Woodhouse said Feb. 13 that "There is a high probability that some legal action will be pursued. . . . Perhaps a temporary restraining order to stop the implementation and then broader legal action after that."

There is no indication yet of how Representative Hastert is going to respond.

Documentation

'A Major Abuse of Power'

Dear Leader Pelosi:

I am writing to advise you that leading legal scholars believe that the bill known as S. 1932, the Deficit Reduction Omnibus Reconciliation Act of 2005, is not valid law because the version of the legislation signed by the President on February 8, 2006, is substantively different from the version voted on by the House on February 1, 2006. In the view of these legal experts, this legislation violates the Bicameral Clause of the Constitution, which requires that before a bill may become law, both houses of Congress must pass it in precisely identical form.

One of the experts I consulted, Professor Michael Gerhardt of the University of North Carolina School of Law, informed me that "the bill signed by President Bush was not constitutionally permissible." A second expert, Professor Michael Dorf of Columbia University Law School, similarly advised:

the Constitution specifies that a bill becomes law when

passed by both houses of Congress and signed by the President. S. 1932 was not passed by the House of Representatives. Thus, it is not law.

Professor Jamin Raskin of the American University Washington College of Law reached the same conclusion, stating: "the Deficit Reduction Omnibus Reconciliation Act of 2005 may be something, but it is not law within the meaning of the Constitution."

The Republican leadership has tried to minimize this issue by characterizing the error as a "technical problem." Indeed, it may have begun as such, but the Republican leadership chose not to correct the error through any of the established means that have been employed for over 200 years. Instead, the leadership ignored the House rules and precedents, and even the Constitution itself. This is a fundamental abuse of power without precedent in the history of the Congress.

Background

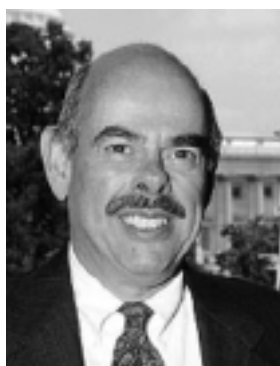
Last fall, the House and Senate passed different versions of the budget bill, which was officially known as S. 1932, the Deficit Reduction Omnibus Reconciliation Act of 2005. In order to reconcile the many differences between the chambers, the legislation was committed to a House-Senate conference committee.

A significant last-minute issue arose in the conference involving how long Medicare should pay for "Durable Medical Equipment" (DME), such as wheelchairs or oxygen equipment, before the equipment becomes the property of beneficiaries. Existing Medicare law provided for payments for DME by Medicare under a fee schedule for an unlimited period of time. In an effort to reduce Medicare spending, the conferees tentatively agreed to reduce the duration of Medicare payment to just 13 months. This proposal, however, generated objections from Senator George Voinovich and Rep. David Hobson, both of whom are from Ohio, where a major manufacturer of oxygen equipment is located. To accommodate their concerns, the conference report reduced the duration of Medicare payments for most DME to 13 months, but directed Medicare to continue to pay for oxygen equipment for 36 months. The final conference report was filed on December 19, 2005.

The House passed the conference report on S. 1932 on December 19, 2005, by a vote of 212-206.

The Senate considered the conference report on December 19, 20, and 21. During that consideration, several points of order were raised against the report, and sustained as violating the congressional budget process. A motion was made to waive these points of order, but that motion was defeated. The effect was to defeat the conference report in the Senate.

On December 21, the Senate passed S. 1932 with an amendment that reflected the contents of the conference report, minus the items that generated the points of order.



Rep. Henry Waxman

house.gov

The vote in the Senate was a tie, and Vice President Cheney cast the tie-breaking vote for the bill as amended. This bill, as amended, was then sent back to the House for its concurrence.

In the process of transmitting the bill, as amended, back to the House, the Senate clerk made a significant substantive change to the legislation. This change extended the duration of Medicare payments for all DME to 36 months, the same time period provided in the Senate amendment for oxygen equipment. The Senate clerk realized the mistake, and the Republican House leadership was informed of the error in January, several weeks before final House floor action was scheduled to occur.

Such errors in formal messages between the houses are not unprecedented. They are recorded in the House precedents as having occurred as long ago as March 13, 1800, and as recently as July 12, 2005. They are typically handled by sending the legislation back to the Senate for the mistake to be corrected.

The response by the Republican leadership to the error in S. 1932, however, was without precedent. It constitutes a violation of the House Rules and of the Constitution itself.

Apparently concerned that any additional vote in the Senate could endanger passage of the legislation, the Republican leadership did not seek to correct the problem. Instead, the Republican leadership brought the legislation to the House floor on February 1, without revealing to the Democratic leadership or the body of the House, that the 36-month period in the legislation before the House did not represent the legislation passed by the Senate.

On February 1, the House voted on the version of the bill, as amended, that contained the DME mistake. The vote was extremely close, 216 to 214. As a result of this vote, the House and Senate had voted for different bills, the House having adopted a version that provided for 36 months for DME and the Senate having adopted a version that provided for 13 months.

Because the budget legislation originated in the Senate, the official version was returned to the Senate before being transmitted to the President for his signature. At this point, a Senate clerk made a second substantive change in the legislation, revising the House-passed text to reflect the original Senate-passed amendment. This change restored the 13-month period for coverage of DME other than oxygen equipment.

As part of the transmittal to the President, House Speaker Dennis Hastert and President pro tem of the Senate Ted Stevens, signed a statement attesting that the legislation had been passed by both the Senate and the House. These leaders signed this statement, despite the fact that the Republican leadership in both bodies knew that this was not true.

On February 8, the President signed the bill. The version the President signed is the version that reflected the Senate-passed amendment, not the House-passed text.

Views of Constitutional Experts

These facts raise serious constitutional issues. The Bicameral Clause in Article I, Section 7 of the U.S. Constitution describes how legislation may become law. It provides that before a bill is signed into law by the President, it must be passed in precisely identical form by both the House and the Senate. Independent experts in constitutional law, whom I have contacted, have advised that the budget legislation is not valid law because it violates this clause.

According to Michael Gerhardt, Samuel Ashe Distinguished Professor of Constitutional Law, and Director of Center on Law and Government at the University of North Carolina School of Law:

This legislation in question does not satisfy the requirements of the Bicameral Clause of the Constitution. The President needs to have confidence that the bill he is signing has in fact been approved in precisely the same, identical fashion by both houses of Congress. In this case, the two houses formally passed two different bills. Any difference between them means that they do not meet the requirements of bicameralism, as explained by the Supreme Court in *INS v. Chadha* and *City of New York v. Clinton*. Consequently, the bill signed by President Bush was not constitutionally permissible.

According to Michael C. Dorf, Michael I. Sovern Professor of Law, Columbia University Law School:

The question of whether S. 1932 became law when enrolled answers itself. Article 1, Section 7 of the Constitution specifies that a bill becomes a law when passed by *both* houses of Congress and signed by the President. S. 1932 was not passed by the House of Representatives. Thus, it is not a law.

Nothing in the enrolled bill doctrine set out in *Field v. Clark*, 143 U.S. 649 (1892), alters that conclusion. *Field* stands only for the proposition that *courts* will accept a bill's enrollment as proof of its authenticity. As the Supreme Court explained, "The respect due to coequal and independent departments requires the judicial department to act upon [the] assurance" provided by the President and the respective leadership of the House and Senate. *Id.* at 672. *Field* is, in other words, a doctrine of justiciability, not of substantive constitutional law.

Indeed, in light of more recent cases such as *United States v. Munoz-Flores*, 495 U.S. 385 (1990), it is not even clear that *Field* should be read to treat enrollment as irrebuttable evidence of a bill's having been properly enacted. See Matthew D. Adler and Michael C. Dorf, *Constitutional Existence Conditions and Judicial Review*, 89 Va. L. Rev. 1105, 1172-81 (2003).

Fortunately, Congress can readily cure this problem by enacting new legislation in the conventional consti-

tutional manner. However, proposed remedies such as a post hoc resolution about the sense of the Senate or House will not cut it.

On some matters, the Constitution speaks in majestic generalities. The question of how a bill becomes a law is not one of them.

According to Jamin Raskin, Professor of Constitutional Law and Director, Program on Law and Government, American University Washington College of Law:

The “Deficit Reduction Omnibus Reconciliation Act of 2005” may be something but it is not law within the meaning of the Constitution. In *INS v. Chadha* (1983), the Supreme Court made it perfectly clear that the requirement of bicameral passage is not waivable or adjustable in any way. In order for bills to become law, the Senate and the House of Representatives must pass identical language and provisions. There must be an exact meeting of the minds. The Court emphasized that there are four (and only four) explicit constitutional mechanisms “by which one House may act alone with the unreviewable force of law,” and those are the House power to impeach and the Senate’s powers to try impeachments, approve presidential appointments, and ratify treaties. It is rudimentary constitutional principle that, outside of these discrete exceptions, bills voted on by one chamber and not the other cannot and do not have the force of federal law under our Constitution. There is no “mistake” exception to the bicameralism requirement.

Surely it may be easier sometimes to ignore the bicameralism requirement or indeed to make a body think it is voting on one bill when it is really voting on another to pull a rabbit out of the hat later. But this does not make it constitutional. The bicameralism requirement, the Chadha Court observed, was “intended to erect enduring checks on each Branch and to protect the people from the improvident exercise of power by mandating certain prescribed steps. To preserve those checks, and maintain the separation of powers, the carefully defined limits on the Power of each Branch must not be eroded. [In] purely practical terms, it is obviously easier for action to be taken by one House without submission to the President; but it is crystal clear from the records of the Convention, contemporaneous writings and debates, that the Framers ranked other values higher than efficiency.”

If political efficiency is insufficient reason to ignore the bicameralism requirement, surely political inefficiency and mistake do not work either. Each house must know what language it is voting on, there must be a complete meeting of the minds between them, and the president must know what bill was passed by both

houses before signing.

As the Chadha Court put it, “There is no support in the Constitution or decisions of this Court for the proposition that the cumbersomeness and delays often encountered in complying with explicit constitutional standards may be avoided, either by the Congress or by the President.”

The Senate Resolution stating that the bill presented to the President is the “true” bill reflecting the intent of Congress is (1) not law since it too was adopted by only one house and therefore fails the bicameral passage requirement; (2) essentially irrelevant to the interpretation of the statutory meaning of the bill for the same reason; and (3) inadequate to the task of reversing the unconstitutionality of the prior process. Either the prior legislation is law, in which case Senator Frist’s correction is unnecessary and superfluous, or it is not law, in which case it is helpless to change the situation.

Experts who have spoken publicly about this have agreed with the views expressed above. Jonathan Turley, an expert in constitutional law at George Washington University, said:

I would find it surprising that a court would give the Speaker a pass on effectively negating the bicameral requirement of the Constitution. . . . Obviously, the Speaker cannot certify a different bill as the will of the House of Representatives. If he could do that, he could become a House unto himself.

Similarly, David Viadeck, a professor at Georgetown University School of Law and an expert in constitutional separation of powers stated:

This violates one of the most fundamental guarantees in the Constitution, namely that both houses of Congress have to agree on all elements of a bill before it becomes law. . . . This bill is not a law because it doesn’t meet the requirements of bicameralism.

Conclusion

As the views of these legal scholars make clear, the bill the President signed on February 8, 2006, was not a law for one simple reason: It was not passed in identical form by both houses of Congress and therefore violates requirements of the Bicameral Clause of the Constitution.

The effort by the Republican leadership in Congress to enact a law that has not been passed by both Houses of Congress is not a “technical problem,” as House Whip Roy Blunt recently called it. It is a major abuse of power. The budget legislation is not valid law and should be brought back before Congress for another vote.

Sincerely,
Henry A. Waxman
Ranking Minority Member

Lyndon LaRouche: Rumsfeld's 'Long War' Is Imperial Fascism

by Carl Osgood

A new expression has emerged recently to describe the Bush Administration's commitment to the so-called war on terrorism. It is now called "the long war," an expression that the *Washington Post* credited to Gen. John Abizaid, the Chief of U.S. Central Command. But no matter where it came from, it is just another way of describing the perpetual war policy of the Cheneyacs in the Bush Administration. Secretary of Defense Donald Rumsfeld, speaking to reporters in the Pentagon briefing room on Feb. 1, put it this way: "The truth is, that just as the Cold War lasted a long time, this war is something that is not going to go away. It's not going to be settled with a signing ceremony on the *USS Missouri*."

Lyndon LaRouche denounced Rumsfeld's "long war" doctrine as a fraud. Commenting on the *Washington Post* report and on the Department of Defense's Quadrennial Defense Review (QDR) on Feb. 3, LaRouche said that the *Post*, as usual, was lying. General Abizaid may have some battlefield competence, and he may fancy getting a little praise, before retirement, from the synarchist *Post*, LaRouche said, but *any competent historian* knows that this is a fraud.

"Long war," LaRouche continued, is not any new theory; it's imperialism. It's perpetual war, as practiced by the Roman Empire, through the deployment of its legions, to destroy the ability of its subject populations to resist, even to resist chaos. It means the continual *starting of wars*, including by means of "Get him to fight him," by which the empire manages its subject populations with warfare.

This phrase "long war," is a deliberate evasion in the hands of Rumsfeld, LaRouche said: It's imperialism in the Roman tradition. And that Roman imperialism was the model for Hitler's fascism. What Abizaid and Rumsfeld are boasting as U.S. war strategy, is Roman imperialism. It was the method of Persia's continual warfare against Classical Greece before that. It was the method of starting and perpetuating the Peloponnesian War—"Get him to fight him." It was the Crusades, from 1000 A.D. into the 14th-Century Dark Age; the religious wars of 1508-1648, the Thirty Years' War.

This is no special theory of a new kind of war, or high-tech war, LaRouche continued. "That's horseshit; in an era when we don't even have horse cavalry any more, they're selling horseshit." This is old Roman imperial fascism; the war theory of Nazi fascism.



U.S. Air Force

Secretary of Defense Donald Rumsfeld's "new" strategy for a long war is nothing but a recycled version of Roman imperialism, Lyndon LaRouche charged.

Rumsfeld's 'Horseshit'

The 113-page Quadrennial Defense Review has three main elements: the definition of the "long war," a strategic conflict with China, and the military hardware and force structure changes that are called for to deal with the first two elements. It lays out a policy of massively expanding special warfare forces to fight asymmetrical warfare in numerous areas of the globe at the same time. While calling Iraq and Afghanistan "crucial battlegrounds," it says that "With its allies and partners, the United States must be prepared to wage this war in many locations simultaneously and for years to come."

However, all of this is a lie, intended to conceal the fact that the U.S. military cannot actually *do* any of this, nor does it acknowledge that U.S. policy, under the Bush Administration (and before), has actually created the problems that the QDR claims to deal with.



Navy photo/Photographer's Mate Airman Paul Polach

A strategic conflict with China is one of the three elements of the lying Quadrennial Defense Review. Here, an aerial target drone is launched in the South China Sea from the flight deck aboard the amphibious assault ship USS Boxer in a July 2005 U.S. exercise.

Since the QDR came out on Feb. 3, a number of commentators have complained that it does little to reorient the military to the war on terrorism. It does not call for scaling back planned production of the Air Force's F-22 fighter, for example, or the Navy's DD(X) destroyer. "With a few notable exceptions," wrote Fred Kaplan in the online magazine *Slate*, on Feb. 3, "You'd think that we were still fighting the Soviet Union and that the Cold War were still raging on."

The QDR nonetheless calls for a huge increase in the special forces, by about one-third over present manning, including expanding the number of psychological operations and civil affairs troops by 3,500, and establishing a Marine Corps Special Operations Command made up of 2,600 Marines. The document touts how the number of students going through the Army's Special Forces School has been increased from 282 in 2001 to 617 in 2005, with a goal of increasing that to 750 students per year.

What it doesn't say, however, is what the attrition rate for the special forces has been since 2001. Sources have told *EIR* that a report was recently handed to Rumsfeld detailing a decline in strength of the Army's Delta Force of 23%, caused by casualties in Iraq and Afghanistan. As a result, there is pressure on the Delta Force training battalion to reduce the quality of training in order to keep up with this attrition rate. If the rest of the special forces have sustained losses comparable to the Delta Force, it will be very difficult indeed to maintain the current tempo of operations, much less an increase in manning, given that training for special forces takes two to three years.

Strategic Conflict With China

Perhaps the China bogeyman is the real reason for the QDR's failure to call for significant reduction in the size of the conventional military force structure. The QDR continues the policy of the September 2002 National Security Strategy, which declared, among other things, "Our forces will be strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equaling, the power of the United States."

This, in effect, says that the United States will be the world's dominant power, and will act to prevent any other power from threatening that dominance, a notion which dates back to then-Secretary of Defense Dick Cheney's 1992 defense-planning guidance. That document spelled out a strategy of "Deterring potential competitors from even aspiring to a larger regional or global role," and taking pre-emptive action against states suspected of developing weapons of mass destruction.

The 2006 QDR itself is to a great extent a continuation of the implementation of the Bush Administration's strategic outlook dating from the 1992 defense planning guidance and first set into motion in the 2001 QDR, which, it is worth noting, was largely written *before* the Sept. 11, 2001 attacks, although it was released some weeks later. Even that document was based on an earlier classified review conducted by Andrew Marshall, the director of the Pentagon's Office of Net Assessment, and the inspiration for Rumsfeld's notions of military transformation. According to a *New York Times* story published on May 17, 2001, Marshall's review alleged

that war with China was inevitable, and that U.S. forces will be denied forward-basing rights in the Western Pacific. This caused a firestorm of protest from senior military officers, at the time, who strongly disagreed with Marshall's conclusions.

While most of the attention on the document focusses on the so-called radical Islamic enemy, Marshall's conclusions about China are apparently still highly regarded in the Office of the Secretary of Defense. Under the subtitle "Shaping the Choices of Countries at Strategic Crossroads," the document describes China as having "the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counter strategies." It says that "U.S. policy seeks to encourage China to choose a path of peaceful economic growth and political liberalization, rather than military threat and intimidation." However, China's technological capabilities, "the vast distances of the Asian theater, China's continental depth, and the challenge of en route and in-theater U.S. basing place a premium on forces capable of sustained operations at great distances into denied areas." As part of this strategy, it calls for the upgrading of the U.S.-India relationship to the level of a "strategic partnership," in order to draw India into the conflict with China.

In case China still doesn't get the message, the QDR goes on: "The United States will work to ensure that all major and emerging powers are integrated as constructive actors and stakeholders into the international system. It will seek to ensure that no foreign power can dictate the terms of regional or global security." Among the capabilities required to implement this policy, the report says, are persistent surveillance, including systems that can penetrate into denied areas, the capability to deploy combat power rapidly "to facilitate assured access," and "prompt and high volume global strike to deter aggression or coercion and, if deterrence fails, to provide a broader range of conventional response options to the President."

This last item involves putting conventional warheads onto submarine-launched or land-based ballistic missiles, which would be under the control of U.S. Strategic Command. The QDR is also mandating a shift of the Navy's force structure towards the Pacific. Adm. Mike Mullens, the Chief of Naval Operations, said on Feb. 11 that this shift involves putting 60% of the Navy's fleet in the Pacific, as opposed to the roughly 50-50 split between the Atlantic and the Pacific that has historically been the case.

'The Army Is Broken'

One crucial difference between the 2006 QDR and the 2001 QDR is, of course, the wars in Iraq and Afghanistan. These operations have imposed something of a reality principle on the Pentagon in demonstrating the necessity of ground troops in conventional formations, equipped with armor and

artillery. Prior to the Sept. 11, 2001 attacks, rumors were swirling around Washington that Rumsfeld was contemplating reducing the Army force structure by perhaps as much as one-third, in favor of a massive expansion of special operations forces. While that expansion has certainly taken place, there's been no reduction in ground force structure.

What the document covers up, however, is that Rumsfeld's transformation policy, in concert with the Iraq and Afghanistan wars, has wrecked the military. The Army's recruiting problems are well known, but just as serious, although less often reported, is the exodus of junior captains from the Army, especially those who are veterans of Iraq and Afghanistan. Attrition rates for junior officers are reported to be at a ten-year high. This exodus of captains has been ongoing, as the Army has been re-organizing itself to increase the number of combat brigades from 33 to 42 without increasing its overall end strength, primarily by taking troops out of the Army's training and logistical base to man the new brigades. The result, according to a Jan. 30 report in the *Los Angeles Times*, is that 97% of all eligible captains were promoted to the rank of major, last year. This compares to a historical average of 70-80%, and is leading to concerns that the quality of the officer corps is declining.

An earlier report, commissioned by the Pentagon, warned that the strain of the Iraq and Afghanistan wars risks breaking the Army. According to news reports, the author of the report, retired Army Lt. Col. Andrew Krepinevich of the Center for Strategic and Budgetary Assessments, wrote that "The demands for Army ground force deployments in Afghanistan and Iraq are not likely to decline substantially anytime soon." The Army, he wrote "risks having many of its soldiers decide that a military career is too arduous or too risky an occupation for them and their families to pursue."

Krepinevich's conclusion is coherent with the warnings of Rep. John Murtha (R-Pa.), who called for a measured withdrawal from Iraq on Nov. 17. "Many say the Army is broken," he said. "Some of our troops are on a third deployment. Recruitment is down even as the military has lowered its standards. They expect to take 20% category 4, which is the lowest category [of recruits], which they said they'd never take. They have been forced to do that to try to meet a reduced quota."

Rumsfeld, of course, bristles at any notion that the Army is broken or that the military is under more stress than it can handle. In a Jan. 25 press briefing, he denied that there was any problem with the Army. "Unless people are telling me something other than the facts, that's just false," he said. He touted the efforts of Army Secretary Francis Harvey and Chief of Staff Gen. Peter Schoomaker to reorganize the Army and to bring more soldiers from the so-called Institutional Army, its training and logistics base, into the combat formations. "I just can't imagine someone looking at the United States armed forces today and suggesting that they're close to breaking," he said. "That's just not the case."

National News

LaRouche Feb. 23 Webcast: Stop Brits' Iran War

In the midst of the escalating drive for war against Iran, American statesman and economist Lyndon LaRouche will conduct an international webcast, Thursday, Feb. 23, at 1:00 P.M. Eastern Standard Time. The program will originate from Washington, D.C., and will be available live and archived at www.larouchepac.com and larouchepub.com.

LaRouche launched a mobilization Feb. 3 to expose the British manipulation of the Western nations, and Iran, as the intended "fuse" toward blowing up the "bomb," the world monetary system. "The fools in Washington," he said, "typified by Vice President Cheney, have no idea what they are detonating."

There is no alternative, he continued, but for responsible members of the U.S. Senate to assert their Constitutional duty against the usurpation of power by the Executive, as demonstrated by the behavior of Dick Cheney. The reckless pursuit of fascist "Executive authority" must be halted now, before the Administration is dragged by the British into the next war.

These issues will be the focus of discussion at the webcast.

Feingold Says Bush Has 'Pre-1776' World-View

Sen. Russ Feingold (D-Wisc.) accused President Bush of having a "pre-1776 view of the world," and castigated those members of Congress who applauded the President during his State of the Union speech, *Raw Story* reported on Feb. 8.

"This program is breaking the law, and this President is breaking the law," Feingold charged. "Not only that, he is misleading the American people in his efforts to justify this program. How is that worthy of applause? Since when do we celebrate our commander-in-chief for violating our most basic freedoms, and misleading the American people in the process? When did we start to stand up and cheer for breaking the law? In that moment at the State of the Union, I felt

ashamed. Congress has lost its way if we don't hold this President accountable for his actions. . . .

"To find out that the President of the United States has violated the basic rights of the American people is chilling. And then to see him publicly embrace his actions—and to see so many Members of Congress cheer him on—is appalling."

Feingold cited three occasions in 2004 and 2005 when Bush explicitly stated, contrary to his current contention, that "the government can't move on wiretaps or roving wiretaps without getting a court order."

Kentucky's Clark Wins; 'LaRouche' Slander Flops

Former State Rep. Perry Clark (D) won the Feb. 14 special election for the Kentucky State Senate, after a spirited fight which included defending his work with Lyndon LaRouche from slanders. Perry will represent Jefferson County's 37th Senate District. With 90% of the vote counted, the *Louisville Courier-Journal* reported, Clark had a 1,000-vote lead over his Republican opponent, Debbie Peden, 6,461 to 5,472.

The Republican Party of Kentucky paid for and mailed a lying flyer on Clark's association with "Conspiracy Theorist and Extremist Lyndon LaRouche" to the Senate district households.

Clark immediately responded with a 60-second radio ad that opened with dissonant sounds, and a female voice saying: "By now, you've all heard the lies Debbie Peden is telling. . . . Now, she's even lying about herself. She told you she was a teacher at Iroquois High School when she wasn't . . . but the people who know her best—our teachers—have endorsed her opponent, Perry Clark."

"Then she lied about child abuse and public safety, . . . but the Fraternal Order of Police, and the Firefighters, the people who know about safety, have endorsed Perry Clark. . . .

"Then, she lied about abortion . . . but it's Perry Clark who the Kentucky Right-to-Life has endorsed every time he's run. . . .

"And now, Debbie Peden's talking about Lyndon LaRouche. But what Debbie

Peden won't tell you, is that her husband supported Lyndon LaRouche. What else isn't Debbie Peden telling you? . . ."

Peden's husband voted for LaRouche's resolution to rebuild the U.S. auto industry, when it came before the Louisville City Council.

Senator Clinton Calls For Auto Marshall Plan

Sen. Hillary Clinton (D-N.Y.) strongly endorsed the United Auto Workers' call on Congress for "a Marshall Plan for the U.S. auto industry," the *Detroit Free Press* reported Feb. 9. Clinton addressed a UAW legislative conference, attended by 1,600 union organizers in Washington D.C., saying, "The manufacturers and the UAW have called for a Marshall Plan. Let's marshal our forces and get it done."

She said that the U.S.A. cannot sustain itself without manufacturing, and that the Bush Administration is trying to "undo the work of the 20th Century": "They want to dismantle the structure of opportunity that has enabled most of us to live better than our parents and our grandparents."

The *Bangkok Post* took notice of Senator Clinton's speech, quoting her that "the Bush Administration is allowing U.S. manufacturing to wither away."

Katrina Death Toll 'May Never Be Known'

Dr. Louis Cataldie, the Louisiana medical examiner, believes that the death toll from Hurricane Katrina "may never be known," the *Houston Chronicle* reported Feb. 13. Dr. Cataldie stated that hundreds, if not thousands, of people who remain missing, may never be found.

He told the *Chronicle* that many people were probably washed into the Gulf of Mexico, drowned when their fishing boats sank, swept into Lake Pontchartrain or alligator-infested swamps, or buried under crushed homes. The state/Federal Find Family call center still has 2,300 people on its missing list.

Medicare Drug Program Still in Chaos

In a hearing of the Senate Finance Committee on the Administration's drug program, Sen. Kent Conrad (D-N.D.) blasted any notion that the problems in the new Medicare drug program were on the way to being solved. He told Mark McClellan, the administrator of the Center for Medicare and Medicaid Services (CMS), on Feb. 8, that the drug program has been "a fiasco. This has been botched and bungled every step of the way. . . . Everywhere I go in my state, there are endless streams of complaints." Conrad reported that he had just gotten a call from a pharmacist in North Dakota "who said he's ready to quit providing coverage to Medicare patients because this has been so badly handled." At meeting after meeting, Conrad said what he hears is "widespread confusion and growing anger, too many plans, people can't get through to the 1-800 number," and on and on. All McClellan could say in response was to repeat his claim that "we have seen. . . a substantial reduction from those early weeks of January in the rate of problems."

Conrad's comments followed those of Max Baucus (D-Mont.), the ranking Democrat on the committee, who charged that the Bush Administration had made the drug benefit "needlessly confusing." Baucus noted that the Government Accountability Office had warned that CMS's plans "were insufficient to avoid big disruptions in coverage," but CMS disagreed. Instead, CMS claimed that it had been working diligently to insure that beneficiaries would have coverage on Jan. 1, 2006. "Well, that didn't happen," Baucus said. "GAO was right. Data systems failed. Pharmacists and states were stuck with the bill for co-payments that should never

have been charged, and some vulnerable seniors left the pharmacy without the medicines they needed."

A number of pieces of legislation have been introduced to deal with the crisis. One of these, co-sponsored by Sens. Dianne Feinstein (D-Calif.), Susan Collins (R-Me.), Olympia Snowe (R-Me.) and Hillary Clinton (D-N.Y.), would prohibit plans from changing their formularies after a beneficiary has signed up.

Money Running Out For Energy Assistance Programs

The National Energy Assistance Directors' Association (NEADA) called on Congress, on Feb. 13, to fully fund the Low Income Home Energy Assistance Program (LIHEAP) to the level of \$5.1 billion authorized in last year's energy bill. Mark Wolfe, the executive director of NEADA, told reporters at the National Press Club that 12 states have already run out of funding for this Winter heating season, and several more expect to, by the end of March. He also reported that the number of applications is up 627,000 from last year, to a total of 5.8 million. Increases of at least 20% are projected in 15 states and the District of Columbia.

Wolfe said that states are running out of money faster than ever before. "Normally, we expect states to still have funds at this time of year," he said. Aggravating the crisis is that many states have utility-shutoff moratoria which end as early as March 15, and have thousands of people who are in arrears on their utility bills. Without additional LIHEAP money, states are facing a crisis among their low-income populations as these moratoria expire.

Despite this crisis, the Bush Ad-

ministration's Fiscal 2007 budget calls for only \$1.782 billion for LIHEAP, a cut back from the \$2 billion appropriated in 2006. The energy assistance directors are calling for the program to be funded at \$5.1 billion, the amount authorized in the 2005 Energy Policy Act.

House GOP Still Resisting Oversight of Torture Policy

On Feb. 8, the House International Relations Committee voted to report adversely three resolutions of inquiry introduced by Democratic members of the House. The three resolutions amounted to subpoenas of the Bush Administration for documents relating to Administration policies on extraordinary rendition of terrorist suspects to third countries to be tortured, the Convention Against Torture, and secret prisons. All three were rejected by nearly party line votes. Only Rep. Jim Leach (R-Iowa) broke ranks to vote with the Democrats on all three resolutions, and Rep. Ron Paul (R-Tex.) on one of them.

Committee chairman Henry Hyde (R-Ill.) set the Republican tone early in the proceeding by accusing the Democrats of wasting the committee's time, and seeking political advantage in an election year. Furthermore, the Pentagon has conducted a dozen investigations, and Hyde claimed that there is thus no need for Congressional oversight. Ileana Ros-Lehtinen (R-Fla.) complained that the Democratic resolutions "could be used to equate the United States with repressive regimes," while Rep. Ed Royce (R-Calif.) complained that at least one newspaper has labeled Dick Cheney as "The Vice President for Torture."

Democrats, in addition to noting the insulting nature of the GOP comments, asserted the Constitutional re-

sponsibility of the Congress to conduct such oversight of the Executive branch. They especially bristled at the notion that their only interest is one of partisan politics, that it is therefore anti-patriotic for them to question the policies of the Administration in the war on terrorism, because doing so gives aid and comfort to the enemy. Democrats warned that the Congress is in danger of becoming a rubber stamp unless it fulfills its Constitutional oversight responsibilities.

Tax Cut Bill Finally Goes to Conference

On Feb. 14, the Senate appointed its conferees on the fiscal 2007 tax cut reconciliation bill, but only after spending ten hours debating numerous motions to instruct the conferees on various provisions of the bill. Republicans blamed the Democrats for the extended debate, even though some of the motions were made by Republicans, and for the resulting slowdown in Senate business. Disposing of the motions required consecutive roll call votes, causing the canceling of half a dozen committee hearings that had been scheduled for that morning.

Indeed, this was the third time that the Senate had debated the bill. The first time was back in November, but because the Senate had acted on a tax bill before the House had, it was required to take it up a second time, which it did on Feb. 2. Senate Finance Committee chairman Charles Grassley (R-Ia.) likened the situation to the movie *Ground Hog Day*, in which actor Bill Murray plays a character forced to relive the same day over and over again. "It seems we are reliving the same events over and over again," Grassley said.

Sen. Max Baucus (Mont.), the ranking Democrat on the Finance Committee, noted, however, that the intent of the Senate GOP leadership seems to be different from what the Senate voted on. The Senate bill includes a one-year fix of the alternative minimum tax (AMT), a provision not in the House version of the bill. The House bill, on the other hand, includes extending the lower tax rates on capital gains and dividends income, passed in the 2003 tax cut bill, which is not in the Senate bill. "Yet, I keep reading in the papers," he said, "that capital gains and dividends tax cuts will still be in this reconciliation bill. . . . It is statements such as that which call into question the Senate's votes, and cause the Senate to have to vote once again to deliver that same message."

Grassley combined both issues into one motion to instruct, which calls for insisting on the Senate provision on the AMT, but accedes to the House on the capital gains and dividends tax cuts, which passed on a vote of 53 to 47. A separate motion, offered by Sen. Edward M. Kennedy (D-Mass.), to reject the House provision was defeated by an identical 53 to 47 vote.

Fire Protection Programs Short-Changed by Bush

Rep. Bennie Thompson (D-Miss.), the ranking Democrat on the House Homeland Security Committee, sponsored a forum discussion, along with Reps. Martin Sabo (D-Minn.) and Melissa Bean (D-Ill.), on Feb. 14, to expose how the Bush Fiscal 2007 budget slashes programs that aid fire protection services, and state and local emergency management agencies. Sabo, the ranking Democrat on the House Homeland Security Appropriations

Subcommittee, said that the proposed funding levels are so low that "we're back to the levels of 2002." He added that the Bush Administration "doesn't seem to have learned anything from Katrina."

Trina Sheets, the executive director of the National Emergency Management Association, reported that state emergency managers believe that "our ability to prepare and respond to disasters of all types is decreasing, rather than increasing." In the aftermath of Hurricane Katrina, "we believe there's a need for more money, not less," she said. James Monihan, of the National Volunteer Fire Council, pointed out that emergencies happen every day, and the grant programs cut by the budget had allowed fire departments all across the country to acquire life saving equipment they otherwise could not have afforded.

Ironically, the programs being cut will save very little money, because they are small relative to many other things the Federal government does, but will impact programs that save lives. The Firefighters Grant Program is being cut to \$293.45 million, from \$545 million appropriated in 2006. The SAFER program, which supports the hiring and retaining of career firefighters, is targeted for elimination. Another program to be eliminated is the \$28.8 million Metropolitan Medical Response System program, which provides funds to more than 100 metropolitan medical systems, to improve their abilities to respond to mass casualty events, whether man-made or natural. Thompson argued that the emergency response system that has been put in place requires these programs to be sustained, "and that's why we're concerned about the elimination of some programs, and the cuts in the others, which absolutely put us as a country at risk."

LESSONS OF THE PELOPONNESIAN WAR

Winning the Battle Against Sophistry

“The LaRouche Show,” an Internet radio program, interviewed EIR Editorial Board member Gerry Rose on Feb. 4. The show is broadcast every Saturday at 3:00 p.m. Eastern Time at www.larouchepub.com. Harley Schlanger hosted the show, and was joined by LaRouche Youth Movement (LYM) panelists Quincy O’Neill and Randy Kim.

Schlanger: Our show today will focus on a crucial aspect of the battle to defeat the fascist neo-cons centered around Vice President Dick Cheney. Following their success in imposing Judge Samuel Alito on the U.S. Supreme Court, Cheney and his allies have launched into a true flight-forward, placing a war against Iran on the immediate agenda; while Bush, Rumsfeld, Bolton and others are preparing for a preemptive strike against Iran’s nuclear energy and research sites, the administration has launched simultaneously, an all-out offensive against the U.S. Constitution, justifying illegal spying on Americans through the National Security Agency, holding prisoners without charges, and advocating torture, among other atrocities committed by this gang.

Lyndon LaRouche pointed out that the Democrats in the Senate flinched on the Alito fight. True, there is a core which responded to LaRouche’s call to action, and stood up. There were 25 votes for a filibuster against Alito. But, they failed largely because they did not identify Alito and his legal outlook for what it is—fascism, the return to the judicial and legal philosophy of Carl Schmitt, the jurist who drafted the emergency decrees for Hitler, which Hitler then used to impose Nazi dictatorship.

Now, as we’ve identified on this show previously, Alito and his allies are adherents of the same doctrine of law used by Schmitt for Hitler, which they are intending to apply, now, in support of a fascist dictatorship in the United States. One of the groups they’ve worked through, is the misnamed “Fed-

eralist Society,” to which Alito and at least three other Supreme Court Justices pledge allegiance. And this is the network at the heart of the drive for fascism, since its founding in 1982. And this has been documented in the LaRouche PAC’s “Children of Satan IV” pamphlet, which is being circulated all over the country, including to U.S. Senators.

Now, central to their philosophy is Sophistry, which will be the focus of our show today. Our special guest will be Gerry Rose, who has written and lectured extensively on this topic.¹ We’ll also have a LYM panel which will include Quincy O’Neill from Los Angeles and Randy Kim from Washington, D.C.

Now, Gerry, to prepare for the show, I was reading last night, a recently published book by Victor Davis Hanson, called *A War Like No Other: How the Athenians and Spartans Fought the Peloponnesian War* [2005]. Hanson is a self-admitted follower of Leo Strauss, and he argues (as a good Sophist would), that the Peloponnesian War—the disastrous war—was not really a dividing point, or a *punctum saliens* in history. He said instead, and this is a quote from him: “Athens did not lose the Peloponnesian War in 405-404 [B.C.], as much as suffer a two-year setback, before pressing ahead to rough parity and permanent peace with Sparta, somewhere around 394.” So, for him and the neo-cons, it was just an interregnum.

Now, when we were speaking earlier, you said that you thought this was an attack on what Lyndon LaRouche has said about the Peloponnesian War. So, let’s start by taking up this question: What is the essential issue of the Peloponnesian War?

Rose: We had occasion to discuss this directly with Lyn,

1. For example, Gerry Rose, “Reflections on Shakespeare as a Historian: The Roman Plays,” *Fidelio*, Fall 2004.



The Peloponnesian War, launched by Pericles, was as foolish as the war undertaken by Bush and Cheney in Iraq—and for the same reasons.

this Tuesday [Jan. 31], because we are going to review this book. And the essential issue in the Peloponnesian War, was not the particular way the war was fought—which is what Hanson and others try to get into, which is the typical “flat Earth” view of history. That is, you take the so-called “facts,” empirical facts—names, dates, places, times, numbers of dead, leaders, you know, this kind of thing, names of battles—and then you try to somehow, through an inductive method, get a “history,” what we call “history” (or what they call “history,” I don’t call it history).

That was not the essential question of the Peloponnesian War, and it’s precisely Lyn who has raised in the modern time, that it was the prior collapse of Athenian society which led to the Peloponnesian Wars, not the other way around.

The reason they would argue, as Hanson does, that there was just an interregnum: Look, they’ve got Lyndon LaRouche on their mind. Because they know that Lyn, and the American System attached to Lyn’s profound comprehension of this, is a strategic threat of the highest magnitude—as they learned during the Alito fight: We were recently told by an aide to a very, very senior Congressman, that nothing was going on in the Alito fight until we entered. And he said it was like a sea-change.

So therefore, they’re obsessed with Lyn. Nobody talks about the Peloponnesian War, or writes long books on it, except as a way of attempting to refute what Lyn has said.

Schlanger: Gerry, in a sense, they’re not just defending Sophistry, but they’re applying it to history, then.

Rose: Exactly. This is exactly what they do.

Solon of Athens’ Conception of Man

Schlanger: So, what did lead to the collapse of Athens then, and the Peloponnesian War?

Rose: Well, it was very specific: What happened was, that if you take it from the standpoint of Solon, who was a hundred or so years before the start of the Peloponnesian War, Solon had established in Athens a principle of the General Welfare: He wrote a constitution, in the form of a poem, and one of the critical elements of that, was that the poverty, through the debt of the majority of the farmers and artisans, was killing Athenian society. And the landowners were increasingly rapacious in collecting the debt. Solon was a very honest broker, and trusted by both the farmers and the artisans in the city, and even the landowners; because the situation was leading to a massive impasse, and society would have fallen apart; so they asked him to come up with a solution. And in that, he developed the question of a moratorium on debt.

What Solon did, was to put forward an idea of defense of the General Welfare; and certainly, the checks and balances that he had put in, in the Athenian Constitution, in the relationship between the debtor and the creditor, and the different relationships of how much land you could have and this kind of thing, and that you’d have to work the land, you couldn’t just hold it. These reforms were created by an idea of man which Solon had, and this was part of a general impulse-tendency which included Thales, Pythagoras, and others who were part of this Greek Renaissance.

Schlanger: And so, this in fact, when historians refer to the Golden Age of Greece, this is what they should be referring to.

Rose: Exactly, in the same way that, in America, you would refer to Lincoln, or you could even refer to Franklin Delano Roosevelt as a resurgence, and in a sense a Renaissance, of where our country started. (What people today call the “Golden Generation,” is really this crazy Boomer generation! And the same thing is what they did with Pericles.)



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Solon of Athens (624-560 B.C.) established the principle of the General Welfare, in the “constitution” he wrote for the city-state, in the form of a poem. This conception formed the basis for the flourishing of Classical Greece.

So, if you start from the high point of Solon, and what the idea of man is; Solon fought for what we call a “universal physical principle,” which is called the General Welfare. There were others who, keying off of that idea, particularly Aeschylus, and later in a different way—who were after Solon, and really were part of a real Greek resurgence of both science and art, and technologies that occurred in the wake of that—that, what you had, was an in-depth education of the population as to the nature of justice and the nature of man.

Schlanger: When you say “in-depth education,” I know you are a great admirer of Aeschylus, Sophocles, and I believe also Euripides—was this part of that educational system?

Rose: That was the central part. The way that the Greek tribes both got the most advanced education in language and history, was through these tragedies. And Homer started this whole process, with his *Iliad* and *Odyssey*. So, there was a literacy movement, not in terms of writing, but there was a literacy in language, a literacy in history, on what had happened to Greece when they fought the crazy wars in Troy, which had destroyed Greek society. And what was always a touchstone for sanity, is the rejection of arbitrary war, and arbitrary power.

Now, in the wake of that, the Greeks were capable of defeating the Persian Empire, both at the Battle of Marathon on the ground, and very significantly, at the Battle of Salamis on the sea.

And the Persians were run by the Babylonians. The elites of Persia were trained by the Babylonian priesthood, which was pure evil. It’s spoken about in the Bible, also, the “Whore of Babylon” and that kind of thing. But, the point was, that

the Persians were being deployed by the Babylonians to invade the Ionian areas which were colonies of the Greeks, and then later the Peloponnesus which was the mainland of the Greeks, and Attica, which is where Athens is.

You know, the Spartans never fought at the Battle of Marathon. You know the famous “Marathon run,” to get Spartans to come up—the Athenians had already defeated the Persians on land, at Marathon, in an extraordinary battle [in 490 B.C.]. But the Athenians represented a much higher idea of man, and civilization and cohesion. It was not a horde. They were fighting for an idea—much as the American soldiers had fought for an idea during the fight against fascism and Hitler. They were fighting for an idea: That Athens was an idea—it was a physical place, for sure—but it was an idea, developed by Solon, developed later by others, Sophocles, particularly Aeschylus, an idea of justice, an idea that all men really deserve and should have justice.

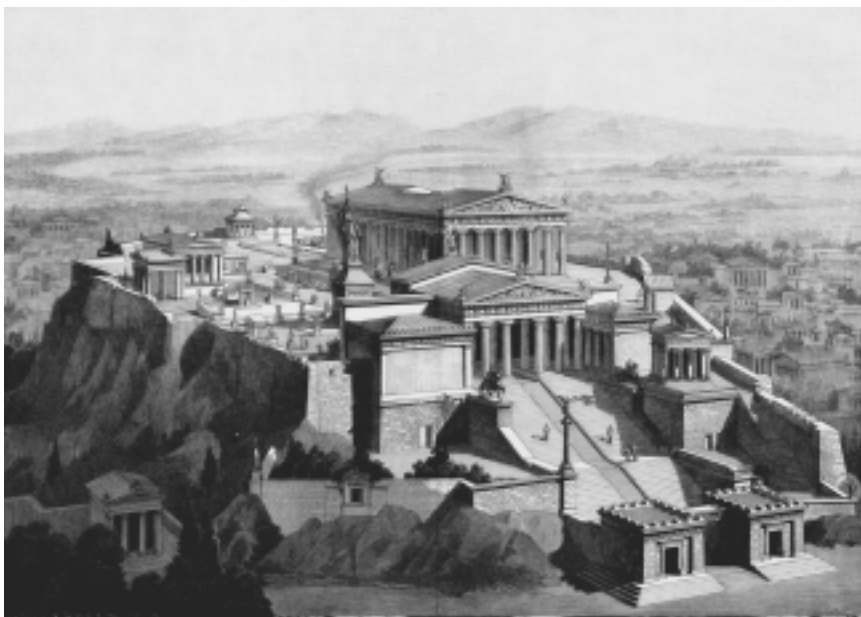
Now: After the defeat of the Persians, in which Athenians were the leading fighters, particularly at Salamis [480 B.C.], a brilliant battle, where Themistocles had to literally trick the Athenians not to run away, because they were so outnumbered; it’s a very interesting story. But, after the defeat of the Persians, the Cult of Apollo at Delphi, which was run, frankly, by the Babylonians and the priests of Babylon through the Persian priests, and was a banking center—increasingly, they made a counteroffensive, a cultural counteroffensive, against Athens.

The Destruction of Classical Athens

Schlanger: . . . Now, Gerry, I want to make this point also, before you continue, because some of our listeners sit there, and say, “Well, this is all very interesting, but how does this enable us to fight fascism, today?” We’re now looking at what it was that Victor Davis Hanson and the Straussians are trying to cover up, which is: What was it that led to the destruction of Classical Athens?

Rose: Yes, that’s exactly the point. That they understood, strategically, that if Athens remained committed to that idea, then the strategic hold that Babylon had over Persia, and the strategic games that they played through the Cult of Apollo at Delphi, could be defeated. The Athenians *did not* consult the Cult of Apollo, to fight the Persians. Because, the Delphi cult had told everybody who consulted them, “Don’t fight. They’re too big. Make a deal. Become a satrap, or a protectorate of the Persian Empire”—which was run by Babylon.

What happened at that point, which gets to the core of the question, is that critical intellectuals were recruited to a different idea of power, different than Solon: It was called Sophistry. Literally, that’s where the word sophistry comes from, which means that so-called “knowledge” is power, not universal physical principles like the General Welfare, and the development of science. But that rhetoric, the ability to hurt your enemies and defend your friends, and mobilize the mob to do either, was what they call “power.” This is identi-



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An artist's rendering of the inner city of Athens in Pericles' time. This was the period of the spread of the influence of Sophism, which ultimately destroyed Greece.

fied in Plato's dialogue *The Republic* by Thrasymachus. And most of the dialogues that Plato writes are attacks on Sophistry.

But this Sophistry was originally set up by Parmenides, who was with what they called the Eleatics. And the Eleatics, such as Zeno and Parmenides, said that there was no truth.

Schlanger: How do you take a society, which has been through the works of Homer, the ideas of Solon, that this is real to them through the tragedies which they see every year at the great festivals; how do you take a society that has a developed sense of its potential, and win people over to the idea that there is no truth?

Rose: Well, what the problem in society in general has been, is that only a very small number of people—what we would call an elite—actually understand the principles upon which society is created. And it's been the subject of the great philosophers and thinkers: How do we get the general population to think for themselves? And think from the standpoint of universal principles? In other words, the question for society is: How do we increase the relative potential population-density of society? Or, as it is called in the American Constitution, "the General Welfare"?

Unfortunately, too few people, because of the educational system—and this is where the LaRouche Youth Movement becomes so unique—have been forced to go through the rigor of discovering for themselves, questions of universal principle. And therefore, they have to take on the basis of opinion, what's called "authoritative opinion," what is true and what is not true. And then, you're stuck arguing "authorities," right?

When you start from the standpoint of Solon, when you start from the standpoint of the Founding Fathers, when you start from the standpoint of Lyndon LaRouche, the question for society is the increase in the relative potential population-density per square kilometer of society. In other words, if you have a good society, the result of that society will be the increase in *density* of population, and therefore, also, the increase in the living standards of that population, while you're increasing the *density* of that population.

The Athenian Shift Toward Empire

Schlanger: Well, then that brings you right back to the question of your concept of the nature of man. Because, if you believe that man is capable of mastering the discovery of universal physical principles, then you organize a society around that.

Rose: That's exactly it. And you see the difference: You saw it at the height of the so-called Age of Pericles—because Pericles was the one who organized the Peloponnesian War, and he was trained by the Sophists of his time. And Pericles argues, in his funeral oration after the first year of the Peloponnesian War, and then later, what had happened to Athens in the Melian dialogue, which is all in Thucydides, who was there at the time—Pericles points out that rhetoric, pleasing rhetoric, to sway opinion, was the basis upon which they fought the Peloponnesian War.

There was no basis for the war against Sparta. Athens was at the height of its power, because, after the defeat of Persia, Athens through the Sophists, and through the Cult of Apollo at Delphi, was looting all of what was called the "Delian League," where all the different city-states of Greece were paying tribute to maintain the fleet of Athens. They started using the money not for the fleet, but all sorts of other things. And certain key people in Athens decided that they were going to become an empire.

But, you see, the question of an empire—and I'm not going to read it, because we don't have time—but if you look at Thucydides, you'll see the question of the Melian dialogue, about how the Athenians were going to invade this island of Melos, during the Peloponnesian War; and the Melians said, "Well, we've been neutral, why don't you give us justice?"² So, the argument the Athenians use is "justice is the power of the stronger over the weaker." And that is the argument of

2. See Helga Zepp-LaRouche, "Thucydides' Melian Dialogue: How Athens Became an Empire, and Fell," *EIR*, June 4, 2004.



The descent of ancient Greece into decades of war between Athens' Attic League and Sparta's allies, occurring so soon after their successful common defense against the Persian Empire, can be attributed to Athenian imperialism and its philosophical roots: Sophism.

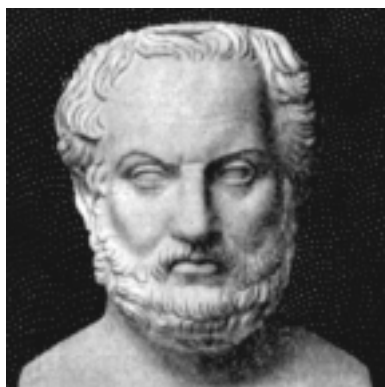
Thrasymachus in the *Republic*. And *that* was Leo Strauss's argument, and that is the argument of the fascists. Where would Athens have been, if Solon had thought that way?

Schlanger: That's the argument, today, of David Addington, of John Yoo and the theorists like Alito, behind the present Bush-Cheney Administration.

Rose: Exactly. And the problem is, and this is why they had to take on Lyn on this question: Is that *the Peloponnesian War ended in the destruction of Athens!* In other words, it's *not* that they won the war! They—over a 30-year period, through several perturbations, back and forth; Pericles dies very early in the war; then a certain, so-called democracy takes over, and then Sparta finally wins, and imposes tyrants; but then, they get overthrown. And finally, at the *end* of the Peloponnesian Wars, with the *total destruction* of Athens, in terms of an idea of Athens for the General Welfare, they kill Socrates in 399, after the destruction of Athens.

So that, in fact, they have to argue that Athens wasn't destroyed by the Peloponnesian War, because, in fact it *was*, because *these ideas are not coherent with the laws of the universe*.

And therefore, if you hold to these ideas—Persia! You don't hear about the great Babylonian Empire, or the great Persian Empire, except in the fantasies of some people. You don't hear anything about the great empires of the past, because empires are based upon a rejection of fundamental universal physical principles, and therefore, the universal itself; because they cannot sustain the populations by looting them;



The ancient historian Thucydides saw the crucial error of the Athenians in dealing with the neutral city of Melos: their belief that they could rely on rhetoric, rather than truth.

you *can't* sustain population by perpetual war. You don't hear about the Roman Empire any more! This looted all of Europe, to maintain a certain oligarchical elite, and all of Asia. And they attempted to loot everything in sight. And ultimately, they collapsed! They *physically* collapsed!

Sophism Today

Schlanger: Well, Gerry, I think this is exactly the point of why we're looking at someone like Victor Davis Hanson, and the Straussians and the neo-cons, because they're trying to make an argument that empire, in fact, is the only appropriate form for government today. And what Lyndon LaRouche said yesterday is, that what the new defense policy of Rumsfeld—what Cheney's trying to do with the war against Iran—is, in fact, to revive the imperial doctrine in the same way that it was revived under Hitler and the Nazis, under these same Synarchist banking elites in the 1930s.

Rose: Absolutely. And, it's very dramatic: You really only have two ideas of man. There are perturbations of it. There are certain arguments that are more advanced and less advanced. But it's this fundamental question that Lyn always comes back to: Is man an animal, or does man have a soul, and on the basis of that soul, can he discover universal physical principles and apply them, to the well-being of mankind?

And what happens under these kinds of Sophists, is this idea that there's no universal principle, that it's whatever you can convince people of. Look at the problem on the Alito case. One of the problems of the Boomer generation, is that the idea of telling the truth is out of vogue. Even if it gets you in trouble, you *have* to tell the truth, and the truth was not told about Alito, even though people had some good impulses on this. The result was that Cheney, Addington, Yoo, this crowd, got Alito in, and they are now on an offensive to start a war with Iran. But, had anyone stood up, and said simply, "Alito reminds me of the arguments of Carl Schmitt, who was the Nazi 'Crown Jurist' "—had any Senator stood up and said what was clearly true, it wouldn't have mattered whether we had won the vote. Because that would be *a declaration of*

war, as was World War II, when we entered the war against fascism. And the population of this country *has had it* with the Sophistry, on both sides of the aisle! Both Republicans and Democrats (yes, there are Nazis; but a lot of the Sophists are not Nazis). But the only way you can defeat this, is not by “playing within the rules of the game”! As long as you play within the rules of the game, and play the Sophist game of “influencing opinion,” authoritative opinion—look: You’re up against the Synarchists. They have trillions of dollars. *You cannot fight them on their own grounds.*

You’ve got to *go* to the people of this country. You’ve got to speak the truth. Because 90% of the population—it used to be 80%, now it’s 90% of the population—has lost almost everything. They’re *deeply* in debt. Many of them are losing their jobs. Most of them have lost their pension funds; most of them have lost their health care; most of them are facing ruin for their children, from the kind of nonsense that is taught at universities: And therefore, *you cannot play by the rules of the game!*

And that’s what Sophists do: They try to influence people within the rules of the game, by starting with the same assumption that *there is no truth*, there is only “authoritative opinion.” No!

The LYM’s Battle Against Sophism

Schlanger: . . . When you see this problem of Sophistry in the Congress, how do you get this across to people? I mean, you say that people are angry. I guess the real question is, they’ve got to see some leadership.

Rose: That’s it. In other words, unfortunately, as you asked before, how could such a society that had reached such a high standard, have fallen so low? And this is the problem of all societies. And this is why I am so enthusiastic about the kind of program that Lyn, and you and Phil [Rubinstein] and others are running with the LaRouche Youth Movement. Because, it’s mass-based, what you call “Monge Brigades,” in which the emphasis is on the discovery of principle, universal physical principle, and applying that to different geometric discoveries, and then, certainly artistic discoveries.

Schlanger: We’ve just been discussing this whole question of the importance of understanding history, living in history. And we have two representatives from the LaRouche Youth Movement, who are part of a small group of the young generation, who actually are finding out what it means to live in history, to act on the stage of history, and not merely be

influenced by the Sophistry of society, to “go along to get along.” . . .

Now, let me first bring on from Los Angeles, Quincy O’Neill. Quincy, Gerry was just discussing his enthusiasm for the way the LaRouche Youth Movement has been created as a kind of powerful anti-Sophist device in the population. I was wondering if you had some thoughts on that, and what you’ve heard previously on this question of the nature of the battle.

O’Neill: It’s *the* question, it’s central: Whether we’re at a campus, or making some political intervention, this is what comes up. We’re presenting an idea to them, and they don’t have a format, a method to understand what we’re saying. And it ultimately shuts down some of the conversations that we’d want to have with the people who are honest. But it can quickly turn into what Gerry was referencing, this questioning of relying on authorities. And that becomes your discussion, if you’re not careful. Just the other day, it happened. And then, the person has to decide to further investigate, and figure out what we’re saying about the American System, or about some scientific concept, and then we can have another conversation.

But, particularly, in the recent development in the Alito fight, the process of us getting this resolution passed against the Alito nomination passed as the official stance of the California Democratic Party, at the Resolutions Committee, this question came up—with us identifying Alito as a follower of Schmitt’s doctrine, and calling them Nazis. And the people there, as part of the committee, not saying that it wasn’t true, but saying that “we couldn’t say that.”

Schlanger: But, Quincy, that was in the resolution, right? There was a “Whereas” clause, identifying Alito as a follower of Schmitt, the jurist for Hitler.

O’Neill: Right, and the discussion was whether to strike that clause, so that the first two clauses identifying the unitary executive theory and the signing statements would remain, but the third clause, we’d have to strike. And when the question of truth was brought up, the chair of the committee, who is head of the Teachers Federation, and has been on the committee for 35 years, said, “Well, we should discuss what truth is. Because, truth isn’t the same to everybody.”

It was striking for us, the LaRouche Youth Movement members present, because it was, in a minor way, a reenactment of a Plato dialogue—here we go, there it is, it’s just right there, that question! And in preparations for the convention, we’ve turned our focus back on some of the dialogues, because that’s where we have to start, “Here we go again!” We have to find a way to get at the American System, but first be able to address this question of Sophistry and how the party won’t be able to function if it continues with it.

But then, people came up to us after the passing of the resolution, saying, “Well, you were right. And, we couldn’t



EIRNS/Stuart Lewis

Gerry Rose

get it passed, because it was a late resolution and there were rules to it, but, what you were saying was right.” So, there is motion, where there is a fight that we started, and people are recognizing that we cannot continue in this way.

Schlanger: The resolution that you introduced as a member of the LaRouche Youth Movement, and also an alternate county Democratic Central Committee member—the resolution passed, but they *did* strike out the clause that identified Alito as a follower of Nazi doctrine?

O’Neill: They did, they did.

Schlanger: Okay. Well, I think, Gerry, that gets right at what we’re talking about, doesn’t it?

Rose: Doesn’t it? Yeah, and that is the weakness of the Democratic Party. And that’s why we have to lead the Democratic Party.

Organizing in the Nation’s Capital

Schlanger: One of the people who’s been involved in the fight in Washington, D.C., is our other LYM panelist today, Randy Kim. Randy, what’s your sense of the state of Sophistry in Washington?

Kim: Well, that’s definitely an interesting question to ask here. It’s a very funny town, as I think John McCain once said in one of these situations. I think it’s a good example to look at, because certainly, you have institutional schools here, like Georgetown and George Washington University, which pump out young people who then become interns, and then later on move on to positions of power in the Justice Department, and the Department of Defense, and certainly the Congress and the Senate. A lot of the younger people you find here come from schools all around the country. And the comment that Gerry was making about the Monge Brigade process and the LaRouche Youth Movement, really is essential. Because, our generation is in a unique position, especially in the city of D.C., to illustrate the shortcomings, the Sophistic tendencies of, number one, the Baby-Boomer generation; yet, at the same time, to take those of our generation, who are being groomed right now for positions in the government, and attack them from the standpoint of us being members of that generation: showing them, “Okay, these are the results, the consequences of 30 years of our parents’ sophistic decision-making in policy, in the government in Washington, D.C.”

And it’s an interesting fight. At George Washington University, this past week, a number of us went onto the campus, identified law professors who are members of the Federalist Society, the same society that Justice Alito is a part of. And we called them out, openly, in class, broke the ice of this professional academic world, and said, “Hey, look! You guys are members of the Federalist Society. This is what these guys believe in. Do you support this? Or, are you going to rip up

your membership card, and show your students that you’re actually a person of principle?” And a number of these people *really* flipped out! to such a degree there was somewhat of a slander run in the student newspaper. And then, a few days after that, a student radio station, by the name “The Voices of Reason,” invited two of our members on, and really had a frank discussion with them about our methods, and about why it’s important, and about why we can say that Alito is a student of Nazi legal theory.

So, it’s a very interesting situation here, in D.C.

Schlanger: Did any of the professors rip up their membership cards?

Kim: No, I don’t believe so. They hid behind the idea that it’s just a “nice group that talks about ideas.” And ironically enough, one of the professors then proceeded to give a class about multiple instances where the United States has unilaterally violated international law, and how this can happen over and over, again, and that’s no problem.

Hamilton vs. the Federalist Society

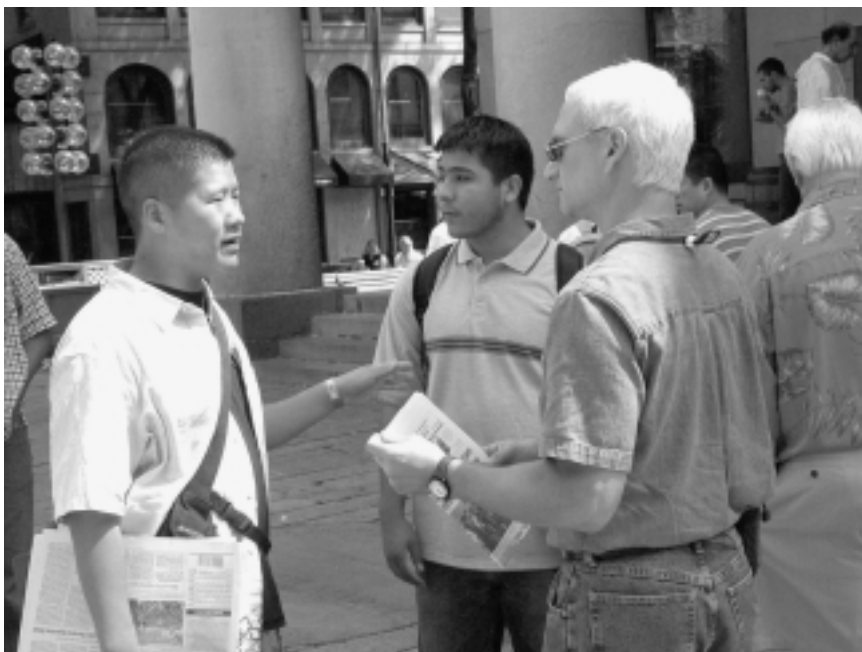
Rose: One of the most sophistic aspects of the Federalist Society, is they try to say they start with Alexander Hamilton. Now, in *Federalist Paper #69*, Hamilton argues very forcefully, that the President is not a King. Because, they had to, in the *Federalist Papers*, convince the State of New York to adopt the Constitution, in order to get it through, because there had to be unanimous adoption of the Constitution. And in *Federalist Paper #69*, he argues *absolutely clearly, and decisively*, upon the checks and balances on the President of the United States. The President of the United States *cannot declare war*, as Kings of old did. The President of the United States can not levy troops, as Kings of old did. The President of the United States cannot levy money for those troops, as Kings of old did.

And therefore, to say that they’re quoting *Hamilton!* They are quoting Carl Schmitt! They’re not quoting Hamilton: That’s Sophistry. In other words, the essence of Sophistry, is to take a word, like “Federalism,” right? Which was a perfectly good word, and it comes from this idea of *E pluribus unum*: Out of many, one. And a Federal idea of the Constitution, with checks and balances, that’s the idea of Federalism—the actual idea of Federalism.

They’re *not* talking about Federalism.

When they talk about the unitary executive, it is *absolutely argued vociferously, by Hamilton himself*—that this is *absolutely* illegal, unconstitutional, and *everything we have founded this nation not to be*. That’s real Sophistry.

Schlanger: Lyndon LaRouche brought up another example of this at the cadre school address to California last week, where he said, “So, these guys want to be followers of Hamilton? How about supporting the National Bank? How about



EIRNS/Stuart Lewis

Randy Kim organizing in Boston at the 2004 Democratic Convention.

supporting regulation of commerce?” And of course, we’ve seen this on campuses across the country, as Randy was saying.

Quincy, I assume we’ve run into precisely the same thing on the campuses on the West Coast?

O’Neill: Yeah, very much so. It’s not much different at all. It’s the same at UCLA, or at Claremont College. In the interventions with the professors, it might take this form with some of the people. But with the students, they’re not even in the ball game—they’re not aware that there’s a conflict. But, what’s in our favor, and this has to be underlined, both in our work on the campuses and in discussions with younger members of the party structure, is that, as Athens did fall because it did execute Socrates, the reality is, that things are falling apart. And when we counterpose what they’ve been taught, their ideas versus the reality, the reality is beginning to win a lot of them over, to at least go and investigate. And so, we find ourselves in a very fortunate position, because we do have the truth, we do have a program that’s proven: that is, the American System. And that is spurring all kinds of meetings, at places like UC Santa Barbara, and UC San Diego, where we’re finding that there is interest in a plan. And they’re recognizing that there isn’t a plan, and are willing to talk.

Schlanger: Gerry, you’ve been involved in the organizing for well over 30 years. And I think you’re probably like me, that you thought years ago, that all we had to do is tell the truth, and people would end up flocking to us.

Rose: [laughing] Yes.

Schlanger: So, I guess this question of Sophistry really is much more profound than most people think.

Rose: Oh, absolutely. Because, most people, even people who are well-meaning, have to begin to consider what is going to happen to their nation if they continue to “go along to get along.” They have to consider this. The handwriting’s on the wall.

You have, in the nature of Alito, in the nature of Cheney, in the nature of their commitments; and what they did in the wake of Katrina; what they’re about to do to Iran; what they’re about to do our own military; the torture—the handwriting’s on the wall. And it’s for the people whom we’re talking to, they can no longer “go along to get along.” They cannot do that: What’ll happen is what happened to Athens, what happened to Rome, what happened to

Sparta, what happened to Persia, what happened to Babylon—what happened to *every empire in history*: If you violate, for too long, the laws of the universe, then you will destroy the physical capability of your own population to survive. And we are at that decision-making point.

If Cheney and the Synarchists who put in Hitler, are not stopped—because these are the people who put in Cheney and Bush, right?—then we are facing a Dark Age. Again, you don’t really read about the Babylonian Empire, do you, right now? It’s not exactly a current question. You don’t read about the Roman Empire right now, although it morphed a couple of times—there’s an argument about that, but I’m not going to make it at this point. You don’t read about that, because they destroyed themselves. And if America goes the way of an empire, if people think they’re going to be anything but slaves to a few oligarchs, and they think they’re going to be lackeys and suck up, there ain’t going to be a whole lot of those people who can suck up. The 80-90% of this country are going to be ground to nothing!

And therefore, they have to face this idea of going along to get along.

A ‘Culture of Corruption’

Schlanger: Let me ask Randy, who has been spending some time pounding the pavement in Washington, and going into the Senate and House offices: Are we getting that point through? Are they beginning to get a sense that the population is not happy with the way they’re handling things?

Kim: I think you could say it’s a “sense.” I wouldn’t

say it's complete by any means. You see that there was a Democratic Party reaction to Bush's "State of his Mental Health Address" (or however people want to refer to it), over the health-care issue. And you do have people who work in these institutions, in the Senate, in the House, who work for the Congressmen, Congresswomen, the Senators, the Representatives, and they're very important. In fact, in the Alito fight, you had a number of them, some offices that have been somewhat hostile to our organization, opening up and having meetings with us for the first time. You had, I believe, the chief advisors for some very important offices threatening to resign, based on the way people were voting on this Alito confirmation.

Then, at the same time, you do have people like secretaries, who are just wet behind the ears, and they haven't worked on Capitol Hill for a very long time, who think they know what's going on; who, when we try to get an off-the-cuff meeting, they try to throw away our literature or something like that. And you've really got to get under their skin, being part of this organization, by calling them on this culture—this kind of "culture of corruption" the Democrats have labeled the Republican apparatus around Abramoff and these guys, and what Bush and Cheney are doing. But there's a bit of a culture of corruption within some of the young liberal volunteers and aides, and staffers, in some of the offices.

But, look, a lot of important people realize that the population of the United States wants them to stand on a certain principle. And this is why you're seeing such open reaction to us, bringing us into a process. When before, saying the types of things we've been saying, has really turned them off. We continue to name our pamphlets *The Children of Satan*, and things like this. And the reception gets better and better, because they realize that we're the ones who tell the truth, and we're the ones who can really mobilize and rally the people behind them.

Rose: Let me just comment on this, because one of the aspects of the mobilization against Alito was very much focussed on the county chairmen of the Democratic Party. We did much of this work out of the National Center [of the LaRouche movement]. And when the dust settled, we had gotten 530 county chairmen to deploy 54,000 pamphlets, 3.2 tons of literature, in the course of a two-week period. Most significantly, had we called them with anything less than the truth—"Alito and the people behind him are Nazis, and they're pushing a Nazi theory of law about the unitary executive"—had we said anything less than that, they would not have mobilized. But when we said the truth, because they had the smell of this thing—and nothing but that kind of clarity, and honesty, would they have mobilized. If Howard Dean had called them, and said, "These guys are racists and sexists," forget it! They are, there's no question about that—but that's their better qualities—

Schlanger: Least offensive qualities.

Rose: "Least offensive qualities," right. That's not the issue: The issue is, they're trying to destroy our government and the commitment to the General Welfare, by imposing a dictatorship on this country.

Schlanger: I think you can make the argument, Gerry, that Hitler was also a sexist.

Rose: [laughs] Yeah! Certainly!

Schlanger: . . . I want to remind people again, that on Feb. 23, we will have another one in the string of international webcasts given by Lyndon LaRouche, at 1 p.m. Eastern Time. And these webcasts have been sort of the rallying point, around which the Democratic Party was picked up off its back, after the November 2004 election, and put into a fighting mode.

Plato and the LYM

Now, Quincy, I'd like you to just talk for a minute about the kind of work that the LaRouche Youth Movement has done, to get at this question of Sophistry. You've done a lot of Plato readings in the Monge Brigades. How does that work?

O'Neill: Well, we will focus for weeks at a time on a dialogue. And we found that we had to slow down first, and go almost dialogue by dialogue, within the larger dialogue, to really figure out what was happening. But also, a process of getting every member of the group to verbalize what they thought was going on, and even as an assignment to provide an example, somewhere in the economic policy or somewhere in the scientific question, that made the same point, as in the dialogue. For instance, in the *Theaetetus* dialogue, one of the ones our Brigade worked on.

But, it's also the more general dialogue with some of the other great minds in that lineage, Leibniz especially, in his confrontations with Locke, in the *New Essays*. Also Cusa. We've been trying to broaden the dialogue and see how the different figures in specific instances were making the same point. And that has largely been the process.

And it has been successful. Sometimes, because we haven't done as much of the historical work as, say, someone like Gerry has done, we have trouble bridging the gap to what we're discussing—say, what Lyn would discuss in a paper like "Visualizing the Complex Domain" [*EIR*, July 11, 2003] or even recently, the Riemann and Kant paper on "The Shape of Empty Space" [*EIR*, Oct. 7, 2005]. And so, we bringing the context into the process, having them read the Plato dialogue, and then taking them to the scientific fight, and showing the parallel, and showing them that it's the exact, same fight, exact same discussion.

Schlanger: I think the issue here, is that when Lyn says that he's 2-3,000 years old, he means it. That he actually has a sense of living in that. And Gerry, I think you're getting older, aren't you?

Rose: Yeah.

Well, let me just read you something, which I brought to the studio here, to wrap it up. This is *Federalist Paper #6* written by Alexander Hamilton. And I want you to know the actual view that the Founding Fathers had of Pericles. So, let me read this to you:

“The celebrated Pericles, in compliance with the resentment of a prostitute, at the expense of much of the blood and treasure of his countrymen, attacked, vanquished, and destroyed the city of the *Samnians*. The same man, stimulated by private pique against the *Megarensians*, another nation of Greece, or to avoid a prosecution with which he was threatened as an accomplice of a supposed theft of the statuary Phidias, or to get rid of the accusations prepared to be brought against him for dissipating the funds of the state in the purchase of popularity, or from a combination of all these causes, was the primitive author of that famous and fatal war, distinguished in the Grecian annals by the name of the *Peloponnesian* war; which, after various vicissitudes, intermissions, and renewals, *terminated in the ruin of the Athenian commonwealth.*”

Schlanger: I guess Victor Davis Hanson must have missed that one.

Rose: He missed, yes!

Schlanger: Along with all of the *Federalist Papers*.

Rose: And all the Federalist Society guys who quote Hamilton—and that is the essence of Sophistry: You take the content out, and you, by having the power to write books and have them published, and getting the press to make authoritative commentary, you actually say the exact opposite, of what was known by the Founding Fathers. To claim that the “Federalist Society” had come from Alexander Hamilton, when he understood both the Peloponnesian War, and *attacked them*—violently!—

Schlanger: So, this question of getting at truth really is a life and death situation for civilization.

Rose: As Hamilton understood. And, as Lyn has understood from the beginning.

Schlanger: And I think increasingly, as the LaRouche Youth Movement is understanding. Randy, we have a little more than two and half minutes: You have any final thoughts?

Kim: Yeah: I think the Democratic Party is finally getting over holiday egg nog. And the population seems to be more than willing to say to the Democrats, “Hey, look: We’ve kicked Bush’s butt all year long, one battle lost doesn’t mean the war has to be forfeited.”

Rose: Absolutely.

Schlanger: Gerry, you have any final thoughts?

Rose: Well, I think this has been an excellent dialogue.

Because, I hope that the audience has a sense that this is not some esoteric question. The question of truth, and the speaking of truth—you know, I forget who said this; Harley, you may remember—“An honest man is one who speaks truth to power.” I can’t remember who said that, but I always think that’s a good way to think. . . .

O’Neill: Gerry, isn’t there a tradition called the “*parrhesiastes*”? I guess the translation is “speaking truth to power.”

Rose: Yes, I think you’re right. I think that’s what I’m referring to. Absolutely.

And that is what we must do. If we do that—truth is on our side. And that’s the only way that we can get out of the trouble we’re in. And people want leadership. So, those of you who are out there: Speak truth to power. We can take them. We’re the majority.

Schlanger: And, as Lyndon LaRouche has always said, there’s nothing to fear. You are going to die anyway sooner or later. The question is, whether you have the courage to live for something. And I think this is why Lyn has been an inspiration to so many people in so many nations. Because, as he also said, and this time I know I’m quoting him accurately: He said, “I’ll never lose, because I will never give up.” And he says, he cannot be beaten, because he’ll never quit.

Rose: Absolutely.

Schlanger: And I think that’s the exclamation point. . . .

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The most crippling error in mathematics, economics, and physical science today, is the hysterical refusal to acknowledge the work of Johannes Kepler, Pierre Fermat, and Gottfried Leibniz—not Newton!—in developing the calculus. This video, accessible to the layman, uses animated graphics to teach Kepler’s principles of planetary motion, without resorting to mathematical formalism.



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Editorial

Presidents' Day

This week marks the celebration of the births of two of the greatest Presidents of the United States, George Washington and Abraham Lincoln, Presidents who exemplified the best of our country to the world, as well as our citizens. From the standards which they set, we would best reflect upon where we stand as a nation today.

The first quality both Washington and Lincoln were known for, was honesty. Both disdained to pander to the populace, or to come up with a lie when it was convenient, and could get them out of trouble.

Could there be any greater contrast with our leaders today?

The second quality these two Presidents embodied was humane treatment of friends and enemies alike. Washington, when he was commanding the Revolutionary Army, reacted to the bestiality being perpetrated against his troops when they were captured by the British, insisted that British prisoners of war be treated with civility. His example was taken up by Lincoln in the Civil War, when he instituted the Lieber Code, which mandated humane treatment for prisoners of war of the United States.

Could there be any greater contrast with our leaders today?

The third quality which Washington and Lincoln shared was a commitment to improving and building the nation, both physically and morally. Both men envisioned pulling the nation together with great infrastructure projects, and strides of technological progress—Washington with canals, and Lincoln with railroads. They also set before the public great educational projects—Washington, a national university, and Lincoln, the land-grant college system.

Could there be any greater contrast with our leaders today?

There is, of course, a fundamental source for the similar policies of these two great leaders, who effectively pulled a divided nation together during their Presidencies. Both found their inspiration in the unique and profound conceptions of republicanism that went into the establishment of the United States, the conceptions of the Declaration of Independence, and the Preamble

of the Constitution. With deep humility, both men sought to fulfill those commitments to the inalienable rights of man, and the general welfare, by working to improve themselves, as well as their nation.

The nation, and the world, sensed the quality of these American leaders, who won their respect. They saw their own lives as one with the nation. In truth, they gave their lives for the posterity of the nation, without demanding anything in return. With the exception of the Presidency of Franklin Delano Roosevelt, and the political leadership of Lyndon LaRouche, we have not seen their like since.

To give a taste of that quality, hear Lincoln as he stopped in Philadelphia on his way to his inauguration in 1861:

"I am filled with deep emotion at finding myself standing here, in this place, where were collected together the wisdom, the patriotism, the devotion to principle, from which sprang the institutions under which we live. You have kindly suggested to me that in my hands is the task of restoring peace to the present distracted condition of the country. I can say in return, Sir, that all the political sentiments I entertain have been drawn, so far as I have been able to draw them, from the sentiments which originated and were given to the world from this hall. I have never had a feeling politically that did not spring from the sentiments embodied in the Declaration of Independence. I have often pondered over the dangers which were incurred by the men who assembled here, and framed and adopted that Declaration of Independence. I have pondered over the toils that were endured by the officers and soldiers of the army who achieved that Independence. I have often inquired of myself, what great principle or idea it was that kept this Confederacy so long together. It was not the mere matter of the separation of the Colonies from the motherland; but that sentiment in the Declaration of Independence which gave liberty, not alone to the people of this country, but, I hope, to the world, for all future time. It was that which gave promise that in due time the weight would be lifted from the shoulders of all men. This is a sentiment embodied in the Declaration of Independence. . . ."