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This Week You Need To Know

We Are Gripped by a Global Strategy of Tension

by Lyndon H. LaRouche, Jr.

September 2, 2004

Whenever the modern world has been gripped by the onrush of a threatened general collapse of the existing world monetary-financial system, as now, epidemic phenomena such as collapse of existing governments, revolutions, fascist regimes, and war happen. We are now living in a time of global crisis, comparable to what led into the 1931 collapse of the British gold-standard system, a time which unleashed the rise of the power of fascism with full force, a time which unleashed the war President Franklin Roosevelt was forced to fight during the course of 1939-1945.

Now, we have already entered the acute phase of a period of explosive, world-wide, economic and monetary-financial crisis like that which led the Trans-Atlantic financier cartel of that time to create the Basel-based Bank for International Settlements, and also the matching bond cartel which actually exerted a critical margin of control over the corporate assets, such as those of the famous Göring Werke, on both sides of the war during 1939-1945. That is the cartel which has managed to survive as a leading financial power in the world still today.

In the time of a crisis like this, the saner elements of, and around government act to attempt to prevent the kinds of panic which would-be warlords such as Vice-President Dick Cheney and their utopian cronies seek to exploit, as those would-be warlords seek to induce nations to destroy themselves. That is the significance of what has come to be known in the press recently as "the Franklin Case." So, the influential saner forces within certain national, or international institutions have acted to ensure that the press play up the way in which former U.K. Prime Minister Margaret Thatcher's son was caught red-handed in an intended murderous coup in Africa.

In the terminal phase of a monetary-financial crisis, such as the present one, we see, as in the specific case of Argentina today, powerful financier-cartel interests react with violence, seizing the last drop of blood from nations, deeds done in the financiers' desperate effort to save the creditors from bankruptcy. Such cartelized interests, seek to force existing elected governments to carry out such "fiscal austerity" programs of mass-murderous "triage" against the very citizens who had elected those governments. They use terrorism, organized on behalf of such cartel interests, to break the will of governments and their populations, and, in the end, overthrow those governments anyway, as they did in Germany during 1931-1933, however supinely complicit those governments might have become.

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Feature:

THE FACTS BEHIND THE FRANKLIN CASE

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- **Franklin: A Non-Partisan Institutional Reflex**

by Lyndon H. LaRouche, Jr.

A statement released by Lyndon H. LaRouche, Jr. on Aug. 30

- **Franklin Affair Blows Neo-Con Moles at DOD**

by Jeffrey Steinberg

On Aug. 27, CBS News revealed that the FBI was closing in on an Israeli mole inside the office of Undersecretary of Defense for Policy Douglas Feith, who had passed classified documents on Bush Administration Iran policy to officials of the American Israel Public Affairs Committee (AIPAC), who, in turn, fed the material to an Israeli diplomat in Washington. The next day, the Washington Post and other news...

- **Threat of War Against Iran**

by Nancy Spannaus

Over the course of the last two months, the drumbeat for a potential immediate strike against Iran's nuclear construction sites, either by Israel or by the United States, has been getting louder and louder, to the point where some have anticipated such a move occurring even before the November election. It is likely this momentum which led some to act on the 'Israeli spy' scandal.

EIR Exposed Israeli Mafia/Neo-Con Nest

Executive Intelligence Review has an unparalleled record of indepth reporting on the network of spies, gangsters, and largely Likudnik political operatives who are loosely identified as the 'Israeli mafia' and the neo-conservative nexus today.

Timeline:

- **The Crimes of Iran-Contra Have Never Ended**

by Jeffrey Steinberg

A funny thing happened, early in May, when President Bush met with Jordan's King Abdullah II in Washington. According to news accounts, the Jordanian ruler provided the President with a dossier, revealing that Ahmed Chalabi—the head of the Iraqi National Congress (INC) and the darling of the neo-cons in the Office of Vice President Dick Cheney, the civilian apparatus at the Pentagon, and such Beltway think tanks as the American Enterprise Institute and the Jewish Institute for National Security Affairs (JINSA)—was passing top secret U.S. government material to the most radical ayatollahs in Iran.

- **The Pollard Affair Never Ended!**

We reproduce here the text of a 500,000-run leaflet circulated nationwide by the LaRouche in 2004 Presidential campaign. It was issued on Sept. 7, 2002.

- **The U.S. Intelligence Search for 'Mr. X'**

by Joseph Brewda

U.S. government investigators are hot on the trail of 'Mr. X,' the senior U.S. government official deemed responsible for having placed convicted Soviet-Israeli spy Jonathan Pollard in a sensitive post at U.S. Naval Intelligence. Without such an official, or officials, Pollard could never have reached his position.

Strategic Studies:

Germany's New Historic Chance:

'This Time We Will Win!'

by Helga Zepp-LaRouche

The following has been edited from Helga Zepp-LaRouche's remarks by telephone on Aug. 15 to an East Coast weekend cadre school of the LaRouche Youth Movement (LYM) in the United States.

- Eastern Germany's Unique Experience

Helga Zepp-LaRouche was the guest on EIR's Saturday internet radio program 'The LaRouche Show' (found at www.larouchepub.com) on Aug. 28, in which she described how and why the Germans in the five former East German communist states are again leading the revolt against a great injustice, as they did in 1989.

Top Priority for Germany: Create 8 Million Jobs!

by Rainer Apel

The Monday protest rallies in Germany, which were sparked by Helga Zepp-LaRouche in July, keep expanding, in spite of intensified counter-propaganda by the government, widely circulated by the media. On Aug. 30, demonstrations took place in about 200 cities, mostly in eastern Germany, with a total turnout of at least 150,000 citizens, and more and more such rallies, in protest against the government's new budget-cutting round (the 'Hartz IV' package), are being held in smaller cities all across Germany. The protests are now spreading to Austria and Poland as well.

Economics:

From Frying Pan to Fire: A Fifth of All Mexicans Are Now Economic Refugees in the U.S.

by Dennis Small

In the course of a visit to Saltillo, Mexico in November 2002, Lyndon LaRouche proposed the launching of a policy of economic and scientific cooperation between the United States and Mexico. His proposed policy was centered on the development of the Great American Desert—which straddles the two nations—through great projects in water, energy, highspeed rail, and other essential infrastructure.

THE U.S. PHYSICAL ECONOMY

Northwest Still Devastated By California Dereg's Impact

by Richard Freeman

Starting in 2000, the insane California electricity deregulation policy delivered the final blow that destroyed the economy of the Pacific Northwest. Then-Enron chairman, crook Kenneth Lay, working under the protective wing of the synarchist bankers' frontman Dick Cheney, manipulated upward the price of electricity in the California energy market. Over the next 18 months, to the end of 2001, the Enron swindle looted the consumers of power, destroyed the existing generating and distribution networks, and drove up the price of power to the point of triggering chain-reaction collapses in the economy through unaffordable prices, power shortages, and unreliability. Jobs and industries vanished.

More Emergency Repairs, Closures on Waterways

by Marcia Merry Baker

The mid-August shut-down of the McAlpine Locks at Louisville for emergency repairs, which rendered Ohio River shipping out-of-service for 10

days, is just the most dramatic of many such events now taking place on key parts of America's inland waterways, long overdue for overhaul.

International:

Bush Backs Ariel Sharon's Massive Settlement Expansion

by Dean Andromidas

Israel's Aug. 17 announcement of the approval of 1,000 new Israeli housing units for the occupied West Bank merely exposes once more the sham of Prime Minister Ariel Sharon's so-called disengagement plan. More significantly, Sharon is now acting with the full support of the Cheney-Bush Administration.

Bangladesh Heads Toward Lawlessness

by Ramtanu Maitra

A barrage of grenade attacks on a political rally of the opposition Awami League Party at Dhaka on Aug. 21, intended to assassinate the former prime minister and party chief, Sheikh Hasina Wajed, is one more indication that Bangladesh is heading pell-mell toward lawlessness, and could very well turn out soon to be a shelter for terrorists and religious zealots.

Scientists Propose: 'Let's Go Nuclear!'

by Marsha Freeman

An extraordinary meeting took place at the headquarters of the International Atomic Energy Agency in Vienna, Austria between July 19 and 21, involving the heads of seven U.S. energy laboratories, and nine Russian scientific nuclear organizations and institutes. The scientists met to follow up the summit discussions between Presidents George Bush and Vladimir Putin in 2002, which included a call for both sides to look at the future of nuclear power.

Book Review:

Some Refuse To Serve As Military Occupiers

by M. Woodward

Refusenik! Israel's Soldiers of Conscience

Peretz Kidron, ed; foreword by Susan Sontag

New York and London: Zed Books, Ltd., 2004

119 pages, hardcover, \$59.95; paperback, \$19.95

During these satanic times of the beast-men Bush/Cheney, and their entourage of 'us or them' colleagues, comes an oasis of a book of active Godliness; of those who chose jail rather than become part of the savage pack. These people take the Torah mitzvot to not oppress the stranger, and to pursue justice (unlike George Bush, who claims to have 'consulted' with God before launching the war without end against Iraq). Refusenik! is a book of letters and essays of Israeli citizens who have decided to refuse to serve in the 'Israeli Occupation Forces.' The varied writings show how the most sublime of God-wrestlers have come to the not-so-easy decision to assert their humanity.

National

CIA Nominee Goss's Lies Threaten National Security

Part 2, by Michele Steinberg

On Aug. 3, in a strategic study of intelligence reform, released by LaRouche PAC, former Democratic presidential primary candidate Lyndon

LaRouche, wrote, 'The fact that there are some rather large loopholes in the present organization of the U.S.A.'s intelligence-security-system, is no excuse for the current tendency to plunge, stupidly and recklessly, into rushed efforts to create an intelligence 'czar.' Idiot! Get your fat foot off that gas pedal! There is no need to rush into surrendering the powers of government to some alleged superman. The U.S. does not need a Heinrich Himmler.'

Congress Must Take Up Torture Probe

by Edward Spannaus

As more and more evidence accumulates, demonstrating that the atrocities at Abu Ghraib grew directly out of policies coming from the highest levels of the Bush Administration and civilians in the Pentagon, it is clear that the responsibility for getting to the truth of the matter, must be taken on by the Congress.

Rep. Conyers: Investigate Pentagon Franklin Affair

by Carl Osgood

U.S. Representative John Conyers (D-Mich.), the ranking Democrat on the House Judiciary Committee, released an Aug. 31 letter to Committee Chairman James Sensenbrenner (R-Wisc.) which lays out in great detail, the urgency for investigating the Larry Franklin affair in the Pentagon, centered on allegations that Franklin had 'illegally passed along a classified document' regarding U.S. Iran policy.

This Week in History

August 30 - September 6, 1716

Sic Juvat Transcendere Montes

Spotswood and His Knights of the Golden Horseshoe — Reach the Shenandoah River

On Sept. 6, 1716, a major exploring expedition led by Virginia's Governor Alexander Spotswood succeeded in crossing the supposedly impassable Blue Ridge Mountains, and reached the west bank of the Shenandoah River. The expedition was not favored by the British Crown, nor by Virginia's Tidewater planters, but Spotswood was determined to break through the mountains to develop America's western lands, and to challenge Britain's tacit support for the devastating Indian warfare hurled at the American colonies from the French base in Canada.

As he later wrote to the hostile Board of Trade in London: "The Chief Aim of my Expedition over the great Mountains in 1716, was to satisfy my Self whether it was practicable to come at the [Great] Lakes. Having on that occasion found an easy passage over the great Ridge of Mountains, which before were judged Unpassable, I also discovered, by relation of Indians who frequent those parts, that from the pass where I was, It is but three Days' march to a great nation of Indians living on a River which discharges itself into Lake Erie." Thirty-seven years later, young George Washington, the son of one of Spotswood's ironmaking allies, would prove that statement to be true, when he ascended the Allegheny River on his mission to the French Commander at Fort Le Boeuf in today's western Pennsylvania.

Governor Spotswood, a skilled geometer and mathematician, as well as a former military commander, had prepared long and well for his historic expedition. Since assuming the governorship in 1710, he had pulled Virginia out of its colonial stupor, where it existed only to export tobacco to Britain, by designing Williamsburg as a beautiful capital, building roads into the interior, setting up a postal service, and establishing an iron industry. In his later capacity as Postmaster General for the colonies, it was Spotswood who appointed Benjamin Franklin as Postmaster of Philadelphia. And, as Virginia's leading proponent of developing new ironmaking techniques, the Governor became closely linked to Augustine

Washington and his Accokeek Furnace. The Washington family maintained its ties to ironmaking and to settling the lands beyond the mountains until well after the Revolution.

From his earliest days in Virginia, Spotswood had formed a company of rangers to explore the colony and inventory its resources, and he often accompanied them to chart the waterways and select promising sites for new towns. By the end of 1710, the rangers had found iron deposits near the falls of the James River, and Spotswood proposed that the Crown sponsor the development of an iron industry. When he was refused, he used his own funds, and contacts with republican networks in Europe, to bring in German miners and settle them in western Virginia. His first iron works were known as Germanna.

Then, in June of 1716, Spotswood informed the Virginia Council that his rangers had found a pass over the Blue Ridge, where even supply trains could cross. The governor therefore recruited a "company of gentlemen," to prove that the Blue Ridge could be easily crossed. Many of these recruits had sons and grandsons who played important roles in the development of the American Republic. Among them was George Mason, whose son worked with George Washington to draft the Fairfax Resolves, and who designed much of the constitution of the new state of Virginia. Then there was James Taylor, the ancestor of two Presidents—James Madison and Zachary Taylor. Robert Brooke's grandson became governor of Virginia in 1798, and Thomas Todd's family helped secure Kentucky for the Americans during the Revolution, and produced a future First Lady for Abraham Lincoln.

Governor Spotswood led his expedition out of the capital at Williamsburg on Aug. 20, and rode to his ironworks at Germanna, where the group was to join two companies of rangers. There, Spotswood had both the pack horses and riding horses shod with iron for the journey over the mountains. Up until this time, Virginians had ridden their mounts unshod, because there was little domestic iron and the Tidewater Area had gentle, sandy terrain. The governor wanted to make the point that iron was not only necessary for crossing the mountains, but that it was essential for settlers who would tame the wilderness beyond.

The exploring party crossed the Blue Ridge easily and discovered a major river on the other side. On Sept. 6 they crossed it, and Alexander Spotswood named it the Euphrates, invoking the memory of Alexander the Great, who had crossed the Euphrates to bring the Greek civilization of Plato's Academy to the eastern shore of the Mediterranean. Spotswood knew he was making history, and he came prepared for a major celebration. At that night's feast along the river, glasses were raised in toast after toast, accompanied by musket-fire salutes. The party drank "Virginia red wine and white wine, Irish usquebaugh, brandy shrub, two sorts of rum, champagne, canary, cherry, punch, cider, etc.," as recorded by one of the jolly participants.

After the return to Williamsburg, Spotswood lost no time in expanding Virginia's iron industry, and he was soon bringing in 80 more German immigrants, at his own expense, to set up the Tubal Furnace 13 miles from Germanna. And he presented to his fellow explorers, now dubbed the "Knights of the Golden Horseshoe," miniature golden horseshoes to commemorate the celebrated occasion. On these mementos was inscribed the Latin phrase, "*Sic juvat transcendere montes*," which translates as "Thus we crossed the mountains." And thus we did cross, and the forges and iron foundries and steel mills of Pittsburgh and Wheeling and Marietta testify that Spotswood had planned well.

Note: This report is based on material from "How the Nation Was Won," by H. Graham Lowry (Executive Intelligence Review; 1988; \$19.95), which has just been reprinted.

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