

# EIR

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## From the Associate Editor

Lyndon LaRouche's frequent assertion, as in his speech in Berlin featured in this issue, that the only solution to the world's manifold crises is through the *American System of economics*, is frequently met with incredulity abroad. It is also not well understood in this country—see, for example, the question raised following LaRouche's Feb. 23 webcast, respecting whether a lack of “economic expertise” is really at the root problems in the Democratic Party. In reply to the audiences in both Berlin and Washington, LaRouche insisted that “people don't understand economics, that's part of the problem. They think of economics in terms of accounting.” But competent economics is not based on financial data! “The idea that economies are run by financial data is like playing Monopoly. . . . And economies don't work that way.”

The American System of economics has nothing to do with Adam Smith or Alan Greenspan. It is the *physical economy* of Gottfried Leibniz, Alexander Hamilton, Franklin Roosevelt, and Lyndon LaRouche.

The results of policymakers' failure to grasp this essential point, are evident in news reports throughout this issue. First, the imminent blowout of the “yen carry trade”—the supposedly ingenious invention of speculators who borrow essentially free money (“Monopoly” money) in Japan, and invest it in fast-buck ventures. If this game comes to a halt, it could bring the whole financial system down. Second, we have extensive reports on the crisis in the American industrial heartland, with interviews of political and trade union leaders, and legislative hearings in Columbus, Ohio on a resolution to retool the auto industry,

Two other features merit special attention here:

- Lance Endersbee's alarming study of the depletion of ground-water worldwide. This problem underlines the imperative for forced-march, government-backed development of nuclear power, for desalination to provide plentiful water for all: the American System.

- Anton Chaitkin's exposé of an aspect of corrupt lobbyist Jack Abramoff's dirty dealings that has hitherto been hidden from public view: his links to Israeli terrorist groups and the Russian mafia. Bringing this story to light can derail Abramoff's friend Benjamin Netanyahu's bid for the Israeli premiership—and will also cause even more heartburn for Abramoff's crony Dick Cheney.

*Susan Welsh*

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Maglev, Inc.

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## Editorial

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# LaRouche: The Urgency of The American System Today

*Lyndon LaRouche addressed an invitation-only EIR seminar in Berlin on March 2, titled, "The Iran Crisis: The Danger of a Global Asymmetric War Must Be Stopped." Other featured speakers were Helga Zepp-LaRouche, head of Germany's Civil Rights Movement Solidarity (BüSo); former German military attaché to Baghdad Col. Jürgen Hübschen (ret.); Prof. Cliff Kiracofe from the Virginia Military Institute; Prof. Mohammed el-Sayed Selim of Egypt (via a written speech); and EIR's Michele Steinberg. There were about 100 participants, including Arab, Asian, and African representatives; former German officials; former deputies from Parliament; scientists; and LaRouche Youth Movement members.*

*Here is LaRouche's keynote speech (subheads have been added).*

Well, in the past period there have been some changes in the United States in politics, particularly since last Summer, a year ago, Summer. The Democratic Party had no platform—I made one. It was presented at a July conference in 2004, and it made quite a hit, and quite an impact. And as a result of that, I was brought more deeply into the functioning of the Democratic Party through the campaign of John Kerry, which came out of that convention. We did a good job in that Fall, but it was too late. We should have gotten at it earlier. And the cheating by the enemy was inevitable. And sometimes, when you know that you're going to be up against a fraud machine, you have to work in taking into account that you're up against fraud, and you have to overwhelm the fraud if you're going to win the election. And they didn't go out to overwhelm the fraud, and that was a mistake.

But then, the Democratic Party fell flat on its face, when it was reported they lost the election. And so, I intervened, and again, they were willing to listen to me. So, we made a plan for turning George Bush into a lame duck. This is not the kind of bird disease we're talking about these days, but it would do for the time being.

And he is a lame duck. We turned him into a lame duck. We knew what he was going to do, that he was going to try to rob the Social Security funds of the United States, or the people. We made that the key issue, and that kept him off-balance throughout the year. By May of the year, we had a real challenge to him organized in the U.S. Senate, which consisted of practically all of the Democratic Senators, and some Republicans, who refused to go along with what Bush was doing on key issues. So, therefore, we had, in the year 2005, we had a Democratic leadership in effect—a bipartisan leadership but with Democrats as a key to it—in the U.S. Senate. That was followed, by unfortunately, a very bad beginning for this year. And there were setbacks, there were major mistakes. But, history is history, and the process is going on.

Now, I want to get in two points here. First of all, to describe the general situation, and the relationship of what's happening in the United States, to what the fate of Europe and other parts of the world is going to be. And secondly, to indicate some of the problems, particularly on economic conceptions which stand in the way of competent thinking about economic policy, in the United States to some degree, but emphatically in Europe: that the failure to understand economics in the way that is needed now, is one of the biggest impediments in Europe. And I think I shall make clear to you, what these impediments are.

So, my view is this: The present system, the present world monetary-financial system, as it took shape especially during the latter part of the 1960s, and especially in the course of the 1970s, is now doomed. Now, in economics, you can never predict an exact day of an event. You can't overlook the fact that we have *human beings* inside economies. And therefore, statisticians are always wrong when it comes to economics. Any statistician, anyone who believes in simple methods that are taught in accounting courses and in economics courses in universities today, is bound to be incompetent in any forecast



EIRNS/Wolfgang Lillge

*Lyndon LaRouche told the Berlin seminar: "What has to be done, can not be done on this planet without a leading role from the United States. We have to do that job. If we do the job, then we need forces in Europe, particularly, who will join with us, in making the job international. That's the only chance we have."*

they make: because the human processes are not animal processes. You can not apply animal statistics to human behavior, because human beings have will, they have the ability to change.

But one thing they can not change: If you're making a mistake, that mistake is going to hit you somewhere down the line, if you keep doing it. And therefore, you can not predict exactly what will happen, but you can foresee the direction in which mistakes will lead you. And you can make a fair estimate of the time frame in which these mistakes will lead to their consequences.

The problem is, statisticians in general, and much scientific thought in universities, is based on statistics, statistical methods, which are essentially based on a Cartesian conception, of objects being moved around in empty space. Those kinds of forecasts are absolutely incompetent, they never get the right result. And therefore, that's the big problem in economics, that people believe in statistical reporting, and projections from statistical reporting, which can not work in the human race. Because free will—or lack of free will—on the

part of leading figures, or most influential figures or groups, can change the course of history, for better or for worse; it can change the timing of events.

## Competent Forecasting Is Based on Dynamics

So therefore, what you have to do—it's like fighting war. You don't know on what days you're going to win or lose the war. But you may have a strategy for dealing with a situation you're facing. And that's the best you can do in forecasting. I'm fairly good at this area of forecasting. But the proper method is dynamics, in economics as well: If you're forecasting from financial statistics, or financial data, or correlations with financial data, you're going to be wrong! Badly wrong. You have to forecast on the basis, the same way as strategy, and you have to forecast in terms of dynamic systems, as living processes are generally. And that's where most economics is incompetent.

Competent economics is based not on financial data. The idea that economies are run by financial data is like playing Monopoly, the board game Monopoly. And economies don't work that way. What happens to money, does not mean that the general welfare is improved if the amount of money is increased—as you see now. The curve, since the 1971-72 period, the curve has been a constant increase, a secular increase in the amount of money and financial aggregate in existence. But during the same period, especially over the late 1970s, radiating into the 1980s, there has been a decline in the actual per-capita physical product production!

If you look at the figures in the United States, county by county, from 1977 on, you see a consistent decline in the economy. For example, take part of the state of New York, the western part, toward Lake Erie; take the western part of Pennsylvania, which used to be the steel area; take Michigan, which used to be the great automobile center; take Ohio, another big automobile center; take Indiana, another center: It's a disaster area! And you look at the areas that used to have physical productivity, have none. People are living on make-work, cheap labor as make-work. Going from productive employment, into what's called "services," cheap unskilled services, working as restaurant workers and things of that sort—any kind of job to keep them occupied, and at very low wages.

So that, what's happened over this period is, the shift into what has been praised as the post-industrial, or services economy, has been an economic disaster, for the United States, as it has been for Europe. For example, Europe: Right now, Western Europe is bankrupt! The actual income, current income, in Western Europe, as in Germany, as in France, and so forth, is actually below sustainable, break-even level. And under Maastricht, it will never improve. It will get worse.

So, these are the kinds of factors we have to take into account.

The economy is collapsing, and the problems are, that people have tended to believe in financial statistics, and government reports based on financial and related statistics.



*"The idea that economies are run by financial data is like playing Monopoly," said LaRouche. "And economies don't work that way."*

Which are in every case, fraudulent. Governments are trying to succeed in managing a population politically. Therefore, they want to project figures that help them control public opinion. And therefore, they manufacture their figures, by manipulation of financial statistics, as if an increase in the amount of money, or the increase in the amount of nominal wages, in terms of dollars or euro, these days, would say, "This is an improvement." When, actually, if you look at the content, you look at the rate of inflation as measured in physical goods, you find there's a constant deterioration. And in the United States, that's the case.

### Roosevelt's Postwar Miracle

Now, the other problem, here, is that we had a great crash in Europe in the course of the 1920s and 1930s. It built up in various ways; it was a product of the Versailles Treaty arrangement, which was sort of like a pioneer of Maastricht. And so, it was declining. And in this period, from 1929 to 1933—until Roosevelt was inaugurated as President—under Hoover, there was a 50% physical collapse in the U.S. economy, as there was something comparable here in Germany, in the same period.

From that period on, Franklin Roosevelt, going back to the traditions of his ancestors—Isaac Roosevelt, for example, back from the time of Hamilton, and some other precedents—took a U.S. economy, which was shattered, in the depths of unemployment, with a 50% collapse of physical output, and he transformed this in a short period of time, into the most powerful economy the world had ever seen.

It was not the war, quite contrary to myth, that built up the power of the United States. The war was a big cost: We had 16 to 17 million people in military service, the largest military force ever fielded in the planet; we sustained that with tons of materiel per person, per soldier, around the world. This was an enormously costly venture. This was not a war-

profiteering venture. In war, you lose money on it. If you fight a war for more than two years, you're crazy or you're ruined, because it will drain you—in more ways than one, as you see in the case of Iraq. A silly, ruinous war, that went into asymmetric formation, and is now destroying that whole section of the world by its radiated effects.

Well, this was a miracle. We emerged from the war, as not only the leading nation, the most powerful economy the world had ever seen. But we also were able to save the world. Because, nobody's currency was worth anything, except the U.S. dollar. And Roosevelt introduced a system which was based—it had nothing to do with Keynes. People in Europe will say it was a Keynesian system. The Bretton Woods system was *not* a Keynesian system. European economies are based on *monetary* systems, in which, in general, the government is a subordinate of a central bank. The central bank is largely a creature controlled by the private financial interests. They control, in most times, unless government is very powerful and has a lot of support, *they* control the government, because they tell the government what they can do and what they can't do.

Now, the biggest problem that this represents, in times like *this*, in times of a great financial crisis, is the ability to create credit. If you try to create credit by private banking, you're going to fail. That's how fascism came easily to Europe: because the private banking system was orchestrated to fail on that.

In the United States, the advantage was, we have the American System, *not* the European system. The American System is based on *state credit*, not a monetary system. European systems are regulated by monetary systems, which means financier interests in the Venetian tradition, essentially more or less control governments—directly or indirectly. Private banking groups, as predators, often control governments, as you see in Germany today, and other parts of the world today. They're going in, gobbling up things, gobbling up industries, destroying assets, hedge-fund raids on all kinds of assets in this country and other countries.

In the United States, we have a different system: We don't have a monetary system, we have a *credit system*. Under our Constitution, the issue of money, and the control of money, is by the government, *not* the banks! We made a qualified exception to that in the formation of the Federal Reserve System. But in our system, it is the Federal government, under the Constitution, that controls the emission and regulation of money! So therefore, under our system, if the government creates state credit, with an act of Congress authorizing the government to form this credit, the Federal government, the Executive branch, through the Treasury, can issue this credit for investment.

### Overcoming the Current World Depression

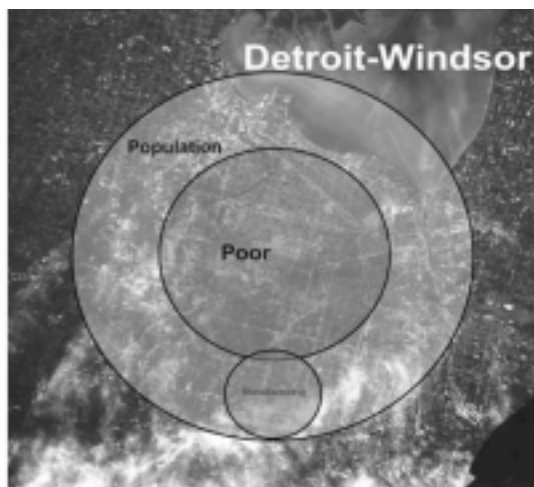
Now, the way it works, and the way it's going to have to work in the coming period, to get out of this great world

## Deindustrialization Ruins Midwest Cities

1970



2004



*Deindustrialization has shrunk and drastically impoverished the major cities of the upper Midwest since 1970.*

depression which we're in now—we're just waiting for the shoe to drop for places like Japan, on the overnight lending rate, for the day when the hedge funds start to collapse—but, what we're going to have to do is, we're going to have to create a great mass of long-term state credit, on long-term account, not annual account.

The leading edge of this investment of credit, now as under Roosevelt, will be in the state sector, the public sector, where the Federal government—I'll give you an example: I have one proposed piece of legislation, emergency legislation, which is kicking around among members of the Congress, members of the Senate. And that is, one large project, an integral project in itself, to take the question of the national public transportation and power systems, under one long-term credit arrangement. You're talking about essentially 30 years of credit, to rebuild—we don't have a rail system any more to speak of. It's been destroyed. We've got to put it back. We're going to have to go to a maglev-type system for trunk lines, on rails. Our airline system is collapsing. You know, since power stations generally are 30-year investments, about that order of magnitude, you generally have to finance them on 25 to 30 years credit. So, you have to have credit for 25 to 30 years, issued by the government, in this case, to build a power station.

We're going to have to use a lot of nuclear power, which we backed off from, back in the 1970s. We'll probably be using things in the fission area of high-temperature gas-cooled reactors, somewhat modelled on the pioneering work done here on the Jülich model, which will probably be on the lower order of 120-200 MW for ordinary use, because they're small stations and they can be quickly put into place. But, we're also going to have to make another change in our energy policy, which will mean we'll be using hydrogen-based fuels,

to replace our dependency upon imported petroleum products and so forth, in the future. We have to. We're going to hydrogen-based fuel automobiles. Japan is already doing that. There are plans in the United States to do the same thing. With an 800 MW reactor of this type, you can actually generate hydrogen-based fuels, locally. Which means that you have control of your supplies, within the territory.

So, you have a multiple-purpose reactor, which produces among its products, such things as fuels. We will convert automobiles largely to hybrids, which in one cycle, the chemical cycle, will depend upon hydrogen-based fuels. Aircraft, the same thing, they're hydrogen-based, because you might not want to use pure hydrogen, but you want some stabilizing element in it.

So, we have to do that. We have to change. The world is going to have to change—it's going to have to be done in Europe, too. The introduction of hydrogen-based fuels generated here is going to be crucial. It's a politically crucial problem here. It will be in other parts of Europe, as well.

So, this means that we can regenerate the economy, which is collapsing in the United States. The lower 80% of family-income brackets have experienced a disaster, since about 1976-77. And if you look, county by county, across the territory of the United States, you see the losses, the transformation from a productive economy, to a collapsing economy. And poverty. You see the collapse of health care, the collapse of medical facilities in general; the collapse of schools. Filth, decay, all over the place, whole parts of the country that were once rich, prosperous, in the sense of the normal standard of living, are collapsing.

So, we're going to have to have, as Roosevelt did, but on a larger scale, long-term investment largely in infrastructure investments, such as rail, power, improvement of our aircraft

system, and things of that sort. We're going to have to repair our river system. For example, as you know, the central United States is located in a water system which comes down from the Canadian border, including the Great Lakes, from between the Rockies and the Allegheny range: It comes down like a great funnel, to the exit at the Mississippi River. This river system was one of the axes of building up our economy. It is now broken down. Again, it's a period of 25-30 years—a lock, a dam, wears out. If you don't replace it, you don't replenish it, it no longer functions. If you have breakdown in key locks and dams along the way, then you have lost the ability to move bulk freight through water transport. We have to repair this. We have to repair the entire system. We have to do what George Bush refuses to do: to deal with that problem in Mississippi, which is underlined by the recent Katrina disaster there.

So, we can do that. We can, with our system, simply by following it, by using our Constitution, and our credit system, we can mobilize our forces, to bring our nation out of the gutter.

### **Eurasia Must Adopt the American System**

Now, in Europe, you can't do it right now. Because, the political system is based on a *monetary* system, *not* a credit system. What happened at the end of the war, in the reconstruction of Europe, was, when the U.S. dollar was the only currency worthwhile, under Roosevelt's provision before he died, the creation of the Bretton Woods system enabled the United States to *facilitate* the building up of new currencies, or renewed currencies in Europe, and the creation of a credit system largely imitating what we'd done under Roosevelt in the United States, to build up in Germany, to build up in France, and build up elsewhere, in northern Italy.

Therefore, in the past, in the last crisis, the United States was able, in the postwar crisis, to help *save* Europe, by the credit supplied, on the model of the United States. We didn't give a lot of money (we gave some money); but that wasn't it: We gave credit-backing, stability to European and other currencies. And it was that stability, and the ability for example with the Kreditanstalt für Wiederaufbau [Reconstruction Finance Agency] here in Germany, to do the job, to do the rebuilding.

Today, it's going to be the same thing. The political systems in Europe, as in Germany, are not presently equipped, on their own, to do what many people here know needs to be done. The generation of large-scale credit, to take the 5 million or more people who are unemployed, and start to put them back into the ranks of employment. And in productive employment, not just employment. And that will change the system. That means large-scale capital formation, it means the creation of credit facilities, it means long-term investment with the state backing—the only way it can be done.

Now, if we *do* that, and the United States cooperates, say, with Europe on that, under those conditions, then we have a

further perspective. We have people who have the myth, that somehow Asian economies are now the economies of the future. That's a myth! There has been great improvement in China, but it's not secure. There's been improvement in India, but it's not secure. *These are not the wave of the future!* Not on their own.

Because, in India 70% of the population is desperately poor. Why are they desperately poor? Because the product of India can not buy enough to sustain improvement of the population, of the 70%. In China, you have a somewhat different, but comparable situation, which is complicated by the fact that China is not really producing national product, not much. What it's doing is, it's taking designs, of product of other countries, producing with cheap labor and some technology, on the basis of those designs; putting a product into the world market, which then is sold, and delivered to and polished, in other markets. What happens to China and India, in a somewhat differential way, if the U.S. and Europe go into a collapse—the primary markets for the China products? The primary sources of the credit for this business? What happens to India? You have a social crisis, immediately! As you can see in Asia.

So therefore, they're not independent. They are *not* the wave of the future, that's going to prosper if we collapse! If European civilization collapses, there is nothing for the rest of the world. Except Hell.

Therefore, we have to resume a role which is bequeathed to us, since before the Peloponnesian War: the role bequeathed to us, implicitly, by the writings of Plato. European civilization, which was reborn in that form, fully, with the Renaissance, the Italian Renaissance, the 15th Century—which is *modern* civilization, modern technology, modern science, which we in the United States represent, too. Therefore, it is our obligation, to take this legacy we have, as almost a trust for humanity, and to make the benefit of this legacy available to people in Asia.

That means, that we're going to have to go to a *Eurasian* orientation for Europe, in terms of economy. We must not have globalization. Globalization is death. It's a form of imperialism, under which no one has any sovereignty over anything; and groups of bankers, like the Lazard group in France, run the world—and eat the world, and eat the people in it. So therefore, it has to be sovereign nation-states.

But, our role, essentially, is to look at the Eurasian continent, as one big unit, the biggest unit on this planet; of the greatest amount of the world's population. At one end, you have Europe, and Germany at the pivot in Europe, because it's the most advanced, potentially the most advanced center for Eurasia, which then, reaches out, reaches eastward. It reaches through Belarus, through Russia, through Kazakstan, so forth, into Central Asia; reaches to China, goes down to India. One line, you can visit—most of this area is totally undeveloped. It needs development. Vast resources are hidden under the ground in this area, but in an undeveloped area.





EIRNS/Wolfgang Lillge

*Lyndon and Helga LaRouche, and Frank Hahn of Germany's BüSo party, at the Berlin seminar. There were participants from throughout Eurasia, as well as the United States and Africa.*

You don't have the population there to develop the territory, the vast resources.

Now, at the same time, *if* we do a job of saving China, saving India, from the curse of what happens to the United States and Europe, what happens then? Well! The average Chinese is not going to be content with using the level of raw materials that they use now! Nor the average Indian, is not going to be content with that: If they want a modern standard of living, their consumption of what we call raw materials is going to increase. With that, you can go into the areas like Asia, you can find large areas of deposits there, which are untapped and available, just as the Russians have their gas projects and so forth.

## We're Going To Reorganize the Planet

But that's not going to suffice. Because, these are marginal resources. Take one case: Take fossil water. Have you thought about how much of the fresh water, used in various parts of the planet, is fossil water? That is, water left behind from the melting of the glaciers. For example, you've got some stuff that's been down there for 2 million years, under India—it's kind of salty, by now. But, you have Australia, depending upon fossil water. Most of the world, to one degree or another, depends upon fossil water. Fossil water means, it's not a renewable resource. You begin to have land subsidence, from drawing down fossil water.

Therefore, we're going to have to make water. Not chemically, but we're going to have to process water, to provide supplies. We can not depend upon the present system.

The same thing applies to a lot of other fossil material, in the Biosphere, such as minerals, and things of that sort. As we draw down, more and more, we go to marginal resources. These resources are going to become more expensive, physically, in terms of current standards of production, by labor.

What are we going to do about it? We're going to have to go to a *high-level, science-driver program*: We're going to have to do, what is implicitly in the work of [Vladimir I.] Vernadsky. We're going to have to consider—instead of

drawing down limited natural resources, we're going to reorganize the planet, to regenerate and produce the natural resources we require, first of all, so we supply the needs, the aspirations of a growing population, particularly the poor, who don't want to become poorer all the time. They want improvements; they want to look upward. In order to use marginal resources, more expensive resources, you've got to increase the productive powers of labor. Otherwise, the cost of raw materials will be too high. It will just defeat your purpose, in trying to improve their lives.

Therefore, you've got to increase the productivity per capita. To increase the productivity, means changing the standard of living, upgrading it, increasing productivity through technology. It means *science-driver programs*: It means the end of the Greens. Because you can't survive under Greens, you can't live under them. That's how the crisis hit Germany so hard. The Green factor, inside the coalition government of Schröder, *doomed* it! Because, the point had been reached that the country is ungovernable, under the Greens.

Now, you've got a coalition that may not work too well, because it's not the end result which the election was pointing toward. But you see this all over the world: The green, anti-technology movement, the drive towards service economy, is doomed. Or the nations are doomed, that don't make the change.

## A New Educational Policy

We now have to go back to what? We have to go back to a new educational policy. Because, in the past period, since the middle of the 1960s in particular, we've changed educational policy, as it was changed in Germany, under the Brandt government. To overturn the tradition of the Classical education policy for secondary schools in Germany. Which took the *gut* out of the German population, its productivity, which came largely from the rebirth of Classical humanist education in the school systems in the postwar period.

Same thing in the United States. In France. All of these kinds of things that have become popular, this kind of deca-

dent culture, you might call it a “Brechtian” culture. which has taken over. These are not productive people; these are not people who think in terms of progress. This is not the labor force we need. But we can’t get new human beings! We have to improve the human beings that we have. Which means a new educational policy, a different policy in education in that direction.

Now, this is what we’re doing from the United States; it’s what I’m doing. It involves lots of problems, and most of you know something about politicians, and know that they’re not always the best vehicle for progress. But, let’s take one case, which Germans had some experience with in the postwar period: We had a fellow called Harry Hopkins, who was a key figure in the Roosevelt Administration. Hopkins was the fellow, who in one or two days, actually took 4-point-something *million* unemployed, and put them into employment—virtually overnight. Now, this thing by him, resulted in the capability of the United States, by 1940, 1941-42—this program was done, not by politicians as such. It was a Roosevelt program, under Hopkins, but who did it include? It included a young military officer, specialized in dealing with engineering, Lucius Clay, who became well-known here in Germany, particularly in this city. And these people—Eisenhower was part of it; Eisenhower and MacArthur were part of a whole group of military officers from the 1920s on, who began to build up, on an engineering basis, the design for what the United States did during the Second World War. It was based on these engineering officers, who looked at the question of economy and engineering, the interchangeability of the development of infrastructure and management in civilian economy, and the point of logistics in warfare: The two things are related.

We’re going to have to do that. We’re going to have to not necessarily have an armed camp, but we’re going to have to find teams of people, who actually, with the approval and backing of the politicians, will actually do the job of making things work—as we did in the United States under Roosevelt. This was not a happenstance program. This was a highly sophisticated engineering job. And that’s what you need here. And we’ll need it elsewhere.

And also, we have not gone anywhere near where we could go, in terms of scientific programs, on the frontiers that presently exist for us.

### **Money Does *Not* Make the World Go ‘Round!**

But, look at the typical situation: The idea that money is a measure of economy, a measure of performance in economy, is a piece of idiocy. Money is only useful as a means of exchange. The first time that money was used in the method prescribed by the U.S. Constitution, was in the 17th Century in the Massachusetts Bay Colony, where prior to 1688-89, when the British monarchy cracked down on them, they invented a scrip which was used as an internal currency inside the Massachusetts Bay Colony. Now, the Massachusetts Bay

Colony, contrary to some myths in Europe, was actually much more advanced than in England. As a matter of fact, at the time of the American Revolution, the average standard of living and productivity of the typical American was twice that of the United Kingdom. England was a backward country. As a matter of fact, the Industrial Revolution was brought to England by Benjamin Franklin! So, this sort of thing.

So, it is not the money system, that generates growth. Money is not a measure of performance: Money is a means of exchange, it’s a means of circulation. Performance is provided, not by investment of money; performance is by investment of people and skills, in creating infrastructure, in creating productive employment, in technological improvement, in scientific progress. This is where wealth comes from.

But you have idiots, you have systems, who have these monetary theories, they tell you how money is showing you how the economy is working. And you look at us today, and you say, “How is money working? What is the average condition of life? What’s the level of employment? What’s the standard of living? What’s the health-care level?” All of these things—obviously, money is not a measure of performance. Money is a means of exchange, which is very useful and very necessary as a means of exchange, which enables you to let people function freely within an economy, and see how they perform, within an economy. That’s the element of freedom of the individual in the economy. But progress is made by scientific and technological progress, or the equivalent in artistic progress, Classical artistic progress which develops the human mind, and develops the ability of people to understand other people and work with them.

But we measure economy, we say, “What are the statistics showing us?” And you look at the economy, you say, “What does the economy tell us about the statisticians? The economy tells us these statisticians are incompetent, or wasting their time, just to please somebody with some figures.” It’s not solving anything.

Economy is measured in *physical* terms, but not simply physical terms. You can approximate the effect by looking at physical effects, which are important. But the important thing is, you’re always drawing down the richest resources. So, how do you maintain an economy, if you’re drawing down the richest resources? If you’re doing the same thing all the time, you couldn’t possibly improve: It’s only through scientific and technological progress, and its application to production, its application to the conditions of life, its application to public health—these are the ways, in which wealth has to be measured. It must be measured in the *physical* effects, and also in the rate of *improvement*, as measurable in physical effects.

Money must be measured by physical effects, not physical effects by money.

That’s the issue here. So therefore, what you have, is accounting systems and economic analysis systems, which do not correspond to reality. And right now, if you look at

the ratio of monetary aggregate, financial aggregate, against physical aggregate, over the past period, since the 1970s, the rate of financial aggregate per capita and per square kilometer, has been going up, like that. The rate of financial emission, has been going up like that. Now, the rate of monetary emission, recently, or monetized emission, has gone up more rapidly than the financial, as a recent phase of crisis is entered.

In the meantime, in the same period, there's been an accelerating collapse, in physical output per capita.

*We have a doomed culture, a doomed civilization*, based on what happened since the middle of the 1960s, in the shift from the productive economy of the first two decades of the postwar economy, to this kind of orientation toward services and a globalized economy, which is destroying us.

### Transforming the Democratic Party

Now, therefore, what we're doing in the United States, we're dealing with the same thing: The Democratic Party which had been considered the party of Franklin Roosevelt, decayed. Both major parties decayed. About 80% of the population has, more and more, drifted away from the political parties. There used to be political parties which were mass political parties, in which a very significant amount of the general population participated in party organizations, especially in the Democratic Party after Roosevelt. Politics in the party were based on the people in the party; not on the big money, but on the people in the party. That changed, with the change in policies, under Nixon, especially.

Those changes in policy—the people became more and more estranged from their government, estranged from their political parties. The parties began to be controlled by a tinier and tinier minority, from the upper 20% of family-income brackets, leaving the majority outside.

We're going to have to change that. And we've begun the change: It happened in the summer of 2004, with the Convention in Boston, where *I had the only platform for the Democratic Party*. They didn't have a party! They didn't have a party platform. They got one, and we began to reorganize them. Gradually it's coming back. We find that we're way ahead of the party leadership, in going out and organizing the local party organizations. They don't have a sense of a mass-based party. You want to talk about democracy? Well, where's your mass-based party? If the people don't control the parties, where's your democracy? What's it mean? It doesn't mean anything. It's when the people are *participating*, actively, in the question of government, where they're arguing and fighting about what concepts mean—not slogans—but, "What does this mean?" They're trying to understand what it means.

And a real leader is not someone who tells people what they want to hear: A real leader tells them what *they need to know*, and gets out there, and does the job of convincing them that that's what we need to know.

So that's what we're doing. And it has been a change. It's

not perfect, it's a fight. Because I have some very notable enemies, internationally, including inside the United States, especially from the same gang that gave us Adolf Hitler in the last period—they're still around. They're bankers. They don't wear uniforms. They don't carry swastikas. But they have them in their head, and they do the same kind of thing that the Synarchist crowd did, that did things between 1922 and 1945 in Continental Europe. We've got them in the United States. Some of them helped put Hitler into power, here, from the United States. Firms like Harriman and so forth, who laundered the money to the Nazi Party at the end of 1932, so Hitler didn't go bankrupt, and was around to be appointed by the British as a Chancellor, here. So, this is the kind of situation.

So, we're gradually getting people to understand. And it's crisis-management, because they respond, they drift away in this direction, and they come back on a crisis; we intervene with them; they're convinced, "Oh! You're right, again!" And I produced recently this platform, or Prolegomena for a platform, in which I did the introduction, and passed it out to leading people in the Democratic Party. And they liked it. They said, "You've got it. That's it. So, finish it." So, I finished it. And it will be out, it's out on the website now, and it will be out in published form in the next week [see *EIR*, March 3].

So, that's the fight we have. We can't guarantee any results in the United States, except we're doing the job. But, I can say, that you have to have a clear understanding of looking at the United States historically, not in terms of moods and gossip, as you get in Europe today. The United States is not a bad nation. It's as good as any on the planet, and better than most. The problem is, because we were good, and because we were powerful, those who wanted to do something to the world, knew you couldn't destroy the United States from the outside, by outside force—but you could destroy it by corruption. And there's a lot of corruption, a lot was applied.

But some of us are fighting. And we're having some success.

But, at the same time, you have to look at this, finally, this way: that what has to be done—and I think I know pretty well what has to be done, and know what could be done, politically and otherwise—what has to be done, can not be done on this planet without a leading role from the United States. We have to do that job. If we do the job, then we need forces in Europe, particularly, who will join with us, in making the job international. That's the only chance we have. If we in the United States do not do our job, in the advanced state of the world crisis today, I don't think civilization will escape a Dark Age. If we do our job, and we have collaboration with people in Europe, I'm sure we can convince other parts of the world to join us. And we can win. We can bring back civilization.

But that's the hard reality, which I see. And, being an older fellow, and more frisky than my enemies would like to have me, I enjoy the fight.

## Collapse of Carry Trade Would Blow Out Financial System

by L. Wolfe

A panic is setting in among key financial circles—a panic that we are fast approaching the final disintegration of the financial casino known as the global monetary system.

An indication of that panic and of near-term breakout of a systemic credit crisis came in the form of an article in the Feb. 24 London *Daily Telegraph* titled, “Global Credit Ocean Dries Up,” which identified as the trigger point for such financial disaster the collapse of the so-called “carry trade”—the ability to borrow large sums of money at low interest rates in Japan, Switzerland, and similar locations, and then use them in any sector that offers higher yields on interest rates. In particular, several analysts interviewed by the *Telegraph*’s Ambrose Evans-Pritchard warned that if Japan responds to higher interest rates in the U.S. by raising its rate (currently at zero!), and shuts down the so-called yen carry trade—or the Japanese-currency-dominated component of this global carry trade—the entire financial system, which has been fuelled by this speculative money machine, is immediately in jeopardy.

What gives credence to such reports is mootings from Bank of Japan officials that such a rate hike is under consideration. While there is little chance that Japan would hike its rates to the levels of the U.S., even a small movement in yen-based interest rates is enough to trigger a further panic in the volatile speculative markets which depend on the yen-carry trade for their monetary fuel.

While Evans-Pritchard and his quoted analysts fanned the panic, they still backed away from stating that a blowout was on the agenda. In greeting this report, and developments which last week collapsed the Icelandic markets (which had served as an ice-bound version of offshore money machines through its carry trade), Lyndon LaRouche was far more plain-spoken and blunt: “The yen carry trade is in big trouble.

The mere fact that such questions as those reported in the *Daily Telegraph* are being raised means that the carry trade is about to bite the dust. Iceland and other countries are going to go bankrupt. But the multiplier effect of the blowout of the carry trade is going to mean that the crisis hits with a magnitude far beyond any individual nation or currency. This will bring down the whole post-Bretton Woods floating-exchange-rate system.”

### The Sound of Panic

As the *Telegraph* defined it, “The ‘carry trade’—as it is known—is a near limitless cash machine for banks and hedge funds. They can borrow at near zero interest rates in Japan, or 1% in Switzerland, to re-lend anywhere in the world that offers higher yields, whether Argentine notes or U.S. mortgage securities.”

The Iceland example shows how unstable this house of cards is. The crisis, which broke out on Feb. 21, appeared to be deliberately triggered for some reason when the bankers’ own Fitch rating agency downgraded that small country’s sovereign debt; its interest rates shot up to 10.75%, and the markets froze up. Its currency, the krone, suffered a 9.2% collapse against the dollar, bringing the Icelandic ICEX15 equity index down to a two-day loss of 5.2 per cent. The crash in Reykjavik set off shock waves in currency and bond markets in Brazil, Mexico, Australia, New Zealand, Indonesia, Turkey, South Africa and Eastern Europe.

But Iceland is a drop in the bucket compared to what would happen if Japan reversed its zero-interest-rate policy, which has provided a cash source to liquify speculative markets and the illiquid U.S. banking system.

David Bloom of Hongkong Shanghai Banking Corporation, a pillar of the Anglo-American financial establishment,

was quoted in the *Telegraph*: “The carry trade has pervaded every single instrument imaginable, credit spreads, bond spreads; everything is poisoned. It’s going to come to an end later this year and it’s going to be ugly, even if we haven’t reached the shake-out just yet. People have a Panglossian belief in the march of global capitalism but that will change as soon as attention switches back to U.S. financial imbalances.”

Stephen Lewis economist from Monument Securities was quoted: “There are several hundred billion dollars of positions in the carry trade that will be unwound as soon as they become unprofitable. When the Bank of Japan starts tightening, we may see some spectacular effects. The world has never been through this before, so there is a high risk of mistakes.”

Stephen Roach, chief economist at Morgan Stanley, was even more blunt: “The lure of the carry trade is so compelling, it creates artificial demand for ‘carryable’ assets that has the potential to turn normal asset price appreciation into bubble-like proportions. History tells us that carry trades end when a central bank tightening cycle begins.”

### **It’s the Banks, Stupid!**

While the carry trade has been the fuel for speculation of all kinds, it has also been one way of keeping the U.S. banking sector from collapsing. Not stated in the *Telegraph* article is that major players in the carry trade are the major commercial and investment banking houses, and more recently, the hedge funds; if the spread in interest rates collapses, if the carry trade in Tokyo, especially, dries up, then major U.S. and European banks will go down.

### **The Bizarre ‘New Bank’**

Meanwhile, there are signs that even before the carry trade shuts down, the banking system may be set for some significant shocks. How else explain the utterly bizarre announcement that the bond industry, with the support of the Treasury and the Federal Reserve System, is setting up an emergency back-up bank that will step into the breach if one of the two clearinghouse banks for U.S. Treasury sales, Bank of New York or Morgan Chase, should collapse or be unable to operate?

This new bank will be called just that, “NewBank,” and will exist only on paper—no physical location. It will move in to take over operation of banks which can’t clear their overnight positions, operating from their physical headquarters and using their employees. While the Feb. 28 *New York Times* article reporting this tries to claim that it is merely a precaution in case of a terror attack or similar catastrophe, it nonetheless indicates that such takeovers could be triggered by “sudden legal problems” or a “credit downgrade”!

Rumors are already circulating among Wall Street insiders that such a banking crisis is imminent, perhaps triggered by a new collapse of Morgan Chase, an investment bank such as Goldman Sachs, or a major hedge fund. Add to this the

threat of a shutoff of the yen carry trade, and it’s “white knuckle” time.

### **Then There Are Derivatives**

In the midst of the tremors about the yen carry trade, Timothy Geithner, President of the New York Federal Reserve Bank, gave the featured speech Feb. 28 to the Global Association of Risk Professionals, in New York City. Geithner first praised the non-existent benefits of “the rapid growth in instruments for risk transfer,” and then focused on derivatives, especially credit derivatives. He said, “They have not eliminated risk. They have not ended the tendency of markets to occasional periods of mania and panic. They have not eliminated the possibility of failure of a major financial intermediary. And they cannot fully insulate the broader financial system from the effects of such a failure.”

He stated that, “The scale of the over-the-counter derivatives markets is very large. . . now approaching \$300 trillion.” He emphasized that were one derivatives counter-party to fail, and have to leave its contract, “the process of closing out those positions and replacing them, could add stress to markets and possibly intensify the direct damage caused.”

Geithner pointed out that credit derivatives are “written on a much smaller base of underlying debt issuance,” that is, for each \$1 in a corporation’s debt, banks could write up to \$10 in credit derivatives, to supposedly “insure” the debt. Geithner underscored that “in the event of a default, [credit derivatives would] magnify. . . the risk of adverse market dynamics.”

Geithner’s remarks are all the more important since he has been assigned, essentially, to be the Federal Reserve’s case officer to attempt to get credit derivatives under control, on which matter he has been unsuccessfully working with the 14 leading credit derivative banks.

It would not be lost on Geithner’s audience that the Bank for International Settlements had recently emitted similar warnings. In an address to the European Financial Services Roundtable in Zürich, Switzerland, on Feb. 7, Bank for International Settlements (BIS) general manager Malcolm D. Knight pointed to a dangerous “disconnect” between “major macroeconomic risks present in the global economy” and the financial markets’ “perception” of a benign risk environment, as indicated by parameters such as risk premiums or volatility indices. The speech cited the U.S. budget deficit, the collapsing housing market, and credit derivatives as vulnerabilities.

### **LaRouche: Let It Happen**

Lyndon LaRouche is not worried by these developments. “Let it happen,” he said in response to the *Telegraph* reports. “The system is doomed under any circumstances, and we know what must be done to create a new, stable financial system, based on the principles of Franklin Roosevelt’s original Bretton Woods System. I am ready with a recipe for precisely how to solve this crisis. Are you?”

# Where We Stand in the Battle To Save the Machine-Tool Sector

by Nancy Spannaus

Approximately one year since Lyndon LaRouche raised the alarm over the need to save the U.S. automobile industry, as the core of the nation's machine-tool capability, from extinction, the future of that sector hangs in the balance. On the one side, thanks to inaction by the U.S. Congress, the major automobile corporations are engaged in a huge stripping-down operation, savaging wages, health care, payrolls, and plants, and continuing to be pushed, by the financial powers-that-be, toward outright bankruptcy. On the other side, there is a growing political momentum within the labor movement, Midwest political institutions, and sections of the Congress, toward adopting an emergency program to rescue the auto industry.

Sixteen hundred organizers of the United Auto Workers (UAW) union came to Washington, D.C. Feb. 6-8, to call on Congress to implement "a new Marshall Plan for the U.S. auto industry." Their proposal said "the Federal government should provide assistance to help auto manufacturers and auto parts companies to retool and expand existing facilities." Their initiative reflected intensive efforts by the LaRouche movement, around LaRouche's proposals for emergency Congressional action to fund conversion of auto capacity to rebuild desperately needed economic infrastructure, such as high-speed rail, and nuclear power plans.

Some in Congress are listening. Sen. Hillary Clinton (D-N.Y.), who cochairs the recently founded Manufacturing Caucus, and has asked President Bush to convene an "auto summit," addressed the UAW meeting on Feb. 8. "The manufacturers and the UAW have called for a Marshall Plan. Well, let's marshal our resources and get it done. . . . We can give incentives to retool plants and build more advanced and cleaner cars like hybrids and everything else." Senator Clinton stressed, "If we don't manufacture in America, we cannot sustain our economic position, now and in the future. She compared such a "new Marshall Plan" to the Manhattan and Apollo Projects, and emphasized that "the market" didn't organize America's response to Sputnik, or earlier to Hitler's fascism. She accused the Administration of "wanting to undo the 20th Century . . . to turn the clock all the way back to [before] the Roosevelt Administration."

Rep. John Dingell (D-Mich.) also addressed the meeting on his strong support for the UAW in general. He forecast

that the United States was going to lose 65,000-100,000 auto jobs in three or four years, but four to six times that many in the supporting glass, rubber, plastics, leather, and steel industries.

Despite these statements of good intent, however, the Democrats in Congress are still not picking up on the concrete proposals put forward by LaRouche, which would put the auto industry through strategic bankruptcy, and lay the basis for a rapid recovery through reemployment of auto's skilled labor on crucial projects.

## The LaRouche PAC perspective

Over the last year, the LaRouche Political Action Committee (LPAC), led by the LaRouche Youth Movement (LYM), has circulated hundreds of thousands of pieces of literature outlining the means by which the auto industry can be saved. This LPAC activity has inspired political leaders in state and municipal bodies, especially in the Midwest, to put forward resolutions memorializing Congress to take the retooling action required.

At present, such resolutions are pending in at least six states, including Kentucky, Michigan, Missouri, Ohio, Rhode Island, and Tennessee. Similar resolutions have passed in several major formerly industrial cities, such as Cleveland, Ohio; Buffalo, New York; and Detroit, Michigan.

Realizing that every week of delay is bringing more dismantling of the machine-tool sector, as General Motors and Ford, and their suppliers, shut down factory after factory, LPAC has undertaken to prepare a new organizing tool to build support for emergency action: a DVD which combines reports on the current devastation being caused by auto shutdown, with the historical example of retooling of auto which Franklin Delano Roosevelt carried out in the early 1940s.

In mid-February, Bill Roberts and Adam Sturman of the LYM carried out video interviews with a number of trade unionists and political figures in the Michigan/Northern Ohio region, in preparation for the production of the DVD. We include below some segments of those interviews, which reflect not only the devastation being caused by the auto factory shutdowns, for whole communities, but also the reserve of optimism about how the proud skilled-labor backbone of American industry, can be mobilized for rebuilding our economy, which still exists among the population of the Midwest.

## LaRouche: Senate Must Stop Flim-Flamming, Save Auto

*This statement was issued by the LaRouche Political Action Committee on March 1.*

In the face of a new phase of collapse of the auto industry, including not only tens of thousands of layoffs, but also the threat of dismantling of General Motors, Democratic leader Lyndon LaRouche warned that the time has come for the U.S. Senate to stop flim-flamming around, and take action.

LaRouche himself began warning approximately a year ago, about the threat to the destruction of the machine tool capability of the auto industry, and issued several memoranda to the Senate making it clear what had to be done. Instead, the Senate has dilly-dallied, while the auto

sector has gone through a rapid plunge into shutdowns, plant closures, and layoffs, which threatens to get a lot worse.

The Senate has to act now, LaRouche said on Feb. 28. If it does not, it may be too late to stop an irreversible and chaotic collapse of the industry. Congressional leaders, particularly in the Senate, have had the time to understand the situation and absorb the principles of acting on it; they have heard from the LaRouche movement, and from auto unionists, how urgent their intervention is.

It is the responsibility of the Congress, especially the Senate, to take action for the general economic welfare of the population, LaRouche added. Either they do it rapidly, or they will be abdicating the leadership responsibility which is uniquely theirs.

Anyone needing to refresh his or her memory on LaRouche's proposals, and the political support which they have found among constituency leaders in the Midwest, can find them archived on [www.larouchepac.com](http://www.larouchepac.com).

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## Interview: Phil Cavanaugh

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### 'Our Tool-and-Die Industry Was Second to None'

*Phil Cavanaugh is County Commissioner of Wayne County, Michigan, which encompasses Detroit. He represents Dearborn Heights, Redford, Garden City—in total about 142,000 people. He is in his third term, and has served Wayne County for six years. He was interviewed on Feb. 7.*



**EIR:** Could you tell us a little bit about the history of Detroit? What sort of changes that Detroit's gone through over the years since World War II, up through the present?

**Cavanaugh:** Detroit has had a very rich history. As many people know, and fondly remember, back in World War II it was called the Arsenal of Democracy. When the Nazis were taking over all of Europe, and America finally got into the war in 1942, our country ramped up, and built airplanes, tanks, just anything they needed for the war effort, and it was built right here. Because of Detroit's positioning on the Great Lakes, on the Detroit River, its access to natural resources,

and its labor corps. People came from down South, people came from the Midwest. During the '40s and early '50s, there were over 3 million people in Detroit. It was a great place to live. It had great opportunity. It is the home of the three auto industries: Chrysler, GM, Ford all have their headquarters in Wayne County.

And over the years that has all dissipated. Today it is no longer the Big Three. Globalization has made Toyota, Mitsubishi, and Nissan all major players. It's questionable who is the top automaker at this present day.

Detroit had over 3 million people as early as the 1950s. The exodus started with jobs, and hence the people, during the 1960s. My father was mayor of Detroit from 1962 to 1970. It was a model city during those years, for its economic development, its renovation, but also for its racial progressiveness. My father was the first guy to appoint African-Americans to high levels in his administration. The city was, as the country was, going through a changing time. But the machine, the tool-and-die, the auto companies, were still strong. People were still buying cars. Our tool-and-die industry was second to none throughout the world.

There was Germany, Japan, and the United States, and the United States was seen as the frontrunner in the world. The best tools, the best cars. That has dissipated since then. There was a mass exodus of people and jobs through the '70s. And now, we sit here in 2006, there's a little over 800,000 people in the city of Detroit. It is questionable who the number one automaker is. The tool-and-die industry is gone, for all intents and purposes.

And that worries me, because in World War II, it was the Arsenal of Democracy. So, in war, we could look upon our

own people, we could look upon our own industries, to defeat the enemy. Now, if we have a war, America has all these planes and bombs, etc., but we don't have the tool-and-die industry, we don't have the mechanisms to make things ourselves, because we shipped that all overseas. We're going to globalization. But I consider it a national security issue. We can't take care of ourselves.

The auto industry's really hurting. Last week the Ford Motor Corporation announced 30,000 layoffs, throughout the Midwest. GM yesterday announced huge layoffs, dividend cuts. They cut their top executives' salaries by 50%. And it just seems like our President is fine with this. He says, our corporations need to be downsized. He has no problems with big oil reaping huge profits, where our tool-and-die industry is non-existent, and our auto industry is struggling at the best.

So, it was a better time when my Dad was mayor. Detroit has some promise. But what really worries me is the tool-and-die industry and the auto industry. *Everyone* is trying to redefine themselves. But in America today, redefining themselves means service jobs at Wal-Mart, or McDonalds, or gaming. Gaming and tourism seem to be most states' most industry. You can't sustain on that.

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## Interview: LaMar Lemmons, III

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# Deindustrialization Turned Smiling Neighborhoods to 'Snaggle-Tooth Housing'

*Michigan State Rep. LaMar Lemmons, III gave a video interview to Robert Johnson of the LaRouche Youth Movement early in February.*

**EIR:** I'd like to start by asking you about some background on some of what's happened to Detroit here in the last couple of decades. You grew up in Detroit, correct?

**Lemmons:** That's correct.

**EIR:** And you've been representing this district for how long?

**Lemmons:** Almost a decade now.

**EIR:** I wanted to ask in particular about, just what has been the effect in Detroit over the years, of this scaling-back of the number of people employed in manufacturing jobs? What's been some of the effects on the community, including things like education and drug use, and poverty? And how have some of these other factors interrelated with the problem of the collapse of industry in the city?



*LaMar Lemmons: "It's a fight, but that's what I'm used to."*

**Lemmons:** First of all, let me say this: As I grew up here, on the east side of the city of Detroit, the economy was basically booming; people could leave one factory and go to another if they were dissatisfied with the working conditions, or the management, or their treatment. There was a time when people were still migrating here from the South, to take advantage of these good-paying jobs here in the city. It was the largest homeowner population for African-Americans in the entire United States. And as I entered the workforce when I graduated from high school, there were many options, in terms of finding employment.

Many of those factories—most of those factories—almost *all* of those factories are gone. Those jobs and those opportunities have dissipated. And what's left, are young people who are no longer successful in getting an education, and the quality of education has gone down immensely; those who are able to achieve, leave Detroit, seeking better opportunities. So, it's become a town of the very poor, and the aging. That's the city of Detroit that I've come to know now. And so, I've been doing whatever I could to change those conditions, as a legislator.

As a legislator, I came in contact with Mr. LaRouche and his programs, and his programs were something that I had been advocating, prior to that, was just the Roosevelt program. I think that we need to institute Franklin Delano Roosevelt's program, the WPA, the Conservation camps, etc., because we are in a severe depression—not recession, *depression*—particularly in the African-American communities across in the United States; but not just in the African-American communities, cities throughout Ohio, and this entire region. People are unable to find gainful employment and enough to sustain a family.

**EIR:** You've recently taken up the call, echoing the call that LaRouche put out to the U.S. Senate, when he called on the Senate to really take the spearhead, in taking emergency action to retool the automobile and related machine-tool indus-



tries. I understand you've introduced a resolution to the Michigan State Legislature calling on the Congress to do just that, and convert, essentially, the automobile industry into an industry that's now going to be producing things that are probably going to have a much more beneficial effect on the economy as a whole, than just cars that are going to sit on a lot.

**Lemmons:** Exactly.

**EIR:** But, actually producing things like trains, power plants.

**Lemmons:** Trains, power plants. And if we're going to build power plants, it should be with the new technology, the fuel cell and the hydrogen fuel cell, in that direction. We can't lament that that time is gone, in terms of the auto industry and its competition.

But what I found interesting with Mr. LaRouche, is when he talks about building the infrastructure—and remember, Franklin Delano Roosevelt put people to work building these highways, and building the infrastructure of America, and the Tennessee Valley Authority, etc. Those type of things, those projects.

And not to mention the fact, that there needs to be a redevelopment of the urban areas throughout the United States, which are now aging and falling apart, because they were built almost a century ago. And so, Mr. LaRouche is the only one that I know, that is calling for that—in a serious call, and continuing to put on pressure, and not just throwing up his hands.

There are others who claim, "I talked to some Democratic colleagues," and they say, "Mr. LaRouche says he's the only one that says that, but I've said that." And I said, "But what are you doing about it? What are you doing? And how consistent, and where it is in terms of your priorities? Or have you just thrown up your hands?" See, I refuse just to say that "the other side of the aisle, the Republicans, won't do this or that"; that means it's time for *me* to take some other course of action. And so, I'm taking that course of action now. And I join with Mr. LaRouche in his call for the United States to institute an FDR-like recovery.

**EIR:** So, it's a fight.

**Lemmons:** It's a fight. But, that's what I'm used to. I mean, I grew up in the Civil Rights era, right after the Civil Rights era, when that baton was passed up, so I'm used to that type of fight. And Mr. LaRouche, and now his Youth Movement, are the only people that I see that are willing to engage in this fight. Too many people, again, are just throwing up their hands, and just saying "that's just the way it is"—and it doesn't have to be that way.

**EIR:** And I'm sure that some of the reactions that you get from Republicans and even Democrats on the state and Fed-



EIRNS/Steve Carr

*One of Detroit's devastated neighborhoods. Some have gone so far as to suggest that entire sections of the city be completely closed off, since the city is unable to provide infrastructure and support to the people who live there.*

eral level, are obviously going to be the question of "Where's the money going to come from?" How have you dealt with that question?

**Lemmons:** Well, first of all, we print the money! We decide. And Mr. LaRouche has come up with a plan—and I'm not an economist, so I have to step back on that one, so I defer to someone like a Mr. LaRouche, in his Hamiltonian approach to the economy in terms of the banking system, and putting these banks into reorganization, bankruptcy reorganization, and allowing the economy to be redirected in a way that would allow us to finance this type of development.

But, I think our greatest asset has to be the human capital that we're throwing away, generation after generation. And people, without any way of survival, will do whatever they can. First of all, half the population, or a percentage of the population, particularly in the African-American community, have just given up, and they don't know where to turn. They medicate themselves with drugs and alcohol. And it's created an industry—a legal industry and illegal industry, with both high alcohol and drug use in the community. And the people who sell, the illegal industry, the drugs, they've created that type of an environment. And when we go out [to film the area], hopefully we'll go over and see some of the abandoned factories—which is stark—but we can look at what some of the neighborhoods look like. And I can tell you, Detroit did not look like this, when I grew up as a kid.

**EIR:** What type of response have you gotten?

**Lemmons:** First of all, people try to marginalize Mr. LaRouche, and say that he's a fringe, or they make other types of disparaging remarks. I say, "Well, look: I'm not asking you to identify with Mr. LaRouche. I'm asking: Look at this

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*I've heard talk about building the infrastructure of Baghdad, after we bombed it, but I don't hear talk about building the infrastructure of our own neighborhood cities! We saw what happened to New Orleans, but Detroit has had an economic Katrina: An economic hurricane has hit Detroit.*

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program. Evaluate it on its own merit. And if it has merit, then we should do it. And if it doesn't, then we shouldn't." And, then there's little that they can say after that.

**EIR:** Hmm! Well, I'd like to switch gears for a second, because, I'd like you to describe some of the aspects of this process of collapse over the last 30 or 40 years, in terms of what's happened to the health-care system, the educational system, and so forth, as these good, high-paying, skilled jobs have left the area.

**Lemmons:** The immediate effect is, of course, on the family. Because in these areas, we have 70-80% of mothers bearing children out of wedlock, because fathers don't wed them because they don't have the jobs to take care of them, and the government steps in and provides these welfare programs. Then, there was a movement from the right, to attack the welfare programs, and to attack these women as being "welfare queens." The family has to have a support mechanism to augment the educational system. Even if you have the finest schools, when you go home, if you don't have the support, then your chances of success are greatly diminished.

The second part, of course, is that without the tax dollars to finance the other parts of the infrastructure, the hospitalization, etc., then we see a demise of those. And without the health care, without the people having the good-paying jobs with health care—because with the jobs came health insurance packages, which also allowed them to have good health care—now we see people using the emergency room as a primary source of health care, which is far more expensive. And in my area, we've had the closing of about four or five, six hospitals: Saratoga, Samaritan, one of St. John's hospitals; we've had Riverview close and another hospital take it over. So, we've seen the demise of the health-care system in this area.

And the quality of the education, again, without the parental support, you get young men, of adolescent age, without having fathers at home: You can imagine what they do. They form their own families, in gangs and other things. And all this is connected to having a good income; a good, strong nuclear family, which could help raise children, which helps support the school system, which helps support the other infrastructure, which is the hospitals, etc. So, we've had reductions in our police force, reductions in city services, all those things.

And, again, this is very complicated; I know, Mr.

LaRouche says it's very simple, but to the lay person—and I am included as a lay person—it's very complicated. So, I've known that I've had to come up with some type of solutions, otherwise I'm not worth my salt. When people elect me, they elect me to come up with solutions to make their life better.

**EIR:** Sure. Do you want to say something about some of these automobile factories?

**Lemmons:** There are so many factories that are closed. We're talking about the Cadillac plant, the Chevy plant—and sometimes I can't even find where they were, there's so much overgrowth and other decay, and it's blended. But at one point, there were thriving centers of employment, and those centers formed the community—housing and things built around the factories. People wanted to live in close proximity to where they worked. And people would shop in close proximity to where they worked.

And so, now we have total devastation.

**EIR:** You want to talk about the Model T?

**Lemmons:** Ah! The Model T and Highland Park, you know. Highland Park is a city within a city: It sits smack in the middle of the city of Detroit, and they have their own municipality. And there are all types of stories that Henry Ford wanted to keep it separate from the rest of the city, and so they were totally incorporated. But, let me tell you, it was a very middle-class to upper-middle-class place, that had—within 2.9 square miles—over 60,000 people. And all their activity, their management, and their workers centered around that Model T plant that was there. And of course, it went from Model T to other models, but it started off as the Model T. And today, again, another empty shell: Highland Park now has less than 12,000 people, and most of them are poor and aged. The housing decay is older.

And the same story throughout the United States, with urban centers: There's no urban redevelopment program. And Mr. LaRouche is the only one I've heard talk about urban redevelopment planning and building the infrastructure of our city. I've heard talk about building the infrastructure of Baghdad, after we bombed it, but I don't hear talk about building the infrastructure of our own neighborhood cities! We saw what happened to New Orleans, but Detroit has had an economic Katrina: An economic hurricane has hit Detroit.

**EIR:** And isn't Highland Park a city in receivership, to the state?

**Lemmons:** It is in de facto receivership to the state, and has a manager that manages, so the City Council and Mayor basically have no power.

**EIR:** Wow—so, you could say that what happened to Highland Park, that could happen to any city or town in Michigan, where you had factories just closing?

**lemmons:** What happened to Highland Park happened to all of Detroit, and that's just a microcosm. If it was a cell of a living body, you would say that this diseased cell has cancer. And that cancer is the deindustrialization of our society, and the lack of replacing those jobs with viable opportunities. Which is why I introduced House Resolution 13, which said: We take those factories, we take those industrial infrastructure, and we put something else there, whether there be trains—or, Mr. LaRouche talked about these maglev trains that use magnetic levitation, that really float—and we relieve some of the overcrowding and congestion at the airports; we have viable transportation.

We can take these same centers, and put people to work *rebuilding our cities*. For instance, the sewer system in the city of Detroit: Some of it is so old, that it has *wooden* sewer lines. We need to rebuild. But the city can't afford to rebuild its own sewer system—I mean, there are hollowed-out trees, still to this day, in the sewer lines!

**EIR:** I've noticed that the drainage around here has gotten really bad.

**Lemmons:** It is. It's terrible. It's terrible.

**EIR:** There's nowhere for the water to drain.

**Lemmons:** The entire infrastructure of this city, and other urban areas are the same. So, what needs to happen is, Mr. LaRouche's plan. First of all, this has happened over a period of time, and it's had an adverse effect on the family and the family structure. So now, we have a generation of people with no skills, who need to be trained, and I heard Mr. LaRouche talk about doing something similar to what FDR did, in terms of taking people out of these environments, which are toxic—I mean, socially toxic, in terms of raising families, in terms of developing the character of individuals. And these are the type of things that must happen. And he's the only one that is talking about it, is giving it a priority.

**EIR:** I've heard you use the term "snaggle-tooth housing" to describe some of the neighborhoods around here, where you have, on some blocks, only one or two houses—

**Lemmons:** Exactly. There was a smiling neighborhood; now, it's snaggle-tooth, which is a reflection of the poverty, like some of the people who cannot afford dental care. And so, in that neighborhood, it seems it can't afford to have consecutive housing in a nice neighborhood, and so we call it "snaggle-tooth housing."

**EIR:** When you have these neighborhoods that are cleared out like that, how able is the city to provide fire protection and police stations and things like that?

**Lemmons:** Good question: There have been suggestions, under another administration, that we close off entire sections of the city and move everyone out, and just close it off, because we can't afford to provide infrastructure and support for the population that's there—

**EIR:** And you could create a wildlife preserve for endangered fire hydrants!

**Lemmons:** I was about to say, that many of them have become overtaken by large trees and weeds, etc., and also it's hard to secure. And the city has difficulty, in maintaining its property.

**EIR:** So, it's really getting impossible for most people to even, just live and survive in Detroit.

**Lemmons:** It's very difficult, and it's very expensive to live in the city of Detroit. And so only the dedicated, the very wealthy, and the very poor. And a few of the trapped, which tend to be poor as well.

So, we've got a New Orleans situation. With any type of catastrophe, New Orleans-like, Katrina-like catastrophe, which could happen here probably with some blizzard or something—we could have similar effects. And at the same time, we're sending money "billions for Baghdad," as I say.

## UAW Workers Speak Out For Retooling Industry

*Here are excerpts from interviews conducted by a LaRouche Youth Movement camera crew early in February, with labor leaders in Ohio and Michigan.*

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### Interview: Oscar Bunch

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## For National Rail Grid, 'We Do Have the Skills'

*Oscar Bunch is a UAW Leader in Toledo, Ohio, who has been with the union for 54 years, and a union president for 28.*

**EIR:** Most people don't really have a very good sense at all of what a productive economy is, so I wanted you to describe a little bit, what exactly is entailed in a retooling process. How

does this process take place, when you take an entire plant and convert it over to some new product?

**Bunch:** Well, today, we've got more technology than we've ever had on new machinery. We've got computerized machinery, we've got ACM machines that are easy and adaptable. And we certainly have the ability to build them. We can change from one product to another better today than we've ever been able to do. We've got all the skilled workforce, and we've got the dedicated people. The American worker is the best productive person in the world, there's no question of that, and they proved that time and time again.

What it would take is an all-out effort from our leaders to say, "We've got to do this," and get the people on board to do it. Because once you get the people motivated, you can get it done. Because they're the people that's got to do the work.

Of course, in World War II, we had a crisis, people realized that we were attacked, and that we had to change. We really haven't motivated the people to do this change, but it can be done, if we had the right leadership.

**EIR:** How many workers do you estimate were once involved in the auto industry in just this area?

**Bunch:** We've had an awful lot of workers that have been displaced, laid off, and still haven't got jobs. The only job they can get is a \$7- or \$8-an-hour job. We've had plant closing after plant closing, and no industrial jobs for these people to get. This community here used to be—the granddad worked in the plant, and the dad worked there, and then the son worked there—and it's not that way any more. You can't find a job here.

**EIR:** I would imagine a lot of those people are highly skilled tradesmen, who would be pretty integral to being able to take the automobile industry, take a plant that right now is either building cars, or about to be closed down and the jobs outsourced. Do you think that a lot of these people could be just ready to bring back into a factory, and be ready to create, say, a new process for producing high-speed trains, or components for nuclear power plants, or something like that?

**Bunch:** There's no question of that. As you know, this country has more rail system right-of-ways than any country in the world. They just let it go to pot. Because, for one thing, the railroads sold off all of their scrap, to get the revenues to operate what they had left. We've got that whole rail system, the right-of-way for it, and it's just sitting idle. But we do have the skills.

A good example of what's happened here, after the Asians came here: The UAW had 500,000 numbers, just in General Motors alone, a half a million people working at General



Motors. Now, with this last 40,000 cut, they're going down to about 60,000 left. So, all of these people are out there someplace, ready to go. It just takes someone to mobilize them. . . .

That's a shame that the government has allowed this to happen, because we've got the resources here. We've got the skills, you can train them in something. But most of these people are in their late 40s and early 50s, and they don't have any desire to be trained in the type of technology that's coming now.

And I tell you, that the money's got to come from someplace. We can't service each other and polish each other's shoes. Some way we've got to have wealth, and the only way to have wealth, is to have an industrial base. We've lost that, and we need to get that back. We need to motivate the people to get that back. All the skills are still out there; we just need to utilize them.

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## Interview: Marty Green

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### There'll Be 40% Capacity To Machine Something Else

*Marty Green is a skilled-trades representative of UAW Local 730 in Grand Rapids, Michigan.*



**Green:** General Motors, Ford, Chrysler seem to be in a downsizing mode of the tooling industry, and naturally that brings a great concern, seeing as how it's an industry that has been thriving for many, many years. And it really bothers me, seeing as how all the manufacturing seems to be heading overseas, and we've lost a lot of different industries throughout America. And it's quite concerning that it's getting to this point. We've lost textiles and steel industries, and now, to totally lose our manufacturing base, frankly scares the hell out of me. And I'd like to see whatever avenues we've got to make a difference, I'd like to pursue them.

The tool-and-die industry at one time, has been a matter of national security, involved in building just about anything to do with metal, and when you take it a step farther, anything to do with plastic. We've got plastic injection molding and stuff like that, and everything is heading overseas.

**EIR:** Your plant is tool and die, or is tool and die part of what

your plant does?

**Green:** Our plant is a major production source for metal-stamping parts to do with General Motors. We have parts on just about every vehicle that General Motors makes. . . . There's 2,250 hourly folks, approximately; 300 salary folks along with engineers. . . . We do floor plans, doors, roofs, body side outers, and many, many internal parts. We've got quite a capability of producing dies there. It is General Motors' number one die-build source. We build, at our plant, approximately 40% of the General Motors North American dies that they build.

**EIR:** And now this plant is part of the restructuring that General Motors has announced?

**Green:** Market share's been shrinking. They want to align manpower capacity: At the end of November, they had mentioned about 12 plants closing in North America. Therefore, it affects our die-build numbers, our parts producing numbers at our plant. We have an Oklahoma plant that's closing, effective Feb. 20, 2006. We stopped shipping parts to them, back Feb. 6. That's about 15% of our volume in our plant, so it's a very significant thing. There's going to be parts that we're not producing, layoffs because of it, and these other 11 plants haven't even shut down yet. So, it's going to be a trickle-down, through everybody. They align manpower with parts moving out, so everybody'll be hit. . . .

When you mention infrastructure, there's a lot of things that could be done, and as a country, I hope we're heading that way, because there is a potential. And I see the plans right now, to reduce the die-making industry—just in General Motors; and I know Ford and Chrysler are all looking at the same thing—of reducing that industry by about 40% of [its workforce]. So, there is going to be an awful lot of knowledge, and a lot of people potentially sitting out there, that could be doing something constructive like that.

Just in the small town I live in, there's areas that bridges have been closed, because of things looking to fall down. I mean, we've been running this country on such a slim budget and not reinvesting in infrastructure, it is scary. Somebody needs to take charge, and I believe who we have in there right now, is *not* doing the job! And somewhere there's got to be starting putting the horse before the cart, and let's have a future in America. Because, right now, it's living day to day.

And, I think as far as infrastructure goes, the die-making base, or the plastic injection molding base, they're going to be critical in that, and they're going to have to—or, we're going to be producing stuff that we need in this country over in China, or over in India, and having it shipped over here. And I'm not looking for isolationism. I know it's a computer age right now, where we can hit a button and send information back and forth to places. But, there's got to be a line somewhere, that once we pass, we're giving up stuff that we can't return.

And, I'm hoping it's not in the next five years: I've got three young kids. I want to see that they're still here in America, and that we're still on somewhat of a manufacturing base here in America.

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## Interview: Joe Joseph

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### 'There's No Reason for These Plants To Close'

*Joe Joseph, president of UAW Local 1970 in Dearborn, Michigan, represents Body Cad Design workers.*



**Joseph:** I've worked for Ford Motor Co. for 40 years. And I've seen it go from designing on boards that are like 16 feet long on Mylar material, to three different updates in the computers that we use to design. There's been a lot of advancement and changes in the way we do our business. . . .

My feeling is that there's no reason for these plants to close, which was caused by this free trade. The American automobile industry has been left behind, and overshadowed by the foreign vehicles that are coming in. I think that something should be done about it. We have the facilities, we have the plants to manufacture parts. We have the design capability to design such items as mass transit, a high-speed rail system, which we'd be capable of designing, and also manufacturing in those plants which are becoming idle and may be sold—which would create jobs, for us, for suppliers. Just a numerous amount of jobs associated with the industry. . . .

**EIR:** Where do you think the future is, in the automobile industry? Do you see any possibility for diversification of the industry?

**Joseph:** Yes, I do. I see an open door there, to be able to diversity. We've got a lot of foreign car manufacturers coming into this country—actually it's increasing day by day. And, we all can't survive, I mean, there's just so many vehicles that you can sell. But, I think we need to switch, by the help of the government—the Democrats most certainly need to do something to help us out to diversify, by doing things such as that mass-transit railway system, and other things, that can be funded by the government, to help create more jobs and get the economy back on its feet. And without that, I think we're going to be lost!

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## World's Water Wells Are Drying Up!

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*Australian Professor Lance Endersbee reviews the disastrous state of world groundwater, and shows why it is not replenished by rainfall, contrary to the textbook models.<sup>1</sup>*

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Around the world, groundwater from deep wells is the main source of drinking water for over three billion people. In addition, a large proportion of the food supply in many poor countries is based on irrigation from wells. However, almost all of the world's wells have falling water levels, and declining yield, and already, many have run dry.

These deep water wells cannot be replenished from rainfall. The source of the groundwater that supports these three billion people lies in the interior of the Earth. There is a continuing release of water from the interior towards the surface of the Earth, and we see that in the steam of volcanoes, and the water gushing from deep ocean vents. Over geological time, some of the rising water was trapped in the path towards the surface of the Earth, and accumulated as underground reservoirs of water.

There are resources of groundwater underlying most of the flat lands of the world. From early times, men dug wells by hand, and lifted water in buckets for their needs. Many civilizations were established where groundwater was available at oases or in shallow wells. The ancient Romans built

aqueducts to bring springs of groundwater to their many cities around the shores of the Mediterranean. Vitruvius, a Roman engineer and architect, describes in his book, written in the First Century B.C., the methods the Romans used to find and test underground sources of water. He tells of the adverse properties of some spring waters. There are cautionary tales about a little well at Susa, the capital of Persia, where those who drink of the water lose their teeth, and a well in the Alps where those who drink the water immediately fall lifeless. There are also wells with healing properties, such as the acid springs in Campania that have the power to break up stones in the bladder. Vitruvius advises on the tests for good water: The first test is to look at the physique of the people who dwell in the vicinity!

Today, in the United States, groundwater provides drinking water for over one half of the population. The same applies in much of Europe, India, China, and many other countries.

The pattern of dependence on groundwater that had continued for centuries began to change from about 1950. The population of the world was continuing to increase, there was growth of cities and expansion of city water supplies based on the use of groundwater, and in rural areas there was the introduction of mechanical pumps and commercial agriculture based on groundwater. As a consequence, there was a simultaneous and rapid growth in the use of groundwater all around the world. In countries like India and China, in North Africa and the Middle East, the use of shallow hand-dug wells, and hand lifting of water, was replaced by drilled bores

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1. Professor Lance Endersbee is a former Dean of Engineering and former Pro-Vice Chancellor of Melbourne's Monash University, and a world authority on rock behavior and tunnelling.

This article is adapted from the first chapter of his new book, *A Voyage of Discovery: A History of Ideas About the Earth, With a New Understanding of the Global Resources of Water and Petroleum, and the Problems of Climate Change*, which is available from the Monash University Bookstore website. It is used here with the permission of the author.



Courtesy of Lance Endersbee

*A village water well in India. With the extraction of groundwater from deeper bores, the shallow village wells are drying up. Also, the deeper waters are more mineralized, with potentially poisonous levels of arsenic and fluoride.*

and mechanical pumps. The use of fertilizers enabled a very great increase in yield, but that required much more water. There was a vast increase in the areas under irrigation from groundwater.

There was a rush to exploit the limited groundwater resources. The groundwater was freely available at the cost of a bore and a pump. There was competition to use more and more groundwater. Water tables dropped, and farmers drilled deeper bores, and installed more powerful pumps. Almost simultaneously, all around the world, the wells began to run dry, and governments were quite unable to control the extraction of groundwater, or protect the resources.

Most governments did not know where the wells were, or the depth of the wells. Governments did not record water levels, but were certainly informed when farmers complained when their wells ran dry. Farmers, governments, and their professional advisors, had all believed that the wells would flow forever.

The groundwater rush was like a gold rush; it was a great uncontrolled bonanza. The International Water Management Institute has estimated that the total global withdrawal of groundwater is now about 1,000 cubic kilometers each year, but it is quite unsustainable. This great global rush to exploit available groundwater resources in our time is a one-off extraction of a limited natural resource.

Groundwater has been, and in many areas still continues to be, the best and only readily available source of clean drinking water. This is because the groundwater may be just directly below the place of use, for agriculture, cities, factories, and mines. In most cases the groundwater is available at no cost, except for the cost of the well, and the pump.

The groundwater in these underground reservoirs has accumulated in geological time. The resource can be considered as a great reservoir of water that has been captured in open joints and fissures in the rock, and in pores in porous rocks. In the natural state, prior to intervention to exploit the resource, the underground reservoir was filled to the brim, and overflowed naturally at springs, and into lakes and streams.

Prior to 1950, most of the world's groundwater basins were in a condition close to a state where the rate of use of the groundwater was compatible with the sustainability of the resource. After over half a century of massive exploitation, far greater than any possible rate of recovery, most of the groundwater basins of the world are now close to the limits of the resource.

The consequences are now evident in many countries. In essence, the world has been exploiting the reserve bank of ground-

water at a rate far greater than the rate of natural replacement, and the water bank is becoming insolvent. This excess use of water is a deficit that can never be repaid in our time.

The deficit in the groundwater bank is also being matched by a deficit in the food it provided. Thus the present prosperity in much of the world is based on *borrowing from the bank of water*, which is also, in essence, *the borrowing of food from the food bank*, neither of which can be repaid. As a consequence there has been an artificial stimulus of food production in many countries where groundwater enabled food production to be raised well above sustainable levels.

The UN Food and Agriculture Organization even suggested that the rapid exploitation of groundwater has *saved* the world from a food crisis. But if countries have been *borrowing water on credit*, and effectively, *borrowing food on credit*, it means that the world is facing the prospect of *an even more serious food crisis*. This prospect is already highly evident in some countries as they try to rapidly expand food production from resources of surface waters, especially in China, and India.

## China's Water Crisis

China is heavily dependent on groundwater. Most of the flat areas of China overlay groundwater basins, and the groundwater is being extracted for water supply for cities, industries, and agriculture. The northern agricultural areas of China are virtually drying out: The major rivers have ceased to flow in the dry season. The water table under the North China Plain, which produces half of China's wheat, and a third of the corn, is falling at an alarming rate. Under Hebei Province, in the heart of the North China Plain, the water level

in the deep aquifer is falling at a rate of 3 meters each year.

The decline of the water table has led to wells drying up, and to deeper wells being drilled. The consequent increase in pumping costs has forced some farmers off their land, while the demand for groundwater for cities and industries has continued to grow. In Beijing, the new wells for the city water supply now have to reach 1,000 meters to tap fresh water.

The pumping of groundwater in the North China Plain has resulted in the entire area subsiding, with many funnels and sinks appearing on the ground surface. Cities are reporting substantial subsidence, complicated by the consolidation of the ground under the new high-rise buildings.

Shanghai started pumping groundwater for the city water supply in 1860. The old city of Shanghai sank almost 2 meters in the period 1921-65. Subsidence is continuing, and the authorities are now trying to correct it by injecting water into the aquifers.

Such ground subsidence in densely populated cities has caused great economic losses, as well as presenting a hazard to buildings and people. It is reported that Shanghai has suffered economic losses estimated at \$35 billion in the past 40 years due to destructive flooding and tidal effects caused by subsidence, probably mostly caused by groundwater extraction.

In the Pudong New Area of Shanghai there are a large number of new skyscrapers. Settlement of the new urban area is being recorded at about 3 centimeters a year. The foundation of the tallest building, at 420 meters high, sank by 6.3 centimeters in 2002. Most of that settlement is probably due to the great weight of the building, but extraction of groundwater would have contributed. It may be unfair of me to mention that during construction of a tower in Pisa in Italy, from the year 1173, it began to tilt in 1178, due to extraction of groundwater nearby. Construction continued intermittently in the tilted position until 1350. It became famous as the Leaning Tower of Pisa. I am pleased to note that the buildings in Shanghai appear to be subsiding without tilting.

The urgency of the need to control the use of groundwater, and to provide other sources of water and food, has been recognized by the Chinese government. They are planning to build several new water projects, including two very large projects, one in China, and one in South East Asia to provide a food bowl for China.

In November 2002, the Chinese Government authorized the construction of a hugely ambitious water diversion plan to take waters from the Yangtze River system to the Yellow River.

The aim of the project is to divert water from the south of the country, where the rivers flow from the Tibetan plateau, to the areas of water shortage in the North China Plain, and to Beijing and other industrial cities in the north. There are three separate diversion systems. Construction of the first diversion system began in 2002, and is estimated to cost \$19 billion, and will divert 13.4 billion cubic meters per year to north China. There are two more similar diversions in

the total project.

The population of China is about 1.3 billion, and still growing at about 0.8% each year. That means an increasing demand for food. Even with the proposed water projects in China, there will still be a need to import food.

One prospective source of food for export to China is the Mekong Basin in South East Asia. The Basin begins where the Mekong River leaves the mountains at the Thailand-Myanmar border, and comprises the flood plain of the Mekong River in parts of Thailand, Laos, Cambodia, and Vietnam.

In 1956, a Mekong Committee, comprising representatives of the four riparian countries, was established with a secretariat provided by the UN Economic Commission for Asia and the Far East (ECAFE), in Bangkok. They studied conceptual plans that had been developed by the riparian countries with significant input from expert engineers from U.S. Government agencies (Corps of Engineers, Bureau of Reclamation, and Tennessee Valley Authority).

The conceptual plan was a vast scheme involving a cascade of seven dams on the Mekong River, associated hydro power, river navigation for 1,000 kilometers inland from the sea, the diversion of waters for extensive irrigation development throughout the Basin, the construction of many dams on tributary rivers, and water supply to cities and towns, and flood control.

In 1964, I became interested and involved in the Mekong Project when I went to Thailand as a UN advisor on dam design and hydropower. At the time, there was great enthusiasm to get on with the Mekong project, and wonderful international co-operation. Some excellent and extensive investigatory studies had been made on many aspects of the project by experts from friendly nations, all under the umbrella of the United Nations—for example: U.S.A, Japan, Israel, Australia, France, and other countries were active in programs of assistance in planning and evaluation. In addition, there were offers of support from many countries for participation in the construction of the project. Overall, it was a wonderful example of international co-operation in action. For my part, I was delighted to share in the work with my Thai colleagues, and to collaborate with experts from so many countries.

At the beginning of 1965, it all seemed to stop. The war in Vietnam halted any prospect of the project continuing, even on-site investigations on the main river dam sites. Shots were sometimes fired at the operators of drill rigs in the middle of the river, lessening enthusiasm for international cooperation. The World Bank was quite firm in refusing to fund any part of the project while hostilities continued.

Later, the terrible civil hostilities in Cambodia, especially the genocide, and the laying of a vast number of land mines, did not encourage any construction activity in that country for the foreseeable future. The effect was to stop all work on the key parts of the project—for 40 years.

Recently, the Chinese government announced an interest in funding and building the entire project, and sought the





EIRNS

*The Mekong River rises in Tibet, and flows south through the four countries of the Indo-China peninsula, Thailand, Laos, Cambodia, and Vietnam. China has shown interest in reviving the Mekong Project, designed in the 1950s, which would build dams and hydro power plants to create a new food bowl for the world.*

cooperation of the riparian countries. The Chinese were quite clear that they wanted to create a new food bowl for the world, and especially for China.

The Chinese government indicated that there would be no need for funding from international sources such as the World Bank, or the Asian Development Bank. The Chinese were prepared to fund the project and to undertake the design and supervision of construction of all the major dams and hydro power plants. The total cost of all those parts of the Mekong Project in the four riparian countries will probably be much more than \$100 billion dollars. The offer of such large funds is a strong incentive to the riparian countries to accept the Chinese proposals. Of course the World Bank and the Asian Development Bank would also welcome the Chinese proposal, as it frees bank funds for other purposes.

Far upstream on the Mekong River, in China, near Tibet, the Chinese government is now constructing a 290 meter-high concrete arch dam project, which includes a large hydro-electric power plant. It will be the highest dam in the world. The project is likely to be followed by a cascade of hydro-power dams down the river towards the Mekong Basin.

These two great projects to be funded by the Chinese

Government, the south-north river diversions in China, and the Mekong Project, illustrate the urgent concern about future food supplies for China, and the magnitude of the extraordinary problems that have been created by the exploitation of the Chinese groundwater resources towards extinction.

## India—‘Where Has All the Water Gone?’

In India, there has been an enormous increase in irrigation from deep groundwater over the past 50 years. India is mining aquifer waters in virtually all states, and water tables are steadily falling, in some cases by 1 meter each year.

The population of India is well over one billion people, and increasing. There were 1 million wells with pumps in 1960. Now there are 21 to 26 million groundwater wells, with 55-60% of the population dependent on groundwater. The total use of groundwater is 200 cubic kilometers each year.

The Indian agricultural economy prospered from the benefits of this abundant, free, and clean groundwater. Groundwater irrigation expanded to create more agricultural wealth than any other irrigation source.

Irrigation from groundwater had many advantages. The farmers could use the groundwater when and where they needed it. The improved prosperity enabled them to use higher yielding crops, fertilizers, and pest control, making the use of groundwater far more productive, and thereby causing increasing dependence on groundwater. As a consequence, a

great groundwater economy was created in India over the past 50 years. It has now reached its maximum level of development, and is starting to decline, rapidly in many cases.

The over-exploitation of groundwater has led to declining water levels, drying of shallow aquifers, and saline water intrusion. The deeper groundwater wells are highly mineralized, and in some parts of India, the population is now suffering fluoride poisoning and arsenic poisoning.

It is evident that India faces a terrible calamity as the groundwater economy limps to a standstill. Half of the country's traditional hand-dug wells have already run dry, as have millions of bored wells. Many farmers have borrowed money to spend on new wells, only to find that they did not flow. Because of the risks involved, the money had to be borrowed at high interest rates. The consequent inability to repay borrowings has led to suicides of farmers.

Urgent action is now planned by the Indian Government. They have approved a plan to use waters from the rivers flowing from the Himalayas for diversion south to replenish 17 southern rivers, and to be distributed over much of the Indian Peninsula. The project is based on using the waters of 14 tributaries of the Ganges and Brahmaputra Rivers.

The scheme involves some 300 reservoirs, 12,000 kilometers of canals, and will divert a total flow of 1,500 cubic meters/second. The estimated cost is from \$70-200 billion. The proposed project has already caused tensions with Bangladesh, because it involves diverting rivers which flow through Bangladesh.

The Indian Government has formed a Task Force to implement the project, with a completion date of 2016. It will be an enormous task to complete the project in that time. On the other hand, the provision of a secure supply of water to the people of India is now a matter of crucial human and economic importance to the nation, and to the world.

### **Bangladesh—Arsenic Poisoning From Groundwater**

Bangladesh has a population of 141 million, as of July 2004, and has the highest population density in the world, other than the city-states such as Hong Kong and Singapore. Yet Bangladesh is a rural economy with most of the people working in the agricultural sector. It is a low-lying country on the delta of the Ganges and Brahmaputra Rivers. About one-third of the country floods annually during the monsoon season.

Bangladesh came into existence originally as Bengali East Pakistan after the partition of India in 1950. It became a separate country in 1971, when it seceded from its union with West Pakistan. As an ethnic group the people are almost entirely Bengali, and 83% of the population is Moslem. Almost the entire land border is with India, and relations between the two countries are tense.

It is an extremely poor country. Until the 1970s, the people in the countryside were largely dependent for their water supply on surface water ponds and rivers. With increasing population, the surface ponds became highly polluted. Sewage bacteria unleashed water-borne diseases, which killed a quarter of a million children each year. The United Nations became concerned about this dreadful calamity, and the Children's Emergency Fund (UNICEF) sought to solve the problem by installing a great number of water wells in order to replace dangerous surface waters with clean groundwater.

The economic impact of the mass introduction of groundwater wells was quite dramatic. The contribution of groundwater to the total irrigated area increased from 4% in 1971 to 70% in 1999. Some 12 million wells were installed. Employment and output in agriculture increased, and poverty was reduced. The United Nations had saved the children.

The health problem seemed to be solved, but by 1985 the people were beginning to be diagnosed with arsenic poisoning. Arsenic is a slow killer, and the signs of poisoning are blisters on the palms of the hands and soles of the feet, which eventually become gangrenous and cancerous. Almost all the wells had traces of arsenic. . . . This means that virtually the entire population is now exposed to some degree to arsenic poisoning; almost every one of the 68,000 villages in Bangladesh is at risk.

Corrective action is slow. The population has now been alerted to the problem, and the authorities are trying to identify the most contaminated wells. But there are about 12 million wells, and testing all of these may take decades.

But the situation is actually much worse. Further testing has shown that arsenic is not the only toxic metal in the groundwater—it is just that arsenic poisoning was the first to be revealed in patients. There are also unsafe levels of manganese, lead, nickel, and chromium. And now it has been discovered that a proportion of wells also exceed World Health Organization limits for uranium. . . . An entire population of over 140 million is slowly being poisoned in Bangladesh, and it is time for effective action.

In June, 2004, the Board of the World Bank provided a grant of US \$40 million to the Government of Bangladesh to expand the provision of safe drinking water to some rural areas by promotion of piped water supply, but that is a small amount for the task when there are about 100 million rural people at risk.

I recall that in the early days of the United Nations, there was a wonderful spirit of goodwill between nations, and nations were prepared to give generously to support worthy projects. The gifts were often support in kind, such as construction, plant, and equipment, or sending a team of experts, or making donations of food to regions stricken with famine.

Bangladesh is in desperate need of international assistance if the problem of arsenic poisoning is to be corrected quickly. At present there is a tendency for the international community to stand back, and to fund *studies* of the problems, rather than intervening directly and solving the problems. . . .

### **U.S.A.: Groundwater and Market Forces**

In the United States, the state governments retain residual responsibilities for such matters as land and water. All states maintain their own legislation on water. In the case of groundwater, the property owner has an absolute right of *capture* of the groundwater under his property. This means that the land owner may pump as much water as he wishes, without incurring any responsibility, if his actions are found to be detrimental to his neighbors or the community as a whole.

Under state environmental laws, a state may establish controls to maintain groundwater quality, and that may influence well spacing and disposal of waste into the groundwater. But overall, throughout the United States, the state legislatures treat groundwater as a basic property right, and there is no control over groundwater withdrawal. Because of problems of depletion of groundwater in some basins, many states have established local district conservancy boards, which are self-governing bodies of users of groundwater. The boards are charged with responsibility to deal with all property owners in the management of the water resources. It is hoped that the problems will be solved by mutual agreement. Nevertheless, in any dispute, the legislatures and the courts continue to treat groundwater as a basic property right.

Even with the conservancy boards, the consequence has

been a disastrous emptying of the nation's groundwater basins. In cases of dispute, the right of unlimited private use of groundwater is defended by the law!

Groundwater is the source of drinking water for about one-half of the U.S. population, including nearly all of the rural population. The pumps deliver in total about 50 billion U.S. gallons per day, or about 70 cubic kilometers per year. The problem is made worse by a continued quaint view in the groundwater profession that the aquifers are being recharged from surface rainfall. They use dubious mathematical models of groundwater flow to show farmers and cities where to drill more and deeper wells, but inevitably the new wells cause the water table to drop, while the wells decline in flow.

The reality is that the United States is coming to the end of the cowboy era of groundwater exploitation, and it is to be expected that the flow in all basins will gradually decline towards extinction. The evidence is clear.

There are reduced flows of water to springs, lakes, and streams. In the natural state, the small residual flow of groundwater came to the surface as springs, and as flow to streams, lakes, and wetlands. With the lowering of groundwater levels, the associated springs and streams cease to flow.

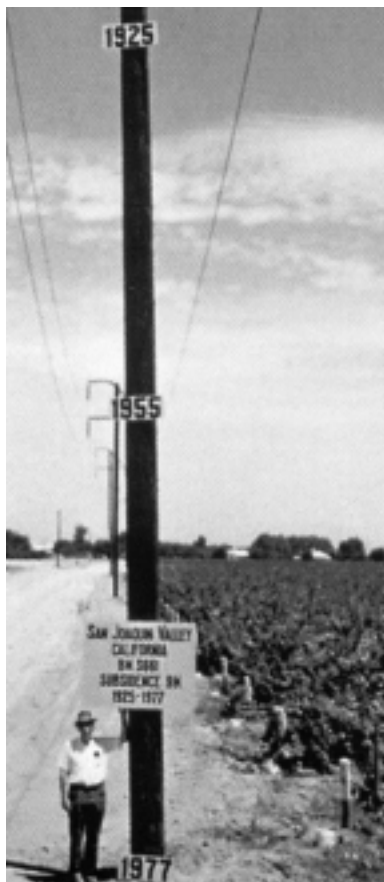
There is serious subsidence of land in many parts of the United States due to pumping of groundwater. In the area of Houston, Texas, groundwater pumping has led to subsidence at the surface of about 3 meters, together with a lowering of the groundwater level by about 120 meters.

In the desert state of Arizona, there have been water level declines of between 100 and 200 meters over much of the area, and associated subsidence of the ground of 5 meters and more. Unequal subsidence and deep land fissures are a serious problem. (The following internet reference is informative, <http://ag.arizona.edu/AZWATER/arroyo/062land.html>).

In 1952 I became familiar with problems being caused by land subsidence in the San Joaquin valley in California. I was with the Bureau of Reclamation in Denver, and the engineers in the Bureau were designing a canal system for the area to distribute surface water for irrigation. They had a problem with land subsidence that was being caused by extraction of groundwater. The land was subsiding at the rate of about 1 meter in three years, presenting major difficulties in the design of irrigation canals, which follow very flat grades. The subsidence continued for decades after, as the accompanying photo shows.

In Kansas, groundwater accounts for 90% of the total water supply. It is the principal source for 600 public water supply systems, and most rural-domestic supply. Most of the groundwater is used for irrigation. Groundwater levels have dropped substantially, in some areas by over 200 feet. There are many similar examples in other states.

Virtually all of the drinking water in Florida is supplied from groundwater. The Florida aquifer system extends across the entire state of Florida, southern Georgia, and adjoining parts of Alabama and South Carolina. A major concern is the increasing contamination of the aquifer system as the water



State of California

*This telephone pole in the San Joaquin Valley in California shows the level of the land in 1925, 1955, and 1977. Such subsidence is caused by extraction of groundwater, and arises from the closure of fracture openings and pore spaces in the rock. It is essentially irreversible.*

levels decline. There is intrusion of seawater into the aquifers along the east coast, and on the south coast along the Gulf of Mexico.

In Texas and Arizona, there are proposals to privatize the groundwater aquifers. This would absolve governments from the responsibilities for management of groundwater, and leave the matter to the private sector and the people to sort out. This seems a dangerous proposal in a country where citizens may own guns.

Subsidence of lands due to groundwater extraction is a serious problem in several states of the United States. Differential settlement, sometimes with cracking of the ground surface, and sinkholes, can cause serious damage in built-up areas.

Throughout the United States, the common law right of capture of groundwater is firmly entrenched in the minds of the people, and in legislation. Landowners protect their claim to capture by pumping the water. Consequently, there has been a race to the pumphouse. The race is now ending. From now on, water supply will become a far more important issue for farms, cities, and states. Water supply for cities will become more expensive, and there will be pressures for transfer of water across state boundaries.

The rapid decline of groundwater resources in China and India has led to the governments of those countries moving



Government of Libya

*Libya's great man-made river is one of the largest construction projects ever undertaken, with the objective of reducing dependence on food imports and employing people in modern agriculture and industry. These pipe sections are 4 meters in diameter, made of pre-stressed concrete, weighing up to 80 tons.*

to construct huge projects for the transfer of water to their cities and farms. Similar actions may be needed in the United States.

### Libya—The Man-Made river

In the 1960s, during the exploration for oil in the desert in Libya, vast deep reservoirs of groundwater were discovered. Four major underground basins have subsequently been identified, and estimated to contain over 35,000 cubic kilometers of water, a truly huge volume of groundwater, if the estimates turn out to be close. The groundwater is recognized to be fossil groundwater, and there will be no effective recharge as the resource is exploited.

In 1983, the Libyan Government created an Authority to plan and build a great project to take waters from the aquifers in the desert in the south to the coastal plain, along the Mediterranean Sea, for irrigation and public water supply. The project involves 270 deep wells, and 4,000 kilometers of large diameter pipe, over 4 meters in diameter, all buried under the desert sand.

The entire project will cost about \$27 billion, funded entirely by the Libyan Government from its oil revenues. The project is described as the Great Man-Made River Project. By 1996, a key stage of the project was reached when water was delivered to Tripoli, the capital of Libya.

Libya covers a large area, but the population is little more than 5 million. The construction of this project, funded entirely without overseas borrowing, is a most remarkable achievement. It is one of the largest construction projects ever undertaken. It was intended that the project would make Libya self-sufficient in food. Libya imports about 75% of its food. Irrigated farmlands are now being developed along the coast towards this purpose of self-sufficiency. But self-sufficiency in most foods may not be the most efficient and economical way for Libya to use these abundant new resources of groundwater. For example, it may be a great waste of water for Libya to grow cereals such as wheat, barley, and rice. These crops have high water demands, and are best grown in areas of sufficient natural rainfall.

There may be far higher financial returns, and far more

employment, if Libya uses its lands, sunshine, and high-value water to grow higher-value foods for export to world markets, such as fruit and vegetables, and to support new industries based on these new crops.

### A Brief Review of Other Nations

**Yemen** is a rocky barren country, with very little arable land, and a population of 20 million people. Groundwater was developed in the last few decades to provide water for urban areas, and for limited agriculture. The water table is now falling at 2 meters each year in the agricultural areas. The capital is Sanaa, and its groundwater level has been falling at 6 meters each year. This presents a very serious problem as there are no other supplies of groundwater, and virtually no supplies of fresh surface water.

**Iran** is a rocky country with limited areas of soils suitable for agriculture, and a population of 69 million. Iran is facing an acute shortage of water. In eastern Iran, villagers are leaving the region as wells run dry. It has been reported that in the fertile plain in the northeast, the water table has been falling by 2 to 3 meters a year.

**Mexico.** There are serious problems of water supply in some states and several cities, as aquifers are pumped dry. Mexico has a population of 105 million people, growing by about 2 million each year. The agricultural lands are deteriorating, and there is a drift of people to the cities, but the cities also have serious water and pollution problems. The government considers that lack of clean water is a national security issue. There have been serious problems of land subsidence in Mexico City for a long time, simply due to the weight of monumental buildings on the underlying clays. The subsidence is aggravated by groundwater extraction.

### The World Groundwater Deficit: How Did It Happen?

The great magnitude of the problems caused by the depletion of the world's groundwater resources is abundantly clear. Yet except for China and India, there has been very little action by governments. In Australia, the government has re-

cently issued a report recommending the use of groundwater to supplement surface irrigation in the Murray-Darling Basin, a vast flat area that is the food-bowl of the nation. The decision seems to have been made with no consideration whatever of the prospect of very serious damage of irrigation areas, due to land subsidence caused by groundwater extraction, or increased salinity in low areas, or earth fissures as in Arizona, and a firm conviction that recharge from surface rainfall would maintain water levels.

I believe that one reason for this inability of most governments to comprehend the situation lies in the nature of the professional advice they receive. I note that in the scientific and professional journals of the world, there is never any mention of world groundwater problems. The professional groups most concerned with water resources and groundwater are all strangely silent about the worldwide decline of groundwater resources. The textbooks on groundwater hydrology

appear to be part of the problem: They all show mathematical models of groundwater flow based on the key assumption that the groundwater is recharged from surface rainfall. As a consequence, the related computer models of groundwater flow are very seriously misleading.

These days it is so easy for professionals to share ideas with colleagues all around the world, and one would expect that the serious matter of the worldwide decline of groundwater resources would command attention. But it does not. It is apparent that the main cause of the silence is that the present understanding of the origin of groundwater by the professions involved, is not all consistent with what is actually happening. The theory is not working out in practice. There is a global disaster, and the key experts are silent.

There is clearly a need for a new understanding of the origin of deep groundwater. It is hoped that this book may be a step in that direction.

## Solve the Water Crisis With Nuclear Desalination

Nuclear desalination, researched since the 1960s, is a technology ready for take-off as a clean, economical source for supplying safe drinking water from seawater. As Lance Endersbee makes clear, there is no time to waste in planning and building desalination plants that can meet the looming deficits of fresh water for the world's population.

Conventional desalination plants powered by the steam or electricity that is produced by gas or oil, have been operating for 50 years, and in 2001, there were 12,451 desalination plants worldwide. In the Gulf region and North Africa, desalination supplies about 1 million cubic meters per day of water, while Saudi Arabia, which is even more dependent on desalination, has a capacity of 4 million cubic meters per day. The Mideast and Gulf regions are the largest users, with more than 50% of the world's desalination capacity.

There are three main desalination technologies: reverse osmosis, or RO, which is used in nearly half of today's desalination plants; multi-effect distillation (MED); and multi-stage flash distillation (MSF). All three technologies are still undergoing research to improve efficiency and cost.

### Nuclear Desalination Most Attractive

Any power plant—even a small diesel engine—can be coupled to a desalination facility. But nuclear plants are the most attractive power source for desalination, because they are more energy-intensive than plants fired by con-

ventional fuels, and cleaner. Although almost any kind of nuclear plant could be used to power a desalination facility, the fourth-generation high-temperature nuclear reactors—which are 50% more efficient, modular, mass-producible, and super-safe—are ideal for the job. Because of its passive safety characteristics and smaller design, the new high temperature reactors (either the South African Pebble Bed or the prismatic core model of General Atomics), can be easily sited near the water-distribution systems.

Especially for developing-sector countries, which do not have large power grids, the small- to medium-size, fourth-generation reactors are economical, because they can be added to the grid module by module, as demand increases.

For industrialized countries, larger nuclear plants are appropriate. In fact, in the 1980s, the Metropolitan Water District of Southern California, which serves the large desert population of more than 15 million people, proposed building a large desalination facility powered by a high-temperature gas-cooled reactor of the General Atomics design. The desalination process was designed to directly use exhaust heat from the reactor. Although economically and technologically feasible, the project was killed by the environmental Malthusians.

The International Atomic Energy Agency has conducted research and feasibility studies on nuclear desalination since the Atoms for Peace days. In its recent studies, the IAEA has stressed that nuclear desalination is cost competitive against other energy sources; it has inherent advantages, such as no pollution, continuous operation, and a secured fuel supply; and that both the heat and/or the electricity produced by a nuclear reactor can be used for desalination, permitting flexible design concepts.

—Marjorie Mazel Hecht

## Only Removing Cheney Will Avert War and Dictatorship

by Jeffrey Steinberg

On March 2, speaking before an assembly of international diplomats and others in Berlin (see *Feature*), Lyndon LaRouche reiterated his warning that the Bush Presidency is doomed unless George Bush dumps Vice President Dick Cheney immediately. In recent polls, Bush's own approval ratings had crashed to 34%, while Cheney's approval was barely 18% of Americans, following his recent attempts to cover up his role in the shooting incident at a Texas ranch during a quail hunt, and mounting evidence that he was the kingpin of the Valerie Plame leak conspiracy.

On Feb. 26, LaRouche had warned that Cheney would move aggressively to sabotage the Russian-Iranian nuclear deal, which was announced earlier that day. Cheney has been the Bush Administration architect of plans to carry out air strikes, possibly using nuclear weapons, against a dozen sites in Iran, allegedly housing nuclear weapons facilities. Last August, Cheney had pushed for the Strategic Command (STRATCOM) to work up contingency plans for such attacks, and he revived the push for military action against Iran in recent months, through efforts to refer Iran to the United Nations Security Council after March 6. Cheney's mad schemes for "regime change" in Tehran have so far been resisted by the U.S. military command, and by saner elements inside the U.S. State Department and the intelligence community. Nevertheless, as long as Cheney remains on the job, the threat of such an attack will be a live proposition.

Underscoring Cheney's personal role in pushing a perpetual war in the Persian Gulf, Egyptian President Hosni Mubarak, in a highly unusual move, issued a public statement on March 1, in English, urging Cheney to drop his mad plans for military strikes against Iran, reporting that he had personally warned the U.S. Vice President of the consequences of such attacks, when they met in Cairo in January. "I said to him,

word for word, 'Listen to my advice for once,' " Mubarak told Reuters and Arab News. "If an air strike took place [against Iran], Iraq will turn into terrorist groups more than it is already. The Gulf area has Shi'ite majorities in many of the states, and America is linked to vital interests in this area and has naval facilities. Iran spends generously on the Shi'ites in every country and these people are prepared to do anything if Iran is hit."

### How Bad Does It Have To Get?

The collapsing public support for the Bush Presidency took another hit on March 2, when the *Washington Post* published a front-page story on AP's release of video footage of a conference call with President Bush and Federal and state disaster relief officials last August when Hurricane Katrina hit. The video revealed that the President had been fully informed about the magnitude of the catastrophe from the moment that the storm hit land along the Gulf Coast. Yet the Administration failed to take any adequate action for at least 48 hours, and the President later claimed ignorance about the seriousness of the disaster.

Sources tell *EIR* that the details of the video conference call were passed to Associated Press by former FEMA Director Michael Brown, who was fired by President Bush and has subsequently accused the White House of "scapegoating him" for failures that actually took place at the White House itself, and at the Office of Homeland Security Director Michael Chertoff. A White House report on the Hurricane Katrina failures, prepared by White House emergency management czar Frances Townsend, whitewashed the Administration and cast blame everywhere but with Chertoff and Bush.

Such colossal failures have deeply hit the American public, prompting a bipartisan group of legislators and policy-



White House photo/David Bohrer

*If perpetual war and dictatorship are to be averted, “Kingpin” Dick Cheney must be removed. He’s shown here preaching to the choir at the American Enterprise Institute in Washington.*

makers to conclude that Bush must take some emergency action to save his Presidency. A housecleaning, they say, is urgently needed—and the starting point must be the Vice President.

### ‘Kingpin’ Cheney

A series of recent news leaks underscore that Special Counsel Patrick Fitzgerald is amassing a devastating case that the Vice President was the kingpin of the Valerie Plame leak scheme. On Feb. 24, journalist Jason Leopold reported on the Truthout web journal, that Fitzgerald had obtained 250 pages of e-mails from Cheney’s office, showing that the Vice President lied when he told the Special Counsel in a 2004 interview that he had no knowledge of Ambassador Joe Wilson or his wife, Valerie Plame. The e-mails reportedly show that a “Get Wilson-Plame” campaign was launched out of Cheney’s office, under his personal supervision, in March 2003—even prior to the invasion of Iraq. If Leopold’s account is accurate—and the White House provided the 250 pages of material to Fitzgerald—this may indicate that some in the Oval Office are concluding that Cheney is an albatross that must be dumped over the side.

*EIR*’s own sources report that Special Counsel Fitzgerald is in no rush to nail the Vice President, and is planning to re-interview Cheney sometime shortly after the November 2006 midterm elections. However, the sources say that the evidence is already in hand, that Cheney lied to the Special Counsel.

Leopold’s article in the March 1 edition of Truthout reports that the damning e-mails were discovered “from computers that investigators had confiscated from the Office of the Vice President.” Sources said that “unnamed senior officials in Cheney’s office had deleted some of the e-mails before Fitzgerald learned of their existence earlier this year, and oth-

ers never turned them over to Gonzales as requested. Also there are some e-mails that Gonzales has refused to turn over, citing ‘executive privilege’ and ‘national security.’ ”

Leopold further reports that the e-mails turned over earlier in February were written by senior aides to Cheney and sent to various officials at the State Department, the National Security Council, and the Office of the President. The e-mails also show that Lewis “Scooter” Libby, Karl Rove, Stephen Hadley, John Bolton, and other top officials in Cheney’s network took part in discussions about ways to discredit Joe Wilson’s public criticism.

### Dictatorial Powers

To make matters worse, during his recent TV interview with Fox News’ Brit Hume, the Vice President revealed that he had been given extraordinary authority from President Bush to classify and declassify documents. Such authority is not part of the Vice President’s Constitutional role. Cheney revealed the March 25, 2003 Executive Order in the Hume interview, in response to a question about grand jury testimony by his former chief of staff Scooter Libby, that “higher ups” in the Administration had ordered Libby to leak classified material justifying the Iraq invasion. Libby’s grand jury testimony was released as part of pre-trial discovery motions in his perjury trial, which is not scheduled to begin until January 2007.

What Cheney revealed in the Hume interview, however, has to be taken deadly seriously. The Vice President, on behalf of his Synarchist controllers, is determined to exert Hitlerian “unitary executive” powers over the U.S. government, using President Bush as a cover. The only way to avoid global war and U.S. dictatorship, is not to play electoral games, but to get him out of office now.

# Israel Near Detonation: Will the Abramoff Factor Sink Bibi?

by Anton Chaitkin

Vice President Dick Cheney and his allies, seeking an immediate war with Iran or Syria, desperately want war-bent **Benjamin “Bibi” Netanyahu** to win Israel’s March election, to succeed the comatose Prime Minister Ariel Sharon. While acting Prime Minister, and Kadima Party candidate Ehud Olmert has been a Likud bloc fixture for decades, and is hardly a viable “peace candidate,” he, like Sharon, would likely draw the line, and oppose a suicidal Israeli war provocation against either Syria or Iran. Only Bibi Netanyahu, among the candidates in this month’s election, would flagrantly defy Israeli national interests, to pursue a George Shultz/Dick Cheney-dictated agenda of regional chaos and perpetual war.

At the moment, Israeli public sentiment apparently favors Olmert over Netanyahu. Only some fearful security devolution, perhaps an unprecedented terrorist outrage, might now panic Israelis to opt for Bibi—as they did in 1996, following the assassination of Yitzhak Rabin, and the subsequent unleashing of a string of suicide bombings on the streets of Tel Aviv and Jerusalem.

The notorious **Jack Abramoff** is the Washington pivot for the underground apocalyptic movement inside Israel that could precipitate such a terror wave. The felony indictments of lobbyist Abramoff and his associates, including former House Majority Leader **Tom DeLay** (R-Tex.), have been headline news as a “corruption scandal.” But the Abramoff of organized crime, fascist guerrilla movements, and death squads, whose apparatus gives the Cheney power cartel a chance to blow Israel up for a Netanyahu takeover—this Abramoff has not until now emerged into public view.

## Jack’s Loot Funds the ‘Jewish Intifada’

Israeli intelligence sources have told *EIR* that Abramoff has been financing the Temple Mount fanatics, who would destroy Islam’s holy shrines on Jerusalem’s Temple Mount, the al-Aqsa mosque and the Dome of the Rock, and build a new Solomon’s Temple on the site instead. A bombing or other assault on the Temple Mount would set off a tsunami of revenge-driven religious wars.

In recent years Abramoff has had at his disposal *hundreds of millions of dollars* from gambling casinos and slave-labor sweat shops, much of it in untraceable cash.

Yet the traceable public record, of crimes and cash flows already revealed and confessed to, provides crucial leads for

those acting to protect civilization at this juncture.

Senate investigators showed that from gambling casino proceeds, which Indian tribes had contributed to him for charitable and political-lobbying purposes, Abramoff diverted funds into guerrilla training, specialized killing equipment, and other military gear for West Bank Jewish settlers, and for the radicalization of the Israeli army. He was priming an “end-times” movement that is at war against the government of Israel, as well as against Palestinians.

More than \$140,000 donated in 2002 to Abramoff’s tax-exempt Capital Athletic Foundation, actually paid for sniper scopes, sniper shooting mats, camouflage suits, night-vision binoculars, and a thermal imager; the money also “paid a monthly stipend [of \$3,560], and Jeep payments to Mr. Abramoff’s [Hollywood] high school friend living in the Israeli West Bank, who conducted sniper workshops for members of the Israeli Defense Force and others.”<sup>1</sup>

The U.S.-bred Abramoff paramilitary agent, now going by the name of **Shmuel Ben Zvi**, resides in Beitar Illit, the largest ultra-orthodox Jewish settlement in the Palestinian West Bank. (Beitar Illit’s 25,000 residents are Haredi Jews, with wide-brim black hats and a feudal outlook.)

Among the international communications which Senate probers published, this e-mail (Nov. 10, 2002) from Ben Zvi to Abramoff casts a light on the political aims involved:

“Last night one of their guys who was in the army when I did the workshop for the snipers in his unit, said that they need the workshop badly. . . . I am now writing out a program for . . . containment and neutralization of terrorists. . . . When I showed them the didactic materials, manuals, and videos, they had tears in their eyes from the excitement. There is so much that they have not had the opportunity to learn in the army.

“The army for the most part creates soldiers, not *warriors*. . . . It is not the interest of any government to create warriors that they feel will one day become a fifth column. . . . Shulamit Aloni, the Labor [Party] blabbermouth, has always expressed fears that the Mizrahi movement will one day make a call to arms, and announce Medinat Yehuda [State of Judea]. So they have always been leery about arming the ishuvim [settlements] properly, let alone training

1. U.S. Senate Indian Affairs Committee hearing transcript, June 22, 2005.



them in guerrilla warfare. . . .”<sup>2</sup>

Medinat Yehuda—the State of Judea—means a projected new Jewish nation to be erected on the ruins of the existing, hated secularist State of Israel, the new kingdom to include the Palestinian territories and neighboring Arab countries, as a supposed revival of the Biblical kingdom of Judea.

The movement for “a State of Judea” is among the foreign terrorist organizations that were named on Oct. 8, 1999, by the Office of the U.S. State Department’s Coordinator for Counterterrorism, as one of many initiatives of the American-born fascist, **Meir Kahane**. (Kahane had been murdered in 1990.)

The state of mind of Abramoff’s agent may be gleaned from the e-mail sent Oct. 19, 2001 from Ben Zvi, discussing the hoped-for apocalypse:

“The Zohar [the mystical Cabbala] says that before Moshiah [the messiah] comes, three towers will burn in the gate of Rome (edom). I freaked out when I saw how the schematic drawing in *Newsweek* referred to the smaller (45 story) world trade center building . . . as the ‘third tower’ . . . .”<sup>3</sup>

## The Nazi Underworld

Here we see Abramoff in a realm of lethal action for which greed and simple corruption cannot account.

What in his personal history would have prepared Abramoff to coldly perpetrate political crimes that could lead to the deaths of millions?

The accompanying article, “The Abramoff Family and the Mob Families,” shows how organized crime, particularly tied to casinos, boosted Jack Abramoff all through his life.

His relations to Netanyahu’s supporters reflect a quarter-century career at the intersection of the criminal underworld and fascist politics, helping to operate an axis of mayhem between South Africa and Israel.

In 1985, Abramoff opened the Washington headquarters of the **International Freedom Foundation (IFF)**. He thereafter chaired the Foundation, a front for the South African racial apartheid regime’s secret police and military intelligence, with other offices in London, Hamburg, Brussels, Rome, and Johannesburg. IFF closed down in 1993 when the South African government cut off its \$1.5 million per year covert funding.

The famous South African “superspy” **Craig Williamson**, a global director of assassinations, ran IFF’s actual Johannesburg center. After the black-majority government took power, Williamson confessed to numerous state-sponsored murders. He and other secret police officials revealed that Abramoff’s IFF was part of a larger South African military intelligence initiative. Code-named Operation Babushka, it was tasked to counter and destroy the leading black anti-



EIRNS/Stuart Lewis

*Benjamin Netanyahu is the only candidate in this month’s Israeli election, who would flagrantly defy Israeli national interests, to pursue a George Shultz/Dick Cheney-dictated agenda of regional chaos and perpetual war.*

apartheid movement—the African National Congress (ANC)—led by Nelson Mandela.

According to South African intelligence sources who were close to Williamson’s and Abramoff’s work:

- The South Africans began funding Abramoff even before his 1981 takeover of the College Republicans—perhaps when he was the campus rightist leader at Brandeis University.
- The South Africans financed the College Republicans when Abramoff and his political partners, **Grover Norquist** and **Ralph Reed**, ran the national group (1981-85).
- Craig Williamson personally trained Abramoff in the arts of deception and political dirty tricks.

University of Durbin professor John Daniels, researcher for the South African Truth and Reconciliation Commission, reports<sup>4</sup> that Abramoff traveled to South Africa in 1983 to cement relations between the College Republicans and the secret-police-funded **National Students Federation (NSF)**, headed by Williamson’s intelligence cohort, **Russel Crystal**. The IFF, founded in 1985, was reportedly Crystal’s idea.

Also in 1985, Abramoff became the director of a putatively private organization called Citizens for America. It was one strand of a worldwide network of mercenaries, illegal arms dealers, drug traffickers, money launderers, terrorists, and private spies, known collectively among intelligence spe-

2. U.S. Senate Indian Affairs Committee hearing transcript, Nov. 2, 2005 (emphasis in the original).

3. U.S. Senate, June 22, 2005, op. cit.

4. Claudia Braude, “A Blast from the Past,” *Mail & Guardian Online* (South Africa), Jan. 24, 2006.

cialists as “the asteroids.” Citizens for America was sponsored by rightist financier **Lewis Lehrman**, in coordination with the Vice President **George H.W. Bush** side of the Reagan Administration.

Abramoff, his lieutenant Grover Norquist, and South Africa’s Crystal-Williamson-linked NSF, organized a 1985 summit conference of rightist guerrilla movements, hosted by **Jonas Savimbi**’s diamond-smuggling UNITA movement in Jamba, Angola. The heroin-trafficking Afghan mujahedin, **Oliver North**’s cocaine-smuggling Nicaraguan contras, Laotian guerrillas, Jack Abramoff, and Russel Crystal were on hand, trying to form a global coordinating body in tandem with the World Anti-Communist League.

Professor Daniels reports that the same groups held a followup conference in Johannesburg a month later.<sup>5</sup>

Abramoff’s mentor, Craig Williamson, confessed to the Truth and Reconciliation Commission that he had co-managed the 1982 bombing of the African National Congress’s London office; had ordered the murder of ANC activist Ruth First, a close friend of Swedish Prime Minister Olof Palme; and had carried out other killings with bombs, along with numerous unconfessed but documented murders, kidnappings, sabotage, and insurrection.

South African paramilitary police death-squad murderer Col. **Eugene de Kock**, during his own 1996 trial, told the court that Craig Williamson had directed the 1986 assassination of Olof Palme. Williamson’s one-time boss inside the paramilitary police, Brig. **Johan “Dirk” Coutzee**, issued a statement corroborating Williamson’s guilt, and added details of the Palme hit, as did **Peter Casselton**, another associate of Coutzee and Williamson.

The motive? Aside from Palme’s public support for the ANC anti-apartheid movement, the Swedish Prime Minister was deeply cognizant of the global arms and explosives cartel (which involved major Swedish companies), and the vast underground apparatus, in which Williamson was a leader, for smuggling arms into the rightist guerrilla movements which people like Abramoff managed. At the time of his murder, Palme chaired the UN’s “Palme Commission” for embargoing arms into the Iran-Iraq War.

### The Israel-South Africa Axis

Israel stepped into the trade gap when the apartheid regime in South Africa came under international sanctions. Israel traded South African uranium and diamonds for Israeli arms and expertise, and may have tested a nuclear bomb jointly with South Africa during 1979.

Citing universal non-recognition of Israel’s right to occupy Palestinian territory, Israel was the only country to recognize the bantustans, South Africa’s native-herding enclaves, as sovereign nations.

Israeli intelligence sources have told *EIR* that Abramoff



*Craig Williamson, a confessed coordinator of assassinations for South Africa during the apartheid era, trained Abramoff in the arts of deception and political dirty tricks.*

worked closely with **Shabtai Kalmanovitch**, the fascist politician and master of the casino gambling, prostitution, and diamond-smuggling based in the Bophuthatswana bantustan.

A Russian immigrant to Israel, with close ties to the Soviet and Russian-Jewish mobsters in North America, Kalmanovitch became the political partner of Israeli mobsters who sponsored Meir Kahane, and of the Gush Emunim radical settlers’ movement. Kalmanovitch took part in Israeli, U.S., and Russian spy swaps, teamed up with the Washington-based “asteroids” overlapping Abramoff’s interests, and ran coups for Israeli intelligence in black Africa. Israel arrested Kalmanovitch in 1987 and imprisoned him as a Soviet spy.

### ...And the U.S.-Israel End-Times Axis

In 1988-89, Abramoff produced, with covert South African funding, *Red Scorpion*, a low-grade action/propaganda movie celebrating rightist African guerrilla movements.

While filming *Red Scorpion* in South Africa, Abramoff met **David Lapin**. What Lapin was doing back in South Africa, to hook up with Abramoff at that particular time, remains unexplained.

David Lapin and his brother Daniel had emigrated with their father from South Africa to California in the 1970s. David introduced Jack to Daniel, and it was *Daniel who later introduced Jack to Tom DeLay*.

Rabbi **Daniel Lapin** was trained in Israeli Orthodox yeshivas, and was the student and protégé of Rabbi **Avigdor Miller**, spokesman for Haredi Judaism in America, and an avid supporter of Meir Kahane. After Kahane’s murder in 1990, Miller directed Jews to attend Kahane’s funeral and to direct their anger against the centrist Jews whom he blamed for Kahane’s death.

Here we approach the core of the U.S.-based circle, pivoting on Abramoff, that is intervening in Israel.

It was the effort, over many years, of **Baruch Marzel**, head of Meir Kahane’s terrorist Kach Party, that was uniquely responsible for recruiting the Haredi Jews—the Beitar Illit settlers—into support for the violent Kahane agenda, for the “State of Judea” and apocalyptic war.

Daniel Lapin had lavish funding from Abramoff’s war-chest of looted money, and Abramoff’s connections to DeLay

5. Ibid.



EIRNS/Stuart Lewis

*Meir Kahane, an American-born fascist who had a violent agenda to replace Israel with a fundamentalist state.*

and to Jack's partner in mammoth fraud, Ralph Reed; so Rabbi Lapin rose to stardom with the radical-right Christian Zionists. Brother David headed Abramoff's Eshkol Academy (a Maryland Jewish school that sank into the morass of Jack's funding frauds), and pulled a million dollars from sweatshops in the Northern Marianas.

## Ultra-Right Channels Into Israel: A Tour Into Hell

Abramoff fueled the West Bank paramilitaries in 2002, as the Cheney-DeLay faction demanded war with Iraq, and new American entities arose to push Israel into war.

Rabbi Daniel Lapin launched the **American Alliance of Jews and Christians**, co-chaired by **Gary Bauer**, with **James Dobson**, **Charles Colson**, **Jerry Falwell**, **Pat Robertson**, and Jack Abramoff on the Advisory Board.

That same year, Ralph Reed launched **Stand for Israel**, an intended Christian-Zionist version of the American Israel Public Affairs Committee (AIPAC), co-chaired by Rabbi **Yeckiel Eckstein**, a covert multimillion-dollar funder of Israel rightists. Reed and Eckstein held a founding convention in Jerusalem and met with top Israel government leaders.

And in 2002, Abramoff's personal network could be seen taking a tour of Israel, to meet with the principal leaders of the movement seeking the end of the state of Israel, a war that could end civilization, and the elevation of Cheney's choice, Bibi Netanyahu, to the Prime Minister's chair.

This was the Jan. 19-27, 2002 **Solidarity Mission to Israel** of the Orthodox Union, an ultra-right group of some 1,200 North American synagogues, including those with which Abramoff has been affiliated. (The Orthodox Union substantially overlaps with the **Mizrachi Movement**, named by Shmuel Ben Zvi as potentially invoking the "State of Judea.")

This particular tour is reported on the website of Woodside Synagogue Ahavas Torah (WSAT), Jack Abramoff's own synagogue, in his home base of Silver Spring, Md., a

Washington suburb.

The reporter, who took the tour, is the synagogue's webmaster, **Jerry Saunders**.

Saunders' Woodside Synagogue website has had a shameless relationship with the great benefactor Abramoff: It ran an effusive full-page plug (removed since Abramoff's downfall) for two of his Washington, D.C. restaurants, called Stacks and Archives, both of them "the creation of lobbyist and WSAT member Jack Abramoff. . . . This reporter has eaten [at Stacks] twice so far and looks forward to the opportunity to try everything on the menu. . . . Jack we love ya! I can't wait to try Archives."

Saunders reports as follows:

"Where did I go? To Judea and Samaria (West Bank), of course! First I went north to the Binyamin area, visiting Pissgatz, Shilo, Eli, Ofra, Givat Amuna. In the south I visited Gilo, Tekoa, Gush Etzion, Efrat, Har Etzion, and Hebron. I went to Yeshivat Beit Orot at its Mt. Scopus Campus, and visited Arab neighborhoods in Jerusalem. . . .

"I also met and heard officials speak, including: Rabbi Benny Elon, the new Minister of Tourism. . . . I met the head of the Binyamin Area Council, Pinchas Wallerstein . . . with senior officers from Yesha [Jewish settlers political council] army headquarters. . . . I had breakfast with Rabbi Yitzchak Levy, Member of Knesset [parliament]. I met with Shaul Goldstein, Head of the Gush Etzion Area Council . . . with Eli Suissa, Minister responsible for Jerusalem affairs. . . . I attended a breakfast with Avraham Duvdevani, Chairman, Settlement Department of the World Zionist Organization.

"Our [Sabbath] speakers included . . . Rabbi Schonfeld from the [Orthodox Union's] Rabbinical Council of America . . . and Rabbi Nachman Kahane, Rav of Young Israel of the Old City.

"... The next day I joined a group touring the old city led by Daniel Luria [of] 'Ateret Cohanim' [which acts in Jerusalem to replace] . . . Arab protected tenants [with] Jewish families. . . . We visited one of the homes and later a shul called "The Young Israel of the Old City" and its . . . Rabbi Nachman Kahane. Rabbi Kahane would later deliver a talk to our group on [Sabbath]. . . ."

We shall briefly describe here, the role of these individuals, the leaders of the most extreme provocations on which rest the only hope for Netanyahu to take power.

Leaving Rabbi Benny Elon for last, they are:

**Pinchas Wallerstein**, Mayor of the Benjamin Settlement. While Ariel Sharon's government was negotiating with the Labor Party to get started on withdrawing Jewish settlements from Gaza, and some from the West Bank, Wallerstein issued a call to the settlers to break the law, and physically resist the Israeli government. This deeply polarized Israeli society.

**Yitzchak Levy** was one of two ultra-radical Knesset members of the National Religious Party (along with **Effi Eitam**) who in 2005 resigned from, and shattered Sharon's governing coalition over the settlements issue, while four

other of his party's members, ordinary right-wingers, stayed with Sharon.

**Shaul Goldstein** is the head of the Gush Etzion Area Council, famous as a leader of street resistance by settlers against the Sharon government's disengagement plan.

**Eli Suissa**, as Interior Minister in 1998, cancelled the ban on entry to Israel that had been imposed on American Rabbi Abraham Hecht, who had proclaimed to thousands of rabbis the religious decree calling for the assassination of Prime Minister Yitzhak Rabin. Suissa said that if Hecht came to Israel, he would be ready to shake his hand.

**Avraham Duvdevani** is a key planner of the strategy for creating the corridor of radical Jewish settlements reaching southward from Jerusalem (and including Beitar Illit). He heads the settlement division of the World Zionist Organization, the parent body of the Jewish Agency for Israel, which was asked to supervise the resettlement of Jews uprooted from Gaza by the Sharon plan. Duvdevani led a staff revolt within that division against disengagement, and as a board member of the Jewish Agency, gave a strident anti-government speech which led to the Agency backing away from complying with the Sharon plan.

Rabbi **Fabian Schonfeld**, a former president of the Orthodox Union's "Rabbinical Council of America," was featured in an Aug. 25, 2005 meeting in Queens, N.Y., to fundraise for the radical settlers. Rabbi Schonfeld introduced the featured speaker, New York State Assemblyman **Dov Hikind**, top lieutenant to Meir Kahane until the early 1970s. The slogan for Schonfeld's meeting was, "Amidst the Disengagement Darkness, Aliyah [immigration to Israel] Light Pours In." Rabbi Schonfeld reflects the guidance of Rabbi **Max N. Schreier**, chairman of the Israel Committee of the Rabbinical Council of America, and a director of the Orthodox Union, who hosted many appearances by Meir Kahane at his Brooklyn synagogue, the Avenue N Jewish Center in Flatbush.

**Nachman Kahane** is a surviving brother of Meir Kahane, and rabbi of the Young Israel synagogue inside what was Arab East Jerusalem. In October 2005, a "Sanhedrin" was formed pretending to revive the Jewish governing council by that name from 400 A.D. They designated Nachman Kahane and six other ethnic-cleansing advocates, to a committee charged with drawing up architectural plans for the new Temple of Solomon to be built on the Temple Mount after the Temple Mount mosques are destroyed.

The "Sanhedrin" recently convened a global meeting of "Noahides"—followers of a hoked-up occult version of the pre-Moses pagan religion of Noah which will allow former Christian and animal-sacrificing Jews to worship together in the State of Judea, when Israel is crushed. The Noahide conference was a decades-earlier project of Meir Kahane.

Meir Kahane was jailed in New York in 1971 on explosives charges. Mafia boss **Joe Colombo** personally came to the jail and paid Kahane's \$25,000 bail. After a joint press conference announcing mutual support for their "civil rights," Colombo's Mafia financed Kahane's movement with untrace-



*Benjamin Elon is a principal Israeli intermediary with the U.S. Abramoff-DeLay machine. Netanyahu has turned to Elon in a desperate attempt to overturn the present Olmert government.*

able cash, while Kahane's **Jewish Defense League** commandos provided Colombo with bodyguards and muscle for debt collection. Kahane poured untraceable streams of cash into the Ateret Cohanim yeshiva—which was the project of British occult strategists to train priests for the new post-Judaism religion—and into the movement to blow up the Temple Mount. Kahane in the gutter, and Netanyahu the bankers' prince, share a common heritage: Kahane implemented pro-Mussolini **Vladimir Jabotinsky's** street-fighting program; Bibi is the son of Jabotinsky's private secretary.

### **Bibi's Tunnelers**

Likud party chairman Benjamin Netanyahu is frequently a guest in the Jerusalem home of the **Ira Rennert**, who made nearly a billion dollars, stripping assets from, and collapsing American companies. Rennert is a heavy donor to Likud campaigns. Rennert's Long Island, N.Y. house with 29 bathrooms and a 100-car garage, is thought to be a possible site for conversion into a U.S. headquarters palace for Bibi if he takes over Israel.

Ira Rennert and his wife, Ingeborg, finance the Western Wall Heritage Foundation. As Prime Minister in the 1990s, Netanyahu gave Rennert's New York-based fanatic group physical control over the tunnel entrance to the complexes underneath the Temple Mount, where the dynamiters hope to go, putting Rennert's foundation in charge of screening and admitting visitors to this potential world-war flashpoint.

But it is to Rabbi **Benjamin "Benny" Elon**—the man at the head of the visit-list of Abramoff's man Saunders—that Netanyahu has turned to in recent days, in the desperate attempt to overturn the present Olmert government.

Elon is a principal leader of Israeli relations with the U.S. Abramoff-DeLay machine, and the Christian Zionists. Elon visited with Tom DeLay, his main U.S. contact, when President George W. Bush was snubbing Elon for his incitements against the U.S.-backed Road Map for peace program.

Beginning in the 1980s, Elon was a teacher in the Ateret

Cohanim apocalyptic cult center in Jerusalem. He is an authority on the teachings of Rabbi **Abraham Isaac Kook**, a founder of the project to blow up the Temple Mount. Elon was considered a key leader of the “inner circle” of the Gush Emunim, the original fascist settlers movement. Elon has been in the Knesset since 1996, and was Tourism Minister until ejected from office by Ariel Sharon.

When Sharon was felled by a stroke, Benny Elon attempted to put together a coalition of rightist parties to make Netanyahu the interim Prime Minister rather than Ehud Olmert, who was Sharon’s deputy. Failing in this effort, Elon organized a merger of extreme rightist religious parties, putting himself at the head of their candidates list, to attack Olmert and bolster Netanyahu in the forthcoming election.

In early February, while leading street rioting by settlers against the Israeli government, Elon was injured. This is the foreign-sponsored insurrectionary chaos that might put Netanyahu in power.

It is this facet of Jack Abramoff’s operations that must be thoroughly probed by American investigators, if the full extent of the ex-lobbyist’s criminal enterprise is to be unearthed, and genuinely shut down, and those American elected officials and others implicated, are to be brought to justice. By the terms of Abramoff’s plea agreement with the U.S. Department of Justice, he cannot dodge cooperating.

## The Abramoff Family And the Mob Families

by Anton Chaitkin

Jack Abramoff was born in Atlantic City in 1959, the son of Frank and Jane Abramoff. The family moved to California in 1968, and Jack grew up in Beverly Hills. But **Frank Abramoff** continued to do business in Atlantic City, bringing his increasingly powerful connections into a family partnership with his brother, **Bernard S. Abramoff**, and later bringing in his son Jack. After gambling casinos were legalized in Atlantic City in the 1970s, the Abramoffs focused on real estate investments pegged to prospects for the growth of casinos.

A 1979 *New York Times* article named Jack’s uncle Bernard Abramoff as manager of most of the \$4.75 million of real estate purchases made since June 30, 1978 by “**Angelo Pucci**, a Toronto real estate developer who [Canadian and United States officials say is linked to organized crime. . . . **Paul Volpe**, whom Canadian and United States officials say is a major figure in organized crime in Toronto, called Mr. Pucci, ‘my partner’ ” (emphasis added, here and below).

The *Times* reported that “Bernard S. Abramoff, president of Jerome Realty here, served as broker in most of the Pucci purchases. He said in an interview in his office in Ventnor,



indian.senate.gov

*The apparatus of organized crime, fascist guerrilla movements, and death squads, of the felon Jack Abramoff, gives the Cheney power cartel a means to spark terrorism in Israel, paving the way for a Netanyahu takeover.*

that Mr. Pucci has introduced him to Mr. **Montemarano**,” [another Toronto channel for an additional \$4.86 million]. . . .<sup>1</sup>

“Mr. Volpe, who [New Jersey State Police] Col. [Clinton] Pagano said ‘was interested in Atlantic City,’ was named as a ‘major Canadian Link’ to organized crime in 1963 by the McClellan Senate subcommittee investigating organized crime . . . convicted of conspiracy in an extortion case . . . operated a casino in Haiti. . . .”<sup>2</sup>

Paul Volpe, whose men were pouring Mafia millions into Atlantic City through the Abramoffs, was part of the Buffalo, New York Cosa Nostra mob, operating in Canada under the reign of Montreal-based **Joseph Bonanno**.

Authors Antonio Nicaso and Lee Lamothe describe, in the book *Global Mafia*, the changes occurring within the gangster world when the Abramoffs got involved:

“In Toronto, Soviet gangs practiced organized extortion, gambling, loan-sharking, and drug trafficking, much of it in conjunction with the Paul Volpe group of the Buffalo La Cosa Nostra crime family. During the 1970s and 1980s, various police investigations turned up Soviets, many of whom said they were Jews who had immigrated from Israel.

1. The \$9 million total in 1979 is the equivalent of perhaps \$35-45 million in 2006 dollars.

2. Donald Janson, “Developer With Alleged Mob Ties Investing Millions in Atlantic City,” *New York Times*, May 1, 1979. The Abramoff brothers’ partnership is highlighted in this language from a Federal court’s 1982 ruling, referring to some of what they bought with the mob money: “688 F.2d 204—17 ERC 2155, 12 Env’tl. L. Rep. 21,020—United States of America, Appellant, v. . . . Bernard Abramoff . . . Frank Abramoff, individually and d/b/a A.G.A. Partnership . . . appellees Bernard Abramoff . . . Frank Abramoff individually and d/b/a A.G.A. Partnership. Upon purchasing the property in 1979, A.G.A. Partnership acknowledged in writing that the site had been used as a landfill.”

The men were treated as run-of-the-mill bandits, and the cases never got beyond the basic investigations. In retrospect, police believe the Russian mob was behind many of the crimes. The same held true in New York City, where Russian gangs conducted ongoing crimes within the ethnic community, and expanded beyond its borders into partnerships with the New York La Cosa Nostra to whom they paid ‘an operating tax.’ ”<sup>3</sup>

The *New York Times* then reported on May 28, 1979, “Millions of dollars in underworld money is being funneled through Toronto into real-estate investments in Atlantic City, according to an unusual television documentary broadcast tonight by Canadian Broadcasting Corporation. . . . [A woman working for the mob told Canadian reporters that her] ‘Toronto connections’ have become convinced that the number of casinos in Atlantic City will grow rapidly in coming years. [They] cannot go into casinos [openly] so we buy buildings for them . . . we front it.”<sup>4</sup>

The Abramoff family benefactor, Paul Volpe, was shot to death, and his body was found in the trunk of a car at Toronto’s airport in November 1983.

### The Bizarre Alfred Bloomingdale

When President Ronald Reagan took office in 1981, Jack Abramoff became chairman of the College Republicans national organization. Jack had worked in the Reagan campaign in college; more importantly, he had the right family connections.

Out in Beverly Hills, California, his father had been a top executive of the Diners Club credit card company, owned by Ronald Reagan confidant and “kitchen cabinet” member **Alfred Bloomingdale**.

Paul Volpe’s Frank Abramoff and the bizarre Bloomingdale were a good fit. Throughout the 1970s, Bloomingdale paid up to \$18,000 a month to his mistress, **Vickie Morgan**, usually through his corporate accounts, for her “therapy” of his “Marquis de Sade complex.”

*Time* magazine reported that “Bloomingdale had been investigated by the FBI as early as the late 1960s, when his name came up in connection with organized-crime figures in Las Vegas.” In the late 1970s, “Bloomingdale shelled out \$5,000 in blackmail because of his habit of beating up prostitutes.”<sup>5</sup>

Potential blackmail was the Bloomingdale/Diners Club subtext. *Time* reported, “While working as an aide on the Reagan campaign, [mistress Vickie] Morgan gossiped about dining with Bloomingdale and Reagan cronies and chauffeuring Vice Presidential Candidate George Bush around Los

Angeles. Recalls Marvin Mitchelson: ‘She said she knew political and sexual secrets about this Administration that would make Watergate look like a play school.’ ”<sup>6</sup>

Abramoff family patron Bloomingdale was appointed to the President’s Foreign Intelligence Advisory Board in 1981, with top-secret global access, while young Jack captured the College Republicans, and leaped into international intrigues with Nazis and gangsters.

Fortunately for some, Bloomingdale died the next year; his mistress was soon beaten to death, and none of the reported orgy videotapes were ever published.

### Mob Lawyer Roy Cohn

Jack Abramoff’s confessed dirty-money dealings of the past few years took decades of practice to refine, beginning with the financing of his College Republican organization.

On July 8, 1981, Abramoff wrote to **Roy Cohn**, the legal counsel to the leading Mafia families of New York and Canada, asking for funding, and discussing, with the mob’s man, the use of the most secret fundraising lists of the Republican Party.

Jack wrote, “Alfred Bloomingdale, a close personal friend of my family, told me to contact you immediately. . . . Although we [College Republicans] are an arm of the RNC [Republican National Committee], we must become financially self-sufficient. . . . Because of his close association with the President, Mr. Bloomingdale was able to free up the RNC contributor list for our use. Within the next couple of weeks, we must raise \$50,000 in order to mail and phone bank these lists. I have no doubt that we will pyramid that \$50,000, to over \$1 million within the first year.”<sup>7</sup>

Cohn’s response may be known only to Abramoff.

### Father Frank, Again

Family connections originating in the Volpe/Bloomingdale years have moved Abramoff’s entire career.

Rightist Republican control of the House of Representatives in 1994 gave Abramoff his re-entry to Washington power as an influence-broker. His main lobbying clients were the government of the Commonwealth of the Northern Marianas Islands, a U.S. Territory in the Pacific, and the owners of the concentration camp-like garment factories there, whose virtual slave workers have been shipped in as “immigrants” from east Asia.

It was Jack’s father, Frank Abramoff, who had sought to start a casino in the Northern Marianas, who first introduced Jack around the Islands.

Jack took millions from the Marianas racket, which he shared with **Tom DeLay**. His father’s operations thus gave

3. Antonio Nicaso and Lee Lamothe, *Global Mafia: The New World Order of Organized Crime* (Toronto: Macmillan Canada, 1995), p. 45.

4. Andrew H. Malcolm, “TV Film Links Mob in Toronto To Atlantic City,” *New York Times*, May 28, 1979.

5. Alessandra Stanley, “A Mistress’s Life and Death,” *Time*, May. 21, 1984.

6. Ibid.

7. Nina J. Easton, “Abramoff’s Grand Aims Came Early; Made Powerhouse of GOP Group,” *Boston Globe*, Feb. 6, 2006. Easton told this reporter that the letter to Cohn is in a College Republicans collection in the National Archives.

Jack his start as DeLay's financial godfather. His power grew as he became prime architect of DeLay's dictatorship over the House of Representatives. After repeated U.S. government probes and lawsuits failed to stop the criminal treatment of Marianas workers, DeLay blocked legislation that would have set American labor standards.

Abramoff was indicted and confessed to fraud in the 2000-01 takeover of the Florida-based SunCruz casino cruise lines, and to fraudulently obtaining a \$60 million purchase loan. To get the loan, Abramoff specified that he holds a \$1.4 million investment jointly with his father, in the parking lot of an Atlantic City gambling casino, the legacy of the Volpe-Bonanno days.

Eighteen days after defrauded former SunCruz owner **Konstantinos "Gus" Boulis** sued to get his money and recover control of the floating casinos, Boulis was gunned down Mafia-style. Reputed Gambino crime family associate **Anthony Moscattiello**, and two of his cohorts, have been indicted

as trigger men. After Abramoff took over, SunCruz paid over \$100,000 to Moscattiello.

Sources close to the case have told *EIR* that prosecutors' attempts to interrogate or even interview Abramoff, five years after the killing, have been blocked under ambiguous and baffling circumstances, despite his obligation under a Federal plea agreement to cooperate with all investigations.

The problem may stem from the potential international political fallout were Abramoff to open up about the sources and destinations of the mammoth cash flows at stake in control of SunCruz.

The murder-case source told *EIR* that probers are looking closely at the angle of money laundering. "Tens of millions of dollars cash per month" went through the SunCruz casino boats, offshore, away from regulators and law enforcement, which according to the source, might motivate the hiring of Mafia-connected people like Moscattiello to help launder the money.

## Abramoff, the Russian Mob, And Israel

The set of e-mails published by Senate investigators, cited above, between Jack Abramoff and his Israel-based paramilitary agent Shumuel Ben Zvi, actually consisted of a three-way dialogue involving also some furtive Russian figures who have paid Abramoff millions.

Leaders of the Russian oil company NaftaSib, including NaftaSib Vice President **Marina Nevsakaya**, were collaborating on acquiring paramilitary and sniper supplies (Russian equipment or otherwise) for routing to Israel, which were to be paid for by looting American Indian gambling casino clients and falsifying accounting records, according to Senate Indian Affairs Committee exhibits of Nov. 2, 2005.

Abramoff's Russians loom large in the overall story of the Abramoff-DeLay money-laundering apparatus. NaftaSib paid for **Tom DeLay's** 1997 visit to Moscow, where DeLay worked alongside Abramoff and DeLay chief of staff **Ed Buckham**. These Russians subsequently paid about \$1 million through Caribbean cutouts, on behalf of Abramoff, to Buckham's political money laundry, combining political action committees for DeLay, Enron lobbying, and the Republican party front group, Family Action Network. Following the trip and these covert payments, DeLay agreed to allow Congress to proceed with the 1998 International Monetary Fund bailout of Rus-

sian finances, including a deal stopping taxation of private Russian oil companies.

Also in 1998, NaftaSib and its lobbyists (presumably Abramoff) worked with circles within the U.S. political, military, and intelligence community (including the American Security Council Foundation, identified with the late CIA deputy director **James J. Angleton** and neo-conservatives), to prepare the way for a U.S. visit of corrupt Russian leader **Viktor Chernomyrdin**. That NaftaSib lobbying was "part of the work of the Gore-Chernomyrdin Commission," according to the Russian daily *Kommersant*, Aug. 20, 2004.

The frenzied looting of privatized post-Soviet Russia by billionaires and gangsters, facilitated by the personal alliance between Vice President **Al Gore** and sometime Prime Minister Chernomyrdin, reached a spectacular 1999 climax in the case of "Golden ADA": a Russian corporate entity used by the Russian "Mafiya," Chernomyrdin, and other high Russian officials, to loot huge public sums through stolen and smuggled diamonds and other gems.

The *Boston Globe*, Feb. 23, 2006, reported that Federal prosecutors are probing deeper into further work by Jack Abramoff for NaftaSib, in light of an additional \$2.1 million NaftaSib paid him through their Dutch front company, Voor Huizen, which ceased to exist days after Abramoff was forced to resign from his lobbying firm.

On March 1, 2006, the *Globe* reported that Abramoff and his Russian friends had set up a front company, First Gate Resources, to arrange for oil-drilling ventures inside Israel. Intrigues around this enterprise are discussed in the set of e-mails released by the Senate probers, alongside the paramilitary matters.—*Anton Chaitkin*

# Ohio Reps Hold Hearing To Save Auto Industry

On Feb. 16, 2006, State Rep. Catherine Barrett (D-Cincinnati) convened an extraordinary public hearing in the Ohio state capital, Columbus, to hear testimony on her pending resolution (HCR 22) to address the crisis in the automobile industry by calling for Federal intervention to save the existing domestic auto industry, and retool it for large-scale infrastructure projects.

The hearing was called by Representative Barrett because of political intransigence on the part of the House Republican leadership, which has refused to hold an official hearing on the resolution. Despite significant political mobilization on behalf of the resolution, no date had been set for a hearing, so Barrett moved outside official channels to convene the hearing. She was joined by Rep. Dan Stewart (D-Columbus) on the dais, and later by Rep. Joyce Beatty, also of Columbus, who is the Democratic Minority Leader.

As Barrett's resolution acknowledges, over 50,000 people are directly employed in the auto industry in Ohio. Large-scale layoffs have already been announced by Ford and General Motors, threatening significant job losses in the state. At the same time, the possibility of a strike looms at the Delphi parts producers.

Over 40 citizens attended the meeting, including several dozen members of United Auto Workers local 969 of Columbus, and trade union officials from all over the area. Among those represented were the president and chief officers of UAW local 969, officers of UAW local 696 from Dayton; United Steelworker officials from local 1915, Fremont; state officials from the Steelworkers in Columbus; and leaders of the Plumbers and Pipefitters, Teamsters, and others. In addition, a Columbus official from the A. Philip Randolph Institute attended, as did members of the press. The LaRouche PAC and the LaRouche Youth Movement were also well represented.

Barrett's resolution is one of several dozen such resolutions introduced, and in many cases passed, around the nation over the past year, all of whom were inspired by a longer policy statement written by Mr. LaRouche in April of 2005.

## Labor and LaRouche Representatives

In her opening remarks, Representative Barrett chastised her colleagues in the legislature for their inaction on the resolution, despite the massive plant closings that have "been going on for over five years here in Ohio. We have support and yet the resolution is falling on deaf ears."

"No one wants to see plants closing here in Ohio; we have

always been a leader in industry, and now we are losing jobs. Job losses in manufacturing impact suppliers, vendors and others. We have to make sure Congress understands this. They have done nothing for working people; they are moving too slowly to address the crisis. We have to ask the government in Washington to retool this automobile industry, to meet future needs. We do not need war between workers and the auto industry. This resolution will protect the automobile industry, and develop infrastructure."

The first witness was Merv Fansler of the LaRouche Youth Movement, who delivered testimony on the deep principles that must be affirmed if we are to solve the problem posed by the automobile and manufacturing shutdowns. Fansler cited the approach taken by Frederick Douglass in attacking the mental slavery gripping the nation in the 19th Century, and then went on to develop the critical principles of the Declaration of Independence and Constitution, which state that the nation is charged with promoting the general welfare of all its citizens.

Fansler was questioned by Representative Stewart on how to reach out to young people to give them the information they need to better comprehend the crisis, and the solutions. Fansler responded that the issue really is not information, but rather the ideas to motivate the upcoming generation. He further called for collaboration between the auto workers and the youth, to reach out to organize the population, not simply over the internet, but in direct "street organizing" around ideas and policies to reverse the horrible effects of the disintegration of the nation.

## Effect of Auto Shutdown

Fansler was followed by Mark Sweazy, president of UAW Local 969 in Columbus, who testified on the multitude of crises gripping the nation. He thanked the LaRouche organization for leading the fight to make people aware of the disintegration of the auto industry. He indicated how many other jobs were created as a result of auto production, viz. for every 100 cars produced, 100 other jobs are necessary, thus demonstrating the world-wide domino effect the shutdown of car production would have world-wide. He cited the cases of Mexico and Germany, countries he had visited last year with members of the LaRouche PAC, as examples of the impact of shutdowns in production. He was particularly upset in Mexico, where he was driven around to one meeting by a taxi driver who was an unemployed lawyer, whose case was typical of what is happening to the entire nation. "This will be our situation in the states within two years, if we fail to address the crisis," he said.

After blasting the courts for allowing the payout of over \$38 million in executive bonuses to Delphi officials, while the workers were asked to give back 60% of their wages, on top of all pensions, Sweazy then went through the urban nightmares being created by the already implemented "industrial downsizing." He made special reference to the cases of Baltimore, Md. and Detroit, Mich., as cities that are in





EIRNS/Joe Smalley

*Ohio Democratic State Rep. Catherine Barrett (left), convened a public hearing on Feb 16 on the crisis in auto industry, after the Ohio House Republican leadership refused to hold hearings on her pending resolution, which calls for Federal intervention to save the domestic auto industry's capabilities by retooling them for large-scale infrastructure projects. On the right is Democratic State Rep. Dan Stewart.*

advanced phases of collapse, because of the shutdown of steel making and auto production over the past decade.

Stewart questioned Sweazy for several minutes, noting that he represents many individuals who work at the Delphi plant that Sweazy represents, and that the workforce has fallen from over 5,000 employees, to fewer than 800 over the last several years. He went through the diminished resources now at hand in the city as a result, and made a direct jibe at the Federal government. "We have to get the Federal government off their butts! Neighborhood jobs are gone; union jobs are gone, the future of the nation as a whole is in jeopardy. If we don't have industry, we will be gone." He asked Sweazy what kind of jobs could be developed to help the situation.

Sweazy indicated the collapse of the nation's infrastructure desperately needed to be remedied. "Congress can develop infrastructure projects now. We can have water projects, sewage projects, and other things. We can build nuclear reactors, we can build more and more of them. We can ease our dependency on oil; we can create hydrogen right out of the newer kinds of nuclear plants, and this can run our cars. We can build new service stations to use hydrogen fuel. As for infrastructure projects, we can put some 12-20 million people to work. This will increase our union, and the workforce. We have to ask Congress to do what Franklin Roosevelt did: put people to work, bring our country back. We need Congressional action, call it a Marshall Plan, call it what you want!"

After several jibes at the inaction of state and Federal leaders, Stewart joined Sweazy's call; "People in Washington are holding hearings and sitting on their hands. We can put the country back to work. We have the plants, the resources, and the floor space for infrastructure projects, like water and other projects. This should be introduced through the Congress."

Representative Barrett nodded her approval, saying "You spoke about infrastructure, we must build it now."

Sweazy concluded his testimony by saying, "This infrastructure can be built. Ted Strickland (running for governor) has this kind of a plan to help the state. You put a dime in, and you get a quarter back, and you can educate the young people to participate in this."

### **The LaRouche Plan**

Sweazy was followed by Robert Bowen, Midwest Coordinator of the LaRouche PAC, who went through the automobile crisis as a symptom of the larger international breakdown of the global financial system. "Mr. LaRouche warned of this crisis and has put forward the emergency measures needed to address this. Last Spring he pointed to the onrushing collapse of General Motors and the other domestic companies, but saw it as a moment of opportunity to rebuild not merely the auto industry but the nation. He focussed on the role of machine-tool production and the need to decouple it from the monetary side of the auto companies. He called for the launching of mass infrastructure projects, using the machine tools embedded in the auto industry as the springboard for a recovery. Yet, so far, nothing has been done!"

Bowen then developed the two primary reasons for this inaction: The refusal of the politicians in Washington to acknowledge the systemic nature of the crisis, and the need to shift to a producer economy; second, the lack of a relationship between the Washington "insiders," and their constituencies in areas like Ohio.

He then challenged the representatives and labor leaders in attendance to replicate the positive experience of last Spring around the mobilization to save Social Security, by holding town meetings once again on the industrial collapse and the auto crisis.

He concluded by citing the tradition of the American System of Economics, as something that must be mastered by all citizens, describing the successful nation-building approach of Alexander Hamilton, Lincoln, FDR, and others.

## Rebuild United States by Retooling Auto Industry

*Ohio State Rep. Catherine Barrett (D-Cincinnati) introduced Concurrent Resolution HRC 22, printed here, in the Ohio House of Representatives.*

To memorialize the United States Congress to protect domestic auto manufacturers and to create a federal infrastructure development program to foster employment growth.

Be it resolved by the House of Representatives of the State of Ohio (the Senate concurring):

WHEREAS, Domestic auto manufacturers, such as Ford Motor Company and General Motors Company, are suffering great financial difficulties and need assistance from the federal government in order to avoid filing for bankruptcy; and

WHEREAS, Ford Motor Company employs approximately 15,000 Ohio residents and General Motors Company employs approximately 20,500 Ohio residents, all of whom could lose their jobs, including health and retirement benefits, if the companies are forced to file bankruptcy and close plants; and

WHEREAS, the domestic economy and domestic workers would substantially benefit from a federal infrastruc-

ture development program where the federal government would finance the repair, expansion, and improvement of national railway systems, water management systems, and power and electric systems; and

WHEREAS, Domestic auto manufacturers' plants are already equipped with the appropriate machine tools and production capability to assist in national infrastructure projects and this assistance would prevent many plants in Ohio and other states from closing and experiencing subsequent job loss; and

WHEREAS, it is the duty of the United States Congress to stimulate and sustain the national economy and foster employment for growing numbers of Ohio and United States citizens who would become unemployed and lose health and retirement benefits if domestic auto manufacturers continue to decline; now therefore be it

RESOLVED, that the 126th General Assembly of the State of Ohio urges the Congress of the United States to protect the domestic auto industry and to create a federal infrastructure development program to utilize existing machine-tool resources and foster employment growth; and be it further

RESOLVED, that the Clerk of the House of Representative transmit duly authenticated copies of this resolution to the President of the United States, to the Speaker and the Clerk of the United States House of Representatives, to the President Pro Tempore and the Secretary of the United States Senate, to the members of the Ohio Congressional delegation, and to the news media of Ohio.

This challenge provoked a very positive and excited response from both Representative Stewart and Barrett. Barrett embraced the idea and said, "We need action. The crisis is not going away. It is time to connect the dots." She announced that she would begin holding other hearings around the state, beginning with Cincinnati.

### Other Testimony

Bowen was followed by Delbert Cook, vice president of United Steelworkers Local 1915 from Fremont, Ohio. Cook testified on the impact of the collapse of industry in the state. He went through the collapse of the steel industry in great detail, and the loss of pensions and health care by the large number of steelworkers whom he personally knows to have lost their employment.

This motivated Barrett to say, "We have a great nation and a great state, and yet we are being ignored. People with skills and education are now unemployed, and not being put back into the workforce. We need change in Ohio and the country. The state cannot fund many programs to help people as we have no funds, as long as no jobs are being created to

generate revenue. This is a crisis, and we must treat it as a crisis. We built this country with our labor and we must address this now, and at the polls. We must stand shoulder to shoulder together and get this done."

A number of auto workers and officials took the podium after Cook to detail the crisis as it pervades the state. These included Tony Curington, vice president of local 696 in Dayton, and Rick Tincher, the Community Action Program representative of local 696. They gave eloquent testimony on the automobile crisis, and the need for a revamped trade policy, in addition to the infrastructure program. They detailed the horrible failure of NAFTA and called for a return to fair trade practices.

Other auto union members also spoke, and they were followed by Rep. Joyce Beatty, who praised Rep. Barrett for holding the hearing and vowed to bring the messages of the crisis and Barrett's retooling proposal to the Democratic House Caucus. She invited Barrett to be on the agenda when the Caucus meets in early March, to present her call to save the auto industry and revamp it along the lines that LaRouche has proposed.

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# National News

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## Kucinich Proposes Infrastructure Bank

Rep. Dennis Kucinich (D-Ohio) appeared before the House Budget Committee on Feb. 14, to seek support for legislation he is proposing to establish a "Federal Bank of Infrastructure Modernization." This bank would issue zero percent loans to states and municipalities to rebuild their infrastructure. The bank would be capitalized by holding a portion of the Treasury securities currently held by the Federal reserve. He said the volume of the loans could be regulated depending on economic need. "During times of economic slowdown, the Federal Bank of Infrastructure Modernization could make more loans available to spur investment," he said.

Kucinich motivated support for his bill by pointing out the long-running decline and disrepair of infrastructure in the United States. He noted that the American Society of Civil Engineers reported, last year, that to repair and upgrade the highway system would cost \$1.6 trillion. In addition, there are estimates of \$127 billion to repair and renovate schools, and \$1.3 trillion to maintain and operate drinking water and waste water systems.

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## Iraq Violence Increases Calls for U.S. to Leave

The explosion of sectarian violence in Iraq since the Feb. 22 bombing of the Shi'ite shrine in Samarra is fueling pressure in Washington for the withdrawal of U.S. troops. Rep. John Murtha (D-Pa.) appeared on CNN's "The Situation Room" on Feb. 27, to reiterate his call for a U.S. withdrawal from Iraq. He said the Iraqis have to settle things themselves, starting with addressing problems such as water supply, electricity, and oil production. "Unemployment's 60%," he said. "There's no way they're going to settle this by talking about it."

Murtha noted that "the Iraqis have more

confidence in their police and their army than they do in the United States Army. We have become the enemy; and our troops, unfortunately have become the target." As for the argument that U.S. troops are needed to restore calm, "I don't know why anybody thinks that we're going to be able to contain this violence. We're caught between two factions inside the country fighting for supremacy."

Murtha's renewed offensive reflects a growing concern within the military and the intelligence community that, under the Cheney-Bush leadership, the Iraq debacle is spinning so dangerously out of control as to threaten the very ability of U.S. forces to withdraw without substantial casualties.

Lyndon LaRouche made this point in supporting, again, Murtha's call. On Feb. 28, LaRouche also called for the removal of U.S. Ambassador in Baghdad Zalmay Khalilzad. He said Khalilzad has become an embarrassment to the U.S.A., a strategic threat to the region, and a personal threat to the safety of U.S. soldiers.

Murtha's bill to mandate withdrawal has at least 99 co-sponsors among Democrats. Murtha is calling for a six-month timetable, warning any longer increases the vulnerability of U.S. troops.

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## Dubai Ports Deal: Another Cheney fiasco

The plan to sell management of U.S. ports to Dubai Ports World (DPW), a government-controlled corporation in the United Arab Emirates, is blowing up in the face of President Bush. While most of the public outcry has been on the issue of port security, an investigation by this news service has revealed a direct connection to Bush's controller, Vice President Dick Cheney. One of the directors of the other company involved, Peninsular and Orient Navigation Company, is Britain's Baroness Liz Symons, a close friend of the Cheneys.

The 160-year-old P&O is the old Dope, Inc./British East India/Opium War outfit that has long been associated with the dirtiest operations of the British Empire. Now,

through Cheney's friend Baroness Symons, it is involved in the takedown of security at U.S. ports.

Symons is a key figure in the Fabian Socialist networks in the British establishment which actually function as the controllers of the U.S. neo-con movement. Her husband, Phil Bassett, head of intelligence in Prime Minister Tony Blair's office, was a key figure in promoting the September 2002 fake Iraq dossiers, which were used to help launch the Iraq War.

The whole ports deal is now blowing up in Cheney's face, with a bipartisan revolt in the Congress against it. On Feb. 27, Sen. Charles Schumer (D-N.Y.) introduced legislation that would require a 45-day investigation of security concerns raised by the deal, and then give Congress the right, within 30 days, to disapprove the deal. The bill has a dozen co-sponsors, including five Republicans. Sen. Susan Collins (R-Me.), a co-sponsor on the Schumer bill, followed up with a resolution to disapprove the deal, outright. A bill similar to the Schumer bill has been introduced in the House by Rep. Peter King (R-N.Y.) with 80 co-sponsors, including 32 Republicans.

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## Nearly 100 Have Died in U.S. Custody Since '02

Almost 100 detainees have died in U.S. custody in Iraq and Afghanistan since August 2002, according to a report issued by Human Rights First, formerly the Lawyers Committee for Human Rights. According to the military's own classification, one-third of these are suspected or confirmed homicides. It is probable that up to half of the deaths were homicides. In eight to 12 cases, the prisoner was tortured to death, yet only half of these cases have been prosecuted; and the longest prison sentence was only five months.

That the torture policy comes from the top, specifically from Vice President Dick Cheney, was reiterated by Col. Larry Wilkerson (ret.), formerly Chief of Staff to former Secretary of State Colin Powell. Wilkerson made this point in a recent interview with *Salon* online.

## Netanyahu Pushes Sharon's 'Jordan Is Palestine' War Plan

by Dean Andromidas

While Ariel Sharon, felled by a massive cerebral hemorrhage, lies comatose in a Jerusalem hospital, his notorious war plan, "Jordan is Palestine," is very much alive. Its new sponsor is Likud party chairman and agent of George Shultz, Benjamin "Bibi" Netanyahu. For two decades, "Jordan is Palestine" was at the center of Sharon's strategic thinking, in which a war launched against Jordan, or the collapse of the Jordanian monarchy, would provide the pretext to ethnically cleanse hundreds of thousands of Palestinians from the entire Israeli-occupied West Bank. The victory of Hamas in the Palestinian elections is serving as the new pretext to put the policy back on the agenda. Make no mistake: If such a war were launched, it would have the approval of Bibi's controller George Shultz, and the neo-cons in the Bush Administration led by Vice President Dick Cheney, providing them with another option for unleashing a new war. (See "Netanyahu's Fascism: All roads lead to Shultz," *EIR*, Feb. 23, 2006)

Speaking before a closed-door meeting which included diplomats and foreign press, Maj. Gen. Yair Naveh, Commander of Israel's Central Command, declared, "Hamas is gathering strength and a dangerous axis starting in Iran, continuing through Iraq and Jordan, is in the process of formation. . . I don't want to be a prophet, but I am not sure there will be another king after King Abdullah." (reported in the *Jerusalem Post*, Feb. 24, 2006).

Naveh's remarks were made at the Jerusalem Center of Public Affairs, which is led by Dore Gold, former Israeli Ambassador to the United Nations. Both Gold and the institute are closely identified with Netanyahu, for whom Gold serves as foreign policy advisor.

Also, by making the outrageous claim that 80% of the Jordanian population is Palestinian, Naveh's statements created outrage in Jordan. Omar A-Nadif, an official of Jordan's embassy in Israel, declared that Jordan expects "appropriate

measures" be taken against Naveh. Other Jordanian sources declared that the statement was unacceptable and tantamount to insulting the kingdom. Jordan removed its ambassador from Israel several years ago because of Sharon's brutal policies against the Palestinians. Israeli acting Prime Minister Ehud Olmert had to call King Abdullah personally to reassure him that Naveh's comments were not official Israeli policy.

Although Israeli Defense Minister Shaul Mofaz and Chief of Staff Dan Halutz issued statements condemning his comments, Naveh was not reprimanded. His superiors merely had Naveh send letters of apology to his Jordanian counterparts.

Coming from one of the most senior officers in the Israeli Defense Forces, Naveh's comments were no mere flap, but a signal that after the March 28 Israeli elections, a new war will be on the agenda. A senior Israeli intelligence source pointed to Naveh's comments as an explicit revival of Ariel Sharon's "Jordan is Palestine" policy. A mega-terror attack could serve as the pretext for its implementation, the source warned.

The source said that, if acting Prime Minister Ehud Olmert and Sharon's Kadima party came into power, as the election polls are showing, it would not lead to an era of stability as the pundits are claiming, since Kadima, itself, is a major source of political instability.

"Kadima is a party of opportunists," the source said. "It could split right after the elections."

If the split of Kadima came to pass, the right wing of Kadima could align itself with Likud and form a new government with Benjamin Netanyahu at its head.

### A Genocidal Policy

The "Jordan is Palestine" policy was not just empty rhetoric or a theoretical doctrine. Both Netanyahu and Sharon, as

prime ministers in the last ten years, very seriously considered launching the policy.

In 1996, when he sat in the prime minister's chair, Netanyahu ordered the assassination of top Hamas leader Khalid Meshaal, who was resident in Amman, Jordan at the time. Although the attempt failed when the two Mossad assassins were caught in the act by Jordanian police, Jordan's King Hussein saw the obvious, that it was an attempt to overthrow his government, and to turn Jordan into the Palestinian state. Faced with the possibility of seeing the two Mossad agents hanging from a Jordanian gallows, Sharon, then the infrastructure minister, made a deal with King Hussein to release Hamas spiritual leader Sheik Ahmed Yassin from an Israeli prison in return for the return to Israel of the Mossad agents. Then, in March 2004, when he himself was in the prime minister's chair, Sharon ordered the assassination of Yassin.

The second time "Jordan is Palestine" surfaced was in April 2002, after Sharon launched a military operation into the West Bank. With a poll showing that 44% of the Israeli population would support the policy, Sharon did more than seriously consider launching it.

Israeli sources confirmed that military plans which had already been drawn up years ago, have been updated, and are ready to go once the government gives the green light. Furthermore, almost all the Israeli top commanders, starting with Chief of Staff Dan Halutz, and including the heads of the Mossad and Shin Bet, were hand-picked by Sharon over the past year. They were not chosen for their dovish views. On the same day Naveh made his remarks, Maj. Gen. Moshe Kaplinsky, Deputy Chief of Staff, and former military advisor to Ariel Sharon, declared that there is a state of uncertainty throughout the Middle East, and that "even in Egypt we see initial signs of a possible undermining of President Mubarak's solid regime."

Naveh's statements were only the latest in a campaign of scare statements by Israel's security establishments on the alleged "existential threat" posed by Iran's nuclear ambitions, and by Hamas. Israeli military operations on the West Bank have killed tens of Palestinians since the Palestinian elections, and enforcement of a border closure threatens famine.

While Netanyahu has been comparing the Hamas election victory to the rise of Hitler, the Kadima itself is clearly positioning itself on the right with its international campaign against Hamas. The Kadima has called for the cutting of all aid to the Palestinian National Authority. This is a policy that promises to create a humanitarian disaster, which itself could serve as the pretext for launching the "Jordan is Palestine" policy. It is a policy of "unilaterally" redrawing the borders of Israel, which is impossible. It is merely a plan for permanent war.

This campaign has pushed the political discourse to the right. The latest polls show that rightwing parties, including the Likud and the even further rightist National Religious-National Union Block, are making gains.

## A Vote For Kadima Is a Vote For Netanyahu

There is a push internationally and within the Israeli establishment to put the Kadima party into power. Ever since Sharon formed Kadima, an information war has been conducted against the Labor Party and its Chairman Amir Peretz. One of the slanders that is being pushed by not only the Likud and Kadima parties, but all the press, including the moderate *Ha'aretz*, is that Labor Party Chairman Peretz is not "prime minister material" because he lacks "experience" as a national leader, unlike Ehud Olmert and Benjamin Netanyahu.

Peretz, in answer to Ynet readers who posed this question to him, made the obvious point: "I am familiar with the undemocratic message of my opponents, who are trying to describe me as too inexperienced to manage the country. But I would like to ask you, what is preferable, inexperience, or bad experience? After all, the two other candidates' experience shows that they failed in their roles. Both Benjamin Netanyahu, as prime minister, and Ehud Olmert as mayor of Jerusalem."

Peretz is the only candidate who has taken the initiative to reopen the peace process following the election victory of Hamas. Peretz met with King Mohammed of Morocco, Egyptian President Hosni Mubarak, and Palestinian President Abu Mazen, in the effort. None of these visits were given more than a few sentences of coverage in the Israeli media.

In an incredible attempt by the Bush Administration to intervene in support of Kadima, State Department Middle East envoy David Welch asked Palestinian President Abu Mazen to delay forming a government with Hamas at its head until after the Israeli March 28 elections. According to a report in the Arab daily *Al-Quds al-Arabi*, the move is aimed at preventing the formation of a Hamas-led government that could weaken Kadima in the elections.

The most compelling evidence that Kadima and Likud are birds of a feather is to see who is financing Kadima chairman Ehud Olmert. For years, especially when he was mayor of Jerusalem in the 1990s, Olmert was infamous for spending much of his time raising millions of dollars from Christian Zionists and other right-wing Zionists for building settlements in the Palestinian neighborhoods of East Jerusalem, and for financing the Likud.

On Feb. 22, the Israeli press revealed what appears to be a "legal" sweetheart real estate transaction between Olmert and U.S. tycoon S. Daniel Abraham.

Who is Abraham? He is a full-fledged member of the notorious "Mega Group" of American Jewish tycoons which includes Edgar Bronfman, Michael Steinhardt, and Max Fischer, who finance the so-called "Birthright Israel" operation. Like Steinhardt, he is a big financier of the Democratic Party.

The only force powerful enough to stop this dangerous potential for war which could destroy the State of Israel, and throw the region into an endless clash of civilizations is the Presidency of the United States. Getting Cheney out of the back room of the White House will help.

# Will London's Schemes for Mexico's Elections Be Overturned?

by Gretchen Small

With just four months to go before the Mexican Presidential elections, who should deploy into that contest but Dick Cheney's Spanish ally, anti-Islam warrior José María Aznar, the former prime minister. The Spanish people had thrown Aznar and his crusade out of office more than a year ago, but there he was in the Mexico City headquarters of the National Action Party (PAN) on Feb. 21, urging Mexicans to join Cheney's global war, and elect "my old friend," the PAN's Felipe Calderón, as President on July 2, "for the good of this country."

Aznar's campaign on behalf of the PAN comes as no surprise, as they have the same historical roots. Aznar's Popular Party (PP) was founded to represent Generalissimo Francisco Franco's legacy in the post-Franco era, while the PAN emerged out of Mexico's pro-Hitler, pro-Franco Synarchist movement of the 1920s and 1930s.

Aznar has been trotting the globe, promising to return Synarchism to power in Spain any day now. Lately, he's told his sponsors in Washington that he can reconquer Ibero-America, too. Two weeks before the PAN welcomed him to Mexico, in a Feb. 12 interview with the Chilean daily *El Mercurio*, Aznar issued a call for his "good friends" in the region to rally behind him in a continent-wide crusade to crush a supposed "populist wave" threatening the region. He named Venezuela, Cuba, Bolivia, and "perhaps" Argentina as his immediate targets, and attacked Chile's incoming Bachelet government, as well.

Aznar got down to business at the PAN headquarters in Mexico. We must defend "liberal democracy," by guaranteeing wealth, markets, and private property above all, he told his PAN co-thinkers. He demanded that Mexico and the rest of the Americas join Cheney's war on "Islamic terrorism," telling his PAN hosts that "Ibero-America cannot stay on the sidelines of this struggle for democracy, freedom, and civilization."

## Will Historic Mexico Be Broken?

PAN leaders were enthusiastic over this support from Cheney's Spaniard. Mexico's Constitution, however, expressly forbids foreign intervention into Mexico's internal affairs, as they are a matter to be resolved among Mexicans.

Leaders of the two main opposition parties, the Revolutionary Democratic Party (PRD) and the Institutional Revolutionary Party (PRI), demanded that the Constitution be upheld. On Feb. 22, the political coordinating committee of the Chamber of Deputies passed a resolution demanding Aznar's expulsion from Mexico for violating the Constitution. PAN leaders protested that in this age of globalization, such prohibitions are anachronistic, but the PAN government opted in the end to quiet what had become a national uproar, by sending Aznar and his PAN hosts a letter quoting the Constitution.

History, much to the frustration of Mexico's modern would-be colonizers, has not yet been entirely forgotten in that country. Mexico is no longer a colony of Spain, and will not be re-conquered by "beads and necklaces," PRD Sen. César Raúl Ojeda Zubieta said of Aznar's visit, in reference to the first Spanish conquest in the 16th Century.

The PAN's welcoming of Aznar reminds us that the PAN still has the mentality of its 19th-Century predecessors, "who offered the throne to Maximilian" in the 1860s, PRI spokesman Eduardo Andrade noted. That Spanish-British-French attempt to re-establish Hapsburg rule over republican Mexico was defeated militarily by President Benito Juárez, with help from Abraham Lincoln, and ended with the execution of the would-be Emperor of Mexico at the Cerro de las Campanas in 1867.

Despite Mexico's growing political weakness over the past 25 years, it is the country's historic fierce commitment to its right to sovereign independence and development which the international Synarchist financiers have yet to crush. London and Wall Street's approach to the decisive 2006 elections, therefore, is not so simple as to put all their eggs in Aznar's friends' basket. That was the strategy in the last Presidential election six years ago, when the financiers threw their weight behind Coca-Cola salesman Vicente Fox and the PAN as the force that would impose the bankers' policies. Six years and only a few "structural reforms" later, that strategy has proved insufficient.

## Financiers: Get Rid of Presidential System

The goal of the financiers in 2006, is not to elect or block this or that candidate, but to orchestrate the election

process itself, so as to create an outcome which finally buries the institutions and culture of Mexican independence. For this, they seek to replace Mexico's U.S.-modelled Presidential system with an Anglo-Dutch-style parliamentary system, so they can overthrow and change Mexican governments at will.

Two financier lackeys have led the campaign to dump the Presidential system for the past several years are Fox's former Foreign Minister Jorge Castañeda, who supports the PAN's Calderón, and George Soros's Manuel Camacho Solís, who is one of the top advisors to PRD candidate Andrés Manuel López Obrador. Castañeda and Camacho Solís freely admit that the goal of this reform is to break Mexico's ability to resist complete takeover by the financiers.

The City of London's *Economist* magazine was used to put forward a strategy to this effect, in its Feb. 25 issue. Asserting that when it comes to policy, there is not much difference between the PAN's Calderón, PRI candidate Roberto Madrazo, or the PRD's López Obrador, the *Economist* proposed that a coalition government be formed after the elections, to bring about the needed "sea-change in Mexican politics" which they had hoped would result from Fox's election. "Structural reforms" are sorely needed, particularly with respect to energy and pensions (privatization) and the tax system (the International Monetary Fund is pushing for a return to tax-farming, demanding that an "independent" agency collect taxes). "If a coalition were formed, it might just be possible that the next President, be he Mr. Calderón, or Mr. López Obrador, could push such changes through Congress," the *Economist* suggested.

### Not Too Late To Overturn Election-Rigging

International financiers often rig a critical national election in a targetted country by controlling the choices presented. Such schemes can only work, however, if the voters act as if their only option is to choose dutifully among the candidates presented, and leave the campaigns as currently defined.

Well-known in Mexico for his unstinting support for that nation's sovereignty, U.S. statesman Lyndon LaRouche has been persistently pressed to declare which of the Mexican candidates he thinks should be supported. On Feb. 17, LaRouche replied to one such query, with a suggestion that the questioner view the election process differently:

"I have a different approach. First, I tend to be more a maker of potential Presidents, than a follower of any Presidential candidate. My duty, as a statesmen of some unusually relevant experience, is to inform them of what they must become, and let them decide for themselves to show themselves as committed to a principled mission of the quality needed for their nation, its place in the scheme of things, at that time, and with that choice of a better future.

"To paraphrase an American of times past, Eugene Debs, I would rather support a Presidential candidate who has cho-

sen a mission which makes him suitable for his time and place in history, than one who is not suitable, but only more likely to be elected," LaRouche wrote.

"We need a candidate in Mexico who has the right vision of the future, and the intellectual and moral commitment to that principled mission. Assist good political figures in developing and showing that they have those qualities. Give that benefit to as many as are suited for such encouragement, and thus seek to ensure the benefit for the republic, whichever among them wins."

Now return to the City of London's view, as put forward by the *Economist*. The *Economist* premises its plans on the PRD and PRI campaigns continuing as they have so far. In the case of the PRD, the *Economist* makes clear that London considers Camacho Solís key to ensuring that the PRD stays within the policy "consensus."

The *Economist* led its election analysis by celebrating "the sinking" of the PRI, which they made clear they do *not* wish included in the coalition government they envision. The key to controlling the PRI, from the London financiers' standpoint, is shattering the party altogether. Despite the PRI's corruption and many capitulations, they have been unable to eliminate the nationalist base within this party which led the country for 72 years, and which remains a formidable force in the nation's politics.

PRI candidate Roberto Madrazo, a corrupt machine man imposed as candidate by former President Carlos Salinas, one of the most hated men in Mexican history for his sell-out of Mexico to the North American Free Trade Accord (NAFTA), is doing exactly what the financiers wish: sinking the party by campaigning for free trade.

### What Would Happen If . . . ?

What would happen to the overall election campaign, however, if nationalists within the PRI were to rise up and overthrow his candidacy, even at this late date? Sen. Manuel Bartlett, who led the successful Congressional opposition to energy privatization during the Fox Administration, reported on Feb. 3 that dumping Madrazo has become the talk in the halls of Congress. Madrazo is "the worst of the candidates," because he's pushing "the old neo-liberal doctrines which have failed throughout Latin America," Bartlett charged.

The fight is fierce. On Feb. 28, PRI spokesman Andrade quit his post, issuing a blistering open letter attacking the free-trade policies which Madrazo has adopted. Bare ambition for power dominates over any real interest in bettering society, "which is disintegrating at an accelerating pace," Andrade warned. Politicians turn to the polls to decide their policies today, "as if they can't think for themselves. The true politician is not someone who tells people what they already told the pollsters, but someone who defends a principle in which he believes, and which has an influence on the thinking of the people."

# Thailand and the Philippines Hit By Synarchist Destabilizations

by Mike Billington

Two Southeast Asian nations were thrown into upheaval on Feb. 24: the Philippines, where President Gloria Macapagal Arroyo issued a declaration of a State of Emergency, and Thailand, where Prime Minister Thaksin Shinawatra dissolved the Parliament and called new elections for April 2, three years before the end of his term. While both situations involve mass demonstrations and efforts to bring down the government through “people’s power,” the two situations are diametrically opposite in nature, as we shall show.

However, what unites these two crises is that the strings are being pulled in Washington. Dick Cheney and George Bush are in deep trouble in the United States, rapidly losing control over the Congress, where there is a bipartisan rebellion against the move towards dictatorship by the executive branch, under Cheney’s direction, and against the failure to deal with the rapidly collapsing U.S. economy. In an attempt to maintain power, Cheney is driving for a new war in Iran, and/or Syria, while also pushing destabilizations in multiple hot-spots around the world. With a long-term focus on a confrontation with China, both Thailand and the Philippines are choice targets, being nations on the Chinese rim whose governments are now friendly with Beijing.

It must be emphasized that the synarchist banking interests behind Cheney are not primarily concerned about which side comes out on top in these hot-spots—their intention is instability, and the increased U.S. military and economic leverage which results.

## A Thai ‘Edsa’

The destabilization in Thailand against Prime Minister Thaksin is explicitly modeled on the so-called “Edsa” revolutions in the Philippines of 1986 and 2001. In both cases, a Philippine military faction run by Gen. Fidel Ramos, under the direction of George Shultz and his network in Washington, seized power from an elected President (Ferdinand Marcos in 1986, and Joseph Estrada in 2001) on behalf of international synarchist banking interests. These military coups were declared to be “democratic” because a number of warm bodies from amongst the urban middle class had been induced to come out into the streets, to create the appearance of “people’s power.”

As *EIR* has reported (see *EIR*, Feb. 23, 2006), the attack

on Thaksin, who still enjoys overwhelming popular support from the population, especially in the rural areas, has been given the green light from Wall Street. *The Nation*, an English-language paper partially owned by Dow Jones, the owner of the *Wall Street Journal*, has turned its web-site into a command center for the anti-Thaksin demonstrations, and published repeated calls for violence and provocations which would generate blood in the streets, as the best method for bringing down the government.

On cue, Chamlong Srimuang, the former General turned leader of a Buddhist cult, has joined the fray. In 1992, Chamlong drove his “Dharma Army” followers into a bloody confrontation with the Thai Army in a protest which resulted in dozens of dead and wounded demonstrators, but “succeeded” in bringing down the military government of that time. On Feb. 20, this year, Chamlong withdrew his support from Thaksin and deployed his Dharma Army to join the demonstrations against the government.

*EIR* conducted an in-depth investigation of the May 1992 events, published on June 23, 1992, showing that the demonstrations and the provocations at that time were extensively organized and financed by USAID, through the government-run Asia Foundation, the Asia-America Free Labor Institute (AFLI), and others, opening Thailand up for the globalization mania of hot-money speculation, leading rapidly to the nation’s speculative destruction at the hands of the hedge fund speculators in the 1997-98 “Asian crisis.”

Chamlong announced that his cult followers would stay on the streets until Thaksin resigned, telling the press that if there were violence, “the government will have to take responsibility.” Another leading agent of U.S. subversive operations, Sulak Sivaraksa, who was a primary organizer of the 1992 coup, called Prime Minister Thaksin a dog during a recent rally in Bangkok.

## New Elections

Thaksin, clearly aware that the “democratic” opposition was acting according to an agenda which had no interest in democracy, and was only interested in regime change, called their bluff by dissolving the Parliament and calling new elections for April 2. The opposition parties recognize that Thaksin’s “Thai Rak Thai” party will win the election hands



down (although they are unlikely to achieve the historic results of the 2005 election, in which they swept 377 of the 500 seats in the Parliament). After a few days of intense pressure from the “democracy” movement at home and abroad, the opposition parties threw democracy overboard, and declared that they would boycott the elections, demanding neo-con-style regime change rather than democratic procedures.

Officially the U.S. government is remaining neutral, but, as several U.S. experts on Thailand told *EIR*, and as Lyndon LaRouche concurred, the U.S. target is China, and the destabilization of Thailand, a crucial friend of China in the region, fits into the renewed “China-hawks” scenario in Washington.

Thaksin is offering the opposition parties a compromise on the date of the election, but will not give in to mob rule or neo-con-style regime change subversion. He has ordered police to check participants in opposition rallies for weapons, while doing nothing to prevent their right to rally and demonstrate. He has also called for rallies in his own support.

The greatest danger is that elements within the military may decide that the threat of instability justifies a military intervention, even after a Thaksin victory in the elections—precisely as was carried out in the Philippine Edsa coups. Some press reports claim that Gen. Surayud Chulanont, a former Army Chief who was “kicked upstairs” by Thaksin when Surayud was pressing for a military confrontation with neighboring Myanmar in 2002, is looked to as a possible head of a caretaker government, if Thaksin is ousted.

## The Philippines—Again

The Philippines crisis is of a different nature. Arroyo was placed in power in 2001, when the military withdrew support for the widely popular President Joseph Estrada, all with smiling approval from Washington. Estrada has never acknowledged that he is no longer the President, and efforts to convict him of corruption charges have gone nowhere, although he has remained under house arrest for the past five years. Arroyo has never enjoyed majority support, while her economic policies have followed the demands of the IMF to the last detail, driving the economy into ruin, and the population into deeper poverty and hunger. She won the election in 2005 by a plurality against a divided opposition, but tape recordings of conversations she held with election officials, which appear to show her fixing the election, have undermined her credibility still further.

Efforts to bring impeachment charges against her were rebuffed by her allies in the House through parliamentary tricks, avoiding discussion of the merits of the charges. Arroyo and her controllers, General Ramos and Speaker of the House José de Venecia, are intent on removing all Congressional opposition to their policies by eliminating the Congress itself, through a change from a Presidential to a parliamentary system. In the meantime, Arroyo has issued decrees to undermine the power of the Senate to oversee the executive branch,

including an order preventing any government or military official from testifying before the Congress without her personal permission—even as the Congress was investigating evidence of vote fraud and other serious charges against her Administration.

The declaration of a State of Emergency on Feb. 24, the day before the 20th Anniversary of the Edsa coup against President Marcos, was based on claims that military commanders of the Army Rangers and the Marines were involved in a coup attempt, aimed at bringing the military to the streets on the day of the Edsa celebrations, calling on Arroyo to step down. Those two commanders have been removed, and six members of Congress have been detained, while arrest warrants have been brought against a total of 16 persons. The proclamation allows the arrest without warrant for actions as simple as “sabotaging the people’s confidence in government.”

The State of Emergency forced even most of Arroyo’s supporters to desert her. Vice President Noli de Castro called for the lifting of the Emergency. Senator Joker Arroyo (no relation) said: “The Constitution is no more as far as Gloria (Arroyo) is concerned. . . . Here in the Senate, Gloria has no friends.” General Ramos, nonetheless, refused to join the call for Arroyo’s resignation, indicating that Washington backed the Emergency, although calling for it to be lifted “as soon as possible.” The Emergency decree was lifted March 3.

The neo-conservatives in the U.S. Administration officially support the Arroyo regime, but the Heritage Foundation, which often speaks for the underlying policies of the Administration, has waged a campaign condemning Arroyo for being too friendly towards China. *Time* magazine reported on Feb. 26 that one of its reporters was present when a cohort of former President Cory Aquino’s brother called “an official in Washington,” assuring him that in the case of a coup against Arroyo, “You will still be our friend, not China.” If the Bush/Cheney Administration decides that Arroyo can not enforce their interests, both economic and military (the United States is anxious to regain basing rights in the Philippines), it could easily opt for regime change, and the subsequent instability, which is viewed as an asset to the “permanent war” policies championed by Dick Cheney.

The problem in the Philippines remains a lack of leadership. While there are those in government, and in the opposition, as well as in the military, who have good intentions in regard to reversing the nation’s current downward spiral, they are generally not willing to challenge the popular mythologies about “people’s power,” to tell the truth to the population that the 1986 and 2001 “revolutions” were made in Washington. While there are certainly good reasons to wish for new leadership in Manila, without a regime change in Washington, any action in Manila is unlikely to reverse the nation’s lack of sovereign control over its own affairs.

*The author can be contacted at mobeir@aol.com.*

# Presidential Candidate Cheminade Gives France a Sense of the Future Again

by Karel Vereycken

Jacques Cheminade, president of the Solidarity and Progress party, has launched a Presidential campaign for the 2007 election, at a very critical juncture in France. “The ‘Non’ Is Looking for a Name” was the title of a recent article appearing in the Paris daily *Libération*, referring to the 55% vote in France against the proposed European Union Constitution on May 29, 2005. The title captures quite effectively the core of French politics today. France is in turmoil, and its people are hungry for change. The unexpected presence of the chauvinist populist, Jean-Marie Le Pen, in the second round of the French Presidential election of April 2002; the rejection, by the May 29, 2005 referendum, of a “still more free trade” deregulation policy, disguised as a new European Constitution, and the growing rise of poverty-fed urban violence and despair; all these symptoms express dramatically the increasing hunger of the French people, not merely for a different candidate, but for a new, ambitious policy capable of bringing back social well-being, and a sense of the future based on progress, through skilled jobs and social justice. Therefore, any smart candidate, even the power-hungry neo-conservative Nicolas Sarkozy, realizes that nobody can win this election without mobilizing popular support; and today every serious “outsider” candidate knows his time has come.

Its seven-year-long Presidential term had made France’s supreme mandate one of the longest of the planet, until President Jacques Chirac reduced its duration recently, to five years. As a result, four years after Chirac’s re-election, a new Presidential election is scheduled to take place in 14 months, on April 22, 2007.

As an additional feature of his Fifth Republic, President Charles de Gaulle, while greatly upgrading the power of the President, on Oct. 28 1962 instituted a system, approved by popular referendum, giving the French people the power, for the first time, to elect their Presidents through a direct vote. Up till then, Presidents were only elected by a vote of “Great Electors,” a vast body of elected officials composed of members of parliament, senators, general and regional councillors, among others, and especially the large body of France’s 36,000 mayors.

While de Gaulle only demanded 100 sponsoring signatures to present a new candidate, because he wanted an open-ended system escaping the control of party structures, the ruling political families rapidly tried to limit this intrusion

of uncontrolled and uncontrollable outsiders. In June 1978, under the Valéry Giscard d’Estaing Presidency, it was decided to increase the number of signatures to 500, a number thought impossible to attain, for anybody lacking large financial backing, and a major party structure. A supplementary, tricky obstacle that was introduced, is that the Great Electors, or signators, receive the official form they have to fill out to designate their choice, only about four weeks before the closing filing date. While in theory, electors are supposed to turn in their signatures by mail to the Constitutional Council (CC), in practice, most if not all, candidates collect the official forms themselves and deposit them at the CC, the body in charge of all regulations concerning the Presidential election. Through this perverse and needlessly complicated bureaucratic procedure, minor candidates are forced, before the four-week period, to painstakingly seek pledges of a formal commitment by Great Electors “on their honor,” leaving time for blackmail and dirty tricks to be unleashed against the electors.

When Lyndon LaRouche’s friend and co-thinker Jacques Cheminade successfully became a candidate, in 1995, with 556 signatures, the kingmakers of the French political scene were surprised, and furious. In 2002, before losing big, and failing to reach the second round of the Presidential race, former Socialist Prime Minister Lionel Jospin had even stated bluntly on a website, that the needed obstacle of 500 signatures had been “successful so far” to prevent crooks, cults, and mavericks from running, “but had failed in the case of Cheminade.” Everything was done then to silently prevent Cheminade from being on the ballot again. While the Cheminade campaign did gather over 500 pledges, a last-minute campaign of slanders and dirty tricks led several mayors to change their initial commitment. Even though the main counter-organizer against Cheminade was sentenced, eight months later, before a criminal court for his slanders, the damage was irreparable.

## Bring LaRouche’s Friend Into the Race

Today, Cheminade, with the support of the LaRouche Youth Movement (LYM) in France, is again mobilizing to be placed on the Presidential ballot. Hundreds of appointments for the LYM are being set up over the coming weeks and months, and signs of great openness are manifest. Most mayors are simply citizens (farmers, butchers, industrial workers,

retirees, teachers, etc.) who took responsibility for the general interest of local communes (the lowest level of administrative division in the French Republic), of which over 25,000 have fewer than 1,000 inhabitants. The disastrous policies imposed on France through deregulation, globalization, and outsourcing, have provoked economic breakdown. The dismantling of productive agriculture and industry, and the underinvestment in canal and railroad infrastructure have hurt the French countryside.

Many mayors confirm this picture. One expressed his sadness about having to go to a meeting that was scheduled to decide the closing of seven high schools, while another one, a farmer, indicated that the cheap milk coming in from Bulgaria forced him to lay off his workers. While their productive economy was destroyed, they were told: "Don't worry, it's just a mutation. Services and tourism are the industries of tomorrow." It never happened. Mayors have told the LYM that they were looking for somebody to defend the authority of the republic against dangers, the worst being chaos, while remaining committed to the generosity and justice of the general welfare—i.e., some kind of new de Gaulle. With smiling lips, the LYM answered: "Imagine, we have exactly what you need: Jacques Cheminade!"

So, while far more restricted in scope than the vast constitutional powers of U.S. senators, this procedure, initially destined to limit candidacies, when potentially called upon, remains by its nature a powerful system capable of opposing and counterbalancing candidates "invented" by the financial and corporate party kingmakers. One of these "inventions" is Sarkozy himself, who, as reported in the weekly *L'Express* of Jan. 19, has great esteem for Lazard Frères' aging associate Antoine Bernheim, one of the godfathers of the French establishment, and also the current boss of the Generali insurance giant.

While these financiers imagine they can keep things under their control, the most popular elected officials of the French nation, by giving their signatures to a candidate with a "LaRouche perspective," desire to give the opportunity to a candidate who will tell the world how "naked the emperor is," and that his clothes, though invisible, are not without smell.

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## Documentation

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### Why I Am a Candidate

*The statement excerpted here, by French Presidential candidate Jacques Cheminade, was issued in Paris on Dec. 26, 2005, and was translated from French.*

France has lost its sense of the future. The intention of my

candidacy is to give it back to her.

No matter what their qualities, the official candidates cannot do this, because they are emanations of a *seraglio* which thinks short-term, and acts, by nature, against the common good. . . . Submitting to the rules of the game and to their appetite for power, our leaders cannot resist the financial synarchy which defines their responsibilities.



*Jacques Cheminade*

My mission, from the opposite standpoint, is to become the catalyzer of a change, including those who will regain a commitment to the future, with neither sectarian exclusion, nor fundamentalism. For that, contrary to the others, I do not begin with an analysis of the existing balance of forces, but from a vision of the future, for which I will do my best to inspire energies in France, and in the world, without worrying about losing status and wealth, which I, fortunately, do not have.

The challenge is not to confront some kind of French evil that we are secreting, but the financial globalization to which we submit. To build a new international financial architecture, to eliminate the tight financial control, which imposes social austerity on everybody, everywhere, is thus our first and most ardent obligation. The choice is between continuing the financial drift, which confronts us with the same consequences as during the 1930s, or reorganize what de Gaulle called the cause of humanity, beginning with the Global New Deal conceived by Roosevelt, but aborted by Truman. The weakening of the Cheney Administration on the other side of the Atlantic, a decisive historical moment managed by my American friends, today offers us a chance to succeed in doing what could not be done before. Letting this chance slip away would be a political crime. My campaign intends to seize it.

The rapid development of big infrastructure projects, financed by long-term public credit at low interest rates, will permit the application of this policy, from the Atlantic to the China Sea. This is the vision of our battle, thus attaining peace through mutual development, and with skilled labor being promoted and shared.

With this lever, we will be able to re-establish, in our internal policies, the priority of education, laboratories, and hospitals, of social protection and economic growth worthy of the name. If Europe is to be redefined, rejecting the strait-jacket of Maastricht, of Amsterdam, of Nice, of the Stability Pact, and of the European Central Bank, and substituting an understanding of sovereign republics, no longer based on money, which leads unavoidably to usury, but on a certain idea of man based on mutual development and a culture of life, then this way, and only this way, will understanding and cooperation among peoples be able to be substituted for today's distorted competition, corrupted by the games of the oligarchies. . . .

## A Washington Dialogue With LaRouche on Statesmanship

*Lyndon LaRouche addressed an international webcast on behalf of the LaRouche Political Action Committee (LPAC) on Feb. 23, 2006. His opening remarks were published in EIR last week, and we continue here with the transcript of the question and answers session. His spokeswoman, Debra Hanania Freeman, chaired the event. The full webcast is archived at [www.larouchepac.com](http://www.larouchepac.com).*

**Freeman:** I always try to give precedence to questions that come in from the institutions here in Washington, and I'll continue that, today.

### British Are Pushing Iran War

Lyn, the first question comes actually from a Democrat who serves on the Senate Foreign Relations Committee. And he says:

"Mr. LaRouche, in early February, you indicated that a military confrontation with Iran, no matter how limited, would detonate a bomb, that would in fact, serve to blow out the entire financial and monetary system. My question to you is really a very simple one: Are Cheney and Co. ignorant of this? Or is this, in fact, the intention of the policy?"

**LaRouche:** Well, Cheney's intention is a very interesting question. It's like speaking of George Bush's intention—I don't know if he knows what the teleprompter means.

Cheney is a stooge. The administration we're dealing with is a creation, nominally, of George Shultz; who, with Condoleezza Rice and the whole pack of them, created this administration around a guy who's not mentally capable of any other kind of job, except President of the United States. And he doesn't have to do that job, because Cheney does it for him.

So, therefore, the question of *intention*, and reality, in terms of this administration, is a very tricky question. What was Cheney aiming at, for example? Hmm?

So, in the Iran case: The intention does not come from the

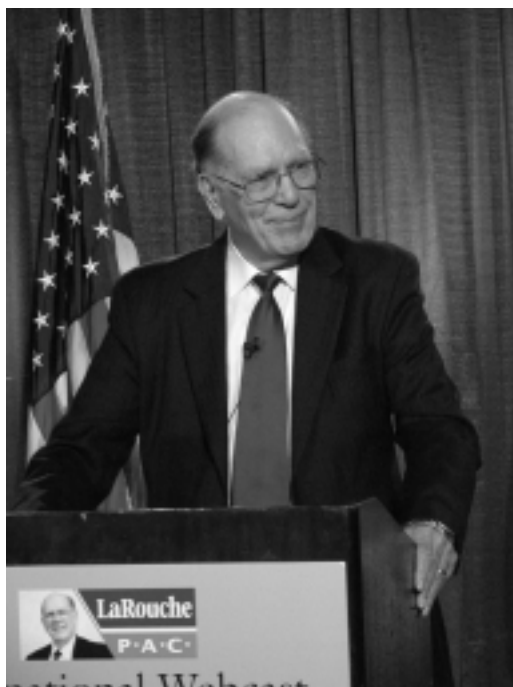
United States. It comes from the participation of some people *in* the United States, in the institutions, influential institutions, but not *from* the United States: It comes from London. The orchestration of this policy comes from the British foreign intelligence organization, centered in the British Arab Bureau. Now, the British Arab Bureau is an offshoot of the British East India Company office, back in the time when the Empire started. Before the King Georges got to know they were emperors, long before that, there was already a British Empire: It was the empire of the British East India Company, which was actually running the Empire. Lord Shelburne, in particular, who was running the Empire, back in the 1770s and 1780s; he was the kingmaker. And the British King was actually a flunky for these financier interests, who actually ran the place.

So, at that point, the British Intelligence Service started, formally, in this form in many ways, as a Freemasonic organization, essentially; for example, the French Revolution was run through what Shelburne created as the British Foreign Office, in 1782, and the key figure of the Foreign Office who ran the secret committee, was Jeremy Bentham. And Jeremy Bentham, in a sense "begat" Lord Shelburne—and they created the British Intelligence Service. Which was created out of the East India Company.

So, in the process, they took a guy called al-Afghani, for example—who was a crazy-man, but the British picked him and used him—to create the Muslim Brotherhood, which is a key orchestration factor in Middle East politics. And they build up things against that, too.

The key operation that defines this whole area, is the British agreement with the Russians, with Nicholas II, on the partition of the spheres of influence in Iran, where the British took the southern part, and the Russians took the northern part: 1907.

Now, in this process, since then, the British have orches-



Lyndon LaRouche at the Feb. 23 webcast. *"The problem with Americans, especially in high office, is they refuse to recognize history."*

EIRNS/Stuart Lewis

trated the operations in the whole area, and controlled them. They have a fellow in the United States [Bernard Lewis], who was formerly head of the administrative section of the British Arab Bureau, and he is the key advisor to Henry Kissinger and others. Now, it's his office, which has shaped this particular aspect of policy, which is running it.

So, this is a British game. And they're using all kinds of things. For example, the British are orchestrating this Iran crisis—not the United States, the British are orchestrating it. Jack Straw, the Foreign Minister of Great Britain, is a key orchestrator of this operation.

So, this is what we're dealing with. And the problem with Americans, especially in public office, is they refuse to recognize history: the history of the U.S.-British conflict. And the complication that is not taken into account, is the fact that you have a section in the United States which is more close to the British than they are to the Americans. You look at the entire history of U.S.-British relations, the conflict from the beginning, from after 1763 on, and it's always of this same character. Americans refuse to recognize, that the British are not intrinsically our allies. They're intrinsically our enemies.

But it's not simply shoot-em-up enemy relations. The British realized, after Lincoln's victory over the Confederacy, which was a British operation—the Confederacy—the British realized they could never take the United States by force after that. So therefore, they used indirect methods, including subversion and economic operations. And a sense, they're allies, in which the people who are married are the worst enemies of each other. And they refuse to recognize that they're enemies. They're each trying to kill each other, or get

each other killed, and they're pretending to be happily married in between time, when company comes. So, it's this kind of situation.

So, the problem among American politicians, is they refuse to face the fact, that the British oligarchy is generally the source of the enemy, the important enemy of the United States in every operation, including this Iran operation. Once you recognize that fact, then it becomes very easy to understand what's going on.

### **An Imperial Tactic**

The British—. Look, Britain went into this thing in Iraq. They knew the thing was a cock-up, they set it up. But what did the British do? They took the southern part of Iraq, as their area of military operations. What they did was: This was a setup to get an Iraqi Shi'a versus Sunni operation going. Because, the British interest was to destroy this area of the world, by setting up this kind of fragmentation and chaos. It's a chaos operation.

This is also part of the operation, which Bernard Lewis, the same fellow, set into operation, which is called "the war against Islam." Now, when did the world last have a war against Islam? This was the war of the Crusades, which went on for about three and a half centuries—the Crusades. So, Bernard Lewis says, "Start a Crusade against Islam!" And Bernard Lewis agents, such as Henry Kissinger and Samuel P. Huntington, and also Zbigniew Brzezinski, all got involved with this setting up a permanent war against Islam! A new Crusade! A religious war—akin to the religious war, which the same circles set up, before the British existed, starting in

1492 with the Expulsion of the Jews from Spain, by Torquemada, which was the beginning of a period of religious war!

Spain, prior to 1480, had been a very peaceful area of the world, relatively speaking, in terms of social relations. It had Christians, Jews, and Muslims, living together, in the same country, and generally with peaceful relations. Yes, there were conflicts, feudal conflicts and so forth, but they would always orchestrate things so the country wasn't destroyed. And there was a lot of cooperation. This was destroyed in 1480, with the introduction of the conception by Torquemada of the Inquisition. And in 1492 the Expulsion of the Jews from Spain—the Moors were actually expelled later, about a century later—was the beginning of a period of religious war, which raged back and forth across Europe until 1648 with the Peace of Westphalia.

So, religious war is a tactic, is an *imperial tactic*, which is used by certain forces. It's used primarily by the British, who are really the last empire on this planet. It's not an empire of the British people, it's not an empire of the Kingdom of Britain. It's an empire of a certain interest, which is centered in London. It's an international financier interest, which comes into this country; it's people like Felix Rohatyn. Felix Rohatyn, he's a fascist. He's the guy that put Pinochet into power, in Chile. Not a nice guy, a real worm. An evil character. One of my personal enemies (which is one of his virtues).

So, they run this kind of thing as an international cabal of the old Venetian style. There's no morality, there's no national patriotism involved. There's a certain sense of an interest, a *financier interest*. And they try to orchestrate the world to fit that.

For example, what are they trying to do, today? What's globalization? Just to get a clear sense of this. And, what do our friends in the Senate think about globalization? They think globalization is a "wave that is coming"? What? A new wave of syphilis? A resistant strain? Or, is it an operation against civilization. Isn't it obvious what it is? Instead of saying, "Well, it's a trend, and some people think this, and we gotta go along with popular opinion"—real Sophistry; "we have to go along with popular opinion." "This is the inevitable." Well, your wife is sleeping with ten other men—"but that's inevitable, what can I do about it?" This is typical Sophistry.

So, globalization means, what? It means, simply, that you eliminate the nation-state. You eliminate culture of people. With a population of over 6 billion—you want to eliminate the population, you want to reduce it. Your intention is to reduce the population to less than 1 billion people, in a fairly short period of time. How do you do that? By natural methods: Starve them to death! Disease! Bring down the population level—it's been done before. How do you do that? Take away the nation-state. Take production out of the areas where it's occurring, and move into slave-trade areas, where people work under slave conditions. Take steel production out of the United States and Europe, and put it someplace else. Put it in a country where 70% of the popula-

tion is starving to death.

And by that process of destroying the infrastructure and the character of a modern economy, you will create mass death.

But some people say, "It's inevitable." It means, they've given up the fight to Satan, so to speak.

So, the problem here, again, is the same thing I responded to earlier: The problem here, on the Iran issue—to me, the Iran issue is a perfectly transparent problem, with complications I may not know, but the general character of the problem I know *very well*! I know *who is doing what to whom, and why!* All the main lineaments. Some of the details are missing, but I have the main lineaments. Apparently, the people in the Senate don't know this! I know it! I know it, because I'm experienced in this stuff. They should know it, but they don't want to know it! Because, they want to know it, without having to know certain other things they don't want to be caught knowing.

And that's where I come in—often, in these things. I came in on the impossible situation, because I have nothing to fear at my age. What're they going to do me? Kill me? Hah! What d'you think my life expectancy is? C'mon, don't kid me! I'm not going to *waste* my life, that's the difference. Some people would rather keep their life by wasting it. I would rather keep my life, by not wasting it.

Okay, so anyway—so, this thing with Iran, it's real. It's essentially an imperial operation, part of an imperial operation. It's complicated, because the instruments being used to orchestrate the situation create a mask of uncertainty and confusion around it. Essentially, the fact of the matter is: The question you deal with, in a case like Iran, is different than saying what's going to happen there. What you have to do is this: Say, we know that in Russia, and in many of the important forces in the continent of Europe, there's a determination to avoid a conflict with Iran. Because any conflict with Iran would be insane, because of the implications of what that would lead to. And the financial system is about to blow up, anyway. All you need is an Iran war, and the whole thing blows. So therefore, the Russians, the Germans, and others in Europe, are determined to have a diplomatic approach to the Iran situation, and believe that a rational solution for the time being, is possible, if you don't try to settle *everything*, but concentrate on what you have to settle *now*, and then wait until the situation has calmed down, and get to the other matters later.

I dealt with this, in discussions the other day, here, in Washington.

## Defeat the Real Enemy

So, do that. That means that, the key thing you have to do is this: In the United States, and in the thinking of people in the Senate and other institutions, you have to think, that every day that George Bush stays in the Presidency, is a deadly threat to the existence of the United States. Every day that

Cheney stays in the Vice Presidency, is an even greater threat to the United States. The optimum is, get Cheney out now, and then the Bush problem will be manageable. Because Cheney is the instrument of George Shultz and his international financier group, which is running this whole operation.

My goal is: Get George Shultz's machine *broken! Break his power!* Cheney is something in the way. He's sick, a man with two stents behind his legs, this kind of thing, in his condition, with his alcohol history? And the dope he's on to stay alive, and the woman he's married to—his life expectancy is very poor. So, he is only a disease, he's only a menace. Get him out, with the least effort possible. You don't want to kill, you don't want to do anything else—just want to get him out of there. He's now halfway out—he's like a still-birth or something. He's hanging out there, but he's not really going anywhere. Get him out. Once you get him out, you break the power of the machine *in* there, the tool that's being used. And he's not the source of the problem, he's only a *tool* of the problem.

Then, suddenly George W. Bush will not find a translator, who speaks his language. George speaks English: He doesn't know any English, he speaks it. The teleprompter shows him how. So, then we have to deal with that.

But we have to deal, fundamentally, with what's *behind* this. Why did they put a man—look, George Bush is a mental case! He's a dry drunk. He's a mental case, you saw him on television: He can't think! He says words that he uses, because he thinks he understands the words. He has no correspondence to what he's talking about! The man is an idiot! He's a mental case! Why would somebody knowingly put a mental case like George Bush, into the Presidency? That's your problem! George Bush is not the problem.

Who put the cockroaches in your kitchen? Don't blame the cockroaches. Who put them there? Somebody did it for a purpose. The purpose was to destroy the institutions of our government. And that's the way you have to look at it. If you look at it from that standpoint—of who the enemy is, then, instead of saying, "Do we fight this battle, or do we fight this battle, or do we fight that battle?" You say, "We've got to *defeat the enemy!*"

So, therefore, you have to have an *offensive policy*, a strategy for *defeating the enemy*, not for simply figuring out how to take out this platoon, or that platoon of his forces. And that's where we get screwed up: We don't take out the enemy. Because, we don't want to *talk* about the enemy! Like, the Senate didn't want to talk about Adolf Hitler! Here you're putting a guy into the Supreme Court, presumably for life: *He's a follower of the Nazis!* Not merely a follower of the Nazis, he represents *the policy* of the Nazis! The unitary executive, as a policy, comes from the Nazi regime! Orchestrated by the author of the Federalist Society: Carl Schmitt.

And people in the United States Senate, said, "You can't say, 'Nazi' "!" Well, when do you fight the Nazis? *When* do you fight them? When they're about to take power—isn't that

a good time, to say "no more"? And putting this Nazi into the Supreme Court, isn't that something to stop, if you don't want Nazism in the United States?

Don't go around hunting for Nazis: You got a live one, right in front of you. Running for Supreme Court. Why don't you say so? If you tell the American people that this is a Nazi operation, a Nazi philosophy, and tell 'em plain, in a Senate inquiry, do you think he'd get confirmed? Not at all!

They wouldn't do it! No guts! No guts. Because someone said it's bad—why? Well, because some of the big bankers on Wall Street are Nazis, and they have a long history of it! And I know the names—not all of them, but I know a few, enough.

So, that's what the problem is. A lack of guts, so therefore, the inability to face the *real* question, which is frightening, means that the problem is reduced to secondary or tertiary questions, and how do we deal with this tertiary or secondary effect? When my thinking is, let's flank the main enemy. Don't make a charge like an idiot, against some hill. Flank the enemy.

## The Israel-Palestine Conflict

**Freeman:** This next question is a kind of composite of several questions that have come from both the Senate, and also a couple of people connected to Washington, D.C. think-tanks. It relates also to the question of Iran and the situation in Israel.

The question is, more or less: "Mr. LaRouche, both immediately prior to, and several times since Ariel Sharon's stroke, Bibi Netanyahu has travelled to Washington, D.C. to confer with Dick Cheney. There may also have been meetings that have taken place elsewhere, but these are the ones that we're aware of. Informed sources both here, and in the Middle East, indicate that Cheney and company are working hard for Netanyahu's election, with the presumption that if the desired military adventure against Iran continues to meet with opposition in the United States, making the political penalty too high, that one fallback would be to launch war by surrogate, with the Israelis initiating some action, and the United States then compelled to participate. It certainly seems that the Cheney crowd, or at least the crowd that controls Cheney, is committed to launch this war by whatever means necessary.

"My question to you, is not so much their intention, but your assessment of the situation inside Israel. How good do you think Netanyahu's chances actually are? And if he were to regain power in Israel, is he likely to proceed with such a suicidal scenario?"

**LaRouche:** Again, what we're dealing with in the conflict situation in Israel, is a case of asymmetric warfare, in which the key factor is outside forces, not forces on the ground. The situation is played like a pawn on a chessboard, by international forces. Now, what we have to do is, don't limit the question to Israel, or Israel-Palestine. That's the first mistake. It is not an Israel-Palestine problem. That is, it is not contained

within the territory of Israel-Palestine. It is a situation with conflict potential, which has been exploited in various ways, by various international institutions, going back to the games that were played between the Soviet Union and the United States and Britain, on this question, back during the relevant 1950s. It's that clear.

What our policy is toward this thing, is not to try to solve this or that problem. Because you're dealing with a slippery situation, in which, if you think you're solving one problem, you're going to neglect another one. Yes, Netanyahu is a danger, but why is Netanyahu a danger? First of all, he's run by the crowd which is behind George Shultz. For example, George Shultz is behind that cartoon run in *Jyllands-Posten*, which was used as a trigger to set off these Islamic protests around the world. So, your problem is not in Israel, your problem is George Shultz, who lives on the West Coast—and who controls the policy toward the Israeli right today; who controls the pro-Netanyahu policy in Israel, today. Netanyahu is an agent of Anglo-American interests. That's all. He's an agent. He's a throwaway, right? A throwaway.

## Imperial Geopolitics

Okay, how do you deal with that? We're dealing with what area, what subject? The subject is *Sykes-Picot*, 1907 to 1916: The negotiation between the British, with the French involved, and stupid Nicholas II of Russia, over the division of the spheres of influence in Asia. And this involved what is called Southwest Asia, directly, the region, the Middle East region; it involved the adjoining area of Iran, and other things. This was the key instrument in organizing World War I. Not a fight in Israel, World War I. Not confined to Israel. Not confined to the territory of Palestine.

Who organized it? Well, it was organized, first of all, by assassinating the President of France, Sadi Carnot, to change French policy. Then by the Dreyfus case, to create an anti-Semitic thing—there's terrible anti-Semitism in France. Anyone who knows France knows that it's a very anti-Semitic country. So therefore, the Dreyfus case then defined a right-wing operation.

Then you had 1898, with Kitchener. And the French became the sodomic victims of Lord Kitchener. Lord Kitchener was key as a part of this operation, which involved Sykes-Picot; which involved the partition of spheres of influence in Iran in 1907; which involved the 1916 Sykes-Picot treaty; which involved the organizing of the forces for World War I by Britain; which is what Allenby was part of there; what other people were part of in Southwest Asia. The partition of the Ottoman Empire was part of the story. The question of oil was part of the story, because petroleum from the Gulf, what became known as Kuwait, was a British private preserve, which was being used by the British Navy, to create an oil-fueled Navy for World War I. And the British wanted to control the petroleum at that point. This is now the area called Kuwait, which is the southern part of Iraq.

So, to look at this historically, you see what the reality is. There is not a conflict within this thing, where you have to intervene and separate the partners of the conflict and imagine you've solved something. You haven't done anything. You've got to go at the main problem. The main problem is imperial geopolitics, centered on the same combination which gave us World War I, gave us World War II, and other things. And often these things change their character in the process of their evolution.

But the mistake is always to try to respond to the way the press poses the question. The newspaper headlines pose the question: "This is the great threat! What are you going to do? Answer the question! What's your solution to this problem?" Well, the solution to this problem is to shoot you! Then I could get a discussion of the real problem! You're breaking up the discussion. You're not allowing us to discuss the real issue. What is the root of the problem? What does this express? Someone comes in with a disease. "Oh, you've got a disease. Where's the bug? We'll kill it for you." Not curing the disease. And that's the problem here.

## Redefine the Geometry of the Situation

The United States has always had people, on this question, for a long time, on the water question for this region. The key issue here is, with the present water supplies in this region, you can not maintain a stable form of society. What you need for the whole area is nuclear power, to help us have enough water, and the prospect of a decent life. Then, you have to somehow manage the situation, on the basis that you're creating something positive in the area. And on the basis of doing that, you can win more and more people to your side.

For example, let's take the case of the recent election of Hamas in the Palestine government. You do not want to start a fighting line on this. Crazy "Mrs. Booty" Rice—the worst possible thing imaginable! You don't want to start, dictate, "We don't like you. We won't give any money if you are there"—no, that's only stupid politics! You say, "Okay, now you got the government. What do you want to do? What do you want to *do*?" You don't shut off the money, you increase it! You give something to the Israelis. You increase it.

In other words, you redefine the geometry of the situation, so that you create the condition where people don't shoot. Why? Because they've got something else they also want. And the average Palestinian was upset, and Hamas won, because some of the Palestinians were taking too much of the money for themselves *personally*. And this charge of corruption against them opened the gate for Hamas' victory. Hamas was brought in, because they didn't like the opponent. They were tired of the corruption. Because, the basic problem is that they're hungry! They're desperate! They're hungry. They haven't got anything. So, give them better conditions of life.

Money is cheap. The way George Bush throws it away on silly things? Money is cheap! If you have to buy a peace, if you have to buy a peaceful condition, you buy it. If you have



people getting something good, you can always go to Shimon Peres—you can buy him! He's not a bad guy—you can buy him though. So do it! Get peace! And once you have peace, and once you have people committed to something, they're getting something, that they actually want, you have a different situation.

So instead of looking, "How do we win this fight?" you say, "Why have the fight? How do we change the situation, so we've got something better than a fight going?" "Don't come to the boxing match. We've got a solution. You want money? You want cooperation? Hamas, you've got yourself elected? Oh, good for you! You got elected. Now we have to work with you." Any sane U.S. government, State Department would do that. "Oh, you got elected? Good! Oh—we're glad to meet you! Now we have to talk. What would you like to talk about?" First thing you do! "You need some help? Oh, I'm sure we can find some way to do something."

Now you establish a basis for a relationship, for talking.

If you go to the other side—Netanyahu is not that powerful. Netanyahu is a U.S. agent. He's also partly a British agent, but he's primarily a U.S. agent. Oh, you can pull strings here. You can expose him. You can scandalize his name. Do it!

So, what we're not doing is enough diplomacy, and too much business about how we're going to rig the fight. And I think that's the general answer on this kind of problem: Is, that we've got to stop accepting the way the problem is defined in false terms. Define the problem from an historical standpoint: What is the real problem of the region? Look at the dynamics of the regional situation, and locate the particular problem in the region within the dynamics of the region, not as an isolated him-versus-him kind of thing. And go back to traditional diplomacy. It was corrupt as hell, but it worked.

## The Problem in France and Germany

**Freeman:** Lyn, still on the topic of Iran. This is from a Washington foreign policy analyst, who's actually here in the audience. He says: "Mr. LaRouche, what is the explanation for the German and French turn, on the question of Iran's nuclear program? The British posture is more understandable, given their role in the Iraq War, but can't the Germans and French see the consequences of this turn that they've made?"

**LaRouche:** Haha! Another case, redefine the question. The French problem, is that you've got two problems. You have a prospective fascist Sarkozy (I sometimes call him Narcozy), who is Minister of the Interior, and sort of the head of the Gestapo. And you have other forces in France. And France is a very opportunistic country, but in part, it has a very specific quality in France, which is important. The banking interests of France, the private banking interests of France, are an integral part of the Synarchist International. Now, the Synarchist International is the organization which invented fascism. Napoleon actually invented it, in a sense, but the Synarchists made it a code, in the middle of the 19th Century. And the Synarchists were essentially a group of French bank-

ers, private bankers, and they created what became known as anarcho-syndicalism, and the organization became known as Synarchism, or the Synarchist International, as it was later called.

Now, this is the organization which did all the dirties in France. It was the aftermath of Napoleon III, did all the dirties. And they are the ones who still control French politics today.

They started fascism. Remember, Italian fascism was designed in France and exported under British license to a Venetian banker, Volpi di Misurata, who introduced it to Italy in the name of Mussolini. But Volpi di Misurata ran Mussolini. But, behind it, were the Synarchists.

Now the Synarchists were unable to get a fascist government in France, until the Nazis gave it to them. What the Synarchists did, is ensured that when the Nazi attack came on France, that the French troops would not fight effectively. Therefore, the Nazis occupied France, and enlisted the French as auxiliaries in the war against the Soviet Union. And divided it in two parts: one called Laval, who was an outright Synarchist, a famous Socialist Synarchist; and the other's the Pétain regime. These forces are still dominant as the private banking interests of France, to the present day. They are German-haters. These were the opponents of de Gaulle, actually. They're German-haters. They commit assassinations. France is the most significant police-state in the world. I sometimes think they have more policemen than citizens, because they have a department of police for this, a department of police for everything. So the problem is there, in part.

Now, what happened, the German European politics today is based on what happened in 1989-1990: Is that when the prospect of the reunification of Germany occurred, after the fall of the Wall, the Thatcher government of Britain, joined by Mitterrand, went to the point that Mitterrand virtually threatened to organize war against Germany, a military attack on Germany, if there was reunification. The United States intervened, that is, the Bush Administration of the time, intervened to prevent that kind of extreme, but submitted to the conditions which were demanded by the French and British, that Germany would be deindustrialized: that there would be no industrial development of the former East Germany, to speak of; there would be no industrial development around Berlin; and Germany would be cut down to size by creating a European currency called the euro, to destroy the power of Germany.

Now, Germany responds to this situation by saying, "Well, we have to submit to the euro, or we have to submit to the European Central Bank, for the time being. But, we have an option. We are an exporting power. We export to China, to India, to other places. We have close economic relations with Russia. We have developed a post-Yeltsin relationship with Putin. And therefore, our German economy is based on its export potential, even though its domestic economy is being crushed, and destroyed even, by the French-British alliance." On the other side, you have a French-German pact,

because the French nation lives on what it sucks of the blood of the Germans. Without that, there is no French economy. France has nuclear power. Germany has almost none—and so forth and so on.

So, the thing is a mess. There is no simple German-French policy. What you have is a hegemonic policy, in which the British, who are really controlling much of the U.S. policy through Cheney's wife, who's nothing but an asset of the Blair crowd—. You have the French are being controlled largely by the British, as sort of hateful, friendly rivals, who agree on some things—on keeping the Germans down! The British and French agree on keeping the Germans down! But, they agree that they have to work with the Germans, because the Germans are supporting the French economy.

Because they're Europeans and they're powerless, relative to Europe, they have to depend upon using France's relations to Russia and France's echo of its relations to Russia, in order to give France a position of European power which it can negotiate with. Now, once having power and having allies, now he has allies to betray. And that's the nature of the politics.

There is another France, a real France, which is not controlled by these bankers—and this is banker's mentality, bankers' deals—and we're in the same period internationally in terms of finance. International finance today is clinically insane! It's no longer productive economy-oriented. There's no sense of reality, in most of international finance today—none.

So, there is no simple answer to the question, because what you have to do is understand the complex of circumstances, which are interacting in the situation. And, of course, I'm close enough to the situation in Europe, to know this fairly well. But I think that in the United States, the tendency is *not* to know what's going on in Europe, and to come to conclusions which accord more with gossip around Washington, more with press gossip and that sort of thing, than it does with reality.

My perception is completely different. There is a rotten government. This Chirac government has become rotten. He's looking for his destiny. Pressure's on him. He betrays people. He betrays his allies. He's controlled largely by the growing Synarchist influence in France, which is a growing Synarchist influence in the world—as here as well. They all know the system is coming down. Like, right now! I don't know what's happening later today, but right now, that thing in Iceland could be the thing that does a blowout of the entire system, comparable to what happened in August-September 1998.

## The Privatization of U.S. Ports

**Freeman:** Lyn, so far, I would say that half of the stack of questions that have come in, are in one way or another, touching on this current port situation: the United Arab Emirates contract with these commercial ports. One of the more

interesting questions, however, on the whole port controversy, comes from someone who is a policy consultant in Washington, D.C. He's an expert on questions of U.S. infrastructure and is a former member of the Presidential Cabinet of a previous Democratic administration.

He says: "Mr. LaRouche, I'm sure you're aware of the current controversy surrounding this recent White House deal to hand the operation of six commercial and two military ports to a United Arab Emirates government-run company. Bush's mishandling of this has led to perhaps the deepest fracturing among Republicans that we've seen since Bush has come to Washington, with some of Bush's most faithful lackeys breaking ranks. But, at the same time, we witness the phenomena of Democrats tripping over each other, with the belief that they have finally found the way to take a position to the right of the Bush Administration.

"At the center of this debate seems to be everyone's heartfelt concern about security issues. However, there is another issue here, that causes me far more concern, which I find very disturbing. As far as I can tell, this issue has only been addressed so far by Senator Feinstein of California, and she has only addressed it peripherally: that is, the apparent privatization of our ports and harbors. It seems that, in fact, a dramatic shift in policy was effected by this administration, without any legislative initiative. I'm not sure what the legal basis for this was, and perhaps it was another case of unitary executive action.

"I'd be interested in your thoughts on this, and your thoughts on how, in fact, you think this should be addressed. Do you think that there is actually a security concern, because the contract will be held by the United Arab Emirates? Or do you think that the larger concern is that we may be in for another Enron-style catastrophe?"

**LaRouche:** All kinds of catastrophes are possible, but the issue here is somewhat different. Go to the real issue. The real issue is that there is globalization, and deindustrialization. The thing that's going to straighten out a lot of this, is when someone has the guts to raise, in the United States, the question of return to nuclear power. Because that's going to put the thing on the table. If you're going to have a U.S. economy, that's the issue—you're not going to continue under present policies—if you're going to have a U.S. economy, you're going to reverse most of the policy trends, established between 1971 and 1981. That is, from the destruction of the Bretton Woods System, through the exit of Brzezinski from office.

Kissinger, the Nixon Administration, destroyed the U.S. international position, by taking the power in the international financial-monetary system away from the United States, into an international cabal under globalization: that is, globalization in the form of the floating-exchange-rate system. That destroyed us in the Western Hemisphere. It destroyed the U.S. economy, from the outside. It destroyed the economy of Mexico. It destroyed the economies of the nations of South



Capt. Albert E. Theberge

*Containerized shipping at Port Elizabeth, New Jersey. The real issue in the dispute over a Dubai-based company taking control of U.S. port contracts, LaRouche said, is “globalization and deindustrialization.” The solution is an end to the “post-industrial” shutdown of nuclear power, ushered in by Zbigniew Brzezinski.*

America, in particular. The destruction of the nations, our neighbors to the South, in Mexico and in South America in particular, was a destruction of the strength of the United States strategically. It was a terrible mistake.

What happened in ’77 through ’81, under Brzezinski, who had essentially the same rotten policies, was Brzezinski destroyed the *internal* economy of the United States, by the Trilateral Commission’s deregulation, and by the nuclear policies associated with Brzezinski. Brzezinski was for nuclear war, but not for nuclear power! And, I almost got killed by Brzezinski, or by Brzezinski’s friends, because I exposed the fact that he planned to stage a nuclear confrontation with the Soviet Union. I did that in 1976, and that lost him the ability to run that operation, because I exposed it. I exposed it with letters from his correspondence, from his own people: that he had that intention, of a nuclear confrontation with the Soviet Union, once Carter had been elected. I exposed it publicly,

on Election Eve of that year, in 1976, and that resulted in somebody putting out a hit operation against me, from Brzezinski, who had created a special intelligence operation for this kind of thing. So, that’s that part of the history.

Now, if you understand that, you have to recognize—which is what the difficulty is, in the members of the Senate, the members of the Democratic Party particularly, and many Republicans—is that the policies, the change in policies, which was established officially from 1971 through 1981—and things that happened afterward, but that change in policies, the change in U.S. policy fundamentally, is what has ruined our country and made us weak. If we are not prepared to *reverse* those policies, then anything we’re going to do is going to be a failure—and you’ve given up the fight.

### **The Key Requirement Is Nuclear Energy**

So therefore, the first way to do it, you’ve got to confront this question of nuclear energy. This has come up clearly on the question of power: Because without nuclear power, if you’re not willing to have 800 MW high-temperature gas-cooled reactors, in the territory of the United States in a number of places, you can not deal with the so-called petroleum crisis, oil crisis in the United States. You have to be able to produce an economical, efficient alter-

native. That requires an 800 MW high-temperature gas-cooled reactor. In other words, you’ve got to reach the threshold of energy flux-density, so-called, in which you can do the chemical operation necessary to use a water-based development of a hydrogen-based fuel. In that case, then you can use hybrids and so forth types of cars, and you can solve the so-called energy problem in the United States. You can also produce the kind of fuels you can use for heating homes and all that sort of thing. If you’re willing to do that, then you can do something.

### **Fair Trade, Not Free Trade**

If you’re not willing to reverse free-trade and go back to fair trade, you can’t reorganize the U.S. economy. Another little thing. Were they willing to do it? Are they willing to argue for it? Is the Democratic Party willing to go back to a fair-trade policy against free trade? Is the Democratic Party

prepared to oppose globalization? Are Republican allies of the Democratic Party prepared to oppose globalization in terms of defending fair-trade policies: that is, a protectionist policy for the product of the American farmer and American industry? Are they prepared to do that?

Are they prepared, at the same time, to realize that over the past period, since 1971, we have used negligence as a weapon to destroy the basic economic infrastructure of the United States? By not replacing plants that are *wearing out*: In terms of water systems, power systems, and so forth, we have destroyed the economic potential of the United States. Are we willing to reverse that?

We need to have a mass of employment, which will shift employment from emphasis on low-paid service employment, to higher-paid productive employment. How do you do that? Large-scale investment in infrastructure, which will create industrial employment, and similar kinds of employment. That means you have to change the ratio of infrastructure to current production, back to what was comparable to the 1970s. Are you willing to do that? Are you willing to reverse the 68er formula? And go back to a high-technology economy which is able to sustain pensions, able to sustain health care and so forth, or not?

So therefore, if you try to take some particular issue, like the port issue, by itself, you're in a trap, because you have *no principled position* from which to fight! This means that you can't do wheeling-and-dealing politics in the Congress. This means, you've got to go out with young people, you've got to go out to the mass of the population, where they live, and you've got to start organizing the mass of the population for these kinds of policies, directly, toe-to-toe.

Then, if you've got the votes, you bring the votes back to Washington, and you get the politicians to change their policy. Are they going to continue to try to play for the big money, to pay for their campaigns, for the advertising, and thus be controlled by the big money? Or, are they willing to get the people back into the voting act again? Because most of the people in the lower 80% of the population either don't vote, because they're disgusted, or demoralized, or they don't know where they live themselves, to have an address from which to vote; and because they don't trust the parties which have turned away from them.

Where are the Democratic Party meetings? Where are the people represented? The Democratic Party used to be based, the power of the party, particularly in the Roosevelt period, was based on going to the people, political organizations of the people. The people own this country, not the politicians. The politicians are elected and rule with the consent of the people. You want to change the country? Go back and give the people a reason to vote for you, by giving them what they need. And not just giving them what they think they need, but making it clear to them what it is they really need, technically. They'll ask and they'll challenge, and you have to answer the questions. But, if you're right, you can win. You can win them

over, particularly in a time of crisis, where none of the answers they're getting, presently, are working.

And so therefore, on the port thing? Yes, we must control—we must say, and protect, “*defend our national public infrastructure*”. Port facilities, rail lines, similar kinds of things, power systems, are *infrastructure*. They're not something that belongs to some corporate investment: They're something that the whole territory needs, or the whole nation needs—that thing. Now, if the nation needs that whole thing, it's not up to some private interest to come along, and give it to us. If the nation needs infrastructure, it's up to the government to provide it, and tax to raise the money to support it. If it's a private venture, yes, it's qualified, it's competent, okay? Normal rules: Start the business. If it's a good business, help it. But if it's infrastructure, it belongs to the government, because it is the *responsibility* of government, because it is for *all the people*. Schools are for all the people, not for some people. Education is for all the people. Health care is for all the people. Therefore, whoever does it, the responsibility to make sure that it's done, is the responsibility of government.

And the way you get that done, is you go out to the people you're supposed to represent, the so-called general welfare, and you appeal to them on behalf of not only themselves, but their descendents, their children and grandchildren. “We need this. Here's why. “And make it clear to them. If they know you're on their side, and you're willing to fight, they'll support you.

The problem with the party, is they want to play games, as in salon games; play debating games in salons; debate it through talking idiots on Sunday morning television. And that's our problem here.

Yes, they're right, Feinstein is right. What she said is absolutely correct. It's weak. It doesn't go much to the point, but at least it says something. The other stuff is—it's kind of loony.

My view is, what is really going on, is not the port issue. And standing away, you can see this a mile away, or 10 miles away, or 50 miles away: The issue is, the shooting event in Texas has so undermined the authority of the Vice-President, that Republicans realize they've got to get out from under that *now!* And what they're going to look for, is some gimmick which gets them off the hook of the Cheney-Bush party. It has to be a gimmick which has appeal to *their* constituency. And the Republicans who are not clinically insane, will generally respond to—a sort of a chauvinistic kind of patriotism. “It's ours! We don't want some foreigners—‘ferriners’ coming in and taking it over from us!” Eh? And the Republicans will go for that, you know. They go for that. They like that. Being a little bit chauvinistic helps, you know. And they often confuse the difference between chauvinism and patriotism.

But anyway. It's a situation which is created by the growing discredit of the eminently discredited, stupid psychotic President and his Vice-President, who's in charge of vice,

who doesn't aim very well. So, therefore, that's the situation. It's a symptom of the fact that the Democrats failed at the beginning of the year. They failed to continue the initiative they had going for them in the Senate, during the year 2005. And came into the year 2006, and did a pratfall on their face. And didn't have their "thing together," as it's said.

So, therefore, over the Alito nomination, they lost their "thing," and they're still searching for it, wherever it went. Now, what this represents, is this event, the fact that you have a Democratic-Republican coalition on *something*, which makes sense, is defensible, use it, because you've got to do this to get this momentum back again. *You've got to get a majority momentum in the Congress, together, to start to move this government in a positive direction.* Without that, you're not going to go anyplace.

Now, every time this administration discredits itself, that's a plus. Some things it does to discredit itself will work, politically. Others will not. The things that will work, which are the right thing to do, do it! The more important thing, is to get people to talk to each other, in a collaborative way, especially across the aisle, to get beyond party politics, to get to patriotic politics. That is, politics for the benefit of the nation. And to get people back into organizing the people out there on the streets, and the communities, to get them in the act, and use their power, the power of their vote: We can determine the results of elections. The people can do that, if they are mobilized to that. To be mobilized to do that, they have to be motivated to do that. To be motivated to do that, you've got to *educate* them, because they have a lot of wrong ideas—they don't know what is going on. But they will listen to you, if they think you're on the right side, because they want an alternative.

Now they know, they say, "This thing is no good. Get this guy out of here! We don't want him any more! This is too much. This shooting, I don't care about it—he's no good, he's gotta go! Get rid of him!" And a *\$32,000 shotgun*—in the days of this amount of poverty, in this country, does not make a guy popular, as a politician!

### 'Cheney's Coup'

**Freeman:** This is a question from actually, a very well-known international journalist, who did not want his name mentioned—but he wants his question answered.

He says: "In the now-infamous post-marksanship interview that Cheney gave to Fox TV, a question came up regarding a statement made in Libby's defense papers. Libby detailed there, or at least his lawyers did, that he was authorized to disclose to members of the press classified sections of the pre-war National Intelligence Estimate on Saddam Hussein's weapons of mass destruction. When the question was put to Cheney, Cheney calmly responded, that he has the power to declassify intelligence. Even Brit Hume looked surprised, and Cheney simply responded that there was an Executive Order to that effect.

"I've learned that on March 25, 2003, President Bush signed Executive Order 13292. This has, up to now, been a very little-discussed document. But in reading it, it grants the greatest expansion of the power of the Vice-President in American history. The order gives the Vice-President the same ability to classify intelligence, as the President. By controlling classification, the Vice-President can, in effect, as I understand it, control intelligence and, through that, control foreign policy.

"Bush clearly operates in the radical notion of the unitary executive. He says that the President has inherent and limitless power in his role as Commander-in-Chief, and that it's above the system of checks and balances. By his extraordinary Executive Order, he elevated Cheney to the same level, and he acknowledged that Cheney was already the *de facto* Executive of this government in national security. Never before has any President diminished and divided his power in this manner. Now, the outrageous notion of the unitary executive seems to inherently include the unitary Vice-President.

"This Executive Order, at least as far as I'm concerned, bears all of the earmarks of Cheney's vicar, David Addington. Addington has been by Cheney's side for more than three decades, and inside the Executive branch, it is clear that Addington mimicks his boss's bullying, sarcasm, and intimidation. Sources tell me that there are few documents of concern to the Vice-President, even Executive Orders, that ever reach the desk of the President without first passing through David Addington's hands. Look at the record. To advance their scenario for the Iraq War, Cheney and company first pressured, and then dismissed, the intelligence community when they provided a contrary analysis. Even Paul Pillar, who is a former CIA official, has stated publicly that the administration used intelligence not to inform decision-making, but to justify a decision already made.

"On domestic spying conducted without legal approval of the Foreign Intelligence Surveillance Court, it was Addington who moved to isolate and crush the justified internal dissent from James Comey, then the Deputy Attorney General. On the torture policy, as we are learning more and more in revelations this week, once again, it was Addington, who intervened when the General Counsel to the U.S. Navy called the policies of torture unlawful and dangerous. It was Addington, who told him that the policies would continue, and that flexibility had to be preserved.

"Ironically, when Dick Cheney was Secretary of Defense under the first President Bush, he reprimanded Vice-President Dan Quayle for asserting power he did not possess, when Quayle called a meeting of the National Security Council, when Old Man Bush was abroad. Cheney knew very well that the Vice-President had no authority in the chain of command. Now it seems he does.

"I'm calling this 'Cheney's Coup.' I'd be interested in knowing what your thoughts are on this, and whether you think there's any potential for either a Congressional or judi-

cial intervention in this, since it seems to be contrary to the intention of the Constitution.

**LaRouche:** Certainly it is contrary to the intention of the Constitution, because it creates a parliamentary kind of feature inside the Presidency; which is the intention of the Constitution, is to create an Executive, in which that's not possible. We don't want a prime minister, or other parts of the ministry, like the foreign minister, who can intervene and override the Chief Executive.

But, in this case, I think the point is not to get simple legalistic action. What's needed here is a mood shift, and I think we already have the mood shift. I used to like this thing from McCauley on *The History of England*, from the accession of the Stuarts, in which he described the case of Lord Jeffreys, the Chief Justice, or that old man, who came out of a whores' court to become the Chief Justice of England, and conducted the Bloody Assizes, which were really a Nazi-like operation throughout the continent. And then, when the Revolution, the Glorious Revolution, occurred, Jeffreys was seen—according to McCauley—fleeing the mob in his night-shirt. He eventually did live after that, but he lived in some degree of obscurity.

I think what we want here, is the effect of Cheney fleeing the mob in his nightshirt—whether Mrs. Cheney is with him, or not. And that's the point: The thing you have to do here, is you have to defeat this bastard (as they say). I use the term advisedly, because I'm not even certain he was born.

### Get the Bum Out!

But in any case, instead of trying to play parliamentary politics with an issue like this, the question is, do you have sufficient groundswell in the U.S. population and in the institutions, to get the bum out! If there's sufficient groundswell to get the bum out, the bum will be out! It's that simple. But it has to be done forthwith.

I think the incident that happened in Texas, where he's no straight shooter, shall we say, came out of there probably drunk. I mean, the 14 hours' wait before the press got on the story, and so forth, all this indicates there was a cover-up of nothing other than Cheney's drinking habits. And look, the guy's going around, he's shooting from the front—with three guys like this, and he's shooting from the front, and he turns around—BOOM! And hit the guy who's less than, probably less than 30 yards behind him. Or less than 30 feet behind him, actually, or something like that—because the concentration of the pellet pattern on the victim was so close, that it couldn't have been the greater distance. He just turned around and shot a guy. Now, that would be easy if he's drunk, or half-drunk, or having those kinds of effects.

But first of all, he's breaking all the rules: He's got a shotgun, he's turning around, and shooting the guy behind him! That's the number-one "no-no"! You take his license away from him. Take his pecker away from him, too! He



U.S. Air Force/Master Sgt. Randy L. Michell

*Dick Cheney in Baghdad. "Instead of trying to play parliamentary politics," said LaRouche, "the question is, do you have sufficient groundswell in the U.S. population and in the institutions, to get the bum out!"*

might shoot that in the wrong direction. Who knows what that might lead to.

But the key thing here, is that we have a groundswell developing against Cheney. And what you're dealing with, your dealing with the *aroma* of the situation, has become decisive.

So therefore, rather than waiting, and trying to say, "When can we get—? What technical composition of things to get this guy out of there?" I want him out of there, tomorrow! And the first thing on the the groundswell which induces him to either quit, or induces someone to tell him he's fired, is what we want. We don't want to limit the options. We're not going to shoot the guy, because we want him around, so he suffers—don't end of suffering. But, we want to get the guy out, for the sake of the nation. And what you need, is a groundswell to do it.

If you have a groundswell to get rid of him, then the institutions will find a perfectly legal way, to get him out of there! Rather than trying to come up with some chemistry, some magic formula, some lawyer's formula—I think we're too used to American lawyers these days. We've got so many of them, I guess that's why they're so influential.

And we try to come up with these schemes. "We're going to do this operation, that operation." I have people coming to me all the time with schemes, schemes, *schemes*! I say, "Get all these schemes out of here!" Have you got a groundswell for it, or not? Have you got a basis for it, or not? Have you

got a justification for it, or not? Have you got a good reason to do it, or not? Maybe there's a better way to approach the whole problem. Maybe you should redefine the whole problem.

In this case, there's no question: We've got to get the guy out. What you need is a groundswell. You *have* a groundswell. That \$32,000 shotgun, misused, with an important figure hit—shot. And then, the obvious signs of a cover-up, including the Armstrong family and so forth, who were all orchestrating this thing to cover this thing up! What do you do? How do you overcome the cover-up? You get a groundswell, that won't let go. And my job is, to tell you: Get a groundswell going.

### A Question About 'Political Muscle'

**Freeman:** The next question is from a Democratic Party consultant based here in Washington.

He says: "Lyn, during the last gathering of this type, you emphasized that stopping Alito was critical. In fact, you identified it as a point of no return, in protecting our system of government. In the immediate aftermath of what you said, it seemed that the Democratic leadership in Congress was preparing for precisely that kind of fight. Within 48 hours, the Democratic Caucus had closed ranks and preparations were under way for a filibuster. As more information was filtered out to members of the Caucus, several of the Democrats in the Group of 14, who had previously said that they would *block* filibusters, indicated that in this special circumstance, they would in fact support a filibuster.

"Then, inexplicably, the leadership flinched. And once the leadership flinched, things began to fall apart. Sen. John Kerry made a heroic 11th-hour attempt to block the nomination, and announced that he would, in fact, lead a filibuster. While some members questioned his motives, the bottom line as far as I'm concerned, was that he stepped in, when others stepped back. Unfortunately, in something of a replay of his Presidential campaign, it was too little, too late. The promise of a fight, in fact, a more auspicious fight, on the question of the domestic spying issue, not surprisingly, fell apart in the aftermath of the capitulation on Alito.

"Today, with the administration's approval ratings dropping to an unprecedented low level, the Democrats still seem to be in total disarray. We're a leaderless group, and there doesn't seem to be any emergent leadership in sight. Now, you've continued to speak with fully audible clarity. And although what you say is taken very, very seriously, it still seems to be the case, that more open collaboration with you carries the threat of the most severe kinds of penalty.

"So my question has two parts: Is there any cause for optimism here? Do we have among us the makings of a leadership, that can lead the party and the population through this dark time?

"Secondly, I'd be interested in knowing what your plans

are, for building the kind of political muscle that actually would hold at least the promise of protecting whatever brave soul might step forward, because they do indeed genuinely favor open collaboration with you. I'm not asking the question cynically. I'm asking it, because I think that, until you do that, this problem is going to persist."

### Toward a Democratic Platform

**LaRouche:** Well, that's the reason I propose to do something in lieu of a party platform. As you may recall, we had the situation in July in Boston, of 2004, where the party had no programmatic perspective on winning an election. And even after Boston, after it was recognized that I was right on this issue, because of the platform, it was possible to activate around Kerry, the campaign which, if it had started a little earlier and gone a little faster, could probably have won the election. The fact of the inertial factors were, I think, the key thing in the loss, because a little stronger mobilization and a little less vacillation in trying to handle people—particularly what the Vice-Presidential candidate did, was typical of the kind of campaigning which was required in that circumstance. I think Kerry came onto the case a little bit too slow.

I think even as of Labor Day, he could still have won that election. But his campaign came on too slow, and didn't reflect what I knew had to be done: with particularly the Ohio case, where we were *in* the Ohio case, and saw the situation there, and acted. We saw the factors were there to ensure a victory, but the deployment was not made consistent with those factors, to bring about that victory. But after the event, then the factors we saw then, became more apparent.

So, the question, my view here is, I'm stepping in with this platform statement, which is not a usual kind of platform. I don't believe in the usual kind of platform. It's a fish-and-chips platform, British-style. You know, "What would you vote for?"—everybody gets their tidbit in the list, and that's not good.

What you need for the American people, or any people, in a crisis: You need a conception, a conception of what the issue is, not what the *issues are*. What the issue is. The issue, now, is simply, that we're about to lose our nation, and about to lose civilization with it. And if we allow the process of globalization, and the measures which have been in progress for the past 40 years to continue, especially the past 35 years, this country hasn't got a damned chance in the time ahead.

Now, if somebody wants to put out a list of suggestions, they should take them someplace else: I think we used to have outhouses, or some other place, where you put those suggestion boxes. What we need is a clear conception of what this nation is, which is what I've tried to provide, in the statement which is going to be coming out this weekend.

But: *What is the history of European civilization? Who are we, this nation?* What do we represent? What do we represent, in the world today?

Ah! Well, we have to start with ancient Greece, as I did today. If you don't start with ancient Greece, you don't know what European civilization is! If you don't trace the history of European civilization from ancient Greece, you don't know a damned thing about Europe or about the United States! All this other stuff is junk. The significant struggle has been, from the beginning, the Asian model, the typification of evil, the Babylonian model, as a small group of people with imperial power, treated the rest of the people as human cattle, or as cattle. And that is evil!

With Solon of Athens, and with other developments like that, the concept of a society based on the general welfare, or

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*A platform should be an assertion of citizenship. It should not be a partisan statement; it should be a statement by a party, but not a partisan statement. It should be an appeal to all citizens, to support a statement of a partisan, who is making a proposal, which is not an expression of partisan self-interest, or special interest, but the interest of the nation, and the interest of the future of humanity.*

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what is called in Greek "*agapē*," the responsibility of the individual and the immortality of the individual lies in what they do while they're living, for those that come afterward. It's the continuation of their existence, and what comes after their death, is what they do for humanity while they're alive. Do they fulfill a mission, while they're alive? Okay. Society based on a mission, a mission-orientation, where immortality is defined in terms of what you do for those who come after you. A soldier dies for his nation, for the sake of those who come after him. Build a nation, at great sacrifice, for the sake of what comes after you. That is the difference between you and a monkey, and some people have decided to become monkeys, or if they think they're important, Great Apes.

### **The Purpose of an Election Campaign**

So, that's the problem! So therefore, you don't think in terms of what we're defending, you don't think about the next election as the next candy-sale or whatever, or cake bake-sale. You have to think of each election, as a process of trying to continue a process, of development of a system of self-government, which is best epitomized by the intention of our

Founders in creating the Constitution of this republic. What do we have to do, to preserve this republic, and to further the well-being of humanity as a whole, through our existence? That's the question of every election. What principles are we fighting for? What mistakes do we make? What has to be corrected? What policies, what laws have to be reversed, in order to accomplish that purpose?

The purpose of an election campaign is to cause the people to *arise* from their slumber, where they're sitting and thinking about petty thoughts, about petty issues, and petty this and petty that; and get them to think of themselves as big people: as *citizens*, which is not a term of contempt, it's the highest rank of all! You're a citizen of a republic, you are a person who embodies, or should embody, that republic in your person. You are taking responsibility for the republic, in case nobody else is there to do it! You can be called upon. You know, there's always the neighbor who is the one who can be called upon, when someone was in trouble in the neighborhood. That's a citizen. Or, someone at a higher rank in society, who can be called upon, when needed. That's a citizen. But especially one who is called upon, when the nation is in danger as a whole, who steps forward with the ideas which are needed to save the nation. That's a citizen.

And a platform should be a statement of citizenship, an assertion of citizenship. It should not be a partisan statement; it should be a statement by a party, but not a partisan statement. It should be an appeal to all citizens, to support a statement of a partisan, who is making a proposal, which is not an expression of partisan self-interest, or special interest, but the interest of the nation, and the interest of the future of humanity.

And this is where we fall short. We are horse-trading. We're trading off deals with people, like corrupt politicians. We're not appealing to the conscience of people. We are not as politicians even trying to *understand*, what it is to be a citizen! We don't know history. We take mythology. We see what the *Washington Post* has to say, or the *New York Times*, or whatever. We have no independent thinking. We don't think scientifically. We don't sense the humanity of thousands of years living inside us.

When you see the continuity from ancient Greece in European Civilization, and the struggle up to today, and see yourself as a continuation of that struggle, and are able to identify the process of development which brought us from there to where you are here, and to see where that's leading tomorrow, is the state of mind which defining a program requires.

And people say: "Keep it simple. Keep it simple. Keep it down-to-earth, keep it down-to-earth."

Keep it down to earth? That's where they bury you!

### **Economic 'Expertise'**

**Freeman:** Okay, Lyn, we have a few variations of that question. I'm just going to put them to you, to handle them as you like.



He says: “Lyn, honest Democrats admit privately, that your personal intervention into the Boston Convention, specifically by offering a programmatic alternative to the sitting government, along with a similar intervention, at the time, by former President Bill Clinton to reorganize John Kerry’s failing campaign, actually provided a path which should have led to a Democratic electoral victory.” (I think, as you know, it didn’t).

“Once again, we are heading into a general election, without any programmatic framework to address the critical issues facing the population. Now, the Democratic Party did come up with a statement of intent that was a credible starting point, and, I know you are familiar with it.<sup>1</sup> Since then, though, we have made very little progress in coming up with a national platform. I am aware of the fact that you are writing such a platform, and I await it anxiously.

“I firmly believe that nothing less than a unified, clearly stated, national platform has any hope of delivering a Democratic victory. But here is my question. You always say, that the problem is that nobody but you has the economic expertise to guide this nation out of the current crisis. That may be true, but I have my doubts as to whether or not the problem is one of economic expertise. From where I sit, my view, increasingly, is that the deficiency is anatomical. And, I’d like you to comment on that.”

**LaRouche:** Maybe a deficiency of genitalia, or a surfeit of it!

No, it is economics. But, see, people don’t understand economics, that’s part of the problem. They think of economics in terms of accounting.

Now, an accountant is a person who knows nothing about economics; otherwise, he couldn’t be an accountant. An accountant is talking with figures and so forth, which correspond to something called money. And, money is not a measure of value. If you don’t believe it, you should see the prices today, and, see what you get with them. You should see what’s happening on the international financial markets today. Money is *fake*, today. And, you have people talking about “the economy is growing.” Yes, the amount of money is growing, but the economy is collapsing! And, as long as people try to explain political issues, and substantive issues, in terms of accounting, they don’t know what the hell they are talking about! And any suggestions they make are likely to be incompetent, or worse. Or actually damaging.

Economics is physical, but, it is physical in a special way. It’s physical in the sense, that man is not a monkey—though Bush tries. Man is a creative creature, *the only living, creative creature known*. Man has creative powers of mind, which no animal has. Every animal has a relatively fixed potential relative population-density, depending upon the conditions

in which they live. If man were an ape, there would not be more than 3 or 4 million apes of our type, cluttering the Earth. The reason that we have over 6 billion people today, is because the human mind is capable of making discoveries of universal physical principle, *of comprehending the universe in which we live*—not simply smelling up the rear end of the animal next to it, which accountants do.

So therefore, the issue is: the *creative powers of mankind*. Creative powers which are denied to exist by every single empiricist; denied by every positivist; despised by every exponent of Information Theory; denied by every exponent of synthetic intelligence—popular things these days. People who believe in Information Theory or synthetic intelligence, are incompetents. They’re dangerously incompetent, probably psychotic, as I suspect in the case of John von Neumann. That sort of thing.

The problem here, of economics: It is *not* paper! It is *not* accounting. It is physical. But it’s not just physical objects. Economics is the power of mankind to *increase his power*, the willpower of man *over* physical nature! And, it’s by production. It’s not by software, it’s not by Information Theory, it’s not by services economy. It’s by actually changing things. It’s creating an environment, which is suitable to man. It’s power systems; it’s water systems; large-scale agricultural development; it’s inventions. But, it’s, above all, scientific discovery and Classical artistic composition.

These are the qualities of man. That is economy. That is *physical* economy: the increase, and protection of man’s power in and over nature, to meet the requirements of man. *And*, as an instrument in nature, to make nature better.

## The Composition of the Planet

For example, the great example of this is the question which I have raised often recently: this question of Noösphere and Biosphere. There are three categories, physical categories, of events in the Earth, today. One, we call the non-living matter, the abiotic domain. Then you find the same material of the abiotic domain, when it passes through living organisms, undergoes the changes in states, which never occur in the abiotic domain, of the same material. It then discharges this result back into the environment, which gives you the Biosphere.

So, you have, on this planet—you have, the planet has been changing its composition, over billions of years, especially since the oxidation phase, about 2 billion years ago. It has been changing the composition so that the crust of the Earth is increasing in weight, relative to the Earth as a whole. But, also, not only the crust, but the atmospheric crust, the atmosphere above the oceans and land, has been increasing as a percentile of the total planet. Now, the planet, otherwise, is abiotic, essentially non-living processes. Living processes have changed the Earth, by increasing the crust, as a manifestation of the power of life over non-living things. And life is a principle. Nothing is ever generated that’s living, from non-

1. See House Minority Leader Nancy Pelosi’s (D-Calif.) speech at Harvard on Dec. 2, 2005, “A New Era of American Innovation and Competition,” reprinted in *EIR*, Dec. 16, 2005.

living processes. Life comes only, is generated *only* by a living process. Life is injected into the non-living process, but it never comes from *within* the non-living process, as such.

Then you have another one: human cognition. Now you find that the amount of the Earth's weight, which is attributable to the activities of man, and man's intellect, as opposed to the Biosphere, is increasing *relative* to the Biosphere, as well as relative to the planet as a whole. So, human thought, human cognitive, creative thought, is a more powerful force than life itself, and a more powerful force than any non-living process. *That is really what economics is.* And, it lies in the development of the individual mind of the individual person, as a social person, to the degree that that person is helping to *generate* discoveries, which, applied to nature, applied to the conditions of life, will improve man's power in the universe.

Our object is *not* to maintain the United States. Our object is to make it grow, is to make it wealthier, to make it healthier, to improve it. To create things that nobody ever dreamed could exist before. To explore the nearby planets, to find out what their geology and chemistry is. To discover how to deal with those planets, as we may have to go out and deal with them. That's economics. It's *physical* economy. It's the application of the quality of the mind, which we associate with creative discoveries in science, to the universe around us. It's the nature of the individual person, which distinguishes the individual person from an ape or a monkey—an accountant. What an accountant can do, any monkey can do. It's just that an accountant can do it better. And the monkey has a mind of its own—which is sometimes dangerous.

Anyway, so that's the point.

The issue here, is to get people to stop thinking in terms of *money* terms! Money is *drek*. Money is nothing. Money is merely a medium of exchange, which government, if it's smart, controls.

Real wealth is that which is created by the human mind, with its creative powers. Real wealth, and the creation of wealth, is what is a manifestation of man's immortality, relative to the mortality of *all the other living species*. And, once you have a grasp of *that*, then you have a real understanding of economy. And, *until* you have a grasp of that, you *don't* have a real understanding of economy.

What you have to do, is to get economy understood by the people: is you have to bring it home *to their lives*. You have to bring it home to the question of their immortality. What about them, separates them from the characteristics of an animal, who dies? What lives on, of a deceased person, after they died? What have they done, that has a permanent effect on the future of mankind, after they've died? What is the manifestation, and proof, of their immortality? In their creativity? And, it is by appealing to that, and getting people out of the sliminess, the lowness, the pettiness, of the existence which people accept for themselves today, to see themselves as a wonderful being, a human being. And see what in that

creativity that the human being is capable of, it's the beauty of being human. And, to realize that if you can be creative, while being human, *you can die with a smile on your face.*

## Why Rohatyn Is a Fascist

**Freeman:** The next question was submitted by a prominent California Democrat, who submitted the question prior to the webcast.

He said: "Dear Lyn, I look forward to your webcast. With your aid and with the aid of many of your representatives here on the West Coast, many of us in California became clear about the fraudulent so-called Schwarzenegger. (I think he actually exists though.) Not that we could trust him to do anything for the people of our state, but your analysis helped.

"However, there are many Democrats who are now promoting the national plan put forward by Felix Rohatyn, as the counter to Schwarzenegger. I know you've addressed this before, but would you please, again, explain this, and explain why what Rohatyn is putting forward is really *not* a serious plan to rebuild the nation's infrastructure?"

**LaRouche:** Rohatyn is a fascist! It's so obvious! But, he is a fascist with a program. He is a member of the Synarchist International. Nazism, the organization of Nazism on the continent of Europe, was organized from France, around Lazard Frères, a bank. It's the center of Synarchist banking circles of France. And this is the center of fascism.

Now, the objective of these Nazis, is not that they are Nazis under any ordinary sense—though Rohatyn has done a few Nazi-like things in his life, like Big MAC, for example. And some people know about that. But, these are a special kind of bankers: They're called Venetian bankers. And, they have a memory of Babylon, actually—they're really Babylonians: They babble on, and babble on, and babble on. That's the trouble with them!

So, their conception is that they had their heyday in the time of ancient Babylon, and they are the epitome of evil in history. That was before the swastika was invented, actually.

So, then they go on, and then they become Venetians. Now, you have this situation in the period from about 1000 AD to the Black Death period in Europe, in which these fellows with the Norman chivalry, ran Europe in a reign of terror, called Crusades. And there were many more Crusades, than those that were actually called Crusades. The Crusades was a method. The Crusades are the origin, essentially, of fascism, in the sense that, even though the idea existed beforehand, the idea of masses of people going out and killing masses of people, not as human beings, but as beasts, which is what the Inquisition did. And this concept of the Inquisition, which was established as the Holy League under the Venetian rule during the 12th and 13th Century, that *this* is the source of Nazism. As was recognized by the founders of fascism, who created Napoleon, based on this model. Napoleon was developed as a personality, on the basis of the model of Torquemada, as The Executioner. So, you have this kind of process.



EIRNS/Stuart Lewis

*Felix Rohatyn (left) is a member of the Synarchist International—the fascists who put Hitler into power. Vladimir Jabotinsky (center) was also a flunky of the Synarchists; although Jewish, he was a fascist himself, and even appealed to Hitler for an alliance. George Shultz (right) is a specimen of higher-level Synarchist financier-oligarch.*

So, in this situation, Rohatyn symbolizes people, as he says, and has said openly—and said to me, as a threat to me, he said: The nation-states, today, are less important than large financial complexes. The world should be run by large financial complexes. The day of the nation-state is over, except some nation-states will continue to exist. But the world is going to be run by a financier oligarchy.

That is exactly what was done, during the so-called medieval period, with the Crusades run by the Venetians, using the Norman chivalry, and religious warfare.

That's what the intention is.

Now the intention, therefore, is to destroy the nation-state, to concentrate wealth, as it is being concentrated now by all this rape of industry. Industry is being raped internationally, by hedge funds, that are taking over and looting corporations, so the corporations either don't exist, or they become simply creatures of the hedge-fund interests. The hedge funds are the major banks! The major banks are the hedge funds. The hedge funds are their creation. They are running around the world pirating, stealing everything—like Biche and Mouche from the House of Bardi in the early part of the 14th Century! The same thing.

Their idea is to set up a permanent system, like the Venetian system, with Norman chivalry, during the medieval period, in which the power of the state is virtually non-existent, except by consent of the bankers. And the bankers run the world. And, the bankers have an enforcing arm, such as the Norman chivalry, to do the killing.

That is Cheney's policy. That's the Bush Administration

policy. That's the policy of George Shultz. That is Felix Rohatyn's policy! What does he say? He says, "private interest, private interest, private interest!"

You want private money?

Yeah, I got a hedge fund, that is ready to come in and take over your firm, in a take-over operation, based on what Scalia calls shareholder value, move in next to a corporation with a big show of money; say, "Now we represent the stockholders." Take the firm, *loot* the firm—hmm?—by paying big dividends, or big portfolios to people; loot the place; run it down into bankruptcy, and throw the carcass away—and move on with the gathered wealth, and move on to the next place!

That's what's happening to the automobile industry right now! That's what's happening to the industry of Europe right now. *This is fascism!* Felix Rohatyn is a fascist! And the key thing, to learn the lesson from the fact that some people don't realize he's a fascist: You understand now how Hitler came to power in Germany! Because, nobody thought Hitler was a Nazi.

You had Vladimir Jabotinsky. Vladimir Jabotinsky wrote two letters to Adolf Hitler, after Hitler came into power, and appealed to Hitler for an alliance! Dumb Jabotinsky, apart from being nasty, was also somewhat stupid. Now Jabotinsky, who was a fascist himself, but a pro-Italian fascist, not what the Nazis proved to be, believed that Hitler really was not an anti-Semite; that Hitler had anti-Semites in his party, and that Jabotinsky could convince him to stop it, to break it up. So, Jabotinsky made two desperate appeals to Adolf Hitler, per-

sonally, for an alliance, and Hitler turned him down. (How terrible.)

Now, this is the example: People did not understand, did not *recognize* the danger. The danger was clear. The philosophy was there. They didn't fight! They said, "Keep your head low, don't get into trouble"—and, then they were marched off, and killed! And that can happen here. It can happen to anyone. And, the cowards are saying, "I'm not ready to fight Cheney."

But, Cheney's nothing. Cheney's like Rohatyn. More stupid than Rohatyn. He'd get killed too. He is not the movement. He's only a flunky. But, *behind* it, is George Shultz. And, behind George Shultz and what he represents in the United States, is a concert of these fascist bankers: The same type of bankers, the same species, the same motivation, of the Americans and British, who raised the funds to put Hitler into power in Germany, knowing what he was! And only gave up on him, when they discovered he was going to march westward first, instead of eastward. And, who went back, once Roosevelt was dead—the same damned Nazis who had financed Hitler!—came back and picked on Truman as their boy, to put us through Hell, here in the United States, and go as far as they dared at the time, in destroying us.

But, those of us who returned from war, were not going to put up with that stuff, here, then. But, the *children* of my generation, were prepared to embrace Hitler. Because my generation knew what the difference was—they didn't. They thought that pleasure-seeking, and what they "learned" from what the Congress of Cultural Perversion—or something—was taught was right. They didn't fight.

Sometimes you have to fight. I'm not much on fighting. Most times you can work around it. But, sometimes you have to fight. Sometimes, you put your life on the line—you have to, or you are not a man. And, this is one of those times.

## Blacks and the Collapse of Auto

**Freeman:** This is a question that was submitted by a member of the House of Representatives.

It says: "Lyn, a recent by a Washington think-tank, has shown that blacks have suffered a disproportionate number of the loss of high-paying jobs, with the collapse of the auto industry. Normally the question of saving the auto industry is not treated as a 'black issue,' but it seems that that's exactly what it is. Now, I know in advance that you're going to say, that the problem of the auto collapse, and in fact the overall collapse of America's manufacturing base, is a much larger question than a black question per se, and I don't disagree with you. But, the fact remains that despite major gains made by blacks in the fight for civil rights and equality, the bottom line, is that most of the actual post-war advances in the standard of living of black Americans, came because they were

brought into the industrial workforce, in the wake of Roosevelt's effort to alleviate the Depression.

"Now, we seem to be the first ones to go, and we are increasingly reverting to the status of a hopeless, perpetual underclass. I'd really like you to comment on this."

**LaRouche:** Well, when people become demoralized, they tend to fall into things like racism. I've seen this, having lived a fairly long life, I've seen this, back and forth, time and time again. Ebb and flow, ebb and flow, ebb and flow.

And what happens, when people become demoralized? They become discouraged, they become enraged, they go to the lowest part of themselves. They become psychologically regressive.

For example, let's take one case as a comparison, because we're doing it, the Baltimore study.<sup>2</sup> Now, Baltimore was, because it was a borderline, border state, borderline case in the whole history of slavery: That, because of that, the success of Baltimore, out of the Roosevelt period, in the building up of the steel industry, other industries, made it, actually, one of the prime examples of success, of urban success, which included a large degree of upgrading of the standard of living, and social standards for persons of African descent in that area.

Now, what's happened recently is, the reverse has happened. As Baltimore has collapsed, this has collapsed. And what has happened at the same time is, a large part of our people of African descent, in the Baltimore area, are plunged into the condition where they've lost their jobs. Often the family's broken up. The wife and children and so forth are sorted among various locations where they live. The man who had been a wage-earner beforehand is dumped on the street. He gets involved with the drug scene, with the killing scene, the stealing scene, and so forth. And he becomes psychologically transformed to a lower state of mental life than he had been before.

Now, you had two types of people who were victimized by that. We've been studying this, and two types come up. One type—and it's not just persons of African descent, but it's all of those who get sucked into this thing. You have one group, an older generation, which were crushed in the early phase of the retrogression in Baltimore. They tend to be psychotic. They tend to be almost permanently psychotic.

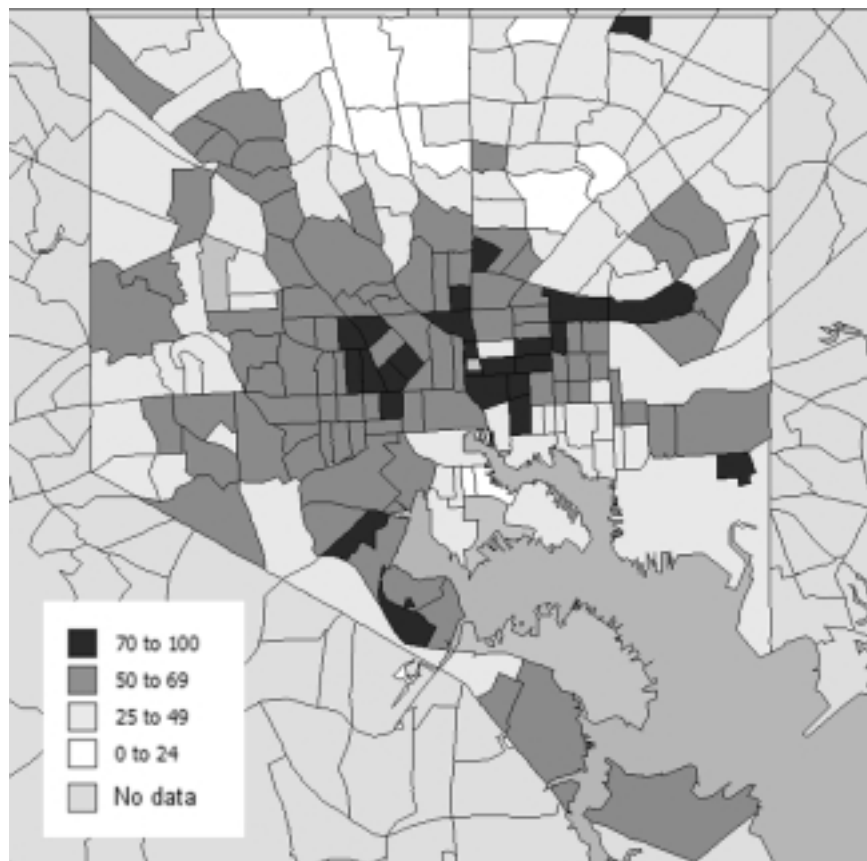
Then, you have people who have been thrown into the dust bin in more recent times: family broken up—the whole thing, that's the scene. They become virtually criminalized. They tend to become highly psychologically regressive. However, it's found experimentally, that if they are given back something like their old life, their psychological outlook goes back to what it had been in the previous life. So they are easily recoverable.

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2. "The Case of Baltimore: Deindustrialization Creates 'Death Zones,'" *EIR*, Jan. 6, 2006.

## Baltimore 'Death Zones'—Areas (Circled) of High Disease, Poverty, and Death Rates, Inside the City Borders

(Base Map Shows Percentages of Households with Annual Incomes Under \$30,000, by Census Tract, 2000)



Sources: EIR; U.S. Bureau of the Census.

Map produced by MapInfo

*In the 24 darkest census tracts, 70% of the households had an annual income under \$30,000 as of 2000. These tracts are core sub-sections of communities characterized by economic collapse, high disease and mortality rates, even measurable statistically as "excess deaths" compared to the national standard for current, age-adjusted death rates.*

The problem here, then look at this same phenomenon more generally. When you take a population which, in say, the auto area. The auto area is Michigan, to some degree western New York state, to some degree western Pennsylvania, Ohio, Indiana—that's a hard core of the auto industry. Now, you had a great migration from the Southern states into the North—"up North," as they call it Down South, or whatever—into this area in employment in Ford and other industries, before the war period, during the wartime period, and following. So you had a big concentration in the UAW, and associated unions, with this phenomenon.

They tended to become upgraded. You know, they would get up and get a job, they would try to upgrade. You'd have second generation of the family working in the industry,

or something turned into it, upgraded, upgraded standard of civil life.

For example, Detroit had a high school, a musical high school, which had one of the higher standards for Classical musical vocal training in the United States. Some of the so-called popular singers came out of this high school, as well as some of the greatest Classical singers, came out of that program. So, you had a high level of culture in Detroit, at the high point, which was developing among people coming up from Down South, into that process.

Now, what happens is, now you've got a population which is being demoralized. Just look at the figures, count the dots as we count them: of the places where the income of the population has shifted from industrial employment, to low-paid employment, or no employment; low-paid services employment. You know what that means. This means two or three jobs, fly-by-night jobs, terrible jobs, terribly low pay, terrible conditions—the whole population, it's not selective.

But then, what happens is, now, what is the population? The population that came up into the Middle West states, with the development of the automobile industry, was from the South; and two things came up from the South. The hillbilly! Have you ever seen the backwoods area of Alabama, of Mississippi, or similar things like that? Have you ever walked in those areas? Don't do it by night! Don't drive certain roads by night. If they half think that you've got a Negro cousin, they'll kill you, for sport. And the police will do it, or back it up.

I've looked in the eyes of some of these guys in recent years. I know them. I recognize them. Look, I was in military service. I met all these guys in military service, I know what they're like, I know their personalities. I know *exactly* what these guys are thinking when their eyes go a certain way. I've seen it. And I had to deal with it. It's there.

So, now you get into this area, with this kind of degraded condition, in the prosperous area, which used to be industrially prosperous—western New York, western Pennsylvania, there used to be steel industry there, used to be U.S. Steel. They shut it down. Then you had Ohio, big; Michigan; Indiana. A big concentration. What happened to this whole popu-

lation? They've all been victimized!

What happens? They're psychologically pushed back to the lowest part of themselves on both sides. So, now what do you get? You get the chemistry of racism comes up. Absolutely! "My grandfather was in the Klan! Ah jes' remembered that!" And it comes up. And it comes up with clique groups, because there's a certain cliquishness in the unions, and so forth—reacts. And our responsibility is, I think, to address this thing *in that way*.

The best thing to do to somebody who is doing that, is to expose what really is going on. "Your granddaddy was a Klanster down theah South?" That's where a lot of this comes from, this frictional, selective, man turns man against man. Dog against dog. And any difference that could be picked out, any shading of difference, is used. "I got *my* group, you got *your* group: I'm going to help *my* group, I'm not going to help *your* group. I'm going to hurt you, if I have to."

And they'll say, often, "if I have to." Why? "I need something. I gotta take it from you." And that's what we're doing to our people. And we're doing it in the Democratic Party, in a sense, *by not recognizing this problem, and not identifying it!* If you identify it—

And the way to do it, is not by saying "This guy's a bad guy." "Look at that poor fellow. Look at that poor, racist pig. Look what he's doing to himself! He could have had such a good life, and. . . Hey, look what he's doing to himself! He's making himself disgusting, everybody spits on him! People in future generations are going to make a joke about him. About the contemptible piece of crap he is."

That gets to him. He gets angry, but that's the way I treat it. I say, "Aw, this poor man. Look what he's doing to himself. Look at how degraded he's becoming! What are we going to do with this poor guy? He's going to end up in prison! And you know what they're going to do to him, there."

## How Do We Deal With Evil Sophists?

**Freeman:** Okay, Lyn, this is the last question that we can take, and it's from a LYM member from the East Coast.

He says: "Lyn, I was at the AEI event"—that's the American Enterprise Institute—"event, attended by Justice Scalia. It was the worst event I had ever attended in my life. But not just because of Scalia's Sophistry, but because of the evil that was demonstrated by the audience, both during and after the event. After the event, I had talked to some of the older, more experienced members about my disgust, and I was reminded of the principle of *agapē*, expressed in the lives of Martin Luther King, Joan of Arc, and yourself.

"My question to you, is this: When I find myself confronted with this kind of Sophistry, or evil men, like that in general, whether at an intervention, or just while organizing the population, what approach should I take toward them? Because I understand that anger is not the answer, but to get directly to the point: What should I keep in mind, because I

want to become a sublime person, when dealing with Sophists?"

**LaRouche:** First of all, in dealing with these kinds of people, like AEI—I mean, AEI is the hard core of the American fascist movement! So, you're not dealing with somebody who's a slightly deviant character. You're dealing with a real nasty piece of work.

Now, the way I deal with it, very simply, is, if I'm on top, and they're down under, I can be generous. If they're on top, I'm ready to shoot!

Now, what you do in this case, is actually, you have to look at these guys clinically. Think of going into a jungle, and you're finding a bunch of baboons—or, not a jungle, say, South African baboons, and running along carrying a couple of nuts, baobab nuts under each arm, and one in his teeth, and so forth, and he's ready to drop the things and kill you, the next time he meets you.

You're dealing with that type. And what you do is, you look at them clinically, as you would look if you were engaged in studying higher apes. You would look at them clinically, wouldn't you? You wouldn't say, "Oh, you disgusting baboon!" You would say, "Well, this is a baboon. And now, there's only one thing I can get out of this thing. I can either shoot him, or I can do some clinical studies, as I would if I were studying monkeys, something like that. Okay, I consent here. I'm willing to study the behavior of this monkey. Or, this higher ape, this baboon. He's got a stinking rear end, so I'd rather look at the front end."

Anyway, so there, you get clinical.

Now, when you go into the AEI, or some premises like that, and you have a confrontation with them, you have to be sublime. Sublime in this case, means, in a sense, insightfully clinical. You have to do as I said in a webcast made recently: in such situations, your sense of humor, your higher sense of humor must come into play.

The higher sense of humor is typified by, as I said: Look across the river, as I did, across the Arno, down into Florence, and imagine that I'm sitting there, as Boccaccio was, when he wrote the *Decameron*. And look at the people dying in the streets, of the plague. This city, which had been a center of the banking which had ruined Europe. And the wealthy people of Florence, were dying, of the Black Death, which their policies had helped to bring into being.

And you have the *Decameron*. Boccaccio is sitting up on his ridge, above the river looking down, as they tell these stories, or he recounts these stories, which are showing you the depravity of the culture, which had preceded this Black Death.

Then you have a similar thing with my friend Rabelais, who again, was facing terrible conditions, and he applied a special sense of humor in order to give present and future generations *insight*, into the sickness which he was looking at—a clinical point of view.



Asked how to deal with evil Sophists like Antonin Scalia, from the vantage-point of the Sublime, LaRouche replied: "You must at all times, have your sense of humor walking beside you, ready to spring into action, with a good clinical sense of insight." That's what Miguel Cervantes did, in portraying Don Quixote as a fool. Here, Gustav Doré's illustration of Don Quixote's Romantic fantasies.

You have the same thing with Miguel Cervantes, who portrays—there are no heroes in *Don Quixote*. They're all fools or worse. But he portrays them as fools, even though the real-life types he's portraying as fools are evil. But he's concentrating on—you're not looking at the pure evil of them: But looking at the *foolishness* of them. Like this thing—Don Quixote sitting up all night with a prostitute, having a deeply theological social discussion. I mean—this has two implications to it. Anybody who thinks this is a great event is really corrupt. Anyone who has a sense of

humor, is going to say, "This is what destroyed the society." This kind of thing.

And therefore, when you're dealing with these kinds of situations today, you must at all times, have your sense of humor walking beside you, ready to spring into action, with a good clinical sense of insight: Because the function of the insight is, instead of looking at them as an object of hatred, look at them as you look at a bug, a species of bug. You want to know how this species behaves—this may be useful entomologically, if you have to deal with a bug infection in the future: How do these things behave?

So, therefore, you should know this. And if you can detach yourself from immediate, narrow, personal passion, to look at these things clinically, you can look at evil people. There are lots of evil people in society—I mean, a lot of them. They're evil. What I do is, I look at them clinically. You see what I write. People say, "Why do you put so much humor in what you write, and what you say?" Because I have a clinical view of things. And evil, I look at as ridiculous. It's humanly ridiculous. It's evil, but it's ridiculous. If you can see the ridiculous side, you see how it works. If you see how it works, you know how to deal with it. And therefore, by a good sense of humor, in this way, is the best way to be able to deal with the situation.

Because, you walk out of a meeting at the AEI, and you get a sense of—"Now I have seen what these animals are like! I've just been at the

feeding time at the zoo."

**Freeman:** So, you see, for all our LYM members, when your parents ask you what the hell are you doing in the LaRouche movement, you can tell them that you're pursuing advanced zoological studies.

That brings today's event to a close. I'd like to thank all of you for participating. For those of you who did not get your questions answered, we will submit them to Mr. LaRouche, and he will answer them as time permits. Otherwise, please join me, in thanking Mr. LaRouche for this event today.

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## Editorial

### *Their Objective Is Chaos*

As the deadline for the IAEA submitting its report on Iran's nuclear program nears, anxious voices are being heard all around the world, asking whether there is any hope of stopping a confrontation. At the *EIR* seminar held in Berlin on March 2, Lyndon LaRouche once again addressed this question by challenging the axioms of those seeking the answers.

"It's very dangerous, because Cheney is not just Cheney: Cheney is owned by George Shultz. George Shultz, who is associated with Halliburton and that crowd, is part of an international crowd of private bankers, who are the new fascist threat of this time. And what they're doing, in attacking Iran, as going after Iraq, was not because of anything in Iraq; it's not because of anything in Iran. It has *nothing* to do with either country. The countries are targets of opportunity to create a global effect.

"Look, what happens? If Iran is bombed, what happens to the price of petroleum: Is it \$100 a barrel? Is it \$260 a barrel? If you destroy part of the oil fields, if you put general chaos—because this means, maybe, the Saudi oil fields will go next, which are right next door. There's already been an attempted attack on the Saudi oil fields, which have three screens around them to protect them, but somebody might break through.

"Under those kinds of conditions, you can create global chaos. *And what this crowd is looking for, it's looking for global chaos.* It's not a local objective in Iran. There's nothing *in* Iran, as such, which is an issue, of any significance. Of course, you can *have* issues; if you start the war, you'll get the issues! If you extend religious war, this war against Islam, which came out of the British Arab Bureau, which was picked up by people like Brzezinski, and Huntington and so forth—if you get that loose, religious war started on this planet, with Islam? With over a billion members of the Islamic faith? You want that? This is worse than the Crusades. It won't stop.

"So therefore, somebody *wants* that kind of war to happen: It's called 'permanent warfare/permanent revolution'; permanent regime change: that's the policy.

"See, people try to find a simple, rational explanation for behavior, sometimes where there is no simple, ratio-

nal explanation. And this is one of those cases. These fellows do not represent any country, they don't represent any particular national interest: They represent an international interest, which has an idea about *globalization*, how to globalize the planet; to eliminate the nation-state as an institution. And maybe let a few nation-states stick around as bases of operation, but *eliminate* the present form of civilization!

"They said it! Bertrand Russell said that. H.G. Wells. These kinds of ideas have been around a long time. Like Ledeen, still around: international fascism. His book, his doctrine. That movement is strong in Italy, from the same old forces; Aznar of Spain is part of the same thing, the former premier there. These forces exist.

"And people sometimes like to find a nice compartment, where 'this guy is going to hit this guy, for this reason, and it's going to have a bad effect.' But sometimes, in strategy, you get exactly the opposite. . . .

"These guys are playing a *global game*. And they're using some people in the United States, some people in London, and others, for this global game. The game is called *globalization*. And if you look at the pattern of what's happened to economy, over the past 40 years, it's been in that direction.

"Why would somebody try to destroy the United States, systematically, at the time that Roosevelt died? And that's been in process since that time. There's some people on this planet who've never given up on that idea. And I know them personally: They're nasty people. They think that way.

"But there's no 'practical' explanation for what they're doing. There is a strategic motive: how to set up a certain kind of world they think they want, and they think they can control. They think that if governments collapse, because of a general economic collapse, the property-holders—like the hedge funds, who have been in here, grabbing parts of Germany, grabbing every asset they can grab while they still have a hedge fund! That's the enemy! And that's what is the arm, behind this stuff.

"And if we stop it in the United States, I think we'll stop it. If we don't stop it in the United States, I think the planet will go to Hell."