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The Condition of Our Economy: Come Forth, Lazarus!
Silly Speaker Hastert and Karl 'Elmer Gantry' Rove
LYM's 'New Astronomy' Animations Project Takes Off

**John Train's Press Sewer:
Is Goebbels on Your Campus?**



EIR

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From the Editor

In a revolutionary period, such as that the world is experiencing today, there are two crucial elements required for guiding populations through the crisis. This issue of *Executive Intelligence Review* provides both.

First, as our *Strategic Overview* article by Lyndon LaRouche expounds, the population requires a perspective toward reversing the fundamental failures of the current society, the failure in this case being the embrace of post-industrial globalization which is destroying mankind's ability to survive. Read this analysis by LaRouche with a mind toward the ongoing dialogue which the world-famous economist is carrying out with leading figures from Eurasia, among others, on a worldwide economic recovery, a dialogue vital to putting the world back on the road to economic development, as opposed to its present trajectory toward World War III. We must have leaders in the United States whose understanding of economics changes fundamentally, back to that of FDR, if we are to succeed.

The second crucial element is to identify the nature of those forces which are determined to block the necessary action to remedy the crisis, and to carry out the political measures required to stop them. In our Sept. 29 issue, *EIR* sharpened its decades-long exposé of the financial oligarchy which has fought relentlessly to destroy the legacy of FDR, with our feature on "John Train and the Bankers' Secret Government." In this issue, we take that exposé further, by identifying the tentacles of that network into the nation's college campuses.

There are only a few short weeks until the mid-term Congressional elections, which elections may well be decisive in determining the future of our nation, and our planet. Before that occurs, we have the solemn obligation to prevent the launching of an aggressive war against Iran, if not other insane actions by this Administration, as well as to prepare the political climate for a Democratic victory which will change economic policy toward preserving the general welfare. The circulation of the ideas in this magazine will be crucial to doing both.



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Design by Alan Yue. Chaney photo, American Forces Press Services.

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EIR Strategic Overview

A CERTAIN CONDITION OF OUR ECONOMY

‘Come Forth, Lazarus!’

by Lyndon H. LaRouche, Jr.

October 3, 2006

At last report, the world’s present, floating-exchange-rate monetary-financial system, although faltering, is still in motion; but, at the same time, like two drunken, Japanese businessmen leaning against one another to hold themselves up, the famous Japan carry-trade has entered a terminal phase of its existence. The morning will find those drunks collapsed in the streets, having never actually reached home.

The present world financial system is, functionally, in a hopelessly morbid condition. There is no possible way in which the present world monetary-financial system could continue to exist much longer, in its present, hopelessly decadent, teetering, drunken condition. The world’s present world monetary system is virtually as good as dead.

There is no way in which this system could be resuscitated by some form of conventional financial reorganization. It could only be replaced by a new world system; but, not merely the system of a single nation, or even a group of some of the world’s nations. It must be completely replaced, and that suddenly, under a new set of rules, by a new global system of perfectly sovereign nation-states, each and all based on the principle of the sovereign nation-state.

The needed reform will have a hereditary resemblance to the reforms made under President Franklin Roosevelt. Only if those conditions are satisfied, under those kinds of early, ruthless, and thorough reforms, could the presently ongoing disintegration of the world’s physical economy be prevented.

There are two most notable turning-points in the history of the way in which this present, lunatic, hopelessly bankrupt, global monetary-financial system, came into existence.

The first of these occurred during the 1971-1981 interval. It occurred in two successive phases. The two 1971-1981 phases, were, first, the crucial 1971-1972, arbitrary collapse of the Bretton Woods, fixed-exchange-rate, gold-reserve-based



PRNewsFoto

"Money has no intrinsic value; the monetary process has no intrinsic value," writes LaRouche. "There is no Law of Value, except as an object of superstitious worship in the pagan temple of Greed." Here a \$1 million winner of the Illinois state lottery.

monetary system, done under President Nixon. The second phase of this first part, was the catastrophe of a sweeping deregulation of the protectionist economic system, a deregulation, orchestrated by the Trilateral Commission, which occurred under Zbigniew Brzezinski's 1977-1981 role as National Security Advisor.

The second part of that process of self-destruction of the U.S. economy, was launched by then incoming Federal Reserve Board Chairman Alan Greenspan in the immediate aftermath of the 1929-like, October 1987 crash of the New York stock market. Greenspan turned what would have been a 1929-style depression, into a wave of global mass-insanity echoing the outburst of Europe's Fourteenth-Century "New Dark Age."

Greenspan's crucial role in launching the kind of "faith-based initiatives" called by such names as "financial derivatives," has impelled a world economy based on the U.S. dollar's negotiability, into a degree of hyperinflation in mortgage-based securities beyond all possibility of even drastic modes of financial reorganization of the existing system. Greenspan and his confederates thus converted a cyclical depression into a global, general breakdown crisis. Greenspan planted the harvest which has become the present threat of a very early, chain-reaction collapse of our planet as a whole, a collapse, in fact, into an immediately threatened, planet-wide, new, New Dark Age.

Only the introduction of a new world system would permit the organization of a successful, durable form of general physical-economic recovery from the presently onrushing catastrophe. Somewhere, as from afar, I hear the ancient news

commentator Gabriel Heatter's redolent voice once more, intoning: "There's good news in the old world tonight!"

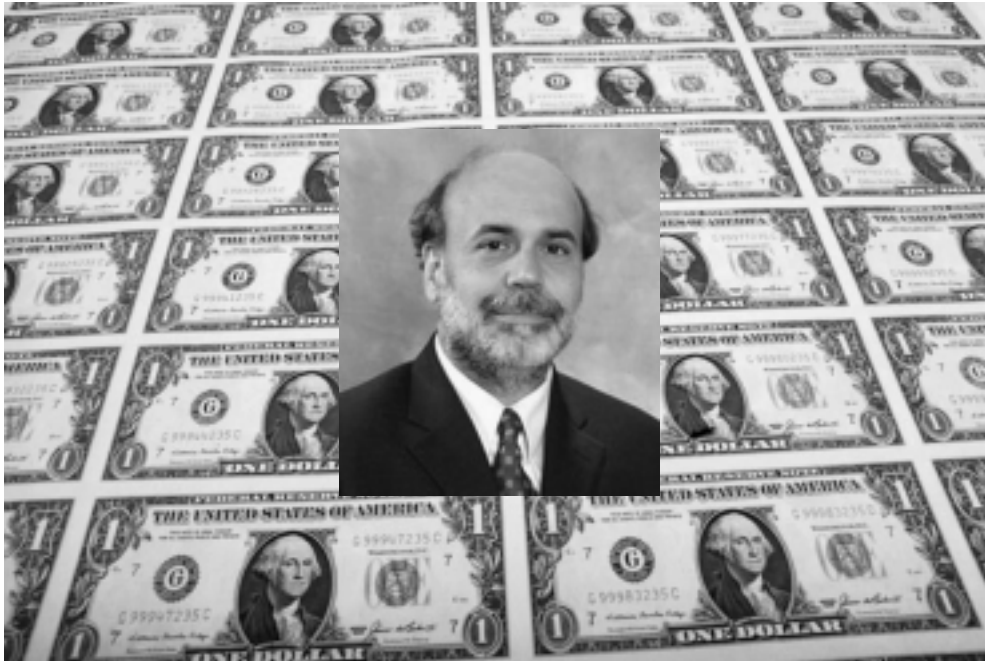
First the Sickness, Then the Cure

Until Johannes Kepler discovered the universal principle of gravity, most people relied on silly superstitions to attempt to explain why and how things, including financial markets, fall as they do. When you drop your shoes from your feet, why do they not fly to the ceiling, or simply float in mid-air, rather than fall to the floor? Thus, most true believers in the arcana of today's prevalent cult of Anglo-Dutch Liberal economic witchcraft, tend to think that the present world monetary-financial system would never collapse, if enough of us believed, hard enough, that it could never fall.

As the wise old family doctor said, "There may be a cure for your problem; but, first, we must know the disease."

Look at that typical, pitifully superstitious American of today, who is suffering from the epidemic mental disease whose common symptom is, "I believe in the system of free trade!" That is his disease.

The funny thing is that many of the advocates of that disease call themselves "Christians." Now, one would think that such fellows, such as those often identified as Republican members of the U.S. House of Representatives, would have accepted the famous verses 26-31, from the first Chapter of *Genesis*, verses which read in the Authorized King James Version as, "So God created man in his own image. . . ." Then, why do the lustfully usurious rich treat the lower eighty percentiles of the family-income brackets of our people as if they were animals, rather than creatures made, in the likeness



Federal Reserve Board Chairman Ben Bernanke inherited from his predecessor, Alan Greenspan, the “wall of money” policy which has impelled the world economy into hyperinflation. In a speech on Oct. 4, Bernanke conceded that there were some problems with housing inflation, but insisted that the main task at hand is to cut Social Security and Medicare as the Baby Boomers hit retirement age.

of the Creator? Why do we tolerate a condition of oppression against the lower eighty percentiles, and more, of our people inside even the U.S. itself, when the best men of England revolted during the late Fourteenth Century, to write and repeat: “When Adam delved and Eve span, who was then a gentleman?” Why do we, in our Federal Republic, with its Declaration of Independence and Federal Constitution’s reigning principle of constitutional law, its Preamble, tolerate the tyranny among us of our native imitations of that regrettable class of tyrannical critters from which we escaped when we thought we had left behind us the pestilences known as the aristocracy and usurers of “Old Europe”?

Our nation lost its honor on this account, about the time of the riots which spread from the upper-class university campuses, about 1968. As a matter of impassioned convictions, the ideology proclaimed by the political upper crust of the 68er generation, was a professed abhorrence against the creativity of physical science, against the progressive technology of industry and agriculture, against improvements in the basic economic infrastructure of production and family-community life. Buying and selling, buying and selling one another’s property, and buying and selling the existence of one’s neighbors, became the new ideology which made possible the willful destruction of the greatest economy which had ever existed, our own, in favor of a return to the merciless cruelties of an increasingly morally and physically decadent society, whose characteristic was the replacement of science-driven production, by the buying and selling of people and their property.

As the net achievements of the modern European civilization sprung from the Fifteenth-Century Renaissance have

shown, the greatest net achievements in globally extended benefits in modern European society have been the improvement of the productivity, freedom, and standard of living of populations, including great leaps in life-expectancy which had been achieved, even though often reluctantly, over the recent nearly seven centuries.

These net achievements have been typified by the Renaissance in Classical culture unleashed by the Fifteenth-Century European Classical Renaissance, and by the creative force of modern experimental scientific discovery and employment of universal physical principles, as typified by the fertile proceeds of the great discoveries of Johannes Kepler and such among his followers as Fermat, Leibniz, Gauss, and Riemann, and of the great followers of the Kepler-Riemann legacy such as Albert Einstein and Academician V.I. Vernadsky.

All of that achievement, like earlier similar progress since as far back as the existence of the human species is known today, is to be seen as the affirmation of verses 26-31 of *Genesis* 1. Man, in the image of the Creator, expresses true humanity by those discoveries in physical science and Classical modes of artistic creativity, such as those of Leonardo, Raphael Sanzio, and J.S. Bach, which express man and woman and their society as a species made in the likeness of the practice of the Creator.

True economy exists not as buying and selling people and their property in the manner of the gambling casino our nation has become under the Greenspan Era and its forerunners of the Anglo-Dutch Liberal tradition of social parasitism. Economy is essentially an expression of the benefits of the creative impulse expressed as scientific, technological, and Classical-artistic progress. It is these creative improvements, by which

the natural wealth and Classical artistic social development of society's planet and Solar system is increased. It is through creativity defined in those terms, and in no other way, that true physical value is produced by the efforts of man and woman and their collaboration.

There is no intrinsic value in money. The law of value, as taught by the British Empire to its dupe Karl Marx, is a hoax. Money has no intrinsic value; the monetary process has no intrinsic value. There is no Law of Value, except as an object of superstitious worship in the pagan temple of Greed.

It is the business of constitutional government, and of relevant agreements among governments, to establish those rules of price control, taxation, and credit, which prompt monetary circulation to flow within those channels of production and commerce which are known to be the way in which the flow of money and profit are kept within the bounds of a process of creativity-driven growth in the physical value of national product, per capita, and per square kilometer of area.

In recent times, especially since the crises of 1968 in Europe and the Americas, the economies of Western Europe and the Americas underwent a profound change of direction, from net physical growth, as measurable per capita and per square kilometer, as measurable in terms of product, physical productivity, and infrastructure essential to increasingly productive society, to an overall accelerating rate of decadence and collapse in the economies of Europe and the Americas, most emphatically.

It has been the accelerating failure to meet the minimal physical standards of productivity and related conditions of social life, which has underlain the irony of what I have labelled my "Triple Curve" representation of the post-1971 decline of globally extended European civilization (**Figure 1**). The accumulation of nominal profit has been produced by an accelerating, global collapse, in the conditions of life needed to maintain the present levels and rates of growth of the planet's present population. Thus, the profit of the Anglo-Dutch Liberal system, which dominates the world today, is entirely a gigantic hoax, a fraud which is killing civilization as a whole.

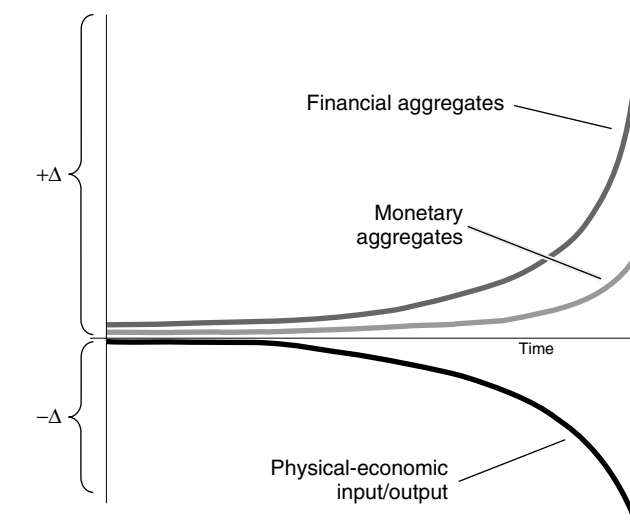
Franklin Roosevelt Again

President Franklin Roosevelt was not a magician; he was, simply said, a true American patriot, an informed and dedicated follower of the founders of our U.S. republic. His innovations in policy were both necessary ones—otherwise, Hitler and his heirs would rule the world as a whole today;—and, yet, at the same time, practical measures required to fulfil the constitutional imperatives built into the foundation and development of that unique alternative to our republic's chief parasitical foe of all modern history since February 1763, the imperial form of the Anglo-Dutch Liberal system.

The measures he took, resulted in a net increase, per capita and per square kilometer, in the physical wealth and well-being of our own population, as those of other nations which

FIGURE 1

LaRouche's Typical Collapse Function



we assisted during the 1939-1945 Great War, and in times beyond, until the changes for the worse of 1968-1981 and beyond.

We have now reached a state of planetary crisis from whose grip we could not escape without qualitative leaps in science-driven increase of the productive powers of labor throughout the planet over the coming half-century. Without bringing to an end the tyranny of attempts as the form of brutish imperialism, known as "globalization," and without a science-driver program of cooperation, within a fixed-exchange-rate system of currencies, credit, and trade, this planet would be plunged now into a new dark age whose bottom lies far below present fair estimates of such a calamity's physical effects on the size and condition of the population and the planet it inhabits.

The good news, we might wish to tell to Gabriel Heatter, is that this planet will probably survive, because we are forced to introduce needed, good changes in policies for the simple reason that continued practise of recent trends would land us all, and our posterity, for generations yet to come, in a certain kind of Hell.

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John Train's Press Sewer: Is Goebbels on Your Campus?

by Anton Chaitkin and Jeffrey Steinberg

In the span of less than a week in late September and early October 2006, a pair of almost identical slanders appeared in the pages of campus-linked newspapers at the University of California in Los Angeles and Boston University, both maliciously and falsely targetting the LaRouche Youth Movement (LYM) as a “political cult.” The two smear pieces came at a time when evidence was already dropping from the proverbial tree, about a major reactivation of the John Train “Get LaRouche salon.” This Anglo-American “bankers CIA” apparatus had teamed up with corrupt Federal prosecutors to frame Lyndon LaRouche and a dozen of his close colleagues during the late 1980s, after an Oct. 6, 1986 attempted government-led “Waco-style” assassination of LaRouche was thwarted, in part, through the personal intervention of then-President Ronald Reagan, with whom LaRouche had worked closely on the Strategic Defense Initiative.

As the result of the UCLA and Boston University slanders, an *EIR* investigative team, including members of the LYM, has unearthed a major neo-conservative assault on academic freedom and university political activism, leading right to the doorstep of Mrs. Lynne Cheney, the wife and intellectual controller of Vice President Dick Cheney. Mrs. Cheney had chaired the National Endowment for the Humanities—a Federal government-created and -funded cultural warfare agency—from 1986-93, which was the period of incubation for most of the campus thought-police organizations. Mrs. Cheney went on to found ACTA, the American Council of Trustees and Alumni, one of the key organizations in the “open conspiracy” to purge the campuses of opponents of the “Conservative Revolution.”

The apparatus behind this “out-Goebbels Goebbels” black propaganda and intimidation drive includes many of the



U.S. Navy/Ian Schoeneberg



Investment banker John Train and Mrs. Lynne Cheney are top controllers of the campus gestapo operation which is trying to silence dissent against Bush-Cheney policies—as evidenced by the recent raft of slanders in college newspapers against Lyndon LaRouche and his youth movement. The Stranger, shown here, has promoted the use of physical force to attack the LaRouche movement.



Chip Berlet began his career as an attack-dog against LaRouche with this article in *High Times* magazine during the 1970s: “LaRouche Wants to Take Your Drugs Away!” Thirty years later, Berlet’s still at it.

neo-conservative “usual suspects”—the Bradley Foundation; John Train’s own Northcote Parkinson Fund; Stalinist turned right-winger David Horowitz; Campus Watch guru Daniel Pipes; the Federalist Society, Heritage Foundation, and Mont Pelerin Society founder Edwin Fuelner; and such veterans of the 1980s Train salon apparatus as former *High Times* magazine Washington bureau chief Chip Berlet and scam artist turned “anti-cult deprogrammer” Rick Ross. The fact that Ford Foundation-funded “leftist” Chip Berlet and Bradley Foundation funded radical rightist David Horowitz regularly engage in media-hyped food fights against one another, but morph into the same “Get LaRouche” operation, just serves to underscore that the LaRouche movement is a

priority target of the top levels of the financier oligarchy. When it comes to targetting LaRouche, the usual left-versus-right fakery goes out the window, and all assets are called up to the front line to combat LaRouche’s growing influence among campus intellectuals who come from all political persuasions.

That the smear campaign against LaRouche has been launched on university campuses nationwide on the eve of the most important mid-term Congressional elections in American history is no coincidence. College-age youth constitute a vital portion of the electorate, and in 2004, they overwhelmingly turned out to vote for Democratic Party Presidential nominee John Kerry, out of disgust for everything that the Bush-Cheney Administration stood for. Since November 2004, the performance of the Administration, highlighted by the quagmire in Iraq, the current threat of an “October Surprise” U.S. preventive military strike on Iran, and the no-future economic dogma and lies, has deepened the hatred and greatly increased the stakes in the upcoming mid-term vote. And with LaRouche Youth Movement organizers fanning out on university campuses all over the country, to energize an even larger youth turnout on Nov. 7, the Dick Cheney and Karl Rove White House tricksters have gone flight-forward.

Indeed, the open involvement of Lynne Cheney and the ACTA organization that she co-founded with Sen. Joseph Lieberman (D-Conn.) and Leo Strauss/Allan Bloom crony Saul Bel-

lows, in the apparatus of front-groups behind the campus drive to silence all anti-Bush/Cheney voices, underscores that desperation.

Unraveling the Goebbels Apparatus

One of the first indications of a coordinated activation of slanders directed at university students, was the surfacing of UCLA student neo-con Garin Havannisian at several LYM meetings in the Los Angeles area, feigning political interest in order to spy on the LaRouche group. Similar efforts to infiltrate LYM events and chapters had already taken place in Boston, Washington, D.C., Oakland, and Seattle, and already, career LaRouche-slanderer Chip Berlet and his Political Re-

search Associates had been implicated. In the Spring of 2006, Berlet had delivered the latest fractured fairy-tale slander of LaRouche at the annual conference in Denver, of the American Family Foundation (AFF), a nominally private “anti-cult” organization that actually was spawned out of the secret government experiments in mind control and drug interrogations from the 1950s through the 1970s. In the past, the AFF-linked Cult Awareness Network (CAN) had been busted by police all over the United States as a kidnap-for-hire ring at the disposal of wealthy families.

Havannisian published the slander on LaRouche on Sept. 29, in the right-wing campus newspaper the *Bruin Standard*, which he had co-founded. The publication is part of a nationwide network of 90 neo-conservative and ultra-rightist campus-based “independent” newspapers, the Collegiate Network, which is run, top down, by some of the leading neo-con figures from the Bush Administration orbit.

Among the advisors to the Collegiate network’s CAMPUS Magazine Online is Midge Decter, the wife of one of the founders of the neo-conservative movement, Norman Podhoretz, who is also the mother-in-law of White House neo-con Elliott Abrams and the longtime treasurer and board member of John Train’s Northcote Parkinson Fund.

Havannisian, it emerged, is a protégé and asset of David Horowitz, the John Train collaborator and founder of the Center for the Study of Popular Culture (now renamed the David Horowitz Freedom Center). Havannisian is regularly published in Horowitz’s frontpagemag.com. A shorter version of his *Bruin Standard* slander also appeared in the November 2006 issue of Larry Flynt’s *Hustler*, a hard-core porn magazine. So much for David Horowitz’s self-promotion as the defender of “family values” in Hollywood’s mass culture industry.

Havannisian is also head of the UCLA chapter of Students for Academic Freedom, a nationwide campus-based organization whose explicit goal is to end what they call “the political abuse of the university and to restore integrity to the academic mission,” a Horowitz euphemism for the suppression of student and faculty opposition to the imperial policies of the radical right, including, most emphatically, the permanent war dogmas of the Bush-Cheney regime. Horowitz was the founder of Students for Academic Freedom.

Just days after the publication of Havannisian’s articles in the UCLA *Bruin Standard* and *Hustler*, a very similar smear on LaRouche and the LYM appeared in the *Daily Free Press*, another neo-conservative “independent” campus newspaper circulated at Boston University. Philip Goldstein, the author of the article, openly acknowledged that he had composed the slander in collusion with well-known “Get LaRouche” operatives Chip Berlet, Rick Ross, and Pricilla Coates, all of whom were part of the 1980s Train-led “Get LaRouche” salon operation. Ross and Coates were identified by Goldstein as Cult Awareness Network affiliates.

All told, in the past several months, a large number of

almost identical slander stories have been planted against the LYM and Lyndon LaRouche in campus-oriented publications, including a nationwide chain of weekly throwaway urban papers that profess to be “intellectual,” but make their money from pornography and dating service advertising.

As you will discover, in the pages that follow, from top to bottom, all of these slanders have been emitted from one single sewer—a sewer that is out to crush all anti-Bush, anti-Cheney, anti-neo-con thought from the universities and colleges of America—all in the name of “freedom of speech” and “academic integrity.” The ghosts of Goebbels and Joe McCarthy are stalking your campus, and it is in your hands to make sure that they are driven out by the spotlight of truth.

Who’s Who in The Goebbels Zoo

by Anton Chaitkin

The Cheney faction and its financier sponsors, intent on a catastrophic war escalation and anti-Constitutional measures to retain power, have assembled a political dirty-tricks cartel, centered on the Vice President’s wife, Lynne Cheney, and Wall Street operative John Train.

Made up of nominally separate but absolutely interlocked groups, this cartel is attempting to impose a gestapo over American education that would wipe out resistance.

The *Bruin Standard*, a throwaway right-wing monthly paper distributed by outsiders at the University of California at Los Angeles (UCLA), is headlined with an attack on LaRouche taking up most of the current issue. Author Garin Hovannisian, the paper’s editor, explains how he spied on the LaRouche Youth Movement to gather his material. Hovannisian does not identify to what movement he himself belongs.

This and similar attacks in the *Daily Free Press* distributed at Boston University, and in the “alternative” papers *The Weekly Dig* in Boston and *The Stranger* in Seattle, led EIR’s research team to the origin of the attacks from within the Cheney-Train cartel.

In early 2005, components of the cartel campaigned for government and academic authorities to take action to fire or otherwise suppress teachers critical of the Bush-Cheney Administration. As a direct result, in mid-2005, the Republican majority in control of the Pennsylvania state House of Representatives set up a Subcommittee on Academic Freedom [!] in Higher Education. Representatives from several of the groups comprising the Cheney apparatus testified to the committee.

Upon investigation, the underlying reality of these groups was easily ascertained.



EIRNS/Philip Ulanowsky

Chums Henry Kissinger and William F. Buckley, Jr. at a meeting of Young [sic] Americans for Freedom, 1977. Buckley's Intercollegiate Studies Institute manages the Collegiate Network, which runs 90 right-wing campus newspapers, including the Bruin Standard. Buckley and Kissinger have been active in "Get LaRouche" operations since the early 1970s.

The Campus Gestapo

Outlined here are the several interlocked pieces of the cartel campaigning for a gestapo on campus and elsewhere, arranged in order by the period of their origin. The accompanying box describes the Cheney cartel's "bottom-feeders," who are grabbing control over sections of the media on and off campus.

- **Young America's Foundation**, the nominally independent tax-exempt arm of **Young Americans for Freedom**. This movement, founded in 1960 by William F. Buckley, Jr., runs student cadre in order to crush liberal and dissident teachers, such as in the recent rightist agitation on Pennsylvania campuses.

Founder William F. Buckley, Jr., worked for the CIA in Mexico, reviving old pro-Hitler networks associated with his father, an international oil man. Buckley's own political movement, the beginning of recent decades' "conservatism," was started later, when as a student at Yale University, he attacked liberal/leftist campus influence. His book *God and Man at Yale* was published by the Regnery Group, a project of University of Chicago President Robert M. Hutchins, a One World Government fanatic, and his protégés, **America First** activist Henry Regnery, and Felix Morley, the stalwartly pro-Nazi former editor of the *Washington Post*. The Regnery Group also produced Buckley's book defending the red-baiting Sen. Joseph R. McCarthy.

Buckley's operatives organized the post-World War II political alliance of those forces still adhering to the Hitler and Mussolini regimes, in Spain, Latin America, and Asia. The Buckley organization was hired as the international public relations manager for the fascist regime of Augusto Pinochet in Chile.

- The **Collegiate Network**, founded by Irving Kristol in

1979, under the name, then, of **Institute for Educational Affairs**. The organization presently runs some 90 right-wing newspapers that are distributed on college campuses. One of these papers is Garin Hovannisian's *Bruin Standard*.

The neo-conservative movement, led by Irving Kristol, was another outgrowth of Hutchins' University of Chicago, deriving from the circle around the fascist philosophy teacher Leo Strauss and Strauss's sponsor, Carl Schmitt, the "Crown Jurist" of the Hitler regime. The Collegiate Network has placed and sponsored leading Straussians as teachers in American colleges.

The unit's first project, in 1979, was financing of an independent newspaper at the University of Chicago, led by then-student John Podhoretz.

Irving Kristol hired the young Michael Joyce to manage the organization's programs, training Joyce as a promoter of rightist "philanthropy" from the wealthiest financiers. Joyce went on to direct the Olin Foundation and then the Lynde and Harry Bradley Foundation, *setting up the primary funding for these various parts of the Cheney-Train cartel*, and projects such as the American revival of the thought of German Hitlerite Carl Schmitt, and the production of the seminal racist tract *The Bell Curve*. The Bush-Cheney Administration chose Joyce to organize its entire "faith-based" scam to corrupt and buy out potential minority-community resistance to the regime.

Since 1995, the Collegiate Network, with its college newspapers, has been under the official management of the **Intercollegiate Studies Institute**, founded by William F. Buckley, and distributes the theocratic news service of Buckley's nephew, Brent Bozell III.

The 'Get LaRouche' Taskforce

- In 1983 and 1984, financier John Train convened at his home meetings of selected representatives of major news media, right-wing foundation leaders, corrupted elements of the U.S. Justice Department, and rogue intelligence community figures, to design a propaganda campaign against Lyndon LaRouche; this would lead to railroad prosecutions, under the initial pretext that LaRouche was an agent of the Soviets (see *EIR*, Sept. 29, 2006).

The grandson of J.P. Morgan partner Charles H. Coster, and scion of an old opium-running Boston family, John Train was in Paris after World War II, managing the *Paris Review* on behalf of the CIA-financed Congress for Cultural Freedom. As a tandem project, his uncle, George F. Train, negotiated the U.S.-Spain military and aid treaty (signed 1953) that put American support behind the fascist Francisco Franco regime which had survived the war. John and George Train then set up as partners on Wall Street during the 1960s.

Tied to the highest levels of the modern pro-feudal oligarchy, and their faction of the intelligence community, John Train emerged as a leading advisor of the wealthiest families on the investment and protection of their fortunes.

In 1986, hundreds of police crashed into the homes and publishing offices of the LaRouche political movement, setting into motion the railroad prosecution and jailing of LaRouche and dozens of his associates.

That same year, Mrs. Lynne Cheney was appointed chairman of the National Endowment for the Humanities, which includes the Federal government's funding mechanism for the media. Mrs. Cheney headed up a culture war for a rightist takeover of academia and public communications.

In this crusade, in 1987, Train created and chaired the **Northcote Parkinson Fund**, tasked with achieving right-wing control over public television and other media outlets. John Podhoretz's mother, neo-conservative leader Midge Decter, was founding treasurer of Train's foundation, and the most important source for her treasury was Michael Joyce's Bradley Foundation.

The first project of the new foundation was a book attacking the leftist Institute for Policy Studies (IPS), employing

John Train's own research whitewashing the CIA (when it had been led by George H.W. Bush) in the 1976 Washington assassination of IPS associate Orlando Letelier, a leading opponent of the Pinochet dictatorship in Chile.

The principal long-term project of Train's foundation money was to pay for the career of filmmaker Michael Pack, a warrior for right-wing control of Hollywood and public television. In 2003, the Bush-Cheney Administration put Pack in charge of programming at the Corporation for Public Broadcasting, as part of a right-wing coup at CPB and the attempt at right-wing power in the media more generally.

The Campus Horrorwitch

- Operations directed by David Horowitz are the most prominent public face of the current campaign—as in Pennsylvania—for a gestapo on campuses to squash opposition to the Bush-Cheney policies.

Horowitz launched his current political career in 1987 as

The Bottom Feeders

Garin Hovannisian wrote the attack on Lyndon LaRouche in the throwaway rightist newspaper *Bruin Standard*. Hovannisian writes for the David Horowitz *Front Page* Web journal, and heads the UCLA campus branch of Horowitz's organization, which declares its intention to wipe out the immoral, anti-family-values tendencies in America's media.

Yet "moralist" Hovannisian ran a version of his anti-LaRouche article in the November 2006 issue of *Hustler* magazine, known for its raw-meat hard-core pornography.

More broadly, the Cheney-Train cartel wields a set of just such journalism "bottom-feeders" in aid of its drive for power over academia and other potential centers of opposition.

Instructive are the cases of the slanders against the LaRouche Youth Movement (LYM) in the *Daily Free Press* (Oct. 4, 2006) distributed on Boston University campus; in *The Stranger* (July 27 and Sept. 21, 2006) an "alternative paper" in Seattle; and the *Weekly Dig* (July 16, 2006) in Boston.

These cases illustrate the peculiar corruption of the Michael Lacey organization, a growing media-wrecking instrument for the Cheney cabal.

Lacey is the executive editor, boss, and majority owner of a group of alternative newspapers. One of Lacey's playthings, the *L.A. Weekly*, sent its reporter from Los Angeles on a "Get LaRouche" mission to Boston, where the LYM

has had a powerful impact over the past two years, mobilizing students to fight the Bush-Cheney lunacies. The Lacey employee guided the *Daily Free Press* slander, which utilized material from John Train's sewer asset Chip Berlet.

The **Ruxton Group** is the national sales management arm of the Lacey organization. Ruxton has a hold on about 25 alternative and college newspapers, being the sole procurer of national advertising for those papers. The *Weekly Dig* and *The Stranger* are among those papers whose main financing thus comes through Ruxton, and its sleaze-ball owner Lacey.

The Phoenix, Arizona *New Times* was founded by Lacey in 1970. A glance at its website shows that a large part of its revenue comes from hard-core pornography and advertising for prostitution (to even get into some sections of the Lacey site, the user must sign a release stating that he or she is over 18 years of age.) Somewhere amidst the Lacey/*New Times* porn and whores, the user may discover the sex advice column written by Dan Savage, syndicated from Ruxton's *The Stranger*, where Savage is the editor.

This pattern, of heavy revenue-flows from prostitution and porn, is repeated throughout the chain of publications owned by the Lacey group.

In 2005, the Lacey organization, **New Times Media**, merged with the company that owned the famous *Village Voice* newspaper in New York, and other alternative papers including the *L.A. Weekly*.

The Lacey organization took control, owning 62% of the merged company, now called **Village Voice Media**. The Bush-Cheney Administration Justice Department approved the merger in November 2005, giving Lacey control of about one-fourth of all readers of "alternative" press

a participant in John Train's project (the first initiative of the Northcote Parkinson Foundation) against the IPS on behalf of the London/Dulles/Angleton/Bush/Buckley side of the intelligence world. Horowitz wrote the introduction to the 1988 book, *Covert Cadre*, which resulted from the Train project.

With these connections, Horowitz launched, in 1987-88, the Los Angeles-based **Center for the Study of Popular Culture**, now known as the **David Horowitz Freedom Center**. This was to be the West Coast pole for the culture war headed by Lynne Cheney at the National Endowment for the Humanities (NEH). John Train's backer, Michael Joyce, and his Bradley Foundation, have provided the main funding for Horowitz's Center.

Horowitz took a twisty path to this second political career. As the Communist son of American Communist parents, who suffered under the Trumanism/McCarthyism beginning in the late 1940s, Horowitz lived in England from 1962 through 1967, working as a political aide to Bertrand Russell. Mean-

in the United States.

As soon as the merger went into effect, Michael Lacey terminated those columns and writers at the Village Voice who were critical of or investigating Bush-Cheney policies.

Lacey's profile from Phoenix and elsewhere, of the non-political, local-stories-only publisher, has thus been used to thrust a knife into the opposition, in a period of growing tension over the Bush-Cheney schemes.

The financier oligarchy of Wall Street and the old Anglo-Dutch empires paid for the Lacey takeover:

Alta Communications, a Boston-based investment bank that specializes in acquiring "contemporary media," is Lacey's financial guide and owns 14% of his organization. Alta's partners are a "Young Turks" set, coming together from Brown Brothers Harriman, the Bank of Boston, and spinoff firms from the House of Morgan.

Also financing the Lacey-Voice merger and partners in the resulting chain and in Ruxton, are:

- The Canadian Imperial Bank of Commerce (CIBC) through its leveraged-buyout sub-entity known as the Trimaran Fund. CIBC is historically a premier player in the drug-money-laundering centers of the Caribbean. CIBC/Trimaran executive Andrew Heyer went onto the board of directors of the Village Voice Media Group, and also onto the board of Sheldon Adelson's Sands Hotel/Casino, operating worldwide from its Las Vegas base.

- Goldman Sachs, whose CEO, Henry Paulson, just left to become Bush's Secretary of the Treasury.

- Rabobank, the gigantic Dutch-based bank run by some of the top managers of Anglo-Dutch globalism.

—Anton Chaitkin



Operations conducted by David Horowitz are the most prominent public face of the campaign for Goebbels on the Campus.

while Horowitz sharpened his cultural credentials by writing *Shakespeare: An Existential View*, published by the Tavistock Institute, for which his editor was the famous advocate of insanity as "creativity," psychiatrist R.D. Laing.

Back in the United States in 1968, and now a Trotskyist, Horowitz went to work on *Ramparts Magazine*, which had just run a major exposé of covert CIA backing for student politics and of the Congress for Cultural Freedom (John Train's gang.) Horowitz established a connection to former University of Chicago President Hutchins—possibly through the fact that Hutchins had been the American accomplice of Horowitz's recent employer, Bertrand Russell. With the backing of Hutchins' California-based Center for the Study of Democratic Institutions, Horowitz staged a coup and took control of *Ramparts*.

In the 1970s, Horowitz made arrangements with the Rockefeller family that the entire fourth generation of the family would cooperate with him to produce a book on the theme that the dynasty was being restored to moral purpose by its new philanthropy. With Rockefeller money flowing into his political projects, and the Eastern Establishment press boosting the book, Horowitz became a right-winger, extolling Franco's defeat of communism and the "economic miracle" under fascism. Before he hooked up with John Train, Horowitz made more money with a book savaging the Kennedy family.

His tax-exempt center—which pays Horowitz in the range of \$300,000 per year—set up **Students for Academic Freedom** in 2003. Garin Hovannisian, LaRouche slanderer at the *Bruin Standard*, is also president for UCLA of Horowitz's Students for Academic Freedom. Hovannisian writes for the Horowitz Web publication *Front Page*, and meets regularly with Horowitz.

Meanwhile, the Horowitz Center became the main host for the college-witchhunting organization **Campus Watch**, founded by neo-conservative Daniel Pipes. Campus Watch is



R.D. Laing was David Horowitz's editor, earlier in the latter's career. Psychiatrist Laing is known for his theory that madness and creativity are just two sides of the same coin.

EIRNS

directed by Winfield Myers, former head of communications for the Buckley organization and former editor of *Campus Magazine* the journal of the Collegiate Network which runs Hovannisian's *Bruin Standard*.

- The **National Association of Scholars**, founded in 1985 by Straussians and neo-conservatives, is a smaller unit helping guide the Cheney-Train cartel towards power over American campuses. Directors include Irving Kristol and his wife, Gertrude Himmelfarb, with her British-rightist culture studies, whom Lynne Cheney looks to for personal guidance. They give the Annual Sidney Hook Memorial Award.

Cheney's Neo-Culture Campus Gestapo

- Lynne Cheney herself founded the **American Council of Trustees and Alumni (ACTA)** in 1995, after leaving the National Endowment for the Humanities. She was joined by Sen. Joseph Lieberman, the rightist false Democrat boosted into the Senate by William F. Buckley's sponsorship.

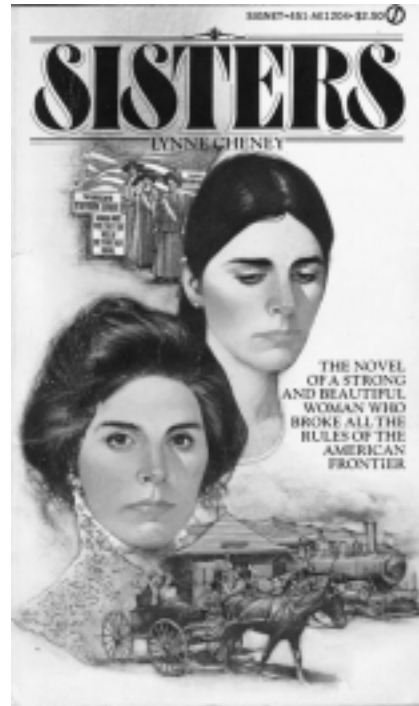
ACTA is run by Lynne Cheney's personal "court":

Jerry L. Martin, ACTA chairman since 2003 and ACTA president 1995-2003, "held several senior positions at the National Endowment for the Humanities" beginning with five years under Lynne Cheney.

Anne D. Neal, ACTA president, was general counsel and head of congressional liaison for Lynne Cheney at the National Endowment from 1990 to 1992. Neal testified at the Pennsylvania campus-witchhunt hearings on Jan. 10, 2006, alongside David Horowitz.

Irving Kristol is on ACTA's National Council and its Donors' Working Group, his wife (Lynne Cheney's icon) in on the ACTA National Council, and Stephen H. Balch, president of Kristol's National Association of Scholars, is on the ACTA National Council and Donors Working Group.

- The **Foundation for Individual Rights in Education (FIRE)** was founded in 1999 by Bush family asset Alan



Former Chairman of the National Endowment for the Humanities, Lynne Cheney is also the author of this scorching about lesbian love on the American frontier.

Charles Kors, with political cover given by the co-founder, hapless Massachusetts liberal Harvey Silverglate. FIRE works toward firing dissident teachers. Then-president of FIRE, David French, testified at the first hearing of the Pennsylvania House Subcommittee promoting the campus gestapo, Sept. 19, 2005.

FIRE chairman emeritus is founder Alan Charles Kos, an academic expert on the French Enlightenment. In 1992, President George H.W. Bush appointed Kos to the Council of the National Endowment, under its chairman, Lynne Cheney. Kors holds the George Herbert Walker chair of Intellectual History at the University of Pennsylvania, named for the current U.S. President's great-grandfather, who founded the Harriman bank and the Fritz Thyssen/Adolf Hitler Union Banking Corporation. Kors' professorship was created in 2003 by his protégé and former student, George Herbert Walker IV, the current President's second cousin, who is co-head of Goldman Sachs's Hedge Fund Strategies Group. In 2005 President Bush awarded Kors the National Humanities Medal.

Marlene Mieske, a director of FIRE, is also a director of the David Horowitz Freedom Center. She is a psychiatric nurse, whose de-institutionalization policies echoed those of Horowitz's editor R.D. Laing.

The FIRE Board of Advisors includes:

T. Kenneth Cribb, a former Justice Department official from the 1980s, who is president of the Collegiate Network, which runs the 90 rightist campus newspapers. He is also president of William F. Buckley's Intercollegiate Studies Institute, which manages the Collegiate Network; and counselor



Irving Kristol, one of the original neo-cons, was the founder of the Collegiate Network that owns many campus newspapers, and is active in many of the groups profiled here.

to the **Federalist Society**, the Cheney cabal's lawyers/judges group based on the ideas of Carl Schmitt. And Cribb is a top leader of the religious right theocratic Council for National Policy.

FIRE Board of Advisors member Leonard Liggio is former president, former treasurer, and current senior vice president of the **Mont Pelerin Society**, the bankers' most radical globalism-advocacy group. The Society was co-founded in 1947 by the pro-Nazi editor Felix Morley. Liggio works at a Mont Pelerin Unit at George Mason University called the **Institute for Humane Studies**, which has just awarded \$250 to Garin Hovannisian, in the Felix Morley Journalism Competition for 2004-05.

Another long-time FIRE Board of Advisors member was David Brudnoy, a Boston University teacher and friend of Bill Buckley, who died of AIDS in 2004. Lyndon LaRouche was interviewed on Brudnoy's WBZ radio talk-show in 1988. Brudnoy slandered and viciously denigrated LaRouche and attacked his African development policies, saying the U.S. should let Africans die because there are "too many people anyway."

FIRE Board of Advisors member Candace de Russy is a member of the Trustees Council of Lynne Cheney's American Council of Trustees and Alumni, and on the Advisory Board of the **Independent Women's Forum**, founded by Lynne Cheney and Barbara Olson; and she is a director of Irving Kristol's National Association of Scholars.

FIRE Board of Advisors member Ms. Ricky Silberman, was cofounder with Lynne Cheney of the Independent Women's Forum.

A Final Word

At this point, a look back inside the Horowitz-affiliated Campus Watch will demonstrate the real top-down operation by Cheney's degenerates, at work in the battle for the campuses.

All of the supposedly separate pro-Cheney organizations deploy as a single entity, promoting one another's gang-up operations on targetted professors, students, and campus organizations that defy the policy agenda of the "Conservative Revolution."

As stated above, Campus Watch is directed by Winfield Myers, a Buckleyite and former editor of *Campus Magazine*, the journal of the Collegiate Network, under T. Kenneth Cribb and his 90 rightist college papers.

That *Campus Magazine* has on its advisory board an array of the most notable specimens in the contemporary Goebbels zoo.

There is Edwin J. Feulner, president of the Mont Pelerin Society, the financiers' chief global organization seeking a world empire, and president of the Heritage Foundation, which planned the Wall Street-Washington cabal that reached for power in the 1980s.

There is Midge Decter, a founder of neo-conservatism, a co-founder of Lynne Cheney's Independent Women's Forum, and the founding treasurer of John Train's organization, the Northcote Parkinson Fund.

And there is David Horowitz, who traveled all the way from communism to fascism on a solid gold train.

'Securing' Our Schools From the 'Appeasers'

by Aaron Yule,
LaRouche Youth Movement

The Bush Administration said that those in Congress who didn't help the "War on Terror" by passing the bill to end the Geneva Accords and the Habeas Corpus provision of the Constitution were "appeasers of the Nazis."

Ever since 9/11, the policy of the Bush Administration has been one of terror, not just abroad, in other countries, but also amongst our own citizens. The most horrifying propaganda has been used to keep the U.S. population in a state of complete fear of speaking out against the policies of the Bush Administration. Yet, despite all the efforts to scare the population through the use of the media, this wasn't enough to keep the youth on campus and elsewhere from coming out against the insanity of the Administration in the post 9/11 period. It was the enthusiasm of college-aged students, to end the insanity of the Bush Administration and create economic development, as called for by Lyndon LaRouche, that gave the margin of victory that probably made John Kerry the President (although, due to the lack of courage from the Baby-Boomer generation, Kerry caved in, and turned the results over to the right-wing nuts who still occupy the White House today).

But what happened to my generation after the election? Was it merely being depressed, knowing that insanity would run our country for another four years? Or was it something else? Many who fought to bring a victory for Kerry in my generation said that they never thought they would get involved in politics. Others dropped out of school to spend a year campaigning on the hustings with Democratic candidates like LaRouche. And some organized large gatherings on their campuses, as at Boston University, where hundreds of people watched John Edwards debate the sociopathic President of Vice.

Where are these young people today? Why didn't they help organize the impeachment of the Administration over the past couple of years? And are they going to allow the vote to go to the Bush Administration this November?

Well, to determine this we must look at what has been happening to our campuses, so that we can know why people have adopted the pre-Hitler phrase in Nazi Germany: "I'm not political," or the version known in Boston as "I'm all set."

Since the end of 2002, there has been a Nazi-Gestapo operation on campuses across America, which has been run by neo-conservatives like Lynne Cheney, Dave Horowitz, Stanley Kurtz, Martin Kramer, David French, and others. They say they want to ensure that there are no "political

idealists" turning campuses into a place for attacking the "War on Terror," and thereby destroying our security. The first major attempt to create legislation to ensure this was launched in early 2003, when Title VI of the 1965 Higher Education Act, which provides funding for area study centers and programs at universities in the United States, came up for renewal.

Education for Empire?

The Act itself has been a very important part of keeping our schools running, but HR 3077 (the International Studies in Higher Education Act) was introduced to the Subcommittee on Select Education of the Committee on Education and the Workforce in September, in order to change the function of Title VI. The resolution itself was introduced by Rep. Pete Hoekstra, who is a Republican from the second district of Michigan. He was not the originator of the content of the resolution, though. That came from a leading Fellow at the Hoover Institution and co-creator of Campus Watch, Stanley Kurtz. Kurtz spoke of what he thought needed to be changed in Title VI at a subcommittee hearing on June 19, 2003:

I do not argue that only material that praises American foreign policy should be assigned in programs spon-

ACTA and the FBI On Your Campus

Shortly after the 9/11 attacks, Lynne Cheney's American Council of Trustees and Alumni published a hair-raising report titled "Defending Civilization: How Our Universities Are Failing America and What Can Be Done About It," charging that "academe is the only section of American society that is distinctly divided in its response to the attacks on America." Branding the universities as "the weak link in America's response" to the terrorist attacks of 9/11, ACTA began pressing for a crackdown on university critics of the government's policies.

Soon afterwards, David Horowitz, head of the Center for the Study of Popular Culture and a John Train West Coast asset, funded a 24-year old UCLA graduate, Andrew Jones, to found the Bruin Alumni Association, a right-wing group that offered to pay students to tape-record classes by left-wing professors. Jones went on to publish the "Dirty 30," a list of UCLA professors who were targeted for their left-of-center views. When word of the spy-for-pay scheme got out, Horowitz fired Jones. But in February 2006, Horowitz came out with his own book, *The Professors: The 101 Most Dangerous Academics in*

America. The promo of the book said it all: "Coming to a campus near you: terrorists, racists and communists—you know them as The Professors. Today's radical academics are not the exception—they're legion. And far from being harmless, they spew violent anti-Americanism, preach anti-semitism and cheer on the killing of American soldiers and civilians—all the while collecting tax dollars and tuition fees to indoctrinate our children."

By September 2005, the Lynne Cheney/David Horowitz scare campaign had created the condition for a direct FBI move onto the campuses. On Sept. 15, 2005, FBI Director Robert S. Mueller III announced the formation of the National Security Higher Education Advisory Board, a group of university presidents and chancellors who will work with the FBI to combat espionage and subversion on the campuses. The board was founded to create a direct FBI presence at large universities that get billions of dollars a year in research and development grants from corporations, and are engaged in work with national security implications. Far from being a passive advisory agency, the NSHEAB will be creating an infrastructure for monitoring the activities of students and faculty, under the guise of protecting national security secrets. Already a quasi-gestapo group, CAUSE (College and University Security Effort) has been established on a number of university campuses, to monitor students and teachers involved in research grants.—Jeffrey Steinberg



EIRNS/Dan Sturman

The LaRouche Youth Movement is expanding its reach on America's college campuses. Here, they are singing a political canon and organizing students at George Washington University.

sored by Title VI. I do argue, however, that our Title VI centers, as currently constituted, purvey an extreme and one-sided perspective which almost invariably criticizes American foreign policy.

One change Kurtz called for in order to stop “political discrimination” was for Congress “to create a supervisory board to manage Title VI,”¹ and determine who gets funds from Title VI. This supervisory board came to be known in Hoekstra’s resolution 3077 as the International Education Advisory Board. When asked if Stanley Kurtz had any influence on him, Hoekstra said:

I do think that there may be some validity in some of his comments. I don’t believe these studies should be used to promote an ideological point of view. I’m about getting students educated in international affairs, not having students get into a classroom and have them be indoctrinated into a political philosophy. But did we put

anything into the bill that puts in some kind of screening process? For those who believe it’s there, ask them to point out where it is.²

The resolution passed the Committee on Education, and then passed the House of Representatives unanimously on Oct. 21, 2003 with Stanley Kurtz’s advisory board still attached.

Word had gotten out into the public that this advisory board resolution was on the floor of the Senate, and many professors and other well-honored individuals sent in letters in opposition to the resolution. David Brodsky, a writer and consultant who holds advanced degrees from the Massachusetts Institute of Technology and Yale University, called resolution 3077 “the Education for Empire Act.”³ Many other scholars chimed in, writing papers about the onslaught of the new McCarthy era. Because of the overwhelming opposition to the resolution, the Senate voted it down in late 2003. During the next Congress (109th) it was reintroduced as resolution 509, but never made it out of the subcommittee.

Not to worry though. Opportunities for Nazi-style control come in many forms. As this resolution lost all favor, as a result of a major political front that started with LaRouche’s initiative to save Social Security in 2005, David French from FIRE (Foundation for Individual Rights and Education), David Horowitz (creator of Students for Academic Freedom), and many other neo-cons were organizing to establish an oversight committee on the state level. In February of 2005, the intent of this crowd was published in Pittsburghlive.com. I quote:

The Academic Bill of Rights is a declaration of independence from the tyranny of intellectual oppressors on college campuses. David Horowitz, president of the Center for the Study of Popular Culture, is its founding father.

Colleges and universities ruled by imperious leftists allow like-minded tenured professors to perform intolerable acts of intellectual coercion on those not accepting their extremist orthodoxy.

The American Association of University Professors stated at its inception in 1915 that faculty must avoid taking unfair advantage of the students’ immaturity to indoctrinate them with the teachers’ personal opinions.

Yes, professors once had such ethics.

This revolutionary document, which nine states are on the verge of adopting for their respective schools, is Mr. Horowitz’s attempt at correcting the grievances of those who have been silenced.

The Academic Bill of Rights states that all decisions

1. Statement of Stanley Kurtz at the hearing before the Subcommittee on Select Education of the Committee on Education and the Workforce. Washington, D.C.: House of Representatives. Hearing, June 19, 2003.

2. Michele Goldberg, “Neoconservatives Seek Congress to Control University International Studies Department.”

3. David Brodsky, “HR 3077—The Education for Empire Act: Right-Wing Takeover of International Education Half-Completed in Congress.”



The Bruin Standard at UCLA lashes out against LaRouche. Author and editor Garin Hovannisian, a buddy of communist-turned-neocon David Horowitz, also ran a version of his article in the porn magazine Hustler.

relating to faculty or students should not be based on political or religious beliefs.⁴

Declaring War on the Constitution

This Academic Bill of Rights, a declaration of war against the Constitution, was first established in colleges like Penn State University, where Vicky Cangelosi, a member of the Students for Academic Freedom (SAF), fought to have it established as university law in hopes that it would eventually become state law. A movement of support was thus created on campuses throughout Pennsylvania to battle the state legislators, to adopt this Gestapo police-state measure.⁵

This support was mainly created by SAF and Horowitz, who were able to recruit Congressman Gib Armstrong to introduce a resolution to the House Education Committee on June 30, 2005. The resolution is HR 177, otherwise known as the “students’ academic freedom resolution.” HR 177 set up the Pennsylvania House Select Committee on Student Academic Freedom to oversee, take testimony, and create legislation for the Horowitz crowd. Horowitz commented on the resolution the next day:

It is crucial now that the full Pennsylvania Assembly pass this bill. Just last week, the American Council on Education in conjunction with 27 other higher education organizations issued a statement supporting key principles of this legislation including the ideas that “neither students nor faculty should be disadvantaged or evaluated on the basis of their political opinions” and that students and faculty members whose academic

freedom has been violated must have access to redress through official and well-publicized grievance procedures on campus. The Students’ Academic Freedom Resolution would support putting these principles into practice on Pennsylvania’s campuses.

With full Republican support, HR 177 passed the Pennsylvania House 108-90 on July 5, 2005. Journalist Bill Toland commented in an article:

One of the driving forces behind the movement is the Students for Academic Freedom, a Washington-based group founded by activist David Horowitz. In an interview with *The Christian Science Monitor*, he said the past six months have been a “watershed in the academic-freedom movement” and hopes the movement to monitor teachers for bias will eventually trickle down to public elementary and high schools.⁶

Horowitz himself said:

This victory would not have been possible without the political courage and steadfastness of Representative Gib Armstrong, a former Marine who was the principal sponsor and driving force behind the legislation, and Speaker of the Pennsylvania House John Perzel, an astute and savvy political leader who managed the bill’s passage through turbulent legislative seas. . . . As Stanley Fish, himself a liberal academic, has written: “Teachers should teach their subjects. They should not teach peace or war or freedom or diversity or uniformity or nationalism or anti-nationalism or any other agenda that might properly be taught by a political leader or a talk-show host.”⁷

Another key organizer in this affair was David French, who gave testimony before the Pennsylvania Select Committee on Student Academic Freedom on Sept. 19, 2005. In the Committee questioning, the idea of no political discrimination was brought up when French defended the rights of the Ku Klux Klan to organize on campuses:

[State] Representative Grucella: Could Penn State or any other state institutions prohibit the Ku Klux Klan?
French: Almost certainly they could not prohibit any particular organization on the basis of its perceived ideology. They could prohibit an organization that was engaged in otherwise unlawful activity. So if the Ku Klux Klan was engaged in terrorism or violating existing state and federal laws, certainly it could exclude

4. “Checking Liberal Tyranny,” Pittsburghlive.com, Feb. 22, 2005.

5. Vicky Cangelosi, “Penn State Student Government Passes Academic Freedom Bill,” March 2, 2005.

6. Bill Toland, *Pittsburgh Post-Gazette*, Harrisburg Bureau.

7. David Horowitz, “Victory in Pennsylvania,” Frontpagemag.com, July 6, 2005.

them; but they could not exclude the Klan on the basis that it has a point of view that is horrific.⁸

What about the Nazis? Should they be able to organize on campuses too? Would David French defend the right of “terrorists” to organize on campuses? French et al. would most likely defend the Nazis, but when it comes to those that they consider “terrorists,” it’s a completely different ball game.

One case of Campus Watch’s hatred was when an innocent Palestinian professor, Sami Al-Arian, was thrown in jail a few years ago for being what Campus Watch and its friends called a “terrorist professor.” Another case is that of Juan Cole, a professor in Middle Eastern Studies who has been very outspoken against the policies of the Bush Administration. Cole has even been equated to Lyndon LaRouche by Campus Watch, which lies that LaRouche is an “anti-Semitic racist-cult leader.” Currently Campus Watch has made Juan Cole the center of its attacks, and along with other Buckleyite organizations such as Frontpage.com (owned by Horowitz) and Middle East Forum (owned by the Campus Watch creators), has launched a slander campaign through their different “independent” newspapers and Web blogs to discredit Cole, thus preventing him from becoming a professor at Yale.⁹

The testimony of French and others continued at hearings throughout this year, and the Pennsylvania House Select Committee on Academic Freedom will be putting out a report in November. Horowitz himself testified before the Select Committee on Jan. 10, 2006, along with Anne Neal, the president of ACTA (American Council of Trustees and Alumni), Logan Fisher (vice chairman of the Temple College Republicans and vice president of the Temple Chapter of SAF), and other right-wing fanatics. Horowitz commented the day before his testimony at Temple University,

Temple University has in place an academic freedom policy [created by the Temple chapter of the SAF] that prohibits professors from using their classrooms as political soap boxes. But it is not enforced by the present Temple administration and consequently the academic rights of students at Temple are widely abused. Temple has required courses like the Freshman Year Writing Program which are designed to indoctrinate students in left-wing political and social fads and are taught by instructors—mainly graduate students—whose only professional expertise is in English. Most sections of this “writing course,” for example, are explicitly devoted to instructing students in “gender theory” using textbooks that are almost entirely one-sided. Having



Stanley Kurtz was one of the creators of Campus Watch, the neo-con gestapo organization.

unqualified teachers attempt to impose an orthodoxy in the name of education is a form of consumer fraud practiced on Temple students and the taxpayers of Pennsylvania.¹⁰

The Campus Gestapo

Horowitz, French, Anne Neal, and all of their fellow fascists are still moving in on campuses across the country today, organizing for Nazi-Gestapo police state measures. Their tactics are mainly huge slander campaigns, such as what is happening to Juan Cole; or they get Homeland Security to go after people like Sami Al-Arian.

Another case of this continuing gestapo onslaught is against their most feared adversary, LaRouche and his youth movement. For example, the so-called “independent” campus newspaper at UCLA, the *Bruin Standard* (owned by the Buckleyite Collegiate Network), has run increasingly scurrilous slanders by its chief editor, Garin Hovannisian (the SAF president for UCLA), attacking the LaRouche Youth Movement as a “cult” that wants to “brainwash” students.

Other magazines like *The Stranger* in Seattle, Washington (run by the Village Voice Media Group), have promoted the use of physical force to attack the LaRouche Youth Movement. Such papers are increasing their slander campaign against LaRouche to prevent students from becoming political and organizing a major vote this November to oust the Bush Administration.

Although these gangs have been unsuccessful in getting laws passed, as of Sept. 15, 2005, the FBI set up a National

8. David French, “Pennsylvania Academic Freedom Hearings,” FrontPage-Magazine.com, Oct. 28, 2005.

9. Alexander H. Joffe, “Juan Cole and the Decline of Middle Eastern Studies,” *Middle East Quarterly*, Winter 2006.

10. Peter Collier, “An Historic Moment for Academic Freedom,” FrontPage-Magazine.com, Jan. 9, 2006. Collier co-authored seven books with CSPC president David Horowitz, including the widely read *Destructive Generation: Second Thoughts About the ‘60s*. He is also the author of other books including biographies of the Fords, Rockefellers, and Kennedys.

Security Higher Education Advisory Board to oversee security measures on campus. In a press release, the FBI stated the purpose of the Advisory Board:

...The Board will seek to establish lines of communication on national priorities pertaining to terrorism, counterintelligence, and homeland security. They will also assist in the development of research, degree programs, course work, internships, opportunities for graduates, and consulting opportunities for faculty relating to national security. Graham Spanier, President of Pennsylvania State University, will chair the Board. Spanier affirmed, "Higher education is one of our nation's greatest assets and it is critical that those entrusted with our national security better understand the valuable contributions our universities make to research discoveries, education of young adults, international collaboration, faculty and student exchanges, and the development of intellectual property."¹¹

Although this FBI Board is ambiguous in terms of its purpose, it is known that preceding its creation, Graham Spanier founded the International Center for the Study of Terrorism out of the Center for the Behavioral and Social Science of Terrorism and Counterterrorism, a division of Homeland Security. Conferences are being held on campuses to discuss the threat of terrorism, one of which is to occur Oct. 7-9, 2006, at Pennsylvania State University.

Current Advisory Board members are: Graham Spanier, president, Pennsylvania State University; William Brody, president, Johns Hopkins University; Albert Carnesale, chancellor, University of California, Los Angeles; Jared Cohon, president, Carnegie Mellon University; Marye Ann Fox, chancellor, University of California, San Diego; Robert Gates, president, Texas A&M University; Gregory Geoffroy, president, Iowa State University; Amy Gutmann, president, University of Pennsylvania; David C. Hardesty, Jr., president, West Virginia University; Susan Hockfield, president, Massachusetts Institute of Technology; Martin Jischke, president, Purdue University; Bernard Machen, president, University of Florida; James Moeser, chancellor, University of North Carolina, Chapel Hill; C.D. Mote, president, University of Maryland, College Park; John Wiley, chancellor, University of Wisconsin, Madison; and Mark Emmert, president, University of Washington.

Research for this article was compiled by the LYM War Room Staff of John Stuart, Heather Detwiler, Antoine Stevens, and Bill Roberts. Most of the information can be found at [http://www.studentsforacademicfreedom.org/actions\(boxattop\)/Pennsylvania/Pennsylvaniaactions.htm](http://www.studentsforacademicfreedom.org/actions(boxattop)/Pennsylvania/Pennsylvaniaactions.htm).

11. FBI press release, Sept. 15, 2005, "FBI Appoints National Security Higher Education Advisory Board."

Lieberman, Cheney March In Himmler's Footsteps

by Jeffrey Steinberg

Reprinted from EIR, Oct. 18, 2002.

In Nazi Germany, one of the most feared institutions was the Gestapo, with its vast network of millions of informants, penetrated into every community, every workplace, every church and university. Under the control of Herman Goering, and ultimately, SS chief Heinrich Himmler, the Gestapo is the absolute epitome of evil, which sent millions to their death or enslavement.

In the United States, during the 1950s, the image of the Roy Cohn-steered drunken Sen. Joseph McCarthy, railing, on the floor of the U.S. Senate, about "lists" of hundreds of Communists, infiltrated into the State Department and other agencies of government, was the moral equivalent of Himmler and Goering's Gestapo. McCarthyism's body count may have been vastly smaller than that of the Nazi SS and Gestapo, but the catalogue of ruined and scarred lives spans several generations. McCarthyism is the ultimate proof that "it can happen here"—and it did.

The New McCarthyism

When President Bush nominated John Ashcroft as Attorney General in January 2001, Lyndon LaRouche warned that Ashcroft would seek the first opportunity to stage a "Reichstag fire" incident, to impose police-state measures on all Americans, in a replay of Hitler's Spring 1933 seizure of dictatorial power in Germany. Despite sufficient votes to block his confirmation, the U.S. Senate confirmed Ashcroft, when Sen. Tom Daschle (D-S.D.) blocked a filibuster. Earlier this year, Attorney General Ashcroft proved LaRouche 100% right, when he attempted to establish a nationwide gestapo informant network, under the direct control of the Justice Department and the FBI, as part of the misnamed "Patriots Act," passed in haste by the U.S. Congress following 9/11. When the plans were made public, the outcry was so great that the program was scrapped.

But now, under private auspices, in the wake of Sept. 11, 2001, and in furtherance of the Bernard Lewis and Samuel Huntington declaration of civilizational war against the entire Islamic and Confucian culture of over 2 billion citizens of this planet, a new McCarthyism is running amok inside the United States.

Its leading proponents, as in the McCarthyism of the 1950s, are prominent figures in the political world. One is a

serving U.S. Senator and recent Vice Presidential candidate—Joseph Lieberman (D-Conn.). The other is the wife of the Vice President of the United States and a former head of the National Endowment for the Humanities, Dr. Lynne Cheney. Together, they founded an overtly McCarthyite agency, the American Council of Trustees and Alumni (ACTA), which, post-9/11, has launched a vicious campaign of slander and financial warfare against any academics who dare to challenge the “official” version of the attacks in New York and Washington. Like their inspiration, Joe McCarthy, they, too, have compiled a phony list of academics, charged with failing to toe the lying official line that Osama bin Laden was the author of the 9/11 attacks.

If you dare to oppose the Cheney-Lieberman war on Iraq and other manifestations of the neo-conservative brand of universal fascism, then you may soon find yourself in the cross-hairs of this gang of wanna-be Himmlers and Goerings. If you are an Arab-American student or professor, or a Middle East scholar, on the campus of an American university, invaded by this Gestapo, you may find yourself the victim of hooligan attacks by vigilante squadristi, or the target of a campaign to have your tenure revoked.

In one recent instance, Prof. Sami Al-Arian, of the University of Southern Florida in Tampa, was stripped of his tenured post and fired from the engineering faculty—after local prosecutors were visited by officials of the Israeli government, who presented a dossier, purporting that Dr. Al-Arian was a top Palestinian terrorist. He was charged, in the bogus dossier, of leading terrorist cells in Egypt—at a time when he was obtaining his post-graduate degree in Michigan—many thousands of miles away from Cairo, Alexandria, or Luxor.

ACTA has now spawned a veritable alphabet soup of allied agencies, targetting elected officials, academics, and university students with the same gestapo venom.

Among the agencies engaged in this coordinated witch-hunt are: Americans for Victory Over Terrorism (AVOT), which was launched, post-9/11, by ACTA founder William Bennett, along with James Woolsey, Frank Gaffney, William Barr, and money-bags Lawrence Kadish; Campus Watch, a project of the Middle East Forum, led by Daniel Pipes, which has created an Internet website, which is recruiting an army of campus-based informants, charged with ratting out fellow students and teachers who dare to challenge the “morality” of Israeli Prime Minister Ariel Sharon’s “ethnic cleansing” campaign against the Palestinians; Committee for Accurate Middle East Reporting in America (CAMERA), a spawn of the right-wing Likudnik spy agency, Jewish Institute for National Security Affairs (JINSA), which targets any U.S. media outlet that dares speak the truth about the events in the Middle East; honestreporting.com, a parallel organization to CAMERA, which is run directly from Israel by right-wing circles; and Middle East Media Research Institute (MEMRI), headed by former Israeli military intelligence Col. Yigal Carmon and, until recently, by Meyrav Wurmser, which spits out selective

inflammatory articles from the Arabic press, and circulates them to policymakers and media, to further the “Clash of Civilizations” attack on Islam.

LaRouche Warns

Lyndon LaRouche, Democratic Party Presidential pre-candidate for the 2004 elections, has issued a warning about the Cheney-Lieberman gestapo. Some, he noted, will object to drawing a parallel to Hitler, Himmler, Goering, and McCarthy. However, the truth must be told, or else we will wake up in America one day, stripped of all our liberties. This kind of witch-hunt, LaRouche warned, is the first step toward tyranny. In the early 1930s, the Germans capitulated to the first steps, and look what they got. Now, people like Joe Lieberman, Lynne Cheney and William Bennett, are lending their names to the same effort. They are doing it again, LaRouche warned, but they do not yet have the power to make it stick. Now is the time to stop the witch-hunt—before it is too late!

‘Not Patriotism, But Fascism’

Indeed, LaRouche has provided, once again, the dramatic statement of the truth. But he is, fortunately, not alone.

- On Dec. 20, 2001, the *Hartford Advocate* published a scathing editorial, headlined “Joe McCarthy Lieberman?” which read, in part: “When Republican Sen. Joseph McCarthy stood in front of Congress, Feb. 20, 1950, and for six hours rifled through old State Department dossiers claiming he had proof that 81 State Department employees were Communists, it guaranteed for all time that he would be remembered as an enemy of the time-honored American tradition of free speech and free association. Similarly Lieberman, who sits on the advisory board of the American Council of Trustees and Alumni, which released a report that criticizes universities for evidence of anti-Americanism during the current war in Afghanistan, may be enhancing his chances of being remembered by posterity as the Censorship King.”

- A week earlier, responding to the same “list” of academics practicing “anti-Americanism,” the *San Jose Mercury News* published an op-ed by Prof. Roberto J. Gonzalez of San Jose State University, headlined “Lynne Cheney-Joe Lieberman Group Puts Out a Blacklist.” The professor charged that “an aggressive attack on freedom has been launched upon America’s college campuses. Its perpetrators seek the elimination of ideas and activities that place Sept. 11 in historical context, or critique the so-called war on terrorism.” Citing the ACTA report, “Defending Civilization: How Our Universities Are Failing America,” Professor Gonzalez wrote: “Although the council’s stated objectives include the protection of academic freedom, the report resembles a blacklist. In a chilling use of doublespeak, it affirms the right of professors to speak out, yet condemns those who have attempted to give context to Sept. 11, encourage critical thinking, or share knowledge about other cultures. Faculty are accused of being ‘short on patriotism’ for attempting to give students the ana-

lytical tools they need to become informed citizens.”

Indeed, the ACTA report named 40 prominent academics and cited 117 purported “incidents” of “anti-Americanism.” In one instance, ACTA attacked the president of Wesleyan University in Middletown, Connecticut, for having circulated an open letter warning that “disparities and injustices” in American society can spawn hatred and violence.

Gonzalez concluded that “the report represents a kind of academic terrorism designed to strike fear into the other academics by making examples of respected professors. . . . This is not patriotism, but fascism. . . . The targetting of scholars who participate in civic debates might signal the emergence of a new McCarthyism directed at the academy. Before it escalates into a full-blown witch-hunt in the name of ‘defending civilization,’ faculty, students, and citizens should speak out against these acts of academic terrorism.”

- On Dec. 14, 2001, the *National Catholic Reporter* editorialized against “A ‘Defense’ That Civilization Can Do Without.” “It is difficult,” the editorial began, “to tell exactly what Lynne V. Cheney, Sen. Joseph Lieberman, and others who constitute the American Council of Trustees and Alumni are trying to accomplish with their project. . . . The title is as overblown as the sentiment that drives the effort: No one should ask questions of the American war effort.” The editorial concluded with a stern warning: “It would be absurd, indeed, if this ‘report’ were not indicative of a dangerous fervor stalking the country, a fervor intolerant of questions and dependent on ignorance of recent history.”

- On March 15, 2002, Jim Lobe warned, in the online publication *Foreign Policy in Focus*, that “The War on Dis-sent Widens.” Lobe, who has written a series of well-researched exposés of the Paul Wolfowitz-Lewis Libby-Richard Perle neo-conservative cabal inside the Bush Administration, targetted the ACTA spawn, Americans for Victory Over Terrorism, which had published a full-page *New York Times* advertisement on March 10, attacking “radical Islam” and an amorphous “enemy within” which “promulgates their agenda of ‘blame America first.’” AVOT extended their blacklist beyond academe, naming a number of leading elected officials and prominent editorialists as enemies within. Among the targets: Rep. Maxine Waters (D-Calif.), who dared to criticize President Bush for “going crazy” with the authority to go after terrorists; former President Jimmy Carter, who attacked G.W.’s “axis of evil” formula as “overly simplistic and counter-productive”; Rep. Dennis Kucinich (D-Ohio), who accused the President of “cancelling, in effect, the First, Fourth, Fifth, Sixth, and Eighth Amendments”; *American Prospect* editor Robert Kuttner, for criticizing “Bush’s dismal domestic policies” and his “dubious notion of permanent war”; and Lewis Lapham, the respected editor of *Harper’s* magazine, who reminded his readers that, during the 1990s, the United States had engaged in terror tactics in the Balkans and in Iraq.

Lapham responded to the AVOT assault by denouncing

Bennett as a “wrong-headed jingo” who launched AVOT as a “front organization for the hard neo-con right,” which has gained tremendous power inside the Bush Pentagon and in the Office of Vice President Dick Cheney. “This is the war-monger crowd,” he charged, noting that AVOT gurus Bennett and Gaffney were signators to an open letter to President Bush, issued within days of the 9/11 attack, demanding that the United States not only bomb Osama bin Laden and al-Qaeda to oblivion, but also launch war on Iraq, Iran, Syria, Lebanon, and the Palestinian Authority.

At the Washington, D.C. press conference launching AVOT, Frank Gaffney, who was investigated in the 1980s as a suspected co-conspirator of Jonathan Jay Pollard, the American convicted of espionage for Israel, mustered up his best Joe McCarthy imitation, ranting to the small audience that any criticism of the Bush Administration’s conduct of the war could be “interpreted in such a way as to hurt national resolve . . . [and] embolden the enemy.” He urged, “We must pay special attention to friends like Saudi Arabia and Egypt whose ongoing use of media are creating problems for our allies”—an obvious reference to Israel. Weeks after the press conference, Ariel Sharon ordered the full-scale Israeli Defense Forces invasion of the West Bank, which, by the admission of Sharon’s spokesman Ra’anan Gissen, was explicitly modelled on the Nazi massacre of the Jewish resistance in the Warsaw Ghetto in the Spring of 1943.

In the crazed world of ACTA and AVOT, a criticism of Sharon’s Nazi actions is tantamount to treason against America.

Leading Promoters of The New McCarthyism

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American Council of Trustees and Alumni (ACTA)

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888-ALUMNI-8, <http://www.goacta.org>

Founded in 1995 by Lynne Cheney and Sen. Joe Lieberman, who was described as “one of the most active members” of its advisory board by the *New York Times* of Aug. 24, 2000. Released *Defending Civilization: How Our Universities are Failing America and What Can Be Done About It*, on Nov. 11, 2001, with funding from the Randolph Foundation, the William and Karen Tell Foundation, and Jane H. Fraser. ACTA said it would send its blacklist to 3,000 trustees at

colleges and universities across the nation.

ACTA contributed \$3.4 billion to colleges and universities in 2000—the largest private source of support for higher education. It has created a network of agents through its Advisory Committees—Trustees' Council, Presidents' Council, Alumni Leadership Council, Scholars Council (including Irving Kristol's wife, Gertrude Himmelfarb), and Donors Working Group. Funding: From 1995 through 2000, ACTA received \$1.3 million from the Olin Foundation, Bradley Foundation, Sarah Scaife Foundation, Earhart Foundation, and Castle Rock Foundation.

The Olin, Bradley, and Sarah Scaife Foundations fund the nexus of neo-conservative think-tanks such as Daniel Pipes' Middle East Forum (see Campus Watch, below), and Samuel Huntington's Olin Institute for Strategic Studies at Harvard. They promote: war on Iraq as the trigger for Huntington's Clash of Civilizations war with Islam; Sharon's genocide against the Palestinians; and attacks on American Muslims culminating in U.S. Attorney General Ashcroft's assault on Constitutional rights.

National Council members (board of directors): **David Riesman** (honorary chairman, 1996-2002)—Henry Ford II Professor of Social Sciences, Emeritus, Harvard University; **Lynne Cheney** (chairman emeritus and co-founder)—senior fellow, American Enterprise Institute; **Richard Lamm** (vice chairman and co-founder)—Director, Center for Public Policy and Contemporary Issues, University of Denver; **William Bennett**—see below; **Irving Kristol**—Zionist father of neo-conservative movement, senior fellow, American Enterprise Institute (AEI), publisher, *The National Interest*, co-editor, *The Public Interest*, father of **William Kristol**—editor of the *Weekly Standard* and chairman of the imperial Project for the New American Century (PNAC) created in 1997; **Martin Peretz**—editor-in-chief and chairman, *The New Republic*, advocate of war against Iraq, and specialist on fascist Vladimir Jabotinsky; **Laurence Silberman**—U.S. Circuit Judge, U.S. Court of Appeals for the D.C. Circuit; member of U.S. Solicitor-General Ted Olson's "salon" for the impeachment of former President Clinton.

Americans for Victory Over Terrorism

AVOT is an arm of Empower America
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Washington, D.C. 20006
(202) 452-6216, <http://www.avot.org>

Launched on March 12, 2002 by PNAC members William Bennett and Frank Gaffney, and James Woolsey. (All three signed an April 3, 2002 PNAC letter to President Bush to "stand with Israel" and overthrow Saddam Hussein.) In a full-page ad in the *New York Times* on March 10, 2002, AVOT

called radical Islam "an enemy no less dangerous and no less determined than the twin menaces of fascism and communism we faced in the 20th Century," and denigrated those who "are attempting to use this opportunity to promulgate their agenda of 'blame America first.'"

It recommends as sources on the Mideast, the Middle East Media Research Institute (MEMRI), Bernard Lewis, and Samuel Huntington. In September 2002, AVOT began a series of campus teach-ins and lectures.

Senior Advisers: **William Bennett**—co-director, Empower America, ACTA National Council, former chairman, National Endowment for Humanities; **William Barr**—former U.S. Attorney General; **L. Paul Bremer**—chairman and CEO of Crisis Consulting Practice of Marsh, Inc., former managing director at Kissinger Associates, former U.S. Ambassador, member of the International Institute of Strategic Studies; **Frank Gaffney**—founder and president of the Center for Security Policy, suspected "X Committee" member, former Assistant Secretary of Defense; **Lawrence Kadish**—real estate investor, founding chairman of the Committee for Security and Peace in the Middle East; **Walid Phares**—associate professor of political science and comparative politics, Florida Atlantic University; **Ruth Wisse**—professor of comparative literature, Harvard University; **R. James Woolsey**—CIA Director 1993-95, current member of the Defense Policy Board and leading agitator for war against Iraq; trustee of the Center for Strategic and International Studies.

Campus Watch

<http://www.campus-watch.org>

Created and sponsored by Philadelphia-based Middle East Forum (MEF), Campus Watch was launched on Sept. 18, 2001, listing "dossiers" on 8 professors and 14 universities, now expanded to 21 universities. Encourages students and faculty members to provide names of Middle Eastern studies professors who criticize Israel. MEF spun off from the Foreign Policy Research Institute (FPRI), which houses some of the leading right-wing Zionist networks in the U.S. foreign policy apparatus. MEF publishes *Middle East Quarterly*, promoting Islam as an enemy image and embracing Huntington's policy.

Daniel Pipes—director of FPRI (1986-93); director of MEF; columnist for *Jerusalem Post* and *New York Post*; member, AEI's New Atlantic Initiative; author of a book on conspiracies that slanders Lyndon LaRouche. **Khalid Duran**—MEF editorial board member who worked with Steven Emerson to produce "Jihad in America," for the Public Broadcasting System, promoting the idea of Islam as the enemy. **Martin Kramer**—*Middle East Quarterly* editor, Tel Aviv University. **Patrick Clawson**—director of research of the pro-Likud Washington Institute for Near East Policy.

A STUDY IN GLOBAL DYNAMICS

Just Exactly: Whom Hit Who?

by Lyndon H. LaRouche, Jr.

October 4, 2006

*There is a wonderful, recorded audio-visual performance of Mozart's **Don Giovanni**, done under the direction of the late Wilhelm Furtwängler. The relevant scene, between the statue and Don Giovanni (Don Juan) has a certain mood-setting relevance for assessing the current predicament of the currently tormented Speaker of the U.S. House of Representatives, Dennis Hastert.*

The weirdly and wildly convoluted case of the House of Representatives' Republican Congressman Mark Foley, would mystify almost anyone who does not recognize that everything, almost time itself, suddenly appears to be running backwards for Hastert and his crew, when it does not seem to be, also, running upside-down.

As the saying goes, House Speaker Dennis Hastert warn't never very much, but even he was never, earlier, publicly, quite the woebegone oaf he has suddenly appeared to be in recent days. The poor fellow just can't seem to do anyone, or anything right. On days like this, Hastert's best move, if he were capable of one, would have been to stop stirring up the mess in his office's cesspool, fold up, and go home for the duration.

As Lewis Carroll's Alice might have said: suddenly, for the current Bush Administration, everything becomes worser and worser.

Some would say: "God does indeed sometimes work in mysterious ways!" At least, they were ways probably too mysterious for the powers of comprehension of the official White House Court Jester Karl Rove. You should have been forewarned, Karl: "Sooner or later, it does not pay to take God's name in vain."

To understand what is called, euphemistically, "The Mark Foley Case," a bit better than you already do, compare the

situation on Wall Street, which now reports what it claims are the most wonderful numbers since the invention of mud; but, it makes that claim precisely at the time that the entire present world monetary-financial system is actually in the process of a global, chain-reaction collapse.

For example: for President George W. Bush, Jr. and his camp-followers, history has now passed through its apparent triumphant succession of their favorite sadistic pleasures in looting and torturing the poor and innocent; and is now being readied to come, at last, to dwell eternally as an image from the third and final panel of Hieronymous Bosch's "Garden of Earthly Delights." As the antique Welshman might have said, "There's a fey look around the eyes of this Bush Administration"; the Bush who would have ruled over George P. Shultz's idea of Heaven, seems now, as the Welsh poets had implied, disposed to serve in Shultz's Hell.

There is a scientific explanation for all this. The explanation has much to do with the warning which the friend of the Christian Apostle Peter, Philo of Alexandria, gave to the dupes of Aristotle. God the Creator did not, contrary to Aristotelean teaching, make Himself impotent by launching what some view as Creation past. God's actual universe is as Johannes Kepler described it: God is actively creating something new, which did not exist in the universe in any moment before, and man, when serving God, does likewise.

So, the Bush Administration has been a Celtic tragedy featuring the Vice-President's wife in a not-so-sterling British performance in the part of Lady Macbeth. Thus, those, who wear the same fey look around the eyes shared among those of the present U.S. Bush Administration, are in the process of being made into examples of Philo's warning to the Aristoteleans of his time.

I do not predict. As it is my habit: I foresee, as Kepler could have taught you, too, to do. We have free will, a free



Left: In Rembrandt's "Belshazzar's Feast," King Belshazzar recoils in horror at the handwriting on the wall, as God (and the universe) react to his sinful follies. Will Speaker of the House Dennis Hastert, the poor silly sinner, draw the appropriate conclusion for himself?



DoD/Tech. Sgt. Andy Dunaway

will to create, such that what we may be free, momentarily, to do to the universe, we also do to ourselves, and to your posterity. Bush's masters have sowed the whirlwind, and the world now reaps that harvest which you allowed him to sow.

Leibniz vs. Descartes

Most politicians and economists whose current cases I have studied, live in a mechanistic, flat-Earth fantasy sometimes called statistics. Theirs is a fantasy world more or less a copy of the dogmas of Descartes and Newton, and predecessors of their ilk from times past. Their silly ideas about "economics" are typical of the distance of their ideologies from the realities of the real world. The prevalent ideas about economics, within the U.S. Congress and elsewhere today, are premised on the assumption that statistical forecasting in the mechanistic legacy of Descartes, Laplace, Kelvin, and the followers of Ernst Mach and the celebrated suicide Ludwig Boltzmann, determines the future state induced within a process, such as a universe, as a whole.

The real universe, contrary to today's more popular academic delusions, is not a mechanistic-probabilistic, statistical process. Hence, in the long term, all the usual statistical-economic forecasts are not only absurd ontologically, but, if believed, ensure catastrophe, sooner or later, for all true believers.

The real universe, on the contrary, is dynamic in the sense of the methods of the Pythagoreans and Plato, as the modern term of physical science, "dynamics," was presented by Gottfried Leibniz's exposure of the systemic incompetence of the statistical methods derived from the methods of the Anglo-Dutch Liberal dogma associated with the legacy of René Descartes.

That general principle of the real universe has a particular application to the case in which society submits, over an extended period, to mechanistic-statistical assumptions of

mathematical proof which are contrary in their effect to the nature of the universe in which such beliefs for practice are prevalent. This is precisely the way in which the successive turns of European culture, against the legacy of U.S. President Franklin Roosevelt, have not only led the world, the U.S. particularly, into the present, global, monetary-financial debacle, but have produced the effects of the world as a "theater of the absurd" which are only typified by the consternation of poor Dennis Hastert and his kind.

In brief, the point is, that the self-evolving universe reacts in a special way to any attempt to impose on that universe principled forces of action-and-reaction which are contrary to the laws of the universe itself. This universe permits, even encourages changes in its law, as every discovery

of a universal physical principle attests to this fact. However, it is also the case that the universe often reacts, as if suddenly and violently, to the persistence of some systemic insult to its proper character. This kind of reaction, by the universe, against a particular type of folly by society, is what lies beneath and behind the kind of situation which a single incident within the Congress has unleashed, as by the Erinyes of Friedrich Schiller's poem *The Cranes of Ibykus*, against poor silly sinner Hastert and his crew. Or, we might refer to the poet Heinrich Heine's *Belshazzar's Feast*, as Heine's poem, and Robert Schumann's setting of that poem, echoed the spectacle portrayed by Rembrandt.

The disease which the George W. Bush, Jr. regime has spread, has produced a political antibody from within the body of the social process. The effect is, for the out-flanked Congressional Bush-leaguer, and Karl Rove, too, as if the laws of the universe had suddenly changed, to produce a catastrophe in place of the certain victory which Lady Macbeth's spouse, Dick Cheney, apparently intended. For them, for poor confused Hastert, in particular, suddenly, the laws of the political universe seem to have been reversed!

This does not end there; the phenomenon will be global; it will become clear, that "God exists!" is not the fact which people who behave as they do should find consoling. The time has come, when what the upper twenty percentile of the white-collar class have come to regard as the laws of their reign, are now being sharply reversed. When the universe, in the time it chooses, decides to make a sharp reversal in decades-long trends, for those who have reigned, it will seem that the laws of the universe have suddenly, mysteriously reversed themselves.

For poor Dennis Hastert and his ilk, take your losses, lick your wounds, and retreat, while a new wave of public opinion is still disposed to overlook the wrongs which you and your kind have done to our republic.

We'uns Is Just Plain Folks

by Lyndon H. LaRouche, Jr.

October 5, 2006

... I tell you that, if these should hold their tongues, the very stones would speak!

—Gospel of Luke 19:40

Often in moments of great upheavals in the affairs of nations, even what might have been seen earlier, as the most unlikely instruments, may cry out, as in protest against a great injustice. This is what has arisen during the events within the U.S. House of Representatives this week, in the matter of the widespread revulsion expressed by what had been seen as Karl “Elmer Gantry” Rove’s prize constituency, against those Republican institutions whom they saw as covering up for former U.S. Representative Mark Foley (R-Fla.).

This development around the U.S. House of Representatives’ Speaker Dennis Hastert, threatens—if only teeters, rather than totters—the entire edifice of the efforts of that current Bush Presidency, with its public rug-chewing fits on camera, to make the virtual coup d’état, by which it currently seeks to become a fascist tyranny, is suddenly threatened with its toppling.

What has just happened could not be competently assessed, without taking into account the following deeper elements on background.

During the early 1980s, as the medical reports on the spread of what is now called “AIDS” came tumbling out, I proposed, very widely, and very energetically, an emergency U.S. Federal \$40 billions program for measures of health-care research and treatment for an infectious disease which represented a previously unknown, potentially pandemic threat to all mankind, a human retrovirus epidemic called “AIDS.” At that same time, I warned, that the spread of this epidemic would produce a mass-reaction against the rock-drug-sex counterculture which had been led by the hyperactive anti-science element of that counterculture drawn largely from that portion of the “68ers” drawn from the sex-crazed student populations associated with the leading universities of the 1960s and 1970s.

Despite the hysterical reaction against my warnings and proposals, the relevant, if entirely inadequate measures were adopted as the U.S. (and others’) measures of treatment and

control of the rate of spread of this new epidemic in both America and Europe, although the spread of the epidemic in sub-Saharan Africa was largely encouraged, virtually wiping out a large portion of that African middle-class on which the independence and development of relevant nations depended.

Thus, my warnings, that the failure to deal effectively with the AIDS epidemic, would prompt an AIDS-fear-driven reaction against the rock-drug-sex counterculture of the “68ers” generation, were not ignored by everyone. The warnings were not ignored by circles which came to be typified by the role of Karl “Elmer Gantry” Rove in reshaping the nation’s political profiles. Rove typifies those who understood the implications of my warning, who used recognition of the fact that I had been right, to build a right-wing political movement of religious fanatics which was called into being from among, most notably, the terrified, “Tweeners” generation.

Over the course of the recent two decades, that new form of “fundamentalist” right-wing, which includes the symptomatically relevant President and bellwether, George W. Bush, Jr. today, became a crucial sort of marginal factor in the electoral life of what had been our pre-George W. Bush, Jr. Constitutional Republic.

However, amid the bellows of triumphalism from the circles of the new generation of Bush fanatics, another reality was also at work. The hard core of the right-wing constituency on which Karl Rove’s recent fame had been largely built, ain’t exactly the richest folk in the current crop. Focus attention especially on the Tweener stratum of these folk, the hard core of Rove’s heralded special constituency. Look at every relevant parameter of the economic and related social life in every community of the nation in which Rove’s, and, also notably, Anne Coulter’s special constituency is situated.

Look, typically, at places such as recent Representative Mark Foley’s hurricane-hit Florida and the relics of President George W. Bush, Jr.’s utterly immoral reactions to his government’s knowledge of Katrina, before, during, and since its happening. Karl “Elmer Gantry” Rove’s right-wing-populist constituency among Tweeners, may hate what are seen as snooty and snotty Liberals, and may support the current President Bush’s sadistic lunacies on that account; but, they are



Peter Bruegel's "The Parable of the Blind Leading the Blind" (1632). "The people who had served as Karl Rove's solid core of support for the Bush Presidency find their noses filled with the smell of the fact that they have been greatly used, and profoundly betrayed."

also filled with hatred on account of the Bush Administration's string of lies and broken promises on the matter of health-care, in the matter of their class's plunging economic conditions of life, and their sense of horror about the smell of doom wafting in from both the war-wracked, so-called Middle East and the national economic horizon generally.

For these populists, not only Representative Mark Foley, but also House Speaker Dennis Hastert, typify the fact that the people who had served as Karl Rove's solid core of support for the Bush Presidency find their noses filled with the smell of the fact that they have been greatly used, and profoundly betrayed. The case of Speaker Dennis Hastert's transparent attempted cover-ups for the matter of former Representative Mark Foley was the one added straw Karl Rove's electoral camel could not bear.

For the Bush Republicans, it suddenly seems that time itself had suddenly been reversed, and their political world turned upside-down on the eve of a general mid-term election. (They don't even dare think the term "erection.") Karl Rove's and George W. Bush's careers in Washington, D.C., had been built on a cornerstone of sexual issues; and the Republican cause is now being collapsed by the crumbling of that cornerstone.

Theology and Politics

Any competent historian would have reacted to these developments, by saying something like "No surprise." What Karl Rove did, is typical of the misuse of religion by the "Elmer Gantry's" and their like, in history past. The preacher was caught, so to speak, yet once again, behind the revivalist's tent, playing rooster with the hens. All was fine, until the deacon found his own wife behind that tent, as until Speaker Dennis Hastert was caught in his own little version of preach-

ing, and lying, behind the revivalist tent.

In the whole sweep of that European history since the prosatanic, Pythian cult of the Delphic Apollo, the common prank of tyrants has been what the Russian novelist Fyodor Dostoevsky described as the Grand Inquisitor's—i.e., Tomás de Torquemada's—satanic betrayal of Jesus Christ. Centuries before Dostoevsky, this was the trick described by the great dramatist Aeschylus, in his *Prometheus Bound*, as the prohibition, by the Olympian Zeus, against sharing knowledge of universal physical principles with ordinary men and women. Zeus's was the same wicked practice of the Aristotelean followers of the Delphic cult, denounced by Philo of Alexan-

dria. The sophistry used by those accused by Philo, was the same hoax taught as the foundation of Euclidean geometry: the syllogism, the hoax that, since God was perfect in all his actions, what he had created, the universe, was so perfect that God himself could do nothing to change it.

On the contrary, in the Judaism, Christianity, and Islam of *Genesis* 1:26-31, men and women are made in the likeness of the Creator, and obliged to transform the universe as instruments of the Creator's own practice of changing His Own Creation, as He has caused the once solitary Sun to create the planets of the Solar system. The increase of the power of self-development of the universe, is the expression of its perfection, as the celebrated Heracleitus was echoed by Plato on this account.

The limits put, fraudulently, upon the Creator by those in the likeness of the Delphic Olympian Zeus, have been intended to replace God the Creator by a pro-Satanic oligarchy, as Dostoevsky identified the role of the Grand Inquisitor. The intention of this Delphic and like hoaxes in the name of theology, has been to make a ruling class the proprietor with powers of life or death over the common folk. For example, this Delphic hoax inevitably rejects the notion that the Preamble of the U.S. Federal Constitution were the fundamental principle of law of our Constitutional Republic. This Delphic hoax typifies what has been the system of oligarchical rule of a privileged minority, which, in all manifestations of that kind, places the ownership of private property above the obligation of the nation to the general welfare of the people.

From the standpoint of theology, the Olympian Zeus's Delphic ban on ordering society to develop in the way of man's willful obligation to foster scientific and technological progress for the benefit of man, and glory of the Creator, as a whole, is the denial of the existence of a Creator. It implies

the replacement of that Creator, in the mind of the dupes, by a virtual Satan, the reigning oligarchy, such as by the arbitrary reign of a thieving financial corporation, as was lately done to the U.S. automotive industry, under Bush Administration law, itself.

Thus, the Christian Apostle John's dream of the Roman Empire of his time as "The Whore of Babylon," has been fraudulently portrayed by the myth promoted under the title of "Revelation" as a promise made by an impotent Creator, to deliver on a certain predetermined, inflexible promise, at some future time. "Who, then, shall compel such an impotent Creator to deliver in such a promise?" As a wise and celebrated rabbi said correctly, "God will send a Messiah when He, God, chooses to do so!"

When foolish people believe in a foolish faith in what they are taught to be an impotent God, who, or what, then, are they serving, instead of God the Creator? Dostoevsky said that the false god is the Grand Inquisitor, the epitome of what Vice-President Cheney pretends to be, when his notorious wife pretends to agree.

Thus, even among those who have been induced to submit to the absurd theologies of the not-necessarily-sincere Karl "Elmer Gantry" Rove, there remains a potent spark of humanity, as *Genesis* 1:26-31 defines humanity. Thus, the true nature of man and woman, as that passage describes it with a scientifically verifiable validity, may erupt even among those so disoriented as Rove's recent dupes have been. Suddenly, finding themselves betrayed by Hastert and his crew, they will soon no longer believe in Rove, or George W. Bush.

Tweeners and Young Adults

At the same time that a nationwide gut-reaction against the Bush-League Elmer Gantrys is threatening to begin the avalanche which topples the current Bush machine, the Bush League is seeking to counter its failing support from Karl Rove's Tweener base, by attacks on two fronts: buying up the large purchasable portion from among the leadership of the African-American vote (keeping up family finances by sending sister into prostitution), as we see this operation in support of George Allen in Virginia now. It also seeks, at the same time, to herd the university-age young adults away from the November election, as we see the latter case in the John Train operations' use of critters such as Babbling-David Horror-witch's crew of campus-based virtually psychotic babblers, and buying out, and turning upside-down former independent news publications, such as the New York *Village Voice* publication.

The John Train who has been heavily documented from financial records as exemplifying what was really behind pure right-wing-funded scum such as Dennis King and "Buffalo Chip" Berlet, behind what was formerly known as the American Family Foundation, is at the financial hub of funding a network of what are virtually local "Josef Goebbels" propa-



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Widespread revulsion has arisen among those Christian fundamentalist Tweeners, who have been Karl "Elmer Gantry" Rove's prize constituency, against those Republican institutions whom they see as covering up for the disgraced former Rep. Mark Foley.

gandists, as typified by their backing of the throwaway local campus and other press, and instruments, mustered on leading university campuses and other locations around the nation, with the assigned purpose of keeping adult campus youth from turning out for the coming mid-term elections. Right in the middle of this Train of whatever is the real-life Lady Macbeth of the Bush-Cheney Administration, none other than the Lynne Cheney who is rumored to keep her Vice-President hubby chained up, like a dog at night, outside the living quarters at the Naval Observatory.

Once the populist masses got the smell of Representative Mark Foley's case in their nostrils, and saw who had been covering up that mess, from the Speaker of the House all the way down, down, down, they reacted as folk who had suddenly discovered, that they had been betrayed and used all along. So, in turn, it is their passions which have been aroused. The roots of this affair go deep, to the early 1980s, when I first warned, widely, of this phenomenon, up to the present time, from a quarter-century ago and earlier.

Such, as history should remind us, is the stuff of which revolutions, and the like, are made. Watch out for we-uns; they are known to react, sooner or later, against those who attempt to mislead and use them.

Our best weapon in the effort to rescue our republic, and even our planet as a whole from the immediately threatened, lemming-like plunge into virtual Hell, is to recognize the fact that the universe is organized as Kepler, Leibniz, and Riemann understood, rather than the mechanistic fantasy-world of Descartes and black-magic specialist Isaac Newton. Therefore, they, our foes, make the inevitable mistakes, like the merely legendary lemmings, which their own beliefs compel them to do. We would fail only if we lacked the confidence to act resolutely on our available knowledge on this point.

Book Review

Telling Part of the Story of Cheney's Iraq Mis-Adventure

by Carl Osgood

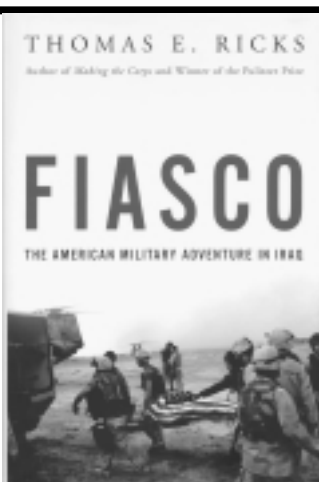
Fiasco: The American Military Adventure in Iraq

by Thomas E. Ricks

New York: Penguin

Press, 2006

416 pages, hardcover,
\$27.95



When Penguin Press released *Fiasco: The American Military Adventure in Iraq*, by *Washington Post* senior military correspondent Thomas E. Ricks, it immediately shot to the top of Amazon.com's best-seller list. It's not just a book, however. It is also a field of battle in a revolt of the military institution against the Bush-Cheney perpetual war policy. That revolt emerged last Spring, when six retired generals went public with their demands that Secretary of Defense Donald Rumsfeld resign. For the traditionalists in the U.S. military, who refuse to buckle under to Rumsfeld's incompetent and arrogant leadership, this is a life-or-death issue for the military. Ricks finished writing his book six months ago, however, and if Iraq was a "fiasco" then, it has only become much worse since then, as evidenced by the rising death toll among both Iraqis and American troops in the first week of October.

That sense of worsening fiasco has intensified the institutional revolt, as demonstrated by two events during the last week of September, just before Congress adjourned for the November election. On Sept. 25, the Senate Democratic Policy Committee held its 11th hearing on the Iraq war. But

it was the first hearing in which retired officers who had served in Iraq testified on the conduct of the war. One of those retired officers, Maj. Gen. John Batiste, who commanded the 1st Infantry Division in Iraq in 2003 and 2004 (and who makes an appearance in Ricks's book), told the committee that Rumsfeld's "dismal strategic decisions resulted in unnecessary deaths of American servicemen and women, our allies, and the good people of Iraq." Rumsfeld, he said, "violated fundamental principles of war, dismissed deliberate military planning, ignored the hard work to build the peace after the fall of Saddam Hussein, set the conditions for Abu Ghraib and other atrocities that further ignited the insurgency, disbanded Iraqi security force institutions when we needed them most, constrained our commanders with an overly restrictive de-Ba'athification policy, and failed to seriously resource the training and equipping of the Iraqi security forces as our main effort."

Another element of the institutional revolt is that 51 military veterans are running for Congress this year, as Democrats. Two days after the Senate Democrats' hearing, 10 of those veterans, accompanied by Rep. John Murtha (D-Pa.), held a press conference in Washington. Murtha highlighted the damage that the Iraq war is inflicting on the military and praised the candidate veterans for "fighting to take back the honor and patriotism that they deserve."

So, Ricks is giving voice to those who are worried about the damage that the Cheney-Bush war policy and the misleadership of Rumsfeld are inflicting on the integrity of the institution of the military. Ricks, however, is himself part of an institution, the news media, which played a less than honest role in the buildup to war in 2002 and early 2003; therefore, his book tells only part of the story.

The Murawiec Affair

On July 10, 2002, a man described as a "senior analyst" of the RAND Corporation delivered a diatribe to the Defense Policy Board, in the form of a power point presentation of 24 slides, describing Saudi Arabia as an enemy of the United

States. The Board was then chaired by neo-con Richard Perle. The briefer recommended that the U.S. government give the Saudis an ultimatum to stop backing terrorism or face seizure of its oil fields and its financial assets invested in the United States. "The Saudis are active at every level of the terror chain, from planners to financiers, from cadre to foot soldier, from ideologist to cheerleader," the briefer stated.

The briefer further declared that "Saudi Arabia supports our enemies and attacks our allies," and he described that country as "the kernel of evil, the prime mover, the most dangerous opponent" in the Middle East. The briefer further argued that "removing [Saddam] Hussein would spur change in Saudi Arabia" which, he maintained, "is the larger problem because of its role in financing and supporting radical Islamic movements."

That so-called "analyst" was Laurent Murawiec, a one-time European associate of Lyndon LaRouche who left *EIR*'s Wiesbaden, Germany, office in 1990, having been picked up by the organized crime circles of fugitive Marc Rich, and later brought to the United States by Richard Perle, who sponsored an appearance Murawiec made at the American Enterprise Institute in 1999. A few years before he left *EIR*, Murawiec had objected to the publication of a 1986 special report entitled "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," which highlighted Sharon's U.S.-organized-crime connected backers who ran the Jonathan Pollard Israeli spy ring.

The Murawiec story was broken on Aug. 6, 2002 by none other than Tom Ricks, in a front-page article in the *Washington Post*. However, this particular episode, which caused such a firestorm at the time, doesn't get mentioned in his book. In fact, Ricks plays down the role of the Perle-led Defense Policy Board in the run-up to the war in Iraq, mentioning only one Policy Board meeting in September 2001 addressed by Perle's favorite Iraqi, Ahmad Chalabi, and British Arab Bureau agent Bernard Lewis.

As for Perle himself, Ricks writes that Perle's "influence in the events leading up to the war likely has been overstated." Perle may have had some influence in the office of Vice President Dick Cheney, Ricks says, but the author otherwise limits Perle's role in the war drive as the one who seemed to be "willing to be quoted in the media, saying in public what his more discreet allies in the Bush Administration, such as I. Lewis 'Scooter' Libby, Cheney's chief of staff, would say to reporters only on background."

Murawiec Exposé Meets Angry Response

Although not mentioned in *Fiasco*, the response to Ricks's Aug. 6, 2002 exposé was instantaneous and angry. Ricks reported that on the next day, according to State Department spokesman Philip Reeker, Secretary of State Colin Powell called Prince Saud Faisal, the Saudi Foreign Minister, to reassure him that Murawiec's briefing did not "reflect the

views of the President of the United States or of the U.S. government." Rumsfeld called the story "unfortunate," and complained that leaking of it was "a terribly unprofessional thing to do and clearly harmful." Murawiec's ostensible employer, RAND Corporation, issued a statement disavowing Murawiec's briefing, saying that it "was not a RAND research product."

Sources close to the Bush Administration told *EIR* that the backlash against Perle had "badly damaged the neo-conservative 'mole-hill' inside the Bush Administration, giving ammunition to Powell in his fight against the Cheney cabal over the Iraq war, the Israel-Palestine peace process, and other Middle East policy issues," wrote Jeffrey Steinberg in the Aug. 23, 2002 *EIR*. More important, Steinberg said, the Murawiec rant, and Ricks's exposé of it, demonstrated "for all to see that the Wolfowitz-Perle faction's objectives are the total breakup of American ties to the moderate Arabs, in favor of Anglo-American-Israeli imperial policy."

Before the heat from the Murawiec episode had cooled down, Vice President Cheney told the national convention of the Veterans of Foreign Wars in Nashville, Aug. 26: "There is no doubt" that Iraq possessed weapons of mass destruction. Cheney claimed that in the age of terrorists, and dictators who were willing to share weapons of mass destruction with them, containment, which worked so well during the Cold War, was no longer possible.

"Many of us are convinced that Saddam Hussein will acquire nuclear weapons fairly soon," Cheney said. "Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction," and that "there is no doubt that he is amassing them to use against our friends, against our allies, and against us." Even worse, "the risks of inaction are far greater than the risks of action." Ricks describes this speech as "even more stunning than it appeared to be then, because it has become clear with the passage of time that it constructed a case that was largely false."

Not only would Cheney continue this drumbeat, but it would find its way into President Bush's 2003 State of the Union speech, in the form of the infamous "16 words," which claimed that the British had evidence that Saddam was trying to acquire uranium ore from Niger.

Ricks does not mention the Niger claim, the fact that it was based on forged documents, or the fact that it was exposed by Amb. Joseph C. Wilson IV, until page 384, and only then in the context of the story of *New York Times* reporter Judith Miller, who had fabricated a dozen stories backing up Cheney's claims, and then got caught up in U.S. Attorney Patrick Fitzgerald's investigation of the leak of the identity of Wilson's wife, who was a CIA operative working on weapons of mass destruction issues. As in the Murawiec affair, the Niger forged documents affair, and Cheney's vendetta against Wilson for exposing it publicly, Ricks does not get at the issue of the *intent* of the war-mongers in their invasion of Iraq.



The Washington Post/Robert A. Reeder

Then-Secretary of State Colin Powell (left) argues with Secretary of Defense Donald Rumsfeld, as National Security Advisor Condoleezza Rice looks on. Ricks joins much of the military establishment in blaming Rumsfeld for the failure of the war. But Ricks himself is part of the media apparatus which played a less than honest role in the buildup to war—the story he leaves out.

The Post Admits That It Omits

One possible clue to why Ricks omits the Murawiec caper from his book appeared in the *Washington Post* itself on Aug. 12, 2004. Staff writer Howard Kurtz, in an article entitled “The *Post* on WMDs: An Inside Story,” reported that some critics complained that the *Post* did not give prominent placement to stories questioning the Bush Administration’s claims about weapons of mass destruction in Iraq, during the run-up to war in late 2002 and early 2003. “We should have warned readers we had information that the basis for this was shakier” than was widely believed, Bob Woodward told Kurtz in an interview. “Those are exactly the kind of statements that should be published on the front page.”

Ricks was one of the victims of that failure. “The paper was not front paging stuff,” he said. “Administration assertions were on the front page. Things that challenged the ad-

ministration were on A18 on Sunday or A24 on Monday. There was an attitude among editors: Look, we’re going to war. Why do we even worry about all this contrary stuff?” Kurtz recounts that in October of 2002, about three months after he broke the Murawiec story, Ricks turned in an article entitled “Doubts,” in which he reported that senior Pentagon officials were resigned to an invasion but were reluctant and worried that the risks were being underestimated. The article was killed by the *Post*’s then-national security editor, Matthew Vita, who supposedly expressed frustration that Ricks quoted only retired officers by name.

The fact that the *Post* was burying information contrary to the Bush Administration’s drive for war does not get much play in Ricks’s book, except in general terms. He notes that the editorial page was “hawkish,” and he cites one incident in which the *Post* had evidently helped drive the case for war. The deputy chief of the CIA’s Iraq task force had dismissed concerns about sections of the speech that Colin Powell was about to deliver to the United Nations on Feb. 5, 2003, because, he said, he saw war with Iraq as inevitable. When Congressional investigators later asked him why he thought war was inevitable, he said, “My source of information was the *Washington Post*,” an indication, Ricks writes, “of the significant role the media played in paving the road to the Iraq war, and especially influencing the views of intelligence operatives.”

Military Disaster in Iraq

What the reader is presented with, then, is a detailed account of a story that is now becoming more widely known in general terms: the military and strategic failure of the Iraq war. Ricks, like a large segment of the military establishment, lays the blame for the insurgency right at the feet of Donald Rumsfeld, starting with the pre-war planning for the post-Saddam Hussein Iraq, which left too few troops to secure the country, after the fall of Saddam’s government in April of 2003, to the replacement by Amb. Paul Bremer of retired Lt. Gen. Jay Garner, who was initially chosen by Rumsfeld to administer post-invasion Iraq. Bremer’s first three decisions as American pro-consul in Baghdad—de-Ba’athification, disbandment of the Iraqi army, and the closing of state-run factories—laid the groundwork for the insurgency that would emerge that Summer.

Garner had planned to put the Iraqi army back to work. “One of our goals is to take a good portion of the Iraqi regular army” and put them to work in reconstruction, he had told reporters at the Pentagon in early March. “The regular army has skill sets to match the work that needs to be done.” A month earlier, Garner had briefed Condoleezza Rice, Bush’s National Security Advisor, on his plans. “Cannot immediately demobilize . . . 300-400K unemployed,” one of his briefing slides had stated. “Take advantage of ready labor force. . . . Reconstruction is labor intensive.” He

had contracted with MPRI, a military consulting firm, to draw up a plan to put up to 100,000 Iraqis to work on the low-tech end of reconstruction.

Garner told Ricks in an interview that having an operating Iraqi army was a key element of U.S. military planning, and all the top commanders were for it. Lt. Gen. David McKiernan, the overall commander of coalition ground forces, was particularly anxious. Garner said of him, he “beat me up every day, saying ‘When are you going to get the army back?’ ”

By mid-June 2003, Garner, McKiernan, and a host of others working on the stabilization of post-invasion Iraq were gone, replaced by politically hand-picked functionaries in Bremer’s Coalition Provisional Authority (CPA), and an inadequately staffed headquarters commanded by the Army’s most junior Lieutenant General, Ricardo Sanchez. Retired Marine General Bernard Trainor, and *New York Times* military correspondent Michael Gordon report in their book, *Cobra II: The Inside Story of the Invasion and Occupation of Iraq*, that McKiernan saw the Summer of 2003 as the period of a lost chance to build support and prevent the insurgency from gaining momentum: “With few exceptions, we were not being shot at. I could walk the streets anywhere in Baghdad. Most Iraqis, there, still viewed us as liberators, even if they did not particularly like us culturally,” he said in December 2005.

“From the beginning in planning for a post-Saddam Iraq, we failed to seize a window of opportunity to get military, political, economic, and informational effects harmonized to bring order to a chaotic situation,” McKiernan said. “While the Ba’athist hardliners would have opposed the coalition under any circumstances, I believe the insurgency’s mosaic of affiliations was not a pre-ordained event.”

But it wasn’t just the policy decisions emanating out of the White House and the Pentagon that helped bring on the insurgency during the Summer of 2003. Ricks accuses the Army of having completely forgotten the hard-won lessons of the Vietnam War, particularly the lessons of counter-insurgency warfare. Ricks clearly represents a faction of the military establishment, in expressing this view; recent issues of *Military Review*, the professional journal of the Army’s Combined Arms Center at Fort Leavenworth, Kansas, have been replete with articles making almost the identical point.

The French in Algeria from 1954 to 1957, the British in Malaya in the 1950s, and the U.S.-run CORDS/Phoenix program in South Vietnam in the 1960s seem to be the main experiences these writers are reaching back to. Obviously, the French failed in Algeria, but that failure is the subject of a book entitled *Counter-insurgency Warfare: Theory and Practice*, by David Galula, a retired French army officer, who had fought in World War II, studied Mao Zedong’s insurgency in China, was in Greece during the civil war there, and then fought in Algeria. Galula’s book was almost unknown at the Army Command and General Staff College

as of 2003. It has since become something of a bible there.

No Doctrinal Solution to This Problem

Ricks argues that the failure to apply classical counter-insurgency methods to the early going in Iraq, also helped to intensify the insurgency. He singles out Maj. Gen. Ray Odierno (since promoted), who commanded the 4th Infantry Division in Iraq from May 2003 to May 2004, in particular. Odierno’s huge cordon-and-sweep operations indiscriminately sent tens of thousands of Iraqis to Abu Ghraib prison, thereby not only creating more recruits for the insurgents, but also helping to set the conditions for the torture scandal that emerged in the Spring of 2004.

Getting praise from Ricks are Lt. Gens. David Petraeus, who now commands the Army Combined Armed Center after two tours in Iraq, and James Mattis, who commanded the 1st Marine Division in Iraq in 2004. Mattis and Petraeus jointly oversaw the production of the new Army-Marine Corps counter-insurgency manual, which begins with a quote from Galula. Ricks also praises Col. H.R. McMaster for successfully applying classical counter-insurgency methods in Tal Afar during the Winter of 2005-06. McMaster’s 3rd Armored Cavalry Regiment was cited by President Bush in early 2006 as a sign of the “progress” the United States was supposedly making in pacifying Iraq up to that time.

McMaster, who holds a Ph.D. in history from the University of North Carolina, is an interesting figure for another reason, however. He is the author of *Dereliction of Duty: Lyndon Johnson, Robert McNamara, the Joint Chiefs of Staff and the Lies that Led to Vietnam*, in which he documents how Secretary of Defense McNamara and Gen. Maxwell Taylor lied to President Johnson and the American people about Vietnam. More important for the military establishment, McMaster also documents how senior military leaders failed to challenge those lies, even though they knew McNamara’s strategy would lead to disaster. McMaster’s book has often been cited as a factor in the above-cited “generals’ revolt.”

The problem in trying to fight the war in Iraq now, according to competent counter-insurgency strategy, is that it fails to address the political objectives of the Bush Administration in the Middle East. Ricks, himself, provides the answer, early in his book when he recounts why the war party rejected the advice of former National Security Advisor Brent Scowcroft. Scowcroft had warned in an Aug. 15, 2002 op-ed in the *Wall Street Journal* about the regional effects of an attack on Iraq. “If we reject a comprehensive perspective . . . we put at risk our campaign against terrorism as well as stability and security in a vital region of the world.” For Dick Cheney and Paul Wolfowitz “ ‘Stability’ wasn’t their goal, it was their target,” Ricks writes (emphasis in the original).

As Lyndon LaRouche keeps warning, that is precisely the point. No amount of competent counter-insurgency doctrine can overcome a war policy meant to produce decades of religious warfare. Again, the issue is one of *intent*.

Cheney Could Be Prosecuted As International War Criminal

by Nancy Spannaus

A group of academics, analysts, think-tankers, and former government officials have issued a letter under the auspices of the group Advocacy for Principled Action in Government, demanding that President Bush correct, or repudiate, statements made by Vice President Dick Cheney on Sept. 10, in which he embraced the concept of aggressive war. The letter, which was distributed to every Congressional office on Sept. 27, was accompanied by extensive documentation of how Cheney's statements violate the entire post-World War II history of U.S. government commitments.

"His public statements open Cheney to potential prosecution as an international war criminal," commented former Democratic Presidential candidate Lyndon LaRouche, in reference to the letter's argument. In fact, Cheney knew there was no threat by Iraq, and was explicitly acting in violation of the Nuremberg Principles against unprovoked aggression.

Already in October of 2002, *EIR* pointed out, under the title "Launching Aggressive War Is a Nuremberg Crime," that the pre-emptive war which the Bush Administration was in the process of launching at that time, was a war crime in violation of fundamental principles of international law and treaties to which the United States is a party. At the point when the actual invasion of Iraq was carried out, in March 2003, *EIR* again cited the prohibition against launching aggressive war, which was embodied in the Charter of the Nuremberg Tribunal, to which the United States was and is bound as a signatory, and whose principles were formally adopted by the UN General Assembly in 1950.

Cheney, who has done everything possible to try to prevent prosecution of administration officials, starting with himself, for crimes such as torture, has now put himself out front as champion of the blatantly illegal, as well as immoral, international war crimes.

Documentation

Cheney Must Be Challenged

The following open letter from analysts and former government officials was issued on Sept. 27, 2007, under the title "Cheney's Statements on Justification of War Must Be Challenged."

On September 10th, in a televised interview on NBC's Meet the Press, Vice President Dick Cheney stated with little ambiguity that we would have invaded Iraq in 2003 even if we knew that Saddam did not have weapons of mass destruction. This statement by our nation's vice president repudiates the legal and moral principle of non-aggression which has been accepted by the international community and has won the United States international trust and respect. This repudiation must not go unnoticed or unchallenged by Congress and the American people.

Of the many findings of "fact" in the Joint Congressional

Authorization for Use of Military Force Against Iraq Resolution of 2002, the key finding was that Iraq was producing and stockpiling weapons of mass destruction and had both the capability and intent to use them in short order. Under the principles of international law that we helped design, and to which we have committed ourselves, only a perception of imminent armed attack justified our first use of force against the territorial integrity and political independence of Iraq in 2003.

Congress must clarify to the administration and to the American people that Congress would not have supported an invasion of Iraq in the absence of the intelligence reports and administration assurances that Iraq did have weapons of mass destruction posing a threat of imminent attack to us and our allies. In addition, it is vital that Congress demand that the president correct, or repudiate, the recent remarks made by Vice President Cheney.

In the aftermath of the death and economic devastation of World Wars I and II, the United States led the world in the development of an international legal framework condemning non-defensive acts of war. This was codified and ratified



White House/Kimberlee Hewitt

Policy analysts write in an open letter: "Vice President Cheney's statement that we would have invaded Iraq even if we knew they had no weapons of mass destruction is a repudiation of what we have repeatedly avowed for more than fifty years: that we shall not attack another nation in the absence of an attack or truly imminent attack on us or our allies, unless it is done under the authority of international law and/or the direction of the United Nations, e.g. in response to a humanitarian crisis." Here, Cheney with Illinois Rep. Henry Hyde (left), Sept. 19, 2006.

by all major powers in the United Nations Charter, and explicitly accepted as binding by all members of the United Nations (now including virtually every nation in the world). Regardless of other concerns we have had about the UN over the ensuing years, this aspect of international law codified particularly in Articles 2 and 51 of the UN Charter has often been re-affirmed and never repudiated by the United States.

For over half a century our government has recognized that this legal framework serves our long-term interests and faithfully reflects the moral stance of the American people. The American people do not approve of war as an instrument of foreign policy, but only as a justified and necessary response to forceful attacks upon us or our allies. Even when the case was not clear, in certain conflicts, our government has at least formally supported the international legal framework of the UN Charter.

In 2003, the Bush administration assured Congress and the American people that there was no doubt that Saddam Hussein had weapons of mass destruction. Many in our military, intelligence, and diplomatic communities still had doubts. Many in Congress expressed concerns, but in the end a majority decided to authorize the president to respond to the immediate threat his administration described.

Alternative justifications offered by Vice President Cheney during the recent interview are clearly legally insufficient for military action. A capability to produce weapons

of mass destruction in the future, the use of weapons of mass destruction in the past, crimes against the people of Iraq, possible connections with terrorist organizations—all of these qualify as grievances which the United States might bring against Iraq in the United Nations, as we did, but do not constitute grounds for the first use of force without UN approval.

In particular, the justification offered by Cheney that Iraq would have become a threat in the future is exactly the kind of argument that the international legal principles are designed to inhibit. Any nation might perceive another nation as a future threat. Germany perceived France and Russia as threats in 1914. Japan perceived the United States as a threat in 1941. North Korea and Iran view the United States as a threat today, particularly after our invasion of Iraq. China could view Taiwan or the United States as a future threat. A non-imminent future threat justifies preparedness, diplomacy, changes in

policy, and appeals for UN action, but does not justify military force.

Vice President Cheney's statement that we would have invaded Iraq even if we knew they had no weapons of mass destruction is a repudiation of what we have repeatedly avowed for more than fifty years: that we shall not attack another nation in the absence of an attack or truly imminent attack on us or our allies, unless it is done under the authority of international law and/or the direction of the United Nations, e.g. in response to a humanitarian crisis. We cannot allow Cheney's repudiation to stand, even if it was made extemporaneously and unofficially. Congress and the president must provide a clear statement that Vice President Dick Cheney's remarks do not represent US policy and that we remain committed to a policy of non-aggression.

Signatories include Samuel R. Berger, Chairman, Stonebridge International LLC, Fmr. National Security Advisor; Gen. Wesley Clark, Fmr. NATO Supreme Allied Commander, Distinguished Sr. Advisor, Center for Strategic and International Studies Trustee, Center for American Progress; Scott Horton, Adjunct Professor, Columbia Law School, Committee on International Law, Assn. of the Bar of the City of New York; Ray McGovern, Retired CIA Analyst, Political Policy Analyst and Commentator; and many others. Organizational affiliations are listed only for identification purposes. Signa-

tories are acting in their individual capacity and not in representation. Full list at www.principledaction.org.

The following documentary evidence of how Vice President Cheney's remarks violate U.S. principles and practice, is excerpted from that included with the letter to Congress.

1. NBC Meet The Press Interview with **Vice President Dick Cheney**, 9/10/2006 (Transcript available at <http://www.msnbc.msn.com/id/14720480/>)

Mr. Russert: But Mr. Vice President, the primary rationale given for the war in Iraq was Saddam had weapons of mass destruction. You, on August of 2002, this is what you told the VFW. Let's just watch it. (Videotape, August 26, 2002)

Vice President Cheney: Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction. (End of videotape)

Mr. Russert: In fact, there is grave doubt, because they did not exist along the lines that you described, the president described, and others described. Based on what you know now, that Saddam did not have the weapons of mass destruction that were described, would you still have gone into Iraq?

Vice President Cheney: Yes, Tim, because what the reports also showed, while he did not have stockpiles, clearly the intelligence that said he did was wrong. That was the intelligence all of us saw, that was the intelligence all of us believed, it was, when George Tenet sat in the Oval Office and the president of the United States asked him directly, he said, George, how good is the case against Saddam on weapons of mass destruction? The director of the CIA said, It's a slam dunk, Mr. President, it's a slam dunk. That was the intelligence that was provided to us at the time, and based upon which we made a choice.

Mr. Russert: So if the CIA said to you at that time, Saddam does not have weapons of mass destruction, his chemical and biological stocks have been degraded, he has no nuclear program under way, you'd still invade Iraq?

Vice President Cheney: Because, again, look at the Duelfer Report and what it said. No stockpiles, but they also said he has the capability. He'd done it before. He had produced chemical weapons before and used them. He had produced biological weapons. He had a robust nuclear program in '91. All of this is true, said by Duelfer, facts. Also said that as soon as the sanctions are lifted, they expect Saddam to be back in business.

2. Joint Congressional Authorization for Use of Military Force Against Iraq Resolution of 2002:

Whereas Iraq both poses a continuing threat to the national security of the United States and international peace and security in the Persian Gulf region and remains in material and unacceptable breach of its international obligations by, among other things, continuing to possess and develop a sig-

nificant chemical and biological weapons capability, actively seeking a nuclear weapons capability, and supporting and harboring terrorist organizations; Whereas Iraq's demonstrated capability and willingness to use weapons of mass destruction, the risk that the current Iraqi regime will either employ those weapons to launch a surprise attack against the United States or its Armed Forces or provide them to international terrorists who would do so, and the extreme magnitude of harm that would result to the United States and its citizens from such an attack, combine to justify action by the United States to defend itself;

3. Nuremberg International Conference on Military Trials, Agreement and Charter, 8/8/1945:

Article 6. (a) CRIMES AGAINST PEACE: namely, planning, preparation, initiation or waging of a war of aggression, or a war in violation of international treaties, agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing.

4. United Nations Charter

Chapter I, Article 2:

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations. Chapter VII, Article 51: Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

5. Vice President Dick Cheney, Speech to Veterans of Foreign Wars, August 26, 2002:

Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction. There is no doubt that he is amassing them to use against our friends, against our allies, and against us.

6. President George Bush, Press Conference at Camp David September 7th, 2002:

The one thing that no one can deny is that Saddam Hussein is in breach of the United Nations resolutions on weapons of mass destruction—that is, chemical, biological, nuclear weapons; that that poses a threat not just to the region, because there is no way, if those weapons were used, that the threat would simply stay in the region.

7. Statements of past presidents confirming U.S. accep-

tance of the legal principles embodied in the United Nations Charter:

President Harry Truman, Address to the Opening Session of the United Nations General Assembly, 10/23/1946:

The United States of America has no wish to make war, now or in the future, upon any people anywhere in the world. The heart of our foreign policy is a sincere desire for peace. This nation will work patiently for peace by every means consistent with self-respect and security. Another world war would shatter the hopes of mankind and completely destroy civilization as we know it.

I am sure that every delegate in this hall will join me in rejecting talk of war. No nation wants war. Every nation needs peace.

To avoid war and rumors and danger of war the peoples of all countries must not only cherish peace as an ideal but they must develop means of settling conflicts between nations in accordance with the principles of law and justice.

The difficulty is that it is easier to get people to agree upon peace as an ideal than to agree upon principles of law and justice or to agree to subject their own acts to the collective judgment of mankind.

But difficult as the task may be, the path along which agreement may be sought is clearly defined. We expect to follow that path with success.

In the first place, every member of the United Nations is legally and morally bound by the Charter to keep the peace. More specifically, every member is bound to refrain in its international relations from the threat, or use, of force against the territorial integrity or political independence of any state.

In the second place, I remind you that 23 members of the United Nations have bound themselves by the Charter of the Nuremberg Tribunal to the principle that planning, initiating or waging a war of aggression is a crime against humanity for which individuals as well as states shall be tried before the bar of international justice.

President Dwight D. Eisenhower, Address Before the 15th General Assembly of the United Nations, 9/22/1960:

The first proposition I place before you is that only through the United Nations Organization and its truly democratic processes can humanity make real and universal progress toward the goal of peace with justice. Therefore, I believe that to support the United Nations Organization and its properly constituted mechanisms and its selected officers is the road of greatest promise in peaceful progress. To attempt to hinder or stultify the United Nations or to deprecate its importance is to contribute to world unrest and, indeed, to incite the crises that from time to time so disturb all men. The United States stands squarely and unequivocally in support of the United Nations and those acting under its mandate in the interest of peace.

The United States wants the Soviet Union and all the nations of the world to know enough about United States

defense preparations to be assured that United States forces exist only for deterrence and defense—not for surprise attack. I hope the Soviet Union will similarly wish to assure the United States and other nations of the nonaggressive character of its security preparations.

President Richard Nixon, Address Before the 24th Session of the General Assembly of the United Nations:

The test of the structure of peace is that it ensure for the people of each nation the integrity of their borders, their right to develop in peace and safety, and their right to determine their own destiny without outside interference.

As long as we live with the threat of aggression, we need physical restraints to contain it.

But the truest peace is based on self-restraint—on the voluntary acceptance of those basic rules of behavior that are rooted in mutual respect and demonstrated in mutual forbearance.

The more closely the world community adheres to a single standard in judging international behavior, the less likely that standard is to be violated.

President Ronald Reagan, Remarks Before the United Nations General Assembly, 6/17/1982:

As both patriots of our nations and the hope of all the world, let those of us assembled here in the name of peace deepen our understandings, renew our commitment to the rule of law, and take new and bolder steps—to calm an uneasy world. Can any delegate here deny that in so doing he would be doing what the people, the rank and file of his own country or her own country want him or her to do? Isn't it time for us to really represent the deepest most heartfelt yearnings of all of our people?

Let no nation abuse this common longing to be free of fear. We must not manipulate our people by playing upon their nightmares.

President George Bush, Sr., Address to the 46th Session of the United Nations General Assembly, 9/23/1991:

Where institutions of freedom have lain dormant, the United Nations can offer them new life. These institutions play a crucial role in our quest for a new world order, an order in which no nation must surrender one iota of its own sovereignty, an order characterized by the rule of law rather than the resort to force, the cooperative settlement of disputes rather than anarchy and bloodshed, and an unstinting belief in human rights.

Finally, you may wonder about America's role in the new world that I have described. Let me assure you, the United States has no intention of striving for a Pax Americana. However, we will remain engaged. We will not retreat and pull back into isolationism. We will offer friendship and leadership. And in short, we seek a Pax Universalis built upon shared responsibilities and aspirations.

National News

Carter Calls for End to Siege of Palestinians

Former President Jimmy Carter issued a statement on Oct. 7, calling for resumption of a serious peace process between Israel and the Palestinians.

"The attempt to coerce Hamas leaders by starving the Palestinian people has failed," he said, "and it is time for the international community to alleviate their suffering and resort to diplomacy.

"Since elected Hamas members assumed a major role in the Palestinian National Authority, Israel and the United States (with uncomfortable acquiescence from the European Union) have deprived the people of humanitarian aid and have even withheld taxes and customs that belong to the Palestinian government," creating a situation in which the PNA "has not been able to pay its debts, or to compensate police, teachers, nurses, or other public servants."

Pointing to the violence between Palestinian factions, he said that "inevitably, violence has broken out in Gaza among protesting citizens whose families are suffering" because of the "stranghold" by Israel.

"It is doubtful that the Palestinian leaders will seek a reconciliation with Israel . . . as long as the Palestinians are subjected to this kind of debasement and personal suffering."

In conclusion, he declared, "A strong peace effort has been absent for the past five years. It is long overdue."

Warner, Levin Sound Alarm on Iraq War

In separate Oct. 5 press conferences to report on their findings from a recent trip to Iraq, where they met with Iraqi leaders, U.S. military officers, and U.S. Ambassador Zalmay Khalilzad, Senators John Warner (R-Va.) and Carl Levin (D-Mich.), the chairman and the ranking Democrat on the Senate Armed Services Committee, gave dramatic reports on the collapsing situation in Baghdad and Anbar province.

Warner characterized the situation as qualitatively different from that on his earlier trips. He noted that violence has increased, while the economic situation in many places was horrendous, and the situation was at best "drifting sideways." He said at one point that the current offensive in Baghdad was "lost," but later changed that to saying that the Madi militia of Muqtadar al-Sadr in Sadr City must be subdued and disarmed, or the battle will be lost. Warner indicated that the "uniforms" (the U.S. military officers) give a "more cautious evaluation" than the Administration does, and that the next 60-90 days will determine whether the Iraqis can end the violence, or, if not, the Congress must take a stand of its own, separate from the Administration, to deal with Iraq.

Senator Levin was even more pessimistic than Warner. He reported that when he told U.S. Ambassador Khalilzad of his belief that the United States must set a date for beginning a phased withdrawal, to put the Iraqis on notice, Khalilzad told him twice that that would be an excellent message to be delivered to the Iraqis "by the Senate," although clearly this contradicts the Administration policy and Khalilzad could not say it himself.

Bill Against Iran Also Targets Russia

The so-called Iran Freedom Support Act, H.R. 6198, passed by voice vote in the House on Oct. 5 and the Senate on Oct. 6. It not only codifies existing sanctions against Iran which had been imposed under Executive order, and requires secondary sanctions against any person or entity determined to be doing business that benefits Iran's nuclear program, or its acquisition of missiles or other conventional weapons; it also targets Russia.

Embedded in the bill is a sense-of-the-Congress resolution that states that "it should be the policy of the United States not to bring into force an agreement for cooperation with the government of any country that is assisting the nuclear program of Iran or transferring advanced conventional weap-

ons or missiles to Iran," unless Iran suspends uranium enrichment activities, or that government suspends all nuclear assistance to Iran and all weapons transfers.

Bush Defies Congress With Signing Statements

Despite the uproar over the President's use of "signing statements," President Bush used this device twice the week of Oct. 2, to say that he won't comply with laws enacted by Congress. In signing the military budget bill, Bush issued a signing statement challenging 16 of its provisions, including a prohibition against the Pentagon using intelligence that is gathered illegally (such as information on Americans collected in violation of the Fourth Amendment), and a requirement that the President notify Congress if he diverts Pentagon funds to secret activities or otherwise. The Homeland Security bill says that no one except the Department of Homeland Security privacy officer can alter, delay, or prohibit the mandated annual report to Congress; the issue is how "watch lists" are created that affect air travel, government employment, etc. Bush affirmed that he can alter the report; it also challenged other aspects of the bill, such as requirements for the director of FEMA to have at least five years experience, and "demonstrated ability" in emergency management and homeland security.

The Congressional Research Service issued a report on Sept. 20, which states that the Bush Administration is using signing statements as "an integral part" of its "comprehensive strategy to strengthen and expand executive power" at the expense of the legislative branch; and that they are a means to condition Congress into accepting the White House's broad conception of "unitary executive" Presidential power, which includes a Presidential right to ignore laws that he believes are unconstitutional. The "broad and persistent nature of the claims of executive authority forwarded by President Bush appear designed to inure Congress, as well as others, to the belief that the president in fact possesses expansive and exclusive powers upon which the other branches may not intrude."

Stop Dick Cheney's Mad Drive for World War!

by Muriel Mirak-Weissbach

If the expanding political mobilization against an “October Surprise”—a military attack against Iran—succeeds in thwarting the Cheney-Bush drive, at least through the middle of October, it is likely that the war party will be forced to postpone its planned war of aggression until after the Nov. 7 mid-term elections, simply because action at a date too close to the vote, would be rightly perceived as a desperate election ploy. In the view of Lyndon LaRouche, this means that the period immediately after Americans go to the polls, would be equally fraught with danger, as Cheney et al. could hit Iran, in the context of a broader provocation against Russia and China, the ultimate targets of their permanent-war policy.

The momentum is building *against* the war planners, as an international mobilization of the LaRouche forces and new, explosive denunciations of an “October Surprise” scenario, by military, political, and intelligence circles, have been cross-feeding each other, generating a groundswell which is forcing political figures in the U.S. Congress to act.

A spate of articles appearing on Internet sites and publications of think-tanks like The Century Foundation and Global Research, have filled in the picture outlined by *EIR* over months, of what an attack against Iran would entail. Analysts as well as military professionals have stated outright that the attack has been planned and has entered the operational phase. Furthermore, detailed accounts have been provided of what the likely Iranian response would be. The net message is that summed up in a mass-distribution leaflet by Helga Zepp-LaRouche (included in this issue), now circulating in Europe: The war is for real, so do something to stop it before it is too late.

Reality, Not Scenarios

Col. Sam Gardiner, a retired U.S. Air Force officer who has been running “war games” which lay out the Cheney-Bush Administration’s military strategy, rang the alarm bell in March, at an international conference in Berlin, where he stated that the decision had already been made to go to war. Since then, Colonel Gardiner’s analyses have appeared in several locations, including *EIR*. Recently, he authored a lengthy report issued by The Century Foundation, which laid bare the fraud of the “Summer diplomacy” conducted by Secretary of State Condoleezza Rice (see *EIR*, Oct. 6, 2006).

In a Sept. 30 interview with INNWorldReport.net, Colonel Gardiner addressed the probable use of nuclear weapons against Iran, saying it “would be a very serious event, breaking a 61-year taboo against the use of nuclear weapons.” In his estimation, there is a 90% probability of air strikes against Iran in the next three-four months. The nuclear weapons would be used, as other military professionals have explained, to hit deeply buried targets, where conventional bunker-busters won’t work. Gardiner believes that the first phase of war will entail five nights of air strikes, after which Iran will be given an ultimatum, essentially to capitulate. The aim of the U.S. assault will then be to target the Revolutionary Guard, intelligence services, and members of the leadership, by assassination. This will be carried out with the aim of regime change.

Significantly, Gardiner’s warnings were picked up by major American and international media outlets. A UPI column by Arnaud deBorchgrave on Oct. 2, was picked up by the *Washington Times*, among others. In it, deBorchgrave recalled that Colonel Gardiner, “who called all the correct diplo-

matic and military plays preceding Operation Iraqi Freedom, now sees diplomatic failure and air strikes against Iran's nuclear facilities." DeBorchgrave quoted Gardiner's emphasis on the importance of Dick Cheney's "one-percent doctrine," i.e., "if there is even a one-percent chance of a country passing WMD to a terrorist, the U.S. must act." He also reported Gardiner's view that the policy is for regime change. UPI's international editor Claude Salhani also quoted Gardiner's warnings, saying that "the drums of war have already started beating to the cadence of military action that could be taken against Iran any time now." Salhani noted the parallels with the build-up to the Iraq war, adding, "Iran will not be a repeat performance of the Iraq scenario. A military attack on Iran will prove to be a far more difficult and costly campaign. . . ."

The fact that the war plans are operational, was also laid out convincingly in an Oct. 1 report by the Canada-based think-tank, Global Research, entitled, "The March to War: Naval Build-Up in the Persian Gulf and the Eastern Mediterranean." Author Michel Chossudovsky presented the deployments to the eastern Mediterranean, by the United States and other countries—under the pretext of UN Resolution 1701 on



Col. Sam Gardiner (ret.)

Lebanon—and the deployment to the Persian Gulf, as two parts of a war plan targetting Syria and Iran. Editor Mahdi Darius Nazemroaya noted that the buildup is coordinated with aerial attacks, which have been planned since early 2004, in CONPLAN 8022, perhaps with nuclear weapons. Making the point that wars are not organized overnight, and that this war has been in the making for years, the author placed it in a long-term strategy going back to the U.S.-U.K.-manipulated Iran-Iraq War of 1980-88, as well as the breakup of the Balkans and the eastward push by NATO following 1991.

The most important items in the report, which may be based on material from Iranian sources, are details concerning the kinds of capabilities being deployed to the region, which prove that Iran is the immediate target. The *USS Enterprise*, for example, which leads the *Enterprise* Strike Group, is supposed to be in the region for operations in Iraq and Afghanistan. However, "the warships are carrying with them equipment which is not intended for these two war theaters. Minesweepers and mine-hunters have absolutely no use in landlocked Afghanistan and are not needed in Iraq, which has a maritime corridor and ports totally controlled by the Anglo-American alliance." Such facilities are just what are needed, however, if one wants to keep the Straits of Hormuz clear. Furthermore, the *Enterprise* "carries with it a host of infiltration, aerial attack, and rapid deployment units. . . . Special mention should be made of the helicopter squadron special-

ized for combatting submarines travelling with the strike group. "Helicopter anti-Submarine Squadron 1" will be on-board the *USS Enterprise*."

The significance of this is clear: Anti-submarine capabilities would make sense only in conflict with a nation with a considerable submarine fleet; Iran is the *only one there*. The report says, in fact, that "anti-submarine drills and operations" of these units, and Canadian units, will take place "off the coast of Hawaii," before they reach their destinations. The *USS Enterprise* and the *USS Eisenhower*, which leads the Eisenhower Strike Group, will be deployed to the Gulf of Oman and to the Persian Gulf.

The Iranian Response

Most chilling and at the same time most efficient in waking up a daydreaming public to the danger of World War III, are the detailed reports by military and strategic experts, on what Iran will do if attacked. Dr. Abbas Bakhtiar, an Iranian author writing from Norway, issued an article entitled, "US vs. Iran—Is An Attack Inevitable?" in *Scoop Independent News*, Aug. 28. A second, 80-page article, is entitled "US vs. Iran: Hybrid War."

The latter article, amply documented, also identifies regime change as the aim. On Iran's response, he provides more information than has been generally available, starting with detailed information on Iran's air force, its missile strength, and so forth. To illustrate Iran's response, the author reviews many recent military maneuvers that have taken place, showing that they are all geared to a full mobilization in case of attack.

In conducting what Bakhtiar calls "hybrid war," Iran will use its regular and irregular forces, for both a conventional war and asymmetric warfare. According to his figures, Iran has a regular army of 350,000, for conventional warfare, plus 100,000 Iranian Revolutionary Guard Corps (IRGC), plus 100,000 Basij forces (volunteers). The army also has 350,000 reserves, and the Basij have a reserve strength of up to 300,000 (according to one report cited, 1.2 million men and women, plus 2 million inactive militia members). Finally, there are the 45,000-60,000 in the Interior Ministry serving as police and border guards.

In a land version of asymmetric war, he writes, Iran could mobilize fighting forces into Iraq, causing damage to the U.S.-U.K. forces, and disrupting their supply lines. As for the asymmetric war in the Persian Gulf, this would involve blocking the Straits of Hormuz. Bakhtiar notes that the IRGC has a separate navy with 20,000 men, with tethered mines, small fast-attack ships, and anti-ship missile systems. "To clear the shores of these missiles, the US has to invade the southern part of Iran. To clear the islands [30], it has to occupy them. To do these things, US has to first clear the entire Persian Gulf of over 1,500 small IRGC vessels, requiring a large assemblage of naval forces in the area; which

incidentally will have to pass through the Straits of Hormuz.” In the event of a blockade, the Chinese could use their own tankers for oil, risking a possible conflict with the United States. If the Iranian objectives include stopping the flow of oil, which Bakhtiar believes is the case, they could hit oil tankers and also oil wells and other facilities, using their missiles. Qatar, Bahrain, and Kuwait could thus be targeted, since they host U.S. bases.

The article includes detailed information on Iran’s weaponry, recalling how, after the revolution, it established its own arms production capabilities in the Defense Industry Organization and the Aerospace Industries Organization, employing 35,000 and 10,000 respectively.

Bakhtiar sums up the Iranian strategy of hybrid warfare, saying Iran has been preparing for this since 1980. The Iranians have carefully observed the U.S. experience in Afghanistan and Iraq. “Iran’s recent military maneuvers have shown that the country, if attacked, intends to unleash one of the largest irregular armies ever seen. . . . If there is going to be any fighting now, it is the IRGC that is going to be at the front in Afghanistan and Iraqi cities and towns. The conventional army will be used in defensive position to protect the mainland.” If, as he believes, Iran would respond to an air attack by sending the IRGC into both neighboring countries to fight the United States, “The only option for the US then is to try to invade Iran. But by then its 190,000 troops will be busy fighting an asymmetric war with the IRGC (+ Basij) forces and their allies in Iraq and Afghanistan.” The other option is of course nuclear weapons. Iran, he writes, could deploy chemical and biological weapons. If Iran attacked Israel, Israel would attack Syria. Syria, which has a defense pact with Iran, would be drawn in any way.

The report provides a vivid account of what LaRouche has in mind, when referring to “asymmetrical warfare” as the form of World War III.

If one were skeptical regarding the account of a layman, one should consider the estimates put out by professional military personnel. There are the growing ranks of retired military officers, like those Americans who have led the “generals’ revolt” against Defense Secretary Donald Rumsfeld, ostensibly for his incompetent handling of Iraq, but actually to prevent his starting a new war in Iran. In addition, there are *active duty* officers who are sending clear signals of what to expect if Rumsfeld is not tied down. Gen. John Abizaid, who is active duty chief of Central Command, was quoted at length in an article, “Conundrum: Have worries about Iraq made Iran impervious to attack?” in *Aviation Week*. “I don’t want to underestimate Iran,” he said. “Its conventional forces are defensively oriented, but its intelligence forces are offensively oriented. Iran has traditionally conducted an asymmetric campaign in the region and they continue to do that.” Regarding the uselessness of a ground war, he said: “I believe our strategy for the area can’t be to control it. No nation on Earth has ever controlled the Middle East. As a matter of fact,

you’ll rapidly find out that the Middle East is going to control you.” Notwithstanding, he would agree to attack threats there. “We should attack without hesitation Al Qaeda cells wherever we find them.” As for the measures Iran would take in retaliation, Abizaid laid out the following: It could block the Straits of Hormuz, using its missile force, “that can do a lot of damage to our friends and partners in the region”; deploy a “pretty robust terrorist surrogate arm that could, in the event of hostilities, cause problems [regionally and] globally.”

Political Mobilization

The military analyses and warnings put out by General Abizaid, among many others, have been incorporated into weekly strategic overviews provided by *EIR*, which have been circulated widely in Washington, D.C. by the LaRouche Youth Movement. And the impact is being felt, as political leaders, from both sides of the aisle, are finally beginning to take note of the danger, and govern themselves accordingly. Numbers of Republicans and Democrats have begun to call for White House motion towards solving the alleged conflict with Iran, through words, not missiles, as we documented in our last issue, with the initiatives by Maryland Republican Rep. Wayne Gilchrest, and Ohio Democrat Rep. Dennis Kucinich. So far, there has been no public response from the administration.

Nor is this political activation confined to the United States. Most important has been the attentive reaction displayed by circles in Russia, through their rapid circulation of *EIR*’s continuing campaign to prevent war. On Oct. 2, an article by Jeffrey Steinberg, entitled, “Is Desperate Cheney Scheming Nuclear Sneak Attack on Iran?” went out in Russian translation, to LaRouche movement contacts in Russia and CIS countries, and was immediately, circulated and discussed. It appeared on the Ukrainian site politics.in.ua, under the headline, “Cheney Dive-Bombs Iran. With Nukes?”

On economist Mikhail Khazin’s widely read worldcrisis.ru site, a staff member posted the article in the site forum, where an all-day debate was going on, about an analysis that’s circulating on the Internet (*EIR* earlier received it from Australia), titled, “Puts forecast October surprise?” The “puts” article points to a large volume of ‘put’ options for Oct. 6, saying that the same pattern preceded the Iraq invasion. The worldcrisis.ru staff member offered Steinberg’s article as an explanation for the pattern.

Khazin added his own commentary to the posting, saying that “even if Bush and Cheney don’t hit Iran, the existence of such well-founded concerns within the American Establishment sheds an entirely different light on the Russian-Georgian crisis, and the place of those provocations in U.S. plans.” He painted a scenario, whereby Georgian President Saakashvili would lure Russia into a clash in the Kodori Gorge in Abkhazia. With demonstrations against “Russian aggression towards defenseless little Georgia” going on throughout Europe, Georgia would appeal to the UN, Foreign Minister

Sergei Lavrov would have to appear to defend Russian policy. “And under cover of this hullabaloo, the USA would ‘merely’ hit some targets in Iran with nuclear bunker busters.” Khazin concluded with a remark that it was likely due to considerations such as these, that President Vladimir Putin “looked pale” at the Oct. 1 Russian Security Council meeting.

The Broader Threat

It should come as no surprise that Russian media would respond to *EIR*’s exposés and calls for action, considering that, as LaRouche has again stressed recently, the ultimate targets of the Cheney war party are the great powers of Eurasia, China, India, and Russia. As we go to press, the crisis triggered by Georgia’s Saakashvili is escalating, and the tone of voice adopted by Russian President Putin, Foreign Minister Lavrov, and others, is becoming markedly harsher. As the Russian leaders have made clear, they view the provocation launched by Tblisi, with the arrest of four Russian diplomats as “spies,” as an operation emanating from those same circles inside the United States who are pushing for war against Tehran. This specific incident, in turn, is placed, correctly, within the broader context of the eastward expansion of NATO, and other threats to Russia and its role in the region, including its leading function in the Shanghai Cooperation Organization (SCO).

In this situation, the role played by Russia and China as permanent members of the UN Security Council, on the Iran dossier, is delicate. Secretary of State Rice has just completed a tour of the Persian Gulf and Middle East, during which she tried—apparently without much success—to constitute a “moderate Arab coalition” against Iran and other “extremist” forces in the region (read: Hamas and Hezbollah). Immediately following her regional tour, she moved on for a meeting of the “five-plus-one” group—the five permanent Security Council members, plus Germany—which has been dealing with the Iranian nuclear issue. From comments made to the press, it is clear that Rice’s intention was to force through a new resolution in New York, establishing a new ultimatum for Iran to suspend its uranium enrichment program, under the threat of sanctions. Significantly, Rice was quoted as saying *not* that Iran had to be prevented from developing an atomic bomb, but that Iran had to be prevented from acquiring the knowledge required. “The issue here is that Iran should not be in a position to acquire the technical expertise to enrich and reprocess.”

Sanctions, as Iranian President Mahmoud Ahmadinejad made clear again on Oct. 5, would not have a tremendous effect on the country, except to further exacerbate tensions and fuel anti-Americanism among the population. But sanctions, for Rice, for U.S. Ambassador to the UN John Bolton, and for the British, are important as a stepping-stone towards armed conflict. Thus, the response of the Russians and the Chinese will be key, politically, in determining whether or not the war party can be stopped in its tracks.

Address to Europeans

‘October Surprise’ Before U.S. Elections?

by Helga Zepp-LaRouche

Helga Zepp-LaRouche is the national chairwoman of the Civil Rights Movement Solidarity (BüSo), a German political party. She issued this leaflet on Oct. 3, with the subtitle “Is the Bush Administration Planning To Use Nuclear Weapons Against Iran?” It has been translated from German, and sub-heads added.

Dear Citizen,

If the representatives of the U.S. military, the intelligence services, and politicians are right in their warnings of a new military attack, this time using nuclear weapons against Iran, then World War III could still break out in October. In the U.S.A., a series of concrete warnings has been issued in recent days and weeks, that the military preparations for such attacks from the air have been finalized. In addition, there are indications that this time, the Administration will neither consult nor give prior notice to either the U.S. Congress or the UN Security Council.

An array of prominent personalities have appeared before the public with these warnings, including: Gary Hart, former Senator and Democratic Presidential candidate; Paul Craig Roberts, former Assistant Secretary of the Treasury in the Reagan Administration; Gen. William Odom (ret.), former Director of the National Security Agency (NSA); Gen. Anthony Zinni (ret.), former head of the U.S. Central Command; Gen. Barry McCaffrey (ret.), former head of the U.S. Southern Command and “Drug Czar” in the Clinton Administration; Col. Sam Gardiner (USAF, ret.); and Lt. Col. Karen Kwiatkowski (USAF, ret.), to name only a few.

Some of these sources are warning that the most likely time period for this military strike could be as early as Oct. 4-18, but definitely before the U.S. Congressional elections on Nov. 7. The strikes are to be carried out, without forewarning, by long-range bombers and missiles, as well as from aircraft carriers, which are already located in the Indian Ocean and the Persian Gulf. So-called “bunker busters,” i.e., tactical nuclear weapons, are to be used, to destroy the Iranian nuclear facilities allegedly buried deep underground. The sources also report, that mass resignations and retirements among top ranks in the military will take place, if such a strike were to occur.

If this were to happen, it would be the beginning of a global asymmetrical war and an actual war of civilizations: It



EIRNS/James Rea

Organizers from the BüSo in Berlin in July, campaigning to prevent war against Iran (poster on the left), and against synarchist banker Felix Rohatyn and the “financial locusts” in Germany who work with him.

would be a descent into a New Dark Age. Incomprehensibly, in Europe, the members of the national parliaments lull themselves into confidence that such a military strike will not take place, because the resistance of Europe, Russia, and other nations is too strong. Nothing is more foolish than this view. If the governments and parliaments do not now immediately openly declare that they will resign from NATO in the event of such an attack, in the shortest time, it could be too late.

Not a Foregone Conclusion

With the approval by the U.S. Congress of the fascist law that officially permits torture during interrogations, the U.S.A. threatens to completely lose its character as a constitutionally sovereign republic, and could turn into a fascist dictatorship. The intellectual leader of the Democratic opposition, Lyndon LaRouche, has now, therefore, called for a broad mobilization against this danger in the next five weeks of the hot phase of the election campaign. He is demanding immediate impeachment of Bush and Cheney, and the firing of Rumsfeld. The lower 80% of the “forgotten men and women,” i.e., the social strata discriminated against by the current system, must be mobilized in order thus to bring the Democratic Party back once again to the tradition of Franklin D. Roosevelt.

The fact that various politicians and military representatives are appearing before the public with warnings about an immediately pending military attack on Iran, does not mean that this war is already a foregone conclusion. On the contrary, the warnings have the purpose of mobilizing the public in

opposition to it. But only if this mobilization achieves the necessary strength, and the pressure on the members of Congress leads to the initiation of impeachment procedures now, even in the middle of the election campaign, can the catastrophe be stopped. In any event, Europe must openly say, that it sees the danger and the consequences that follow from it.

The actual dynamic for these insane plans—which does not at all revolve primarily around the Iranian nuclear program, but rather around the formation of a world empire—lies in the systemic crisis of the world financial system. The gigantic losses of the Amaranth hedge fund and other financial institutions, banks, etc., as well as the ever more dramatic collapse of the U.S. real estate market, are the beginning of the crash of the global dollar system. If now even the French representative of the Lazard Frères investment bank, Jacques Attali, warns of the breakdown of the world financial system, that speaks volumes. After all, with its policy of enforced monetary union, the [François] Mitterrand regime, for whom Attali was the top advisor, bears a not insignificant share of the blame for the crisis of the system.

Governments, Citizens Must Act

It is hardly comprehensible, but in the face of this twofold existential threat—the danger of war and the financial crash—there is at present no indication that any efforts are being undertaken by governments and parliaments to counter the war danger, or to arrest the process of the financial crash, or to solve it through a new financial architecture. Instead, they are engaged in useless schemes to solve partial problems, with senseless economic measures and personal intrigues.

Unfortunately, it is also the case, that the greater part of the population is not entirely without blame for the current developments. Not to vote at all, as over 40% of eligible voters did in the most recent elections in Berlin and Mecklenburg-Premomerania, or to “go with the flow” and vote for the “lesser evil,” plays directly into the hands of the financial oligarchy. The actual alternative were to participate in a real type of solution, as the BüSo presents it. Every citizen is now called upon to do exactly that.

The attempt by Lyndon LaRouche in the U.S.A. to resuscitate the Democratic Party and to activate it in the image of Roosevelt for the policy of the New Deal and a New Bretton Woods, is absolutely essential, if there is still to be a solution. At the same time, LaRouche and his international movement are attempting in these weeks, through a dialogue among the institutions of Eurasia, the Americas, and Africa, to put the issue of a new, just world economic order on the agenda.

The fate of mankind hangs by a silk thread. In the coming weeks, the decision about war or peace, about a systemic financial collapse or a new, just world economic order, will be made. Take an active part in this movement, which can make the difference.

Yours,
Helga Zepp-LaRouche

Stop the Bloodbath In the Arab World

by Mohammad Selim

Professor Selim teaches political science at Cairo University. This excerpt is taken from the statement he sent to LaRouche PAC's Sept. 6 Berlin-Washington webcast, at which Lyndon LaRouche initiated an extended dialogue with Eurasian intellectuals and political figures, as EIR has reported in the last few issues. Another Berlin-Washington webcast will take place on Oct. 31 at 10:00 a.m. Eastern Standard Time. It can be viewed at www.larouchepac.com.

Since the collapse of the Camp David II conference in July 2000, the Arab world has been engulfed in a bloodbath. . . .

Our main argument is that the July-August Israeli invasion of Lebanon was part of a broader strategy of destruction devised by the neo-conservative rulers in Washington, which began in Afghanistan, Palestine, and Iraq, with a view of establishing a new Middle East, dominated by the American-Israeli alliance. However, such a strategy is bound to fail, as destruction has been generating more opposition to the American-Israeli project in the Arab world. But before proceeding, three main points may be in order.

First, it is too simplistic to assess this war as if it were a war between a terrorist group and a state subjected to terrorism. The concept of terrorism has been widely misused by the American and Israeli rulers to stereotype resistance groups which are determined to defeat Israeli ambitions in Arab occupied territories. The heavy hand of the Western media machine has been quite active in de-legitimizing the Lebanese, Palestinian, and Iraqi resistance groups. The end result is the mystification and de-legitimization of the other, and the inability to reach out to comprehend its grievances. The terrorism label was associated with the use of violence against innocent civilians. But all the parties, including Israel, have been using this kind of violence.

In fact, the Israeli record in this domain is unrivalled in the region. Recently, Azmy Bishara, a Palestinian-Israeli member in the Knesset, said that throughout the Israel-Hezbollah confrontations since 1985, Israel killed thousands of Lebanese civilians, including around 1,000 in the July-August 2006 invasion of Lebanon. Hezbollah has only killed 20 civilians in response to the Israeli killings of Lebanese civilians.¹ However, it is Israel that charges Hezbollah with

terrorism, Bishara added. Either the terrorism label is to be applied to all those who attack innocent civilians, including Israel, or it should be dispensed with. Selective application of the concept increases the sense of injustice, especially when the label is used to justify the occupation of Arab territories, as Israel is doing in Palestine, and the U.S.A. in Iraq. . . .

Second, this war was triggered by Hezbollah capturing two Israeli soldiers, but Israel responded by attacking Lebanese civilian targets, media stations (including the LBC [Lebanese Broadcasting Corp.], which does not belong to Hezbollah), and UN observers. The July 30 Qana massacre, in which dozens of children were killed in cold blood while in bed, was not the first. In 1996, Israel attacked Lebanese civilians in the same village who sought refuge in the UN camps, but Israeli artillery and helicopters killed almost 100 Lebanese civilians. When Boutros Boutros Ghali, the then UN Secretary General, made public the report of the UN field commander in Lebanon that Israel had deliberately targeted Lebanese civilians, the U.S.A. rewarded him by denying him a second term in office. In a recent interview with the Egyptian daily *Al-Wafd*, Boutros Ghali revealed the pressures that the U.S.A. exercised on him to classify the UN field commander report. The result was that no international investigation was done of the Qana 1 massacre, which encouraged Israel to commit the Qana 2 massacre. Had there been a full investigation of the Qana 1 massacre, Qana 2 would not have happened.

Compare the international investigation of the assassination of [Lebanese Prime Minister Rafik] al-Hariri, where Syria was asked to leave Lebanon and cooperate unconditionally with the UN Commission, with Israel's refusal even to receive the "fact-finding" UN commission into the Jenin massacre of March 2002, with no protest from any Security Council member. The same policy of targeting civilians was applied to the Palestinians. When Palestinian fighters captured an Israeli soldier, Israel replied by capturing Palestinian parliamentarians and ministers who are still now in Israeli jails, and by turning Gaza upside down with the Apaches and bulldozers. . . . Underlying these differential approaches to Arab and Israeli civilian victims, is an image which projects Arab and Israeli civilians as unequal.

Third, President Bush justified his full backing of the Israeli invasion of Lebanon on grounds of the right of Israel to defend itself. This is a valid argument. The problem is that self-defense is restricted to Israel. The Arabs have no right to exercise this right, as far the American-Israeli neo-conservative alliance is concerned. Palestinians have a right to defend themselves against Israeli occupation and colonization of their land. Iraqis have a right to defend themselves against the invasion of foreign powers, and the Lebanese also have a right to defend themselves against the occupation of Shaba'a Farms and the detention of hundreds of Lebanese prisoners in Israeli jails. However, when the Arabs exercise their right to self-defense, the "terrorism" cliché is quite ready to de-legitimize such an exercise.

1. Azmy Bishara, "Conflict among cultures is a slogan that is being implemented in the Lebanon War," *Al-Hayat* (London), Aug. 10, 2006.

One-Sided Support for Israel

At the global level, the U.S.A. and the European Union pursued two main strategies which contributed to the present bloodbath in the Arab world. The first was the strategy of “benign neglect” toward the Arab-Israeli conflict, and claiming that the root causes of the conflict were the lack of democracy in the Arab world, not territorial occupation and colonization. In the meantime, Israel was given a green light to unilaterally impose its views of future peace on the Arabs, even if this required destroying them. Notice that when Israel began its bloody crackdown on Hamas in 2004, the U.S.A. gave public approval, and the EU put Hamas on its list of terrorist organizations, thereby signaling Israel to proceed to kill. The end results of this strategy were the present bloodbaths and the failure to solve the conflict or to promote democracy in the Arab world.

Second, the U.S.A. and the EU introduced a new rule into Middle East politics: Israel, and only Israel, will determine the type of peace in the region. Peace will not come about as a result of serious negotiations based on Security Council resolutions, but as a result of Israel’s own conceptualization of such peace. Notice that Security Council Resolution 425, issued in 1982, calling upon Israel to withdraw from Lebanon, was partially implemented in 2000. For 18 years, Western powers ignored resolution 425, and when Israel felt obliged to withdraw in 2000 under Hezbollah’s military pressure, it retained portions of Lebanon, Shaba’a Farms. Once again, no Western power asked Israel to complete its withdrawal. Compare this “soft” approach with the Western approach to the implementation of Security Council Resolution 1559. The approach this time was the immediate, full, and unconditional withdrawal of Syrian forces from Lebanon, but Israel was never asked to do likewise from Shaba’a Farms. Had Resolution 425 been fully implemented, we would not have been in the present situation. But because of the Euro-American reluctance to ask Israel to do anything that it does not want to do, Security Council Resolution 425 has not been fully implemented until today, and the name of the game now is Resolutions 1559, and 1701.

After Sept. 11, 2001, the U.S.A. began to pursue a new strategy quite reminiscent of its strategy towards Japan and Germany after the end of the Second World War, that is, to defeat the other, force him to acknowledge defeat, and move to restructure his society for that position. In fact, that was what President Bush said in his April 2002 statement, when he referred to the cases of Japan, Germany, and Russia as models for his future Arab strategy. The neo-conservative policymakers of the Bush Administration could not comprehend the major discrepancies between these experiences and the Arabs. The countries which Bush referred to were defeated and acknowledged that, especially in the cases of Japan and Germany.

It is highly inconceivable that the Arabs will follow suit. This is essentially because the Arabs perceive themselves as



EIRNS/Wolfgang Lillge

Prof. Mohammad Selim: The Bush Administration talks about “nation-building” in the Middle East, “without realizing that in this part of the world there were civilizations thousands of years ago, and that the talk about ‘nation-building’ in the Arab world is perceived as an insult to the Arabs.”

targets of aggression. They have not committed aggression, as Japan and Germany had done. Further, Arab cultures are basically different from those of Japan and Germany. They would not accept a foreign power imposing its “cultural” terms on them, as the case of the French policy of assimilation in Algeria has proven before. Nevertheless, the Bush Administration is proceeding on the faulty assumption of rebuilding the defeated (Arab) other, and talking about “nation-building” in the Middle East (Iraq), without realizing that in this part of the world there were civilizations thousands of years ago, and that the talk about “nation-building” in the Arab world is perceived as an insult to the Arabs.

The American-Israeli project in the Middle East was given a face-lift in 2004 through the “Greater Middle East Project.” The essence of the project was democratization, as “democracies do not fight each other.” This is true, provided that there are no territorial claims between democracies. The present struggle between Israel and Lebanon and Palestine testifies to the limitations of this claim. The U.S.A. used the democratization claim in order to blackmail

Arab governments to unconditionally endorse the new American strategy in Iraq and Lebanon, or else the democracy weapon would be used, and if used it would mean their ouster from power. This explains the silence of most Arab governments towards the Israeli atrocities against the Palestinians and the Lebanese. The very survival of these governments is at stake.

One should add a footnote here. The Greater Middle East project was not a response to Sept. 11, or the invasion of Iraq, but was a project designed by the neo-conservatives in the mid-1990s and brought in to the open only in 2003. I remember I visited the Rand Corporation in Santa Monica, California in July 1994. There I met Zalmay Khalilzad, the present U.S.A. "ambassador" to Iraq, and one of the leading neo-conservative figures. He introduced himself as the director of the "Greater Middle East Center" at Rand. When I asked him to clarify the meaning of this newly coined concept, he just smiled. The second time I heard about that concept was in 2004, when the neo-conservatives pulled it out from their files and announced it as if it were a response to the Middle East problems. . . .

Real Causes and Solutions

Where do we go from here? Condoleezza Rice said that the New Middle East is emerging from this war. The Arabs understood that Miss Rice wants a Middle East void of any opposition to American and Israeli interests, or as one Egyptian analyst put it, "Miss Rice wants a great apartheid regime in the Middle East under the name of democracy."² In fact, the Greater Middle East is widely perceived in the Arab world as a new "Sykes-Picot" Agreement.³ The present war will not result in the fulfillment of the American-Israeli design of the new Middle East. The Israeli experience in Lebanon in 1982, the American experiences in Afghanistan and Iraq, are strong testimonies to the accuracy of that conclusion. Notice that Hezbollah was created as a response to the Israeli invasion of Lebanon in 1982. The goal of the invasion was to finish off the Palestinian resistance. Granted that the PLO was ousted from Lebanon, but Hezbollah was established as a resistance force to Israeli occupation of southern Lebanon between 1982 and 2000, and it was that resistance that forced [Israeli Prime Minister Ehud] Barak to withdraw.

President Bush also said he would like to deal with "root causes" of the problem, which is the capture of the Israeli soldiers. This is *not* the root cause of this war. The root cause is inherent in the failure of Israel to honor its commitments

under the Oslo agreements and to commit itself to full withdrawal from the Arab occupied territories, and the Israeli-American determination to impose a settlement which amounts to the Bantustanization of Palestine.

The first step in any sustainable solution is the full implementation of all the agreements and the resolutions which are already in place. Virtually all the agreements which Israel had signed with the Palestinian Authority were not fully implemented (and some were not implemented at all), and no agreed-upon withdrawal dates were respected by Israel. The Arab Peace Initiative of March 2002 (full withdrawal and full normalization of relations) was immediately reciprocated by Israel with the Jenin Massacre. The Road Map was an attempt to absorb the fury of Arab public opinion against the invasion of Iraq by appearing as if the U.S.A. and Britain were trying to solve the Palestinian question, at a time in which they were invading Iraq. The Road Map has partially achieved its objective and has been shelved into the archives of history.

What is needed now is to go back to the "real" root causes. These are Israeli occupation of Lebanese, Syrian, and Palestinian territories. This means the full implementation of Security Council Resolution 425 and all the agreements signed with the Palestinian Authority, and initiating real negotiations on the full withdrawal from Palestinian territories and Syrian territories occupied in June 1967, and the dismantling, not of Hamas, but of the colonies that Israel has been building on Palestinian and Syrian territories. Realistically, given the present Middle Eastern and global power equation, this is not likely to happen in the near future. But during this war, Hezbollah was able to stand up to the Israeli war machine, and frustrate its objectives. This has changed the strategic equation in the Middle East in the direction of a possible sustainable and equitable solution. For once, Israel should realize that vicious military force has its limitations, and that political solutions based on mutual recognition of the other are indispensable. Any other outcome, including the recently issued Security Council resolution 1701, will mean that the Middle East bloodbath will continue.

Such a prospect can be tremendously facilitated by Eurasian powers cooperating to present an alternative to the militaristic strategy of the neo-conservative warmongers in Washington. Such an alternative should include political and economic dimensions. The political dimension should include the immediate convening of a multilateral Middle East peace conference to reach an agreement on the territorial and arms control issues, and devise supporting confidence-building mechanisms to reinforce any deal on those issues. As for the economic dimension, new links must be established between the Eurasian mega-economic projects and the Middle East countries, with a view of extending the benefits of these projects to these countries, and diverting the region from the culture of conflict and domination, to a one of cooperation and mutual respect.

2. Mohammad Said, *Al-Ahram*, July 31, 2006.

3. In 1915, the British promised Sherif Hussein of Mecca and the Arab nationalists in Syria to establish an Arab unified kingdom in the Arab East and the Arabian Peninsula, if the Arabs joined them to oust the Turks from these areas. The Arabs accepted the promise. But in 1916, the British and the French signed a secret deal known as the Sykes-Picot Agreement, according to which they divided the Arab East between them.

Rhodes ‘Dialogue of Civilizations’ Hears LaRouche Spokesmen

The Fourth Annual Conference of the “World Public Forum Dialogue of Civilizations” in Rhodes, Greece, brought some 600 religious leaders, former high-level government officials, heads of civil organizations, and academic figures together from around the world, in the effort to prevent a “new dark age” of religious and ethnic conflicts from engulfing our planet. The three-day event, on Sept. 27-Oct. 1, was chaired by the Forum’s two initiators, Russian Minister of Railways Vladimir Yakunin, much discussed as possible successor to Putin as President of Russia, together with the famous Indian thinker Jagdish C. Kapur.

The World Public Forum was founded in Rhodes in 2003 as an explicit counterpole to Samuel Huntington’s notorious thesis about the “Clash of Civilizations.” The Forum has since then grown rapidly in size and influence, in reaction to the insane push by the Bush Administration and its backers to bring about exactly such a clash. With a very large and high-level Russian delegation and major Russian sponsorship, the event reflected, albeit unofficially, a foreign policy orientation of Russia’s government, as well as the thinking in India and a number of other views. The conception of the Forum was approved by President Putin and officially supported by the heads of state of India, Iran, Uzbekistan, Greece, and other nations.

Already at the 2003 annual conference of the Forum, Helga Zepp-LaRouche, founder and president of the Schiller Institute, and head of Germany’s Civil Rights Movement Solidarity party (BüSo), was a featured invited guest. This year’s conference had an even larger attendance, and included for the first time a working group devoted to debating different approaches to global economic policy. LaRouche advisor and *EIR* representative Jonathan Tennenbaum was specifically invited to address that working group. (The advance summary that Tennenbaum submitted to the conference organizers accompanies this article, below.) The very fact that this session was held marked an important change relative to previous years, which had nearly exclusive emphasis on religion and culture in the context of the Dialogue.

Among the high points at the opening plenary session were the remarks by J.C. Kapur and by Berl Lazar, Chief Rabbi of Russia. Clearly aiming at shaking up the audience, Kapur declared that “time is running out!” World civilization is headed for a collapse “of unimaginable proportions” unless

the present course of history is changed. Chief among the causes is an economic system which keeps the majority of the world’s population poor and aims at preventing people from developing a sense of their own minds. Berl Lazar, in a mixture of endearing Jewish humor and earnestness, focussed on the utter absurdity of religious conflicts. “We are all God’s children” he said. “How can you claim to love God, and at the same time hate His children?”

The Economy of Development

Jonathan Tennenbaum opened the working session on “Problems and Perspectives of the Global Economy” with a 35-minute speech on “Dynamics and the Dialogue of Civilizations—The Principles of Physical Economy.” His presentation, attended by a selected audience which included some of Russia’s leading experts on strategic planning, as well as representatives from Poland, Egypt, Brazil, Mexico, and Germany, focussed on the present world crisis, the perspectives of Lyndon LaRouche’s concept for a Eurasian Land-Bridge, and LaRouche’s original discoveries in physical economy.

Tennenbaum stressed that the present system of financial and economic relations between nations, based on the axioms of “free trade globalization,” is incompatible with the survival of civilization. He challenged the audience to look at economics from the standpoint of no less than the next 50 years. When you do that, you see that economic reality is determined, first of all, by the gigantic scale of physical investments that must be made, starting now, to secure the infrastructural basis upon which the existence of the world population depends. You see how ridiculous it is to try to measure economic value by money. To measure economic value, you must understand that human economies depend upon the discovery and communication of ideas. Tennenbaum went on to present key points of LaRouche’s original discoveries in physical economy, discoveries which made it possible for the first time to define a truly rigorous measure of economic value. It is on this that LaRouche’s proposals for a New Bretton Woods reorganization of the world monetary-financial system are based.

Tennenbaum’s presentation became de facto the keynote for the whole session, and was then referenced by practically all the following speakers. It was followed by a lively and controversial discussion.



EIRNS/Rosa Tennenbaum

Jonathan Tennenbaum interjected the urgency of the monetary-financial collapse into the discussions of the World Public Forum Dialogue of Civilizations annual conference in Rhodes, Greece.

The same session heard strong presentations by persons familiar with LaRouche's ideas, including Yuri Krupnov, the enthusiastic initiator of the soon-to-be-founded "Development Party" of Russia, and by the influential strategic thinker Yuri Gromyko. Krupnov presented a concept of "development economy," setting forth strategic projects for Russia, including massive new housing construction, infrastructure development of the remote regions, and the creation of a great new city, on a scale comparable to Moscow, in the eastern part of the country. This "Moscow of the East" would serve as a locomotive and coordinating center for developing the whole of Siberia and the Far East of Russia.

Yuri Gromyko provoked the audience by proposing that Russia adopt the national mission of demonstrating to the whole world, a new conception of development based on scientific revolutions. This will require an entirely different approach to the organization and spirit of society, and the creation of new types of institutions. He also emphasized the crucial role of nuclear energy worldwide in the coming period.

The session also heard presentations by strategic planning experts from the school of the late Pobisk Kuznetsov, a leading scientist in the former Soviet scientific-military complex who had developed his own approach to physical economy,

and, who, in his later years, became an admirer and personal friend of Lyndon LaRouche.

Much-Needed Interventions

Unfortunately, many of the presentations, in the sessions on culture and education in particular, reflected more the problems than the solutions. Especially problematic was the great emphasis given, in the discussion of education, to the role of the internet. In an intervention that generated much attention, LaRouche presentative Rosa Tennenbaum demolished the Massachusetts Institute of Technology's so-called "education expert" Seymour Papert, who claimed that computers and the internet were bringing about an "educational revolution" around the world. On the contrary, she said, the internet is intrinsically incapable of imparting real knowledge. Learning occurs only by a child replicating an original process of discovery in his or her own mind. So it is about time people forget about formalities and start to discuss the real content of education, she said.

In two other important interventions, Jonathan Tennenbaum sounded sharp warnings about the world financial collapse and the danger that "the clinically insane President Bush" might order an attack on Iran, including use of nuclear weapons. This was especially important, because among the speakers at the plenary sessions, only J.C. Kapur, at the very beginning of the conference, had spoken with any adequate sense of the magnitude and urgency of the crisis facing mankind right now.

A high point of the closing plenary session was an eloquent praise of the principle of human reason, from an Islamic standpoint, sent in by Mahmud Iraki, head of the "Center of the Dialogue of Civilizations" of the Iranian President; Iraki's contribution was read aloud on his behalf.

Low points included babbling speeches by the Germany "greenie" Prof. Hans-Peter Duerr, by oligarch Prince von Esterhazy, and by Olivier Giscard d'Estaing, brother of the former French President. Indicative of the pathological state of mind of Europe's aristocracy these days, Esterhazy presented a panorama of world history from the 15th Century until today, without mentioning a single word about the American Revolution or the United States! Olivier Giscard d'Estaing, on the other hand, stated straightforwardly that the world is basically run by 400 private companies, that are more powerful than the governments—and that people had better learn to live with it! Duerr could not stop talking, and nearly had to be physically removed from the podium.

At the end of the closing plenary session, a final resolution was read aloud, which clearly identified the threat of manipulated religious conflicts, but failed to mention the danger to civilization from a collapsing monetary-financial system. Tennenbaum intervened, in nearly the last word of the conference, insisting that the reorganization of the now-collapsing world financial system is a matter of life or death for civilization, and must be included in the Forum's future deliberations.

His statement was greeted by applause from the audience.

All in all, the conference demonstrated the central point Lyndon LaRouche developed in his latest book on *Earth's Next Fifty Years*: In order to succeed, good intentions are not sufficient; a Dialogue of Cultures cannot be satisfied with a pot-pourri of different opinions, but must proceed from a rigorous scientific notion of truth-seeking. This year's conference had some encouraging and laudable moments, but the next one—if civilization survives that long—will have to be much better.

Jonathan Tennenbaum

'Principles of Physical Economy' Raised at Rhodes

Jonathan Tennenbaum submitted an advance summary of his presentation to the 2006 annual World Public Forum Dialogue of Civilizations conference in Rhodes, under the title "Dynamics and the Dialogue of Civilizations—The Principles of Physical Economy." His presentation opened the workshop on "Problems and Perspectives of the Global Economy."

1. The global economic and financial system in its present form, is fundamentally incapable of supporting civilized existence on this planet. It must therefore be reorganized according to different principles. The present system of radical-liberal "globalization" has led to unsustainable imbalances and intolerable injustices in the structure of the world economy, including exploitation of "cheap labor" without compensation for long-term social costs, deindustrialization and permanent mass unemployment, destruction of social systems, looting of raw materials and other national wealth, undermining of national sovereignty, hypercorruption, and concentration of dominant financial power in the hands of a tiny supranational oligarchy. Even more serious, however, is the danger, that an uncontrolled disintegration of the system, due to the collapse of the real estate bubble in the U.S. and elsewhere, a dollar crisis, or by other events, could plunge the world into a long period of chaos and asymmetric warfare. The world urgently needs a scientifically based alternative for how to organize economic relations between and within nations. The core of that alternative is provided by the science of Physical Economy, as the well-known American economist Lyndon LaRouche has defined and developed it.

2. Over the coming several decades, starting now, gigantic physical investments will have to be made into rebuilding, modernizing, and expanding the basic physical infrastructure

of the world economy—"the life support system of Mankind" (Pobisk Kuznetsov). This includes above all land, sea, and air transport; generation and distribution of energy in all forms—with emphasis on nuclear power; communications and water systems, as well as health and education. Fundamentally new technologies and approaches will be required, to insure the long-term supply and access of nations to raw materials (including fresh water supplies), in face of rapidly increasing requirements. For obvious reasons, Eurasia will be the "center of gravity" of this coming period of large-scale infrastructure development, involving many great projects. Of particular priority is to create a highly efficient network of transcontinental infrastructure corridors, connecting the main concentrations of population and production across the Euro-Asia supercontinent, and opening up large undeveloped areas for investment and the construction of new cities. The demand for high-quality capital goods, arising in connection with the modernization and expansion of basic infrastructure, will largely determine the main directions for industrial investment in the coming period.

3. At the same time, the demand for new technologies, and the need to rely increasingly on large-scale application of nuclear power in various forms, requires a much greater emphasis on scientific revolutions as the "driver" of economy. With transition toward a fission-fusion-based "isotope economy," including the large-scale transmutation of matter, economic life takes on an increasingly "astrophysical" character. The need to maintain sufficient rates of scientific-technological progress will require the expansion of human activity beyond the Earth and near-Earth space into the entire inner region of the Solar System. At the same time, the original discoveries of Vladimir Vernadsky concerning the principles of the Biosphere must be taken into account, in working out long-term policies for managing and developing the Earth's biosphere and its resources in a systematic fashion. (cf. LaRouche's books: *The Physical Economy of the Noösphere* and *The Earth's Next Fifty Years*).

4. Clearly, "market mechanisms" alone could never provide an adequate basis for long-term infrastructure and science investments on such a gigantic scale. Governments will have to assume the chief responsibility, in partnership with the private sector, and in the context of long-term cooperative agreements between nations. Purely financial and monetary considerations cannot be permitted to dictate policy for decisions that will affect the future of entire nations for 50 years or more to come. A well-organized and regulated monetary and credit system, is an indispensable instrument for modern economy, but money cannot define or measure real economic value.

5. The principal criteria, that must be considered in designing economic policy and judging the merits and performance of projects in this period, will necessarily be physical in character: they will involve ratios and rates of increase of energy, power, power density, ton-kilometers and passenger-



IAEA

Tennenbaum stressed that without massive investment in what the late Pobisk Kuznetsov called “the life support system of mankind,” the human race cannot survive, much less grow. Central to this investment is the energy-intensity represented, initially, by nuclear power, and, soon, thermonuclear power. Shown here is an artist’s rendition of Ohi Kansai Electric Nuclear power generation station, Japan.

kilometers of transport, cubic meters of water, supply of basic market-baskets of consumer and industrial goods, and so forth, measured per capita of the population and per square kilometer of inhabited area, as well as measurements of changes in the demographic characteristics of populations, in the structure and quality of the labor force, etc.

6. However, even these kinds of physical parameters, while much closer to reality than monetary prices and profit ratios, cannot by themselves measure true economic value! The problem of measurement of real economic value, which is the crucial problem in economics as well as practical policy-making, cannot be solved without taking into account the spiritual-creative nature of human beings, recognized by all great religions. Here physical economy touches directly upon the heart of the Dialogue of Civilizations.

7. Lyndon LaRouche’s most essential contribution, is that his discoveries provide the means for understanding and measuring the relationship between human creative mental activity, on the one side, and the physical effects of that activity, as they are expressed in the growth of the productive powers of labor, with respect to the ability of society to sustain an increasing potential population-density of human individuals per square kilometer of inhabited area, on the other. The crucial points are, first, that growth of physical productivity of society depends upon the discovery and transmission of ideas among human beings—ideas in the form of newly discovered

physical principles of the Universe, as well as new principles bearing on the organization of social activity, and the elaboration of those discoveries into new families of technologies and other improved forms of human practice. Secondly, that new scientific discoveries of principles take the form of true Platonic ideas: By their very nature, they cannot be adequately represented or communicated by mathematical formulas or other formal modes of communication. Such ideas can only be discovered and grasped within the sovereign mental processes of individual human minds, and can only be communicated through the ironical and metaphoric uses of languages, typified by the greatest works of classical poetry and art. The reason is this: to discover and to communicate a fundamental new physical principle, requires conceptualizing a true “thought object”—something that is not a material object, but has real effects in the Universe; something that exists, but at the same time lies entirely outside the framework of existing conceptions and “axioms” of

thinking, and has no linear relationship to them.

8. This characteristic of true scientific ideas was clearly identified by Nicholas of Cusa and other Platonic thinkers, and was already expressed, in the early astronomical beginnings of science, in the Pythagorean conception of “*dynamis*.” But Lyndon LaRouche was the first to grasp its fundamental implications for the practical measurement of economic value, and to elaborate an entire science of Physical Economy on that basis. One of the most important results of his work, is a new understanding of the role of material production in the social communication of ideas, and of the interconnection between improvements in the material conditions of life, and development of the creative, cognitive powers of the human population.

9. These discoveries lie at the basis of LaRouche’s proposals for reorganization of the world monetary and financial system—the so-called “New Bretton Woods”—and for the creation of a new structure of long-term trade agreements between nations, which could provide the foundation for a prosperous and happy Dialogue of Civilizations in the coming 50 years.

10. To put it very simply: It is not money, nor physical production per se, that must be placed in the center of economics, but rather the image of Man as a creative being, in the image of the Creator, and in relation to the Universe as a whole.

George Shultz Leads Drive To Privatize Mexico's Oil

by EIR Staff

The LaRouche Youth Movement (LYM) is raising the alarm in Mexico, that George Shultz, the godfather of the Bush Administration, is leading an international drive to steal Mexico's oil. In a leaflet circulating through Mexico, in tandem with the mobilization against privatization called by the actual winner of the Mexican Presidential elections, Andrés Manuel López Obrador, the LYM exposes the latest machinations of the Synarchists against Mexico. The leaflet lays out the dirty plot as follows:

"Felipe Calderón had barely been proclaimed 'President-elect' of Mexico, when one week later, George Shultz, the real architect of the Bush-Cheney government and sponsor of Pinochet and his Chile, had already organized a secret meeting in a little town in Canada, with a select group of financiers, officials of the Cheney-Bush and Vicente Fox governments, and representatives of Calderón's presumed incoming government. They gathered to discuss the privatization of Pemex, the Federal Electricity Commission (CFE), the militarization of the U.S.-Mexico border, and other aspects of what would be Mexico's final surrender to the Anglo-Dutch financial interests and their allies in the Synarchist International.

"This is precisely what U.S. Democratic leader Lyndon LaRouche has repeatedly warned of, namely, that this is the fate the Synarchist bankers have reserved for Mexico in the face of the collapsing international financial system now on-rushing.

"The confab was held in Banff, a little tourist town in the Canadian province of Alberta, under the guise of a forum of the member countries of the North American Free Trade Agreement (NAFTA). It was presided over jointly by George Shultz for the United States; former Alberta Prime Minister Peter Lougheed for Canada; and Pedro Aspe of Mexico, the former Finance Secretary of [President] Carlos Salinas de Gortari and current member of the international bankers' network PlanNet Finance, a distinction which he shares with Synarchist banker Felix Rohatyn of Lazard Frères.

"The discussions held between Sept. 12 and 14, included officials from the governments of those three countries, although it was not billed as an official event, as well as such representatives of Felipe Calderón as Arturo Sarukhan, his coordinator of international affairs, and Juan Camilo Mourillo, general coordinator of his transition team.

"To translate what was discussed at this confab into plain language, it is first necessary to explain who George Shultz the fascist really is. This individual partnered with Henry Kissinger during the corrupt Richard Nixon government to, first, in 1971, dismantle the Bretton Woods System created by Franklin D. Roosevelt, thereby paving the way for the globalization process through privatizations and deregulation of the economy, as a way to smash the sovereign nation-state.

"Then, in 1973, Shultz and Kissinger, with the help of Felix Rohatyn, who was then director of ITT, imposed the bloody dictatorship of Augusto Pinochet in Chile, and with the monetarists of the University of Chicago, created the Chile model which the people of that nation still suffer under today.

"Shultz is the true brains behind the Bush and Cheney government. Starting with the campaign in 2000, Shultz organized the so-called Vulcan group, which captured the Bush Cabinet from the very start, and which included Secretary of Defense Rumsfeld, Secretary of State Condoleezza Rice, and other maniacs who have put in place their plan for permanent warfare.

"Since the Salinas era, when the Synarchist program to smash Mexico as a sovereign republic began to escalate, Pedro Aspe has served as little more than the bankers' errand boy, and he continues in that role today. At this event, he pulled together the gang of Mexican traitors that participated in the Banff plot.

"In addition to the Calderón representatives, there were also Vinicio Suro of Pemex; Eduardo Medina Mora of the Public Security Ministry; Gerónimo Gutiérrez, Undersecretary for North America of the Foreign Affairs Ministry; and Mexico's ambassadors to the United States and Canada, Carlos de Icaza and María Teresa García Segovia de Madero, respectively. Jorge Castañeda's half-brother Andrés Rozental served as the Mexican coordinator of the event. And representing Michoacán governor Lázaro Cárdenas was his advisor Carlos Heredia.

"Representatives of Chevron and other international energy groups, along with members of the U.S. government who prepared Cheney's energy plan, joined with Pemex's Vinicio Suro in a forum entitled 'A North American Energy Strategy.'

"The session on security was scheduled to feature U.S. Defense Secretary Donald Rumsfeld, but his presence has not been confirmed, and was perhaps not necessary. But what is known is that there was discussion of relations among the three nations' defense systems, in particular, militarization of the border, immigration, national security, military production, and control of North America's energy reserves.

"Clearly, the international bankers are already celebrating their premature erection results, imagining that with Calderón, they will be able to take Pinochet's Chile and stick it to Mexico.

"Don't let it happen! Those who are promoting the privatization of Pemex, CFE, and the national patrimony of Mexico, are as fascist as their guru George Shultz.

"What Mexico needs are great infrastructure projects to reactivate agriculture and industry, to develop the oil industry as a transition to an economy based on nuclear energy, and to re-nationalize the Bank of Mexico, to take it back from the Synarchist private bankers.

"On October 31, Lyndon LaRouche will give an international webcast to explain the international strategic framework within which Shultz's financial hit-men hope to capture Mexico. You can join it at www.larouchepub.com/spanish at 9 a.m. Mexico time."

The Best-Laid Plans

Clearly, the Synarchist controllers of the Bush Administration had planned this oil grab a long time before the Mexican Presidential election. Indeed, incumbent President Vicente Fox was supposed to be able to implement the privatization of Pemex, but fell flat on his face, because of firm resistance from nationalist sectors within both the PRI and the PRD parties. Now Calderón, a "President" who can hardly show his face in public without facing derision, has been charged with the task by his international controllers.

A task force sponsored by the Council on Foreign Relations (CFR), the Canadian Council of Chief Executives, and the Consejo Mexicano de Asuntos Internacionales (COMEXI, the CFR'S Mexican partner), issued the operant blueprint for the next phase of the destruction of Mexico, Canada, and the United States as independent nations in May 2005, under the title "Building a North American Community." Their aim is nothing less than to establish, by 2010, supranational rule by private interests over the region. As the task force itself asserts, its "central recommendation is establishment by 2010 of a North American economic and security community, the boundaries of which would be defined by a common external tariff and an outer security perimeter." No grand schemes of confederation or union, such as are collapsing in Europe today, are wanted. Rather, the "common economic space" they envision is run by private interests. "A new North American community should rely more on the market and less on bureaucracy," the task force demands.

Task force co-chairs were Boston banker-turned-failed-

politician Bill Weld for the United States; Mexico's Harvard-trained Salinas/Rohatyn operative Pedro Aspe; and Canada's John P. Manley, a former senior government official who headed the Public Security and Anti-Terrorism Cabinet Committee after 9/11.

The Canadian Council of Chief Executives (CCCE) played a key role. Composed of the chief executives of Canada's 150 leading business and financial interests, the CCCE took the lead in ramming through the Canadian-U.S. Free Trade Agreement in the 1980s, and NAFTA later.

The task force pivots its policy on establishing common security and economic policies. The three nations' borders are no longer to be their own, but subordinated to the "North American" criteria. By 2010, a "common security perimeter" is to be established, "rethinking management of the borders," merging defense, law enforcement, intelligence, security force training, as well as adopting "common approaches toward international negotiations on the global movement of people, cargo, and vessels," and imposing the same visa and asylum regulations, so that by 2010, there would be "harmonized entry screening and tracking procedures for people, goods, and vessels." Eventually, they insist, "a broader defense structure for the continent" is required.

One of the wildest proposals, is that only people who could "pay the costs for a security clearance" be granted the proposed "North American border pass," allowing expedited passage throughout all three countries.

Placing the citizens of all three countries under the military boot of a North American community, is intertwined with plans to establish unlimited private looting of resources. Their idea, is that NAFTA didn't go nearly far enough. To secure NAFTA'S passage back in 1994, over fierce objections from nationalist forces in all three countries, trade in natural resources, agriculture, and energy was largely excluded. Now, the financiers demand access to them. And, the private sector is key to doing this. A "North American Resource Strategy" must be developed, they argue, to grab resources more efficiently. The great energy grab is the most critical, but "trade in other natural resources, including metals, minerals, wood, and other products, is also central."

Repeatedly, the CFR et al. target Mexico, for failing to carry out "significant reforms in its tax and energy policies" to suit these private interests. Mexico must "reorient its economic policies," "dramatically expanding investment and productivity in the energy sector."

That means changing Mexico's Constitution, whose "restrictions on ownership, which are driven by an understandable [...] desire to see this strategic asset used for the benefit of Mexicans," have "hampered" development of its oil and gas reserves. "The inclination of Mexico to retain full ownership of its strategic resources is understandable," but the (alleged) resulting inefficiencies require "the development of creative mechanisms, especially financial," to get that foreign capital and technology into Mexico's oil sector.

CRASH TRIGGER

New Tens of Billions Pile Into 'Financial Locust' Funds

by Paul Gallagher

The large number of highly leveraged equity takeovers and buyouts of companies now being staged and planned by hedge funds and private equity funds, are massive bets in a failing economic game, and threaten imminently to trigger an international debt collapse. Though in recent weeks, regulatory institutions of the United States, Britain, and the European Union have pointed to the danger, their public statements have been aimed at lulling their citizens, and their actions have been weakly directed at a previous stage of the crisis—"fighting the last war instead of the coming one."

The danger of an auto sector debt collapse (especially at Ford and GM), which Lyndon LaRouche warned of nearly two years ago, has turned into an ugly reality which—while also ruining the employment of many tens of thousands of skilled wage-earners—this has repeatedly shaken the credit derivatives and related speculative markets during 2005-06. In meetings and statements at the end of September, Federal Reserve and British Financial Services Agency (FSA) officials claimed that they had cleared up the chaos in the credit derivatives markets, but made only the vaguest allusions to the newer, worse threat of highly leveraged takeovers—and highly leveraged defaults.

Betting on a Folding Game

The globally-reported collapse of the \$9 billion Amaranth hedge fund, though *not* highly leveraged by standards of big hedge funds either in the time of LTCM's 1998 blowout, or now, nonetheless appeared to put billions of debt at risk or into default. It also caused losses of hundreds of millions of dollars for at least six public and private employee pension funds in the United States. The same order of losses are in-

volved in the slower-motion collapse of the once-\$12 billion Vega Partners hedge fund, now reportedly down to a billion or so of capital.

But much bigger market debacles are promised by the ongoing huge borrowings of both hedge funds and private equity funds which are trying to get control of firms in order to loot them of dividends and other payouts, or to take them over outright, to break them up and "unlock their shareholder value." In the process, these completely unregulated and unregistered funds, and many others they trade with, get involved in "equity derivatives" contracts, about which New York Federal Reserve governor Timothy Geithner has been warning for months.

It is the leveraged equity-buyout defaults which result, which were on the warning agenda of the regulators from the Federal Reserve, British Financial Services Agency, and SEC who met in New York on Sept. 27. Hedge and private equity funds are borrowing large multiples of the total earnings of the companies they're trying to take over—as in the case of the Appaloosa, Cerberus, and other funds borrowing \$3 billion or more to get control of bankrupt Delphi Automotive. The group of funds which is taking over Harrah's Casinos, paying \$15 billion or 65 times Harrah's annual earnings (!) are borrowing \$6 billion or more, at least 25 times the target's annual earnings, for the takeover. And the list goes on, including Kerkorian's Tracinda fund's and allies ESL funds group's schemes (shelved at the moment) for taking over General Motors.

This represents taking on huge debts to make bets on a game which is collapsing, LaRouche noted, leaving these "geniuses" to try to "pawn off" the collapsed results.

(LaRouche proposed a way to spot a hedge fund manager: He's got three balls.) The U.S. and U.K. housing bubbles, the last four years' commodities bubble, and interest rates have all gone rapidly into reverse as the economy goes down, making these highly leveraged takeover speculations explosive for the "players" and for the system. And not only do the regulators know it; the banks doing the lending know it too (even if the lunatic hedge managers do not). They are "hedging" and protecting themselves as well.

The London *Guardian* on Oct. 6 ("Fears of Crash Put Focus on the City's Dark Arts") reported that investment banks are preparing for a big expansion of "debt restructurings." They expect much of the private equity fund debt, and hedge-fund borrowings for takeovers, etc., to go bad and have to be restructured. The banks are hiring lots of restructuring experts for this "debt going south." A Wall Street source reported that these bank preparations for highly leveraged defaults, were in part on advice of the regulators who met in New York on Sept. 27, with the British FSA being particularly worried; New York Fed governor Geithner also confirmed on Oct. 4 that "that subject was discussed" at the New York meeting.

A *Wall Street Journal* report Oct. 5 on "How the Amaranth Failure Was Contained" illustrates the way big bank players will act in leveraged defaults. JP Morgan Chase, when it quickly took over Amaranth's outstanding energy trades, also "took over" the \$2 billion collateral for those trades—that is, \$2 billion of Amaranth's investors' money. Then, they armtwisted the counterparties in the trades, into tearing up their Amaranth contracts and making new contracts with Morgan Chase; kept some trades, and sold others off. Thus, Amaranth's "collapse" of September became Amaranth's outright liquidation of October. It appears now that the pension fund losses we have reported in this collapse may have gotten larger in the process: San Diego county's, for example, likely being \$174 million, and Pennsylvania state employees' being \$35-40 million. 3M Corporation's pension fund lost \$94 million in Amaranth; Philadelphia and New Jersey employees' funds at least \$15 million each. Many pension funds have been pouring 15-20% of their portfolios into hedge funds, desperately seeking high returns.

Rapid Concentration of Locust Funds

A recent Hedge Fund Research, Inc. report notes that even while hedge funds have churned in the last 18 months with 2,600 new funds formed and 1,071 disappearing, total net new investment into these increasingly dangerous funds has rapidly climbed. Net new investment in hedge funds was estimated at \$24 billion in first quarter of 2006; \$42 billion in the second quarter; and a projected \$55 billion in the third quarter. There is also rapid concentration going on: The "billionaires"—300 out of the 9-10,000 hedge funds in the world, which have \$1 billion or more each under management—control 90% of all hedge fund capital. This

concentration is accelerating as large numbers of smaller hedge funds fail, along with a few large ones. At the same time, private equity firms, engaged increasingly in speculation indistinguishable from that of hedge funds, are on track to raise a record amount of money, and the overwhelming majority of it for leveraged buyouts. They took in \$172.2 billion in capital during the first three quarters this year, already surpassing the amount they raised in 2005, and at a pace to break their record set in 2000.

Private equity firms and funds now attract a total investment almost equal to that of the entire publicly-traded stock markets, and a lot of that private equity investment is just debt.

Yet the report found that average hedge fund returns for 2006—notoriously, this average represents *only those hedge funds which have survived*—are 6.9%, which hardly covers the large fees and commissions most of the funds charge for management. One fund manager was quoted in the Oct. 5 *Wall Street Journal*, "It's getting harder to make money" as more and more capital piles into the same speculations, and derivatives bets on those speculations. In response to the growing difficulty, the fund managers are going for much bigger leverage—i.e., they are borrowing much more to speculate with. This is what made LTCM's crack-up an imminent danger to bring down the entire world financial system, eight years ago.

Coming to Their Senses

The Investment Dealers Association of Canada on Oct. 4 released a resolution, which they called a "national call to action," to create and enforce requirements that all hedge funds register, name their managers, disclose all their fees, disclose their investment strategies, and disclose details on how each fund is valued. The association's resolution calls for expanded enforcement teams to be set up by the Royal Canadian Mounted Police; and for the creation of a national Capital Markets Court as a separate division of Canada's federal criminal court system. Insider trading would be a major target of investigations and prosecutions in this court, as they have been in Sen. Arlen Specter's (R-Penna.) hearings in the United States.

The Canadian-based sector of hedge funds is small, and supposedly manages only about \$26 billion in capital. Nonetheless, the "call to action" is a potential model for dealing with the hedge fund-equity fund monster.

Former New York Fed President William McDonough, who led the LTCM bail-out operation in 1998, said on Sept. 28 that because the Securities and Exchange Commission is leaving hedge funds largely unregulated, it "invariably demands now that the Federal Reserve interest itself in institutions other than the banks more than it had to in the past." He added: "One would hope that we would not wait for a crisis that is truly a mess, for the Congress and the President to look at the structural issues and decide to put in place a supervisory system that is more appropriate."

Cost-Cutting for Globalization Fails

by Rainer Apel

The emergency crisis session of the board of the Airbus corporation in Toulouse, France on Oct. 3 made the crisis of the company official: Not unrelated to its inability to build the new super-airliner A-380 on schedule, Airbus will not be able to prevent losses in expected profits in the range of 4.8 billion euros, over the 2006-10 period. The over-ambitious plan for the A-380, an integral aspect of the company's drive to become the winner of globalization in the airline sector, bypassing the U.S. Boeing corporation, failed miserably, because Airbus will be able to deliver only one new super-airliner by no earlier than October 2007, instead of the envisaged 25 planes.

The first A-380 should have been delivered to Singapore Airlines in March of this year; it was postponed until December, and now it's off for another year. In August 2008, the Emirates Airline may be lucky to receive its first airliner, and by the end of 2010, it may be more than lucky if it receives 13, instead of the 45 planes it ordered.

One of the problems faced with the A-380 project, is the drastic shortage of engineering capacity, due to brutal cost-cutting by the management, which included cutting development cycles from eight to six years, and increasing "productivity" by 20%, by exploitation of the existing workforce. Even massive advertisements did not help ease the engineering bottleneck, which led to an overhaul in the management; the new team only presented plans for even more drastic cost-cutting.

After the Oct. 3 emergency session, management wants to go for job cuts in the range of 3,000, and likely also, the outsourcing of production to Asia.

Airbus is the cornerstone of the joint Franco-German airline-manufacturing industry; the crisis there overlaps with the decision of Daimler-Chrysler, the biggest shareholder in the firm, to quit aerospace and focus on auto-making only. Daimler-Chrysler already sold 7.5% of its 30% stake in EADS, the Franco-German mother firm of Airbus, and its intent to sell the rest soon, has sounded alarm bells in Berlin, where the government plans to buy into EADS to prevent crucial aerospace know-how from getting into foreign hands. Since Germany almost lost its biggest shipyard, Howaldtswerft, to U.S. equity funds in 2002—prevented by a last-minute intervention on grounds of national interest—there is fear in

Berlin that the same could happen with Airbus, if Daimler-Chrysler sells the rest of its shares to Anglo-American equity funds.

Berlin is thinking of using the state-run Kreditanstalt für Wiederaufbau bank to buy shares from Daimler-Chrysler, following the example of the French government, which bought shares from the Lagardère group to increase its own EADS stake to 15%. And, there is another government that is playing a role: The Russians bought 4.8% of EADS in 2005, using their Foreign Trade Bank. The prospect of these three governments controlling a majority stake at EADS, is making the hard-core globalizers nervous, because the Franco-German-Russian combination offers the perspective of a Eurasian alternative to globalization and bankruptcy.

The Russian Dimension

So far, the Eurasian aspect has been more a by-product of aerospace firms' engagements, than government action. EADS bought a stake of 10% in Irkut, a Russian aircraft manufacturer, through which it will be prominently represented in the new national aircraft group which Moscow wants to form out of about 20 Russian manufacturers. Moscow has, on the other hand, hinted that it might want to increase its own stake in EADS to 10% or even more, to have more say on the development and production strategy of the firm. French President Jacques Chirac and German Chancellor Angela Merkel were not too pleased about the idea, when they met with Russian President Vladimir Putin near Paris on Sept. 23; but the acute crisis at EADS, a leading manufacturer of space technology, leaves them with little choice. Russian partnership in Franco-German industrial cooperation offers a solution; it just has to be under the control of the three governments, to offer protection from speculative trends on the globalized private aerospace markets.

EADS is well positioned for a role in real Eurasian aerospace development. Its more than 20 aircraft projects in Russia include one for Russian manufacturing of components for the planned Airbus-400, a large military transport aircraft. EADS is also a partner, together with Russia's Khrunichev space-technology group, in the joint development of the new Rokot space-carrier system. And, EADS is an attractive future partner for the Russians, in the development and production of satellite and space-station systems. EADS produces the Galileo system, the European response to the American Global Positioning System, in which Russia has a share as well. Future generations of positioning systems will be based on joint Euro-Russian research and development.

Under an agreement signed in 2003, Germany launches five military spy satellites from the Russian site at Plesetsk, which is operated by the Russian Space Forces. After 2008, the Germans will use these satellites to operate their new SAR-Lupe camera, a radiometric surveillance system with much higher precision than the U.S. devices that are now in use.

Biofuels Craze Is a Financial Bubble, Not a Farm or Energy Policy

by Marcia Merry Baker

A national biofuels promotion conference titled, “Advancing Renewable Energy: An American Rural Renaissance,” will take place in St. Louis, Oct. 10-12, co-hosted by the U.S. Departments of Agriculture and Energy. Topics focus on national energy security, and claims of how bio-energy cropping will rejuvenate depressed rural areas. Among the 45 speakers will be Alan Waxman, the managing director of Goldman Sachs, on the subject of “Financing Structures” for biofuels investments; and R. James Woolsey, vice president of Booz Allen Hamilton, and former CIA Director, on “Energy, Security and the Long War of the 21st Century.” Sponsors of the affair include the Chicago Board of Trade, Goldman Sachs, Booz Allen, Chevron, Bunge, Monsanto, and other transnational big names.

What this government/private-sector extravaganza signifies, is that the entire biofuels craze is a financial bubble. It is not at all an energy or farm policy-based “trend.” At the outset, it should be reiterated that, in scientific terms, biofuels—ethanol and biodiesel—are a non-starter for modern transportation, electricity, heating, or any form of power. All of biofuels’ energy-density output is far lower than that required simply to produce, handle, process, and transport the feedstock involved, whether from corn, sugar cane, wood chips, straw, or any other bio-input. But financial swindles have nothing to do with science.

The timing of the current mad dash into biofuels is consistent with two key aspects of the economy today: First, the financial system itself is in breakdown, with insolvencies, unpayable debts, and chain-reaction blowouts. So biofuels are literally looking like a “safe bet.”

Second, the national and state laws passed over the past 18 months that mandate what percentages of liquid fuels must be derived from “renewables” have made the bio-energy sector an overnight hot money target. “Investment safety” is the polite term used by Cargill, in the case of its press release on biodiesel in France, after the 2005 French law decreed target amounts. Under the U.S. Energy Act of 2005, annual gasoline usage must contain 7.5 billion gallons from “renewables” by 2012, up from 4 billion in 2005. This is happening the world over.

So there is a rush to get into ethanol all along the line—from owning distillery plants, to buying shares in R&D companies, to simply engaging in the wild commodity speculation

on the corn futures markets. It’s the same with biodiesel. At present, there are 101 corn ethanol plants in operation in the United States, with another 42 projects of new construction or significant expansion under way.

Corn Belt Hit by Bubble

This spells disaster for what remains of farming systems in many of the still most productive regions of the world. And that automatically spells food supply disaster. Look at the U.S. Corn Belt:

To begin with, farmers themselves have rushed to form cooperatives, throwing their own funds together, to build ethanol facilities, and “finally” make some money. Over the recent decades of globalization, farmers have been consistently underpaid for their production of corn or any other commodity, and have persisted in farming only through off-farm jobs, debt, and whatever else they could muster. Ask them, and the farmers say they would prefer a “sound economy”—with nuclear power, good infrastructure, decent revenues, and profits from farming—but “Washington” seems hopeless. The ethanol schemes seem to offer a “pot of gold.” An estimated 40% of the current ethanol facilities are farmer-owned, and for the moment, they are raking in profits.

But the other side of this end-of-the-rainbow vision for farmers, is that, if and when ethanol prices drop, these farmer-cooperatives will be forced to sell out at big losses, to the cartel and financial syndicates controlling the whole game. Already, there is talk of a “glut” of ethanol on the market. At present, the largest single owner of ethanol capacity in the United States is ADM, Archer Daniels Midland, the global giant in corn and soybean processing. Likewise, in Germany, ADM is the largest owner of biodiesel production, through its subsidiary, Oelmuehle Hamburg AG.

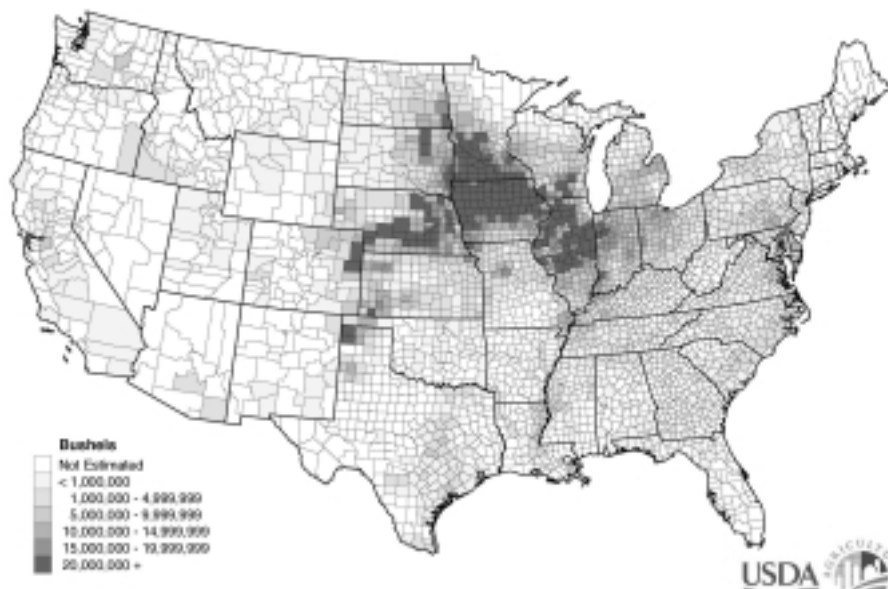
State governments are feeding the frenzy by offering grants, tax relief, and other inducements to new ethanol and biodiesel operations. As of May 2006, Iowa—already the world’s leading corn and ethanol center—has a new package of tax credits. For every gallon of E85 (85% ethanol, 15% gasoline) sold, there is a 25-cent tax credit, until the year 2021.

As a result of the financial rush, infrastructure use throughout farm regions is currently reorienting to the bio-energy craze—from railroads, to highways, to water requirements, and electricity demand—to deal with grain handling,

FIGURE 1

U.S. Cornbelt—Accounting for Nearly Half of World Corn Production—Now Targetted for Bio-Energy Plantations

(Corn for Grain 2005, Production by County)



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.

ethanol hauling and storage, and so on. Coming on top of decades of infrastructure deterioration, this is causing chaos, in particular water shortages.

All this underscores that what is required is an emergency return to national-interest policies of energy and agriculture. Resuming nuclear power development is essential for providing a thorough rail grid, and for needed levels of power, moving to the provision of hydrogen-fueled vehicles, and out of fossil fuel transportation.

Corn for Dinner or Your SUV?

The map (Figure 1) shows how the top corn (maize) producing counties in the United States are concentrated in five Midwestern states—Iowa, Illinois, Minnesota, Nebraska, and Indiana. The corn production in these counties, plus a few outlying areas *accounts for nearly half of the total world annual production of corn*. In 2005, the U.S. corn harvest was 283 million metric tons out of a world total of some 692 million tons. It takes the corn production of the next six nations (including the entire European Union) combined to begin to equal the yearly U.S. output: China (139 mmt), EU-25 (48 mmt), Brazil (41 mmt), Mexico (19 mmt), Indian (16 mmt), and Argentina (15 mmt).

U.S.-produced corn has accounted in recent years for 60 to 70% of all the world corn traded internationally. On the usage side, these U.S. corn exports go into the livestock/meat

chain in Japan, South Korea, Mexico, and other nations. Likewise, within the United States, corn goes into livestock feed. But also, millions of tons of corn are processed for a variety of other uses, including sweeteners (especially for beverages), starch, table “sugar,” vegetable oil, citric acid, and other products—all part of the feed and food chain.

It should be said that the extreme concentration of corn production and processing is not “desirable” for either farmers or nations. It reflects decades of globalization, in which decisions are made by the cartel financial networks.

But the point right now is, what happens to the food chain, if a massive shift of corn goes into ethanol? In 1980, less than a million tons of U.S. corn were distilled into fuel, but as of 2005, some 55 million metric tons went into ethanol distilleries. As a percentage of the total annual U.S. corn harvest, the share used for ethanol was negligible in 1980, but 25

years later it has hit 20%; next year, likely 25%. This is equivalent to the volume of U.S. corn now going into exports. Thus, the question becomes: corn for dinner, or your SUV?

For starters—down with exports. This is the view of the U.S. Department of Agriculture, whose chief economist, Keith Collins, told a Senate hearing Sept. 6, that corn-importing nations should turn away from the United States, and look to Brazil and Argentina to supply their corn instead.

Second, Collins says, expand the U.S. corn area, to “90 million acres in 2010 . . . nearly 10 million more than the average planted during 2005 and 2006.” He sees 4 to 7 million acres coming out of the 35 million acres enrolled in the Conservation Reserve Program, and otherwise, acres will be financially “bid away” from other crops.

But then come proposals for “going all the way,” even if it means turning the entire corn acreage base to biofuels. Sen. Richard Lugar (R-Ind.) told a “Summit for Energy Security,” at Purdue University in Indiana in August, that U.S. ethanol production should go from 4.8 billion gallons this year, up to 100 billion gallons a year by 2025! This would be a rise from 3% of gasoline consumption, to 30%.

Using the U.S. Department of Agriculture’s factor of 375 gallons of ethanol produced from each acre of corn, Lugar’s proposal would require more than three times the entire area of the current Corn Belt shown in Figure 1. You ask, “What is he thinking?” The answer is, “He is not.”

Autoworkers Say: Act Now To Save the U.S. Industrial Base

On the Sept. 23 “LaRouche Show,” the weekly internet radio program, an hour-long discussion took place between United Auto Workers leaders from three Upper Midwest manufacturing states; Bill Roberts, of the LaRouche Youth Movement in Detroit; and Paul Gallagher, EIR Economics Editor and liaison to Capitol Hill. The UAW leaders were Dan Aude, Green Bay, Wisconsin; Michael Balls of Saginaw, Michigan; and Andy Kristich, from the Lockport/Buffalo region in western New York.

The Show’s theme, “Time Has All But Run Out” referred to the fact that so far, Congress has refused to initiate needed Federal intervention—to stop the dismantling of the auto/machine tool sector, and instead to retool for building up U.S. infrastructure, and re-establishing the U.S. industrial base. A call for this approach was sounded in March 2005 by Lyndon LaRouche, and now, actual draft legislation exists. Thousands of state and local lawmakers, plus autoworkers and citizens-at-large want action, but Congress still holds back.

Host Marcia Merry Baker, opened the discussion by referring to those in powerful positions, who oppose the existence of nation states, and are deliberately acting to destroy U.S. industry. To make the point, she read a quote from banker John Train, the longtime “secret government” operative, specifically behind a “Get LaRouche Taskforce.” (See next article). Here are excerpts of the discussion.

Marcia Merry Baker: In an April 1, 2006 article now posted on his website, John Train, the anti-industry investment banker, said that he’s proud that his grand-daddy Mr. Train worked with old J.P. Morgan, and they did things right, they didn’t “dither” around. They made brisk decisions when they had to hive off whole divisions of factories and get rid of surplus workers, excess workers. They knew how to run companies; they didn’t shilly-shally like the people who’ve run Ford and other companies. The article is titled, “Invest Like Mr. Morgan, Not Like Mr. Ford.”

Train wrote in April, “Ford and GM just announced major cutbacks in their U.S. operations, which are hemorrhaging cash. Also, they say they will reverse their traditional policy of producing what customers weren’t buying, just to keep the plants running and the unions happy. Should not young Mr.

Ford and his counterparts have had the courage and skill to perform the major amputations required to save the main body of their companies ten years ago?”

So, this is what Mr. John Train had to say about dozens of thousands of workers now losing their jobs—they should have been “amputated” years ago. You can see why LaRouche said in recent weeks, “Get the dirt out on John Train.” Some of the other things that could be said about John Train, I can’t say on the air. . . .

Paul Gallagher can open the discussion on the situation in Congress.

U.S. Industrial Existence at Stake

Gallagher: The one thing I want to say respecting the effort in Congress, which is where this has all been focussed for a year and a half—since we last discussed this problem on this show—is that, this is not the collapse of the auto industry that we are discussing with Congress, or that we’re witnessing: It’s the collapse of the industrial economy of the United States. People talk about it as an auto industry crisis or an auto industry collapse . . . and we sometimes talk about “saving auto.” But that’s presenting it falsely: It’s a general economic-industrial collapse in the country, within which the auto industry, and broadly the auto sector, is the biggest prize for the economy, that needs to be saved, and used, and developed further. But it’s by no means the only part of the economy that’s in this collapse.

Now, for a year and a half, Congress has been looking at the auto sector and they have been declining to act, refusing to act, to save the auto industry, when they believed it was a special problem within auto. This is reprehensible, especially on the part of the President, who refuses to even talk to anybody in the auto industry—union, executive, or anything else—probably because he doesn’t want to deal with [anything so complex]—he’s an idiot and he can’t handle a complex problem like that, so he just doesn’t want to discuss it.

But even the Democrats in the Congress have had the opportunity, over and over again, in discussions with us, and they have declined, they have refused to act, to save the auto industry as such, as crucial as it is, as a capacity. They’ve said they couldn’t do it because they were in the “opposition,”



EIRNS/Gene Schenk



EIRNS/Dan Sturman

Synarchist banker Felix Rohatyn has been a key operative in shutting down the auto industry since his temporary takeover of Chrysler Corp. in 1979-80. In 2005-06, he helped organize the bankruptcy of Delphi Corp., the top supplier to the auto industry. Shown here is a closed Delphi plant in Sandusky, Ohio, scheduled to be replaced by a Honda dealership.

they didn't control the Congress. They said they couldn't do it because the problem was too big. And they have simply stepped back from it.

What is changing now—and even within this poor showing, it is changing the situation in Congress relative to our legislation—is that they are beginning to realize, behind all the constant noise over the war and terrorism, that the economy as a whole, is going. The housing sector, the housing bubble is imploding. Mainly as a result of that, many other things are going down, commodity markets are going down. Hedge funds, even the biggest of them, are finding that nowadays it's difficult to make money even by cheating. And so a lot of them are losing a lot of money. You've had reports to come out of regional Federal Reserve Banks and so forth, indicating just how fast economic activity, job creation, and incomes are falling. And remember, Lyndon LaRouche said in March, that September-October were the months in which this real crash of the economy was going to occur.

So, in that situation, it is no longer the auto industry that we are demanding that they save, but rather, the collapsing U.S. economy that we are telling them they've got to act on. And they've got to act on it through the auto industry, which is the most capable and versatile tool that they have to stop this ongoing collapse. Given that situation, things are changing, and the time for a maximum pressure on them is absolutely now, because we're approaching the election, we're approaching the time in which a great number of things could change quite suddenly. . . . We still have the "I'm too small,

I'm out of power, the Republicans control everything" and so on and so forth—but this interest is [now] also among Republicans.

So, the opportunity is definitely there now, for the retooling legislation that LaRouche has put forward, and we've got to redouble our efforts. We have a funny report here, in Loudoun County, Virginia, where we're broadcasting: It's supposed to be the county with the highest median income in the country—\$98,000 annual income for a household . . . and 12% of the households in the county visited and relied on the food bank for free food aid, much to their embarrassment in many cases, during the last year that ended June 30. That's 35,000 people, nearly 10,000 families—in the supposedly wealthiest county in the country—had to go to the bread line.

So there's the condition into which these bubbles have brought this economy, and that's the situation in which Congressmen and Congresswomen are going to be forced to act on this; because they're going to be run out of town on a rail if they won't do anything about jobs, and won't do anything about reversing this: The auto industry is their means to do it.

Service Economy Mentality

Kristich: One of the first things that I'd like to say, is, I agree with Paul 100%, it's not just an auto industry, it's a whole system of government and politics that allows basically corporate greed. And it's not only allowing it, it almost seems to be encouraging it. We seem to making a big deal out of Federal intervention; there's so much resistance to it here, for

whatever reason. . . .

Aude: We have a lot of politics going on here [Wisconsin], we have a chance to gain an open seat, so we have a lot of attention going on here. My biggest fear is that when there is a change in Congress, that we end up, as Democrats, doing the same as the Republicans. It's interesting to me, as I learn, both as a candidate and as a member, and somewhat active in politics, how they actually believe in this service economy, which, for those of us that go to work in a factory, or are in manufacturing, just does not make sense.

When we were at one of the lobbying webcasts, while we were out in Washington, we talked to a legislative assistant to Mr. Sensenbrenner (R-Wisc.), and I had to ask him to explain to me, how the service economy works, because it just seems to be a mess. And he basically said, "Well, there's financial investors, and advisors, and then there's people that deliver pizza." And I was shocked that he actually said it—and that he meant it!

For anyone, this should be very alarming, that not only have we witnessed manufacturing going under, the good-paying jobs leaving, are affecting all areas of the economy, and that should be more than a red flag.

Kristich: And that's not unlike what was said by Mr. Miller, the CEO of Delphi, where I believe what he said, is "we have educated people, and lawn cutters," and we were referred to as the "lawn cutters of society."

And for what it's worth, my position at Delphi—I'm no longer there, and I'm no longer a union officer, I had to give up that position. I've taken a \$4/hour cut in pay. I'm no longer a skilled tradesman, and I've transferred to another plant, which is my third plant since I started working for GM. I'm two and a half years away from reaching eligibility for pension, and I made this shift hopefully to lock in a pension, which is one of the things we all look forward to, and work towards. But at Delphi, it didn't look too secure, so I gave up quite a bit—again—just to maintain that, and we'll see where this goes. I am on my third plant at this point.

Aude: I'd encourage anybody who had to take a different job or a cut in pay to try to provide for their family, to get involved and put the pressure on Congress. It truly is up to the people to force them to do their job and legislate, and look out for the general welfare of all of the people.

Kristich: I'm right there with you, Dan. In the years past, I always thought: "Well, someone will do this. Someone will do it." And obviously, someone isn't, so it's up to people like you and I and the rest of us that are on this call today. . . .

Gallagher: We're all out to name the names of the deindustrializers, who don't come from the industrial sector. They come out of the banking sector into industry, and they wreck it. Steve Miller was mentioned, but Felix Rohatyn started this when he took over Chrysler Corp. temporarily in '79 and '80, and that was the first company that shrunk in the auto industry, and he shrank it. And Rohatyn—it is

essential to name his name, just like John Train's name, and the banks they represent, so that people understand who it is that's really doing this.

That's part of the fight also, and that's where we have gotten under the skin of the Congress, to the point where individual Congressmen—and Bill knows this, from the LYM organizing—individual Congressmen have jumped up and down and yelled at us: "Rohatyn! Rohatyn! Why are you talking about Rohatyn? Why are you always talking—? Get away from me with this stuff!" That's when you know that you've gotten under their skin, just like Bill Clinton knew that he had wiped the floor with Chris Wallace in the Fox News interview.

Roberts: And along with Rohatyn, there is George Shultz, the architect of the Bush Administration. These are the Synarchy networks, and that has to be brought out.

Baker: What about the Michigan Congressional delegation? They come from the "auto state" of the world . . . Michael, you're in Saginaw. . . .

Balls: Yes, I work for Delphi Corp. It used to be Saginaw Steering and Gear Products of General Motors, and I thought something was up, when they split us off, and set up Delphi. And sure enough, now they're fixing to file bankruptcy, they're fixing to retire everybody by January, and they're bringing in workers for \$14/hour. They've been messing our economy up so bad, that we've got people coming into work making \$14/hour. And they're so happy to have those jobs, they don't know what to do—with no benefits. But yet, the same guys who split us off and do that, they [top executives] have got all the benefits in the world, and making all the money that they want to make.

I'm extremely unhappy with this situation, and I hope our Congressmen and state representatives can do something better. And the people in D.C., seemingly they just don't care. . . .

Roberts: I can tell you, gentlemen, that you'll be happy to know that the LaRouche Youth Movement has been involved in giving the Congress a healthy ass-kicking over the last couple of months. Over the course of the month of August, the LaRouche Youth Movement was deployed nationwide, as the Congressional members were back in their districts. And we deployed ourselves into the town hall meetings—and there were dozens of these things being held—and spoke out at these sessions, because we wanted to increase the pressure, on especially the Democratic Caucus, the Democrats in the Congress.

We pushed the issue, that it's time to impeach Cheney and Bush, why are you not doing it? And we brought up the question of the need for the Economic Recovery Act, the need for nuclear energy to be built. And what happened through these town hall meetings and through our interventions, and pamphlet distributions, as these Congressmen were back in their districts, is they got an enormous amount

of pressure put on them.

So, when Congress came back in September, what we found was a bit of a different Congress. And we haven't let off one bit on the question of the need for them to implement the Economic Recovery Act of LaRouche's.

National Security Issue

Aude: One of the things I think the public is missing about the deindustrialization of our country, is, that it is a national security issue, and those that are amputating it, really are traitors and need to be dealt with. And we have to make things in this country, and we have to be able to defend ourselves and provide for our defense, and we're going to be extremely vulnerable if they complete this, if not worse off.

Kristich: I agree 100%. The industrial base was the backbone of our nation, and if you look at almost every other rising, up-and-coming nation, that's what's doing it for them. And it just doesn't seem to make any sense to dismantle completely our industrial base: If you don't produce anything, it seems to me your economy is based on paper and plastic, and it can only go so far before it caves in on itself.

Baker: Well, one e-mail question from Texas, is asking you all, how is it that, "a lot of people still look around and pretend they don't see a failed economy." When will this change?

Gallagher: Well, we have to change it. . . . The crucial thing is what Dan just brought up a minute ago: The people who have deindustrialized the country are traitors. You can't do anything about this, without finding out who they are, who the most important of them are, getting out an exposé, getting Felix Rohatyn's names and crimes and rubbing it in the face of every Congressman, as the LaRouche Youth Movement was doing both on the Hill and in the recess, as Bill was describing: You've got to do that.

Call out, to the public at large: "We've found the traitors! Here they are, here's what they're doing. Help us bring them down!" That is an entirely different approach than asking for aid for troubled industry or something of that sort.

So, that's what has begun to dent—that approach is what has begun to dent the Congress, to where we now hear some of them sort of shouting at us, "No! No! No! No! Not until after the election!" Whereas a month ago, or two months ago they were saying, "No, no, not me, not me, I won't do it!" Now it's changed to "No, I won't do it until after the election."

And as he said, we are driving these people still, to put this Economic Reconstruction Act of LaRouche in. We've written it all out as legislation, we've given it to them, we've done that work for them.

Balls: I believe wholeheartedly what I've been hearing so far. It seems like Bush and the boys are doing more economic terrorism, than any terrorist I ever heard of in my life!

I mean, they're worried about the other terrorists, and yet they're making money off the so-called terrorist situation that

they're having, by flying all these airplanes over there. Who's getting paid for that? What industry's getting paid for every bomb that they drop? Who's getting paid to fuel those airplanes that keep on coming back and forth? I think it's got to be Bush and Cheney and their friends.

It's just really shameful that they would do this to America, just keep—they try to bloody up those families, when they want their family name to be in the history books forever as far as financially or politically, and stuff like that is concerned.

I mean, people in the Midwest are really hurting right now. Before, we were supposed to be one of the biggest auto industrial areas in the country, and now we're getting laid off, and the families are being disrupted, and people are going from one state to another chasing General Motors, and it's just really shameful what's happening in Saginaw right now.

Regional Economic Complexes

Baker: Another e-mailer from Texas points out the aspects of auto-sector shutdown, in terms of the secondary effects throughout the entire region.

Kristich: Absolutely, that's very big here, in New York State. Because, we've got Tonawanda Power Train, which produces engines for General Motors. Lockport has the Delphi Thermal Plant, which produces air-conditioning and heating units. You've got Saginaw Gear and Axle in Buffalo which makes rear axle assemblies. [In 1994 GM's Saginaw Division was spun off into American Axle, based in Detroit, which in New York State, operates in Buffalo, Cheektowaga, and Tonawanda]. And then you've got a forge that produces engine blocks and raw forgings for the axles. And each one of those plants is fed primarily by local businesses.

There's a place called, Curtiss Screw and Bolt—something to that effect—they supply massive amounts of nuts and bolts for the auto industry. There are plastics companies—even small mom n' pop machine shops; they just take on small prototype work, that type of thing.

But you see the ripple effect: The trucking industry, the people that drive, and everything that goes with that. Wherever you have people going to work, you have people buying coffee and donuts and breakfast, and stopping on the way home to have clothes cleaned.

Every industrial place, whether it's blue collar or not, has a white-collar workforce as well, whether it be 2 or 200, but you have dry-cleaners, just the whole gamut of things. You name it, every little business, mom 'n pop shops.

In Lockport in particular, houses are going up for sale at a reduced rate, coffee shops have shut down; all those little businesses, on top of being "Wal-Marted" out of business, now there's just no money to support them.

Aude: Absolutely. We find the same thing here in Wisconsin, and I guess that's one thing I'd like to let those that are listening, and their friends, know: This will affect every person in this country, whether they have an MBA—because

TABLE 1

The U.S. Auto Industrial Sector Collapse

July 2005-December 2006 Auto Sector Shrinkage

Total Employment July 1, 2005	1,090,000*
GM Job Cut	33,000 (buy-outs)
GM Job Cut	4,000 (firings)
Ford Job Cut	10,000-plus (buyouts)
Ford Job Cut	14,000 (firings)
Chrysler Job Cut	6,000 (layoffs)
Delphi Job Cut	20,000 (buyouts)
Other Parts/Supply Sector Job Losses	40,000
Total Sector Job Losses	127,000 and rising
Shrinkage Total Industry	11.7%

*U.S. Bureau of Labor Statistics.

Company	Third Quarter Production Cut	Fourth Quarter Production Cut
General Motors	6.0%	12.0%
Ford	11.0%	21.0%
Chrysler	12.0%	20.0%
All Makers in U.S.	4.6%	6.5%*

*Projection Global Insight, Inc.

North America Total Auto/Light Truck Sales

2004	17.1 million
2005	16.9 million
2006	16.3 million*
2007	16.1 million†

North America Total Auto/Light Truck Production

2003	16.05 million
2004	16.0 million
2005	15.8 million
2006	15.44 million†

*Projection, Reuters Detroit "Autos Summit," Sept. 12, 2006

†Projection, Global Insight, Inc.

there's no more factories left—or if it's a financial advisor—there won't be the 401(k) income to provide their job. The service economy is really set up for complete failure, when manufacturing goes under.

Gallagher: And in terms of the details of what the Texas e-mailer said: It is 60,000 jobs that have been lost in the auto supply sector since the beginning of 2005, so that's less than two years. And then you just add the ones that have left GM in the same period, you're already at 100,000 in the auto sector—jobs that have been lost, and most of them are in supply, rather than in the big automakers' assembly plants. And then, as Andy was describing, you've got jobs, and jobs,

and jobs around them. The auto sector is shrinking at something like 10% a year at this point. And for 100 years, it's been the center gear for the United States economy. (See Table 1.)

So any leadership that would let this happen without taking action to reverse it, is just a pack of fools—or else they're criminal bandits like we've got in the White House now. . . .

Aude: Even as the economy crashes, construction down in Madison [Wisconsin] had been booming for quite some time. But, it has now hit the bricks. Carpenters—union carpenters, non-union carpenters—contractors are going into bankruptcy, and the unemployment in the trades is rapidly picking up.

Baker: Yet, the unemployment process could all be reversed, if we start building up again. Look at all the work involved in rebuilding the Ohio River Locks and Dams.

Roberts: Yes. The Army Corps of Engineers held hearings in a number of towns in the various districts along the Ohio River this Summer. And they wanted to get testimony from people who lived in that area, and whose industries and work were affected by the many shutdowns that occurred in the lock systems along the river. And it was very good: At a number of these meetings you had a large turnout of people who understood very precisely what the link was between this public infrastructure and their own livelihood. In certain instances, you had people speaking who actually understood the history of this area as an economic region, as a product of this infrastructure having been built, going back 50, or 80 years. It was very clear. . . .

It's in times like these that people can get over their cynicism and realize that history in fact is shaped by ideas, and not by any of the things they thought it was shaped by, like money.

Kristich: Ideas, and people willing to take a chance.

Baker: In fact, we could have chain reactions of rebuilding, instead of chain reactions of shutdown, with the right leadership. Look at the still-remaining vacant capacity in New York state.

Kristich: Oh, absolutely. Millions of square feet, not only in our location, but all of these other plants. They just announced Friday [Sept. 22], that American Axle in Buffalo will be closing in 2008. That's a million square feet of floor space for potential production. And it's got rail lines tied into it. Trucking roads were put in specifically for the use of that plant. State money was garnered to put in specific roads to allow trucking access within the last 10 years.

This is another thing: I just find it criminal that these companies soak up all of this state and Federal money on the pretext of, "Help us, give us the money and we'll stay in your town"; they take that money, the roads are put in; and then they say, "Sorry, we can't make it." Well, where did the \$10 million go that we gave you?

Baker: Well, you've had the last word: And it's always good to denounce corruption, along with cowardice and evil. Down with the "Halliburton effect!"

'Amputations' of Workers And Auto Plants Necessary

The following article, "Investing Like Mr. Morgan, Not Like Mr. Ford," was published April 1, 2006, by John Train, and is available at web.mac.com/train.ontrack. Train refers to his grandfather, Charles H. Coster, a partner of J.P. Morgan, who was in charge of Morgan's takeovers of the U.S. railways that had been built by government-subsidized nationalist industrialists. J.P. Morgan was famous for his vow, never to invest in any enterprise that was not "complete" already; that is, Morgan would not put a penny into the creation of new industry. As EIR documented in its Sept. 29 issue, Train is a kingpin in the bankers' "secret government," and a decades-long enemy of Lyndon LaRouche.

In the course of studying the techniques of great venture capital investors, I have noticed a number of common traits. J.P. Morgan, of whom my grandfather was a partner, had a cardinal rule: look first at the character of the people involved.

You could not get money out of his firm if he had any doubts about your integrity, skill or industry. The quality of the business was secondary, although of course he looked long and hard at that too. This emphasis on integrity is probably a more welcome conception today than at many other times, what with the sequence of horrible scandals we have been seeing. One minute management claims the company is going great guns, and a few months later it declares bankruptcy.

Incidentally, in a science-based company it is much more important for the CEO to have business skill than scientific skill. It is like the story of Machiavelli, who was a military theorist as well as a political theorist, trying to explain to his patron an idea he had about infantry tactics. The Duke took him out into the courtyard of the palace, called for a box for him to stand on, and told him to give the necessary orders to the palace guard. In a few minutes he had them tied up in a hopeless tangle. The Duke called over the guard's commander, who had been watching the performance, and Machiavelli showed with a stick in the sand what he had in mind. With a few orders the commander straightened the men out and got them into the desired formation.

Big ideas are one thing and execution another, particularly in business. It follows that an inventor is almost never the right CEO for a company. Indeed, with wonderful exceptions, the founder of a company is not likely to be the right CEO either. You need an experienced manager, who knows all about finance, marketing, coping with regulation, handling personnel, dealing with unions and the like. . . .

For that matter, the venture capital investor should always

consider Train's Fourth Law: *Most Things Don't Work*. Rather than invest at an early stage, when all the money gets perhaps forty percent of the deal, which probably won't make it, one is usually better advised to be patient until the company is a going concern, with a quoted stock, enjoying established markets and have strong management in place, and then wait for a market washout, when you can buy in on the basis of just the cash in the bank, getting the whole company for nothing. These moments come along quite regularly. J.P. Morgan was once asked what he thought the market would do. "It will fluctuate," he replied, portentously. This sounds like a put-down of a presumptuous question, and yet it is a great investment truth: You can count on the market collapsing from time to time, and then recovering and going to overvaluation.

One question you hear a lot in venture capital is, "What about the exit?" People with a proposition often start talking from the first about when they are going to get out. I don't like to hear that. I'd prefer to hear the entrepreneur talk about achieving his dream in full—being married to it.

As a banker, Morgan was always concerned with cash. The typical cause of death in new companion companies is not the failure of the conception, but, rather, working capital asphyxiation. If there isn't enough cash to let the company function comfortably, the CEO may spend more time fending off creditors than operating the business itself, a disastrous situation. By this I mean cash flow, not profits. If the company's taking in more from sales than its costs, before depreciation, then it's airborne, not sinking, and can carry on indefinitely. Counting profits can come later, and dividends later still.

A final Morgan characteristic was the ability to decide important questions without dithering. The CEO of a company you are thinking of backing should possess this quality. He should have enough knowledge and enough self-confidence to settle issues briskly. Let the competitors have their long committee meetings—which may not reach or render any good conclusions anyway. One time during a financial panic, with banks failing one after another, a group of terrified bankers came to Morgan in his famous library. He studied the situation, and, writing off a number of banks whose situation was hopeless, answered, "The rot stops here," telling the group that they had to guarantee the solvency of a particular bank that could be saved, so that all those that were in still better condition could rise above challenge. So too the competent CEO must be able to abandon a losing project or a losing division to concentrate his cash and his attention on the good ones.

Ford and GM just announced major cutbacks in their U.S. operations, which are hemorrhaging cash. Also, they say they will reverse their traditional policy of producing what customers weren't buying, just to keep the plants running and the unions happy. Should not young Mr. Ford and his counterparts have had the courage and skill to perform the major amputations required to save the main body of their companies ten years ago?

Business Briefs

Europe

'After Takeover Wave, Insolvency Wave Follows'

The above was the headline on the front page of the German daily *Frankfurt Allgemeine Zeitung* on Oct. 4. The article says that because of huge credit losses incurred by corporations which have been taken over by private equity funds, analysts expect that the huge debt burden will lead to a wave of insolvency in leveraged buy-outs.

In the next two years, writes the daily, 30 billion euros of credits will go foul in Europe. One quarter of that is expected to be in Germany, where financial investors have become more active recently. According to JPMorgan, private equity funds such as Bain Capital, Blackstone, and KKB have made takeovers in Europe worth 218 billion euros in the past two years. (These funds have become known in Germany as the "financial locusts," for the way that they strip industry to the bone.)

The debt burden has risen geometrically with the takeovers. The Frankfurt newspaper speaks of a "transaction multiplier by a factor of 6." A Goldman Sachs analyst is quoted saying that 18% of the corporations will not be able to service their debts.

Housing Bubble

Biggest Drop Since '30s Projected to Hit in 2007

A report from Moody's economy.com forecasts housing-price declines by as much as 20% in some areas of the United States in 2007. The report, "Housing at the Tipping Point—The Outlook for the U.S. Residential Real Estate Market," says that the median sales price for an existing home will fall by 3.6%, and mark the first full year's decline since the Great Depression.

More than a quarter of the nation's metropolitan areas are projected to see declines in housing prices by Fall 2007.

Areas of greatest decline are expected to include both coasts of the United States, par-

ticularly California, Florida, and the Northeast Corridor, reports the Oct. 5 Reality-Times.

By percentage decline from their peak prices, the top ten areas projected to be heading for hard landings are:

Cape Coral, Fla.—18.6%
Reno, Nev.—17.2%
Merced, Calif.—16%
Stockton, Calif.—5.7%
Sarasota, Fla.—14%
Naples, Fla.—13.8%
Tucson, Ariz.—13.4%
Las Vegas, Nev.—12.9%
Chico, Calif.—12.6%
Fresno, Calif.—12.5%

Europe

Worker Migration Causes Labor Shortages in East

The World Bank issued a study on Sept. 27 of the effects of worker emigration from the new European Union nations in the East. While the appearance of hundreds of thousands of Polish workers on construction sites or farms in Germany and elsewhere is making headlines in western Europe, the report emphasizes that the repercussions of this emigration on the eastern European home countries is even more significant. "Massive outflows of workers may lead to labor shortages, signs of which are already visible in the Baltic States and Poland."

A Sept. 28 Bloomberg wire on the report, stated: "Latvia, the EU's poorest nation per capita, says as many as 120,000 people, or 10 percent of the labor force, work abroad. Lithuania's Statistics Department says about 126,000 people emigrated between 2001 and 2005, accounting for 7.9 percent of the workforce. In Poland, the Labor Ministry estimates more than 600,000 Poles have left. Krystina Iglicka, an economist at the Warsaw-based Public Affairs Institute, says the real figure may be as high as 1.2 million. Some 228,000 long-term Polish workers are registered with the U.K. Home Office; Ireland has 105,000. Another 333,000 Poles are holding temporary seasonal jobs in Germany. . . ."

"That number is likely to grow," the report said. Warsaw research firm PBS DGA, in a telephone survey in September, found that half of Poles under 24 years of age expect to move away within the next two years.

"The National Statistical Office says 45 percent of domestic builders are short of workers, almost triple last year's figure. Forty-three percent of domestic companies complain that the shortage of qualified workers is affecting their business."

The Mayor of Wroclaw, the fifth largest Polish city, has started a campaign in Britain and Ireland, with billboards proclaiming, "Come back, Poles, we have work for you, Wroclaw loves you."

Mexico

National Front Forms To Stop Energy Privatizers

The National Front for the Defense of Energy Sovereignty was formed in Mexico on Sept. 27, the 46th anniversary of the nationalization of the nation's electrical industry. Led by the Mexican Electrical Workers (SME), the front's stated purpose is to stop any further encroachment by private capital on the energy sector, and to reverse the de facto privatization which has already taken place.

Organizers warned the outgoing and the incoming administrations that, should any further of the privatizers' energy "structural reforms" be attempted, the front would organize a national strike.

Many speakers also attacked the recent oil-grab meeting in Banff, Canada, co-chaired by George Shultz. Said PRD party leader Marti Batres of Mexico City, "From this moment, we tell the investors not to waste their time or their money, and not to have false expectations, because they are not going to be able to privatize this area, nor will they be able to impose Felipe Calderón in the Presidency."

Leaders of Andrés Manuel López Obrador's PRD party, along with former PRI party senator Manuel Bartlett, and leaders of the Social Security workers, UNAM workers, and trolley workers unions joined in the founding of the front.

Egypt's Mubarak Says: Let's Go Nuclear!

Egypt has launched a renewal of its ambitious program to build nuclear plants to supply a growing need for electricity. Muriel Mirak-Weissbach reports.

As the international tug-of-war around Iran's nuclear program entered a final round, and a chorus of military, intelligence, and political officials warned the Bush-Cheney regime not to hazard a military strike against the Persian Gulf nation, Egypt quietly announced its intention to go nuclear—not for a weapons capability, but for the peaceful use of nuclear energy.

The first to drop this quiet bombshell was Gamal Mubarak, son of the President, and his presumed successor. Speaking at the ruling National Democracy Party's annual conference on Sept. 19, Gamal said he thought the time had

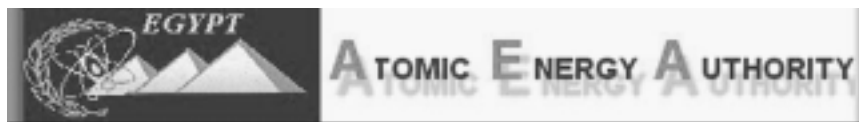
and cheap sources of energy available through nuclear technologies." He then pointed out that Egypt had a certain experience in the field. "We do not start from a vacuum," he said, "and we possess a knowledge of these techniques which enables us to proceed."

Just days later, on Sept. 25, the Supreme Council for Energy held a meeting, its first in 18 years (!), to discuss non-conventional energy sources, including nuclear energy. Headed by Prime Minister Ahmed Nazif, the Council decided that Egypt's energy demands were such that only nuclear technology could fulfill them. The meeting brought together

ministers from various departments, including defense, finances, oil, electricity, economic development, foreign affairs, environment, housing, trade, and transportation. These participants then set up

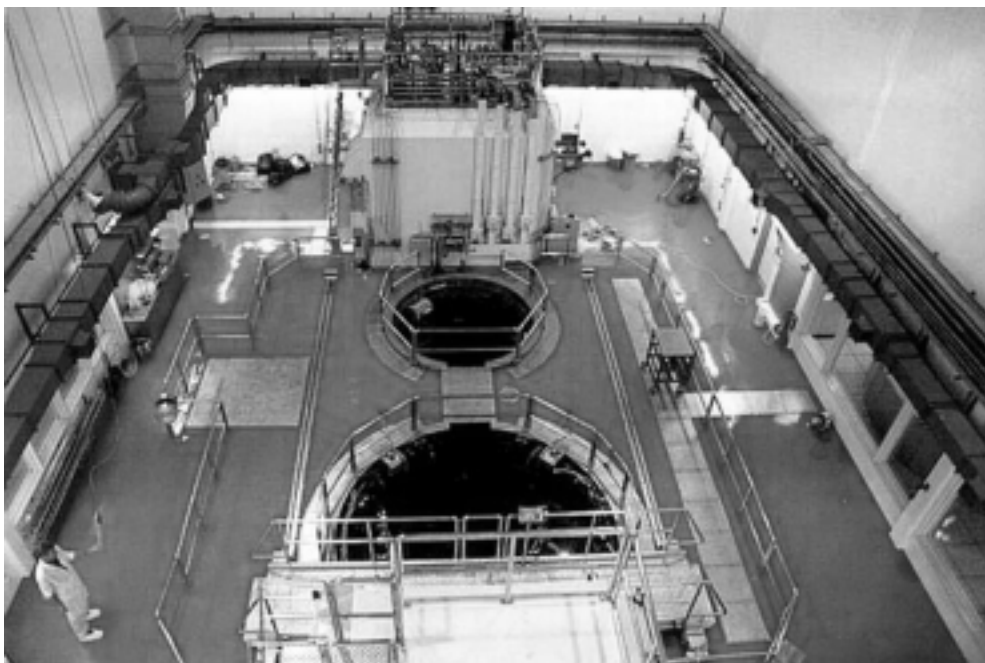
a group of five to meet after the month-long fasting period of Ramadan.

In parallel, the Egyptian Council of Foreign Affairs endorsed the government move. Abdel Ra'ouf el-Ridi announced that the Council would establish its own commission of experts to prepare a detailed report on the matter. Electricity and Energy Minister Hassan Younes told the daily *Al-Ahram* about plans to achieve an operational 1,000-megawatt nuclear power plant within ten years. The plant, slated for al-Dabaa, on the the Mediterranean coast, will cost \$1.5 billion, and could, according to Ahmed al-Qadi, former chairman of Egypt's nuclear security center, produce



come for Egypt to harness nuclear energy. "The whole world—I don't want to say all, but many developing countries," he said, "have proposed and started to execute the issue of alternative energy. It is time for Egypt to put forth, and the party will put forth, this proposal for discussion about its future energy policies, the issue of alternative energy, including nuclear energy, as one of the alternatives."

His father, President Hosni Mubarak, seconded the call, in a speech a few days later to the same gathering. "We must take advantage of new and renewable energy sources," he stated, "including the peaceful uses of nuclear energy, and I call for a serious dialogue which takes into account the clean



The reactor hall of Egypt's ETRR-2 research reactor, including the reactor pool, an auxiliary pool, and a testing facility. The 22-megawatt reactor at Inshas is a turn-key facility built in Egyptian companies by the Argentine company INVAP. The research reactor, which came on line in 1998, produces medical isotopes and is used in cancer treatment.

INVAP

more electricity than the Aswan High Dam.

It was also reported in the independent daily *Al-Masry Al-Youm* that the government plan envisions three reactors, for a total capacity of 1,800 megawatts, to be built by 2020.

Immediately, questions were raised in Egypt and abroad, as to the thinking behind the announcements. Is Egypt serious about developing nuclear energy? Or is the regime merely capitalizing on the debate sparked by the Iranian case, to assert its legitimacy, and reap the domestic political rewards that such a step would entail?

Prof. Mohammad El-Sayed Selim, of the University of Cairo, raised the ironical point, that the same President, Hosni Mubarak, and the same government, who are now calling for nuclear energy, had cancelled a nuclear program back in 1986, ostensibly in response to the Chernobyl disaster. Mohammad Sayed Said, of the Al-Ahram Center for Strategic Studies in Cairo, thought it was a serious prospect. "Of course," he said, "it comes at a time when Iran has shocked the region with its nuclear activities. Egypt needed to establish a sense of legitimacy." He added that he thought it would be implemented, since "All you need now is to revive an existing program."

Whatever the motives behind the government's announcement, any move on the part of Egypt to join the worldwide renaissance of nuclear energy, can only be applauded—at least, by those concerned about the future of the world economy.

Twenty—Or Rather, Fifty Years Later

When President Mubarak said that Egypt was not starting from scratch, he was understating the matter. In fact, Egypt

had had an ambitious nuclear program, the first in the Arab world, which was shut down in 1986, allegedly because of concerns raised by the Chernobyl disaster.

Interest in nuclear energy was first sparked in Egypt by the Atoms for Peace program launched by U.S. President Dwight Eisenhower in 1953. As soon as the U.S. Atomic Energy Act was passed in 1954 (which allowed the U.S. authorities to enter cooperative arrangements with other countries), the Egyptian Revolutionary Command Council (RCC) opened talks with the United States.¹ This led to the installation of a radioisotope laboratory in Egypt's National Research Center in June 1956, and a training program for Egyptian scientists. One year earlier, Egypt had founded the Atomic Energy Commission under Col. Kamal El-Din Hussein, a member of the RCC.

U.S. cooperation in this period was genuine; as then-U.S. Ambassador to Egypt, Henry A. Byroade emphasized, the United States was eager to help other countries enlist nuclear technology and upgrade living standards. It was official U.S. policy, to proliferate the technology for peaceful uses.

Political differences between the United States and Egypt regarding other matters (like relations with China, and the High Dam project, financially backed by the Soviet Union), according to Prof. Mohammad El-Sayed Selim, were respon-

1. "Egypt," by Mohammad El-Sayed Selim, in *Nuclear Power in Developing Countries: An Analysis of Decision Making*, eds. James Everett Katz and Onkar S. Marwah (Lexington, Mass.: Lexington Books, D.C. Heath and Co., 1982), pp. 135-159.

Most of this historical background to Egypt's nuclear program has been drawn from this source. See also, by the same author: "Egypt and the Middle Eastern Nuclear Issue," *Strategic Analysis*, January 1996, pp. 1388-89.

TABLE 1

Egypt's Proposed Generating Installations (1977)

Year	Site Location	Type*	Number of Units and Megawatt Rating	Total Megawatts	
				Nuclear	Thermal
1977	Helwan	GT	6 x 20		120
1977	Kafr El Dawar	T	2 x 110		220
1978	Talkha	GT	9 x 20		180
1979	Cairo West, Unit No. 4	T	1 x 87		87
1980	Abu Kir	T	4 x 150		600
1981	Ismailia	T	2 x 150		300
1981	Suez (1)	T	2 x 150		300
1982	Suez (11)	T	2 x 150		300
Total added generation for short- and long-term plans 1983				1 x 600	600
1985	Sidi-Kreir, Unit No. 2	N	1 x 600	600	
1986	Cairo, North, Unit No. 6	T	1 x 600		600
1987	Cairo Zone/Qattara 1	N/H	1 x 600		600
1988	Lower Egypt Zone	T	1 x 800		800
1989	Upper Egypt Zone	N	1 x 600	600	
1990	El Arish No. 1	N	1 x 600	600	
1991	El Arish No. 2	N	1 x 600	600	
1992	Cairo Zone	T	1 x 600		600
1993	Cairo Zone/Qattara 11	N/H	1 x 600	600	
1994	Upper Egypt Zone	T	1 x 800		800
1995	Cairo Zone	N	1 x 1,000	1,000	
1996	Cairo Zone	T	1 x 1,000		1,000
1997	Upper Egypt Zone	N	1 x 1,000	1,000	
1998	Upper Egypt/Lower Egypt Zones	T	2 x 800		1,600
1999	Cairo Zone	N	1 x 1,000	1,000	
Total added generation for short- and long-term plans				14,707	

Source: K. W.A. Effat et al., "Projected Role of Nuclear Power in Egypt and Problems Encountered in Implementing the First Nuclear Power Plant," in *Nuclear Power and Its Fuel Cycle*, 8 vols. (Vienna: International Atomic Energy Agency, 1977), 6:152.

aGT = gas-turbine, H = hydro, N = nuclear, T = oil or gas-fired conventional steam plant.

Egypt, like many other nations during the Atoms for Peace period, planned on nuclear energy as the power source for the future, with eight nuclear plants producing 6,000 megawatts of electricity scheduled to be online by 1999.

sible for a shift in Cairo, away from cooperation with Washington, and towards cooperation with Moscow.² In January 1956, an Egyptian delegation travelled to the Soviet capital to seal an agreement whereby the Soviets would construct an experimental 4-MW reactor and a nuclear physics lab, at a minimal cost to Egypt. Egyptian scientists were trained in the Soviet Union to run reactors, and in 1961, a research reactor was set up.

Egypt thus became the first Arab country to access nuclear technology, as a by-product of Cold War rivalries, which saw Moscow seeking to establish a position in the region. Egypt, obviously dependent on Russia for the technology, training, and fuel, sought to establish cooperation with other countries as well in the nuclear field. The Egyptian Atomic Energy Corporation (EAEC) made contact with Britain, and a commission, led by the Egyptian Minister of Scientific Research, explored two important factors related to the country's future program: thorium as a potential local source, and a means of financing the program.

In 1965, it was decided to buy a commercial-scale 150-MW plant at Borg El-Arab, for the purposes of desalinating Mediterranean seawater, 2,000 cubic meters per day. How-

ever, deteriorating political relations with the West hindered adequate financing and halted cooperation, for example, with West Germany, such that Egypt then turned to China for help. Nasser's appeal to Chou En-Lai for a share in China's knowledge of the technology, was met with the Chinese leader's recommendation that Egypt be self-reliant.

Under Nasser, the Atomic Energy Corporation did outline a program for Egypt's energy needs, to be met through nuclear technology, through the year 2000. In the projection of one nuclear scientist working on the program, Egypt should have had eight nuclear power plants, with a capacity of 5,400 megawatts, in operation by the turn of the century. The plan did not come into being, however, because of the lack of financial backing and an inadequate scientific infrastructure (see **Table 1**).

Notwithstanding, the EAEC continued its planning, and in 1974, with Anwar Sadat in the Presidency, the EAEC projected the need for 6,600 megawatts of nuclear-produced electricity by the year 2000. The EAEC moved to build a 600-MW plant at Sidi-Kreir, near Alexandria, by 1984. As U.S.-Egyptian relations improved after the 1973 Yom Kippur war, the Nixon Administration, a year later, offered to help both Egypt and Israel with nuclear energy programs. But Israel balked at the stringent inspection procedures which the United States demanded of both countries, and because

2. *Ibid.*, p. 135.

Israel's agreement was a precondition for the Egyptian program to go through, the project was terminated. The United States did maintain a commitment, however, to provide enriched uranium to Egypt.

Again, the Egyptians maneuvered in the Cold War environment, seeking to achieve their national interest for energy independence, and announced an agreement with the Soviets for supply of a 460-MW reactor, in 1975. This prompted the United States to rethink its conditionalities, and led to a November 1975 agreement for the sale of reactors to Egypt. In the agreement, it was stipulated that:

None of the assistance provided will be employed for any military purposes, including the manufacture of any nuclear explosive device.

The materials and facilities to be supplied as well as the produced plutonium will be subjected to international safeguards, administered by the IAEA, designed to assure their continued uses for peaceful purposes.

Facilities utilizing relevant nuclear technology obtained from the United States will be under effective safeguards.

Egypt guarantees to apply effective physical security measures to the facilities and nuclear material covered by the agreement.³

Professor Selim elaborated on this: "The statement also included an unprecedented condition that obliged Egypt to reprocess, fabricate, and store the plutonium produced by the U.S. reactors or derived from the U.S. fuel supplied for their facilities outside of Egypt."⁴

According to the agreement, Egypt was supposed to buy two reactors, and 1978 was the date set for the transaction. But the demand by the U.S. Non-Proliferation Treaty (NPT), that all activities be subjected to U.S. inspection, was rejected by Egypt—and that was that.

A Debate and Ambitious Plans

Egypt was motivated not only by its national energy needs, to seek to possess nuclear technology, Professor Selim said, but also, by its awareness that Israel was ready to deploy nuclear weapons against the Arabs.

Sadat had set up a Higher Council for Atomic Energy in 1975 (the same body that has just recently reconvened), bringing together all the relevant personnel and groups, to study a national nuclear effort. The Higher Council, which



One 1,000-megawatt nuclear plant will supply Egypt with as much electricity as does the Aswan High Dam, shown here.

became the highest authority for decision-making on nuclear policy, included the President and Vice President, the Prime Minister, the Ministers of Defense, Foreign Affairs, and Electricity, and the head of the General Intelligence Agency.

A lengthy debate ensued in Egypt, as to whether or not it should sign the NPT, also because of the military option. But Egypt did sign and ratify the NPT on February 26, 1981. Once this hurdle had been overcome, Egypt signed a deal with France on March 21, 1981 for two reactors, of 1,000 megawatts each. In July 1981, it signed a deal with the United States for two reactors, and in September 1981, Egypt contracted with West Germany for another two reactors. All the deals called for the seller to provide the fuel.

The French reactors, at a cost of \$1 billion each, were slated for El-Dabaa near Alexandria, and Za'afarana, 140 km west of Alexandria. The first was to start operating in 1985, the second, in 1986.

None of these exciting plans reached implementation, however. President Sadat was assassinated on Oct. 6, 1981, and was succeeded by Hosni Mubarak, who was elected in a referendum. The United States pulled out of the project, followed by France and West Germany, and so Egypt had to issue an international bid for the eight 1,000-MW plants that it hoped to build. In August, the U.S. Export-Import Bank, which had been committed to provide \$200 million for the program, made known its intention to refuse any financing, because it said, "the proposal did not offer reasonable assurance of repayment."⁵

3. Quoted by Selim, *Ibid.*, p. 142.

4. Selim, *Ibid.*

5. "NTI: Country Overviews: Egypt: Nuclear Chronology," (Monterey Institute of International Studies, The Center for Nonproliferation Studies, 2003), p. 3.

In the following years, Egypt continued to pursue partners for its program, and signed several agreements with Niger, a uranium producer (1983), Switzerland (1984), Pakistan (1985), Iraq (1985), Australia (1985), and South Korea (1985). On Aug. 11, 1985, *Al-Ahram* wrote that Egypt would begin operations at its first uranium mine, and that further shafts would be opened to explore deposits.

Then, in 1986, the Chernobyl disaster hit in Ukraine, and buried the Egyptian nuclear program (along with the programs of other countries) for 20 years. Immediately after Egypt announced the suspension of its program because of the safety concerns raised by the Chernobyl accident, the United States made an offer to build conventional power plants, on condition that Egypt mothball its nuclear ambitions—which Egypt did.

Can Egypt Do It Today?

Although the inside story of how Egypt's ambitious nuclear energy program was killed has to be filled out and documented beyond the rough sketch provided here, there is every reason to suspect that the program was deliberately sabotaged, as part of the general anti-nuclear campaign launched, especially against nations of the developing sector, by the neo-malthusian crowd which gained preeminence beginning in the 1970s. Henry Kissinger's infamous threat to Pakistani leader Ali Bhutto, that he would "make an example of him," because Bhutto strove to give his nation nuclear energy, should be kept in mind. Bhutto was brutally assassinated in 1979. Additionally, in 1974, Kissinger oversaw the drafting of the National Security Study Memorandum 200, which specifically listed Egypt as one of the developing sector countries in which the United States had a "strategic interest" in cutting population growth, and hence industrial development, in order to preserve the raw materials of those nations for the United States. The NSSM 200 was declassified in 1990.⁶

Since then, the world has changed. Not only Pakistan, but also India, have joined the nuclear club, this time with tested weapons capabilities. As for civilian applications of nuclear energy, there is a veritable renaissance taking place worldwide, and this includes in the Middle East.

Two months prior to the first official announcement by Gamal Mubarak of Egypt's intent to go nuclear, an important article appeared in *Al-Ahram*, by Makram Muhammad Ahmad, entitled, "Nuclear Plants and Egypt's National Security." The author stated that the 21st Century "will be the century of nuclear energy," for widely acknowledged reasons: the rising costs of petroleum and gas, and the fact that they are not unlimited, and the proven safety and efficiency of nuclear technology. "For this," he went on, "it has become the responsibility of Egypt toward its future generations to



DoD photo/R.D. Ward

Egyptian President Hosni Mubarak has enthusiastically backed a renewal of the nation's nuclear energy development, which was dropped in 1986, after the Chernobyl accident.

start, now and not tomorrow, conducting a wide-scale review of its decision to suspend its nuclear program. It should do so because the reasons that led to this suspension are over, and the international demand requires the expansion of the construction of nuclear plants, and the average time for building a nuclear plant is more than ten years or perhaps longer due to the increase in world demand."

Ahmad went on to tick off the number of plants being planned by countries in the region over the next 20 years: Iran wants to have 12; Turkey wants as many, to provide 20% of its needs; Israel wants a desalination facility in Shafra near the Egyptian border; Libya also wants a desalination facility. Ahmad also argued that Egypt, with a population of 70 million, can provide energy from its own resources only for three decades, after which it would become import-dependent.

Finally, the author argued that possessing nuclear technology would "enhance the status of any regional country in the international arena, increase the country's negotiation ability, and help protect its national security." Without aspiring to a military program, he wrote, Egypt could use its nuclear capability to push for regulations on Israel's nuclear arsenal, in the context of regional demands for a zone free of weapons of mass destruction.

This *Al-Ahram* article is one of many in Egypt contributing to the lively debate that has been sparked by the Mubaraks, around reviving the country's nuclear program.

One question raised, given the ongoing anti-Iran crusade, which uses the pretext of its nuclear program, is: How will Washington respond? U.S. Ambassador Francis J. Ricciardone was quoted on Sept. 25, in remarks made to Al-Mehwar television, that "the U.S. encourages the peaceful use of nuclear power for civilian purposes throughout the world." It will take a political fight to make such a statement stick, but it appears that there are forces in Egypt ready to make a bid for it.

6. Excerpts from NSSM 200 can be found in *The Genocidal Roots of Bush's 'New World Order,'* EIR Special Report, 1992, p. 53 ff.

Animating Creativity: The Functioning of a Healthy, Human Mind

by the 'New Astronomy' Animations Team,
Delante Bess, Brian McAndrews, Will Mederski, and Jason Ross

In March of this year, our team of four members of the LaRouche Youth Movement (LYM) assembled at the *EIR* office in Leesburg, Virginia, and spent a week and a half working in both Leesburg and the Library of Congress, developing a draft version of the animation called for by Lyndon LaRouche in his "Travel Among Cities" piece from the Dec. 30, 2005 *EIR*. The results of that preliminary work can be seen on the LYM website at: <http://www.wlym.com/~animations/travel/index.html>.

When we received word in July that we would be heading back to Virginia to do more work on economic animations, and that we would be working under the personal, hands-on direction of LaRouche himself, our minds started churning, thinking about more work to do to extend what we had begun in March.

Little did we suspect that the "Late July Group," as we called ourselves, would soon become the "July-August-September Group," and that we would be going back to the year 1609 to understand economics today. The focus of our work was not to be on animating transportation infrastructure at all, but rather on animating creativity. On the day that we arrived, we were talking over ideas, when LaRouche dropped off a draft copy of his "Re-Animating an Actual Economy" (*EIR*, Aug. 4, 2006) and told us to have fun with our assignment. We began reading, and realized quickly that we should trade in our Library of Congress cards for a telescope. In the section of his paper titled "Understanding Business Cycles," LaRouche wrote:

Since all competent modern physical mathematics is based on the pioneering achievements of Johannes Kepler, the argument to be made, in explanation of the intrinsic incompetence of statistical mechanics for economics, will employ the image of a planetary orbit, as defined by Kepler's uniquely original discoveries, to define a forecastable quality of true long-term cycles in an economy. That lesson, from Kepler, for economics today, is the best source of remedy for the failures intrinsic to the consistently failed methods which have been employed by economics statisticians generally during the recent decades. . . .

Currently, I am working with a selection of talented young adults of exceptional promise for their future contributions to relevant scientific accomplishments. My included purpose in the immediate project, on animations, is to demonstrate to intelligent professionals, and to others, the proper methods of approach in use of computerized animations of county-by-county data, that over periods of two or three generations, in showing the determining factors in cause of catastrophe or recovery in the U.S. economy (in particular) today.

This work is premised, at its first stages, on the way in which Johannes Kepler defined cycles within the Solar System, and the way in which Kepler thus defined the need for developing both the infinitesimal calculus uniquely developed by Gottfried Leibniz, and the successive development of elliptical and higher (hypergeometric) functions by Gauss, Abel, Riemann, et al.

The crucial topics treated under that approach, include the functionally determined relationship between the general basic economic infrastructure of whole



EIRNS/Brian McAndrews

The LYM "July-August-September Group" works on computer animations for the Kepler project. Left to right: Jason Ross, Delante Bess, Will Mederski, and Brian McAndrews.

economies, and the productivity of agriculture, manufacturing, and rates of tangible (physical) growth in the so-called private sector of an economy taken as a unified whole. However, the crucially underlying objective of these studies, is to discover the principal factors which are determining, or might determine either net growth, decline, or stagnation in the rate of the performance of the economic phase-space considered, or a national or larger economy as a whole. The latter task, the uncovering of the principal determining factor, is the functional requirement essentially lacking in the approach to defining animations in the exemplary case represented by Nordhaus's¹ report.

The most suitable pedagogical approach to this crucial feature of the study, is that modelled on the most essential distinctions of Kepler's referenced discovery: the discovery of the principle of the "infinitesimal." This is the distinction which is apparently beyond the comprehension of today's commonly encountered academic classroom and related productions respecting the principles of physical scientific and related investigations.

It didn't quite sink in at first that we had a huge job in front of us: We were to animate Johannes Kepler's discovery of the infinitesimally acting principle of universal gravitation! After we read through the paper, LaRouche came in to talk to us, stressing the Pythagorean comma in music, and the need to search for discontinuities in statistical methods to find true principles. Kepler is the beginning of modern science, and his work, combined with Fermat's work on least-time pathways of light, prompted Leibniz's discovery of the truly infinitesimal calculus, he told us, also pointing to the work of Napier on logarithms and Gauss's determination of the orbit of the asteroid Ceres.

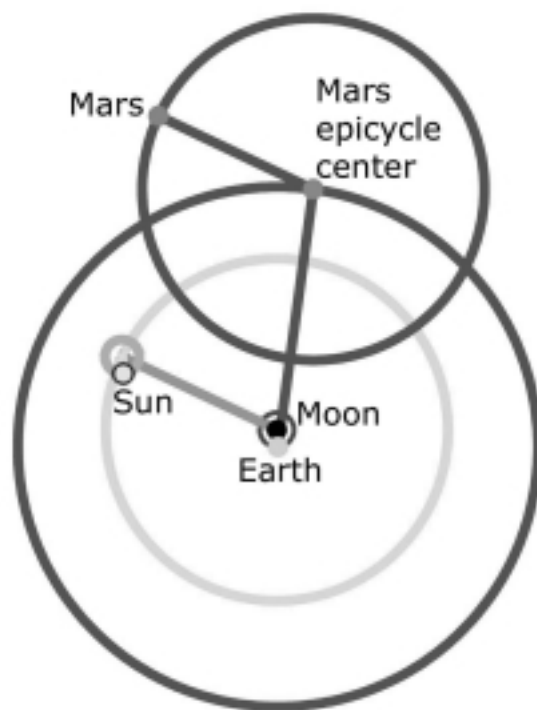
We began by acquiring copies of Kepler's *The New Astronomy*, and looking for the specific sections of the book that seemed to address our task, but soon recognized that we would have to read the entire work. Being a huge book, this task itself took us about a week. It was becoming clear that we weren't going anywhere for a while.

As we worked and struggled, trying to figure out what makes the ecliptic different from the horizon, right ascension from declination, the mean Sun from the apparent Sun, and truth from statistics, parts of the book began to take shape. Little by little, Kepler's "vicarious hypothesis" and the failure of statistics, the equivalence of hypotheses, the development of the physical principle that set the standard for modern physical science, the species of the Sun, and the famous "Kepler Problem" to future mathematicians, ceased to be mere words or formulas, and took on the substantial form

1. William Nordhaus, *Geography and Macroeconomics: New Data and New Findings*, www.pnas.org/cgi/reprint/103/10/3510.

FIGURE 1

The 'Lunatic Hypothesis'



Source: The developing LYM animations project on Kepler's *New Astronomy* can be viewed at www.wlym.com/~animations. This one is www.wlym.com/~animations/part1/lunatic/html.

A still from an animation of the "Lunatic Hypothesis." Kepler proves at the outset of The New Astronomy that the planetary hypotheses of Ptolemy, Copernicus, and Brahe, while seeming to vary greatly, are actually equivalent. This means that experimental testing of observations cannot determine which is correct. Here, the LYM team extended Kepler's demonstration, by creating a planetary system in which the Earth, Sun, and planets all move around the Moon, and this too is shown to be equivalent! Absent a physical cause, explanations of motion can never be proven to be true, and yet the provable truth exists.

of ideas.

Although those professors who design university astrophysics curricula may disagree, work on astronomy cannot be performed competently without actually performing astronomy. LaRouche lent us the use of his telescope, and nature conspired, for a time, with clear skies, to allow us nightly observations of the moons of Jupiter, to get a sense of how the first determination of the speed of light was performed. We learned to recognize the signs of the zodiac and get our bearings at night, and to see the different motions of the planets, stars, and the Moon.

We were able to make physical models of an equant-based planetary system out of some old flooring material and

FIGURE 2

The 'Vicarious Hypothesis'



Source: www.wlym.com/~animations/part2/16/index.html

A still frame from an animation of Kepler's "Vicarious Hypothesis" in The New Astronomy. Kepler proves, conclusively, the failure of statistics to account for observed effects, let alone explain their causes, by tracing out the failure of geometric constancy as a universal, demonstrating, instead, the existence of a physical principle of constant change as the only possible universal.

a kitchen clock, and a Ptolemaic world-system. We also used ropes, laser pointers, and many zodiac printouts to work through the physical world corresponding to numbers on the printed pages of *The New Astronomy*.

An opportunity to test our comprehension presented itself with the Sept. 3-9 week of action in Washington, D.C., which the entire LYM east of the Mississippi (including Montreal) attended. After a week of rallies, singing, and visits to Capitol Hill by the LYM, and intense preparation by us, the weekend gave us a chance to present our work. The work leading into the presentation, and the presentation itself, sparked a world-wide renaissance of Kepler. We received calls from the LYM in Germany, had the Argentine LYM on live for the presentation, and sparked a unified, international conspiracy to create a movement armed with something that seems decidedly unpractical to a doomed civilization: reason.

Beyond being able to create specific paradoxes to reveal to people the errors in their conclusions, we are developing hundreds of young people capable of potently taking up the challenge of how to think.

As our work reached a close for this phase, another group of LYM members arrived to begin work on the next project LaRouche had assigned: Kepler's *Harmony of the Worlds*.



EIRNS/Dan Sturman

Lyndon LaRouche works with Brian McAndrews to fine-tune a pedagogical demonstration from Kepler's The New Astronomy.

We had a joint read-through of *The New Astronomy* with them, and did some teaching on how to make computer animations before heading back to our respective parts of the country. We can look forward to seeing the results of their work, and are presently changing the orientation of our movement in the direction that LaRouche demands and history requires: the creation of creativity, and the political fight to shape governments to make that identity a possibility for everyone in the world.

Contact the authors at animations@wlym.com

* * *

Advice to Thinkers:

Do not read this article and think, "Oh, how nice, young people are working on something wholesome." Neither should you think (as some who opposed the space program thought): "What a waste of time and money to put effort into this when we have a serious, existential political threat to deal with." You, kind reader, most likely have no referent in your mind, of the true nature of scientific discovery, and that goes double for anyone who has studied science. It is absolutely essential that you get a copy of *The New Astronomy*² from your library (quick, before your neighbors get it!), and work through it with the animations created by this project: It will make you human.

Advice to Idiots:

But, if the stars you choose to study are found in such literary works as *People* and *In Touch*, don't let your foolishness prevent you from helping those who do intend that civilization flourish.

2. Johannes Kepler, *The New Astronomy*, translated by William Donahue (Cambridge, U.K.: Cambridge University Press, 1992).

The Election Turning-Point

In his invitation to his next international webcast, scheduled to be broadcast from Berlin, Germany and Washington, D.C. on Oct. 31, Lyndon LaRouche honed in on the crucial U.S. mid-term elections, which are scheduled for Nov. 7. Coming as they do, in the midst of the ongoing financial blowout, an immediately threatened aerial bombardment against Iran by the Cheney-Bush Administration, and the wave of disgust against government by the lower income majority of the U.S. population, these elections represent a turning-point in world history.

In answer to questions from Chinese interlocutors on the importance of these elections, LaRouche put them in a broader perspective, as follows:

“The U.S.A. is caught within a political-economic vortex. The striking of the Twin Towers of the Port Authority building in New York City struck the population of the U.S.A. with an effect, as I had stated my fears publicly at the beginning of that year: my fear that the combination of the economic downturn which had struck during the preceding year, and the intrinsic incompetence to govern of George W. Bush, Jr., created a situation in which we must expect an event comparable to Hermann Göring’s setting fire to Germany’s Reichstag in February 1933. The terror of the strike against the Twin Towers had the same type of effect as Göring’s securing Hitler’s dictatorship by setting fire to the Reichstag. Indeed, Cheney’s puppet Bush did come close to gaining dictatorial powers during the events of the evening following that attack. However, actual dictatorial powers were never gained, but the political effects of the incident on the political system as a whole have brought the U.S. very close to the possibility that a dictatorship might be established even prior to the coming November general mid-term election.

“In the meantime, the Sept. 11, 2001 incident has produced a certain weakness in the perceived authority of the U.S. Constitution. Yet, one of the factors which increases the risk of a U.S. top-down coup d’état, is the collapsing confidence of the population and political system in the Bush-Cheney Administration. This loss

of confidence in the Administration, makes Cheney and his controllers among the circles of George P. Shultz increasingly inclined to early desperate measures. It would be no surprise if Cheney were to launch a months-long aerial attack upon Iran prior to the November mid-term elections.

“In the meantime, the general collapse of the world’s present monetary-financial system is onrushing. The international real-estate-speculation bubble, which was created by former Federal Reserve Chairman Alan Greenspan, is more than ready to implode. The collapse of that mortgage-based real-estate bubble could be sufficient to have the effect on the present world monetary system that the collapse of the Lombard banking house of Bardi had in precipitating Fourteenth-Century Europe into a new dark age.

“The current world situation is like a state of war. The existence of the war is certain, and the principal factors determining victory or defeat are generally known, but the exact outcome remains uncertain. In such a situation, one must think like a Franklin Roosevelt, or any other great war-time commander.”

LaRouche went on to say, “As I have warned my friends and others in leading circles of the U.S. Democratic Party, and also others, the immediate future of politics belongs to the cause of the lower eighty percentile of the income-brackets of the U.S. citizens. In the pattern of results from Democratic primary elections so far, the trend is toward voter preference for the anti-Bush candidates, and for the candidates who are sensitive to the concerns of the voters from the lower eighty-percentile of family-income brackets. The economic and other political shocks to the population are arriving at an accelerating rate. Given the inherent uncertainties which I see clearly as an insider of the political process, unless what I am supporting wins, the situation for humanity as a whole would not be encouraging. However, like a commander, I must fight the battle which is set before me, on which I must act. That is the best that anyone can do at this moment. I estimate that our chances of success are good, but no one can offer guarantees of success at this moment.”