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## From the Associate Editor

**T**he *EIR* strategic seminar in Berlin, which forms the bulk of our *Feature*, was a most happy occasion. It is the third such meeting of the year, in which Lyndon H. LaRouche was able to discuss with international guests the actual situation in the United States, the true nature of the United States historically, and the crucially important role that this country must play, if the world economic and political crisis is to be reversed. All of these points are totally misunderstood abroad.

At the first seminar, Jan. 12-13, the Democratic Party was beginning its shift toward the policies of Franklin D. Roosevelt, as LaRouche had demanded they do. Frankly, LaRouche's audience was skeptical that this would amount to anything that could defeat the Bush-Cheney imperial war drive. The second seminar, June 28-29, followed close upon the historic May 23 action by a bipartisan group of U.S. Senators, to block Dick Cheney's "nuclear option," which would have destroyed the Senate. LaRouche's international audience was largely unfamiliar with this event and its significance, but was heartened by LaRouche's insistence that a sea-change was under way. Now, with the Dec. 6-7 seminar, LaRouche was able to report a further dramatic development in the Democratic Party, which he compared to the 1789 "Tennis Court Oath" by the true republicans of France, who vowed not to depart from their assembly until they had agreed upon a Constitution.

To document what LaRouche was saying, we publish the recent speeches by House Minority Leader Nancy Pelosi (D-Calif.) and Rep. George Miller (D-Calif.), on the need for a new economic policy, oriented toward science, education, and discovery.

The Berlin speeches by LaRouche and his collaborators provide not only an excellent briefing on the political changes afoot in the United States, but also an overview of the problems facing Europe.

Otherwise, our issue highlights the need for urgent action on the crisis in the U.S. auto sector. See *Economics* for maps of the shutdown of key auto-related factories, and what must be done to save this precious machine-tool capability. See *National* for the E-Hearing sponsored by Congressional Democrats—a lively and useful debate, which is still ongoing on the Internet.

*Susan Welsh*

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EIRNS/Wolfgang Lillge

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## LAROUCHE TO BERLIN SEMINAR

# ‘We’re Moving To Take the U.S. Government Back’

*Lyndon LaRouche joined some 60 dignitaries from round the world, in a private EIR seminar in Berlin on Dec. 6-7, 2005. The seminar was titled “Strategic Options in the Post-Cheney Era: New Atlantic Alliance in the Tradition of Franklin Delano Roosevelt.” We publish LaRouche’s keynote speech below. The first panel was chaired by Jonathan Tennenbaum.*

**Tennenbaum:** Those of us that have kept our eyes on the world, have been witness to what I think could only be described as a *titanic* struggle, political struggle, in the United States of America. A struggle which has gained in intensity, and density of events, particularly in this year, particularly since the Spring, and is reaching a kind of crescendo now, hopefully reaching a kind of a peak with what we hope very greatly will be the removal of Vice President Cheney from power in the United States.

Which, however, is not the end of the story. There’re some rumors that Condoleezza Rice arrived in one of these strange planes here, with Cheney perhaps being delivered somewhere to be tortured. But that may be—

**LaRouche:** She’s being tortured!

**Tennenbaum:** Yes, right!

So, I think it’s fair to say, that the struggle which is going on in the United States right now, in terms of its importance, in terms of its intensity and its implications, I think it really can only be compared with perhaps the Civil War in the United States. It’s a conflict where *everything* is at stake: not only considering the United States, but the entire future of world affairs.

But, I want to make a little comment, before we proceed, on the reactions that I’ve observed here in Berlin, in my colleagues in different parts of the world—and Europe particularly—I have sensed a certain strange sense of distance, here in Berlin, in Germany, a certain distance between the way people in Europe are thinking about things, and the magnitude of the events in the United States. It’s



*Lyndon LaRouche addresses the Berlin seminar on Dec. 6. With him are his wife, Helga Zepp-LaRouche, and moderator Jonathan Tennenbaum. LaRouche gave a broad strategic overview of the political sea-change that is occurring in the leadership of the U.S. Democratic Party—a shift which is completely blacked out in the international press.*

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almost as if the two are a little bit decoupled from each other. And I think this is a big problem. Because, if we look, some people tend to say, “Ah, well, the United States is this super-power, and these things are happening in the United States. But then, we have our European problems to deal with,” or, “We have our Russian problems to deal with,” or, “we have our. . .” whatever.

And I think if we look at this sense of distance carefully, we will find, that it’s really a distance to reality. It’s a kind of a distance of many people in Europe to the actual history of Europe, a history, which connects Europe in the most intimate way with the United States, with the history of the United States, and with what’s going on right now. Since, in a sense, the United States is the product of a great project which goes all the way back to Solon of Athens, to the Pythagoreans, and in a sense, this project, the success of this project of the American Republic, was the decisive event, which, for a very long time, and I believe today, also determines what is possible to be done, what can be done in other parts of the world.

So, I think what’s dangerous about this sense of distance—which I think one of our main purposes here, is to overcome it—is not so much just that people don’t know about what’s going on in the United States; it’s kind of what you might call an *état d’esprit*: It’s a state of mind, where you find people in Europe continuing to follow certain agendas, that are no longer relevant. People trying to live out a certain way of doing things, as if they were living in a universe which doesn’t exist any more.

Because, if we look at the situation in Europe—and that was underlined by, for example, the discussions on the European budget—we see that Europe is boxed in. It seems that the Europeans can only really agree on one thing, and that is, to continue with this suicide pact, or process of collective suicide, which the Maastricht agreement represents. But on everything else, they don’t agree. Which is not a very good set of affairs. But, it’s true also, for Germany in particular. It’s true for Russia, as we can hear more about this. Basically, all over the world, we find nations and governments that are boxed in, that are not able to move, not able to respond in an effective way to the increasing problems, the increasing constraints.

So, from this standpoint, what’s happening in the United States, the political revolution, which is in progress in the United States, is our big chance—and I say “our,” meaning for the entire world. And I think we’ll see, it is essentially the only chance. And it can make everything possible.

So, we have, right here in Berlin, right here at this table, the individual on this planet who knows the most about what is actually going on in the United States, and he knows it for reasons having to do with the fact that he is, to a large extent, the person who’s making it happen. So, I say that not as an advertisement, just as scientific fact. So, I think we have a unique chance to get a window into what’s going on in the United States, and what it means for the world.

Now, we have participants from basically all over the world here. It would take too long to introduce them all, and

I would ask, in the discussion, I think most of the time here today and tomorrow morning, we will use for discussing, I ask people just to introduce themselves briefly when they make their remarks and their questions.

But I do want to first, of course, greet Lyndon LaRouche and his wife, Helga Zepp-LaRouche, here at the table. I would like to greet Amelia Robinson, who just came here—perhaps one of the elderly people here, but one of the youngest in mind. And perhaps, I will also want to greet Professor [Stanislav] Menshikov, sitting here, from Russia, who, in a sense, here, I think will play the role of a certain kind of ambassador from Russia—a very capable and experienced one, but one who’s very undiplomatic! Lastly, I would like to greet, and call your attention to the fact that we have here, from Germany and from France, representatives of the LaRouche Youth Movement, perhaps you’d just stand up and identify yourselves? A new political phenomenon, of extraordinary interest, has just received from Mr. LaRouche a training program, which perhaps we’ll have a chance to discuss in the course of today.

So, without more ado, I give the word over to Lyndon LaRouche.

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## Panel 1: Lyndon H. LaRouche, Jr.

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There are several things, points I’ll present, as compactly as feasible. First of all, as to what’s happened in the United States, and it happened during the course of the past week: There’s an event in U.S. politics, which is comparable to the Tennis Court Oath in France.<sup>1</sup> This is Lafayette, and in a sense it’s in the tradition of Lafayette, even though Lafayette did not have at that time the nerve to follow through, or the King to follow through with.

Then, I shall indicate exactly how this came about, what my approach is to it, and what the problem is, that Europe is going to face in trying to understand this. Why the United States, uniquely, must carry through on this equivalent, or parallel to a Tennis Court Oath—not what happened in July of 1789, but what *should* have happened in June. And what is involved in getting to this point, that Europe will have to understand exactly what we’re doing and what the importance is for the world as a whole, of what’s happening in the United States right now. Not merely as a factor in the world: Because, if the United States *does not* carry out the mission which is implicit in the agreements that were made, and publicized,

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1. The Tennis Court Oath of June 20, 1789, organized by the Marquis de Lafayette and Jean-Sylvain Bailly, pledged the members of the French National Assembly to stay in session until they gave France a Constitution. It was in response to this action, that British and other oligarchical agents went wild, in order to provoke a confrontation between the King and the Assembly, and to launch the bloody revolution, which led, as it was designed, to re-establishment of oligarchical rule in France. See Pierre Beaudry, “Jean-Sylvain Bailly: The French Revolution’s Benjamin Franklin,” *EIR*, Jan. 26, 2001.

during the past week inside the United States, then I’m afraid the world has no chance. Because, there’s no part of the world that could take on the *specific* problem, which must be taken on *to deal with the present world crisis*. And what the problems are.

Now, what happened is this: Going back to last Summer, of 2004, up to that point over the course of the period since about the time of the Nixon Administration, the Democratic Party of the United States had been disintegrating. It had been disintegrating in the sense of departing from the Franklin Roosevelt tradition, which is the essence of European civilization, since—actually, since Egypt gave the ideas which were used by certain Greeks, such as the Pythagoreans and so forth, to establish the beginnings of European civilization out of a bunch of mariners and so forth, running around loose in the Mediterranean at the time.

## Two Different Conceptions of Mankind

So, the development of this, was the idea of the General Welfare. It was based on a very specific conception, which we would call today, “science.” That is, we are not animals (though some people behave like animals, specifically some politicians), but we are human. And, being human, we have a creative power that no animal has. The human being is born as uniquely distinct from any beast. No animal could change its species-behavior, by discovering a universal physical principle. Only a human being can do that. Everyone has that potential. Some develop it, and some do not. And some go the other way. But, we have that potential.

Now, the significance of European civilization, exemplified by the Pythagoreans, by Thales and others of that type, and by Plato, is that this was developed into a concept, under conditions of a great war, called the Peloponnesian War, which was the product of a moral degeneration of Athens, under the influence of something which resembles the philosophy of Europe and the United States, today, called sophistry. No longer was truth a standard of behavior, but social opinion, and prevalent social opinion, were the standard of behavior. “Behave as your neighbors, or else.” Whatever it means. And therefore, under the influence of public opinion, the greatest civilization of that time, Athens, destroyed itself, and much more besides, in the Peloponnesian War.

And this is what has happened to European civilization, also. It has happened repeatedly to European civilization. We had pestilences like the Roman Empire, which was evil. We had the Byzantine Empire, which was a continuation of that evil, with a little more sophistry than the Romans supplied. Then, you had another form of empire, from about 1000 A.D.: the empire of the Venetian financial oligarchy. Which, as Byzantium began to decay, Venice became an empire in the form of its alliance with the Norman chivalry. And the Norman chivalry dominated Europe from 1000 A.D., until the great crash, the great Dark Age, in the middle of the 14th Century.



Library of Congress

*Churchill, Roosevelt, and Stalin at the Yalta conference in February 1945. Roosevelt was determined to free the formerly colonial countries, and help them to develop as independent nations. Had such a policy been pursued after FDR's death, the world would have been a much different place. "Stalin never intended to overrun Europe!" LaRouche said. "Stalin was counting on the agreement he struck at Yalta, with Franklin Roosevelt."*

And in the 15th Century, we had the emergence of civilization again, after a long pause—a long pause, since about 200 B.C.—in the form of a great Renaissance, centered on Florence, in that 15th Century. And everything that *is* modern civilization, everything that *is* European civilization, comes out of that.

But we didn't *beat* them yet. Decadence continued. We had, with 1492, with the Expulsion of the Jews from Spain by the Grand Inquisitor, the beginning of a period of religious war, from 1492 to 1648, which almost destroyed Europe. Except for the intervention in France of Mazarin, and his associate, Colbert, civilization would have gone.

But they didn't stop then: You had this fool, Louis XIV, involved with the Fronde, the old, traditional enemy of France from within. They started on new adventures with the Dutch wars, and the Dutch who had been persecuted, now had become evil. They had become Venetians, Venetian bankers. And they gradually took over England, and you had the Anglo-Dutch Liberal philosophy, which has *destroyed* Europe from within!

Again, there's been a constant struggle throughout this whole period, a struggle between two forces within European civilization, which is globally extended. One: to maintain the Classical Greek tradition, associated with Athens at its greatest, Solon of Athens. The great tradition of the Pythagoreans in science. And on the other hand, what is called the "oligarchical" or "imperial" principle. The principle of Babylon, the *evil* of Babylon, in the form of the Persian Empire, was the enemy of that time.

## The Methods of Empire

Empire came back, in the form of a Babylonian empire, created by the Cult of Delphi, the Apollo cult, called the Roman Empire. The Roman Empire, as it decayed, was succeeded by the Byzantine Empire, another form of degeneracy, which tried to destroy Charlemagne's efforts to build civilization. And that was destroyed, with its great evil, of this Venetian-Roman alliance in the period of the Crusades—which was pure evil, and was the model for the unleashing of religious warfare as a way of destroying civilization between 1492 and 1648.

Just as today, we see people proposing religious warfare, war between Islam and Europe, which is nothing but a repetition of the same thing, the same methods of empire. We see we are faced with a threat, not just a threat from a nation, but a threat from an entity, which is the same old enemy, we have faced ever since the days of Babylon, the same

evil. The power we face today, is not that of a nation. As long as we think a nation is the problem, we will never understand the problem, or solve it. The problem is a principle of evil, which dominates European civilization today, and pretty much world civilization, since 1971-72, with the change in the world monetary system from the Bretton Woods system.

We are now ruled by a Venetian style, called "Anglo-Dutch Liberalism," of international financier-oligarchy, which is sucking the blood of the world.

For example, you see the things called hedge funds; and hedge funds are nothing but predators. They're scoundrels, who in some societies would be hung—just for what they are. They take funds, and they go in under the rule of free enterprise, called "shareholder value," they take one corporation after another, in one country after another. They move in, and they buy, on an instant basis, buy into the stockholding of that company. Now becoming stockholders, at recent entry into that category, they now demand the company increase its profits. And not just to increase its profits, but increase its out-payments. It says, the company must cut this out, shut that down, shut this down, in order to convert essential productive capacity into cash. They then say, that the corporation must disburse these monies, as dividends to stockholders. And the result is, the corporation is ruined; it's left an empty, useless shell; and the hedge fund goes on and takes the money it has stolen in this way, and loots another company.

What we have in the present international monetary system, under the influence of financial derivatives, is *exactly* that kind of mentality. We have usury in the most extreme

form. It's running the world. It's called the international monetary system. You have Europe being destroyed by the Maastricht agreements—literally destroyed, in this method! Europe will not survive, unless the Maastricht agreements *are broken!* It can't survive! The “euro” has become the “teuro.”<sup>2</sup> It has half the value of the D-mark, at the time the D-mark was adopted. The Maastricht agreements were set up so that Germany was to be looted, to support the other countries of Europe—France and Britain, and so forth. Now, Germany can no longer afford to support the other countries of Europe. It no longer has the means to do so! Which means that all Europe is doomed! If the Maastricht agreements, which Thatcher pushed in, are maintained.

This is an extension of the same thing, this wild usury, which took over. And the target of this usury has been—in most of my lifetime and before—has been the United States, the fight in the United States—which was a European creation. It was a European creation which was designed in the 15th Century, actually, and set into motion by Cardinal Nicholas of Cusa, who was the leader of the 15th-Century Renaissance. And Cusa, after the fall of Byzantium, proposed that Europe undertake voyages of exploration across the oceans, and find the people on the other side, and enter into development, or development programs, with these people on the other side. It was as a direct result of Cusa, who had then died, his plan for this exploration, that the first discovery of the Americas, occurred. Or, rediscovery. And it was based on documents produced by Cusa, and developed by his associates, which fell into the hands of Christopher Columbus in 1480; which resulted 12 years later, in the first rediscovery of the American continent, with which Europe had had an association in a long-previous time.

So, from that time on, when Europe was engaged in these crises internally, it was European civilization that looked across the ocean, and looked more and more to the English-speaking colonization in North America, as a place to build up a nation-state whose success would then be a lever for bringing the benefits of that reform back into Europe itself. And since that time, that's been the struggle.

The United States was created as a nation, out of the aftermath of the so-called “Seven Years War” in Europe. At which time, the British, in their effort to develop an empire, orchestrated the Seven Years War in Europe, in which all of the leading nations of continental Europe fought each other, and destroyed each other. And then, at a Paris peace treaty in February of 1763, the British East India Company became an empire.

And all the history of Europe has been that, all the wars! Napoleon was a stooge, for the British, controlled by a Freemasonic cult, headed by Joseph de Maistre, who designed the personality of Napoleon, based on the personality of the Grand Inquisitor of 1492. The Napoleonic disease has infected France. It's infected Europe. It became the model for

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2. German *teur* = expensive.

fascism in the last century, on the same kind of thing. Always the same issue: to destroy the attempt of Europe, and the attempt of the forces of the United States engaged with Europe, to create a new situation among nations, sovereign nations, in which the goals of European civilization at its inception were finally realized.

We had the wars—not only the Napoleonic Wars, which destroyed Europe. The Napoleonic Wars to the greater glory of the British Empire, and the greater power of the British Empire! The British Empire manipulated the politics of Europe. The case of Germany, for example: Bismarck was a fine politician, sponsored by a friend of the member of the family of Heinrich Heine, James Rothschild. And as an experienced diplomat, [Bismarck] became the Chancellor of Prussia.

At this point, in this period, the United States won the Civil War and defeated the British by defeating the Confederacy, which was a British puppet. And getting Maximilian, a British puppet, kicked out of Mexico. At that point, then, the American System began to spread influence: In 1877-78, the American System—that is, the American System of political economy—was adopted, in '78, by Bismarck. After the fall of Napoleon III, influences in France began to pick up elements of it. Alexander III of Russia adopted the policy. Japan was transformed into a modern nation-state, under the direct influence of the American economist Henry C. Carey, the same one who was instrumental in causing Bismarck to adopt the great reforms on which the German industrial power was based since that time.

## The Wars of the 20th Century

So the British moved again—not because they're British; because they're the empire. The empire moved again, to destroy Europe. And the result, when Bismarck was discharged by the nephew of the Prince of Wales, of England; and a fool, Nicholas II, was brought in in Russia; and the arrangement between Bismarck and his monarch, and Alexander III was broken—and the British were able to orchestrate what became World War I.

And the British again organized what became World War II. It didn't work out the way they planned it: Because some German generals and Stalin had a different idea. And so, the attack was to the west, not to the east, first.

But the United States saved the world, by its margin of intervention in this.

The minute Roosevelt died, the system he'd set up began to be destroyed by Truman, who was an agent of what Winston Churchill represented. We went through a totally unnecessary period of threat of nuclear war, from 1945 up until recently—and still today—because of what Truman did, in capitulating, together with his friends, to Winston Churchill, on using the nuclear weapons that Truman didn't know about beforehand, but Churchill did! First, they intended to drop the nuclear weapons on Berlin. But, Germany surrendered before the weapons were ready. So, they had to drop them someplace,



Bundesbildstelle

*President John F. Kennedy with German Chancellor Konrad Adenauer. Both were strong national leaders, whose rule was a threat to the financier oligarchy. After the British ouster of Adenauer and the assassination of Kennedy, both in 1963, the spiral downward into war and economic foolishness accelerated.*

so they dropped them on Hiroshima and Nagasaki. They did that by postponing the peace agreement, which had been negotiated through the Vatican, long enough to drop the weapons on Japan. And after that, they gave the Emperor of Japan exactly the same terms he had negotiated for peace through the Vatican's Office of Extraordinary Affairs. *In order to get this world into Hell!*

Stalin never intended to overrun Europe! Stalin was counting on the agreement he struck at Yalta, with Franklin Roosevelt. And they were out to *destroy that!* Because Roosevelt understood history, and understood how the world works. And at that point, the challenge was what? The challenge was, *eliminate colonialism*. The challenge was, to free nations and help them develop, as free and independent nations around the planet: *to once and for all, eliminate this factor of imperialism from this planet*, which we've been suffering ever since ancient Babylon.

It was destroyed! We went through a Hell-like war, and it could have been a nuclear war, at several points, because of this.

Then, what did they do? They brainwashed a whole sec-

tion of young people in my country, a generation that was born between 1945 and 1950. There was an organization of evil, called the Congress for Cultural Freedom. We should call it, the Congress for Cultural Destruction. And they targeted especially, the upper 20% income-bracket, of people who were born between 1945 and 1950. They destroyed a whole generation, especially those who were going to fit into the white-collar class, in suburbia.

So, after events like the Missile Crisis of 1962, the killing of Kennedy, the British ouster of Adenauer, prematurely, in Germany; assassination attacks on Charles de Gaulle, repeatedly. And then, the assassination of Kennedy. Then unleashing another foolish war, the war in Indo-China—a piece of folly beyond belief! A calculated folly, even before it started: to break the United States, and corrupt it.

And the young people, in 1968 revolted—and they were revolting, to all civilized people. As a result of that, the base of the Roosevelt tradition, in the Democratic and Republican Party, was broken. And a right-wing turn occurred, because these people had behaved disgustingly—the wild-eyes 68ers. And therefore, Nixon was elected President.

As a result of that, there was an attempted fascist coup in the United States, which was stopped. Just as Sept. 11th was intended to be a fascist coup in the United States, and became a lot of trouble. And just as the United States has virtually destroyed itself, in going into this war in Iraq. You say, "What's the purpose of this?" Idiots say, "The purpose is to win wars." The purpose was not to win a war in Iraq; the purpose was, to destroy the United States—and they came close to doing it.

## **A Turning Point in the United States**

Now, those are circumstances, in which this equivalent of the Tennis Court Oath came into being.

I've been fighting against this, ever since I returned from military service in 1946, where I'd been in India, and before that in what was then called Burma, now called Myanmar. I came back, and I saw what had happened, as opposed to what I thought was going to happen under Roosevelt: We were headed toward Hell. When I got back to the United States, I found people who I thought had been courageous in fighting war: They were cowards when faced with their wives, under the right-wing terror, which was unleashed under Truman—not *McCarthy, Truman!* Truman was the terrorist! Truman was evil!

I've been fighting this, all my life, since that time. And now, I think we may be close to victory. We may be able to get my country back. And it's the people in my country, who have a sense of *wanting to get our country back*, from the evil we've been subjected to and the corruption we've endured in this period, that made possible what's happened over the past week.

Here's what happened.

In the Democratic Convention in Boston, in July of last year, there was a kind of reconciliation between me and peo-

ple in the Democratic Party. Now, that doesn't mean everybody in the Democratic Party had been opposed to me before then, but the majority of the Democratic Party, which was controlled by Wall Street money, was opposed to me. People like well-known Wall Street financial figures, hate my guts and always have. Most of the troubles I've had, come from that crowd. And some of the British crowd.

But, at this point, the crisis was apparent, the mess of the economy was apparent, the danger of a second Bush Administration was apparent. So, at that point, there was a reconciliation, in a sense, between me and a core of leadership in the Democratic Party. This was realized at the end of August, in which they realized I had to be brought in, to help them run the campaign. So, I was involved in the Kerry campaign, at that point. Now, it was too late. Kerry didn't have enough killer instinct—he could have won it, but it would have required a killer instinct to win. You have to play rough to win some political contests. You have to tell the truth—don't moderate! Tell the truth! You're trying to win people, you've got to tell people the truth! Don't try to think what you can maneuver with—tell them the truth! They'll take it.

So, we came close to it.

Then, Nov. 2: Well, by aid of a fraud and various other things in Ohio, Bush was nominally re-elected. And while there was actual vote suppression—actually fraud, vote fraud, as well as vote suppression and other things—it was a tough thing to go in there, and say you're going to win, and overturn a fraudulent election in court. You can't do it, under some such circumstances. That is not the way you fight. Legalistic efforts by individuals often lose. You have to move real forces. You have to mobilize forces of society, and *move them*, if you want to—you have to virtually plan a revolution: That's how you win an election, honestly. All honest elections that are won, are won with revolutions. Or by stupidity, one of the two.

So anyway, that didn't work. Then, on Nov. 2, the Democratic Party was totally demoralized, from Kerry on down on Nov. 3. So, we had a webcast conference, which I called, which we had on Nov. 9. And I scolded the Democratic Party, and told them, I said, "Now, if you're intelligent, we could turn George Bush into a lame duck before he's inaugurated."

And we did!

George Bush has been a lame-duck President of the United States since the day he was inaugurated for a second term. What you're dealing with, is not Bush. You're dealing with other forces that control the situation.

So, I laid out, I said: Look, Bush is going to come out and try to steal the Social Security of the nation, to loot it, let Wall Street loot the Social Security system. We're going to fight on that. And they agreed. So, we went in to turn George Bush into a lame duck, before he swore in his second term in office.

And he *was* a lame duck! You had two Senators, including Barbara Boxer, who moved in there, to certify that.

So, we started out as defeated. By May 23 of this year, not only did we have a strong majority of Democrats, an

overwhelming majority of Democrats in the Senate, allied with the policy we were pursuing. But we also, as of May 23, had won over enough Republican Senators, that that bipartisan combination was the dominant force in the U.S. Senate, and has remained so—increasingly so—from that time to the present time. You will notice that more recently, over various issues, you had a vote of 98 to 2 in the Senate, against the torture which is going on, by the United States, among prisoners at Guantanamo, etc., today. It was an open fight, in which the Vice President of the United States and his cohorts had said, *admitted*, they are conducting torture! And they have defended the use of torture as a legitimate means. Condoleezza Rice defended it *here*, in Germany, yesterday! She lied! She said, "The United States has never admitted to torture." Yes they did: Dick Cheney, who is the acting President of the United States, claimed, fought for—.

You have the bill for the financing of the U.S. defense forces, is jammed up in the House of Representatives, because Senator McCain wrote a resolution from the Senate side, which is in the House bill on voting up the financing of the national defense establishment: And that McCain Amendment says no money can be used for torture. And the reason that bill is not voted up, is because the Bush Administration—or the Cheney Administration—wants that bill to go through without the McCain Amendment. Now, on the issue of that, including the Iraq issue in general, 403 members of the House of Representatives, Republicans and Democrats, repudiated, entirely, the Iraq War policy. Now, those are the conditions [under] which this happened.

## Defend the U.S. Machine-Tool Sector

In the meantime, I've been conducting a struggle within the Democratic Party and elsewhere, to get people in the United States to recognize that General Motors, intentionally, was going to try to collapse itself into bankruptcy, and turn itself into a financial corporation, like U.S. Steel had done some years back. That is, go out of the manufacturing business, and become a financial corporation, pretty much the way General Electric has become that, and the way U.S. Steel became that.

So, we proposed measures: Essentially, we said, we're producing too many automobiles anyway; but the essential issue here, is the integrity of the nation as a productive nation. And in the United States, productivity is concentrated in one sector, essentially; the same thing is in part of the *Mittelstand*,<sup>3</sup> here in Germany, and that is, not just in the high-tech sector, but in the *machine-tool part of the labor force*. The modern machine-tool capability, in the labor force, is the crucial part of any modern economy. If you have not got an effective machine-tool capability, on large-scale and capability, *you do not have a modern economy!* You're a second-rate, or third-rate economy.

3. The *Mittelstand* is the small and medium-sized industry that has historically formed the core of Germany's machine-tool and R&D capability.



Korea Hydro & Nuclear Power Co., Ltd.

*The Yongwang nuclear power complex in South Korea. “We can build nuclear plants, like pancakes! . . . There is absolutely no substitute for nuclear power, in any sane country in the world. You may use other kinds of power, but nuclear power is the only thing you’ve got that’s worth having.”*

Now, the machine-tool capability of the United States, which was once built up *vastly*, under Harry Hopkins and others, under Roosevelt, this machine-tool capability has become concentrated in a remnant in the aircraft industry—that is, you have it similarly in Europe. Aircraft and automobiles are generally the concentration of high-skilled productive employment. Without the machine-tool sector, an economy is not going to go anyplace independently. It can not develop the new technologies, and produce all those technologies. They can invent, make discoveries, scientific discoveries in laboratories, all kinds of things; if they do not have a machine-tool sector that is effective, tied to industry, they’re not going to progress! They’re not going to grow.

Now, in the United States, as I said, this is located chiefly, in a remnant inside the aircraft industry, which is rather small; but the great concentration is in the auto industry. The auto industry is the relic of what Roosevelt did with Hopkins, in building up the great productive power that astonished the world, during World War II. If we lose that, we are no longer a national economy. If Europe loses the *Mittelstand* in Germany, and corresponding things in France, Europe has nothing! It’s dead, economically!

Therefore, to fight, to defend, and maintain this element—the machine-tool capability of production, for high-skilled production—is the essential basis, for maintaining any existing national economy, or for developing one, which I’m trying to develop.

In other words, being able to produce something based on blueprints and skills, that are given to you from other coun-

tries, *is not independence*—it’s not power. Every nation must have its own, independent machine-tool capability, by means of which it’s able to turn *ideas* into designs, and into actual production capability. Every nation must have that. That’s why we have to defend that.

Well, the bankers were against it, and the bankers don’t like me at all. (Well, some bankers do. We have a few sane bankers in the United States, actually.)

But, they wouldn’t act. We had a fellow, a Congressman from California, [George] Miller, who got on this thing from the standpoint of pensions. Now the pension system of the United States is in danger—not the Social Security system, but the private pensions. And the large corporations have stolen the pensions of their employees. People went and relied, in their union contracts and so forth, relied on pensions, the private pensions. The pri-

private pensions are being wiped out. So, Miller went in on this thing, to try to mobilize, and we began to work with him on mobilizing for dealing with this pension problem. But I kept insisting, the only way you’re going to solve the pension problem, is by creating viable entities—and that means we’ve got to save the auto industry. But not as an auto-manufacturing industry.

With the auto industry, we can produce railroads, railroad systems. Germany has the lead in maglev. But the United States, with a machine-tool sector, we can do the same thing, in cooperation with Germany, right now. If you take the German company, and they get into an agreement with the right forces in the United States, you can have maglev in the United States, rapidly. It’s the best way to do it. Because we have the capability, the machine-tool capability, to work with the design on maglev, and do the same thing. It’s what China did! The same way. China did exactly the right thing. They took one project, a popular segment from Shanghai to the airport, which is feasible in terms of the developed capabilities of China, with German cooperation. So, China now has the *beginning* of a maglev capability, as an integral potential in China, by taking *a* project, applying a technology *to* it, and then building around that technology to expand this application.

We can build a transportation system. We can build power systems. We can build nuclear plants, like pancakes! We, and other countries in Europe, can collaborate in building nuclear power, like pancakes! And there *is* no substitute for it! *There is absolutely no substitute for nuclear power,*

*in any sane country in the world.* You may use other kinds of power, but nuclear power is the only thing you've got that's worth having. And a nation that does not have the right to have nuclear power, does not have sovereignty. It's that simple.

### The 'Tennis Court Oath'

So, these were the issues. We discussed over the Spring and into the Summer—and into the Autumn. And then, one day, it happened—last week: The leadership of the Democratic Party in the Senate and the House of Representatives, had spent much of the month of November, in crafting a policy agreement, which is consistent with what I've been clamoring for for some time. This week, this past Friday, this was implemented: That was the Tennis Court Oath.

Now, it's not well-known around the world. The first website presentation of the full text of House Minority Leader Nancy Pelosi's address at Harvard University, which is one of the two signal addresses, of the equivalent of the Tennis Court Oath, will be transcribed and available on websites today, for the first time [see *Documentation*]. We're doing a careful transcription of it. Then, you have Representative Miller, who, because of his work on the pension question over the months, had gotten deeply involved in this question of rebuilding the economy. In the meantime, during the same period, a number of leading industrialists in the United States, including the head of the Ford Motor Co., the chairman, William Ford, have joined forces.

So, we now have a coalition, which is essentially bipartisan, but led by the Democratic Party, with the Democratic Party national leadership, in the form of the leader of the Democratic Party in the Senate and the leader of the Democratic Party in the House of Representatives—the anti-war party—is now moving; and Republicans are moving in a cooperative relationship—sane Republicans, largely on the issue of the Iraq War and the related implications of that, on the issue of torture.

We're moving, to take the government back. I've insisted we have to get rid of Cheney. If we get rid of Cheney, we'll work out how to handle this idiot in the White House, who's pretty isolated.

This is a dying regime. This is not a powerful regime; this is a *dying* regime. The President is breaking up. He's not capable intellectually of understanding what he's doing. Cheney is a criminal; he's a murderer. But, he's not a super—he's not even an Adolf Hitler. He's stupid! He's a *thug*. He's a mafia enforcer. And his qualities are those of a *killer*, like an organized-crime *killer*. And you have a President, who's weak, mental illness, who is handled by women, three women—his mother, Barbara; Condoleezza Rice, who's a weakling, intellectual weakling; and Karen Hughes, who used to mother him in Texas. So, these three women hold the hands of this poor idiot, who tends to break down, constantly.

So therefore, we have the situation, in which we can, by

forcing the issues, which are now being put on the table, and making these clear, we can change the policies in the United States. We're in the process of doing so. But to do what we have to do, we have to take power, in Executive power. You can not run a revolution through a legislature. A legislature must be run under a Presidential system, because Executive power is like command in warfare. You don't run a war with a committee—unless you want to lose it.

So therefore, you have to have the Executive power, which has to make the day-by-day decisions. We have that in the United States, as some of you know. We do have people, some of whom are out of military service, or out of intelligence service, or out of diplomatic service, who are very good citizens, who are experienced, mature people. They function. They exist. Many of them are my friends. We have the capability to pull together an Executive branch which would remind those who know history, of the kind of thing we had under Roosevelt. We can do it very quickly.

So, that's the task.

### Globalization: A Form of Slavery

Now, the problem is this: Europe, like the United States, is the victim of a current wave of sophistry, which has taken over in the post-war period. The so-called "Cold War," helped sophistry, because you didn't tell the truth any more. You said what you wanted to be overheard saying, you didn't tell the truth. You thought of the consequences of being heard saying it. So therefore, you didn't speak the truth, you didn't share the truth with one another. Just like ancient Athens. Europe, like the United States, has become a nation of sophists. It's called "spin"—things like that.

I call it lies.

Therefore, in this circumstance, politics has become, not the politics of what should be done, but the politics of what you think you can sell. Now, the ideas that can be sold, are generally the ideas which got us into this mess, in the first place. Or variants on that.

For example: Globalization. You can not have civilization and globalization. Without the sovereign nation-state, you can not have civilization. This is the history of Europe, since Greece. Without national sovereignty, based on a principle of the General Welfare, that is the General Welfare of all of the people, as the first requirement of government—without that, *you can not have an effective economy*. You can't have effective government.

Let's take the case of India. Now, some people say that India, like China, is a big success story. Some superstitious fools, say that China and India are a threat to Europe and so forth, because they're going to take over the world market. Bunk! And anyone in Europe with any brains, knows it's bunk, if they're thinking. Globalization will not work for anybody's benefit! Globalization is a form of slavery of entire parts of the world.

Look at the population of India, for example: Seventy



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*The French National Assembly taking the "Tennis Court Oath," on June 20, 1789 (painting by Jacques-Louis David). They vowed not to move from the spot, until agreement on a Constitution had been achieved. The decision by the U.S. Democratic Party leadership to promote science, education, and growth, based on innovation and "creative disruption" by the nation's youth, represents such a turning point.*

percent of the population of India lives in desperate and worsening poverty—*physical poverty*. Now, why can't India, if it's such a success, provide enough money, enough income, to improve the conditions of life of these poor people? And we've seen things like this, in my visits to India. Helga went to East Delhi, which is a *hell-hole of disease!* Which is a repository of people who left the farms, to go into these places to die of horrible diseases! And very few people understand what this kind of disease problem is. Disease is not an individual disease: In impoverished areas, *all diseases exist in everybody!* A new disease comes in, everyone gets it! You have areas of the country, of extreme poor—in any country—that are like that! You have *hell-holes* of disease. A new disease comes in, they're going to get it! All of them! In very short order.

And that's the condition we're getting.

Now, why is that? Why is a country that's supposed to be such a success, such a threat to Europe's possibility of production—why should they have these conditions? Because they don't get enough money for the price of what they export! And people look at wages, as simply what one person gets in income. Wages are not what *one* person gets as income from producing. What's at issue here, is the income, the physical income of the entire population. The productivity, the mental life, the skills, of an entire nation, are in *all* of its population! Not one part! Not some part which has a job, and the other part that doesn't. A nation is an integrated unit, and *all* of the people of the nation, are the productivity of the nation.

If you take 70% of any nation, and you condemn it to poverty—like has been done with Italy! Italy is a broken nation, because of the Mezzogiorno! As long as you have a

Mezzogiorno, with a state of permanent poverty, in the southern part of Italy—you *don't have an Italy that functions*, politically, or otherwise! And that's the condition of the poor countries of the world. That's what we're fighting against.

So therefore, what happens now, if we insist that India get prices for its products, and China get prices for its products, which correspond to what the cost of those products would be *in the United States, or in Europe?* That's what you'd have to do. The productivity of India and China is not what we're capable of in the United States, or Europe. They want to get there: But this means you've got to have the kind of cooperation in which the *entire* population, over the course of a generation or two, is being uplifted. So that you have some degree of parity in productive power, throughout the world. You have to have, therefore, a *protectionist system!*

Don't go around, trying to manipulate currencies—"this one should go up, this one should go down"—no! That's insanity. You have to go to an international agreement among nations, on a protectionist system like the Bretton Woods system. And you have to calculate this, on the basis of providing the improvement in the standard of living, which is good for *all of the population*, in all of the nations. Otherwise it's not going to work.

And that's where we are. We can do that now! We can't realize overnight, the improvement we require, in the conditions of life of the people of this continent, this planet. But we can realize it in two generations! We can adopt a policy now, which carries us in this direction.

### **The NASA Model**

The core of the policy which was announced last Friday, at Harvard, is based on the concept of NASA. There were two



NASA

*“Man’s exploration of space is not just a project. Man’s exploration of space, is asserting man’s identity as a universal being. Man is a creature in the universe. We are in the universe. We are part of creation. We are a creative part of creation. It’s in that, that we find our identity.”*

models we’ve been discussing in the United States. One, was the Roosevelt 1930s mobilization, which led to our capabilities, in 1940-41. But the problem was, in pushing that, which is valid for today—to understand how an economy should be saved; how the world economy should be built up, go back to the United States under Roosevelt, during the period from Harry Hopkins coming into office, until we got into the war. That’s the model. But the problem was, this was done, in many people’s minds, it was done under wartime conditions. It was *not* actually done under wartime conditions; it was done under pre-war conditions. It was done, because the day that Roosevelt walked into his office, to occupy his office for the first time—Hitler had been made a dictator! Not just a Chancellor, but a dictator! Two weeks before. And once Hitler was made a dictator, anybody that knew anything, knew that World War II was inevitable! The question was, how was it going to occur, in what form? When? Where? But it was inevitable. Everybody who had any brains, knew the world was going to a general, global war, the day that Hitler was made a dictator, after the Reichstag’s burning—with the special order.

Now, because this Roosevelt recovery was done under wartime conditions, or these kinds of wartime conditions—pre-war, wartime conditions—the point was, if we’re raising the question of this kind of mobilization, won’t people inside the United States and outside the United States, think this means we’re going for war, or for empire? And you know

the mood in Europe, and other parts of the world, that’s the tendency; as well as in the United States.

So therefore, we said, “Wait—” and we’d been talking about it, but they decided to do it; they said, “Let’s take NASA.” What Kennedy did with his decision to put a man on the Moon within a decade: That was one of the greatest projects in modern history. It is one of the reasons he was killed, because he was going in a direction opposite to what his opponents wanted to go to—and this was a global issue. They killed him! And people inside the leadership of the United States were involved in that killing of him, and covering it up!

Now, the NASA model: We pulled together every facet of society, for a concept of man’s exploration of space. Now, man’s exploration of space, is not just a project. Man’s exploration of space, is asserting *man’s identity as a universal being*. Man is a creature in the universe. We are *in* the universe. We are part of creation. We are a creative part of creation. It’s in that, that we find our identity. We need nation-

## Kennedy’s Apollo Program Reshaped the U.S. Economy

President John F. Kennedy’s call on May 25, 1961, for the United States to have a goal of “landing a man on the Moon and returning him safely to Earth” by the end of the decade, put into motion the greatest peacetime mobilization of this nation’s scientific, engineering, and technological resources in history. The country’s industrial base, which had stagnated for the nearly two decades since President Franklin Roosevelt’s mobilization to win World War II, was thrust into becoming the leading technological driver for the real growth of the physical economy.

A very modest level of Federal funding for the National Aeronautics and Space Administration (NASA)—\$20 billion over eight years—was leveraged into the growth of thousands of large and small private companies, and directly over 400,000 highly skilled engineering and manufacturing jobs. In parallel, the new technology developed for Apollo was transferred by the companies developing them to the rest of the economy, with an estimated 4:1 return on the Federal dollar investment.

In order to go to the Moon, President Kennedy recognized, there had to be an explosive growth of new scientific manpower.

Over the course of the 1960s, NASA grants and scholarships were supporting more than 3,600 graduate students per year engaged in space science and technology research. Youth Science Congresses were held at NASA laboratories to engage younger students in discussions with sci-

states, as sovereign nations, in order to function. Because we need to have national cultures, as the basis for functioning. But we also have a higher identity, a higher identity which we share in common among nations. That higher identity is: *the nature of man as a creative being in the universe*. And therefore, we lift up our eyes to the heavens, and to say, "What are we going to do out there?" Who's in this neighborhood of the Solar System, who's going to take care of the Solar System? Who's available to take care of the Solar System—which has some threats coming up in periods ahead? *We* have the responsibility! Not we, necessarily living today. But our grandchildren, our descendants, will have that responsibility. And when we think of taking that responsibility, we rise above the pettiness which leads us into stupidity. We, for the first time, begin to realize, that we are *man in creation*. A creative being, *in creation*. And what you need at this time, in the United States, and around the planet, you need a sense of *man in creation*. You've got to lift people up, from the pettiness.

You see gambling, mass gambling; you see all these sicknesses, these diseases, these moral diseases of mankind. How can we lift mankind up, so, instead of being corrupt, mankind begins to see himself as what he is? And thinks about what his descendants are going to be. What mankind of his descendants are going to be.

And you need that kind of inspiration, because the things we're going to do, the goals we have, some can be realized in a short term; some in a longer period of time—two generations. Two generations is a good term to think ahead, 50 years. And that's not such a long time; if you think about those of us who've had some experience of the past 50 years, 50 years is a very short time. A lot of things can happen very quickly, in terms of 50-year terms. So, that's what's happened.

### **Defeat the Financial Succubus**

Now, the Democratic Party is going to move that way. And the enemy is going to move, too. And the enemy is not

entists. Scientists who had received their education thanks to the space program, fanned out into every facet of scientific endeavor and American industry.

Recently there has been hand-wringing in the scientific community, industry, and on Capitol Hill about the pathetic number of American students studying science and math. Only bandaid solutions have been proposed, so far. The Apollo program succeeded in creating an entire generation of scientists, because the nation had a mission which captured the imagination of especially the youth.

Along with the creation of the technical capability to tackle the challenge of putting men into space came the challenge of rebuilding industrial capacity to accomplish the mission. Every basic industry, from materials processing to auto manufacturing, joined in.

President Kennedy's investment tax credit, proposed 90 days after he took office, was geared to spur the purchase of capital goods. To assure the investments were *only* in durable goods, the credit applied only to domestic U.S. assets with a life of six years or longer. The combination of the investment tax credit, and the optimism generated by embarking upon the great project of space exploration, led to a record-setting \$40 billion capital spending plan by industry in 1962. The editors of *Fortune* magazine described this as "hitching the economy to the infinite."

A survey in the 1980s by *EIR*, of capital investment in the 1960s, revealed that the private expansion of factories and the purchase of capital goods began *before* one penny in government funding, through NASA, had resulted in any contracts for industrial firms. The private investment was based upon the changes in economic policy, and the expectations from the science-driver Apollo project.

### **The General Welfare**

President Kennedy was aware that a "rising tide would lift all boats," as the technological innovation and productivity gains from the Apollo program diffused through the economy.

But the social context for an Apollo program—from education and health care to civil rights for minorities—would also have to change. In a February 1961 message to Congress on education, President Kennedy stated that "the human mind is our fundamental resource," and called for smaller classrooms, better paid teachers, college scholarships, and investment in plant and equipment.

The same month, in a message to Congress on Health and Hospital Care, the President outlined his plan for guaranteed health care for the population, an expansion of hospitals and other health-care facilities, scholarships for health-care professionals, and a vaccination program, "aimed at the virtual elimination of such ancient enemies of our children as polio, diphtheria, whooping cough, and tetanus. . . ."

As a result of spending approximately \$20 billion over eight years through the Apollo program, American industry remade itself, in order to meet the challenge of exploring the infinite. There has been no more effective way to create greatly expanded skilled employment and force the upgrading of the economic and cultural levels of the population.

Today, when the great reservoir of skilled manpower in the U.S. machine-tool and auto industries is threatened with extinction, Kennedy's Apollo program stands as the paradigm of what should be done.

—Marsha Freeman

any nation. It's not Britain, it's not any nation: It's bankers. It's the international financier-oligarchy, which is typified in our memory by the Venetian slime-mold. And that's the enemy. What does the enemy want to do? The enemy has said it to my face, has made threats to me, directly, personal threats—to me, on this issue.

What's the issue? "We, now, have giant financial entities, which are bigger and more powerful than governments. No longer are we going to submit"—speaking for the bankers—"no longer are we going to submit, to the government by government! *We* are the government! In many cases, governments will cease to exist. In other cases, we will keep governments—as *our lackeys!*"

And our job is, to overthrow the power of that financial octopus, that financial succubus.

How can we do it? Well, they are bankrupt. *Every major banking system in the world*, in Europe in particular, and the Americas, is hopelessly bankrupt. There is not a truly solvent bank in the United States, or in Europe: They're *all* bankrupt, if the right accountant came in to check the premises. In some cases, you don't even need to check the premises. Every bank—JP Morgan, of the Morgan interests, is bankrupt. Every other major bank in the United States involved in hedge funds, is bankrupt. Every leading bank in Europe, is more or less bankrupt. The financial system is bankrupt! We're talking about hundreds of trillions of dollars, of fraudulent money, out there, in the form of financial derivatives obligations. The world could *never* pay that debt! The financial system is bankrupt!

And if we resist this, and put them into bankruptcy, we have a chance. One chance. The question is, will the United States, the government of the United States, which has a Constitutional system, which set up the Bretton Woods system—can we again, be willing to go to the mat, and impose something like the Bretton Woods system, again, on the planet? And use such a system to generate the credit which is required, by states, for the large-scale projects which this space orientation, and development of humanity requires.

We're at that point. So, this is like the Tennis Court Oath. The Tennis Court resolution was the intention to carry what the United States had accomplished in establishing its republic, into Europe. The point was, that if France would—even with the conditions that had been placed upon it, under British influence in 1782-1789—if France were to free itself from Jacques Necker, and Philippe Égalité, and so forth: Under those conditions, that France would actually be the signal, the leader for spreading the same thing as the American Revolution, in the form of a constitutional monarchy in that case, in France, and in Europe. It didn't happen; it went the other way. The British prevented it.

But, that's what we have to do today. We have to go back to that intention. We have the opportunity, because the crisis is so great. The enemy does not have any of the solutions he's had available, in terms of financial power in past periods.

Therefore, what we have before us, is a threat of a general breakdown crisis of the world system, and the possibility of a great victory—or a long Dark Age.

And the United States is the place, we've got to stand up, so the rest of the nations can group themselves for a common effort to make this work. And we depend especially on those forces in Europe, which have a certain understanding, a limited understanding perhaps, but an understanding of what the United States is. And understand who we really are: We're not George Bush, we're not Dick Cheney. We're not Wall Street. We are a long tradition, going all the way back to Solon of Athens. We're that tradition, as expressed in the United States, and the same thing that Europe has been struggling for, in all its best efforts.

So, here it is: The Tennis Court Oath-type situation, but more important than the Tennis Court Oath. The fate of humanity hangs on what we're going to do. Can we do it? I don't know. But there's nothing else worth trying.

Thank you.

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## Documentation

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### Pelosi: 'A New Era of American Innovation'

*House Minority Leader Nancy Pelosi (D-Calif.) gave this policy speech on Dec. 2 at Harvard University, on "A New Era of American Innovation and Competition." The event was sponsored by the John F. Kennedy School of Government's Institute of Politics Forum. Subheads have been added by EIR.*



EIRNS/Stuart Lewis

Rep. Nancy Pelosi

Two weeks ago in Washington, on behalf of the Democrats in the House of Representatives, I unveiled an Innovation Agenda, a Commitment to Competitiveness to Keep America Number One.

It is indeed appropriate to talk about innovation here today, because Massachusetts has always been the source of so much independent thinking and innovation.

All Americans are inheritors of a tradition of innovation. The United States owes its very existence to entrepreneurial ideas. Our Founders had confidence that they were part of change in the world, and they had great faith in the future.

That confidence and their faith in the future are reflected

on the Great Seal of the United States, where they included these words in Latin: “*novus ordo seclorum*”—“A new order for the centuries.”

Imagine their vision. In establishing that new order, our founders broadened our horizons, expanded our country, and imagined a better world. They also recognized that it is the responsibility of each generation to make America a better place for the next—for our posterity.

It was in that tradition, and with the same confidence, imagination, and faith in the future, that the President for whom this great institution is named challenged our nation to set our sights even higher than before.

### **The Vision of Kennedy’s Space Effort**

As President Kennedy said in committing our nation to send a man to the Moon, “The vows of this nation can only be fulfilled if we are first, and therefore, we intend to be first. Our leadership in science and in industry, our hopes for peace and security, our obligations to our selves as well as others, all require us to make this effort.”

In answering President Kennedy’s call to leadership in science and industry, America built the world’s most vibrant economy and became the world leader in scientific discovery and innovation.

World economic and innovative leadership have continually been defined by American genius. Every advance once thought impossible has been achieved by Americans: splitting the atom, landing a man on the moon, mapping the human genome, and transmitting information around the globe in an instant.

Each of these discoveries and inventions launched new industries, created good jobs, and triggered even further innovation.

We promoted an entrepreneurial culture, creating the most powerful public private partnership in the history of the world by investing in long-term, high risk ideas.

All of these factors made America the breeding ground for the innovations and inventions that increased our prosperity, enhanced our lives, and protected and advanced our freedoms.

### **Unprecedented Challenges**

That dynamic and virtuous cycle of innovation is what secured our status as world leader, and that status has remained unchallenged—until now.

Today, the world has changed dramatically—in ways that pose unprecedented challenges to our economic well-being. The underdeveloped countries of yesterday can become the formidable competitors of tomorrow—or even today.

Those countries are following what has been the United States’ blueprint for decades, and which resulted in our pre-eminence.

As others have copied our blueprint, we have departed from it. They are investing heavily in improving their educational systems, and creating world-class universities, particu-

larly in science and technology. We have fewer students studying math and science, and fewer qualified teachers of math and science than we need.

We will graduate 70,000 engineers this year. India will graduate 350,000 engineers, while China will graduate 600,000.

They are making a commitment to long-term research and development. We are allowing that commitment to falter. Our federal support of basic research peaked in 1987, and has been flat or falling ever since.

They are utilizing cutting-edge technologies to propel themselves forward. South Korea is an incubator for new innovation and leads the world in broadband penetration. We now rank 16th in the world in broadband penetration.

Even if the United States were following our blueprint for success, we would still face these challenges from abroad. But we aren’t, and that only compounds the problem.

Democrats believe that together, America can do better. That is why, over the past several months, we sought out the best possible thinking on how to secure America’s place as the world leader in innovation.

We went outside of Washington, and met with leaders and CEOs from many fields: academia, venture capital, and entrepreneurs from the high-tech, biotech, and telecommunications sectors who are creating the jobs of tomorrow.

We held forums with these leaders here in Boston, as well as other forums in Silicon Valley, Seattle, Chicago, Northern New Jersey, North Carolina’s Research Triangle, and we will hold more.

In each of these forums, my colleagues and I were invigorated by the freshness of the participants’ thinking, and the depth of their commitment to the future. They took pride in the amazing history, power, and creativity of America’s economic model, and the inventiveness of the private sector.

Many credited much of their success to public investment in education, infrastructure, university research, and institutions like the National Institutes of Health, the National Science Foundation, and DARPA. But they warned that the commitment of the public sector has not kept pace with America’s challenges in the global economy.

That is why Democrats have challenged Congress and the country to renew our commitment to the public-private partnerships that will secure America’s continued leadership in innovation, and unleash the next generation of discovery, invention, and growth.

In addition to laying down the challenge, we also laid out a series of specific goals, proposals, and timelines that, taken together, chart a clear path to a new era of American leadership and prosperity.

### **Five Areas of Intervention**

Our agenda is divided into five broad categories.

First, we recognize that in a globalized, knowledge-based economy, America’s greatest resource for innovation and

economic growth resides within America's classrooms.

To create a new generation of innovators, our agenda calls for a qualified teacher in every math and science K-12 classroom and we issue a "call to action" to engineers and scientists to join the ranks of America's teachers.

We will add 100,000 new scientists, mathematicians, and engineers to America's workforce in the next four years by providing scholarships, other financial assistance, and private sector opportunities to college students to achieve this goal.

Second, we recognize that independent scientific research provides the foundation for innovation and future technologies. Our agenda will double federal funding for basic research and development in the physical sciences, and promote the public-private partnerships that will translate new ideas into marketable technologies.

For example, grants from the National Science Foundation have funded breakthroughs in everything from the Internet, to fiber optics, to nanotechnology. We commit to doubling this investment.

In addition, we pledge to modernize and make permanent the R&D tax credit. These investments will allow us to pursue the long-term, trailblazing research that gives rise to new advances, spawns new industries, and creates good jobs.

Third, we recognize that the nationwide deployment of high speed, always-on broadband and Internet and mobile communications will fuel the development of millions of new jobs in the United States.

Our agenda guarantees that every American will have affordable access to broadband within five years.

Universal broadband will propel advanced Internet applications, such as distance learning, health IT, video-on-demand, and Voice over IP. Universal broadband—whether it's delivered by Wi-Fi or WiMAX, or hard line—will put all Americans, no matter where they live, no more than a keystroke or a mouse click away from the jobs and opportunity broadband both creates and supports.

As one young technology leader told us in our meeting—"If you think you've seen what broadband can do, you ain't seen nothing yet."

Fourth, we recognize that only innovation and technology can lead America to energy independence. We should be spending America's energy dollars in the Midwest, not the Middle East.

It is vital to both our economic future and our national security that we develop clean, sustainable energy alternatives, such as bio-based fuels, as well as new engine technologies for flex-fuel, hybrid, and bio-diesel cars and trucks. To accelerate this work, we propose a new initiative within the Department of Energy, that develops high-risk, high-reward, revolutionary energy technologies.

Our goal is energy independence, and we intend to achieve it within ten years.

Fifth, Democrats recognize the need to create a competitive small business environment for innovation. The evolu-

tion of an idea to a small business, and then ultimately to an entrepreneurial success, has been the spark for the technological revolution in our country and will be the key to continued job growth in the future.

Therefore, our agenda calls for affordable health insurance, small business financial support and technical assistance, and reduced regulation.

Essential to our pre-eminence is the protection of intellectual property. Our agenda commits to protecting the intellectual property of American innovators worldwide.

These commitments, taken together, represent a Democratic decision in favor of the future.

## Can We Afford It?

There will be those who say that we can't afford to make these investments—in education, in research, in broadband, in energy independence, and in small business success. Democrats believe we can't afford not to make them. We have no choice.

These are critical priorities for our nation. We intend to submit them to the rigors of pay-as-you-go budgeting, so they will not add to the deficit, but instead will grow our economy.

We know that America's world leadership will be secured by those who operate on the frontier of knowledge discovery. From the beginning of our nation, that frontier has been aggressively expanded by America's young people, who are not wedded to old ways of thinking, or daunted by the encumbrances of the past or present.

For example, when I suggested to Google co-founder Larry Page that one of our goals in this agenda was going to be universal broadband in ten years, he said, "Ten? Why not two?"

## We Admire Youth's 'Disruptive Thinking'

You'll see that our agenda sets within five years as that goal. But the energy, imagination, and I say with admiration, disruptive thinking of America's young people is propelling us into the future.

To the young people here today: "Know Your Power."

Women have always been a part of pushing that frontier, but their creative disruption has been more obvious in recent decades. Yesterday marks the 50th anniversary of Rosa Parks refusing to be refused. Because of her act of courage, Dr. Martin Luther King Jr. began the Montgomery Bus Boycott, and unleashed the civil rights movement full force in our country.

Rosa Parks changed the face of America. To the young women here today, I say "Know Your Power."

A magnificent disrupter himself, Reverend Martin Luther King, in a speech entitled "The Birth of a New Age," reminded us that, "Through our scientific means we have made of the world a neighborhood and now the challenge confronts us through our moral and spiritual means to make of it a brotherhood."

The challenge we face at the beginning of the 21st Century is to unite technology with our humanity—to ensure that our newest technologies advance our most cherished values.

Moving America forward, and bringing America together—those are the two great challenges of our time—of your generation.

Our innovation agenda is part of our vision for a stronger America. It is aimed at our common future. It is a Democratic commitment to America. And it is an agenda that reflects our most basic conviction that working together, for the common good, there is no challenge too great for the American people.

Because of the spirit, optimism, and ingenuity, of the American people, Democrats believe that together, America can do better.

This is our promise to the future.

Again as President Kennedy said, “Yet the vows of this nation can only be fulfilled if we in this nation are first, and therefore, we intend to be first.”

## Miller: Retaining U.S. Leadership in Innovation

*Rep. George Miller (D-Calif.) delivered the Democratic response to President Bush's weekly radio address on Dec. 3, 2005:*

I would like to talk to you today about the urgent need for America to retain its world leadership in innovative ideas and new technologies that will fuel our economy and create good jobs here at home.

You know, it's not easy being number one—at anything. It takes a sustained commitment, resources, and talent. It also takes leadership. More than 40 years ago, President John F. Kennedy said America would be number one, when he committed our nation to be first in sending a man to the Moon.

At that time, he said, “The vows of this nation can only be fulfilled if we are first, and therefore, we intend to be first.” He went on to say that, “our leadership in science and in industry, our hopes for peace and security, our obligations to our selves as well as others, all require us to make this effort.”

President Kennedy knew it was about more than putting a man on the Moon. It was about leadership and the vision to invest in the best of America. As a result, America created the most powerful public/private partnership in the history



*Rep. George Miller*

[www.house.gov](http://www.house.gov)

of the world. A partnership of businesses, universities, and government that worked hand in hand to create the greatest advancements in science, health, technology, and American prosperity in our history.

But America's leadership is being challenged today like never before. China, India, Korea, and others are rapidly investing in education, research, science, and technology, because they recognize that their economic success depends upon it. They have made innovation their priority.

Korea—with one-sixth the population—graduates almost the same number of engineers as the United States. China graduates almost four times as many. The United States ranks 16th in the penetration of broadband Internet technology. American 12th graders in international comparisons score at the bottom in math and science.

As a result, America has no choice. America must maintain its world leadership in innovation. If we do, we can continue to make enormous strides in health care, education, energy independence, and breakthrough technologies. But this will only happen if we are committed to leading. This is why we have laid down this challenge to the Congress and the President to make innovation, science, and technology once again America's top priority for economic growth and job creation.

Democrats in Congress believe that, working together, America can do better. We propose an “Innovation Agenda: A Commitment to Competitiveness To Keep America #1.”

To retain its global innovation leadership, America must: graduate 100,000 new scientists, engineers, and mathematicians in the next four years; double funding for overall basic research and development; make the miracle of broadband Internet technology affordable and accessible to all Americans within five years; achieve real energy independence within ten years; and support entrepreneurial small businesses.

Our agenda will require the spirit and dedication to being number one that led to previous innovations, such as splitting the atom, the space program, the development of the Internet, and the human genome project. Good old American ingenuity can never die—we all know that. But it must be unleashed again.

Democrats believe that only by making a renewed and sustained commitment to innovation will our nation be able to maintain its global economic leadership, protect our national security, and enjoy prosperity at home with good American jobs.

A commitment to innovation should not be a partisan issue, but the President and the Republican Congress are failing to lead. And our competitors are gaining. That is why Democrats have laid down this challenge and look forward to working together to make America stronger. We hope that you will join us.

You can learn more about our innovation agenda on the web at: [HouseDemocrats.gov](http://HouseDemocrats.gov).

## Europe Needs a New Atlantic Alliance In the Franklin Roosevelt Tradition

*Mrs. Zepp-LaRouche keynoted the afternoon session of the seminar on Dec. 6. She was introduced by moderator Frank Hahn, who pointed out that 20 years ago, she founded the Schiller Institute, "in order to establish a new form of cooperation, not only between Germany and the United States, but between Europe and the United States, on the basis of the principles of American republicanism." The four-hour session concluded with the LaRouche Youth Movement singing the "Battle Cry of Freedom," following which the LYM spontaneously broke into singing the German national anthem.*

Well, the Trans-Atlantic partnership is functioning very well, I believe, in some areas. But I think for the rest of the European-United States relationship, we need a new agenda. And I propose that this new agenda for the new Trans-Atlantic Alliance, should be one in the tradition of Franklin D. Roosevelt, the New Bretton Woods, and his policy of a New Deal. Right now, I think that there are many people who easily admit that the world is in a deep crisis. There are many scenarios of how the world could be fixed without the United States. And while everybody knows that we, for a very long time, have advocated the building of the Eurasian Land-Bridge as the natural means of integrating Eurasia after the fall of the Berlin Wall, any scenario which does not include a positive role of the United States, can not function. In the bad sense, the process of change in the United States, which now is much, much more rapidly under way than acknowledged by the very controlled media in Europe—if that would not happen, and if the neo-cons would remain in any form in the government, asymmetric global warfare would be the result, and I think we heard this morning, one of the immediate concerns [from Southwest Asia], where the crisis is very acute. But also, if you don't take the war dimension, and just look at the economic aspect, you know, we are sitting on a powder keg, which is much, much worse than is publicly admitted, in terms of the immediate possibility of a financial collapse.

### No Solutions From Europe Alone

Now, I would be very happy, if Europe were so strong, that Europe could come up with a proposal for a new, global

solution. Since I'm German—I'm married to an American, but I'm not an American—and therefore, I would be happy if Europe would have the power to have such a possibility. But if you take an honest look at the condition of Europe right now, Europe is in a *terrible* condition. Europe does not exist! As a matter of fact, Europe, as it is constituted now, *can not* function.

And I'll just give you a couple of the symptoms which will erupt in the near future in a big way: One is the massive increase of tensions, concerning the European Union budget. This is not solvable. Germany is very clearly at the limit of its ability to pay for an increased European Union budget. Great Britain does not want to give up its so-called "British bonus." France insists, correctly, that they need the subsidies for French agriculture. But, there is no solution inside. The East European new members of the European Union are pushing very hard to also come into the euro-zone, which will not happen—can not happen right now, and therefore it probably will never take place; but officially it has been postponed for several years. So Blair, basically, was unable to find a compromise concerning the European Union budget, and said, either the East European new members take it as it is, or there will be no money at all.

Now, if you look at the German situation, with the new Grand Coalition—Lyn characterized it this morning, as "waiting for new options," and I think that is a fair description. It's a transitional government, and the only positive thing one can say, is that in the coalition negotiations, there was big unease about the austerity policy. And several people said, that the repetition of a Brüning harsh austerity, of just cutting the budget, is threatening to bring Germany to the ground.

But, in reality, Germany right now—and I think this goes for other countries as well, but in Germany, it is *really* unbelievable: You have a massive, massive attack of the hedge funds, trying to take over Germany, totally. You have a hedge fund attack on the *Mittelstand* firms. They're ganging up by six to eight to ten hedge funds. They're now trying to take over the big firms. Just one hedge fund called Tweedy, Brown is trying to take over, or trying to prevent a consortium between VW and Porsche, demanding that Supervisory Board member Piëch gets kicked out.



EIRNS/Chris Lewis



Bundesbildstelle/Schambeck

*The Reichstag building, symbol of the German nation, on Oct. 3, 1990, the day of reunification. German unity was secured at a high price: the Kohl government's agreement to replace Germany's currency, the deutschemark, under supranational control, thereby relinquishing the keystone of national sovereignty. This plan was pushed through by French President Mitterrand (shown here, on the left, with Kohl in 1994), in league with Britain's Prime Minister Margaret Thatcher.*

But they're also taking over housing—they're buying houses like mad, they're buying apartments; they're buying castles—Jeb Bush who was just in Munich, said, "We will buy all your castles!" I don't think this went down well with the Bavarians, but—it is really big. And the problem is, in Germany right now, there is *no defense* against these attacks. And, in addition to Germany's being haunted by the effects of Maastricht, if this is not ended soon, Germany will cease to exist as an industrial nation.

I think the situation in France is equally dramatic. The crisis in the *banlieues* [suburbs], according to our best knowledge, is three-quarters worse than what is officially reported. And one can say with good conscience that the *banlieue* crisis, is a "teuro" crisis. (This is a pun on the "euro teuro," which means the expensive currency.)

And Italy is in a terrible condition as well—inflation, indebtedness. Spain is facing the collapse of the real estate bubble. And basically, Europe is in a really disintegrated condition.

### Historical Roots of the Problem

Why is Europe right now not functioning? We have to go back to the roots of how this problem emerged. And I personally believe, if we do not really address the geopolitical,

underlying reasons for the construction of Europe with the European Monetary Union, we will not be able to solve it. And what I'm saying is, in my view, discussed behind closed doors in many circles, but up to now it was kept out of the media with all means.

Now, when the German government published the official documents about the processes which led to the reunification, beginning in 1989, they admitted that in Spring 1989, nobody in the German government had *any* perception about the near-term collapse of the D.D.R. [communist East Germany]. Unlike Mr. LaRouche, who had forecast this in 1988, with a clear proposal for unification, the German government did not. And therefore, they also had no contingency plan for the possibility of unification.

Now, in November, after the Wall had come down, they still did not have such a plan, according to their own publications. But the negative consequences of the German government not having such a contingency plan, are being paid very dearly by Germany to the present day, especially in the so-called "new states" in the East, where basically, we have an economic wasteland: up to 50% unemployment in certain regions, and certain states just not being really industrial states any more, at all.

Now, I reference this, because, in 1990, I made many

speeches, warning that if one would make the mistake of just imposing the bankrupt free-market economic system on the bankrupt communist system, that soon we would face an even bigger explosion and collapse of the global monetary system. And today, we are exactly at that point. And the reason why I'm referencing the non-existence of contingency plans in 1989, is, to my best knowledge, neither the German government, nor the French, nor the Italian, nor any other European government, really has a contingency plan for the blowout of the system. I mean, if people have better information, I'd be happy to be corrected. But, I know from many discussions in Berlin, there is *no place*—not the Economics Ministry, nor any think-tank—which even considers the possibility of a blowout of the system.

But that blowout could happen while we are sitting here. And that is also acknowledged by several officials. For example on Sept. 22, the head of the credit supervisory authority, in German, BaFin—his name is Jochen Sanio—at a conference of Goldman Sachs in New York, stated that in his view, a derivatives catastrophe was imminent, and he said, “It will happen, and nobody at this moment is prepared for it. And therefore, I have *Heidenangst*; I have a terrible fear.”

But even if there would be no new LTCM crisis exploding, since '98, the number of hedge funds has dramatically increased to presently about 8,000. And when LTCM went bankrupt, the Bank for International Settlements, in their yearly annual report, later admitted, that the world financial system had come to the point of meltdown (the largest possible accident—*Gau*, in nuclear accident terms), and at that point, it took the 16 largest banks worldwide, to bail out *one* hedge fund. Now, we are confronted with the possibility of dozens of hedge funds blowing out. But even without that, this destruction coming from the system, is an ongoing process, because these hedge funds, and the “locust attacks” taking place right now, are destroying industrial capacity to a very large extent.

Now, in France, at least there are laws which prevent foreign takeovers by these hedge funds, which do not exist in Germany. In France, even if shareholders have the majority of a firm, they can not take it over. But in Germany, no such protection exists.

Now, with the new government, the new Finance Minister, Steinbrück, referred to something which I had drawn attention to in the recent Federal election campaign: Namely, that Germany has to go back to the D-mark, in order to protect its sovereignty over its own currency. Steinbrück did not admit that, but he said, we have about one year's time to remedy the situation in Europe, to fulfill the Stability Pact, or else we will have a gigantic currency crisis. What he didn't say, but actually meant, is that the euro is about to blow apart.

After I had announced my campaign to go back to the D-mark, sometime in June, all of a sudden there was a flood

of articles in the *Financial Times*, predicting that soon the weaker European nations would leave the euro-zone. Then the French Central Bank head, Noyer, suggested that it was quite possible that some countries would leave. But, basically, this is still impending. And this crisis could, indeed, erupt fairly soon, when it becomes clear that the European budget can not be funded.

Now, the problem is, the financial architecture on which the euro is built, is basically not functioning. Now, earlier, the first thesis with which people argued for the euro, was that, for the sake of the European process, one can not change anything concerning the euro. And the argument was made as if the euro would be a protection against the dangers of globalization, and be a counterpole to the power of the United States. Now, that is a complete fraud, a complete lie—it has no basis whatsoever. The reality is, rather, that the negative consequences which come from the euro and the Maastricht agreement and the Stability Pact, especially for Germany, were *intended* to have that effect from the beginning.

Now, if you go back to the situation in November 1989, on Nov. 9, the Wall came down. And on Nov. 28, Chancellor Kohl made the only baby-step in terms of national sovereignty he ever did in his whole life, in my view, which was a ten-point program for a confederation of two independent German states. Two days later, the then-head of Deutsche Bank, Alfred Herrhausen, was assassinated by the so-called “third generation” of the RAF/Baader Meinhof Gang, whose existence was never proven—not any trace has ever been found. And if one asks the *cui bono?*—well, I think it's a question that can be answered very clearly.

But, then, in these days, Mitterrand made an ultimatum to Kohl, saying that France would only agree to the unification, if Germany agreed to an early European Monetary Union. Now, there is a new book by [Jacques] Attali out in France, which is very interesting—at least certain aspects of it—where Attali describes how Mitterrand threatened to organize a Triple Entente again, against Germany, and go to war, if Germany would go independently, unilaterally toward unification. And Attali reports in his book, also, that the entire present Maastricht/European Union construction is the baby of Mitterrand. That this would have been the only subject that occupied him in his second term, and that he was totally obsessed to implement that.

Now, I think—and I hope our French guests are not offended when I am saying this—from my point of view, to understand the motives of Mitterrand for that, one has to go back to the time of Vichy, and the role François Mitterrand played during the Pétain regime, in which he, after all, was honored with the “Francique,” the highest decoration of that regime; and his role with the Synarchy. Because it does not make any sense, otherwise. And because presently, France, by sticking to the policies of Mitterrand, is destroying itself,

by continuing the destruction of Germany—and this does not make sense from any standpoint of a French national interest.

But the Synarchy at the time—which was the banking circles Lyn was talking about before, as being the problem today—they were, after all, the ones which had backed Mussolini, Franco, Hitler, and also the Pétain government. And their explicit statements were to never allow politicians in high positions who would, in a time of crisis, protect the common good, and not the interests of the bankers.

Now, Kohl at the time, in November-December '89, knew that this would not function: that you could not have a European Monetary Union, without having a European political union. And that the euro, or the European Monetary Union, was very directly targetted against German interests.

But, for a variety of reasons, Kohl believed that he had to capitulate. I don't think he had to capitulate, but he did it. And, if you think that war was threatened, that murder was threatened, and that Kohl, later in his memoirs, said that the first European Union summit which took place in December in Strasbourg, belonged to the "darkest hours" of his life, and that he was confronted with an absolute coldness, and an absolute, unbelievable rejection by all the other Europeans—so, Kohl capitulated.

### The Euro-Zone Is a Disaster

The European Monetary Union was implemented, and in May 1998, the euro was introduced. Now, that was the elimination of the most elementary market laws: For example, the law of fair competition, because the advantage of having a secure currency was no longer there, and the poorer new members of the European Union, their poverty and their backwardness, all of a sudden became an advantage. The only attractiveness of their *Standort*, of their location as industrial investment, was their low wages, their low productivity, and their low social costs, and their low taxes. All of these are actually detrimental to the economy! But, because there was a high risk before, whereby the weaker countries had sudden devaluations of 10, 20, or more percent, now all of a sudden, within the euro system, they had zero risk. Investment was flowing in to the poorer countries, so they regarded it all of a sudden as a big advantage, as a boom. But this was really an illusion, because much of the gains, gained through cheap production, immediately went out the window, or up the chimney, through inflation. A very good example for that, is Italy.

So, now, you have high inflation in some countries, like Italy, but also Spain, Portugal, Ireland; but you have deflation and very high unemployment in others, like Germany in particular.

So therefore, the thing is falling apart. And as for the argument that the so-called "European process" would have been strengthened through the euro, the opposite is actually true.

And I think we saw the immediate consequence, that the European political union, which according to even Kohl should have happened *before* economic and financial integration, basically, did not happen, either. Because, when you had the referendum for the European Constitution in May, in France and Holland, they both voted an overwhelming "non" and "no." And that was not only "no" to the European Constitution; it was "no" to the euro. Because, at that point, I think the people in France and in Holland had already tasted the negative consequences of this enforced European integration.

So, you have now a situation where the large investors, which in former times would invest in Germany, now invest in the so-called "rim" countries—Portugal, Spain, and others—and eventually even the German *Mittelstand* did that, despite the fact that they undermined their own existence through this process.

Now, the Stability Pact prohibits state investment programs. But for Germany, which de facto has 9 to 10 million unemployed, and France, which has a shortage of 6 million productive jobs—that large unemployment is increasing the costs of the supposedly necessary reforms, in dimensions which simply are not payable. Now, if further austerity is imposed on these European countries, it will lead to a complete destruction, a complete detonation. And I think a foretaste of what could be the writing on the wall for all of Europe, is the crisis which erupted in the *banlieues* in France.

In Germany, another example should be a warning sign, and that is the austerity policy of [Heinrich] Brüning: The brutal austerity programs which Brüning imposed at the time, escalated unemployment to the level of 25%, and made Hitler's power grab eventually possible. Now, today, the euro, the Maastricht Treaty, and the Stability Pact, are blocking the *duty of the state* to protect the common good. And I fully agree with the four professors who sued against the euro at the time, and where the Constitutional Court in Karlsruhe only gave a provisional "okay" to the euro: that indeed, the euro *is* a violation of the German Constitution.

Now, the goal of the euro—and I think this is something which one can only understand from the standpoint of a Synarchist approach—the aim of the euro was, from the beginning, to eliminate the model of the social state, the *Sozialmarktwirtschaft* [social market economy] conception, which had been developed by such people as Ludwig Erhard and [Karl] Schiller, and which originally came out of the reforms made by Bismarck, which were copied from and inspired by similar changes in the United States, at the time.

Now, we already have an unbearable injustice in this country. Lyn was talking about East Delhi: Well, we have our own East Delhi, almost, in Germany, and that is those people who have the misfortune to have plunged—innocently—into long-term unemployment, which in Germany, with Agenda 2010 and Hartz IV, means the de facto plunge

into poverty. You have people who, for no reason, have become unemployed, who are now quickly reaching the point of simply, totally falling down the ladder, to homelessness and similar conditions. So, if you have that really horrible state in Europe, and you have *now*, on top of that, a derivatives catastrophe, of which, among others, Jochen Sanio warned, then it is very clear: You will have a complete collapse into chaos.

And, as I said, *there is no contingency plan!* The European governments sit there, knowing all of these things—and we have had talks with bankers, also people representing government ministries and so forth—behind closed doors, they agree with Mr. LaRouche, they say, “Yes, yes, you are quite right, that is the situation. *But*, we do not agree with your solution. We do not agree with the paradigm-shift you are proposing.”

Now, I think the urgent question that we have to solve, and I hope that this seminar does something to catalyze that: We have to learn the lesson from '89, where governments—at least the German government—did not have a contingency plan. And we must have, quickly, in each European government, a contingency plan *now*, for the eventuality of a blow-out of the system.

### **An Effective ‘Contingency Plan’**

Now, the good news is what Lyn was referring to: that the Democratic Party in the United States, has been moving in the recent weeks, and especially recent days, very powerfully in the direction of FDR and John F. Kennedy, the space program. And when Nancy Pelosi, the Minority Leader in the Congress, and Congressman Miller in response to the Saturday Bush radio show, were outlining the Moon-landing program as the best example for a successful collaboration between the state sector, private enterprise, universities, all working together in the case of the Moon-landing; and they proposed that that kind of state/private cooperation should be put on the agenda again, and they named the name of the new policy, called “Discovery, Innovation, and Growth.” They both stressed that 40 years ago, that kind of collaboration, that partnership between the public sector and the private enterprises, led to the largest progress in science, health, technology, and living standards; and that what was the intention of the Democratic Party now, was to revive that American ingenuity, again.

Now, if the Democratic Party has the attitude of FDR and John F. Kennedy, at least, concerning the aspect of the Moon-landing space program, then I think, what is now forcing itself [onto the agenda]—and Lyn’s argument that sometimes when there is no other alternative, it forces certain solutions through—and that is the case right now concerning the American auto sector, which is about to go bankrupt completely, and out of business, which would eliminate one-third of the American machine-tool capacity right there. And then, if you add another third concerning the space program, then

America would very quickly plunge from a superpower, into a Third World country, and that will force, right now, exactly that change.

So, I think that, when this happens, Lyn was saying, one step will lead to all the other steps, because you can not save the American auto sector, without putting into question completely the financial architecture, and eventually to go back to a New Deal, and a New Bretton Woods policy. And when that comes, this will be the chance for Europe, and Germany, to regain its currency sovereignty.

I think what we should be looking at, is to put the New Bretton Woods question on the table, fairly soon, with the changes from the United States. And at that moment, Germany should, in the context of the New Bretton Woods, go back to the D-mark. I think other countries have to do the same thing, because a government which does not control its own currency, does not control really anything.

The specific cooperation between Germany and the United States historically has had a very pivotal role in European history, in the history of the last 200 years; because in the same way that obviously France had a special relationship to the United States, Germany had this as well. Germany, or rather Prussia, was the first country which had a state treaty with the young America, from 1785. At that point, Prussia was the most modern state of Europe, and in the 19th Century, there was a very strong interaction between Germany and the United States. As a matter of fact, I could make a whole speech about that, but I only want to refer to the influence that the German Wilhelm von Humboldt education system had in the development of the university and school systems in the United States—for example, in New England, but also more broadly, based on Humboldt’s conception that all the universities had to be based on research and teaching as a unity.

Now, I think this is something we have to put on the table, again: a New Bretton Woods cooperation.

But, I think, the challenge is really a deeper one: We have to go back to the best traditions of the United States, and of Europe, but, in my case, of Germany in particular: Because, in the same way that the United States can only come out of this crisis if America revives its tradition of ingenuity and creativity, the same thing goes for Germany. After all, while America was number one in terms of having the first man on the Moon, Germany was once number one, in terms of being the people of the “*Dichter und Dänker*”, the “Thinkers and the Poets,” and I think we have to revive that Classical tradition, and become, once again, the people who invent, who compose, who simply go back to the Classical tradition of our culture.

Now, I think that only if we go back to a paradigm-shift, to periods when all our countries functioned, then we can make a positive policy for the future. But I think the question of preparing for the moment when the crisis hits, it’s not a “hobby,” it’s not an option: It is something which will decide the very survival of Europe.

## Understanding the U.S. 'Cheneygate' Climate

EIR's Jeffrey Steinberg spoke on Dec. 6, 2005. He was introduced by Frank Hahn of the Civil Rights Movement Solidarity (BüSo), who asked him to "tell us the details from the inside, what is going on in Washington right now, and what has been the process of this revolt during the last days and weeks."



EIRNS/Wolfgang Lillge

Jeffrey Steinberg

I must say that for the last couple of hours I've been thinking about the question that you posed right at the very beginning of this session; namely, how it is, in the face of some of these very dramatic developments in the United States, that there still is a certain underlying tone of pessimism even here in the audience, about the prospects of these kinds of changes actually happening in the U.S., and I've been thinking about what the answer to that question actually is. A good part of it, I think, was at least made clear to me by Helga's remarks, in terms of the actual political and cultural situation in Europe; namely, I would say that a certain amount of the difficulty in seeing what's going on in the United States clearly, is a certain undercurrent of pessimism, both born of aspects of the current political and economic situation, but as LaRouche has been emphasizing, to a great effect, pessimism is the national pastime of the Baby Boomer generation. So there's a long psychological history to that.

But I think, in a sense, that only gives half the answer. There is this factor of pessimism, there is the factor of a long-standing, largely British-instigated campaign of anti-Americanism that permeates the media, and the political institutions in Europe and other parts of the world. But the other aspect of it, is that the view of the United States that's generally available, here in Europe and in other parts of the world—with the exception of people who are in continuous contact with the LaRouche movement here—is at best the shadows on the wall of the cave. Events appear almost miraculously in spurts, in the European media, with very little explanation in depth of the actual process by which those things took place.

### LaRouche's Intervention

And to be perfectly frank, if you don't understand the dynamics of the political situation in Washington, from the standpoint of knowing the impact of LaRouche's intervention and the persistent activity, particularly of the youth movement in Washington, D.C., then there's a certain justification for seeing this whole process as being somewhat mysterious, and not all that intelligible.

Now, LaRouche has talked about the intervention going back to the period within days after the 2000 Presidential elections, at which point he institutionalized these international webcasts from Washington. There was a series of three or four of those webcasts that spanned the period when it wasn't even clear who would be the President of the United States inaugurated in January 2001. And once it was clear it was going to be Bush, LaRouche laid out, in no uncertain terms, what kind of fascist threat that represented. And many people in Washington still to this day, remember the testimony in January 2001, in opposition to Ashcroft's nomination as Attorney General, in which LaRouche warned about a Reichstag Fire.

We didn't have an inside track on al-Qaeda, or whoever else was actually behind the 9/11 attacks, but it was the characteristic of the Administration that LaRouche identified.

Now, particularly in the aftermath of the 2004 elections, these frequent webcasts, taking place virtually in every four-to-six-week period, have become a principal source of dialogue between LaRouche and leading political institutions, government institutions, in Washington. In the immediate aftermath of the November election results, the Democratic Party was in a shambles, and LaRouche defined a series of critical political initiatives, that had to be taken: no second thoughts, no alternative.

First, on the issue of challenging the legitimacy of the election itself, by demonstrating that Bush did not legitimately win the votes in Ohio that determined the outcome of the election. And then, immediately after that, launching into a major campaign to defeat the Bush Administration on the issue of the theft of the entire Social Security system. It would have been a \$20 to 30 trillion ripoff, had it been allowed to happen.

And at that point, one of the most significant moments in this whole process of shifting the situation in the United States, was when members of both the Democratic and Republican parties in Congress went back to their districts to stage duelling town meetings, and the Democrats got a sense that there was massive public opposition to what the Bush Administration was trying to do on the issue of privatization of Social Security.

Now, since the beginning of 2005, the actual circulation of *Executive Intelligence Review* magazine has tripled, and that's just referring to the print copies of the magazine that circulate every week. I don't even have accurate figures in terms of the number of people who subscribe to, or who ac-



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*Jeff Steinberg (center with microphone) talking with LaRouche Youth Movement members in Berlin. He told the Berlin seminar that in Washington, D.C., “there’s somewhere in the range of 30 to 35 youth deploying full time, saturating Capitol Hill, building up extensive networks among key staff people in the Congress” and 3,000-5,000 copies of EIR circulate in government circles.*

cess, key articles, all of LaRouche’s writings, other key articles, on the various websites.

But, for example, since the Summer of this year, when we expanded the size of the LaRouche Youth Movement operations in Washington, D.C., to where, on a consistent basis, there’s somewhere in the range of 30 to 35 youth deploying full time, saturating Capitol Hill, building up extensive networks among key staff people in the Congress, every week, between 3,000 to 5,000 copies of *EIR* are circulated within the government circles in Washington, D.C.

Now, there are 435 members of the House of Representatives, and 100 members of the U.S. Senate. So, you’ve got about a 10 to 1 ratio of those members to the number of *EIRs* that are being distributed. And I can tell you from firsthand experience, that people are reading and studying this material. Members of Congress, members of the Senate, key staff people: This has become the lifeblood of what they think about when they’re not bogged down in the hideous, ridiculous details of the day-to-day legislative agenda, which is a complete swamp—and in fact, there is not a single piece of significant legislation that is likely to come out of the Congress this year. They can’t even get a Defense Authorization bill passed, to provide the money for the U.S. military, because any such bill would have the McCain rider, which is in opposition to Cheney’s torture policy. The White House won’t let the Defense Authorization bill even come out for debate in Conference, and vote in the Congress, because they know that they would be overwhelmingly defeated on the torture issue.

So, we’re probably going to be conducting a war on the basis of a continuing resolution. This is the height of absur-

dity. It’s a demonstration that on one level, the functioning of the government in Washington has come to a grinding halt.

### **Debate over the Agenda for the Future**

But on the other level, the agenda for the future is actually being debated out, and is coming to the surface.

Now, on Oct. 28, a very dramatic event occurred. Special Counsel Patrick Fitzgerald indicted Vice President Dick Cheney’s Chief of Staff Lewis Libby on five counts of obstruction of justice, of lying to a grand jury, perjury, a whole series of things. Now, one of the diseases in Washington that complicates the whole process of governing, is the fact that there are too damn many lawyers in Washington. But in this case, it happens that every lawyer in Washington carefully read the indictment of Lewis Libby, meticulously, and to make sure it was easily available, Fitzgerald opened up a website about a week before the indictment was posted, so that it was very easy for anybody who wanted to get their hands on a copy of it and read it. And when people read the indictment, including top lawyers at the White House, and all over Capitol Hill, what everybody realized is that it was actually, in fact, an indictment of Dick Cheney.

Now, had Fitzgerald decided at that moment to not merely indict Libby on the issues of obstruction of justice, and perjury, and interference with the grand jury, and had indicted him on the evidence that he had in hand, that Libby violated the underlying law against leaking the names of secret U.S. government agents, he would have been faced with the awesome responsibility of either having to indict Cheney, or list Cheney as an unindicted co-conspirator. Because what the

indictment says, in four different locations, in unambiguous black and white terms, is that Cheney told Libby that Valerie Plame Wilson, the wife of Ambassador Joe Wilson, was an undercover agent for the CIA. There was no ambiguity that she may have been working just as an analyst, or a clerk-typist, or something like that. Cheney knew, and Libby knew, that she worked in one of the most sensitive undercover assignments in the CIA, and they leaked her name anyway.

So, when people read that indictment, regardless of the fact that up until this point, at least, Cheney and Libby have not been accused of this underlying crime of leaking the identity of this CIA secret operative, it made it very clear that Cheney's political days were numbered. Because this indictment could have very easily been completely swept under the rug. And the reason that Fitzgerald was able to do what he did, is because there was a political climate that had already been established. There was a revolt already under way against the policies that Cheney represented. It took the form of a certain revolt in the Congress, on the torture issue, and on other things. It took the form that we talked about last time I was here in Berlin, of the defeat of Cheney's so-called nuclear option, to essentially destroy the institution of the U.S. Senate. So, you had a bipartisan move shortly before our Berlin conference in June, to defeat Cheney fundamentally on that issue.

But, it's very fair to say that this whole Cheneygate climate, and the fact that we're here today discussing new political opportunities in the post-Cheney world, is the result of the fact that we've been on Cheney's case since the very beginning of the Administration. The first time that LaRouche called for Cheney's removal from office, for impeachable crimes, was in September 2002. And it was in response to the new national security doctrine, that was pure Cheney, that called for preventive war. And Cheney, at that point, was at the peak of his lies about the Iraq nuclear weapons threat, that would lead, five, six months later, to the invasion.

So, people in Washington, in positions of political power, Republicans, Democrats alike, at this point freely acknowledge that the leadership of the fight against Cheney, and what he represents in Washington, is headed up by LaRouche. It's unambiguous. We argued with people in 2002, in 2003, and they encouraged us to go after lesser targets, and we said: "That won't work. That won't do the trick. It won't shift the political geometry sufficiently."

### **Behind the Democratic Party Shift**

Another very important thing is taking place now. LaRouche emphasized in his opening presentation this morning, the significance of the speech given by Representative Nancy Pelosi at Harvard University last Friday [Dec. 2]. And again, I'll let you in on the story of essentially why and how this has happened.

Last February, as the result of a relatively insignificant article in one of the German financial dailies—I don't remem-

ber if it was the *Neue Zürcher Zeitung* or the *Frankfurter Allgemeine Zeitung* business section—talking about some very near-term bond obligations that General Motors would have to meet this year, LaRouche put out a warning that General Motors, and therefore the entire U.S. machine-tool, auto sector, was on the chopping block, and ready to go. And in the Spring of this year, LaRouche wrote a series of memos, principally for the leadership of the U.S. Senate. They were circulated very widely, they were studied, and all sorts of people came out—people, for example, like Felix Rohatyn—saying that LaRouche was wrong, and that his analysis of the situation was too radical, that General Motors was sitting on \$14 billion in cash, there was no threat of bankruptcy. Yes, there were problems, mismanagement, but that there would be no fundamental threat to the entire auto sector.

And so, there was a very intensive fight on this issue, that played out through the Spring and through the Summer of this year. And in the context of that fight, LaRouche was proven absolutely right, and all of his critics were proven absolutely wrong. And therefore, the Democratic Party no longer had the luxury of cherry-picking those things that LaRouche was talking about that they thought that they could get away with. Even going after Cheney seemed to be relatively easy, compared to the idea of launching a fundamental policy revolution, back to the FDR paradigm on economics, the original American System ideas.

But this situation in the last several months, reached an absolute critical mass. With the announcement by General Motors of 30,000 layoffs, which translates into shutting down a number of major auto plants in the Midwest region of the United States, the auto belt, it suddenly became clear that in terms of real impact on the economy, the economy that people *live* in, and now die in, that LaRouche was absolutely right.

Now, if you want to actually look carefully at the speech given by Nancy Pelosi, the response to President Bush the next day by Congressman George Miller, and other speeches that I'm sure we're going to be seeing delivered over the immediate days and weeks ahead, if you want to understand the origin of that, go back and look at the ongoing dialogue that has become more and more precise, and more and more rich, that's taken place between LaRouche, and leading members of the U.S. Senate, the House of Representatives, the Democratic Party as an institution, and the military institutions, in these various webcasts that have been taking place frequently. The next one will be on Jan. 11.

And by the way, the webcasts now take place in the context of intensive weeks of political organizing, in which not only the 30 to 35 LaRouche Youth Movement members permanently in Washington participate, but everyone comes in from New England, from the Midwest, and a smattering of people from the West Coast and Texas. On Nov. 17, the day after LaRouche's last webcast, we had about 100 members of the LaRouche Youth Movement, who were joined by 150 current and retired United Auto Workers (UAW) union mem-

bers from Ohio, who drove through the night to come in, to participate in a joint lobbying day with the youth movement.

There were members of Congress who were being called by their chiefs of staff and legislative directors off the floor of the House and Senate, to come to meet with these delegations, when they suddenly realized what this political combination was. They recognized leaders from the UAW, from the machinist unions, people who represented some of the most powerful political forces within the Democratic Party in their home districts. And as the result of that, they realized that they couldn't ignore the fact that we're at the center of a major mobilization, of precisely this highly skilled machine-tool sector of what's left of the American workforce.

We don't even know what's going to come into town on the week of Jan. 11, when the next webcast takes place in Washington, but this is a political revolution, and just last week, the leading people in the Democratic Party, in Congress, were responding to a series of new memos that LaRouche wrote, about how to deal with the imminent complete destruction of the auto sector in the United States, asking a series of specific questions about what to do. And LaRouche's answer to them, which I expect to see carried out, is: "You've got to do what you did back in February. You've got to take this issue directly back to the people. You've got to outflank Washington, by going back to your constituents, having town hall meetings, having field hearings, whatever venue you want to use, but you've got to activate the American people, and use them as the big leverage to make revolutionary changes in politics in Washington."

So, we're on the verge of seeing the actual frog-marching of Dick Cheney out of the White House, whether it's in shackles and handcuffs, because of indictments in the Libby case, or whether it's simply a groundswell among Republicans desperate at the fact that they're going to be clobbered in the elections, which are coming up in less than a year from now, in the United States, demanding that he be eliminated.

Bear in mind that, as President Bush's poll numbers plummet, Dick Cheney is 10 percentage points ahead of him in the crash. If Bush has 35% support, which is a stretch, Cheney's got perhaps 25%. So, this political process is moving forward. We are in a post-Cheney era, and you can expect to see some far more dramatic changes coming out of the United States, between now and when we convene our next meeting here in Berlin, sometime presumably in the first half of next year.

But the point I just want to emphasize in closing, is that unless you understand this factor, the factor of LaRouche's personal role as a political figure shaping this opposition to everything that the Cheney Administration stands for, and unless you also understand the pivotal role played by the youth movement, because the youth movement represents the optimism of the future, and the antidote to this Baby Boomer problem, then events in Washington will remain mysterious, and it will continue to be an excuse for maintaining a certain needless degree of pessimism. Thank you.

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Dr. Clifford A. Kiracofe, Jr.

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## The U.S., Politics, And the Iraq War

*Dr. Kiracofe is a former Senior Professional Staff member of the U.S. Senate Committee on Foreign Relations. He spoke on Dec. 6, 2005. Footnotes are available on request.*



EIRNS/Wolfgang Lilige

Dr. Clifford A. Kiracofe, Jr.

I am delighted to be in Berlin again at this fine venue for our third conference this year. The rapidly unfolding political crisis in the United States is a result of the Bush Administration's imperial foreign policy, including the "preventive war" against Iraq, as well as its economic policies that have led to unprecedented and unsustainable budget and current account deficits and further deterioration of national infrastructure. My comments today will focus on United States foreign policy.

The White House lied systematically to the American people, and to the world, in order to implement its premeditated Iraq war policy; premeditated, that is, while George W. Bush was a Presidential candidate back in 1999 and 2000. Now the U.S. and the world tragically reap the whirlwind.

The Iraq War has proven the greatest strategic mistake in the history of the United States. At the moment, we have over 150,000 U.S. troops operating in Iraq, not to mention a like number of private "security" forces, mercenaries, U.S. and foreign, operated by a number of international contractors. But Washington is caught in a disintegrating situation militarily and politically.

As a rough estimate, we can estimate that the active hardcore Sunni insurgency the United States faces in Iraq is perhaps 300,000 strong: 296,000 Iraqi Sunnis and about 4,000 foreign "al-Qaeda"-linked jihadis. About half of the Iraqis would be from the old structures such as the Ba'ath Party apparatus, the Fedayeen Saddam Movement, the intelligence and security services, and the Army and Republican Guard. The other half would be recruited from the Iraqi Sunni civilian population of 5 million.

To complete this estimate, we should multiply by a factor of 10 to take into consideration the "passive" supporters in the civilian Sunni population. This brings us to a number of

about 3 million Sunni Iraqis, active and passive, supporting the insurgency in central Iraq, where the Sunni population is concentrated.

As Iraq is about 62% Shi'a, we can draw the appropriate conclusion, should the Shi'a Iraqis launch their own insurgency against the United States.

It is obvious to serious observers that the United States is in an untenable position in Iraq from a military standpoint and from a political standpoint. Of course, it has been since the outset of the war, which is why military, intelligence, and diplomatic professionals argued against a decision for war. By now, the U.S. "preventive war" and occupation have created conditions for the rise of a theocratic Shi'a-dominated Iraq in the orbit of Iran. This process is under construction in the shadows.

### **U.S. Politics in Confusion**

At home, the Republican Party is deeply divided and is in deep consternation, if not confusion, owing to the collapse of public support for the Bush Administration and its unnecessary and reckless imperial policy. Republicans fear massive losses in the 2006 and 2008 elections owing to public dissatisfaction with the Iraq War. This presents the specter of a looming, drawn-out impeachment process against President Bush should Democrats make sufficient electoral gains in 2006.

The Democratic Party is slowly moving toward coherent opposition, although it has yet to adopt an overall program.

But progress is being made.

In the past few weeks, for example, the issue of the Iraq War has finally shaken the nation out of its lethargy. All polling data show that the American public now believes the Iraq War was a mistake and that we should withdraw from Iraq. Politicians are looking toward the 2006 and 2008 elections and many are calculating that they can now publicly endorse withdrawal from Iraq. Additionally, former President Jimmy Carter has just published an important book that exposes the political power of the extremist Christian fundamentalists and castigates the neo-conservatives for a disastrous foreign policy. Because extremist Christian fundamentalists comprise 35% of President George W. Bush's political base, former President Carter's earnest critique is timely.

For his part, former President Bill Clinton has said recently that the Iraq War was a mistake. U.S. Sen. Edward Kennedy (D-Mass.) opposed the war from the outset, while U.S. Sen. John Kerry (D-Mass.) has recently changed his view from supporting the war and he now calls the war a mistake. U.S. Sen. Hillary Rodham Clinton (D-N.Y.) is moving her position from initial support for the war to a more qualified position, with a view to a 2008 Presidential run.

U.S. Sen. Russ Feingold (D-Wisc.), a leading war critic, blasted Bush's Nov. 30 speech on Iraq at the U.S. Naval Academy. U.S. Sen. Harry Reid (D-Nev.), Senate Minority Leader, also blasted the Naval Academy speech.

On the Republican side, key moderates such as U.S. Sen.

Chuck Hagel, himself a candidate for the 2008 Presidential elections, are stepping forward in public to oppose the war and to call for timely withdrawal of American armed forces.

As a Republican myself, I have been deeply concerned for two decades about the takeover of the Republican Party's foreign policy—which I have observed from the inside—by a small network of alien-minded neo-conservative intellectuals backed up by Dispensationalist "Christian" fundamentalists such as Jerry Falwell and Pat Robertson.

### **Failed Bush Foreign Policy**

It is certainly clear today that the Bush Administration increased the threat from international terrorism at the same time that it degraded the internal national emergency management capabilities of the United States. The unnecessary preventive war against Iraq increased international tensions, impaired United States alliances, lowered the United States' international reputation and prestige, and provoked a marked rise in the threat from international terrorism, particularly "jihadi" terrorism. The recent Hurricane Katrina event laid bare before the world the vulnerability of the United States to natural, technological, and human-induced disaster, despite its so-called "superpower" status.

The Bush Administration's foreign policy has been a failure in all regions of the world. His 2005 trips to Europe, Latin America, and Asia resulted in no positive gains for the United States and, indeed, left negative impressions. In all regions, public opinion has shifted markedly against the United States.

The White House is not credible in Europe and the new scandal involving alleged prison-torture centers being established on European soil not only raises profound constitutional questions at home but also further exacerbates strained U.S.-European relations. Russia, despite grave provocations from the United States, has acted in a restrained manner.

The Bush Administration's Middle East policy is a strategic disaster, as the entire world can observe on a daily basis. The operational concept behind Bush's regional policy in the Middle East and North Africa is political, economic, social, and cultural "transformation." Regime change in Iraq, rather than continued containment, went to the top of the Middle East agenda in 2001. In line with this emphasis, significant pressure on "rogue states" such as Syria and Iran followed.

The strategic approach to "shape" the future of the region has little to do with ensuring stability and preserving a salutary regional balance of power. The approach, in fact, parallels the "permanent revolution" concept at the core of the neo-Trotskyite ideology from which Bush Administration neo-conservatives operate.

Stated another way, the Bush Middle East and North Africa policy is an imperial policy cloaked as one promoting "modernization" and "democratization," via the imposition of new regimes and a neo-liberal economic model. That this imperial policy has a "Wilsonian" dimension is also evident.

The sequencing established at the outset of the Bush Administration in 2001 has been carried out: first Iraq, then Syria and Iran.

Despite the opposition from our uniformed military, intelligence services, and diplomatic service, our Republic launched an illegal preventive war against Iraq similar to Hitler's attack on Poland. The preventive war against Iraq was planned to set in motion the destabilization and Balkanization of the region, in line with the intended "transformation" process advocated by the neo-Trotskyite neo-conservatives and their Administration followers, including the present Secretary of State Condoleezza Rice.

The United States went to war against Iraq owing to the real "axis of evil" which operates in Washington, D.C. And by the real axis of evil in Washington, I mean the insidious combination I just pointed out: the alliance of neo-conservatives and Christian fundamentalists that dominates the Republican Party's foreign policy.

This political pathology in the United States led us to the Iraq War and poses a dangerous structural problem in the international system that engenders international terrorism and instability.

The current policy debate in the United States represents a confrontation between those Republicans, Democrats, and Independents who advocate the core values of the traditional United States approach to foreign relations, as established by the Founding Fathers, and the war faction led by the neo-conservatives. American foreign policy traditionalists—Republican, Democrat, and Independent—reject a policy of permanent global imperialism and pre-emptive war. Traditionalists say that international law must be respected, and that our policy should be, in the words of George Washington, to "observe good faith and justice toward all nations" and to "cultivate peace and harmony with all."

In my judgment, the Republican Party must return to our nation's authentic foreign policy traditions and ideals that embody a "decent respect for the opinions of Mankind" and a firm commitment to justice and international law. To make this policy change, it follows logically that the neo-conservative policy network, and the Christian Zionists, must be eliminated from the party's councils.

### **The Neo-Conservative Problem**

How did the neo-conservative policy network penetrate the Bush 43 Administration?

Quite simply, former Secretary of State George Shultz, the Bush campaign co-chairman with former Secretary of Defense Dick Cheney, expressly brought in the neo-conservative policy network to educate and advise the inexperienced Presidential candidate George W. Bush.

The neo-conservatives, under the protection of George Shultz, formed the so-called "Vulcan Group" of about a dozen foreign policy experts that was led by Paul Wolfowitz and Richard Perle, and coordinated by Condoleezza Rice. This

"Vulcan Group," as it was nicknamed, created the main lines of candidate Bush's foreign policy. Their advice to candidate Bush on Middle East policy was to put Iraq on the front burner, and to put the Palestine Question on the back burner, if not in the freezer or in the trash.

Following Bush's election, the neo-conservative policy network was rewarded with a variety of top positions in the new Administration. And their policy line is supported by the Christian Zionist phalanx of Republicans in Congress. Owing to the penetration of the Republican Party by the neo-conservative policy network during the past 20 years, the Republican Party now faces a severe internal crisis.

The "neo-conservative" movement emerged in the 1950s from the work of two key intellectuals, Norman Podhoretz and Irving Kristol. They both, according to some intellectual historians, drifted from pre-World War II Trotskyism to post World War II Cold War Zionism. They became Truman Democrats, and espoused a militant Cold War Zionism.

As close observers point out, the philosophical underpinnings of the neo-conservatives include the doctrines of Friedrich Nietzsche, advocate of amoral power, and Vladimir Jabotinsky, advocate of militant revisionist Zionism and himself a Nietzschean. Additional influences include Martin Heidegger and similar proponents of the "Conservative Revolution" in Europe, which led to Mussolini and Hitler. Their antecedents include, of course, de Maistre, de Bonald, and Fabre d'Olivet.

As is obvious, this form of modern European Fascism is certainly a very far cry from the political and cultural traditions of the United States, our Founding Fathers, and our Constitution.

In the early 1970s, the neo-conservatives clustered around U.S. Sen. Henry M. "Scoop" Jackson, a Democrat from Washington State. Jackson was a defense hard-liner and staunch Truman-style Cold Warrior. In the late 1970s, the neo-conservatives, opportunistically, bolted the Democratic Party led by President Jimmy Carter, in disagreement with his constructive and balanced approach to the Middle East.

The neo-conservatives then penetrated the Republican Party and the incoming Reagan Administration in 1981. They obtained top jobs in the administration, and their ranks included Richard Perle, Paul Wolfowitz, Douglas Feith, Elliott Abrams, Steve Bryen, and Frank Gaffney, all well-known neo-conservatives who are today as politically active as ever.

The neo-conservatives operate from a small cluster of well-financed foundations and think-tanks, including the Heritage Foundation, the American Enterprise Institute, the Hudson Institute, the Institute for Advanced Strategic and Political Studies (IASPS), the Washington Institute for Near East Policy (WINEP), the Center for Security Policy (CSP), the Jewish Institute for National Security Affairs (JINSA), and the Project for a New American Century (PNAC). These think-tanks use their influence to promote the adoption of neo-conservative foreign policy by the White House and Con-



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*In the early 1970s, Kiracofe said, “the neo-conservatives clustered around U.S. Sen. Henry M. “Scoop” Jackson [shown here reading a LaRouche newspaper], a Democrat from Washington State. Jackson was a defense hard-liner and staunch Truman-style Cold Warrior. In the late 1970s, the neo-cons, opportunistically, bolted the Democratic Party . . . and penetrated the Republican Party and the incoming Reagan Administration in 1981.”*

Judging from articles appearing in the Israeli press in such respected daily newspapers as *Ha'aretz*, Israeli moderates and liberals are appalled by the U.S. neo-conservatives, and their alliance with the extreme right in Israel. In fact, it appears that some of the Israeli Labor Party members are slowly waking up to the fact that the extremist neo-conservatives in Washington are threatening the long-term peace and stability of the Middle East, and thereby calling into question Israel's own long-term security. On top of this, it is becoming increasingly clear to Israeli liberals that the neo-conservatives' key political ally in the United States are the Christian Zionist fundamentalists, who are allied to the most extreme right-wing messianic elements in Israel.

### **The Christian Zionist Problem**

Why has the White House adopted a neo-conservative foreign policy? Why has Congress become a rubber stamp for neo-conservative foreign policy in the Middle East? And why has Congress become an engine for the destruction of U.S. relations with the Arab and Muslim worlds?

gress, and many officials in the Administration come from these very same think-tanks.

It is no secret in Washington that the neo-conservatives work closely with hard-line Israeli think-tanks and coordinate their policy recommendations with influential members of the Likud Party, including Bibi Netanyahu. These Israeli think-tanks include the Institute for Advanced Strategic and Political Studies (IASPS) that I mentioned a minute ago—and it has a Washington, D.C. office—the Ariel Center for Policy Research located in Ariel, Israel, and the International Policy Institute for Counter Terrorism (ICT), located in Herzliya, Israel.

Influential “pro-Israel” lobby groups in the United States, such as the powerful American Israel Public Affairs Committee (AIPAC) and the Zionist Organization of America (ZOA), promote neo-conservative foreign policy by intensively lobbying Congress and the White House. A simple examination of their websites will give you a clear view of their policy positions. AIPAC has been under an intensive counterintelligence investigation by the Federal Bureau of Investigation and other agencies for several years, as the recent Franklin espionage case revealed.

Neo-conservatives see the destabilization of the Arab and Muslim Middle East as good for Israel. I myself, to the contrary, think this policy is harmful—even dangerous—to the long-range security of Israel, not to mention to the region as a whole. Israel, like all states in the neighborhood, desperately needs a stable, peaceful, and prosperous regional environment.

Well, the short answer is that beginning about 1980, the parasitic neo-conservative element in the Republican Party aligned with the fundamentalist Christian Right. Although this strategic political alliance was forged in the early 1980s, it did not become a topic of national political discussion until the current crisis in the Holy Land triggered by the Israeli provocation and aggression led by Sharon.

Any doubt about the pervasive influence of Christian Zionist ideology in the U.S. Congress was erased in May 2002 by the leader of the Republican Party in the House of Representatives. On May 1, Texas Congressman Richard Arme, on national television, bluntly told MSNBC talk show host Chris Mathews that he supported the mass expulsion, called “transfer,” of Palestinians from Israeli-occupied Palestine.

Congressman Arme, like dozens of his colleagues, espoused the Christian Zionist idea that Palestine does not belong to the Palestinians because somehow the Bible says it belongs to the Israelis. You can find this same mindset in the Senate of the United States in the speeches of Senator Imhofe of Oklahoma, among others. Even though Congressman Dick Arme retired in 2002, his protégé and fellow Texas Congressman, Tom DeLay, stepped into his place. Like Arme, DeLay openly espouses Christian Zionist ideology, using such coded terms as “Judea and Samaria” to describe today's occupied Palestine. DeLay's replacement, Roy Blunt, a Republican Congressman from Missouri, is also a militant Christian Zionist.

While rejected by all mainline Christian churches in the United States, so-called “Christian Zionist” ideology is ag-



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*“About 1980,” Kiracofe said, “the parasitic neo-conservative element in the Republican Party aligned with the fundamentalist Christian Right,” with its Christian Zionist ideology. Rev. Pat Robertson, shown here with Rev. Sun Myung Moon, is a typical Christian Zionist.*

gressively promoted by a small minority of “fundamentalists” linked to the Jewish Zionist lobby in the United States, and allied to the most militant extremist elements of the Israeli political spectrum such as the Gush Emunim.

Christian Zionists, such as Jerry Falwell and Pat Robertson, follow the bizarre cultic theology spread in parts of the United States during the mid-19th Century by the de-frocked Anglican priest from England, John Nelson Darby. In a series of visits between 1859 and 1872, Darby promoted his cult in the United States and Canada. A simple Internet search of the name “John Nelson Darby” will flood your desktops with ample data, I can assure you.

But let me say briefly that this bizarre 19th Century millennialist cult has no relationship, at all, to the traditional Christian churches established in the United States during the 17th and 18th centuries. This cult has nothing to do with the traditional Anglican, Presbyterian, Congregationalist, Baptist, Methodist, Roman Catholic, Orthodox, Lutheran, German Reformed, Mennonite, Amish, and all other such authentic Christian churches that have for centuries transmitted authentic spiritual values in the United States.

The Darbyite cultists often refer to themselves as “Dispensationalists.” This term is derived from John Nelson Darby’s bizarre, and blasphemous, idea that history is divided into seven periods that he calls “dispensations.” According to Darby, mankind has been in the seventh and final “dispensation,” or age, since about the 19th Century. Darby said that because humankind lives in the final age, the so-called “End Times” are near.

Darby said Jews must be gathered into the Holy Land to await the imminent arrival of the Messiah. Hence, Darbyism is a form of Zionism, and that is why these people currently

call themselves “Christian Zionists.” It is a strange form of Zionism, because Darbyites say that only 144,000 Jews of those eventually assembled in the Holy Land would be converted to Christian belief and thereby saved at this time; the rest would perish in the fires of the Apocalypse.

Darbyite cult followers believe that prior to the Apocalypse they, and they alone, will be taken bodily to Heaven by means of a so-called “Rapture.” I would note that the rapture concept was an add-on to Darby’s ideas developed by a British cult colleague of his, Edward Irving.

Because this bizarre apocalyptic Darbyite cult lies behind the Christian Zionist influence in Congress, and in the Administration, it must be understood for what it is. One can explain the behavior of a Dick Armey and a Tom DeLay and dozens of members of Congress, as well as some Senators, when it is understood that they themselves are Darbyite Christian Zionists.

If you have noticed that President George W. Bush’s speeches are generously sprinkled with unusual Biblical and religious references, you should bear in mind that his former chief speech writer and current top White House advisor, Michael Gerson, is himself a Christian Zionist.

## **Christian Zionists and the Israeli Radical Right**

The relevant background on the Israeli link to American Christian Zionists dates to the 1967 war. In the wake of the war, extremist elements in Israel formed the “Movement for Greater Israel,” and the “settler” movement that established Kiryat Arba near Hebron. The extremist Gush Emunim settler organization grew out of this environment.

In the years after 1967, the Gush Emunim became the leading edge of the Israeli New Right. The components of this New Right were three: Labor Party factions supporting the Movement for Greater Israel, the new religious-nationalist activists, and the old-line Jabotinsky nationalist right converted into the Begin-led Herut party.

From 1974 to 1977, three Labor Party leaders vied for supremacy, and each had his Gush Emunim supporter within his ministry. Prime Minister Rabin had General Ariel Sharon as his special advisor. Defense Minister Shimon Peres had Yuval Ne’eman, later leader of the pro-Gush Emunim Hatechayah party. Foreign Minister Yigal Allon was the patron of the fanatic settler network behind Kiryat Arba.

By the time that the Likud came into power in 1977, the power of the Gush Emunim over the government was complete because Begin was a long-time supporter of the settler movement.

In the United States, as I mentioned earlier, the Carter Administration attempted to pursue a more even-handed policy in the Middle East in the face of an omnipotent domestic pro-Israel Zionist lobby. So hard-line Jewish Zionist policy intellectuals formerly associated with the Democratic Party as “Scoop Jackson Democrats” adopted a new stance. These

neo-conservatives penetrated the Republican Party foreign policy network, with a view to the 1980 election and a potential victory of Ronald Reagan.

Prior to the 1980 elections in the United States, the Israeli New Right made preparations to form political relationships with the Christian fundamentalist groups in the United States that adhered to the Darbyite apocalyptic cultic theology. These Christian Zionists, in turn, would pressure Congress and the White House to support the right-wing Likud Party's expansionist "Eretz Israel" (Greater Israel) policy. This Eretz Israel policy means, quite simply, permanently annexing the West Bank and Gaza, or what we call occupied Palestine.

The political alignment between the radical Israeli New Right and the Christian Zionists would enhance the position and influence of the Jewish neo-conservatives in a Republican administration in Washington.

One Israeli operational guide for targetting and manipulating Christian Zionists in the United States appeared in 1978. It is entitled, *American Fundamentalism and Israel: The Relation of Fundamentalist Churches to Zionism and the State of Israel*. Written by the late Israeli scholar Yonah Malachy, the book was published by the Institute of Contemporary Jewry at the Hebrew University of Jerusalem.

In 1979, Jerry Falwell's trip to Israel cemented the alliance between the Darbyite Christian Zionists in the United States and the Likud Party in Israel. In fact, the American Christian Zionists developed complex and close relations with a range of extreme right-wing Messianic Jewish circles in Israel including the Gush Emunim, the "Settlers" movement, and the old-line Jabotinsky right-wing nationalists of Begin's Herut Party.

A key international Christian Zionist organization called the "International Christian Embassy-Jerusalem" (ICEJ) appeared in Jerusalem on Sept. 20, 1980. Mayor Teddy Kollek hosted the opening ceremony, and the organization became a leading international Christian Zionist support mechanism for the Likud's "Eretz Israel" ("Greater Israel") policy. The ICEJ's Washington, D.C. office became a focal point for Christian Zionist political and lobbying activity in the United States. I would point out that the ICEJ has numerous branch offices in Europe.

After several years of organizational activity in the United States, the Christian Zionist lobby came out of the closet with its first "National Prayer Breakfast for Israel" held in Washington, D.C. on Feb. 6, 1985. The event attracted many key political personalities and supporters.

The keynote speaker did not pull any punches. He said, and I quote: "A sense of history, a sense of poetry, and a sense of morality imbued the Christian Zionists who more than a century ago began to write, and plan, and organize for Israel's restoration. . . . The writings of Christian Zionists, British and American, directly influenced the thinking of such pivotal leaders as Lloyd George, Arthur Balfour, and Woodrow Wilson."



*John Nelson Darby, a defrocked Anglican priest, spread Christian Zionism in the United States in the mid-19th Century. Today, the Christian Zionists are linked to the right-wing expansionists in Israel, although ironically, the bizarre Christian Zionist ideology includes the belief that only a fraction of the Jews who return to the Holy Land (144,000, to be exact) will be saved at the time of the Apocalypse.*

The keynote speaker was none other than the Israeli Ambassador to the United Nations, Benjamin Netanyahu. Today, he is the Foreign Minister of Israel.

Over the past decade, the so-called "National Unity Coalition for Israel" emerged as an important lobbying arm of the American Christian Zionists. It is not surprising that this organization—and many like it—has close links to the International Christian Embassy-Jerusalem, to neo-conservatives in Washington think-tanks, and to neo-conservative operatives inside the Bush Administration.

On Capitol Hill, the National Unity Coalition for Israel works in parallel with the well-established and influential American Israel Public Affairs Committee, and Religious Right organizations such as the Christian Coalition, to dominate Congress when it comes to legislation and policy relating to the Middle East.

## Conclusion

So, "What is to be done?"

At home, Republicans, Democrats, and Independents—who oppose the extremist policies of the neo-conservatives and Christian Zionists—must work together to support a non-partisan foreign policy based squarely on our traditional principles in order to defend our national interests, and in order to promote peace and justice in today's world.

The Republican Party must, sooner or later, exclude the influence of the neo-conservatives and the Christian Zionists. These parasitic elements are a disgrace to the Republican Party, and to its highest ideals as embodied by our martyred President, Abraham Lincoln. They represent a clear danger to our Republic's constitutional order and national security.

Abroad, concerned Americans must reach out to those who are committed to the construction of a world order based on Westphalian principles of an international society composed of sovereign states, ordering their relations under international law. Our conference here in Berlin today is a direct contribution to this end and, again, I thank our hosts for providing this opportunity.

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## Panel 3: Jacques Cheminade

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# The Enemy of France Is Cartesianism

*Jacques Cheminade, president of the Solidarity and Progress party in France, and Presidential candidate in France's 2007 election, addressed the seminar on Dec. 7. The session was chaired by Jonathan Tennenbaum, and included the participation of Helga Zepp-LaRouche. We publish Cheminade's remarks, and a portion of the discussion.*



EIRNS/Wolfgang Lillge  
*Jacques Cheminade*

**Tennenbaum:** I think yesterday, we got a very, very clear sense of what is going on in the United States, and the crucial importance of the future of the world, of the struggle that's going on there, and that Lyndon LaRouche and his collaborators there are carrying on. Also, Helga LaRouche's remarks began to approach the question, particularly from the standpoint of Germany: What do we have to do in Germany? What is the future of Germany? What kind of economy do we have to have? The crucial necessity of overturning the Maastricht agreement, of creating a situation in which Germany, particularly, can play the role that it has to play, in this new world, which we are building on the basis of the transformation of U.S. politics.

Now, this morning we're going to look, with the help of Jacques Cheminade here, very particularly at France, to start off our discussion. And, it's—I think—very unfortunate, when we look at the public discussion in Germany. I think the same thing if you were in France or in other countries, although it's said that with all the means of communication, everybody's well-informed about what's going on. But my sense is that people in Germany, for example, know much less about what is going on in France, today, than they did, for example, 20 years ago, or 30 years ago. Although we're supposedly, in this unified Europe, we're supposedly in this small planet, but in fact, if you would ask somebody in Germany, "Well, what's really happening in France? What are the important issues there?" they would probably not be able to tell you anything. And, likewise, the inverse.

So, we're in what you called in the old times, the *Tal der Ahnungslosen* (Valley of the Clueless).

That just emphasizes the crucial role of LaRouche and his

collaborators in actually putting this world together. And for this reason, particularly because of the great importance of France historically, as Lyn was describing it yesterday, as the main partner of Germany in Europe, but also as a country—and I think Jacques will emphasize this—which has a very much greater potential than has been expressed up to now. And as LaRouche mentioned, we have the story of Mitterrand, we have the British influence, we have a conflict there, which has played a very big role in what has happened in Germany.

So, I want to leave these paradoxes for Jacques Cheminade to solve for us. He is the main collaborator of LaRouche in France, over decades. And he is the person who knows the most, in depth, about that country and where it has to go.

**Cheminade:** Thank you very much, and good morning to all.

I am going to say certain things about France this morning that do not pertain to France as such, but, as Helga LaRouche did for Germany, pertain to the challenge of present-day history. France is at a crossroads: On the one side you have the neo-conservative sophistry of Interior Minister Nicolas Sarkozy. On the other side, the republican impulse and tradition of our nation, that no political leader represents, except me.

Dominique de Villepin, the Prime Minister, is the official enemy of Sarkozy, in the official cartoon about French politics. But he plays in the same field, and despite his Gaullist proclivities, is impaired by his aristocratic pretenses and his generational Boomerism. (He's a Baby-Boomer, an aristocratic Baby-Boomer.) A key point to understand the French scene, is that both Villepin and Sarkozy are promoted by all the media, as the only alternatives, and that both are noblemen of dubious extraction. Villepin's full name is Galouzeau de Villepin. And Sarkozy's is Sarkozy de Nagy-Bocsa, from an Austro-Hungarian background. Others give certain Balkan names to him, but that's another story.

The Socialist Party is in shambles—even more than usual—devastated by petty quarrels among various heirs of Mitterrand, and maintaining that they are heirs of Mitterrand, proud of their impotence. The Communist Party is like a ghost running after its shadow. And the Christian Democrats, the UDF, are obsessed by positioning themselves on a scene that unfortunately doesn't exist.

In such a situation, we should look first at what Sarkozy does represent. In American terms, the closest person to Sarkozy would be Newt Gingrich, a right-wing Jacobin. He calls for a break, in French history, a re-founding of the state, on the basis of firmness, justice, and decisive action. And he lays a lot on the issue of decisive action. He repeats, again and again, that the French elites are a bunch of cowards, who do not have the courage to diagnose the crisis, and act upon it. "I am the first one to say, and to have said," he stresses, "that the truth has to be put on the table. The French social state is dead, the French integration of immigrants has failed, and I am the only one to propose solutions."



France's neo-con Interior Minister Nicolas Sarkozy. "My deep conviction," said Cheminade, is "that the Sarkozy operation is going to fail. The . . . main reason is that his American-based protectors are on the way out."

These so-called solutions are the policies of the Mont Pelerin Society, and the Pinochet model: the dismantling of the social state, reduction of public expenses in a systematic way, privatization, and integration into globalization—coined under the word of “reforms.” To “integrate oneself into globalization” is called a “reform.” On top of it, like Friedrich August von Hayek, he calls for a strong state, to protect law and order, a strong police force to keep the population in check, and the defense of the republic against the mafias, and the “bearded ones”—the Islamic fundamentalists that he denounces.

When he goes to the United States, Sarkozy goes on a private plane, with a score of bodyguards, and he postures at the American Enterprise Institute—the house of Lynne Cheney and Michael Ledeen—and at the neo-conservative Hudson Institute. And probably, he meets there, the infamous Laurent Murawiec. He declares such things as, “I love American culture! American movies, and American music. And sometimes, I even would say that I feel more at home in the America of George Bush and Dick Cheney, than in my own country, France.” This is a quote. He said that at Columbia University to American students (in a mediocre English, according to the journalists who were there).

Why does such a man represent such a true danger for France and for Europe? He seems so antagonistic to the traditional Gaullist-Socialist mix, that normally, he should not be attractive at all. But he is—because the situation is not a normal one. He’s attractive by default. Sarkozy has understood that, from his opportunistic standpoint, and plays on it. The whole French press, which is at this point more controlled by financial interests than any other in the world, and the French television, keep promoting an image of France as a country in a very deep crisis, because it sticks to the past ideology

of a centralized social state. For example, *l’Expansion*, the publication of the financial conglomerates, depicts France in a state of bankruptcy, where the suburbs burn, the state is over-indebted, the schools have failed, the hospitals have collapsed, and the pensions will never be paid. The only solution to the catastrophe would be . . . the liberal reforms of Sarkozy, and an adaptation of France to the realities of globalization.

And because there is a lot of resistance to this, a strong state and a strong man are needed, to enforce it: Nicolas Sarkozy.

At this point, Sarkozy has taken control of the UMP, the majority party machine, the formerly Gaullist party. And, he has his two hands on the money-bag.

Our Youth Movement, which went to the summer university of the “Young Sarkozistes,” reported the Roman circus atmosphere of the place, with a mixture of a lot of money, a lot of good food and good wine, a lot of entertainment, a private beach, big screens for football games, and an appeal to the values of “labor and social order” (while they were entertaining themselves).

### Sarkozy: Little Bonaparte of the Suburbs

Sarkozy, in one word, exploits the consequences of the world that *he* has contributed to destroying as a minister of the preceding right-wing governments, to call for more, and more, of the same. He exploits the disorders of the suburbs, that he himself provoked by police interventions, connections with gangs of drug dealers, and inflammatory declarations on the need to “clean the rugs with *carsher*,” with acid water, to promote law and order. He is helped in that, I must say, by the neo-conservative media networks, notably CNN and Fox News, and also the German and British media, which depicted France as about to be burned down, with the situation as “in Chechnya,” as a CNN correspondent described it. Such wild exaggerations—the situation is already very bad as it is, and France is bankrupt, as any other country in the world—but these exaggerations about the fires, the police, the people—*running*—which concern only 5% of the country, these things only help Sarkozy to appear as a savior, as a superman, the little Bonaparte of the Suburbs: In fact, a fireman and an arsonist, in the same person, an arsonist-fireman.

In one word, the Merkel-Kirchhof operation, having failed as such, thanks to the efforts of the person next to me [Helga Zepp-LaRouche], and to certain reactions of [former German Chancellor] Schröder to the ideas of that person—the Merkel-Kirchhof operation having failed as such, and dissolved itself in the presently stagnant waters of German politics, [Italian Prime Minister] Berlusconi being on the way out, Sarkozy is the trump card of the neo-cons in Europe.

A certain intellectual atmosphere is maintained to promote his ideology, as for example, the recent declarations of the ex-philosopher (I must say) Alain Finkielkraut in *Ha’aretz*, where he [Sarkozy] is depicted as of the school of Le Pen. Alain Finkielkraut, you should understand, was this moderate, humanist thinker, 20 years ago. So now, Alain

Finkelkraut in *Ha'aretz* declares that “the suburbs problem is not a social problem, but the problem of the disruption of the social fabric by ethnic minorities, the blacks and North Africans with a Muslim identity.” Sarkozy supported Finkelkraut for his politically incorrect, and “courageous” declarations, when he was attacked. A whole team of French so-called intellectuals and artists have turned into right-wing reactionaries of the neo-conservative brand, among debates on the benefits of colonization, and doubts cast on the true nature of Resistance to Nazism.

What is emerging is the heirs of the so-called “Vichy Free French” generation, the Vichyites who went with the Resistance only in 1943, or even 1944—like, for example, François Mitterrand. That is to say, in plain words, the financial Synarchists, and their political lackeys. That’s on the scene.

### **When Cheney Goes, Sarkozy Will Follow**

Now: My deep conviction, at this point, is that the Sarkozy operation is going to fail. The first, and main, reason is that his American-based protectors are on the way out. Cheney is on the way out, and his friend Netanyahu is not doing very well, in Israel. They are both very close friends of Sarkozy—you should know that.

Sarkozy plays on the French fears, the French crises, and the weakness of all other French politicians. But he is, nonetheless, a foreign implant in French politics, that can only succeed with foreign protection. In that sense, what Lyndon LaRouche and our Youth Movement are doing in the United States to dump Cheney and the neo-conservatives, is for us, the best weapon to dump Sarkozy in France: And Sarkozy himself knows it. That’s why he looks at us with a certain sense of discomfort.

Inside France, [President] Chirac and Villepin are doing their own job against him, tempted by police-state Venetian methods. Villepin is trying to portray himself as a Gaullist, capable of rallying the right wing and a mainly fatherless left. The last polls, in the case of a Presidential election opposing Sarkozy to Villepin, give 50% of the vote to Villepin, while Sarkozy would defeat any left-wing candidate. Hence the promotion of Villepin.

But the real problem is not, in fact, Sarkozy, as such. Sarkozy is only the disgusting tip of the iceberg. The problem of my country is that it has lost, in the last 35 years, its sense of belonging to universal history. It has lost its taste for the future, that de Gaulle was the last to express. To lose the sense of belonging to universal history, to lose the sense of the future, is already bad for any country. But it is worse for a nation that led the pack in the past—the remote past, but the past.

### **Caught in the Dangerous ‘Gray Zone’**

All politicians other than Sarkozy have no real alternative. They’re all in the gray zone, and that is the real danger: The chaos provoked by that situation.

Villepin has made all of his career in the French diplomacy and bureaucracy. He’s a very competent servant. But he has yet to prove that he’s a real political figure in a stormy world. What he has done until now, aggravates the social and economic situation. For example, he has promoted various forms of “flexible labor,” the famous Danish model, he’s an admirer of the Danish model; [he has] privatized more in six months, than [former Prime Minister Lionel] Jospin in five years (Jospin was second to him); and [he has] promoted a tax reform in favor of the wealthiest, while increasing social contributions against everybody.

Despite various memos that I wrote to various French politicians—right and left, neo-Gaullists and neo-Socialists—none has yet picked up forcefully our New Bretton Woods/Eurasian Land-Bridge proposal. And you have to understand that. There is an incredible pressure on French politicians not to move, coming from the United States and Great Britain. Since the position taken by Chirac and Villepin against the Iraq War, they are looked at by the neo-cons as a potential resistance that they want to crush. And instead of counterpunching, Chirac is faithful to his identity as a political compromiser and bureaucrat.

Nonetheless, two French Deputies have signed Helga Zepp-LaRouche’s call for a New Bretton Woods, and former French Prime Minister Michel Rocard has thrown the New Bretton Woods alternative into the middle of the contributions to the French Socialist Party Congress. The invitation that the Réseau Voltaire made to Helga and myself to speak at the Brussels conference of the Axis for Peace is a proof of courage among some French circles. This is the other tip of the iceberg.

You should also know that there is a big debate going on in France, about the end of financial capitalism, with about a half-dozen books published on the subject, and a very interesting interview given by French top economist and analyst, Patrick Artus, from the Caisse de Dépôts et Consignations, the main public savings and loan association, but at the top of all the others. So, he’s the top French economist and analyst of that. And he gave an interview to the rag *Charlie Hebdo*—it’s very funny to find this very serious interview coming in a rag; this is a typical French method to introduce certain things from the side.

**Tennenbaum:** By “rag” do you mean something like the *Bildzeitung*?

**Cheminade:** No, it’s worse than the *Bildzeitung*, much worse! It’s a mixture of atheism, pornography, and simple craziness.

So, in that, all of a sudden, you see appearing the most serious interview of all—typical methods of a Venetian environment.

So, he says three interesting things, very interesting things. First, that there is a consensus among French entrepreneurs, and he mentions [Jean-Louis] Beffa and [Claude] Bébéar, the two top leaders respectively of the neo-Colbertist faction and the financial factions. So, he says there is a consen-



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The LaRouche Youth Movement in Paris, lampooning Sarkozy (nicknamed Sharkozy), with his giant budget-cutting scissors, held on a leash by the IMF.

sus among these people that the “stockholders’ value,” 15% to 30% of financial looting per year, that the stockholders’ value is breaking the back of all economies, and has to be stopped. That’s the first thing he says. The second thing he says is that this phase of oligarchical financial capitalism is close to an end, and can not be dealt with with liberal reforms, which is a rejection of a neo-conservative Sarkozy approach. And third, he says that the problem has emerged in this Anglo-Saxon world (a French word to mean “Anglo-American”)—so, the problem has emerged in this Anglo-Saxon world, and can only be solved there.

The problem is that all of these brilliant French analysts are pessimists, and do not expect—or pretend to expect—a solution, from what they echo, the Anglo-Saxon world. The word “LaRouche” is still prohibited to mention, even if it’s no longer cursed as it was in the recent past. It’s not cursed, but it’s not mentioned.

### ‘But, I Am Very Optimistic’

At this point of what I have to say, some of you may be surprised, but, I am very optimistic. First, because it’s my nature to be so. But mainly, by the change that I see coming from the United States. And don’t think only that you have been lucky to hear what you have heard yesterday, but a tremendous responsibility is on your shoulders, because you heard it, to transmit it.

What Lyndon LaRouche and Jeff Steinberg, in particular, expressed yesterday is not part of American politics, as such. It is a reality alive among us, in Europe, and *for* Europe. It is, as de Gaulle would have said, “our spearhead.” And I can only make a call, to all of you, to utilize such a spearhead much more forcefully, in a mighty way. But, as Helga knows, our American organization and the United States are not going to do the whole work for us. It is for us an impulsion, an

inspiration, but not a life insurance. It is a command to act, here and now.

Hence, my Presidential candidacy in France.

To fight what? Sarkozy? Yes, of course—Sarkozy. But, our enemy is not Sarkozy—it’s what is behind him: sophistry and cultural pessimism. That’s the issue. France is a land of *excellent* analysts, who always tend to forget about the action, coming after their brilliant analyses! Why? Because they are Cartesians. My country is infected by a culture of pessimism, since the wars of religion of the 16th Century, which is a true route, through Louis XIV, Napoleon, and the wars of the 20th Century—world wars, but also the colonial wars of France. And this issue is at stake right now, in the French debate. How to come out, once and for all, of the colonial impulse. What I am fighting for, is to awaken those forces in France, that are now idle and stagnant, what de Gaulle called once, the “Sleeping Princess of the legends” (he had some poetic impulse of his own, at some point). He said, “My task is to awaken the Sleeping Princess of the legends, France.”

Cartesianism is, in brief, existentialist dualism. On the one side, you have the world of human thinking: literature, philosophy, and human sciences, ruled by ideas, or the word called “ideas.” “I think, therefore I am.” And, on the other side, the universe, ruled by logics, syllogisms, induction, and deduction, a mechanistic universe of heavy and exact sciences, what is called in French “*les sciences dures et exactes*”.

This cut between the two, man as a so-called “thinker” on the one side, and the universe as a machine on the other side, promotes a culture of pessimism, because it cuts the capacity for man to intervene in the universe to improve it. The properties of things can be very skillfully analyzed and measured, but there is no way, from such a standpoint, to change the universe. The question of knowledge, therefore, can not—on these grounds—can not be based on truth, and the relation of man to the universe, is necessarily made of sophisms. The truth is no more heard, but the opinions. And the causes are served, but never discovered.

### Taking on the Cultural Pessimism

That is the very issue that my campaign is going to take on: Sophism and impotence, as de Gaulle and in a certain way Mendès-France dealt with when they freed France from colonialism, and rebuilt the French economy on the basis of a scientific-industrial driver, that *does* change man.

I’m very optimistic, because, in the last cadre school of the French youth movement, of the LaRouche Youth Movement in France, for the first time—to my best knowledge, probably; it could be a mistake on my part—but to my best knowledge, this issue was dealt with as a group, as a body of people, with gusto. They liked it! They liked to deal with it! They had grown teeth. Developed thinking of the Cartesian brand was mocked, and the creative thinking was expressed,

but not as a lesson imported or “learned” from an outside source, but as a freedom inspired by creative predecessors, welcomed into our minds. I say that, of course, to put pressure on my young friends. But also, because it is the truth. And it is the truth.

So, our campaign in France, both the Presidential and legislative campaign, can therefore, with such an input, if the quality of work is maintained and improved, can reopen the gates of the Sophist jail, and bring back to my country its best history, from Charlemagne to Louis XI, from the Edict of Nantes to the Peace of Westphalia; from Villon to Pasteur, from Rabelais to Lazard Carnot. I am confident: We are going to recover our country, and give back their souls to our people; we are going to give back the souls that were robbed from our people. And they would discover, that something buried quite deep in themselves can re-emerge to the light, and change history.

I’m optimistic, because, as a Leibnizian, I think that we can reopen the eyes of the French mind. And I ask you something here, to all of you: Help me to do so.

Thank you.

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## Dialogue

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**Tennenbaum:** Thank you very much. Before we go into a discussion where everyone here is most welcome to pose questions and make comments, about what Jacques has said today, I actually have three questions myself.

One of them, is a relatively technical one, but I think is an important one: to hear, Jacques, your sense, looking at it from France, of the fight around the euro, and the question of the euro, which Helga Zepp-LaRouche put on the table very strongly and was discussed a lot yesterday. Because, if there is going to be—if we say, the euro is a failure, the euro doesn’t work, then we’re going to have to move to another sense of a European cooperation in the monetary and European domains.

I noted, also, from some of the reactions of our friends from Asia, that people looking at it from Asia, often were, I think, a bit confused about the relationship between the notion of a “Europe” as an actual leading part of the world, on the one side; and the “euro” on the other side. Because, in the debate on the euro in Germany, for example—There wasn’t much of a debate, actually! There was not a real debate in this country, an open one, about what was the euro? But it was more or less kept out of the debate—But, whatever debate there was, or discussion there was, was dominated by the idea that, “Well, we have to have this Europe, and therefore, we have to have the euro. Europe/euro.” So, if you would oppose the euro, that means that you opposed Europe—which is not true.

In any case, I would like you to talk about this question from France, because I know that that issue is a big issue in France, right now—and Italy, and also other countries.

That was my first point. And I’ll just mention the other two: I would like also, if you could, Jacques, since you’re

moving into a Presidential campaign, maybe to comment a bit on the very high-profile Presidential campaign you carried out in France, and the process that is taking you from that campaign to the one which is before us.

And the last question, which I’d also like Helga Zepp-LaRouche to talk about, is the question of the role of a German-French alliance, relative to where Europe has to go, and where the world has to go in the future.

**Cheminade:** On the first question: The original vice of Europe, of what is today called “Europe,” is that it has been founded on an explicitly monetarist and liberal basis—from the beginning.

From the beginning, people like Mendès-France in the *la République Moderne*, the modern republic, and de Gaulle, attacked that. And they tried, in their own way—mainly de Gaulle who was in power, Mendès-France was not—de Gaulle tried constantly to make of that Europe something favorable to economic development, and a common area of industrial expansion, from the Atlantic to the Urals. So, when de Gaulle was there—and in a certain sense, there was a prolongation of that under the Giscard d’Estaing-Schmidt axis—there was an attempt to reorient Europe toward this industrial-scientific basis, with an industrial-scientific driver.

## The Financial Synarchy’s Euro

It’s an unfortunate and terrible aspect of modern history in Europe, and in France, that it was with a Socialist, with François Mitterrand, that the monetarist conception of Europe re-emerged in a much stronger way. The euro—as it has been very clearly exposed by Christine Bierre, who is in this room, in an article on the beginnings and development of the European Monetary Union—the euro has been a currency created artificially, with a central banking system and union of central banks, composed by civil servants from the treasury, but mainly by former bankers. So, the euro is not a currency of Europe, as a physical identity. The euro is a currency of a synthetic conglomeration of bankers, representing the interests of what has been called during World War I and World War II, the financial Synarchy.

So, you have the currency of the financial Synarchy, which played the role of a debasement of Europe, and in particular of Germany: Why? Because, within Europe, was created an area of free capital flux, free capital exchanges; and the interest-rate weapon, the budget weapon, and the weapon of currency was put in the hands of the European Central Bank, or the Synarchy. What was the only thing left, as certain experts in Germany and France have explained, the only thing left to the states, was wages. So, the money flux, the money capital, would go toward the countries like Spain, Portugal, Ireland, and Greece, and leave Germany and France—mainly Germany, as LaRouche explained yesterday. The other nations thought they were going to live, while sucking the teats of the German economy, and killing, in the process, the German economy—and killing themselves, because there was no more milk.



*Charles de Gaulle and Pierre Mendès-France. Cheminade said that his campaign would take on the sophism and impotence of the French ideology, “as de Gaulle and in a certain way Mendès-France dealt with when they freed France from colonialism, and rebuilt the French economy on the basis of a scientific-industrial driver, that does change man.”*

So, it happened in that way. What you have now, is that even this money, that went on a very short-term basis toward Spain and Ireland, in particular, now is *leaving* Spain and Ireland, to go to China, India, and the countries with low wages!

So, you have a process of dismantling of Europe, under the euro; a destruction of Europe, under the euro. And people still think that the euro has been a protection against speculation in Europe! Well: What the euro has realized, is a well-ordered, relatively well-ordered, dismantling of the European nations, instead of a disorganized dismantling of the European nations. It has *organized* the dismantlement! That is the role played by the euro.

It is a role in full contradiction of what the real founding fathers of Europe, the de Gaulle of the Europe of the Fatherlands, but even Schuman and Adenauer—Robert Schuman in France, and Adenauer in Germany—had thought that Europe would be.

There is a very interesting point in that, which would explain what has happened. It’s the figure of Jean Monnet. Jean Monnet was a European federalist, associated with various circles of the monetary and financial Europe. But, at the same time, he was committed to economic development, to nuclear energy, and, at the beginning to the development of coal and steel in France and Germany. So, Monnet, who had been a very close advisor to Roosevelt, came back to France and developed the Planning Commission, and the organized development of the French economy, as the Kreditanstalt did in Germany at the same time. So there was a development of France and Germany, which coincided in the Coal and Steel Union, first, and then, what was called the Common Market, of the “six Charlemagne” European nations. So, at that point, you had still, an impulse towards economic development in this group, in association with Russia.

What happened under Mitterrand is, that was broken, and definitely broken in 1989-1990, when the Berlin Wall fell, and when Mitterrand sabotaged Europe and imposed the euro, in association with Margaret Thatcher and George Bush.

### **Dismantle the European Central Bank!**

So, what is the situation now? It’s simple: We have to dismantle the European Central Bank. It has to be killed once and for all. It’s a tick, like those that get on dogs and suck the blood. It’s a tick, getting bigger and bigger. It’s a factor of destruction.

So, we have to impose an association of national banks. And at the same time that Helga [Zepp-LaRouche] made her declaration to return to the German mark, I called for a “franc polytechnique.” Why did I call it a “franc polytechnique”? Because the French currency has been so manipulated in recent history, including the de Gaulle “new franc,” that you need to give it a name to associate it with something that plays into the minds of people: And I called it the *franc polytechnique*, because the *polytechnique* is the institution during the French Revolution associated with the best that was left in the Committee for Education of the French Revolution. So, in that place, outside of the political disaster, certain people met, including the Humboldts—Wilhelm and Alexander—Carnot, Abbé Grégoire, Prieur de la Côte d’Or. Such people like that met, and maintained in certain cultural areas, the idea of *polytechnique*, until Napoleon destroyed it.

So, this *franc polytechnique* would put in the minds of French people, as I said before, the idea that economy should be defined by the physical development of the economy, and the interaction of human minds, to perfect the intervention of human minds to create the conditions for what LaRouche has called, “an increase in the potential relative population-density.” So, this potential relative population-density is what must be back in the French minds, and it’s a very long story in French economics that does exist, and was buried. It’s the attempt of Bodin in the 16th Century, when he said, the only wealth in the economy is man, and the only wealth of man is developing his capacities to increase the production in economy.

Montchrétien, who was another French historian, was connected to the Henry IV policy of development; and the Academy of Sciences of Colbert, which was not a French project, but a European project. And we have to bring back all that in the minds of France, with the last expression of it, that was the École Polytechnique and Arts et Métiers of the end of the 18th Century, associated to the American Revolution.

So, this is what we have to bring back. And this is the type of Europe which will have a *totally* different meaning, with an association of national banks, than the Europe that was made until today, and in particular, since 1980-81. In Germany, it was Ludwig Erhard and Karl Schiller; in France, it has been Mitterrand and that crowd.

So, we have to return to Europe a sense of what it is, and that the only way to go back to the sovereignty of national states is to rebuild it on that basis: Hence, the mark and the franc polytechnique, and the other European currencies. But, it demands an association of this, what Helga [Zepp-LaRouche] said yesterday, in the form of maintaining what Giscard and Schmidt had called the European Currency Union, to balance the trade balances, and, at the same time, to be a currency of reference, but not a currency of physical currency, an accounting currency.

So, we need to base the great projects for Europe, on this association of national banks, which is the only way to do it, to reestablish in the minds of Europeans the sense that Europe is physical development, is the European nations building the future, and not this *thing* in Brussels, which belongs to bureaucrats, associated necessarily with an imperial viewpoint.

### **LaRouche's Proposal for the European Monetary Fund**

**Tennenbaum:** Just one observation. There's an irony in this, which I think is important to underline: And that is, that Lyndon LaRouche himself can be regarded in many respects as one of the main authors of the idea of the European Monetary Fund. He proposed, at the end of the 1970s—and he and his colleagues made a *major* campaign on this question—that there should be set up in Europe a kind of facility for cooperation between the European nations, as an instrument though, not just for Europe, but particularly for world development, for Europe's role in the transfer of technology to the developing countries. LaRouche was involved in a lot of discussions, at a very high level in Europe, about this idea. And it was also the notion, that a cooperation between the—let us say—converted central banks, central banks converted into national banks, in the European nations, particularly France and Germany and Italy, that a cooperation between them could be a kernel of the kind of reform of the world monetary system, that is required.

And then, when we went with the Productive Triangle program, from 1989 forward, LaRouche wrote a very interesting and very important part of the introduction to our program, in which he emphasized the notion of setting up in Europe, a kind of clearinghouse, of European nations actually going to a national bank system, as opposed to the independent central bank system, in France, in Germany, in the other nations of Europe. And then, these national banks cooperating, and having some kind of joint facility, which would be the basis for financing the Productive Triangle program, very concretely; a vast infrastructure construction program for Europe, and then, in its extension, to Eurasia, to Africa.

And, corresponding to this notion, as opposed to a monetary system which we were discussing—the European Central Bank, the central banks which basically *belong* to the financial community—instead having a credit system for Europe.

And the irony, I think, is, that had Europe gone in the

direction that LaRouche was proposing, and we were working for, Europe, as a factor of a cooperation of nations, actually, would be *vastly* more powerful. I mean—Jacques has said it much more sharply—it would be vastly more powerful than now. Instead, we have a Europe which is collapsing.

So, I think it's very important to emphasize that what Jacques, and LaRouche, and Helga Zepp-LaRouche are proposing, is not a weaker Europe. It's a stronger Europe, but it's a different kind of cooperation.

[To Zepp-LaRouche] Do you want to say something?

**Helga Zepp-LaRouche:** Yes, you asked me this question about the German-French alliance.

I think that everybody immediately can agree that Europe does not function without a German-French alliance. It is the foundation of Europe, and I think it's also very illustrative how this friendship, or this relationship emerged, because, as you know, for many centuries Germany and France actually were arch-enemies, *erbfeindschaft* [ancestral enemies]. And naturally, especially in the 20th Century, the damage which was done in the wars—World War I, four years of meaningless fighting between the Germans and the French—Verdun has become the symbol of meaningless killing back and forth in the trenches, which led to a situation where the young generation who fought in this war, was completely uprooted, which was the seed of the possibility of Nazism in Germany, because of an uprooted generation. The Second World War was not very far behind in terms of horrors for the population.

So, out of this long, long experience of horror, and, even if it went against Napoleon III, Germany was unified in a war against France, which is not the ideal way to start a nation. I don't want to diminish Bismarck's having accomplished German unity, but it was not on the best basis.

So, for Germany and France to overcome that, was *really* big. And it was done by the recognition of de Gaulle and Adenauer, that it had to be done. And it occurred in the Elysé Treaty of 1963. And ever since, it has functioned. And therefore, I think that the German-French relationship, which put aside a century-long arch-enemy relationship, is more significant than just for these two countries: Because if Germany and France could put the past behind, I think it is very much a model for other countries which had similar conflicts and which think that there are long, long historical reasons and no friendship and no trust with the other country.

### **The Tradition of the Peace of Westphalia**

In the German and French case, without the tradition of the Peace of Westphalia, this would not have been possible. The Peace of Westphalia was the recognition by the warring parties that any continuation of the war would leave nobody alive. Because, at the highpoint of the Thirty Years' War, which was just the continuation of a previous religious war, which altogether lasted 150 years, at the high point, there were areas in Bohemia, Saxony, and other places, where 60% of all the population—and the villages, and the property, and everything—was just destroyed. And it dawned on people, if

they would continue this, there would be nobody left to enjoy the victory, if there ever would be one.

So, people then decided on the fantastic principle of the Peace of Westphalia, which was the beginning of modern, international law. It was actually the first time that a treaty arrangement was developed, which later was continued in the United Nations Charter and similar expressions of international law. And the principles of this Peace of Westphalia were exactly that, for the sake of peace, from now on, the interest of the other had to be the basis of the relationship. Second, that in the interest of peace, you have to forgive and forget what one party did to the other, and vice versa.

And then third—this was not in the actual Peace of Westphalia treaty, but it was a principle which was established for the first time, in this explicit form: the idea that the state has to have a function in the reconstruction of the state after the war, which was the beginning of what became cameralism, and the whole idea of Colbertism, and the idea of a state-directed economic program.

So, when the German-French peace actually was made by de Gaulle and Adenauer, actually turned into an alliance for friendship, well, this was also very much based on the idea that you needed national sovereign countries. De Gaulle's trademark was to believe in the absolute sovereignty of France. He drew that conclusion, for example, by leaving NATO, by going into the *force de frappe*, by basically, really representing the national sovereignty of France.

And for Adenauer at the time, it was really a very difficult historical situation, because Germany was still the war-guilty party, it had no international reputation, it was still totally occupied by the occupying powers: For Adenauer to make that step together with de Gaulle, was the first step in the direction of sovereignty for Germany. Which was obviously not fully completed, but it was a first step out of the doctrine of the post-war arrangements.

And I think that model, for example, when two countries like Germany and France could put the past behind: I want to work with Jacques [Cheminade], and let me use this occasion to whole-heartedly support your Presidential campaign. I take pride now to be the first German to do that, and I'm also committed to help you, and help the French organization as much as possible, to accomplish that. Because, I believe that if we do this in the right way, and we can take the tradition of the American Revolution which is now really forcefully re-emerging in the United States, and then we say, "Okay, we go in a similar direction," we will change the character of Europe, we will put the 20th Century behind us; and even the 19th Century was not so great. We make a big parenthesis around the 19th and 20th centuries, and we make a solemn commitment that the 21st Century will become a really beautiful new Renaissance and a new age.

And then, if we prove this German-French collaboration for the good, that we have a joint mission for the development

of the other, not-so-fortunate parts of the world—like Africa—I think it's one of the things where this friendship should not be just for us, but it should have a joint mission. And I think, for me, this is one of the burning causes, to not allow this situation in Africa to continue, because it is not worthy of the dignity of man. And if we do this, I think we can inspire other countries which have similar historical conflicts. You go to Asia, there are many countries which think they have arch-enemies: Japan, China, Korea, the Southeast Asian countries. And, maybe if they look at what the German-French breakthrough meant, it can become an inspiration of approaching these conflicts in a similar way.

There are many other areas in the world—the Middle East is full of them, the Great Lakes region in Africa, the Tutsis and the Hutus. There are many places where people think they can not overcome it. And I just want to have Germany and France work together, so that we become an example of not only putting an ugly past behind us, but also creating something for the future, for others—because I think that that is the step which brings you beyond just looking at your navel, where you count all the many things which went wrong.

But in the moment when you start to be really agapic and say, "Okay, we take a joint mission"—like what Leibniz said: Leibniz had these ideas. He said, "France should develop Africa, Germany should develop the East, Russia, and then build a bridge between Germany and China to develop the region in between." If Leibniz could have these ideas in the 17th and 18th centuries, well, I think we should be at least as modern today.

**Cheminade:** Yes. I have to say something, which shows that our minds works together. Because, I was thinking, when there has been *no* French-German alliance, as in 1989-90, it is a catastrophe for Europe. Because the fate of Europe has always been associated with what Europe does for the countries of the South, as Helga [Zepp-LaRouche] said.

So, look at what happened then, in 1989-90: First, East Germany was dismantled; the industry of East Germany, the productive forces of East Germany, were dismantled. And these forces could have been the leverage for Third World development. And they were pertinent, they were exactly what was needed, for the heavy-industry development in the South—and it was not done.

And on the French side, the French not only did not improve their policy towards Africa, but the French African policy has become even worse, since the fall of the Berlin Wall. And now, you have all these neo-conservative groups associated with certain so-called evangelicals running around Africa (and also Ibero-America), and taking over governments, like the Ivory Coast government, through the wife of the President Laurant Gbagbo. So, when we are not together, when we are not doing our duty, we create disasters in the world. That's the first thing I wanted to say.

The second, is that maybe the cooperation could turn to

be on the other side, because, before the French Presidential election—I don't know what you think about it—there may be elections in Germany, with the coalition. So, who knows? Maybe we are going to help you, before you help us!

In any case, we are going to help each other, independent of any of these electoral issues.

### **Cheminade Gets 'the LaRouche Treatment'**

Now, the question of the Presidential candidacy, which is my third one. In 1995, when I was a Presidential candidate, we embarked by surprise, as a commando force, on the French political scene—and it was wild. Wild! We got more than 500 signatures of mayors, and I came with signatures to the Constitutional Council, because you need that to be in the Presidential elections. It's a more democratic one: If you get the signatures, you get the money from the state to run, or part of the money, and then you are reimbursed.

So, we went into the Constitutional Council with the signatures, and all the journalists said that what we gave to the Constitutional Council were boxes of newspapers, to pretend that we had the signatures. So, when it came out, that we *had* the signatures, and they had to confirm me as a candidate, immediately all hell broke loose—in one day and a half!

And for *two weeks*, there was a campaign of the same sort—that really freaked out some of the French members, who thought they were somehow in a half-protected island. They were totally shocked to see that was done against LaRouche was exactly done against me: I was—they have not much imagination—I was a “robber of old ladies.” Then, I was associated with an American fascist, an American anti-Semite, a crazy man; I was a crazy megalomaniac myself. I was treated by the journalists in the most incredible way! They put the *worst* picture that they could find of me, and it's really a bad one, as you can imagine! So, everybody was saying, “Arrgghh! What is this guy?!” They were mocking, making cartoons, and the most incredible, dense, thing.

Well, they made a mistake, not in the short term. After the campaign, I must add, the Constitutional Council denied us the money, saying that we had made a mistake in the presentation of the accounts, that were presented by an accountant connected to the Constitutional Council. So, we made a mistake, an unfortunate mistake. So, we were not reimbursed for the money, and I had to pay back everybody who loaned money to me. So, they ruined me. As an individual, I was ruined after that campaign. They took my apartment, and it's a French Venetian operation: they didn't take it physically, but they took it *legally*, which means, at this point, it's a Damocles sword; they can seize the apartment at any moment.

And they attacked something very precious in me: my nose. They sent to a presentation, a first presentation in a school of political science in Grenoble in southern France, they sent a poor guy who punched my nose with a karate move, and destroyed my face. I had a very good doctor, fortunately, afterward, for a few weeks.

So, you had a real freakout in France, about what I could represent on the French political scene. And everything they did at that point, prevented us, and stopped us. And it was a temporary defeat.

But now, what we saw when we introduced a new campaign in 2002, they had a campaign of influence on the mayors, to discredit me, and they managed to make us lose about 100 signatures, and I could not be a candidate; I had only 406, and we should have had 500.

So now, because of the world situation, they are even more concerned by what I'm doing. And they say nothing on the official scene. Under the table, there is a lot of discussion, because we have certain people who tell us.

But, we have an asset: Because, a lot of people remember that in 1995, I had denounced constantly, the “financial cancer.” And that Chirac in Halifax [at the G7 summit] in 1995—he could not say that he denounced the financial cancer, so he said, he denounced the “financial AIDS.” And he said, if nothing is done about it, it will be a disaster for all. He did nothing; nobody did anything, and we have the disaster, now.

So, a certain number of people remember what I said in 1995, many more than I thought. Because, I made all this noise, and this noise is now playing into our hands. Because people remember that, and say, “If the elites are so bad, and that was done to Cheminade, it proves that Cheminade may be good, and we will investigate.”

### **The LaRouche Youth Movement: A Heavy Weapon**

So, it's a very interesting situation, that we have. And this time, we are not acting as a commando in secret, disembarking by surprise on the French scene. This time, it will be fully public, and with the youth movement; and that's the difference: That it's a youth movement. And the youth movement has a certain sense of what it has to fight against, the sophistry and the Cartesian ideology of the country; and it has assimilated the history of our movement in the United States, and in Europe, and in particular, what had happened in France in that period. So, it's a very heavy weapon.

There are no more youth movements in France. Formally—it's not the United States—they have registered youth, in the Socialist Party, in the Communist Party, in the UMP. But with a lot of money, they can only gather a few of them in public meetings—sometimes 1,000, 1,500. But when it comes to daily work, there is nobody.

So, what we have with our youth movement, is in the seeds, a change of the nation. And this is what I am committed to make happen, and what I think all of us are committed—veteran or youth—to make happen. And, in particular, I was very happy, I must repeat it, by the youth cadre school of last week. And those who are here should bring that spirit into our Week of Action, here.

So, it's a very interesting situation. And I think we are worthy of being helped. Thank you.

## The Harry Hopkins Method of Job Creation

by EIR Staff

In discussing the pressing urgency of conversion of some U.S. automobile production capacity to infrastructure-related projects in the urgent national interest, *EIR* Founder Lyndon LaRouche has referenced the job-creation methods of Franklin Roosevelt's confidant, Harry Hopkins. And that in this respect, as also in regard to the reforms of our financial system which must on the whole accompany such a reconversion, we should assimilate the *spirit* of FDR's leadership, in the tradition of the American System of political economy, rather than the letter of his executive orders and laws.

First, as to its context: By the morning of Franklin Roosevelt's inauguration on Saturday, March 4, 1933, a growing 25% of Americans were unemployed, many for two years, at a time when loss of a job usually meant loss of all means of existence. And after years of relentless downward pressure on wages, millions of those still employed received a wage which was only a negligible share of a minimal family budget. "Hoovervilles," shantytowns built of scrap, like the *favelas* of Brazil, flourished in or around every city; one of New York's Hoovervilles lined the Hudson River from 72nd Street to 110th Street. Roughly one to two million homeless men and boys were forever crisscrossing the country on freight trains, or hitchhiking the highways, looking for work.

Farms had been going ever more rapidly into the red since the end of the First World War, and both farms as well as homes in the cities were now being foreclosed in massive numbers. The steel industry was operating at 12% of capacity, while the wages of its workers had been cut 63% since 1929. It seemed that half the existing automotive capacity could make all the cars America would need for years to come.

What was becoming of our labor power, and likewise of our capacities as citizens of a republic? Hear the field reports from Harry Hopkins' investigators: "—the cry in September

1933 in Pennsylvania, 'Our children must have shoes, or they can't go to school;' the Catholic priest in Scottsville, Pennsylvania, begging for medical supplies to keep his people alive; the little boy in Houston, Texas, who refused to go to school wearing trousers of black-and-white-striped ticking because everyone would know his family was on relief; the man in Camden, New Jersey, explaining that he went to bed around seven at night 'because that way you get the day over with quicker;' the South Dakota farm wife who had a recipe for soup made from Russian thistles—'It don't taste so bad, only it ain't very filling'; the sixteen-year-old girl keeping house for her family in a dark tobacco barn in Wilson County, North Carolina, the place scrubbed spotlessly clean, the girl saying sadly, 'Seems like we just keep goin' lower and lower'; pinned on her bosom, as one wears a brooch, was a 1932 campaign button, a profile of Franklin Roosevelt. . . ."

Hopkins' investigator Martha Gellhorn added, "I find them all in the same shape—fear, fear driving them into a state of semi-collapse; cracking nerves; and an overpowering terror of the future. . . each family in its own miserable home going to pieces."<sup>1</sup>

Hitler had been made dictator of Germany immediately before Roosevelt's inauguration,—not coincidentally, under conditions quite like these. Now, place yourself back in early March 1933. How many more weeks of this Hell could our own national spirit have survived, before Hitler became unstoppable?

President Hoover, meanwhile, hid paralyzed in a White House barricaded off behind slogans about "free markets." To avoid the drift toward a superstate, he said he wanted "to

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1. Arthur M. Schlesinger, Jr., *The Age of Roosevelt: The Coming of the New Deal* (Cambridge: The Riverside Press, 1965), pp. 271-72.

solve great problems outside of Government action.” Victory over the depression must be won “by the resolution of our people to fight their own battles in their own communities” . . . The question for the future, he believed, was whether history should be written in terms of individual responsibility or of the “futile attempt to cure poverty by the enactment of law.” Depression, he said, could not be ended “by legislative action or executive pronouncement. Economic wounds must be healed by the action of the cells of the economic body.”

The first call for “action” in the new President’s Inaugural Address, attacked unemployment: “Our greatest primary task is to put people to work. This is no unsolvable problem if we face it frankly and courageously. It can be accomplished in part by direct recruiting by the government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.”

In this task, Roosevelt found a providential man in Harry Hopkins, a leading social worker who was the son of an Indiana saddle-maker, and a graduate of Grinnell College in Iowa, with its tradition of Christian social activism. Hopkins had earlier worked for Roosevelt when the latter was governor of New York.

Although both he and the President favored provision of useful work over mere relief, Hopkins was brought on board for a still more urgent mission on May 22, 1933, when state, local, and other sources of subsistence had essentially been exhausted, while 17 to 18 million Americans stood in immediate need. “In less than an hour, Hopkins was in his office headquarters. Surrounded by boxes, unpacked files, and typewriters, workers arranging furniture, and without organized clerical help, he initiated within twenty-four hours formation of a staff, a notice to governors to form state relief organizations, and disbursement of over \$5,000,000 of federal relief money to seven different states.”<sup>2</sup>

Faced by what he knew would be the bitter winter of 1933-34, Hopkins presented the President on Nov. 1, 1933, with a plan for a Civil Works Administration (CWA), to be run by his staff, which would initiate federally-sponsored work projects throughout the nation, mainly projects of city, county, and state infrastructure, to be designed, planned, and proposed to CWA by those government units. These included repair and construction of streets, roads, schools, public buildings, playgrounds, and parks, as well as flood control, sewage and water management, and much else of that sort. Roosevelt created the agency nine days after their meeting. Its budget eventually rose to \$900 million.

Hopkins managed to employ 800,000 people on such worthwhile projects within ten days. Nearly 2 million had been employed by two weeks later. Nine weeks after the CWA

had been started—in the week ending Jan. 18, 1934—the CWA had its peak employment of 4,263,644 men and women. Despite orchestrated charges of corruption and waste in the controlled press, the exhaustive investigations found very little of either. A study commissioned by the Army praised Hopkins and his staff for what had been the largest peacetime project in U.S. history, noting that he had mobilized “in two months nearly as many persons as were enlisted and called to the colors during our year and a half of World War mobilization, . . .”<sup>3</sup>

Beyond preserving the lives and labor power of over 16 million Americans during a cruel winter, CWA built and repaired over 40,000 schools and 255,000 miles of roads and streets; built 469 airports and improved 529 others; laid 12,000,000 miles of sewer pipe; employed 50,000 teachers so that many rural schools could remain open; and built 3,500 playgrounds and athletic fields.

CWA was followed by the work program of Hopkins’ FERA (Federal Emergency Relief Administration), and that, in turn by his WPA (Works Progress Administration), whose operations were similar. But the story of the peacetime Federal programs of the 1930s which saved our nation, overcame the Depression, and laid the basis for the war mobilization and for victory in World War II, must also include Harold Ickes’ PWA (Public Works Administration), and other agencies such as the Tennessee Valley Authority and the Rural Electrification Administration (REA), which *EIR* has covered elsewhere.

The national interest, as it was understood at the time, dictated that the CWA, FERA, and WPA concentrate on projects which could be started quickly, and which emphasized labor costs, both skilled and unskilled, in preference to large capital investments. These agencies in general did not hire contractors, just as the sort of local infrastructure in which they specialized had often before been built and maintained by municipal, county or state workers. It was the complementary role of Ickes’ PWA and the TVA, which built such great projects of national infrastructure as the Grand Coulee Dam, Bonneville Dam, and of course the great projects on and around the Tennessee River, and many others less well-known. In contrast to Hopkins’ agencies, the work of the PWA and similar agencies had long lead-times, was capital-intensive, and employed contractors and subcontractors.

It should be noted that the U.S. Army, specifically its Corps of Engineers, was deeply involved in every one of the projects and agencies mentioned above, as it has been in all vital national infrastructure since the creation of the United States. For example, Gen. Lucius Clay, of the Corps, provided Hopkins his own personal assistant, several district administrators, and numerous other army officers for every district of the CWA and PWA.

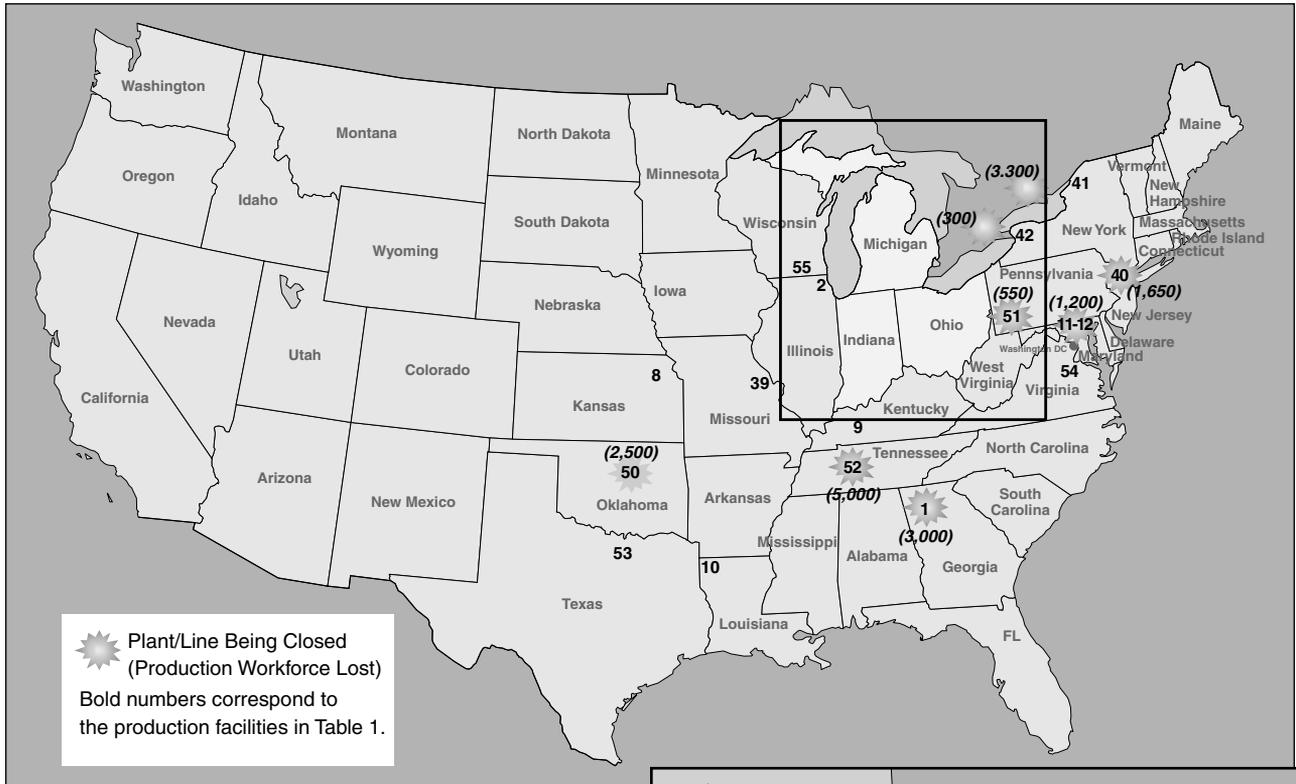
—Research by Richard Freeman

2. Searle F. Charles, *Minister of Relief: Harry Hopkins and the Depression* (Syracuse: Syracuse University Press, 1963), p. 5.

3. *Ibid.*, p. 65.

FIGURE 1

**Critical Auto Capacity To Be Saved: GM Capacity Shutdowns 2005-2008**



**'Third World' Economy?**

The map of North America shows the prospect resulting from just one company's auto-cannibalization—unless the industry is saved by the kind of emergency action Lyndon LaRouche outlines in his open letter and memo.

If the announced shutdowns are carried out, GM will have eliminated one-third of its North American capacity since 2000, when it produced 6.2 million vehicles. It will have eliminated 30% of its production workforce of 2000, and 85% of its 520,000-strong production workforce of 1978! As for its white-collar employees, it will have fired 40% of them since 2000.

Of the 30,000 production workers that GM's CEO Rick Wagoner announced on Nov. 14 he will fire, 26,400 are in the United States, the rest in Canada (the Ontario shutdowns are shown on the map, but are not listed in Table 1 opposite).

In an even shorter time-frame, GM's former subsidiary and major parts maker, Delphi Automotive, threatens to fire 12,500-24,000 (or 35-70%) of its production workforce of 35,000, and to close at least 10 of its 23 U.S. production plants. And Ford Motor was scheduled, before William Ford's Nov. 22 speech, to make a January 2006 announcement of a similar drastic cannibalization.

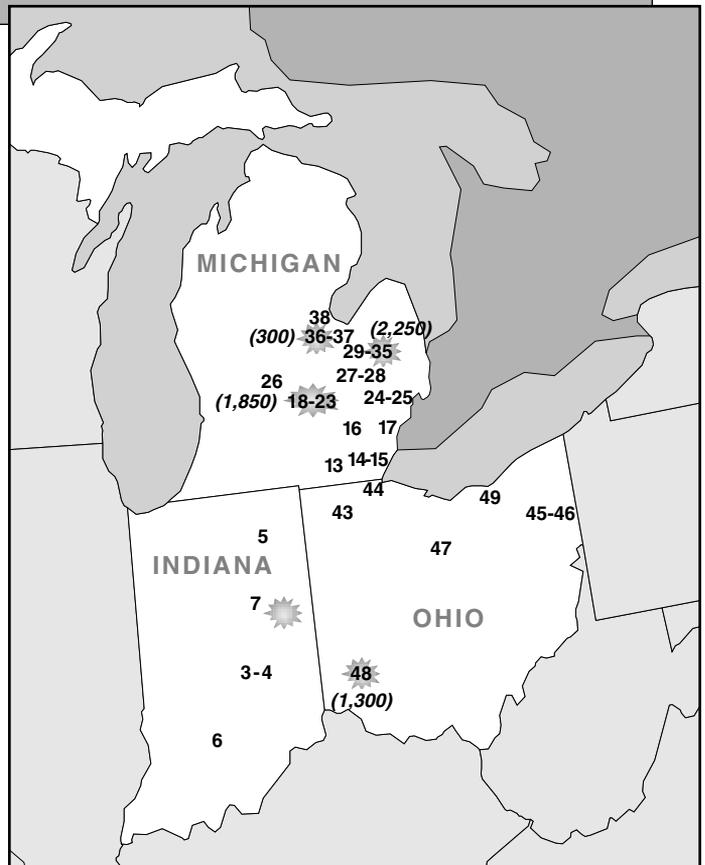


TABLE 1

**GM Production Facilities, 2005**

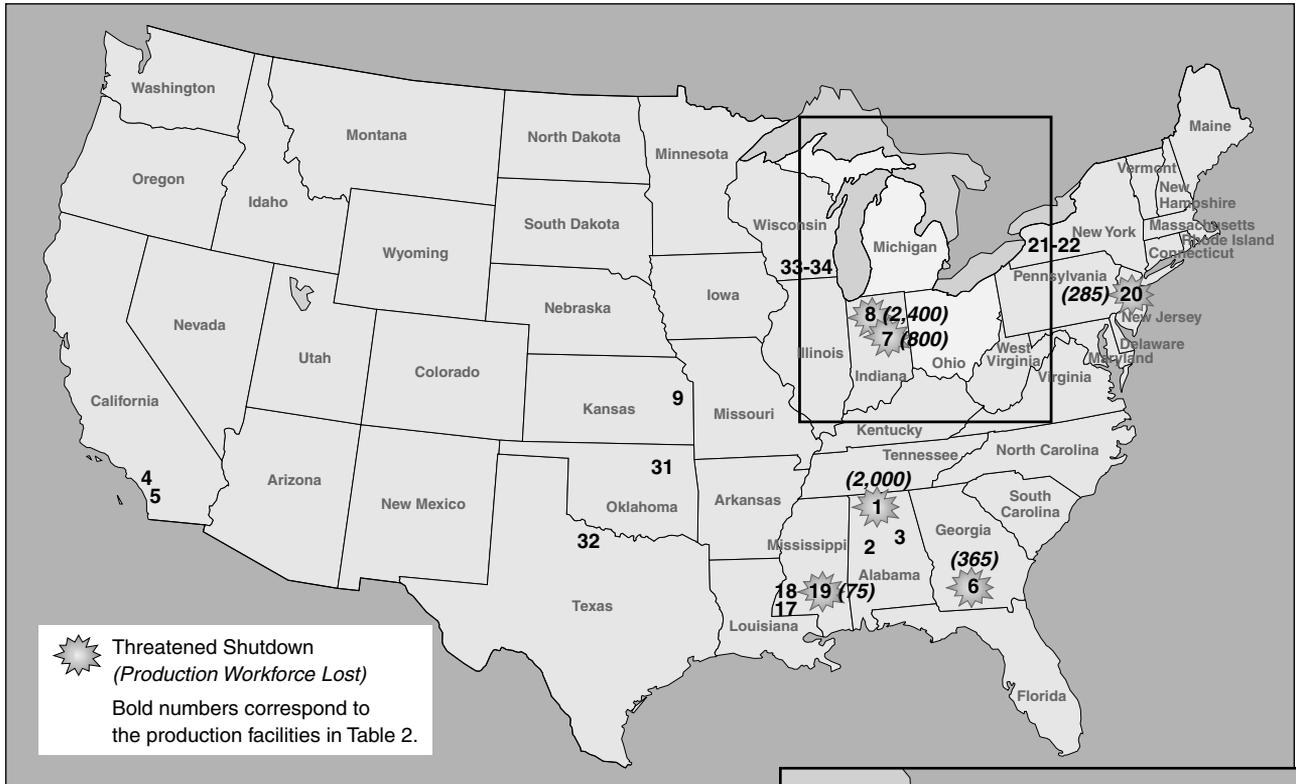
No.	State	City	Type of Facility	Hourly Workers	Salaried Workers	Plant Square Feet (Millions)
1	<b>Georgia</b>	Doraville	Assembly	2,856	220	3.6
2	<b>Illinois</b>	LaGrange	Electro-Motive	823	769	1.3
3	<b>Indiana</b>	Indianapolis	Transmission	2,500	1,300	3.5
4		Indianapolis	Metal Center	1,473	159	2.1
5		Fort Wayne	Assembly	2,716	184	2.5
6		Bedford	Foundry (PT)**	747	133	0.9
7		Marion	Metal Center	1,442	172	2.1
8	<b>Kansas</b>	Fairfax	Assembly	2,650	200	2.5
9	<b>Kentucky</b>	Bowling Green	Assembly	1,014	116	1.0
10	<b>Louisiana</b>	Shreveport	Assembly	3,000	200	3.1
11	<b>Maryland</b>	Baltimore *	Assembly	883	120	3.0
12		Baltimore	Transmission (PT)	376	68	0.4
13	<b>Michigan</b>	Ypsilanti—Willow Run	Transmission(PT)	3,419	338	4.8
14		Romulus	Engine (PT)	1,800	225	2.1
15		Romulus	Transmission (PT)	390	30	0.4
16		Livonia	Engine (PT)	344	88	1.0
17		Detroit/Hamtramck	Assembly	2,500	220	3.5
18		Lansing	Car Assembly—Body	2,170	349	2.6
19		Lansing	Car Assembly—Chassis	2,442	0	4.1
20		Lansing	Assembly	336	62	1.0
21		Lansing—Delta Twnshp	Assembly	130	16	0.6
22		Lansing—Grand River	Assembly	1,303	185	2.0
23		Lansing	Metal Center	1,514	144	1.7
24		Warren	Technical Center—Engineering	2,400	16,000	10.0
25		Warren	Transmission (PT)	1,200	200	2.1
26		Grand Rapids	Metal Center	2,199	245	2.0
27		Pontiac	Assembly	5,200	257	2.9
28		Pontiac	Metal Center	1,945	228	3.7
29		Orion	Assembly	2,078	179	4.0
30		Grand Blanc	Metal Center	1,330	80	1.7
31		Flint	Metal Center	2,000	215	1.9
32		Flint	Tool & Die Metal Fabricating	334	31	0.3
33		Flint	Truck Assembly	3,320	294	3.7
34		Flint—South	Engine (PT)	608	93	0.7
35		Flint—North	Power Train	2,262	360	n/a
36		Saginaw	Malleable Iron (PT)	292	41	0.3
37		Saginaw	Metal Casting (PT)	1,728	227	1.9
38		Bay City	Power Train	837	120	1.0
39	<b>Missouri</b>	Wentzville	Assembly	2,101	188	3.7
40	<b>New Jersey</b>	Linden	Assembly	1,654	88	2.6
41	<b>New York</b>	Massena	Power Train	462	91	0.9
42		Tonawanda	Engine	2,415	343	3.1
43	<b>Ohio</b>	Defiance	Foundry (PT)	2,174	296	2.0
44		Toledo	Transmission (PT)	3,185	273	1.8
45		Lordstown	Assembly	3,408	273	3.6
46		Lordstown	Metal Center	1,661	191	2.2
47		Mansfield	Metal Center	2,300	230	2.1
48		Moraine	Assembly	3,821	344	4.1
49		Parma	Metal Center	2,130	222	2.3
50	<b>Oklahoma</b>	Oklahoma City	Assembly	2,534	200	3.9
51	<b>Pennsylvania</b>	Pittsburgh	Metal Fabricating	541	72	0.8
52	<b>Tennessee</b>	Spring Hill	Assembly	5,067	709	5.2
53	<b>Texas</b>	Arlington	Assembly	2,634	195	3.8
54	<b>Virginia</b>	Fredericksburg	Power Train	219	29	0.3
55	<b>Wisconsin</b>	Janesville	Assembly	3,600	300	4.8

\*This Baltimore facility was closed as of April 2005.  
Sources: General Motors, Inc. data; *EIR*.

\*\*Power Train

FIGURE 2

**Critical Auto Capacity To Be Saved: Delphi's Threatened Shutdowns**



Sources: Delphi Automotive; Anderson Associates; EIR.

*Clearly threatened Delphi shutdowns are shown here, but virtually every one of its plants in the U.S. should be considered under threat of closure. The rash bankruptcy filing and demand for contract abrogation—intended to end in the sell-off of pieces of Delphi's capacity to financial interests—could easily fail and end in the firm's complete liquidation. Congressional intervention to protect and use this capacity, is urgent.*

**Retool and Save Auto:  
 LaRouche's Seven Points**

1. The implementation of what I outline as the diversification of the application of the auto industry's capacity, implies the adoption of a general policy of integrated development of the nation's public air, rail, or maglev transport, and waterborne inland and foreign transport.
2. It implies a rebuilding of the nation's power grid, with heavy emphasis on high-temperature gas-cooled nuclear-fission reactors (of approximately the Jülich type), and the shift of highway-vehicular and air-flight power to generation of hydrogen-based fuels regionally/locally, where petroleum-based fuels are employed today.
3. It anticipates a return to emphasis on adoption of targets of high standards for physical-economic output, per capita and per square kilometer, for each county of the United States.
4. It requires a return to a "fair trade" marketing policy in domestic

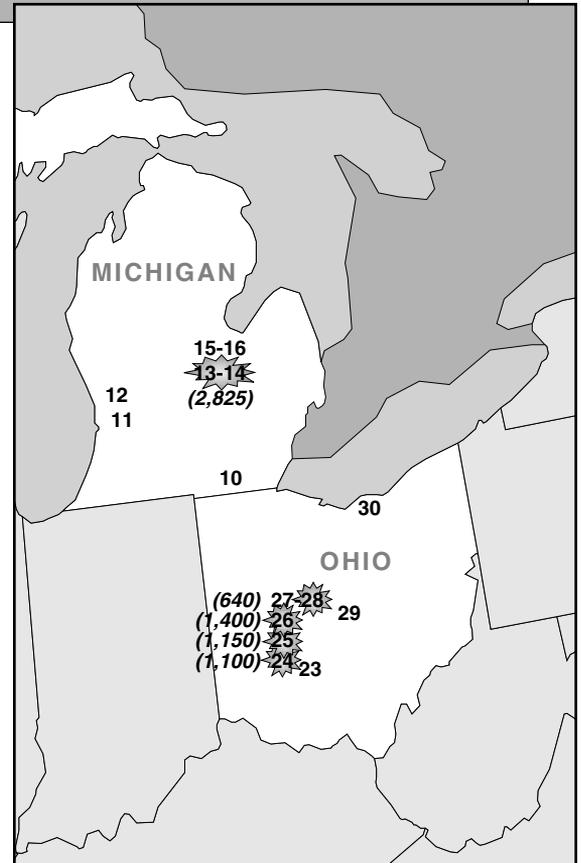


TABLE 2

**Delphi Production Facilities, 2005**

No.	State	City	Type of Facility	Hourly Workers	Salaried Workers	Plant Million Sq. Feet	
1.	<b>Alabama</b>	Athens	Electrical, Steering	2,040	175	0.7	
2.		Tuscaloosa	Thermal & Interior	225	40	0.2	
3.		Gadsden	Thermal & Interior	185	35	0.3	
4.	<b>California</b>	Anaheim	Batteries, Electrical	100	2	0.3	
5.		Irvine	Electronic	90	5	0.2	
6.	<b>Georgia</b>	Fitzgerald	Batteries	365	20		
7.	<b>Indiana</b>	Anderson	Energy and Chassis	790	90	0.5	
8.		Kokomo	Environment & Safety	2,420	2,915	2.3	
9.	<b>Kansas</b>	Olathe	Batteries, Electrical	70	5	0.3	
10.	<b>Michigan</b>	Adrian	Thermal & Interior	385	65	0.5	
11.		Grand Rapids	Energy & Chassis	545	110	1.8	
12.		Coopersville	Energy & Chassis	575	95	0.3	
13.		Flint East (D)	Exhaust Systems	650	85	1.1	
14.		Flint East (E/C)	Energy, Engine	2,175	255	4.2	
15.		Saginaw	Energy & Chassis	1,015	180	0.7 (?)	
16.		Saginaw	Steering	3,780	1,195	1.0	
17.		<b>Mississippi</b>	Brookhaven	Electronic	480	45	0.2
18.			Clinton	Electronic	770	2	0.3 (?)
19.			Laurel	Energy Systems	75	10	0.2
20.		<b>New Jersey</b>	New Brunswick	Batteries	285	30	
21.		<b>New York</b>	Lockport	Thermal & Interior	3,045	719	2.2
22.			Rochester	Energy & Chassis	1,480	630	2.0
23.	<b>Ohio</b>	Warren	Electronic	3,845	1,320	2.6	
24.		Kettering	Thermal Systems	1,095	145	2.6	
25.		Moraine	Energy & Chassis	1,145	113	0.3	
26.		Dayton	Compressors	1,410	250	1.2	
27.		Vandalia	Interiors	640	5	0.7	
28.		Vandalia	Thermal & Interior	235	140	0.5	
29.		Columbus	Thermal & Interior	735	105	1.4	
30.		Sandusky	Energy & Chassis	930	210	1.3	
31.		<b>Oklahoma</b>	Tulsa	ASEC	120	5	
32.		<b>Texas</b>	Wichita Falls	Energy & Chassis	200	30	0.5
33.	<b>Wisconsin</b>	Milwaukee	Energy & Chassis	485	70	0.5	
34.		Milwaukee	Environment & Safety	755	145	0.6	

Sources: Delphi Automotive Corp., *EIR*.

trade, and import-export tariff- and quota-regulation in foreign trade and public transportation of passengers and freight.

5. This implies a set of emergency and continuing reforms of the international monetary-financial system, based on a) a return to an international fixed-exchange-rate, carefully regulated system; b) this means a reversal of a "free trade" policy, back to a global "fair trade" policy, consistent with low-cost long-term credit for physical capital improvements over spans of a quarter- to a half-century physical-investment-depreciation cycles in both domestic and foreign affairs.

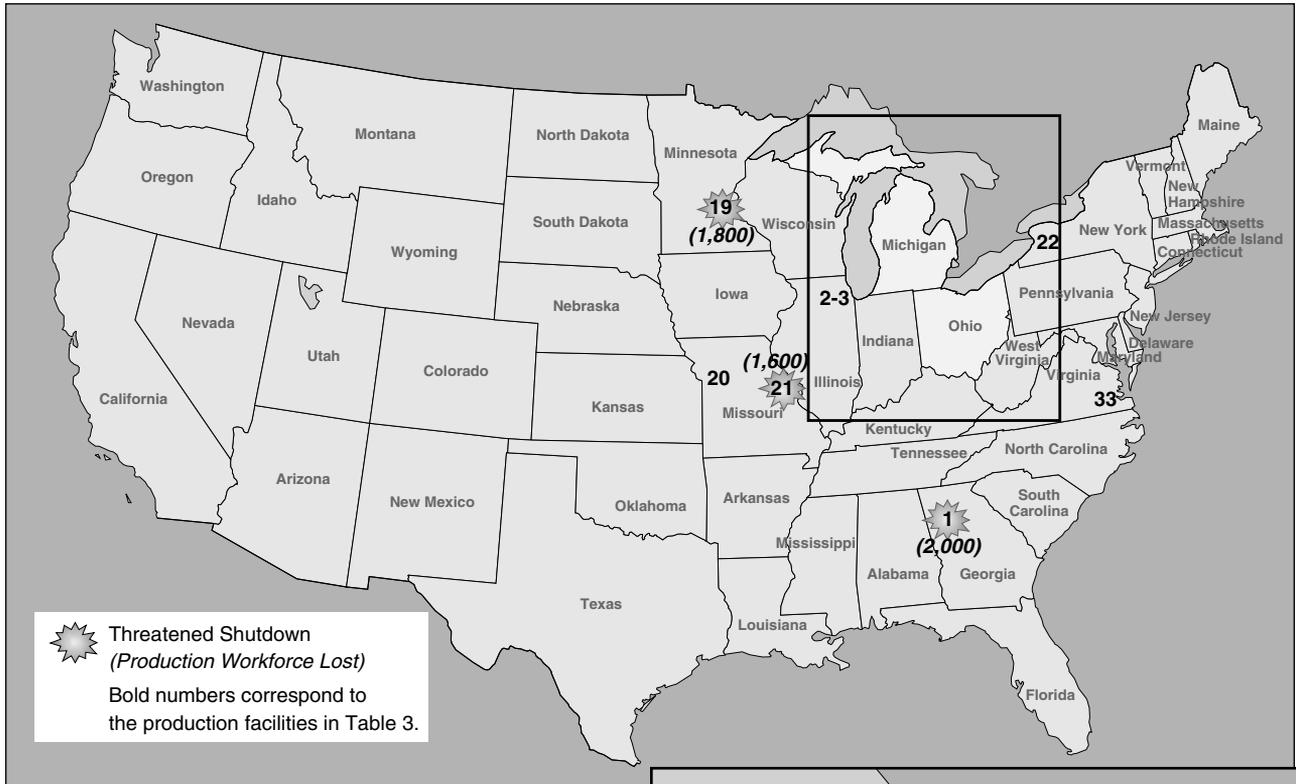
6. Special attention must be given to the crucial ratio of physical output and standard of household consumption per capita and per square kilometer for the entirety of the population and territory of each sovereign national economy. This means that nations with relatively higher average national values of this type must feed the technological

upgrading of economies downstream, and that more advanced economies must specialize in exports and related practices which have the effect of upgrading the physical standards of living and physical-productive output per capita and per square kilometer of downstream nations. This will be fostered largely through the creation of long-term credit for physical-capital improvements at simple interest rates of between 1-2%.

7. Since nearly all leading national banking systems are currently bankrupt, and since the present international monetary-financial system is hopelessly bankrupt under any attempted continuation of current policies, the crucial immediate issue is keeping essential banking institutions functioning, even in a state of bankruptcy, to such effect that the resolution of bankrupted institutions' honorable debts occurs over the span of some reasonable horizon, and that worthless claims, such as financial-derivatives speculation, are debrided as uncollectible gambling debts.

FIGURE 3

**Critical Auto Capacity To Be Saved: Ford Threatened Shutdowns**



Source: Ford Motor Company; EIR.

## Bill Ford's Message on Auto

Ford's plants shown, and others, are threatened with shutdown to be announced in January 2006. Chairman William Ford called on Nov. 22 for Congressional intervention. Lyndon LaRouche, on Nov. 26, responded:

If we allow the U.S. auto-manufacturing industry to be destroyed, the U.S.A. becomes a virtual "Third World" nation overnight. The nation's machine-tool-design capability, most of which is tied up in the U.S. auto-manufacturing firms, is lost.

The loss of employment of that machine-tool design segment of that part of the labor-force, means many times that number of employees out of jobs, with no other place to go.

The loss of auto plants means an economic disaster, approaching ghost-town proportions, for what are already highly vulnerable entire towns, counties, and cities, even states of the union throughout many parts of the country. This could set off a chain-reaction collapse much, much worse than

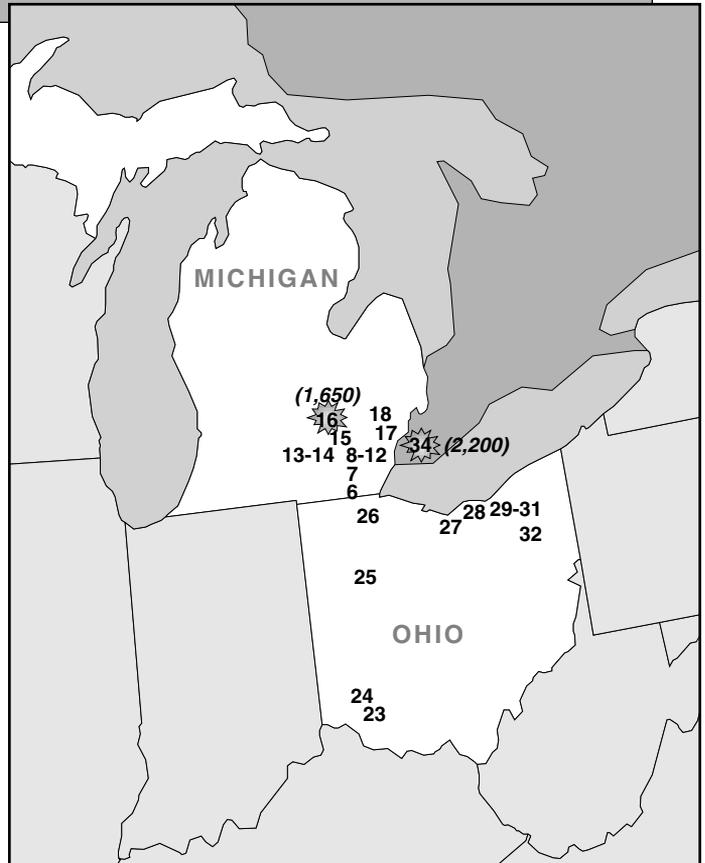


TABLE 3

**Ford Production Facilities, 2005**

No.	State	City	Type of Facility	Hourly Workers	Salaried Workers	Plant Million Sq. Feet
1.	<b>Georgia</b>	Atlanta/Hapeville	Assembly	1,978	174	2.8
2.	<b>Illinois</b>	Chicago	Assembly	2,635	196	2.8
3.		Chicago	Stamping	1,428	164	2.0
4.	<b>Kentucky</b>	Louisville	Assembly	3,239	208	3.2
5.		Louisville	Truck Assembly	5,311	345	4.6
6.	<b>Michigan</b>	Flat Rock	AutoAlliance Int'l	3,281	339	2.7
7.		Woodhaven	Stamping	1,718	182	4 acres
8.		Dearborn	Engine	766	143	2.3
9.		Dearborn	Diversified Mfg	662	89	1.0
10.		Dearborn	Stamping	783	80	?
11.		Dearborn	Tool & Die	437	43	0.4
12.		Dearborn	Truck Assembly (check)	2,600	200	2.3
13.		Wayne	Truck Assembly	3,200	200	2.9
14.		Wayne	Stamping & Assembly	3,108	225	3.5
15.		Livonia	Transmission	1,952	182	3.3
16.		Wixom	Assembly	1,663	167	4.7
17.		Romeo	Engine	1,320	198	2.0
18.		Sterling Heights	Transmission	1,467	214	2.0
19.	<b>Minnesota</b>	St. Paul	Assembly	1,805	160	2.1
20.	<b>Missouri</b>	Kansas City	Assembly	5,140	315	4.7
21.		St. Louis/Hazelwood	Assembly	1,589	153	3.2
22.	<b>New York</b>	Buffalo	Stamping	1,431	155	2.4
23.	<b>Ohio</b>	Batavia	Transmission	1,480	265	1.8
24.		Sharonville	Transmission	1,672	264	2.4
25.		Lima	Engine	1,080	210	2.4
26.		Maumee	Stamping	651	70	0.8
27.		Lorain	Assembly	1,557	132	4.1
28.		Avon Lake	Assembly	2,159	194	3.7
29.		Cleveland/Brook Park	Casting	1,717	200	1.0
30.		Cleveland/Brook Park	Engine #1	924	106	2.0
31.		Cleveland/Brook Park	Engine #2	1,139	125	1.4
32.		Walton Hills	Stamping	846	83	1.1
33.	<b>Virginia</b>	Norfolk	Assembly	2,429	182	2.8

Source: Ford Motor Company; *EIR*.

President Herbert Hoover's foolish reaction to the 1929 crash, a Hoover program which cut the U.S. economy in half over the 1930-March 1933 interval.

Cutting back on automobile manufacturers' plants and payrolls is not a sane alternative. As Ford Chairman Bill Ford emphasized in his recent statement, the answer is to diversify the product line. The key to any sane approach is to accept the reduction in the number of automobiles produced by U.S. auto-makers, but to replace that work immediately with a switch to other categories of technologically very high-grade products which the auto industry's machine-tool capacity is uniquely qualified to design and produce. Members of the U.S. Congress are already focussing attention on urgently needed mass-transit systems, power-generation and distribution systems, and other urgent needs of the nation.

### Reversing Deindustrialization by 2020— Build High-Speed Rail Networks

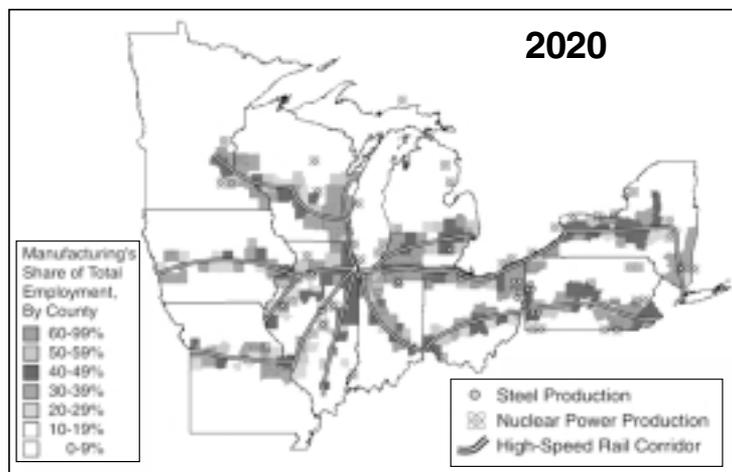
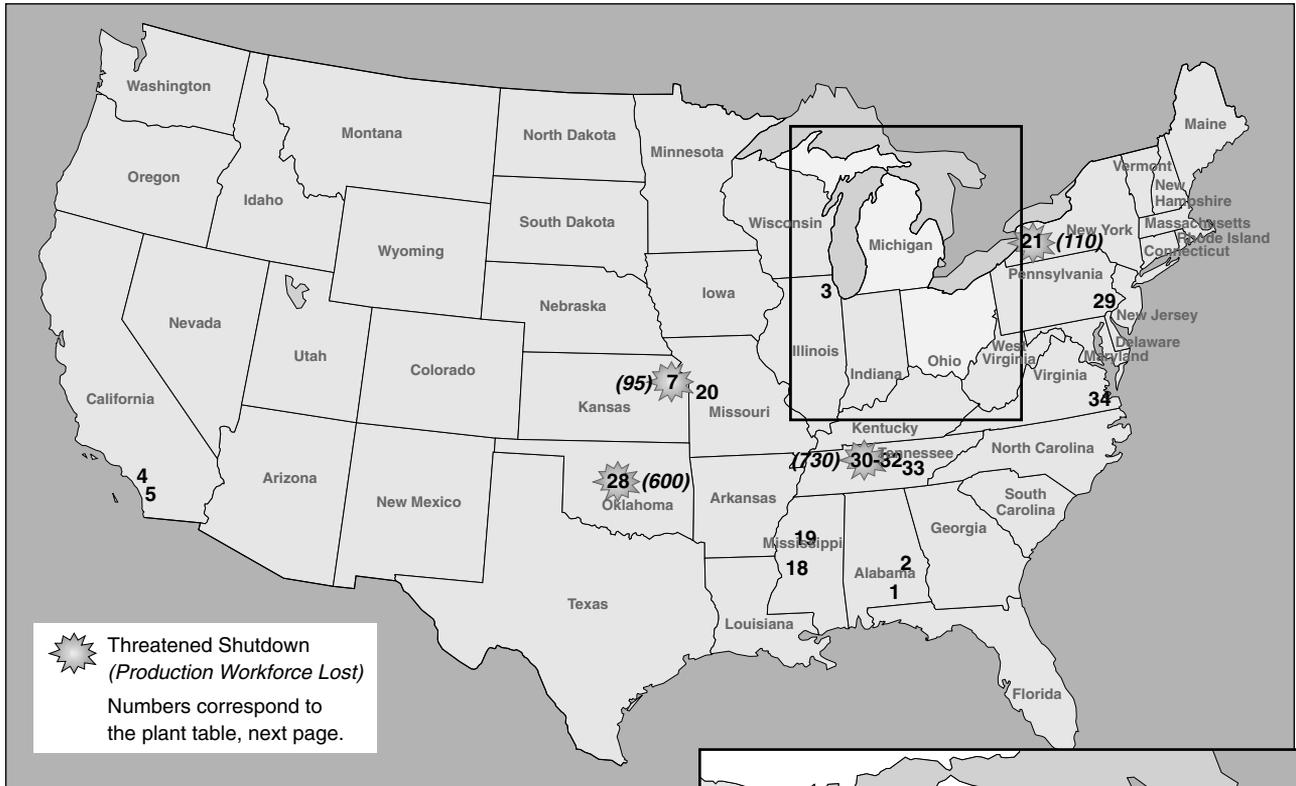


FIGURE 4

**Critical Auto Capacity To Be Saved: Visteon Threatened Shutdowns**



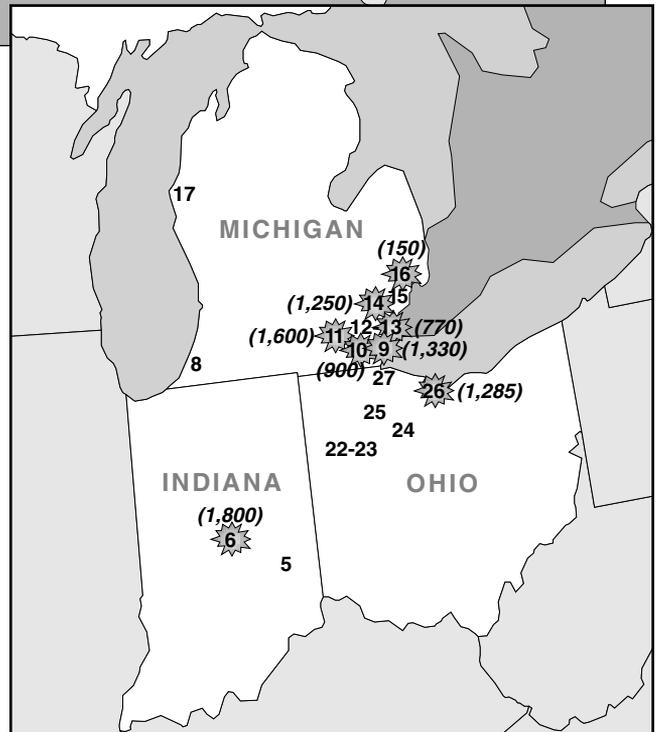
Sources: Delphi Automotive; Anderson Associates; EIR.

**LaRouche: Put Auto Under Federal Protection**

At Lyndon LaRouche’s Oct. 12, 2005 webcast, a Senate staffer asked him to discuss his “strategic bankruptcy reorganization” policy, and answer the criticism that it was a form of “nationalization.” LaRouche responded:

“In the past we have, in situations like this, we have put an entity or a group of entities under Federal protection, not with the intent of [nationalizing] them, but of reconstituting them. I don’t think you’d get many people enthusiastic about bailing out some of the management of General Motors or Delphi. . . . From our standpoint, we have to look at this as a government, from a standpoint of national interest, national strategic interest.

“We need machine-tool capability. We need the means to implement machine-tool capability. We have tremendous needs in this country for a railway system, for a magnetic levitation system, for improved, many kinds of systems. We do not need to save the capabilities of GM, Delphi, and so forth for the specific business of automobiles. We need to save the capacity, for producing the kind of product this combination can produce! And, producing it in the areas in which people are presently employed: Because, the other side of the thing, is, you don’t really have people working in some place. You have people who have families, are embedded in communities, several generations, in communities. These are



family-related communities. There are all kinds of complexes, stores, other industries, all kinds of things tied together. . . .

“Now, what we need is, we need a mass-transit system. Preferably we need a maglev system: Because, with a maglev system we can get people from a railroad station on the West Coast

TABLE 4

**Visteon Production Facilities, 2005**

No.	State	City	Type of Facility	Hourly Workers	Salaried Workers	Plant Million Sq. Ft.
1.	<b>Alabama B</b>	Elba	Air Induction Systems	105	15	0.1
2.	<b>Alabama</b>	Shorter	Front End Module	140	25	0.2
3.	<b>Illinois</b>	Chicago	Cockpit Modules	250	35	0.2
4.	<b>Indiana</b>	Bedford	Fuel Delivery Modules	900	100	0.4
5.	<b>Indiana</b>	Connersville	Compressors	1,200	200	1.9
6.	<b>Indiana A</b>	Indianapolis	Steering Components	1,800	300	
7.	<b>Kansas A</b>	Kansas City	IP/Lamp Assembly	95	15	
8.	<b>Michigan</b>	Benton Harbor	Consoles			0.1
9.	<b>Michigan A</b>	Monroe	Chassis	1,330	220	
10.	<b>Michigan A</b>	Milan	Powertrain	900	150	
11.	<b>Michigan A</b>	Saline	Interiors	1,585	265	
12.	<b>Michigan A</b>	Ypsilanti/Rawsonville	Powertrain	1,800	300	
13.	<b>Michigan A</b>	Ypsilanti	Chassis	770	130	
14.	<b>Michigan A</b>	Plymouth	Climate Control	1,245	205	
15.	<b>Michigan A</b>	Sterling Heights I & II	Chassis/Test Labs	2,960	490	
16.	<b>Michigan A</b>	Chesterfield Township	Seating Foam	155	25	
17.	<b>Michigan A</b>	Shelby Township	Interiors/Exteriors	1,415	215	
18.	<b>Mississippi</b>	Canton	Cockpit Modules	220	25	0.1
19.	<b>Mississippi</b>	Durant	HVAC Cooling Modules	150	10	0.1
20.	<b>Missouri</b>	Concordia	Fuel Tanks	80	10	0.1
21.	<b>New York</b>	West Seneca	Compressors	110	85	0.3
22.	<b>Ohio B</b>	Delphos	Air Induction Systems	115	20	0.1
23.	<b>Ohio B</b>	Delphos	Air Induction Systems	190	30	0.1
24.	<b>Ohio B</b>	Tiffin	Air Induction Systems			0.2
25.	<b>Ohio B</b>	Bowling Green	Air Induction Systems	130	20	0.1
26.	<b>Ohio A</b>	Sandusky	Lighting	1,285	215	
27.	<b>Ohio B</b>	Toledo	Mfg	35	5	
28.	<b>Oklahoma A</b>	Tulsa	Glass	600	100	
29.	<b>Pennsylvania</b>	Lansdale	Mass Air Flow Sensors	570	140	0.1
30.	<b>Tennessee A</b>	Nashville	Glass	730	120	
31.	<b>Tennessee</b>	La Vergne	Consoles	200	30	0.1
32.	<b>Tennessee</b>	Smyrna	Cockpit Modules	175	15	
33.	<b>Tennessee</b>	Sparta	Alternators	160	25	0.2
34.	<b>Virginia</b>	Chesapeake	Fuel Tanks	65	15	0.1

A = Facility in Ford Motor Company's "Automotive Components Holdings, LLC," as of Oct. 1, 2005.

B = Visteon has controlling minority interest in facility.

Sources: Visteon; Ford Motor Company's Automotive Components Holdings, LLC; *EIR*

to a railroad station on the East Coast, about as fast as you can get there by plane, when you think of all this stuff about going through the ticketing, and all the moving back to airports and so forth. You can certainly do that with that kind of system, your intercity connections become highly efficient. You would never use short-haul air flights as a way of transportation between urban centers, because you can do it more cheaply and quickly by maglev. You even have high-speed rail, which is a compromise in many cases. We have improved qualities of high-speed rail, of the type they are using in some parts of Europe, for example, it'll work.

"We can do that. We can produce plants by breaking the job down, we can produce power plants, new ways of making power

plants. Now it takes a number of years, three, five years to build a power plant. We can speed that up by redesigning the job. . . .

"So therefore, we need the increased production. We have to change from a services economy to a producer economy, now. If we don't maintain the integrity of our machine-tool sector, our machine tool-industrial sector, we can't do it! We become a Third World country.

"And, if we have to put the industry under Federal protection, to keep it running, in order to maintain the capacity, and keep these communities functioning—the tax-paying communities? maybe that will get through to some of the Congressmen! Then, we should do it. This is not a question of nationalizing!"

# The Locusts Plead For 'Fair Treatment'

by Mike Billington

Franz Müntefering, the former chairman of the German Social Democratic Party (SPD), told a party conference in April that private equity funds and hedge funds had descended upon German industry like “swarms of locusts,” draining corporations of their productive wealth and labor for short term gain, with great harm to the nation’s interests. “Some financial investors don’t waste any thoughts on the people whose jobs they destroy,” said Müntefering. “They remain anonymous, have no face, fall like a plague of locusts over our companies, devour everything, then fly on to the next one.”

On Dec. 7, David Rubinstein, the founder of one of the leading “locusts,” the Carlyle Group, spoke before the prestigious Institute for International Economics (IIE) in Washington, D.C., calling upon the great powers of Wall Street and the U.S. government to join forces to demand “fair play” for these multi-billion dollar speculators, against foes such as Müntefering. None of the assembled financiers and investors appeared to appreciate the irony of Rubinstein’s protestations.

## ‘We’re Taking Over the World’

Rubinstein was not shy about extolling the incredible power of the private equity funds he was speaking for. He bragged that the funds are “taking over the world,” that “equity funds now dominate Wall Street,” and that “mergers and acquisitions are now almost entirely done by private equity funds.”

The combined private funds now manage over \$770 billion, provided by the world’s richest people, leveraging that amount five-fold, by borrowing about 80% of the money used for their corporate buyouts. They provide returns of 30% a year and more to their clients, while reaping huge fortunes for themselves.

Rubinstein honestly recounted how the system used to determine the funds’ cut of the loot comes straight from Venice—the same Venice which still today serves as the model for financial-oligarchical interests against those of sovereign nation states. The “fondi” of Venice, in sending out their ships to trade in silks, gold, and slaves, would charge only 1-2% as a fee, but would take 20% of the profits. And such is the practice of the funds still today, as they subvert the sovereignty of nation states in order to bring wealth—and power—to the modern-day doges they represent.

But, explained Rubinstein, these funds are running into opposition, as some national leaders seem to believe that they have the right to defend their industries and their nations against the “shareholder value” of the funds’ clients. Rubinstein complained that he had been picketed at a speech he gave recently in Germany, where posters portrayed him as the “head locust.” “They complain that we are shutting down factories and eliminating jobs,” he said, but they don’t appreciate that “we are bringing the concept of shareholder value to Europe’s inefficient social state policies,” and thus helping them become more efficient. He added that Japan is also causing problems, by imposing a 20% “withholding tax” on foreign equity funds which come to buy out their industries. Rubinstein noted that this “withholding” is effectively a real tax, since “none of the equity funds want to file the disclosures required to retrieve the withheld funds.”

“The U.S. government must do something to make sure U.S. capital is treated fairly overseas,” Rubinstein said, without so much as a titter in the audience. One problem, he added, is that, “with all the lobbies in D.C., there is no lobby representing the interests of the private equity funds on The Hill.” This is particularly humorous since it is well known that private equity funds in general, and the Carlyle Group in particular, are virtually synonymous with “The Hill.” Rubinstein himself was in the Carter Administration, and Carlyle has had on its payroll the likes of former President George H.W. Bush and former Secretary of Defense Frank Carlucci. Nor is it the U.S. government alone which runs a revolving door at Carlyle, as former British Prime Minister John Major once headed Carlyle Europe, and similarly around the world. What lobbyists could be found with greater inside influence than these?

## Dinosaurs

Of course, it is not Franz Müntefering alone rallying against the cancerous growth of the private funds. Even Jochen Sanio, president of Germany’s Federal Financial Supervisory Authority, warned earlier this year that the funds “posed a risk to the stability of the financial system,” calling them a “black hole” that needed to be brought under proper regulation.

Rubinstein was asked by an *EIR* representative to respond to recent published reports by Standard and Poor’s and the *Wall Street Journal*, expressing the concern of corporate leaders that private equity and hedge funds have used their mounting strength on corporate boards to divert profits needed for development as payouts to stockholders.

On hearing the name *EIR*, IIE director C. Fred Bergsten ran up to the podium to whisper in Rubinstein’s ear that he should be careful, LaRouche is here! Rubinstein dodged the question, claiming that he knew nothing of such matters, and falsely asserted that private equity funds are nothing like hedge funds.

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# Business Briefs

## *Automotive Sector*

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### **Kirk Kerkorian On His Way To Strip GM Bare**

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Kerkorian, the asset stripper who bought 9.9% of GM this year, has forced his agent onto the GM board, with asset stripping, labor gauging, and forced bankruptcy on his mind. Jerry York, who has worked with Kerkorian in past exploits, was taken onto the GM board on Dec. 7. According to the *Financial Times*, York's contract with Kerkorian literally begs him to use bankruptcy, either the threat or the real thing, as a weapon to force labor to accept even more draconian cutbacks. York is to receive 4% of any profit Kerkorian makes on his \$1.68 billion investment into GM, but nothing at all if the stock never rises above the buying price. As the *Financial Times* says, the contract "gives him a reason to go for the all-or-nothing gamble." Since CEO Rick Wagoner has stated that bankruptcy is "not an option," the *Financial Times* writes, Kerkorian and York "would have to oust Mr. Wagoner first."

At a meeting of the GM Board on Nov. 6, Wagoner fended off any efforts to oust him, but the chief financial officer of GM, John Devine, was replaced by the current head of European operations, Fritz Henderson. Henderson is identified as the heir apparent to Wagoner, and is praised by the *Financial Times* for "pushing through 10,000 German job losses in the face of union opposition."

## *Argentina*

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### **Pres. Kirchner Calls For Social Responsibility**

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When President Nestor Kirchner made the official announcement Dec. 7 on the issuance of a \$1.5 billion credit line to be extended through the state-run Banco de la Nacion for productive investment, he called on gathered business leaders at the Presidential Palace, to show a great deal of "so-

cial responsibility," to ensure that their profit levels are balanced with protecting the general welfare. "There are . . . methodologies that will allow us to reconcile interests, such that those who stay at home, those who are working hard, will absolutely be protected by a responsible State and by an Argentine business class that will become the vanguard of this country's transformation." He also called for "the responsible support of Argentine workers and their organizations, to achieve balance that will provide us sustainability in growth."

Kirchner noted that the subsidized interest rates offered are well below the market rate, and expressed the hope that the rest of the financial sector would follow the government's lead in lowering its rates as well. The credit offered has a very specific destination, he said, "and we hope that all those sectors of production, of industry . . . will be able to access it, and this will truly be a very important key to achieve the goals we all desire." The Argentine President also said he hoped that national producers would use the loans to buy goods produced in the country, where available, and to produce for the *internal market*. It is very important "to continue working for the development of national industry, for Argentina's reindustrialization," he said.

## *Brazil*

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### **Nuclear Power Provides Economic Security**

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Sergio de Queiroz Duarte, now retired, was a long-time Brazilian diplomat and Foreign Ministry official, including being Ambassador-at-Large for Disarmament and Non-Proliferation, as well as heading the May 2005 Review Conference of the Nuclear Non-Proliferation Treaty, or NPT. He was interviewed by *EIR*'s Marsha Freeman in Washington, D.C. on Nov. 14, 2005.

On sanctions, such as against Iran, he said: "I think that sanctions are a weapon that most of the time has not given the results that they were supposed to give. Sometimes sanctions backfire. In the question of tech-

nology, if you isolate a country, that makes it more entrenched in whatever it is doing that is the object of the sanctions."

Asked why Brazil is going ahead with its uranium enrichment program, he emphasized that he is retired, so he can't speak for Brazil. But "uranium enrichment could give Brazil the means to build a weapon if we continued turning the centrifuges. But this is why we are discussing the issue of verification with the International Atomic Energy Agency.

"But it is not legitimate to yield your industrial methods, because you may have discovered a number of things that are of advantage to you in the international competition for fuel supply. This is what you have in Brazil, which is keen on protecting both its credibility and its industrial methods.

"It's not only not to be dependent upon others [that countries develop nuclear energy]. It's also because these resources are finite. Today, Brazil is almost self-sufficient in oil, extracting from its own sources, 85-90% of its consumption of oil. . . .

"One day the [oil] reserves of Brazil and the rest of the world will be exhausted. Oil will cost \$100 to \$120 a barrel. That is why Brazil thinks it is important to develop its own nuclear energy producing capacity."

## *Petroleum*

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### **Venezuela Subsidizes Bronx Heating Oil**

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Venezuela's government-controlled Citgo Petroleum has made deals with three non-profit housing groups in the Bronx, one of the burroughs of New York City, to deliver heating oil at 45% below present market price. Venezuela has also sold oil at a discount to a Massachusetts energy co-op, and other such deals are in the works. This comes at a critical time, since Congress was blocked by the White House from adding funding to the Low-Income Home Energy Assistance Program (LIHEAP), leaving America's poor at risk of a chilly New Year. Heating oil and natural gas delivery futures are at record levels, and climbing.

## Cheney Treading In Quicksand

by Michele Steinberg

The Bush Administration is “a dying regime,” stated U.S. political leader Lyndon LaRouche to an international audience at an *EIR* seminar in Berlin on Dec. 6. And the only thing that can really save the Bush Presidency, is for Vice President Dick Cheney to be ousted.

“The President is breaking up,” LaRouche said. “He’s not capable intellectually of understanding what he’s doing.” In contrast, he said, “Cheney is a criminal. He’s a murderer.” At the same time, LaRouche noted that Cheney is no superman—and that he can be defeated.

Indeed, in the aftermath of the strategic move on Nov. 17 by Rep. John Murtha (D-Pa.), a retired Marine Colonel and 37-year veteran of the U.S. military, to introduce a resolution to redeploy U.S. troops out of Iraq “at the earliest practicable date,” Cheney has been weakened, to the point that he could be ousted, preferably by resignation, but by impeachment if necessary. And the record of Cheney’s crimes is being reviewed—carefully—by Democratic members of the Senate Select Committee on Intelligence.

“We’re moving to take the government back” in Washington, said LaRouche, and with Cheney out, it would be possible to “handle” Bush.

Ironically, as LaRouche was speaking in Berlin, all hell was breaking loose around Cheney because of the visit of U.S. Secretary of State Condoleezza Rice, to the newly elected Chancellor Angela Merkel. As the issue of the Cheney-Rumsfeld-Bush policy of secret prisons, “renditions” of abducted prisoners, and the use of torture grabbed the headlines of major German and other European newspapers reporting on Rice’s trip, the same strategic battle in which LaRouche plays a major role in Washington, had come to Berlin.

Meanwhile, an even larger battle was unfolding in Washington, where Congress had just returned from a recess—with Cheney’s support for torture, and his record of lies about Iraq

at the top of the agenda.

Since Oct. 5, Cheney has been on a crusade to *stop* the Congress from outlawing torture by any U.S. official: military, CIA, or any other U.S. intelligence agency. The ban on torture was passed as an amendment to the Defense Appropriations Bill, sponsored by Republican Sen. John McCain (R-Ariz.), a former prisoner-of-war in Vietnam, by a landslide vote of 90-9. The Senate was defying a threat to veto the bill, delivered by Dick Cheney to the Senate in July. After this vote, Cheney’s first line of offense was to pressure Sen. John McCain (R-Ariz.) to change the amendment; and the second line of offense has been to prevent the bill, with the amendment, from going to the floor of the House of Representatives.

Then, on Dec. 8, Cheney’s dirty tricks, threats, and pressure on behalf of torture, came to the fore, when Rep. Steny Hoyer (D-Md.) revealed that the Republicans were trying to undercut the House rules governing the passage of appropriations bills, to do Cheney’s dirty work. At issue is the fact that Rep. Jack Murtha has prepared a “Motion to Instruct” the House members who will confer with the Senators on the appropriations bill, to adopt the exact anti-torture provisions that the Senate passed. To become law, the identical bill must be adopted by both houses. So, Cheney’s twofold strategy is to postpone the appointment of conferees in the House, while trying to “break” McCain and the Senate support for the ban on torture *before* the bill goes to the conference committee. The informal vote counts taken by both Republicans and Democrats indicate that the anti-torture bill will pass by a landslide in the House.

### Condi Takes Heat for ‘Torquemada’ Dick

The torture issue is what could finish Cheney off, and it could be soon. On Dec. 8, the acting House Majority Leader, Rep. Roy Blunt (R-Mo.), said that the defense appropriations

bill will be on the House schedule for the week of Dec. 12. It could be the chance to end Dick Cheney's political reign, given the growing revolt against America's "Torquemada." And it is the disastrous European trip by Rice that may be the trigger.

Everywhere she went, Condi was hounded by questions about the U.S. torture of prisoners, and secret CIA prisons and transport flights of prisoners by the CIA in Europe. Her repetition of Bush's silly words that the U.S. doesn't "condone" torture—when everyone has seen the photos and videos of Abu Ghraib—was ridiculed everywhere.

Why should anyone believe Rice, columnist Maureen Dowd asked in the *New York Times*, on Dec. 7, "with Torquemada Cheney slouching around Capitol Hill trying to circumvent John McCain and legalize torture at the CIA's secret prisons?"

On Dec. 6, the torture issue blew up in Rice's face, when Chancellor Merkel announced at the press conference after her private meeting with Rice, that the case of the U.S. abduction of Khaled El-Masri, a German national of Lebanese descent, "was accepted as a mistake by the U.S. government." Both Washington and Rice's travelling delegation flipped over the use of the word "mistake," a term that is not permitted in the Bush-Cheney White House. A barrage of U.S. denials and other pressures were thrown against Merkel. But the German government stood firm. "The statement by the Chancellor, as she said it yesterday, was valid," said a spokesman for the German government, "and . . . I do not need to interpret it any further."

What Condi found is that Germany and other European countries are under great pressure from their parliaments, and population, for playing *any* role—in condoning by silence, or in allowing secret U.S. prisons in their countries, or allowing CIA clandestine prisoner flights to land on their soil.

For Germany, it is an especially hot issue, because the victim, Khaled El-Masri, had just filed a lawsuit against former CIA Director George Tenet, for the months-long ordeal, which began when he was abducted in December 2003, and secretly flown to Afghanistan, where he was tortured and abused in an attempt to squeeze information out of him. It turned out that El-Masri was the wrong man.

To make matters worse, when El-Masri, who was cleared of all charges and released by the CIA, tried to get into the United States to attend the Dec. 6 filing of his lawsuit, he was prevented from entering by the Department of Homeland Security. The suit was filed anyway, with his attorney, Anthony Romero, telling reporters, "Kidnapping a foreign national for the purpose of detaining and interrogating him outside the law is contrary to American values. Our government has acted as if it is above the law." Speaking to the press via video hook-up, El-Masri said, "I am asking the American government to admit its mistakes and to apologize for my treatment. Throughout my time in the prison, I asked to be brought before a court, but was refused. Now I am hoping that



*Sinking fast.*

an American court will say very clearly that what happened to me was illegal and cannot be done to others."

After being repeatedly slammed, Rice, on Dec. 7, cited the 1994 U.N. Convention Against Torture—which the U.S. has signed—saying that the use of cruel, inhuman, and degrading treatment is prohibited under this treaty and that policy is extended to "U.S. personnel wherever they are, whether they are in the United States or outside of the United States." According to the *New York Times*, Rice herself had instructed her staff to solicit a reporter to ask her about torture, so that she could make this explicit statement. But whether it is sophistry, or a change in policy, away from the Cheney-Addington-Gonzales legal permitting of torture, will be shown by what happens next in Dick Cheney's career, including the upcoming House vote on the anti-torture amendment.

### **Cheney Sinking Fast**

In an insightful commentary published Dec. 9, Ray McGovern, who was an analyst for 27 years with the CIA, and who founded Veteran Intelligence Professionals for Sanity (VIPS), said that the European reaction to Rice's statements to torture could be summed by what appeared in the Dec. 7 issue of *Sueddeutsche Zeitung*, a widely respected German newspaper.

McGovern writes: "Under the title 'Justice à la Rice,' the editor 'translated' her message into these words: 'The end justifies the means and terrorism can be fought with borderline methods on the outer edges of legality. . . . Rice came to Germany to begin a new era . . . [and] resoundingly failed to do so. Injustice remains injustice. . . . On this basis you cannot re-launch the trans-Atlantic relationship.'"

Ironically, it is not Rice, but Cheney, against whom the "erstwhile friends in Europe," were reacting, says McGovern. But, "while the vice president hides behind her skirts," Cheney himself may be held accountable soon. Cheney, writes McGovern, "whose unbridled chutzpah has led him to take public as well as private credit for being the intellectual author of U.S. policy on torture, has become such a glaring liability that his tenure may be short-lived. *There is a growing possibil-*

ity that the vice president will resign at the turn of the year for 'reasons of health,' [emphasis added] and that his partner-in-crime—in what Colin Powell's former chief of staff at the State Department, Col. Lawrence Wilkerson, has labelled the 'Cheney-Rumsfeld cabal'—will choose to retire to his home in Taos early next year."

Indeed, Cheney is sinking fast. But, it must be noted that most people make the mistake in reading history that because it deals with events that have already happened, the outcome was predetermined. Despite all the indicators, and good reasons for Cheney to go, as the LaRouche movement has been insisting since *before* the 2004 elections, it will not happen without a political fight—with no compromises by Republicans like McCain, or by Democrats.

## A Record of Crimes

A battle map is required for those who are engaged in this political fight; these events show just how vulnerable Dick Cheney and his neo-con cabal are:

- On Nov. 29, in an interview with BBC, Col. Lawrence Wilkerson, the chief of staff to former U.S. Secretary of State Colin Powell from 2001-2005, virtually accused Cheney of war crimes. Asked "Is Dick Cheney then guilty of a war crime?" for allowing torture and the terrorizing of prisoners, Wilkerson answered: "Well, that's an interesting question—it was certainly a domestic crime to advocate terror and I would suspect that it is—for whatever it's worth—an international crime as well."

In the same interview, Wilkerson indicated he could spill the beans on how Cheney's office cooked up false intelligence on Iraq for the disastrous Feb. 5, 2003 speech given by Powell at the UN. He calls that speech the "lowest point" of his life.

- Also Nov. 29, Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, shocked Washington when he boldly contradicted Defense Secretary Donald Rumsfeld on the issue of torture, at a Pentagon briefing.

- On Dec. 3, the forged Niger yellowcake documents returned to haunt Cheney and his neo-conservative liars, with press coverage that the FBI had *reopened* the investigation of *who* forged the documents. This time, reported the *Washington Post*, the investigation would look into American citizens as the source of the forgery, and whether the Iraqi National Congress's Ahmed Chalabi was involved. That is *exactly* the direction for the investigation that *EIR* author Jeffrey Steinberg specified in his Nov. 4, 2005 *EIR* article, on Michael Ledeen, White House terrorism "consultant" and leading neo-con.

- On Dec. 5, an article surfaced in the Italian paper *La Repubblica*, quoting a former French counterespionage official, Alain Chouet, who said that his agency had twice investigated the claims that Iraq was buying uranium from Niger, and both times concluded that there was no truth to the report. One report, claims Chouet, occurred before former U.S. Ambassador Joe Wilson made a similar inquiry for the CIA in

February 2002, and one after. Both times, the French told the CIA that the information was bogus.

Several days later, Italian authorities in Rome announced that they are reopening their investigation into the Niger forgeries.

- On Dec. 7, Special Counsel Patrick Fitzgerald, the U.S. Attorney who indicted Cheney's right-hand man, Scooter Libby, for perjury and obstruction of the grand jury, made his first appearance before a new grand jury. Fitzgerald indicted Libby in the probe of who in the White House leaked to the press the identity of Valerie Plame Wilson, a covert CIA agent married to Ambassador Joe Wilson. The most exposed person in the Libby indictment is Cheney, who first revealed Plame's name.

## Mama to the Rescue?

In response to this, Cheney has turned to his closest ally: Dr. Lynne Cheney, the "brains" in the family, the Ph.d., author of 8 books, and scholar at the neo-conservative temple, the American Enterprise Institute. But if Dick is a liar, Dr. Lynne Cheney is utterly nuts, with lies so blatant that she may have sunk her husband for good.

On Nov. 30, Mrs. Lynne Cheney took to airwaves of the Diane Rehm Show on National Public Radio to defend Dick against mounting criticism. But she lost her cool when asked by callers about Wilkerson's accusations of her husband's war crimes. Lynne Cheney hissed that the question "doesn't deserve a response." Still determined to defend her man, she resorted to a bold lie—denying that Dick Cheney had ever said there was a connection between Saddam Hussein, al-Qaeda, and the 9/11 attacks! "Dick never said there was a connection, *because there isn't*," she exclaimed.

EIRNS immediately recovered six major instances where Cheney had *insisted* on a connection of the 9/11 hijackers to Iraq—even after the CIA and the DIA had debunked the information. For example, Dick Cheney said the following:

- On March 24, 2002, to NBC: "We discovered . . . the allegation that one of the lead hijackers, Mohamed Atta, had, in fact, met with Iraqi intelligence in Prague."

- On Sept. 14, 2003, to "Meet the Press": "We learned more and more that there was a relationship between Iraq and al-Qaeda that stretched back through most of the decade of the '90s, that it involved training, for example on BW and CW [biological and chemical warfare], that al-Qaeda sent personnel to Baghdad to get trained on the systems that are involved."

Even as late as January 2004, Cheney was citing the Al Qaeda/9-11 connection. Now, these lies are the first things on the agenda of leading members of the Senate Intelligence Committee. Last month, the DIA declassified one document showing that in February 2002, they already knew the information about al-Qaeda training in Iraq was false. Now, Sen. Carl Levin (D-Mich.) has requested the declassification of four more DIA documents on the same subject.

# Military Spokesmen Taking the Lead Against Bush's Iraq War Fiasco

by William Jones

When President Bush on Dec. 7 gave the second of four scheduled speeches on the Administration's Iraq policy prior to the Dec. 15 elections in Iraq, touting "success" before a rather somber crowd at the Council on Foreign Relations (CFR), and focussing on this occasion on the economic reconstruction efforts, he was immediately met by a barrage of responses from leading Democrats, including that *bête noire* of the White House, Pennsylvania Rep. John Murtha, exposing the fallacy of Bush's claims. The counterposition reflects the truth of what Murtha said in response to questions later: There are only two positions on Iraq, the President's and his.

The relentless attacks by Murtha, a highly decorated Marine with 37 years of military service, who, in a dramatic move last month, had called for a redeployment of U.S. troops to points outside of Iraq within the next 6-12 months, has opened the floodgates to opponents in the Congress, which had hitherto been extremely cautious in their criticism of the war. As a Congressman who has always shown himself a defender of the needs of the U.S. military, Murtha's attacks have teeth.

Not only does Murtha's war record far outshine that of any of the neo-con warhawks in the Administration—most of whom, like that master of mendacity and subterfuge, Vice President Dick Cheney, had taken deferments to military service—but Murtha's critique reflects much of the pent-up anger in the uniformed military over the botched Iraq policy. Murtha himself indicated that this was the case in his Dec. 7 press conference. "I'm basing this on information I have from the military, based on information of the people I talk to, not only the hospitals I visit, but the generals I talk to, the retired generals I talk to. And they're as frustrated as I am about what's going on."

Both Cheney and Defense Secretary Donald Rumsfeld have gone out "on the hustings," together with the President, in order to try to rally support for their failed policy. While these highly choreographed speeches before select military audiences usually elicit the appropriate "whoas" and "hoorahs" of troops who have been hyped up by their commanders, Bush's attempt to elicit similar positive response from a hastily gathered CFR crowd on Dec. 7 fell flat, with his lines about finishing the fight receiving only faint applause.

Commenting on Bush's speech on Dec. 7, Murtha rejected the President's claims of progress in the reconstruction effort.

"I can only measure progress by what I see and the things that I can actually measure, not by what they say are brigades and so forth and so on." Murtha said. "Now, water production: We put \$2.1 billion into water production. They're short of water all over the country. And they have only spent \$581 million."

Presenting a chart with electricity demand and the amount of electricity actually generated, he showed how the post-invasion electricity generation only sporadically reached the line of pre-war electricity generation, much less reaching the level of actual demand. "Now, there's one other area where I measure progress, and that's incidents," Murtha said. "Incidents have increased fivefold in the period of time that—well, a year ago. A year ago there were five times less than today."

## LaRouche Doctrine Revisited

While Murtha has been attacked by Cheney and the Administration for his policy, he remains firm in his position and on the offensive, and insists that public opinion is swinging his way. While he acknowledges receiving some calls that attacked him, and being called a few names by his opponents, the great majority of people have supported him. To those who object that a U.S. withdrawal will lead to civil war, Murtha insists that we are already in a civil war in Iraq, and, by remaining there, U.S. troops have become the target. "The Iraqis don't want us there," Murtha said. "Eighty percent want us out of there, and 45% say it's okay to attack Americans. And the whole periphery say there's more chance of democracy if we get out of there. So the sooner we get out, in my estimation, the better off we'd be."

When *EIR* asked Murtha if he would be in favor of bringing the other regional powers, including Syria and Iran, into a security agreement which would help create stability in Iraq, Murtha replied: "Well, I think we have to do it. I think once we pull out, we'll be able to talk to them. I think until we pull out, we won't be able to, because of our credibility."

Another major critic of the Cheney Iraq policy has been former National Security Agency Director Lt. Gen. (Ret.) William Odom. Also reflecting views widely held by many in the U.S. military and intelligence community, Odom does not mince his words, provocatively entitling one of his articles, "What's Wrong With Cutting and Running?" Like

Murtha, Odom envisions a withdrawal of U.S. troops as the necessary prerequisite for creating the basis for charting a diplomatic solution. “U.S. withdrawal from Iraq is the precondition to winning the support of our allies and a few others for a joint approach to the region,” Odom wrote, in an article on the NiemanWatchdog website. “Until that has been completed, they will not join such a coalition.”

When *EIR* broached the question of bringing together the regional powers, including Syria and Iran in a security arrangement, as outlined by Lyndon LaRouche in his “Southwest Asia: the LaRouche Doctrine” paper, widely circulated in Washington in April 2004 (*EIR*, April 30, 2004), Odom expressed agreement. “Establishing relations with Iran is one of the most important things we could do,” he said.

In an interview with John McLaughlin on Nov. 27, Odom had also reflected such a concept: “I believe that stabilizing the region from the Eastern Mediterranean to Afghanistan is very much an American interest, one we share with all our allies as well as with several other countries, especially China, Russia, and India.”

Similar thoughts had also been expressed by Republican Sen. Chuck Hagel (R-Neb.), a Vietnam veteran long a critic of the Iraq debacle, in a speech made to the CFR on Nov. 15, in which he proposed convening a ministerial-level regional security conference on Iraq, which would include the regional powers Turkey, Jordan, Iran, Syria, Kuwait, Saudi Arabia, and Egypt. “Creating a formalized regional mechanism is vital for security in the Middle East,” Hagel told the CFR. “Although a regional mechanism does not assure Iraq’s success, the active involvement of the countries in the region allows a more promising future of stability for Iraq and lessens the chances for civil war and sectarian violence.”

### Marching to a Different Drummer

The growing unwillingness by the U.S. military to be used as the “enforcers” of a policy that has gone totally awry was also evidenced somewhat more directly in a public tiff at a press conference on Nov. 29 between Secretary of Defense Rumsfeld and Gen. Peter Pace, the chairman of the Joint Chiefs of Staff. When asked about what U.S. soldiers must do when they see evidence of torture going on, Pace replied, “It is absolutely the responsibility of every U.S. service member, if they see inhumane treatment being conducted, to intervene, to stop it.” Rumsfeld then tried to correct the general, saying, “I don’t think you mean they have an obligation to physically stop it, it’s to report it.” But Pace held his ground: “If they are physically present when inhumane treatment is taking place, they have an obligation to try and stop it.”

Rumsfeld was so peeved by Pace’s response, that he brought up the issue again on Dec. 5 in a speech to students at the Johns Hopkins School of Advanced International Studies (SAIS), “And so reporting something that looks amiss is good,” Rumsfeld told the SAIS audience. “Orally trying to stop something that looks amiss, to me, sounds very reason-



[www.house.gov/murtha](http://www.house.gov/murtha)

*Rep. John Murtha (left) rejected Administration claims about reconstruction in Iraq: “I can only measure progress by what I see and the things I can actually measure. . . .”*

able. And then the next question is: What level of force should they use to try to stop it, if they see it happening in a country where they don’t know the laws, they don’t know the culture, and it could vary depending on whether it was being performed—the abusive act or the seemingly inhumane act or possibly illegal act, whether it’s being performed by an official of that government, a policeman or a soldier, or just by someone else?”

The Secretary’s “concerns” undoubtedly reflect the immoral and illegal Cheney-Rumsfeld policy on torture, which were most clearly manifested in Dick Cheney’s attempt to exempt the CIA from the blanket restrictions on torture mandated by the legislation being introduced by Senator John McCain. But the dichotomy between the civilian leadership of the Cheney-Rumsfeld cabal and the U.S. military, who have had to fight a war and conduct an occupation under very aversive conditions with insufficient equipment, insufficient personnel, and lack of strategic vision, has become more and more of an open fissure.

Another indication of the growing outrage in the population to the Cheney-Rumsfeld policy, is the formation of a new organization, Families of the Fallen for Change, which is demanding a change in policy. The new organization already comprises several hundred relatives of fallen soldiers in the few weeks it has existed.

But the necessity for policy changes lies not with the U.S. military, nor with the relatives of fallen soldiers, but with Congress, and particularly with the U.S. Senate. Only they can put a stop to the insanity perpetrated on the land by these ghouls around puppet-master Dick Cheney. If more of them would show the grit of that seasoned Pennsylvania ex-Marine on Capitol Hill, the quicker this costly fiasco would be terminated.

# Congressional E-Hearing: A National Dialogue on Auto Sector Crisis

by Anita Gallagher

*The Democrats on the U.S. Congress House Committee on Education and the Workforce, under the leadership of Ranking Democrat George Miller (Calif.), have stepped into the exploding crisis in the American auto industry by setting up an E-Hearing for a national discussion on the auto crisis among auto workers, retirees, Democratic Congressional representatives, local elected officials, and the American citizenry.*

*The E-Hearing, titled: "The American Automobile Industry in Crisis: Threats to Middle-Class Jobs, Wages, Health Care, and Pensions," is accepting testimony from Dec. 6 until through Dec. 15 from auto workers, retirees, and local elected officials. The Hearing can be accessed at <http://www.edworkforce.house.gov/democrats/autocrisis.html>. In the first 24 hours alone, 500 people e-mailed testimony, according to Committee staff.*

*With General Motors CEO Rick Wagoner's Nov. 21 announcement of 30,000 layoffs, and the hoked-up filing of Chapter 11 bankruptcy by GM parts supplier Delphi's CEO Steve Miller on Oct. 8—both of which threaten the pensions and health care, as well as the jobs of the auto workers—this is a clear emergency. Whole towns and sections of the U.S. economy will disappear if auto disappears.*

*But, there is an even more fundamental issue, which Democratic spokesman Lyndon LaRouche has emphasized. If the United States were to lose the machine-tool component of the auto industry, America would become a third world nation. "The modern machine-tool capability, in the labor force, is the crucial part of any modern economy. If you have not got an effective machine-tool capability, a large-scale capability, you do not have a modern economy! You're a second-rate, or third rate economy." LaRouche says, the auto industry should not produce more cars; rather, convert its machine tools—as it has done on many occasions in the past—to produce urgently needed infrastructure, like rail cars and nuclear plants.*

*The Hearings include an "empty chair" blank space reserved for the testimony of General Motors CEO Rick Wagoner, and Delphi CEO Steve Miller. The following are excerpts of some of the testimony posted as of Dec. 7:*

**Rep. George Miller of California:** This is a crisis in urgent need of Congress's attention. . . . The rise of the auto industry made the modern American economy possible. The

hard work and commitment of the auto workforce set the standard for American productivity and American employment. For decades, auto workers have proven that, for working people, a decent standard of living and a share in the American Dream were possible. They fought for, and earned, family-supporting wages, affordable health care for those working and those retired, and a fair pension that guarantees a secure retirement in old age. These basic employment standards have long served as a benchmark for other workers and companies.

But all that is under serious threat now. . . . Congress should be paying attention. For far too long, this Congress has refused to hear the voices of working people. . . [W]e aim to give working people and their communities a voice in this Congress. . . .

**Rep. Dale Kildee of Michigan:** The recent bankruptcy announcement by the Delphi Corporation and the announcement that General Motors will be closing a number of plants across the country have sent shockwaves through an already struggling domestic manufacturing sector, which has lost roughly 3 million jobs since 2001.

These losses will add to the 45 million people currently without health insurance and the nearly 13 percent of Americans living in poverty. This is unacceptable. Congress must act to help our fellow Americans who are hurting. . . . Over 1 million Americans rely directly on the auto industry for their livelihoods, and millions more Americans are indirectly dependent. . . .



Our nation sorely lacks any semblance of an industrial policy, and without this we face the structural downsizing of our entire economy. . . . Eliminating tariffs and allowing companies to exploit foreign labor has destroyed entire American industries and has resulted in the highest American trade deficit ever, placing America at a huge economic disadvantage.

That is why I have sponsored H.R. 4407, legislation to place a moratorium on all free trade agreements negotiated by the United States. . . . Our current domestic trade policy encourages the closing down of American factories and mov-

ing them overseas. . . . This race to the bottom has real consequences. . . .

**Rep. Major Owens of New York:** This crisis threatens the American Dream for thousands of our hardest working citizens and their families. Delphi . . . wants to slash the current hourly wages of its workers in half, from \$27 an hour to \$10-\$12.50 an hour. . . .

What is happening to Delphi workers, who are UAW members, is happening to GM workers, too. Mind you, these draconian wage, benefit, and pension cuts are NOT being proposed for the Delphi and GM executives. Just the opposite is being planned. Delphi wants to reward 600 of its executives with an additional \$400 million. Letting auto industry executives get much richer at the same time that the middle class dream is being withdrawn from hard-working autoworkers is not simply unjust. It's un-American. . . .

**Rep. Tim Ryan of Ohio:** . . . The widespread effects of the Delphi bankruptcy are going to be felt around the country and will affect tens of thousands of workers and their families. It is time that Congress and the Bush Administration wake up to the harmful results of our current trade initiatives and renew our loyalty to the American worker by putting in place a pro-manufacturing trade policy. . . .

**Rep. Emanuel Cleaver, II of Missouri:** . . . [O]ur middle class has been put on the "Endangered Species" list!

. . . First, employees and their families are taking pay cuts, giving up health care benefits and basic care, and their pension benefits are being pirated in order to keep facilities open. After the pay and benefit cuts, American workers are still losing their jobs because plants and facilities across the nation are being closed, even after workers have given up their health care and retirement benefits.

There are now 1.4 million more unemployed workers than in January 2001. The cost of health insurance has risen nearly 60%, and yet over the same period of time, wages have increased only by 12%. Our federal minimum wage is an unlivable \$5.15 an hour. Delphi employees only make \$10.51 an hour, so a full-time worker would make \$20,231.75 before taxes. . . . America was built by manufacturing. Together, we must work together to keep jobs, benefits, and programs that ensure health care and the ability to live. . . .

**Gov. Jennifer Granholm of Michigan:** . . . Delphi counts 15,000 Michigan employees in its base, and GM's recent announcement means that thousands of additional jobs—direct and indirect—are at risk. All told, our workers, retirees, hundreds of auto suppliers, and the automakers themselves could lose billions of dollars in wages, benefits, and profits in the next few years. . . .

I have also asked President Bush to meet with automotive sector business and labor leaders, as well as with senior

elected officials, to implement federal policies that address this vital sector of the national economy. I hoped that the President would respond by offering to work with our automakers, their suppliers, and millions of workers. Instead, on December 5th, while traveling with the President, his top economic advisor said no specific federal attention is needed for the severe problems facing this sector, and we can leave American automobile manufacturers behind, while telling thousands of displaced workers that "the overall economy is strong." My message to the President is this: "We need you to stand up for our manufacturing employers, not turn your back on them and their workers."

. . . I urge all members of Congress to examine the impacts of America's manufacturing competitiveness on the families and communities you represent, and join with other concerned Members to support near-term actions that will protect working families, while allowing our manufacturers to compete—and win—in the global marketplace.

**Ron Gettelfinger, president, United Auto Workers, and Richard Shoemaker, vice-president and director, General Motors Department:** The crisis in the auto industry is much bigger than any one company, or even one industry. It represents a crossroads for our economy and our country. What's at stake is the kind of future we will choose for America and its working families. . . .

The U.S. automotive manufacturing model is broken. . . .

With fair trade and a level playing field, American companies and workers can compete in a global economy—not on the basis of poverty-level wages, but on our productivity, quality, and capacity for innovation. . . .

Congress should require that all trade agreements have strong, enforceable workers rights protections. This will prevent a race to the bottom. . . .

**Bruce McAttee of DeWitt, Michigan:** First, let me say that I am a UAW International Rep, but I am also a GM employee who still relies on GM for the majority of my pension.

The pension problem in America is shameful, but not half as shameful as [the] complacency and ignorance involved in allowing slow, deliberate, dismantling of an entire class of people. We live in a country where workers are at risk of losing their jobs and the pensions they've counted on in their so-called "Golden Years," while corporate executives run companies into the ground and take huge severance packages.

When I look at the difference between the attitude of Americans six years ago and now, I see one word that explains it, "Hope." Young people today don't have much. Hope made this country great. It's time we restore it.



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# National News

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## Miss. GOP Leaders Hit Katrina Funding Neglect

Mississippi Gov. Haley Barbour (R), testifying Dec. 7 before the Bush-appointed House Select Committee on Hurricane Katrina, chastised Congress for its inaction in approving desperately needed funds for infrastructure rebuilding in Mississippi. He said “recovery and renewal efforts” are now “stalled.”

Two days earlier, U.S. Sen. Thad Cochran (R), who chairs the Senate Appropriations Committee, flanked Bush’s inadequate \$17 billion Katrina relief proposal by crafting a package which doubled the amount, calling for an additional \$18 billion. Cochran’s \$18 billion adds \$11.5 billion to Bush’s \$1.5 billion request for Community Development Block Grants to help uninsured homeowners to rebuild and repair their homes. Senator Trent Lott (R-Miss.) on Dec. 2 criticized the recovery effort, calling on Bush to exert “leadership to ensure the Federal government fulfills its commitment to Mississippians.”

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## NAM Echoes Pelosi Call For Science Driver

The National Association of Manufacturers (NAM) held a “National Summit on Competitiveness” Dec. 6, urging a program parallel to House Minority Leader Rep. Nancy Pelosi’s proposals in her Dec. 2 Boston speech, which she called a “Commitment to Competitiveness.” Pelosi described the NAM-sponsored Summit, held at the U.S. Department of Commerce, as “the Bush Administration following our lead,” and welcomed bipartisan cooperation on the initiatives, in a statement released the same day.

In his keynote address to the summit, NAM President John Engler called for:

- Increasing federal investment by 10% over the next seven years in physical sciences, engineering, and mathematics.
- Doubling the number of bachelor degrees in science, math, and engineering by

2015, and increasing the number of science and math teachers in grades K-12.

- Reform of immigration policies so more foreign-born students can study and work in science.

Fifty-five corporate CEOs, university presidents, and scientists participated in the day-long summit, “and pressed cabinet secretaries and members of Congress for more research and development funding,” according to an NAM press release. Participants described memories of the Apollo space program and the 1960s emphasis on science and math education which got them into science careers.

The new program was put forward by NAM head Engler, the former Republican governor of Michigan who was known for austerity policies. Engler credited Rep. Frank Wolf (R-VA) for initiating the competitiveness summit, with help from Republican Congressman Sherwood Boehlert of New York, Chairman of the House Science Committee, and Vernon Ehlers of Michigan, Chairman of the House Environment Technology, and Standards Subcommittee.

Engler referenced the NAM’s recently released “2005 Skills Gap Report” showing that U.S. companies are unable to find the skilled workers they need, and that some developing nations turn out more engineers than we do.

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## Abramoff Partner Kidan To Plead Guilty and Sing

Adam Kidan, the organized-crime-linked partner of Jack Abramoff, wants to plead guilty and provide information against Abramoff and anyone else in the Abramoff orbit that the Federal government cares to indict, reported the Florida newspaper, the *Sun-Sentinel*, Dec. 8.

This is bad news for Abramoff associate Rep. Tom DeLay (R-Tex.), who had to step down from his post as House Majority Leader because of a fraud indictment, and Abramoff’s “padrone,” Dick Cheney, who appeared at a legal defense fundraiser for DeLay in Texas Dec. 5.

Kidan has known Abramoff since their days as “Young Republicans” in the 1970s.

Kidan and Abramoff were partners, along with Michael Scanlon, a former Tom DeLay top aide, in a bid to buy the gambling cruise ship line, Sun Cruz, using fraud. When complications interfered with the deal, the owner of Sun Cruz, Guy Boulis, ended up dead, in a mafia hit.

After Kidan and Abramoff were indicted for fraud in the Sun Cruz case, Kidan was implicated in the case against the killers of Boulis—two organized crime “hit men” from the Gotti crime family in New York. Now Kidan wants to plead guilty and testify against both Abramoff, and against the mob hit men who allegedly killed Boulis.

If Kidan pleads guilty and cooperates with the Florida U.S. Attorney, this catches both Abramoff—and potentially Tom DeLay—in a vise: In Washington, D.C., Scanlon, who was *not* indicted in the Sun Cruz case, is spilling the beans on Abramoff’s Congressional network, and in Florida, Kidan would provide information against Abramoff for other shady operations.

In the Washington, D.C. prosecution, where Scanlon pleaded guilty, one of the criminal acts involves favors (that is, bribes) paid to Ohio Republican Congressman Bob Ney, who praised Kidan in the attempt by him and Abramoff to take over Sun Cruz. Ney has been notified that he is also a target of the grand jury investigation.

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## House Bill Calls for Free Trade Moratorium

Dale Kildee (D-Mich.) introduced bill H.R. 4407, on Nov. 28, which calls for a “moratorium on all free trade agreements negotiated by the U.S.” for two years, as a way to “reverse domestic trade policy that has [devaluated] U.S. workers, small businesses, farmers, the environment and the economy.” Kildee argues that NAFTA, CAFTA, and all the FTAs—all of which he opposed—have resulted in the loss of millions of jobs, and threaten “entire industries that were once the bedrocks of this country.” Kildee referenced the bill in his e-hearing testimony submitted to the House Education and Workforce committee on the auto crisis.

## Sharon's Gambit Signals Weakness of the Right

by Dean Andromidas

Israeli Prime Minister Ariel Sharon resigned as chairman of the Likud party on Nov. 21, taking 13 of the party's 40 Knesset members. Forming a party called Kadima (Forward), he took three non-Likud Knesset members, including Haim Ramon and Dalia Itzak of the Labor Party, and independent Knesset member David Tal, with him. Then on Nov. 30, former Labor Party Chairman Shimon Peres, defeated by Amir Peretz in the Labor Party leadership race on Nov. 9, quit the Labor Party to jump into bed with Sharon, to become his "peace envoy."

While Sharon is convinced his latest maneuver will propel him once more into the prime minister's seat in the upcoming March 28 election, well-known Israeli military historian Meir Pa'il told *EIR* that the reality is that Sharon's splitting of the Likud has put the right wing's largest faction into a "process of disintegration. This is good news, no matter what Sharon's own intentions might be." With the disintegration of the right, Pa'il welcomed the election of Peretz as new Labor Party leader, which is now transforming the entire political landscape, allowing an open debate for the first time on "what Israel must do for the next generations." Pa'il, who is also a member of the pro-peace Meretz-Yahad party, said that a successful future for Israel requires a withdrawal from the West Bank, and a peace treaty with the Palestinians. With the remains of the Likud in the hands of leaders like Benjamin Netanyahu and Uzi Landau, the Likud will continue to be in disarray. He said, Netanyahu and Landau are "Israeli Jewish fascists, I would *not* call them Nazis, but they are fascists."

Sharon intends, with his latest gambit, to defeat Amir Peretz and the new agenda Peretz has set for the country. Peretz is demanding an end to the radical free-market economic policies implemented by Netanyahu, when the latter was Finance Minister in Sharon's government. These policies have resulted in widespread poverty, leaving one in four Israeli children living under the poverty line. And Israeli pen-

sioners have been seen rummaging through garbage bins.

Just as important, and just as dangerous for Sharon, Peretz is orienting his campaign toward political developments in Washington, where Lyndon LaRouche is playing a leading role in mobilizing Democratic and Republican party support for the ouster of Vice President Dick Cheney, Sharon's number-one benefactor in Washington. Within days of his election as head of the Labor Party, Peretz held private meetings with former President Bill Clinton and Sen. Hillary Clinton (D-N.Y.), who were in Israel attending events commemorating the tenth anniversary of the assassination of Yitzhak Rabin. The Clintons have been playing key roles in this political process in Washington.

### Forward to Peace or War?

With Sharon's new party's name, Kadima, his spin doctors are putting out the propaganda line that Sharon intends to march "forward" towards peace and security. But the reality is quite the opposite. The only "peace policy" Sharon has been speaking of is the so-called "Road Map" for a Middle East peace, which was still-born three years ago, when it was first announced by President George W. Bush. Sharon has not implemented one single item of the plan, with the excuse that he is waiting for Palestinian President Abu Mazen (Mahmoud Abbas) to "stop terror." Sharon has made clear he can wait forever, so he is implementing his real agenda of building his Berlin Wall of the Middle East, and grabbing 58% of the West Bank, while preparing Israel for possible war against Iran and Syria.

The same day that Peres announced his intention to join Sharon, the head of Israeli Military Intelligence, Gen. Aharon Zeevi Farkash, let the cat out of the bag. In testimony before the Knesset Foreign Affairs and Defense Committee, he stated that by the end of March 2006, Israel must be prepared

to take military action against Iran to prevent it from producing nuclear weapons.

"If by the end of March 2006 the international community will have failed to halt Iran's nuclear weapons program, diplomatic efforts will be pointless," said Farkash. "Iran has the upper hand in negotiations with the international community." The "end of March" happens to be right after the election scheduled to take place on March 28.

Although he did not detail other options, according to the report in the Nov. 30, 2005 *Jerusalem Post*, sources on the Knesset committee said Farkash was referring to the military option.

Military commentator Ze'ev Schiff, writing in the Nov. 23 edition of the Israeli daily *Ha'aretz*, warned that Sharon's security chiefs might not wait until after the election, and could launch provocations that could have a serious influence on the election. Schiff warned, "The interim period that the Israeli political system has entered, and the resultant shock waves it is going through, necessarily intensify sensitivity to security. The fact that the current government is left without the balancing ministers, and the crash of the ruling party on the shoals, require extra caution."

Schiff referred to the fear that Israeli Chief of Staff Dan Halutz, Mossad chief Meir Dagan, and Shin Bet chief Yuval Diskin, will now lack "internal monitoring" and possibly launch targeted assassinations and other aggressive activity. "The loss of control and extremism in operational activity could re-ignite a wide-scale military clash. The internal political debate in Israel would be diverted from its main course, when judgment is influenced by security incidents, and not by the overall picture. . . ." Schiff called for an end of aggressive operations, such as targeted assassinations.

Schiff failed to mention the well-known fact that these three security chiefs have all been hand-picked by Sharon, and follow his orders.

As Schiff wrote these words, the Israeli military was continuing military operations in the West Bank, that could provoke terror attacks within Israel which would benefit Sharon, as he attacks Peretz for being "inexperienced" and soft on terror. On Dec. 5, Islamic Jihad did Sharon a favor by sending a suicide bomber into a shopping center in the town of Natanya, killing five Israelis and wounding scores of others. Sharon's ratings in the polls shot up and Peretz's went down.

### **Peres the Sophist**

While internationally Shimon Peres is treated as a noble senior statesman, within the Israeli political scene he has exposed himself as an opportunistic schemer. No one should be surprised by the move of Peres to undercut Amir Peretz and the Labor Party, where Peres spent almost his entire 60-year political career, to jump ship to join Sharon. Peres has been Sharon's partner and served as his diplomatic fig leaf for the last five years, while Sharon carried out a war of attrition against the Palestinians. Peres has also been one of the loudest

voices to attack Iran as the number one danger to Israel.

Peres's announcement that he's joining Sharon because of his commitment to "advance the peace process," was universally seen as mere sophistry. Labor Party Knesset member Ophir Pines Paz declared, "The Labor Party is committed to peace more than any other, and Peres's attempt to use peace as an excuse is pathetic." Peres is just as committed as Sharon to stop Amir Peretz, and like Sharon, is prepared to engage in mud-wrestling tactics. In a disgusting display of vindictiveness, Peres got his own brother, Gigi Peres, to slander Peretz, by making racist comments about Peretz's Moroccan background. Comparing Amir Peretz to Spanish dictator Francisco Franco, Gigi said, "Peretz and his people are a foreign body in the Labor Party. Like General Franco in Spain, they were the falangists who came from southern Spain, who came to infiltrate as a fifth column into Madrid, and destroyed the magnificent republic."

### **Peretz the Powerhouse**

Despite the media lies, Sharon's latest gambit is being made from a position of weakness, not strength. For over a year, Sharon had been conspiring with both Peres and the latter's opportunistic protégé, Haim Roman, the Labor Party Knesset member who has just defected to Sharon's party, to create a new party that would steal large numbers of members from both the Likud and Labor parties. But the Peretz victory reshuffled the political deck and put some fight back into the Labor Party. Sharon may now have 16 Knesset members by his side, but the momentum is expected to subside.

A powerhouse grass roots organizer, and chairman of the Histadrut trade union federation, Peretz has tremendous credibility among the masses of economically distressed Israelis. Born in Morocco, Peretz is seen as a powerful leader within the "Mazrahi" community, who are Jews born in Muslim countries of North Africa and South West Asia. Therefore Peretz represents a major danger to the populist Likud, whose primary base of support has been in the largely economically distressed Mazrahi community, and the new party Sharon has founded. Shrugging off the departure of Peres and Ramon, his political strategy is to bring new faces into Labor who are committed to implementing his new socio economic-peace agenda.

In what is being reported as a major blow to Sharon, Avishai Braverman, the highly respected president of Ben Gurion University of the Negev, rebuffed Sharon's invitation to join his new party, and then announced on Nov. 24 that he was joining the Labor Party. Speaking at a press conference, Braverman said he had resisted entering politics because of his work in building up his university, but "Amir Peretz's entry as the leader of the Labor Party, changed my decision." He said he was convinced that Peretz would bring about an "economic, social, diplomatic, and above all, moral" transformation of Israeli society. "I believe that the state of Israel is at a crossroads today. If Israel continues on its present path,

it will degenerate into a Third World country.”

Another new recruit to Labor is popular TV presenter Shelly Yachomovich, who, in a press conference declared, “I have a world-view and an agenda, and there are things that I want to change in the horror that is raging now. . . .” She said that she had been closely following Peretz for two decades, and that he is the leader she has confidence in.

It remains to be seen whether Sharon will win the election, since the polling agencies that say he will win, are the same polling agencies that predicted that Peres had the upper hand in the election for the chairmanship of the Labor Party, only to see Amir Peretz defeat Peres.

However, a poll on those seen to be corrupt politicians by Israeli citizens, was made public at the Sderot Conference for Society, in Peretz’s home town. The findings read like a who’s who of the top leaders of the Likud Party, Sharon’s new Kadima party, and the Sharon family.

Sixty-five percent of the public view Omri, Sharon’s son, as the most corrupt public official in Israel, and he is also seen as the most corrupt member of the Knesset; he recently pled guilty to violation of the election fundraising law, and criminal fraud in support of his father’s 1999 election campaign. Benjamin Netanyahu, who is running for the chairmanship of the Likud party, is seen as the third most corrupt public official, and 41% believe the title belongs to Ariel Sharon.

In terms of the most corrupt cabinet minister, first place goes to Tzachi Hanegbi, who recently left the Likud for Sharon’s new party. He is followed by Yisrael Katz, also a would-be contender for Likud chairman, and top representative of the settlers’ movement; then Education Minister Limor Livnat who is also running for the Likud chairmanship; then comes Finance Minister Ehud Olmert, who is now number two in Sharon’s new party, with Ariel Sharon in fifth place. by Ariel Sharon.

What can be said clearly, is that the fate of Sharon, Peretz, and the State of Israel, depends on what will happen in Washington. Sharon’s fate is intimately linked with that of Cheney. If the latter is booted out of the White House, Sharon might find himself in early retirement; and then there would be hope for Israel and the Middle East.

## **HOTLINE**

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## **South Asia**

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# **War on Terror Spawns Fresh Terrorism**

by Ramtanu Maitra

Since the Bush Administration’s invasion of Afghanistan in the Winter of 2001, and Iraq in the Spring of 2003, terrorism in South Asia, already present, has been given a new life. Despite statements issued by the London-Washington duo, in the real world, their war on terror is spawning more terrorists, in Arabia, the Afghanistan-Pakistan region, and elsewhere. Unfortunately, this fact has been kept secret not only in the United States, but in all of South Asia. National leaders in the South Asian region are either in a state of denial, or are finding it difficult to contradict what London and Washington are aggressively stating. The other likely reason these leaders are shirking away from stating the obvious, could be the fear of evoking the wrath of the Bush-Blair combo, who are surrounded by Islam-haters.

In this context, it is important to note that the South Asian terrorists are not only Muslims; a large number of them are Hindus, and there is a smattering of Christians in India’s northeast. In other words, terrorists in South Asia come in all colors, races, and creeds. Maoists of Nepal and India are Hindus and so are the Tamil Tigers of Sri Lanka. All of these terrorists have their causes to promote, and kill innocents. In Bangladesh and Pakistan, terrorists are Muslims, and through terrorist acts they plan to establish nations where Islamic laws would prevail—at least that is what they claim. In India’s northeast, which is chock full of tribal groups, many of the terrorists, particularly those who belong to the Naga and other tribes, are Christians, thanks to Christian missionaries who proselytized in northeast India for years, and continue to do so even today. Some of the Naga groups point out that they are Christians, and therefore they should be part of the Christian group of nations, and not part of India, which is a Hindu-majority country.

### **Denial or Compliance?**

But the level of denial goes even deeper. While New Delhi accuses Pakistani infiltrators of terrorist activities, and has a lot of evidence to establish that, it does not explain why the Hindu, tribal, and Christian-dominated northeast has remained in flames for at least four decades. It does not explain either why the Hindu-dominated Maoists in Nepal and the Indian Maoists in the states of Bihar, Madhya Pradesh, Orissa, Andhra Pradesh, and Karnataka carry on terrorist activities,

and why their terrorism is dealt with less stridently. It is likely that the Indian authorities are less concerned about Maoist terrorists than they are about their Islamic counterparts. It is also likely that it is perhaps politically correct, in the present world environment, to blame the Muslims for all the terrorism that happens in the region.

The state of denial has almost reached the level of absurdity in Bangladesh. On Aug. 17, 2005, at least 400 bombs went off in one day, covering every nook and corner of the country except one district. And yet, Dhaka is oblivious to these developments. The response to the serial bombings was insincere, to say the least.

As a result, terrorism is growing by leaps and bounds throughout Bangladesh. At least five people died, including two suicide bombers, and around 20 others were wounded in two bomb attacks on Nov. 14, which targeted Bangladesh's judicial system, in the country's southeast. Bangladeshi authorities said the latest wave of violence is aimed at judges, journalists, and politicians. According to intelligence reports, the financial resources at the disposal of the militants are huge and still growing. Reports indicate one of the larger extremist groups, Jamaat ul Mujahideen Bangladesh (JMB) spends roughly \$100,000 a year to maintain its full-time leaders and cadres, and close to \$800,000 for buying explosives, firearms, and for meeting its operational costs.

Following the Nov. 14 killing of judges, Dhaka circulated a compilation of four verses from the Holy Quran and the Hadith to media offices. The Arabic verses were followed by translations in Bengali, advocating moderation and condemning violence against fellow-Muslims. But the denial over the years has made terrorism in Bangladesh a problem of enormous magnitude. If one takes into account the corresponding lack of capabilities of the law enforcers to deal with these terrorists, the picture that emerges is a frightening one.

## Indian Terrorists

The denial does not change the realities on the ground. In India, for instance, a series of bombs exploded in the capital city of Delhi on Oct. 29, a few days before a very important Hindu festival, Deepavali, and killed dozens and injured many others. This sent the message that the terrorists are capable of hitting at ease, even at the heart of the capital of India. According to Indian intelligence agencies, at least five instructors from the Jaish-e-Mohammed and Hizbul Mujahideen, and two from the Lashkar-e-Toiba had planned the Delhi bomb blasts with the help of eleven others who provided logistics, or carried out the explosions. The agencies also said that all the instructors were from across the border in Pakistan, while some of their helpers were from the Indian-part of Jammu and Kashmir.

But the Delhi bomb blasts are only one part of growing terrorism in India. In fact, one has to simply scan the local newspapers to find out about the worsening law and order

situation in India's northeast and its border areas with Bangladesh. According to latest reports, India's northeast is on the verge of experiencing a wave of terrorist violence on an unprecedented scale. The first worry of the law and order people there is that New Delhi's negotiated cease-fire in 1997 with the Naga tribes, particularly with the powerful Naga rebel group, the National Socialist Council of Nagaland, Isaac-Muivah (NSCN-IM), could break down before the end of January 2006.

If the delicately held cease-fire breaks down, New Delhi knows the consequences could be severe. NSCN-IM had long been adamant on the sovereignty question, demanding a unified Naga territory, called Nagalim, carved out of north-east India. Fearing its weakening position, the NSCN-IM has upped the ante and has brought up its demand for sovereignty, being fully aware that no government in New Delhi can accept that. But any way one slices it, a breakdown in the cease-fire would unleash more terrorism in India's northeast, a vital strategic area of which the mainland Indians know very little.

The other concern of New Delhi centers around the information that seven Chinese arms suppliers, from Hong Kong and Macau, have made contact with the leaders of the United Liberation Front of Asom (ULFA) in Bangladesh. Reports indicate that large caches of arms have come to the ULFA groups. The arms moved through northern Myanmar to reach Bangladesh. Indian authorities are concerned because it shows the broadening of the network that could keep the ULFA strong, and the northeast in flames in the coming days.

## The Maoist-Terrorists

Some parts of India are reeling under the Maoist-terrorist threats. The Indian Maoists, known earlier in the 1960s as Naxalites, have since changed their name, and have proliferated. Some of them even have put on political garb and are trying to be legitimate. Throughout the virtually ungoverned state of Bihar and the jungles of Madhya Pradesh, Orissa, and Andhra Pradesh, Maoists have emerged as the law. They have developed large dumps of arms, and intelligence reports suggest that the Indian Maoists are not only working hand-in-glove with their Nepali counterparts, but have developed a close business relationship with the mother of all terrorists, the Tamil Tigers of Sri Lanka.

A report published in the Indo-Asian News Service on Nov. 29, 2005, says that 570 persons were killed in Maoist violence in India, in the first ten months of 2005. The Indian Minister of State for Home Affairs, Sriprakash Jaiswal, in a written reply in the Parliament on Nov. 29, stated 1,353 Maoist-related incidents were reported in which 570 civilians and police personnel were killed. Property worth \$12 million was destroyed in the violence, Jaiswal added. Andhra Pradesh topped the list with 448 incidents, in which 163 civilians and 15 police personnel were killed. The terrorism situation in

northeast India and Nepal has the potential to get much worse because of the rapidly deteriorating developments taking place in Bangladesh.

### After the U.S. War on Terror

The emergence of terrorism in Bangladesh is directly linked to the forces Washington identifies as al-Qaeda. According to intelligence reports, which are vehemently denied by the Bangladeshi authorities, Osama's number two, Ayman al-Zawahiri, visited Bangladesh in 2000, hosted by the orthodox Salafist Islamic party, Jamaat-e-Islami (JI).

There are also reports that beside Ayman al-Zawahiri and his al-Qaeda associates, terrorists from Pakistan, Afghanistan, Chechnya, and Myanmar have made Bangladesh their nesting ground. There could be a number of reasons why they chose Bangladesh. To begin with, Bangladesh enjoys a porous border with India's rebellious northeast, and a weakly governed northwestern Myanmar. This allows arms and ammunition to pour in by land from Southeast Asia and Indochina. Bangladesh's location on the Bay of Bengal also situates these terrorists in an important trade route of illegal arms. It is no secret that the terrorists use drugs for payment of arms. Drugs flow into Bangladesh from both Afghanistan and Myanmar. Coastal areas of Bangladesh stretching from the port city of Chittagong through Cox's Bazaar to the Myanmar border, have not

only become a hub of smuggling, arms dealing, and gun-running, but have also come under control of various militant Islamic groups, such as the Jamaat-e-Islami; its student wing, the Islami Chhatra Shibir; and the established terrorist groups, like the Jamiat-ul-Mujahideen and the Harkat-ul-Jihad-e-Islamic (HUJI).

In addition to the fundamentalist and terrorist groups, the area bordering Myanmar holds more than a 100,000 Muslim refugees from Myanmar's Arakan state. Known as Rohingya, they are the nemesis of the Myanmar authorities, and have been blamed for being the carriers of arms and perpetrators of crime in that area. Some observers believe the Rohingya are an important link between various Islamic terrorist groups operating inside, and outside, of Bangladesh.

By contrast, during the four years since 9/11, terrorism in Sri Lanka remained under control. That was due to the fact that the Tamil Tigers, by far the most well-organized of all South Asian terrorist groups, with links far and near, showed signs of battle fatigue, and were negotiating a political settlement of their dispute with Colombo with the help of Norway, a virtual front for the United States. However, that interlude is coming to an end. It is evident that the Tigers, while they maintained a cease-fire, never accepted peace as a policy option, and remained perpetually in a state of preparation for the next battle.

The election of Mahinda Rajapaksa, a hard-line Sinhala chauvinist, as Sri Lanka's President does not bode well for maintaining the cease-fire with the Tamil Tigers. Indeed, President Rajapaksa, in his policy statement at the opening of the new session of Parliament on Nov. 25, 2005, sought to impose new conditionalities on the LTTE under a revised cease-fire agreement that would "ensure the protection of human rights, prevent recruitment of children for war, and safeguard national security . . . [and the] creation of a Government infrastructure that will safeguard Sri Lanka's sovereignty, territorial integrity, unitary nature of the state" and replace "concepts of traditional homelands and self-determination" with that of the "freedom to exercise all the rights enshrined in the constitution"; concepts that would inevitably clash with LTTE's core demands of self-government, self-determination, and national liberation.

Reports indicate that the Tamil Tigers have begun to fatten their war chest. In its Dec. 2, 2005 issue, *Le Figaro* reported that the LTTE had collected an estimated \$120 million by targetting France's Tamil Diaspora. Quoting French intelligence officials, *Le Figaro* added that some 1,000 LTTE cadres enforce the collection of revolutionary tax among the 70,000-strong community.

Similar reports of fundraising have been received from Australia where, on Nov. 23, 2005, Federal Police officials arrested several alleged LTTE agents in Melbourne for fundraising and money laundering activities. This means that the next wave of terrorism in Sri Lanka may not be too far down the line.

#### COVERUP EXPOSED!

### The Israeli Attack On the 'USS Liberty'



"The Loss of Liberty," a video by filmmaker Tito Howard, proves beyond any doubt that the June 8, 1967 Israeli attack against the *USS Liberty*, in which 34 American servicemen were killed and 171 wounded, was deliberate. The video includes testimony from Liberty survivors, many Congressional Medal of Honor winners, and from such high-ranking Americans as Adm. Thomas H. Moorer, Adm. Arleigh Burke, Gen. Ray Davis, and Secretary of State Dean Rusk.

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## Amelia Robinson in Italy

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# 'Help Us Dump Cheney, Stop This Illegal War'

by Liliana Gorini

Amelia Boynton Robinson, the 94-year-old heroine of the African-American civil rights movement, vice president of the U.S. Schiller Institute, and close collaborator of Lyndon and Helga LaRouche, was on an official visit to Rome Nov. 28 to Dec. 4. She was received by the vice president of the Italian Chamber of Deputies, Hon. Alfredo Biondi, on Nov. 29, together with a delegation of women parliamentarians from the Democrats of the Left Party (DS), and Paolo Raimondi and Liliana Gorini, president and vice president of the Italian Civil Rights Movement Solidarity, LaRouche's co-thinkers in Italy.

Her visit came at an important political moment in Italy, as indicated by the high-level meetings she had, and the extensive press coverage she received, compared to her visit to Rome two years ago. The right-wing government of Premier Silvio Berlusconi is in deep trouble, because of Italy's presence in Iraq, with so-called "peace-keeping troops" who have found themselves involved in a war without end, and without sense. Despite some attempts by Berlusconi and his Econom-

ics Minister, Giulio Tremonti, to challenge the European Union's Maastricht restrictions on investment, and to promote national credit for infrastructural development, the general free-market policy of the government has made the Italian economic crisis even worse, and the population no longer believes Berlusconi's assurances that the recovery is just around the corner.

LaRouche's New Bretton Woods proposal had already been discussed in April 2005, in the General Assembly of the Italian Parliament, thanks to a petition to the government presented by the Left (even endorsed by representatives of the government coalition during the debate), which rejected the idea that financial speculation (as indicated by the large-scale Parmalat and Cirio bankruptcies) was "under control," as the government had claimed.

The official invitation to Mrs. Robinson at this time, precisely when the opposition is preparing for next year's national elections, after which it plans to replace Berlusconi with a left-wing prime minister, indicated the tremendous interest in the country on what the "true America" is doing to stop Cheney and the Iraq War, and to revive Roosevelt's tradition in the Democratic Party, around LaRouche's economic proposals. This became clear on the first day of her visit, when Hon. Silvana Pisa, who was leading the delegation of women parliamentarians of the DS who were received by Biondi, told Biondi during the official reception that Mrs. Robinson "represents the true America, and the Italian left is not anti-American, as people in the government claim; it just supports this America rather than Bush's." Biondi, who belongs to Berlusconi's government coalition, responded well to Amelia Robinson's comments on Bush's "illegal war," and

thanked her for her "beautiful words" about how she learned as a child living in Alabama, to be "color blind," and only look at the beauty that all human beings have inside themselves, as God's creatures.

Robinson then met 30 women parliamentarians of the DS, who were soon joined by their speaker of the House, and former speaker of the House Luciano Violante. Introducing the guest, Hon. Elena Montecchi told the audience: "I spend one month in the United States each year, and in 2004 I was there during the Presidential campaign, and I constantly met the LaRouche Youth Movement on various campuses, campaigning for LaRouche's New Bretton Woods. It's an honor for us to have you here at the Parliament, Mrs. Robinson, since your fights for voting rights in the '60s and to stop the war today are for us a reference point."



*American civil rights heroine Amelia Boynton Robinson was invited to Rome for an official visit Nov. 28 to Dec. 4, at the time the opposition to the pro-free market Berlusconi government is preparing for next year's national elections, in which it plans to replace Berlusconi. Here she is meeting with women parliamentarians of the DS party.*

## Robinson's Message

The message brought by Mrs. Robinson to this meeting at the Chamber of Deputies, and also to the seat of the European Parliament in Rome, was very clear: "The war in Iraq is illegal; it is opposed by the majority of the American people, and has been imposed by a group around Vice President Dick Cheney, using lies and false evidence. Italy can help us get rid of Cheney, by pulling out its troops from Iraq, and this will send a clear message to President Bush, who lives in the illusion he is being supported." At the European Parliament, where she met Lucia Annunziata, a famous Italian journalist and former head of RAI, the national TV, and Sen. Michele Lauria, she defined Bush as "selected, not elected." She reminded Senator Lauria—who had some problems with this definition, since America is considered an example of democracy—of the enormous funding Bush received from big corporations, at a time when he was just a "womanizer, with alcohol and drug problems," and also of the vote suppression in the last election, which was investigated by the U.S. Congress. She emphasized that Bush was chosen precisely because of his state of mind, since it would make it easier for Cheney and other warmongers to "pull the strings. . . . Now it is thanks to LaRouche and his youth movement," she continued, "which is distributing millions of copies of literature at the Congress, and all over Washington D.C., that we have a concrete possibility to change American policy. I implore you: Pull out your troops, and ally with the true America, that of Dr. King, that of Franklin D. Roosevelt, that of LaRouche."

## Robinson Honored for Her Civil Rights Battles

Robinson attended a conference organized by Articolo 21 (an organization set up to defend freedom of expression, as guaranteed by Article 21 of the Italian Constitution) and the daily *Il Manifesto*, to present a film on Bush's use of chemical weapons (white phosphorous) against Iraqi civilians in Fallujah. The editor-in-chief of *Il Manifesto*, Gabriele Polo, asked Robinson how this film has been received in the United States. "I have not seen it on American TV, but I have learned from a journalist of UPI based in Germany, named Benjamin, that in Fort Gordon, in Georgia, 80 U.S. soldiers back from Iraq with mental and physical problems are kept in a barracks without sanitation and without seeing any doctor."

Later, at a conference organized by the DS youth, she spoke of her battles in Alabama, along with her late husband Bill Boynton, 30 years before Dr. King came to the state, and then with Dr. King to achieve the Voting Rights Act of 1965, but also her battles today, alongside the LaRouche Youth Movement. Many young people asked her questions, and then



[www.margherita-online.it](http://www.margherita-online.it)

*Amelia Robinson asked Italy to ally with the "true America, that of Dr. King, that of Franklin D. Roosevelt, that of LaRouche," and help to get rid of Vice President Cheney, so the Iraq War could be ended. Here she is meeting with former Rome Mayor Francesco Rutelli.*

queued to have her autograph the Italian edition of her autobiography, *Bridge Over Jordan*.

An Italian copy of her book was officially presented the next morning at Rome's Capitol Hill, the seat of the mayor and City Council, by Maurizio Bertolucci, president of the Council Committee for Voting Rights to Foreigners; Franca Eckert Coen, advisor to Mayor Veltroni on multi-ethnic policies; and Bernardino Gasparri, president of the Permanent Council Committee on Social Policies, who read some pages from the autobiography, and also quoted from LaRouche's speech in Talladega, Alabama in 2004, about the "immortality" of Dr. King.

The next day, Robinson spoke to students, first at Montale High School, at a conference commemorating Rosa Parks and her bus ride in Montgomery; and then at the University Department of Communication (Roma Tre).

She had many political meetings. One was at the Regional Congress of the DS, to which she brought the greetings of the "true America." On the last day of her trip, she visited the national office of another party of the left coalition, La Margherita, whose general secretary, Francesco Rutelli, introduced her to a number of foreign party representatives, including a Congresswoman from California.

The two main left dailies in Italy, *l'Unità* and *Il Manifesto*, covered her visit, and the second national channel (RAI 2 Nettuno) will air a portrait of her at the end of the year, not only in Italy, but also in Iraq, Morocco, and Syria, in the context of a series of lessons for college students on the history of the United States.

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# International Intelligence

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## ***Highest Brit Court Nixes Torture-Gained Evidence***

Britain's highest court has ruled unanimously that evidence gained by torture cannot be used against defendants. The Dec. 8 ruling by the seven Law Lords upholds an appeal brought by 10 men who were arrested in 2001 on grounds they were a threat to national security. While the Special Immigration Appeals Commission ruled at that time that the government had "sound material" to support the charges, the men's lawyers said that evidence used against them was obtained by torture while they were detained in U.S. camps, and should have been excluded. Home Secretary Charles Clarke insisted that the ruling would have no bearing on the government's attempts to fight terrorism, since Britain does not ever use evidence obtained by torture.

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## ***Russia Pans U.S.-Planned Military Bases in Romania***

Russian officials have responded with anger to U.S. arrangements to set up military bases in Romania. At a Dec. 7 press conference in Brussels, Foreign Minister Sergei Lavrov said "changes in military configurations" were supposed to "be transparent and should not violate the agreements on stability in Europe. It's important to have an idea about the purpose of such reconfigurations."

During her recent visit to Romania, U.S. Secretary Condoleezza Rice concluded an agreement with that government to establish the U.S. bases—the first ever in former East Bloc countries in Europe.

Lavrov said that Russia wants an explanation of how the expansion relates to the revised Conventional Forces in Europe (CFE) treaty, which, "regrettably, our western colleagues have not ratified."

Also on Dec. 7, First Deputy Prime Minister and Defense Minister Sergei Ivanov said in a televised statement, that Russia may reconsider abiding by the CFE, if the U.S. military presence creeps closer to its borders. "The expansion of U.S. and NATO infrastructure to Russia's borders raises a

question about the fate of the CFE," Ivanov said. Ivanov cited the U.S.-Romanian agreement, saying, "We are aware of such plans. The American government has informed us. But we still do not know how many bases may be deployed and the number of units they may house. We will probably give our response after these aspects are clarified."

Ivanov also strongly defended Russia's just-finalized sale of 29 Tor-M1 surface-to-air missiles to Iran, which the U.S. State Department has denounced. "This contract is totally legitimate," said the Russian defense minister. "Russia hasn't violated any of its international obligations, and Iran isn't now subject to international sanctions."

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## ***Germany: No Backdown About Rice's Admission***

Following the meeting between U.S. Secretary of State Condoleezza Rice and Angela Merkel, Germany's new Chancellor, Merkel told a Dec. 6 press conference that the case of the U.S. abduction of Khaled el-Masri, a German of Lebanese descent, "was accepted as a mistake by the U.S. government." A barrage of denials from the U.S. State Department and Rice's delegation were then thrown against Merkel. But, a German government spokesman replied that "the statement by the Chancellor, as she said it yesterday, was valid and . . . I do not need to interpret it any further." State Department and White House spokesmen were grilled by reporters on Dec. 7, after Rice admitted "a mistake," and about other statements she made, trying to distance the U.S.A. from torture.

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## ***Argentina, Brazil Sign Nuclear Energy Pact***

Argentina and Brazil signed a "Joint Statement on Nuclear Policy," Nov. 30, which commits the countries to promote concrete programs which will further integrate the nations' work on nuclear power plants, nuclear research plants, and in nuclear medicine and

other industrial uses of nuclear energy.

The statement asserts: "In particular, taking into account the context of the growing reevaluation of nuclear energy as a source of reliable, sustainable, clean and safe electricity, [the two nations' Presidents] call upon the respective competent bodies and companies in this sector to promote the joint development of a new model of power reactor, which would allow both nations to meet the future demands of their growing economies."

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## ***Law Legalizing Torture Is Passed in Australia***

The state of Victoria has passed a law which legalizes torture, even torturing someone to death, if it is as the result of a "sudden or extraordinary emergency." Titled "Crimes (Homicide) Bill 2005", and passed on Nov. 17, the full implications of the law — i.e., that it legalizes torture—have just become public.

Australia's pro-torture lobby is ecstatic. The real leader of that lobby is Prime Minister John Howard.

Howard has:

- allowed two Australian citizens to be tortured in Guantanamo Bay.

- silenced several Australian military lawyers who tried to blow the whistle on the torture at Abu Ghraib long before it became public.

- appointed Australia's foremost torture advocate, Deakin University Law School head Prof. Mirko Bagaric, to the board of the Refugee Review Tribunal, whose (invariably nasty) decisions on the fate of refugees can not be appealed to any Australian court—the result of an earlier Howard fascist law. Bagaric authored a piece in *The Age* of May 15, 2005 entitled "The Case for Torture".

The Howard government has brazenly tortured "illegal immigrants" in "detention centers" around the country.

Australia's Law Council, hardly a radical body, has charged that "The legal profession believes that the ramifications of these laws have the potential to be as terrifying as terrorism itself."

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## Editorial

# *Rebuilding a Looted Economy*

When economist and Democratic leader Lyndon LaRouche takes the podium on Jan. 11 for his next webcast, he will take up the topic of “rebuilding a looted economy,” most specifically that of the United States. Between now and then, the *dynamic* which LaRouche and his Youth Movement have created toward excising Dick Cheney from the White House, must be accelerated toward its inevitable conclusion, in order to make this rebuilding feasible. The good news is that this accelerating dynamic is well under way.

Cheney is already having one bad day after another, as a result of the multi-faceted assault against both himself, and the political machine on which he has relied. It is well known that his personal legal troubles, dramatized by the indictment of his Chief of Staff Scooter Libby, are not over—either on the Plame case, or the underlying fraud carried out on the Niger yellowcake scandal. Political pressure is mounting as well, thanks to his shameless insistence on opposing restrictions on the “right to torture,” which virtually all Americans and American institutions oppose. At the same time, each day is bringing another blow against his political enforcement machine in the U.S. Congress, as the nest of political operatives and money-men known as “DeLay, Inc.,” is being systematically torn apart, with various of the guilty parties determined to turn state’s evidence against their former cohorts.

It would be a mistake to see these developments as separate scandals. What is actually going on is a paradigm-shift in the United States, which has created a growing resistance, a coherent, unified dynamic toward pushing Cheney out, catalyzed by LaRouche.

As long as Cheney is in place, there is no way to force the Senate, or the Administration, to enact the measures required to rebuild the collapsing U.S. economy. The first step toward economic sanity, is the removal of the Vice President. When one Congressional aide expressed puzzlement over how this could be the case, a LaRouche Youth Movement organizer pointed to the case of Cheney’s company Halliburton, which has now moved to reap new plunder from the Gulf Coast states, in the same way that it has done in Iraq. The Congressional aide got the point.

Between now and Jan. 11, the sense of necessity for moving on the economic breakdown crisis is going to intensify as well. Recent reports indicate that now Ford Motor Company is about to join General Motors in announcing in the range of 30,000 more layoffs, and the financial vultures’ activity toward outright dismantling of this core of the machine-tool capacity of the United States is aggressive, to say the least. Desperate unions are moving toward a possible strike at the bankrupt Delphi, which remains intransigent toward maintaining its contract obligations. Simultaneously, the hyperinflationary shockwave process, driven by hedge-fund speculation and the panic of hedge funds on the verge of bankruptcy, is back in force, as LaRouche identified back in September. The survival of the financial system itself, is a day-to-day question.

The mobilization for the webcast thus must also take on the characteristic of a dynamic expansion, setting into motion a “new leadership” centered around LaRouche, and his proposals for retooling the auto industry. This process is already under way, particularly among the auto workers in Ohio and Michigan, where the LaRouche Youth Movement is circulating LaRouche’s Open Letter to Bill Ford, and on Capitol Hill, where the youth are engaging aides and Congressmen alike in discussion of how to *solve* the economic disaster they are facing.

LaRouche has warned that this mobilization for saving auto’s capabilities, and putting them to work in rebuilding vital infrastructure, must also take on and deal with the bankruptcy and reorganization of the Federal Reserve banking system. That is the only way in which sound credit can be generated in order to fund the capital investment for the retooling effort. Once that is done, the approach required is that which we describe in our Economics lead on Harry Hopkins: a no-holds-barred mobilization to get people to work rebuilding the country, with no delay.

If we do our job right, between now and Jan. 11, we will be well on the way to such a result by the time George Bush gives his State of the Union message. We have a mission over this holiday season, one that indeed will allow us to carry out the injunction to save mankind.