

# EIR

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'Chickenhawk Down': The Real Target Is Iran  
Narrow Band of Decision To Avert Dollar Crash  
Urgent Task for Congress: Restore Health Care

Youth to Congress: The  
Power of the 'New Politics'



# EIR

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## From the Managing Editor

This expanded New Year's edition of *EIR* was designed for maximum impact upon the incoming Congress—as well as on the constituents who elected them, and expect them to deliver on their campaign promises, and to secure a better future for “ourselves and our Posterity.”

Our *Feature* on the “New Politics” was prepared primarily by members of the LaRouche Youth Movement, as they strive to give the new Congress a vivid idea of how a relative handful of young adults were able to turn the tables on elections that were seemingly headed for Democratic defeat. The “Howard Dean” tactic was a failure (indeed, it was intended to be so, by the synarchist bankers who control one faction of the Democratic Party); the LaRouche method was a resounding success. And the LYM has just begun to fight.

The most urgent items on the agenda of the new Congress are the economy and war. Lyndon LaRouche's short piece, “Dollar Faces Early Collapse-Threat: A Narrow Band of Decision,” lays out the outlines of the current situation. We are also rushing to press a preprint of next week's *EIR* feature story, “What the Congress Needs To Learn: The Lost Art of the Capital Budget.”

The need for such a “New Economics” will be the subject of LaRouche's Jan. 11 Washington webcast, again “beamed” toward Congress (see *Editorial*). It can be viewed live at [www.larouchepac.com](http://www.larouchepac.com) starting at 1:00 p.m. Eastern Time.

In this issue, we highlight several aspects of the economic crisis, including an in-depth package on the crisis in U.S. medical care caused by the HMO system, which is as scandalous in its treatment of doctors and nurses, as of patients.

On the Iraq War and the threat of war against Iran, see *International* for Jeffrey Steinberg's strategic overview, and Muriel Mirak-Weissbach's report, following a visit to Iran, on the political situation there (including interviews with leading figures from two sides of the political spectrum).

From Germany, we have preliminary coverage of an important conference of the Civil Rights Solidarity Movement, headed by Helga Zepp-LaRouche. More to come in a future issue. We also feature Mrs. LaRouche's presentation in France in November, on the importance of aesthetic education, to making a political revolution today.



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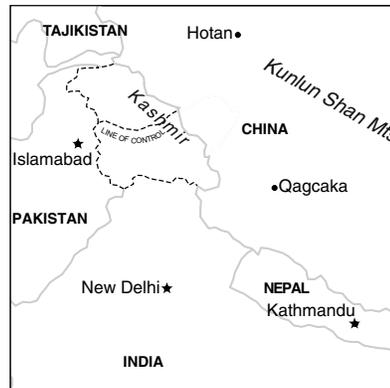
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**Correction:** In *EIR* of Dec. 15, 2006, on page 28, we erred in our mapping of the border between India and China, near the Kashmir region. We reprint here the corrected section of the map, which is in a particularly sensitive and disputed area of the world. We regret the error.

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## YOUTH TO CONGRESS

# Read Between the Votes: The Power of the ‘New Politics’

by Michael Kirsch, LaRouche Youth Movement

Unfolding in the form of a landslide against the Republican incumbent of the 23rd Congressional District in Texas on Dec. 12, the quintessential predicate of the post-Nov. 7 transformation has put a magnifying glass to what Lyndon LaRouche illustrated on Nov. 26 as the “New Politics.” The impact of a small number of strategically deployed young adults of the LaRouche Youth Movement (LYM) triggering the decisive margin of victory, was not a wild, political fluke deriving from the Nov. 7 midterm election, but a replicatable and knowable method of political organizing.

In the following seven articles, *EIR* presents a re-examination of the dynamic principles that unfolded on Nov. 7, so that the Congress may self-consciously move forward, wielding the unseen power, the method, which the present world economic, social, and cultural crisis so urgently demands.

For, just as Johannes Kepler discovered the causes of the motion of Mars and the organization of the Solar System—by hypothesizing the actual physics that projected the data perceived by the senses, relying thus on his mind’s uniquely human capability to discover causes, rather than following predetermined rules—so too, hypothesizing the “physics” of social phenomena is bounded by the same power.

As we demonstrate here, if voters are not viewed as objects to be muscled into formation for the purpose of an election, but instead, as minds potentially contributing to the development of the nation and the world, it were no longer necessary to appeal to the “least-common-demonimator” baseness of the population. Rather, were Congress to digest the critical lesson of political method illustrated in these pages, they would then realize that the organizing of a population is a process that can be approached with a knowable method.

If, in following in the footsteps of Kepler, the Congress

looked to the “physics” of the process of change in a population, then they would understand how, as was demonstrated on Nov. 7 nationally and on Dec. 12 in Texas, the LYM catalyzed the elementary reality that citizens respond in a human way, with a national pride to build a future, when they are presented with the sober reality of today’s crisis. Solving great problems, rather than petty issues of the kind associated with the approach of “Rumsfeldian incompetence,” makes it possible to uplift a population to demonstrate the power of their creativity. As post-election polling interviews showed, youth responded overwhelmingly to an environment of discussion of real issues and ideas. The youth of America need not be herded like cattle, but uplifted toward a great mission with optimism.

With the weighing-in of the 18- to 25-year-old generation on Nov. 7 and Dec. 12, the Congress must realize that all future decisions concerning political conflicts are now going to be made with this generation in mind. That being said, it should come as a refreshing realization to those patriots entering Washington, that to become self-conscious of the method of the “New Politics,” is at the same time, to recognize the method by which the required political forces can be garnered to introduce the urgently needed economic reforms into practice in the United States.

If the incoming Congress considers the implications of the following articles, and reflects on the fact that they are an expression of historic social phenomena within the population as a whole, they can, like the audience members watching a tragedy unfold on stage, cry out, “Enough!” and rise to act, as heroes from outside the tragedy, possessing the courage to challenge the axioms of economics standing in the way of securing a future for youth for the next 50 years.

# LaRouche's 'Mass Effect' Organizing Principle Confirmed

by Natalie Lovegren

*The Dec. 12, 2006 run-off election in Texas's new 23rd Congressional District provides an elucidating example of the method that sparked what Lyndon LaRouche has called the "New Politics." The campaign waged by the LaRouche Youth Movement (LYM) was a physical experiment that catalyzed a landslide Democratic victory.*

*In the Nov. 7 Congressional elections, with a wide field of candidates, no one received a majority in the 23rd CD (which includes part of San Antonio, and emerged after the courts overthrew former Speaker of the House Tom DeLay [R-Tex.] gerrymandering of the state's Congressional Districts so as to increase the GOP's representation in Congress). A special run-off election was scheduled, which pitted Democrat Ciro Rodriguez (who had lost his former Congressional seat as a result of the redistricting) against seven-term Republican incumbent Rep. Henry Bonilla. Until the last days of the campaign, Bonilla was almost universally expected to win. But when Election Day came, Rodriguez gained 55% of the vote to Bonilla's 45%.*

*LYM leader Natalie Lovegren, who was a member of the seven-person LYM organizing team in the district, gave this report Dec. 15 to the EIR staff in Leesburg, Virginia. It has been slightly edited for publication.*

If you look at the map, you'll see that this district is larger than a lot of the states east of the Mississippi. When we went there, we said, "Okay, there are seven of us. We have this much area to cover!" We found out that there were three colleges that were in the district, with a significant student population. So, we ended up looking at how we were going to mobilize the student vote. Then the other thing we ran into is, that most of the students were then in finals, or there were pre-final "dead days," where no one was on campus, so we had to figure out how to deal with that.

We concentrated mainly on three universities or colleges in the district. You have the University of Texas at San Antonio (UTSA), which is in the north; and this was where a professor from the law institute had put out a report saying that there were potentially 12,000 student votes at this campus, out of a student population of over 20,000—that there were potentially 12,000 voters that could vote for the Democrats.

But the likelihood of them voting—probably less than 300! So, that would have created the margin, even there, to be able to win the election.

That was the first school we went to. We started out by saturating the classrooms with literature early in the morning, before anyone was there, putting pamphlets and flyers all over the desks in large classrooms and auditoriums, or wherever we could. We did that at several schools. And then, also, the first campus where we were able to have discussions with the students, was at the University of Texas at San Antonio. At first, hardly anyone knew that there was an election. Some people said, "Oh yeah, I already voted. Nov. 7, right? Yeah. I voted Democrat, don't worry." So, we had to figure out how to raise awareness of the election, first of all, and then give the students a reason to vote.

But after a couple of hours we were asked to leave. They told us that we needed a student organization to sponsor us, so we went on a mission to figure out how to get permission to organize for the next couple of weeks on that campus, which was one of the biggest universities in the area that was in the district. We had a meeting with the president of the College Democrats, who was *very* enthusiastic, seemingly, initially very helpful.

She said, "I know people from campuses all over the city. I'm going to get you permission to be able to set up on all of the campuses." So, we briefed her on some of the work that we had done on the anti-DeLay campaign in Houston, and what the Franklin D. Roosevelt Legacy Club was doing in Los Angeles, and she was very excited, and began calling up people right there—people she knew from the campaigns last November and area Democrats, in order to set up a regional meeting for us to work together. She said she had to talk to her supervisor to get permission, but that she was willing to work with us. "You can use our table; we'll have it set up for you, just let me know when, and then we'll be done." So, initially, we had a very welcoming response.

## A Sudden Shift

That evening, there was an event at which I saw the College Democrats' president, and she was kind of reserved, and said, "I have some questions and some concerns. I talked



EIRNS/Stephanie Nelson

*The LYM organizing at a busy intersection in San Antonio. Two days before the election, the Rodriguez campaign picked up the idea, and began to hand out literature at the intersection too.*

to our vice president. There's a rule that we're not allowed to sponsor you. But I told them you were nice, and there was no problem, so I don't understand." The next day, she told me that there was a memo put out, by someone on the state level of the College Democrats, that throughout the state the College Democrats are not allowed to associate with the LaRouche Youth Movement, or they'll get their charter revoked, and won't be able to be College Democrats, ever again!

So, we had a situation where the students were largely unaware that this election of national importance was taking place, the campus political organizations were unwilling to publicize it, and we were being denied the capability to organize for it. Yet, it was perfectly permissible for an atheist group to set up a table on the campus, to baptize students, and engage in a program that they call "smut for smut," where they would accept any religious text in exchange for pornography: meaning, if you bring them the Bible, the Book of Mormon, the Quran, etc., they will politely check your ID, and give you a piece of pornography. There was no problem with the Board of Regents at the University of Texas allowing that type of activity on campus, but we weren't allowed on campus to organize for the election.

This was an ongoing battle, and we were trying to get around it, figure out if there was another student group that could sponsor us. Meanwhile, we were organizing at different campuses. We stopped organizing on what was technically UTSA campus property, but began to hold rallies at traffic

intersections just off the campus, to catch the student traffic. We infiltrated and saturated the student dormitories, housing, and off-campus apartments with material about the election. We left pamphlets about the David Horowitz-Lynne Cheney operations to stop political activity on campuses ["Is Joseph Goebbels on Your Campus?"], and with them, these leaflets about the election—they were pretty good:

"Thirty Five Bush Puppets Down, One to Go!"

"On Dec. 12, in U.S. Congressional District 23, continue the Democratic landslide and stop Cheney's perpetual war!"

"Representative Bonilla is George W. Bush's lapdog: on the war; on the destruction of our economy; on our future!"

"Get your Congressman off Bush's lap: Vote Bonilla out! Vote Democrat in the December 12 Special Election."

We blanketed all the housing with that leaflet. Every time we did anything

like that, I got a call from this student president, claiming that we "broke the rules. You can't do that, you're turning people against the candidate, we're going to lose the election because of you." She had told me the College Dems were not going to organize at all for the election, nor is any other student group. So, I told her that therefore, it seemed the seven of us were responsible for getting students out to vote. We didn't intend to break the law, but were having to come up with creative ways to stir up some discussion about it.

Another factor, is that UTSA is under the jurisdiction of the University of Texas at Austin, where Lynne Cheney's "Campus Gestapo" is at work, where you do have a couple of professors on David Horowitz's hit list.<sup>1</sup> We received a report from one of the students at the downtown campus who said that Horowitz had been there to give a presentation. The students couldn't take it after about half an hour of his speech, and they started interrupting him, saying he was full-of-it, racist, etc. Right before we put out the Goebbels pamphlet, Yaron Brook<sup>2</sup> had visited San Marcos, to spew his genocidal rhetoric; and then apparently in that same time period, Horowitz visited the UTSA downtown campus, and the student

1. David Horowitz, *The Professors: The 101 Most Dangerous Academics in America* (Washington, D.C.: Regnery Publishing, Inc., 2006). See *EIR*, Oct. 20, 2006.

2. Brook is the president and executive director of the Ayn Rand Institute. See "Lynne Cheney's Circles Call for Mass Murder," *EIR*, Oct. 27, 2006; "War Party Exposes Itself as the Campus Gestapo," *EIR*, Nov. 3, 2006.

that we spoke with was from the Progressive Students Organization. And she said that when they found out he was coming, they notified professors who had been under attack by Horowitz, and they organized an event on the same day to counteract what he was doing, and there was also a walkout from his speech. So this is some of the political environment we were dealing with on the campuses.

### **The Tejano Dems Join the Fight**

About a week before the election, the Tejano Democrats (Tejanos are Texans of Mexican descent) called a town meeting in the district, and invited Harley Schlanger, LaRouche's Western States spokesman, and LYM member Kesha Rogers, who had run for chairwoman of the Texas state Dems, to speak. This meeting was a reaction to how the party leadership had handled the campaigns for the Nov. 7 election, especially the lack of funding for statewide candidates; many lost by a very small margin just because they were completely underfunded. A lot of people were really unhappy with the direction of the Texas Democratic Party, and the discussion was generally about how to change the direction; what's the future of the Texas Democratic Party going to be? And a couple of the most important points were: We have to tell the truth about Republicans; that has to change, don't hold back on that. And we need to have outreach: It's not going to function just to focus on known voters.

The people there were generally pessimistic about how the Rodriguez campaign was working, because you had the DNC (Democratic National Committee) and the DCCC (Democratic Congressional Campaign Committee) come in on Nov. 18 and say, "Okay, yeah, we will give money, but most of it's going to go to robo-calls. So we're going to have massive robo-calls, and no debates. A discussion of ideas, debates, not allowed." They advised Rodriguez against debating Bonilla. And so a lot of people at this meeting were upset that you had this attempt to "professionalize" what they said—the DCCC had to come in to professionalize the Democratic campaign, because it was just being run by volunteers. Schlanger presented a panel on LaRouche's idea of the "New Politics," and Kesha Rogers spoke about the role of the Youth Movement, and the importance of the work on Classical music and science that we're doing to uplift the level of discussion politically. And people were very responsive to their speeches.

So, we did get a buzz going on about the election. We found a very good traffic intersection—high visibility for our banners, where we could get out election flyers, and pamphlets on LaRouche's Economic Recovery Act (ERA). We probably hit a total of 10,000 cars or so, in terms of the cars that passed through there. We did some stats on the cars: You had 95 cars per light. It was very good, because it was right on the South side of town, right in the middle of the Democratic base, and there was constant traffic. So we went out there with a few big banners, and one that said, "Henry Bonilla

Is Nothing But Tom DeLay With a Tan." A teacher took a whole bunch of the ERA pamphlets to put in the teachers' lounge. We were discussing the potential of a real economic recovery after we get these crooks out of the Congress. People were taking extra copies. We had another large shower curtain banner about Bonilla being a puppet of Bush. And then there was a media report saying saying that Rodriguez was turning to trash-talking and negative campaigning, because he called his opponent a "Bush Puppet." I don't think he ever said that—that was us.

After we had so much visibility at this intersection—we had been doing it fairly consistently—after President Clinton came in (see below), the Rodriguez campaign came to do the intersection, two days before the election! They weren't just holding up signs: They had a LYM-style truck with a megaphone, signs all over it, people briefing the crowd on the campaign. They had the candidate come out in a van, waving to people and talking. They were having fun. Those were the anti-professionals that the DCCC wanted to get rid of.

### **San Antonio's German Classical Culture**

Then, Palo Alto College. There's this really interesting culture to San Antonio, because you have a huge German population and German Classical culture scene there. So, we were staying with a supporter, and next to his house, is the Beethoven Bar. They have a "Männerchor" (men's chorus) and a "Damenchor" (women's chorus), and they have several German choruses and German singing societies that practice there. And there's a beer garden, and then there's several rooms for practice, where each singing group will practice on a different night. One of the nights we went over there, we ended up having a good time, singing in the bar, and people came over and started singing some of the German canons with us. And we met a professor who sang in these choirs, and he taught at a college in the South, which Clinton ended up visiting. So, we ended up working with him, and he invited us to his class the next morning, and we had a lively political discussion with the class. Then he gave us tips on which other classes to go to, which other professors that would be interested. And he's someone who has been a civil rights activist his whole life—he's 68; he did some work with the Cesar Chavez movement, the Valley farmworkers strike, the labor movement down there. He got fired from teaching at a college for participating in that.

So, he helped us out, and a group of us stayed at his house for a bit. And we ended up at that campus, which was small, about 8,000 students; we briefed about a dozen classes. And when we first got there, I talked to some professors who hadn't even heard about the election; by the day before the election, many students were very excited about voting.

So, that was good. The students were kind of wide-eyed and optimistic about the briefings we were giving them, about the responsibility of our generation, that this is something that we have an opportunity to do. That it's not just up to the older

## How 'New Politics' Won in Texas

Democrat **Ciro Rodriguez** won a landslide victory 55-45% in the Texas 23rd Congressional District in the Dec. 12 runoff—a stunning upset of seven-term incumbent Republican **Henry Bonilla**, which experts in the “old politics” had pronounced impossible, based on Bonilla’s \$2 million war chest versus a nearly broke Rodriguez campaign, and the supposedly assured turnout of Bonilla’s informed, relatively better-off Republican voter base.

The 23rd district comprises 21,000 square miles, running from San Antonio west to El Paso, along the Mexican border. However, 65% of the newly drawn district’s vote occurred in the C-shaped rim comprising the north, west, and south portions of the city of San Antonio in Bexar County.

The LaRouche Youth Movement arrived on the scene on Nov. 28, and began a two-week organizing blitz at Palo Alto College, a commuter college of 800 students on the south side of town, in Precinct 1046, and the huge University of Texas at San Antonio on the north side of the city, in Precinct 3134.

The LYM organized at Palo Alto, and in the precinct directly north of the campus, 1047, at the South Park Mall, and its nearby intersection, Military Road at I-35, getting out thousands of pieces of literature. The LYM’s distribution of thousands of copies of the “Is Joseph Goebbels on Your Campus?” pamphlet, commissioned by Lyndon LaRouche, on the nationwide, university-based mind-control gestapo set up by Lynne Cheney (Campus Watch), along with “Organizing a Recovery from the Great Crash of 2007,” LaRouche’s Nov. 16, 2006 webcast, and brutal humor directed at Bush-Cheney, began to change the polit-

ical environment immediately. On Dec. 4, eight days before the election, an independent poll by SurveyUSA/WOAI-TV, showed Bonilla ahead 53-46. A few days later, private Democratic polls reportedly showed the race even, at 44-44, and then, Rodriguez pulled ahead by 47-44, according to reports. Around Dec. 8, President Bill Clinton made the decision to come to speak at Palo Alto College on Dec. 10, which event lifted the idea of youth taking action for a future over the top.

As the map shows, the precincts where the LYM organized, voted heavily for Rodriguez (the eight precincts on the south side), with a voter turnout ranging from 17-21% on Dec. 12.

On the north side, historically the Republican stronghold, the LYM organized around the University of Texas at San Antonio, with its 20,000 student commuters. Bonilla won the precincts in the north handily. By Dec. 12, ten of these precincts shown northwest of the city, had become “War Zones,” where the vote was now virtually 50-50.

And, in very hard-core Republican areas such as precincts 3030, 3044, and 3075 (see map), the vote remained overwhelmingly Republican on Dec. 12, but the turnout was cut in half from Nov. 7. For the first time ever, the Republicans lost the “early voting” phase of an election—an eight-day period, from Dec. 2-9, which Republicans had always won. As the *San Antonio Express* reported Dec. 12, “Defying every political truism of Bexar County politics, Bonilla started the night by becoming the rare well-known Republican to not only lose early voting, but to lose it badly.” Bonilla’s voters had become demoralized, in the environment of the LYM addressing the demise of the nation under Bush-Cheney, while the LaRouche youth mobilized what will become the dominant factor in future elections: youth, and a youth-inspired vote for a future.

—Anita Gallagher

generations to direct the future now, it’s up to us, and you should take part in it—it’s fun. There was a kind of excitement, but also a recognition of the severity of it, that this takes a lot of responsibility. And the professors responded pretty well, too. We essentially had an open invitation to speak at these classes. We weren’t turned down by professors.

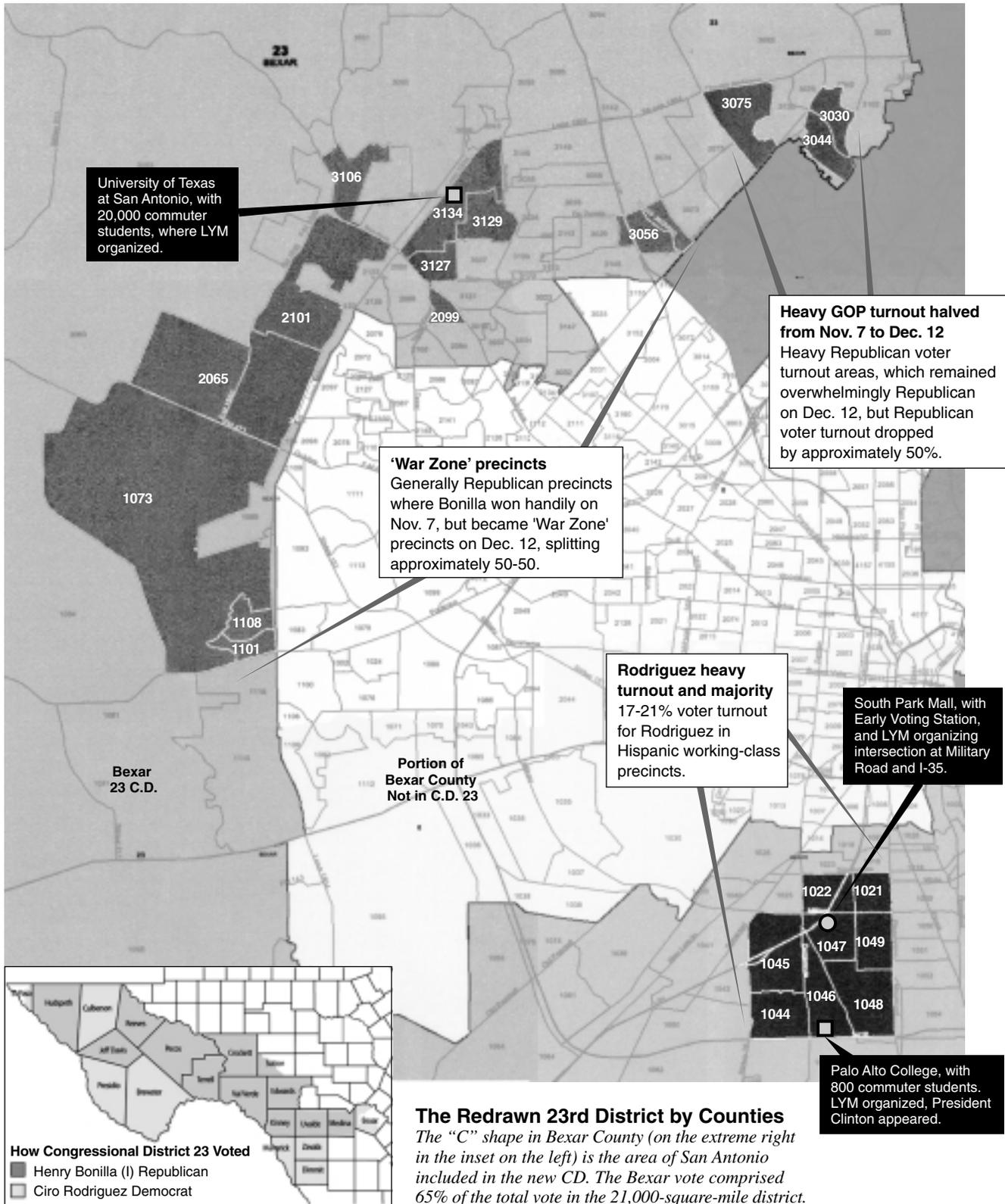
### Bill Clinton Joins the Fight

Palo Alto College was the only campus where we were able to set up a table whenever we wanted, so we did a lot of organizing there. And then, Saturday morning [Dec. 9], we found out that Bill Clinton was coming to the campus on Sunday at noon. So we called all the contacts we had made

there, called all the contacts we had made at other universities, and everyone I talked to was super-excited about Clinton. His name—I just haven’t seen a reaction like that, from our generation to a public figure. After his appearance, when we talked to students about the upcoming election, some would say: “Aw, whatever. It doesn’t make a difference if I vote. It’s just a stupid run-off election.” And we’d say, “Oh really, did you know Bill Clinton was here, that he thought this election was a pretty big deal, so he came out to your college?” Then they’d turn around: “WHAT!?! Clinton?! Here?! I can’t believe it! Why didn’t I know about this!”

And Clinton’s speech was very hard-hitting. I’m glad the College Democrats were there. His speech should have orga-

**Texas's 23rd Congressional District, Precincts in Bexar County Where the Election Was Decided**



Sources: Congressional District Plan 01438C; Bexar County Elections Department; EIR.

nized them. The president of the College Democrats had actually told me, “Well, we’re not going to organize for the election. I think that education comes first. So I’m not going to encourage the members of the club to organize for the election, because they already did so much in the November election and it just wouldn’t be fair to ask them to do this. Sorry! Education comes first!” So, I’m glad the students were there, that they were organized by Clinton: Because he was making it very clear; he went through the comparison between the current administration—“the man in the White House”—and what the Democrats had done, what his administration had done. He started off developing this irony: He said, “Ciro [Rodriguez]’s opponent said he was glad I was coming to town, because the voters of District 23 have nothing in common with me, and they wouldn’t really care. So, I got to thinking, what didn’t they like about what we did? What didn’t they like about Democratic policy?” And then he compared the difference in the country, the dramatic difference in peoples conditions of life, between his administration and the current Bush Administration, and made a really stark contrast.

“Now,” he said, “the reason I’m going through this, is because whether you understand this or not, is what’s going to determine the election. So, think about it, and go out and organize, and look people in the eye and tell them to get out there and vote. That this is about the future.” He said that we won 29 seats in Congress in November, but there were 10 more that were really close, that were within 1% of winning. So are we going to make this one one of the 29 or one of the ten? He then mocked the idea of the Bush administrations attack on “the reality-based world.” He said, “They think were lesser mortals, because we—I’m not joking—are stuck in the reality-based world. They think that state of denial is a compliment, because that just means that you’re strong enough to be able to ignore any facts that are inconvenient to your ideology.” It was very good.

Another key component, another key organizing force was LULAC (League of United Latin American Citizens). They were the ones that filed the suit against the governor, against Perry, about the redistricting in the first place. The Supreme Court ruled that they needed to change the maps, because 100,000 Latinos were disenfranchised. And then they organized to allow for early voting, because the Republican Secretary of State was not going to allow it. The idea—this is something that I heard, I don’t know if it was actually the strategy—that they wanted the higher income people to vote,



EIRNS/Tauron Jones

*The LYM is known for its beautiful, choral singing, including in San Antonio (author Natalie Lovegren is on the right). They joined German choruses in a local “beer garden,” as well as singing in an acoustically excellent tunnel by the river.*

because they would vote Republican; and if you had early voting, you were going to give more of a capability to the lower-income people who would have to go out after work to vote, and you would give them more opportunity to vote. So, LULAC really fought to get the early voting. And then we even got an extra day, so we had all through Saturday, before the election on Tuesday to do early voting. In one instance, we made up a flyer that said, “Early Vote Today at This Location” and then put some fun political stuff in there, and then blanketed a mall where one of the early voting polling stations was. We stuck it on hundreds of cars in the parking lot, and then went inside and distributed these leaflets to a bunch of people in the mall.

So, we were just really figuring out how to get things moving. We did some singing that was fun. There’s a place called the River Walk that was built during the New Deal, along the river; it’s stone, and there’s some bridges, and the river is below the level of the downtown, so you have to go down these stairs, and there’s bridges and tunnels and restaurants all along the way. And so, we found a tunnel that had really good acoustics, and we were singing political canons and German songs, and we drew crowds. They were coming out and listening, and watching from across the river. We were passing out leaflets about the election while singing, so that created an interesting dynamic. There wasn’t really any downtime; we thought, “Well, let’s just keep going, and think of every creative thing we can to get people political. And create a buzz.”

# Tejano Dems Meet in San Antonio; The ‘New Politics’ Is Introduced

by Harley Schlanger

Three days before the Dec. 12 special run-off election for Texas’s 23rd Congressional District seat, between underdog Democrat *Ciro Rodriguez* and Republican incumbent U.S. Rep. *Henry Bonilla*, the Tejano Democrats in San Antonio sponsored a panel on the theme, “Which Direction for the Democratic Party?” The purpose of the event was to review the outcome of the Nov. 7 election in Texas, so that the Democrats might make the changes necessary to once again win statewide elective offices.

The panel consisted of influential figures who have provided leadership in shaping both tactical initiatives, and strategic direction, for the Texas Democratic Party. These included Dr. *Richard Gambitta*, director of the Institute for Law and Public Affairs, University of Texas at San Antonio; *Peck Young* of Austin, a long-time Texas Democratic Party consultant and pollster; Prof. *Rudy Rozales*; and *David Van Os*, an activist from the progressive wing of the party, who was the Democratic nominee for state Attorney General in 2006.

What made this panel different was the participation of a member of LaRouche PAC, *Harley Schlanger*, who is also the Western states spokesman for *Lyndon LaRouche*. His participation reflected the recognition by activists among the Tejano Democrats (*Tejano* is the Spanish word for “Texan” and refers to Texans of Mexican descent), and party leaders more broadly, of the profound significance of the special kind of organizing carried out by members of the LaRouche Youth Movement (LYM), both in Texas and nationally, which catalyzed a dramatic increase in involvement of young voters in the midterm elections.

Though the LYM in Houston had been at the forefront in the drive to defeat the corrupt U.S. Rep. *Tom DeLay* in 2004, and continued that campaign until he was forced to resign in disgrace in 2006, the LaRouche Youth became a statewide force with the candidacy of *Kesha Rogers* for state Democratic Party chair in 2006. *Rogers* joined with *Charlie Urbina Jones*, a long-time Democratic Party leader from San Antonio, who also ran for state chair, to rock the establishment with their candidacies.

Both insisted that the Party must recruit new voters, through aggressive outreach, with *Rogers* emphasizing going to youth on the campuses and in the neighborhoods, challeng-

ing them to take responsibility for the future. Her slogan, “Out of the Bushes and Into the Future,” caught the attention of many Texas Democrats, and her spirited speech at the state convention in early June gave her enough votes that, when combined with *Urbina Jones*, a run-off was required in the chairman’s race.

## The Failure of the ‘Old Politics’

More than 40 people attended the forum, including the current state chair of the Tejano Democrats, the past state chairman of Mexican-American Democrats, members of LU-LAC (League of United Latin American Citizens), and the Democratic nominee in 2006 for lieutenant governor of Texas. It was moderated by *Urbina Jones*, who said he wanted to bring together leading activists to address what must be done to win a Democratic majority in Texas, so that the damage which has resulted from six years of the Bush-Cheney Administration could be reversed.

The first four speakers presented interesting thoughts on the failure of the Texas Democratic Party—and the national party, under *Howard Dean*—to mobilize effectively, particularly in support of the statewide ticket. Many of their criticisms covered familiar ground: not enough money, either from the state or national party, and a bureaucratic structure that is out of touch with the voters, and doesn’t listen to activists in the field.

However, they also identified the flaws which come from applying the statistical-mechanical approach of the “Old Politics,” such as the lack of a serious, consistent grassroots organizing operation; and, too much emphasis on “focus groups,” to determine how to use television and robo-calls, to narrowly target previously identified voters. This standard approach was attacked by Professor *Gambitta*, who said that the Democrats continue to concentrate on “consistent” voters, instead of engaging in campaigns which expand the electorate. This is in part due, he said, to the failure to organize on the precinct level, the way the Democrats used to do in San Antonio.

*Peck Young*, who has been an “insider” for years, and was a leading backer of *Boyd Richie*, who ultimately defeated *Rogers* and *Urbina Jones* in the race for state chair, added two points. It is necessary, he said, to build a cadre of qualified

candidates. Further, these candidates and party officials must always “tell the truth about the Republicans.”

Van Os sharply attacked the national and state Democratic leadership for its timidity in recent years. He contrasted his campaign, during which he visited every county in Texas, including those which vote overwhelmingly Republican, with the failure even to field candidates in many races, ceding ground without a fight. The party has become too much like the Republican Party, he added, dependent on corporate funds and afraid to stir up a debate.

### ‘New Politics’ Presented

While these presentations offered useful contributions, a listener might gather from them that Nov. 7 had been a catastrophe for the Democrats. This was challenged by Harley Schlanger, who presented LaRouche’s conception of the “New Politics.” Each of the previous speakers, he said, spoke of their problems with “party insiders,” and the “traditional” methods of campaigning. “I am a spokesman for the one Democrat courageous enough to be a real outsider, Lyndon LaRouche, who, from his position as an ‘outsider,’ shaped the outcome of the midterm elections.”

Schlanger reviewed the significance of the increased turnout of young voters, and how LaRouche had unleashed the LYM with a strategy of mobilizing them to effect a marginal expansion of the electorate. “In some states, such as Missouri and Montana, it turned out that the youth vote was the decisive margin, which enabled the Democrats to win the U.S. Senate.”

This approach worked, not through applying traditional methods, but precisely because it rejected the accepted means of getting out the vote. The mass effect, combining the distribution of nearly 1 million pamphlets, with one-on-one discussions with young people who are hungry for new ideas, generated a ripple effect in the population, which produced the Nov. 7 tsunami. Making the campaign one for double impeachment of both Bush and Cheney—so that solutions to the strategic crisis in Southwest Asia and the global financial crisis may be introduced in the new, Democratic Congress, without obstruction from the Administration—inspired previously apathetic youth to go to the polls. The activation of the youth vote served, in turn, to provoke a positive response in older voters in the lower 80% of family income brackets.

The “New Politics,” he concluded, is the means by which LaRouche’s call for a return to the American System principles of Franklin D. Roosevelt can be realized, and the Democratic Party will serve, again, as the vehicle through which the “forgotten men and women” of America can participate as full citizens.



EIRNS/Michael Steger

*LYM organizer LaKesha Rogers, addressing the Texas Democratic State Convention last June. She told the Tejano Democrats: “We are not just youth walking precincts, but preparing to be leaders.”*

### Unique Role of LYM Presented

The response to Schlanger’s speech was enthusiastic, and was followed by an animated dialogue. The highlight was Kesha Rogers’ intervention, during which she elaborated on the unique nature of the LYM: “We are not just youth walking precincts,” she said, “but preparing to be leaders.” She described the task that she had taken on in her campaign for state chair. “There were too few young people who were delegates to the state convention. We are going to change that.” She spoke about the intellectual work undertaken by LYM members. By mastering the rigorous curriculum prescribed by LaRouche, in physical science and the arts, we are developing that new leadership. She emphasized the importance of singing and the focus on Bach’s motet, “Jesu, meine Freude,” as necessary to give this generation a sense of beauty, as well as a connection to history.

Her intervention was seconded by a former chair of the Mexican-American Democrats, who said, “I saw the LaRouche Youth in Boston [at the 2006 Democratic national convention], and at the state convention. It was the most exciting part. . . . Every time you turned around, there they were, singing and whooping it up.”

The meeting concluded with an announcement by an official with Rodriguez’s campaign that former President Bill Clinton would be in town the next day, to rally support for the Democrat, to defeat Bush puppet Bonilla.

Following the crushing defeat delivered three days later to Bonilla, a participant at this forum told a LaRouche organizer that he believes that the outcome of this election validated LaRouche’s idea of the “New Politics.”

# Rodriguez Victory Was Anti-Dean Landslide

*The LaRouche Political Action Committee published this press release after the Dec. 12 upset victory by Democrat Ciro Rodriguez in the runoff election in Texas.*

Dec. 13—The victory by Democrat Ciro Rodriguez in the runoff election for the 23rd Congressional District of Texas on Dec. 12 was accomplished despite the efforts of DNC Chairman Howard Dean to sabotage the race, said Lyndon LaRouche, after being briefed on the outcome. Dean did everything possible to lose this election, by adopting a mechanical-statistical “strategy” aimed at suppressing the vote, by appealing only to known voters, and acting to prevent Rodriguez from using campaign debates to clarify the crucial stakes in this special election.

In contrast, it was the mobilization by a team of organizers from the LaRouche Youth Movement (LYM), backed up by an effective last-minute intervention by former President Bill Clinton, which ensured the turnout which defeated Republican Rep. Henry Bonilla, who held the seat for 14 years and was known as an Hispanic “poster boy” for the GOP.

“This was a landslide defeat for Dean’s policy,” LaRouche said. “His so-called 50-state strategy went down the drain. The electorate has spoken.” LaRouche added that the LYM intervention—which focussed on mobilizing the youth vote at San Antonio-area campuses—may not have been sufficient in itself. However, with the visit by Clinton, the combined deployment ensured a level of mobilization which turned the election against Bonilla. This combination, of Clinton plus the LYM, is the most powerful force for the Democrats, LaRouche said. “The Democratic Party must learn this lesson, quickly.”

While Dean and the DCCC belatedly pumped money into the campaign, the advice they offered was a rejection of the lesson of the Nov. 7 transformation of U.S. politics, which LaRouche has described as the “New Politics.” The Dean/DCCC forces cancelled Rodriguez’s participation in a series of debates, and advocated instead spending on television and “robo-calls.”

Instead, the LYM continued to build on the momentum of Nov. 7, with a strategy of organizing college students to mobilize a vote against Bonilla, who they identified as one more “Bush-baby” who had to go. Clinton picked up on this in his appearance at Palo Alto College in San Antonio—



EIRNS/Stephanie Nelson

*Until the LYM arrived on the scene, many people didn’t even know there was a runoff election—a crucial race that ended up giving one more Democratic representative to the U.S. Congress.*

where the LYM had established a strong presence—by pointing to the failure of Dean and the DNC to get an even bigger landslide on Nov. 7. Clinton said that there were ten seats which the Republicans won by a “slim margin,” an unmistakable reference to winnable races in which Dean and his allies failed to provide adequate backing. Clinton told the enthusiastic crowd which greeted him, “You have to decide whether this House seat is going to be with the 29 [won by Democrats on Nov. 7], or the 10.”

As was the case on Nov. 7, the pundits and pollsters had underestimated the degree to which U.S. voters were looking for an opportunity to express their contempt for the Bush-Cheney policies. Though polls showed Bonilla with a 7% lead just days before the election, LYM organizers found a growing enthusiasm. The main problem was to get voters out to the polls. A former Democratic Party statewide candidate praised the work of the LYM, saying that what they had done during this campaign, “is what the state and national party should be doing,” while a leading activist offered his congratulations, adding that he believes that LaRouche is “100% on the mark” in identifying the “New Politics” as the path to future victories.

When asked why Dean is acting to sabotage the Democratic Party, LaRouche concluded that he thinks “Dean has not forgiven the Party for rejecting him, in favor of John Kerry, in 2004.”

# LYM in Ohio: Interpretation vs. Reality

by Joe Smalley, LaRouche Youth Movement

*Consider the maps and tables included on these pages, correlating them with the involvement of the LaRouche Youth Movement with the Nov. 7 midterm election results in the state of Ohio. Notice the substantial resultant differences in the highlighted locations, between 2002 and 2006, and consider the following series of questions:*

What created this observed, dramatic change? Many interpretations have surfaced since the elections on why the Democrats enjoyed a landslide victory, so, which interpretation ought you to believe? Should you be forced to choose one interpretation, a combination thereof, or even invent your own? Perhaps a different question should be asked: By what means could one come to know that such interpretations were,

like the astronomical models of Ptolemy, Copernicus, and Brahe, not altogether fruitful, neither for discovering the cause of the statistically measured effects, nor for improving the state of the economy?

Democratic National Committee chairman Howard Dean, in a post-election memo, stated that organizers “expanded the state [Ohio] party’s infrastructure,” with, “a DNC-funded field director, four field organizers, and a voter database manager [who] all helped run voter contact operations in parts of the state that hadn’t heard from the Democratic Party in years.”<sup>1</sup> Does Howard attribute the voter surge to these DNC activities? To four field organizers? And what ideas? If so, by what method does he reach his conclusion?

## ‘New Politics’ Surged Ohio’s Democratic Vote

The Midwest LaRouche Youth Movement had a regular presence in the northern tier of Ohio (Toledo, Akron, and Cleveland), and had organized down to Cincinnati, when massive shutdowns of auto plants, especially those belonging to Delphi, were announced in May 2006. Then, a few weeks before the Nov. 7, 2006 midterm election, the LYM targeted five universities for high-profile, idea-based interventions against Lynne Cheney’s campus gestapo, “Campus Watch,” through the distribution of thousands of pieces of literature, and hundreds of one-on-one conversations. Personal interaction was identified by the national Voter Strategies Group as the way the 25% national increase in the 18-29 year-old vote from 2002 to 2006 was generated. This vote came in at nearly two-thirds for Democrats.

The LYM intervened at universities in Athens, Cuyahoga, Franklin, Hamilton, and Portage counties. The Democratic vote not only increased—it massively increased. In both Hamilton County (Cincinnati) and Franklin County (Columbus), the Democratic Congressional candidates carried those counties, which had voted 3-1, and nearly 2-1 Republican in 2002 (**Table 1**). In Athens County, the

LYM campus organizing was key in increasing the voter turnout by 5.3%, and in transforming a narrow Democratic victory in 2002 into a 5-1 Democratic win in 2006 (**Table 2**). In Portage County, where the LYM organized at Kent State, the voter turnout increased nearly 10%, and the Republican victory in 2002 flipped to a 2-1 Democratic majority. In Cuyahoga County (Cleveland), a comfortable Democratic victory in 2002 surged to a 3-1 Democratic landslide in 2006 (Table 1).

In the five counties to which the LYM brought Lyndon LaRouche’s legislative plan to save the auto industry-machine tool capability, without a specific campus element, three of these counties flipped from Republican to Democratic: Lucas, Montgomery, and Richland. In Montgomery County, a Republican-leaning area, which was impacted by four announced Delphi plant closings, voter turnout surged by 8.3% in 2006, compared to 2002. In Lorain and Trumbull (Lordstown) counties, narrow Democratic victories in 2002—by margins of less than 2,000 votes—became 2-1, or, even in Trumbull, 3-1, Democratic landslides, with significantly increased turnout.

In Franklin (Columbus) and Hamilton (Cincinnati) counties, where the LYM organized on campuses as well as at auto plants, the Democratic Congressional candidates won where the Republicans had trounced Democratic opponents in 2002. If the Democratic leadership had embraced the “New Politics,” there would be two more Democratic members of Congress today.—Anita Gallagher

TABLE 1

## Democrats Could Have Won Two More Ohio Seats

Ohio Congressional District 2		
2002 Vote	2002—entire CD	Hamilton Co.
Sanders (D)	<b>48,785</b>	<b>20,198</b>
Portman (R)	139,218	63,037
<b>2006 Vote</b>		
Wulsin (D)	<b>117,595</b>	<b>50,210</b>
Schmidt (R)	120,112	44,447

The Democratic vote improved from a near 3-1 trouncing in 2002, to a narrow loss of the seat by only 2,500 votes. The Democrat won the county where the LaRouche Youth Movement organized.

Ohio Congressional District 15		
2002 Vote	2002—entire CD	Franklin Co.
Brown (D)	<b>54,286</b>	<b>48,742</b>
Pryce (R)	108,193	91,242
<b>2006 Vote</b>		
Kilroy (D)	<b>109,659</b>	<b>98,964</b>
Pryce (R)	110,714	91,411

In CD 15, the Democratic vote surged from a 2-1 loss in 2002, to a narrow loss by only 1,055 votes in 2006—less than one-half of one percent. The Democrat won in the county where the LYM organized.

Note: Democratic vote is in boldface.

Source: [www.sos.state.oh.us/SOS/ElectionsVoter/results](http://www.sos.state.oh.us/SOS/ElectionsVoter/results)

The subject of method is crucial to distinguish the statesman from the poster-boy. The method of organizing employed determines the type of effect that will be produced by that organizing. Fundamentally, two methods can be employed, one which focusses on mental-physical action as primary, the other which focuses on mechanical action as primary. In the former case, change in the quality of mind of the human individual is the subject of organizing; in the latter, appeal to traditional social forms of behavior. Lyndon LaRouche, in a recent paper titled, “Johannes Kepler and the Democratic Challenge: The New Politics,” describes the significance of the former:

*“The practical point at issue in the subject at hand is that not only is human creativity, when properly defined, expressed as an experimentally knowable sovereign form of behavior by individuals; it also supplies the qualitative energy, in the ontological sense of motive power, of all great, positive changes in direction of development within social processes as such.”*<sup>2</sup>

What actually *moved* people to partake in a seeming historical miracle? Recent studies have empirically demonstrated that person-to-person contact was the most significant

factor in getting out the vote, and, in fact, that robo-calls were the least significant.<sup>3</sup> *But, why is this?* People are not robots! Nor are they cows! What do you call a human being who treats others as if they were robots or cows? A Howard! Physical action requires an impetus; a human being must have courage to challenge himself, and others, to change. If the United States of America were to remain true to its historical mission, then Americans must develop a new vision. *We must become aware that it is our consciousness of the great problems facing us today that pushes citizens into the future; that the development of a nation, like ours, depends upon the advancement of all its citizens, mentally, materially, and morally.*

The discussion that informs citizens of their own significant role in resolving universal problems does not consist merely of their behavior on Election Day. If it were to be a motive power, informative discussion must hold vital the role of the individual in shaping society. Individuals must encounter ideas that change them, if they expect to change their surroundings.

So, then, what caused people to become aware of the calamities facing them and their posterity this election season? Rather than attempting to interpret the election results, let us return to the aforesaid question: By what means would one come to know that such interpretations were, like the models of Ptolemy, Copernicus, and Brahe, not altogether fruitful, neither for discovering the cause of the statistically measured effects, nor for improving the state of the economy? To begin to answer this question, we must travel through the most recent years and months of history, and we must distinguish the two, characteristically opposed methods of organizing within the context of the 2004-06 campaign.

## The Living Force

While the LYM were not the only organizers mobilizing people for a political fight, the method that we employed was strategically unique. Members of the Midwest LYM focussed their organizing on university and college campuses during the recent campaign season, concentrating most heavily in the state capital, Columbus. Reportedly, over 100 College Democrats also converged on Ohio for a two-day weekend in November.<sup>4</sup> *Their ideas were not reported.* The LYM’s discussion, however, with students on matters of impeachment and economic development intensified with a mass exposé of the Campus Gestapo.<sup>5</sup> Over 10,000 pamphlets, “Is Joseph Goebbels on Your Campus,” were aimed at Ohio State University (Franklin County) alone. Activities were also concentrated on Ohio University (Athens County), where about 5,000 pamphlets were delivered. A fair trade forum was held in Athens, where students and faculty gathered for the sake of giving more pennies to tropical coffee farmers. Here, several LYM members opened people to irony: Underdeveloped nations need transformative change, not spare change. Members of the audience gasped when we replied to a rebuttal claiming

TABLE 2

**Ohio's Massive Democratic Tide Where LYM Organized**

Comparison of Ohio Gubernatorial Vote in 2002 and 2006

County	2002	Turnout	2006	Turnout	Comment
Athens	<b>D 8,408</b> R 7,018	42.7%	<b>16,188</b> 3,303	48.0%	Narrow Dem victory in 2002 becomes 5-1 landslide
Cuyahoga	<b>225,582</b> 142,814	45.8	<b>335,306</b> 107,234	44.3	Dem easy hold expands to 3-1 margin
*Franklin	<b>108,778</b> 156,712	40.4	<b>241,596</b> 122,601	50.3	County turns Dem by 2-1
Hamilton	<b>73,843</b> 160,223	47.3	<b>139,451</b> 141,374	52.3	Dems nearly win GOP stronghold
*Portage	<b>19,708</b> 19,887	45.1	<b>36,553</b> 16,223	54.4	County turns Dem by 2-1
Lorain	<b>38,515</b> 37,423	49.9	<b>68,783</b> 28,342	54.5	Dem narrow hold expands to 2-1+
*Lucas	<b>49,648</b> 76,572	48.7	<b>95,118</b> 44,307	49.5	GOP 3-2 margin reverses to Dem 2-1 win
*Montgomery	<b>59,584</b> 95,891	50.0	<b>107,593</b> 76,189	58.3	Dems reverse GOP trouncing
*Richland	<b>13,520</b> 21,963	46.8	<b>24,398</b> 19,855	51.7	Dems reverse GOP trouncing
Trumbull	<b>35,364</b> 33,718	56.2	<b>60,161</b> 18,556	58.3	Dem narrow win becomes 3-1+

## Notes:

The first five counties contain university towns where the LYM organized for several weeks prior to Nov. 7, 2006. In some cases, they overlap with locations where the LYM organized at auto plants earlier for LaRouche's emergency legislation to save auto.

In the five counties which follow, the LYM organized at auto plants.

\*Indicates county that switched to Democrat in 2006 from Republican in 2002 in the gubernatorial vote. Democratic vote totals are in boldface.

Source: [www.sos.state.oh.us/sos/ElectionsVoter/results](http://www.sos.state.oh.us/sos/ElectionsVoter/results)

that FDR had to save money to further manufacturing, with: "That's not even true. . . . We had the sovereignty to actually use credit to develop that capability." We interrupted some classes to brief students on our activities too. "Eek!" exclaimed a Democratic pedant, who believes firmly, "Education determines income! Keep your nose in your texts!" Some students, however, did organize a protest, albeit a scarily Baby-Boomer-style one, against the Iraq War, in which this author was welcomed to speak.<sup>6</sup>

The LYM activities in Ohio were part of a national organizing drive to open campuses to discussion of ideas.<sup>7</sup> Most students were well aware of the crumbling economic situation in Ohio and worldwide, with warnings of a monetary crash looming overhead. But what can one do in such ominous times? With only charity events and gripe sessions accessible, a student might become apathetic. "Quick! Gather your green and burn some grass," says the fool to his cowardly friend. If money had an intrinsic value, if man were a beast, then this might be a less-than-despicable plan; however, as Alexander Hamilton demonstrated the point, it is man who controls the

function of money.

We gave students the alternative: People need to be productive; the nation needs agriculture, manufacturing, science, and infrastructure. "But, we don't need to produce physical goods anymore, we've become a knowledge economy," says the "economics" student. However, when youth are given the chance to think—as we took part in creating such opportunities—they will respond. They begin to challenge their axioms. "How ya gonna pay for that?" one asks, while looking at a map of the Eurasian Land-Bridge. Countless discussions between the LYM and students, laborers, and public officials, on the subject of money, embody the distinction between our method and others.

**On the Money Problem**

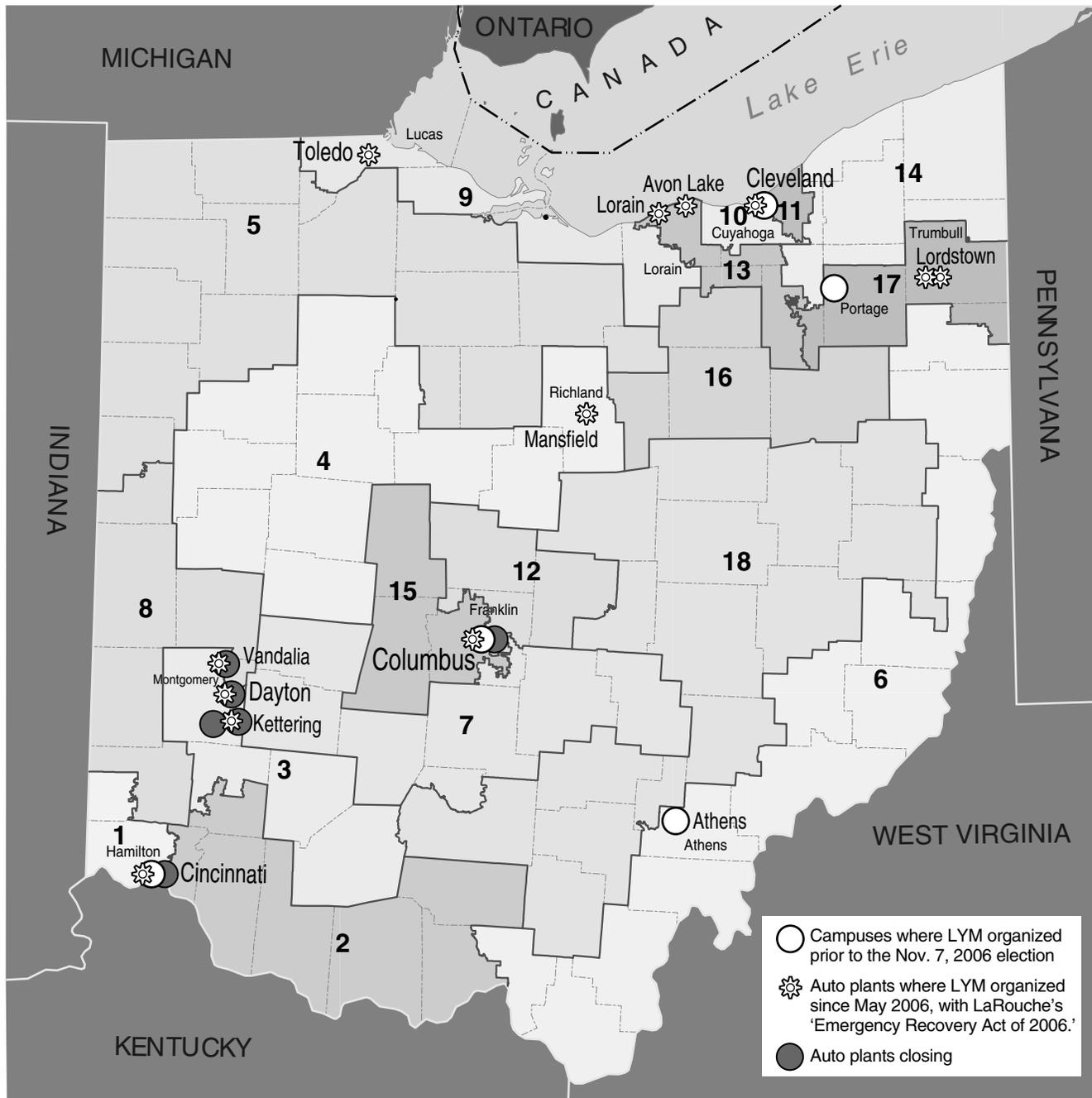
While too many Democrats sat on the sidelines, during systemic shut-downs of the automobile and machine-tool industries, beginning early 2005, LYM members and contacts organized labor leaders throughout the Midwest, most heavily in Ohio and Michigan, to join our call to the Senate for Emergency Legislation—for the creation of a Federal authority to provide the capital for the maintenance and expansion of auto-related production facilities, to create new products, and to create mate-

rial inputs for critical infrastructure projects.<sup>8</sup> Members of Congress, their staffers, Democratic Party pedants, and even some laborers grimaced, saying, "But the government cannot pay for the private market. Even so, look at how much debt we're in! Where would you ever get the money for that? You're crazy!"

Considering that a nation without the means of production must depend on other nations for its own defense, that the United States was built upon the foundation of a constitutionally permissible National Bank, and that technological leaps and associated mass-effects of productivity of the entire U.S. economy were by-products of the American System of Political Economy, we realized that American citizens are malnourished when it comes to their own history.<sup>9</sup> *You're crazy?* The Baby Boomer who decides to forget the future and live in a fantasized past *is crazy!* Under whose complicity has money, made by man, a tool for harnessing his work-product, become a god whose rules he was forced to obey?

As the LYM toured Ohio, speaking with soon-to-be retirees at plants marked for collapse (see map), workers were

## LYM Brings Out Democratic Vote in Ohio



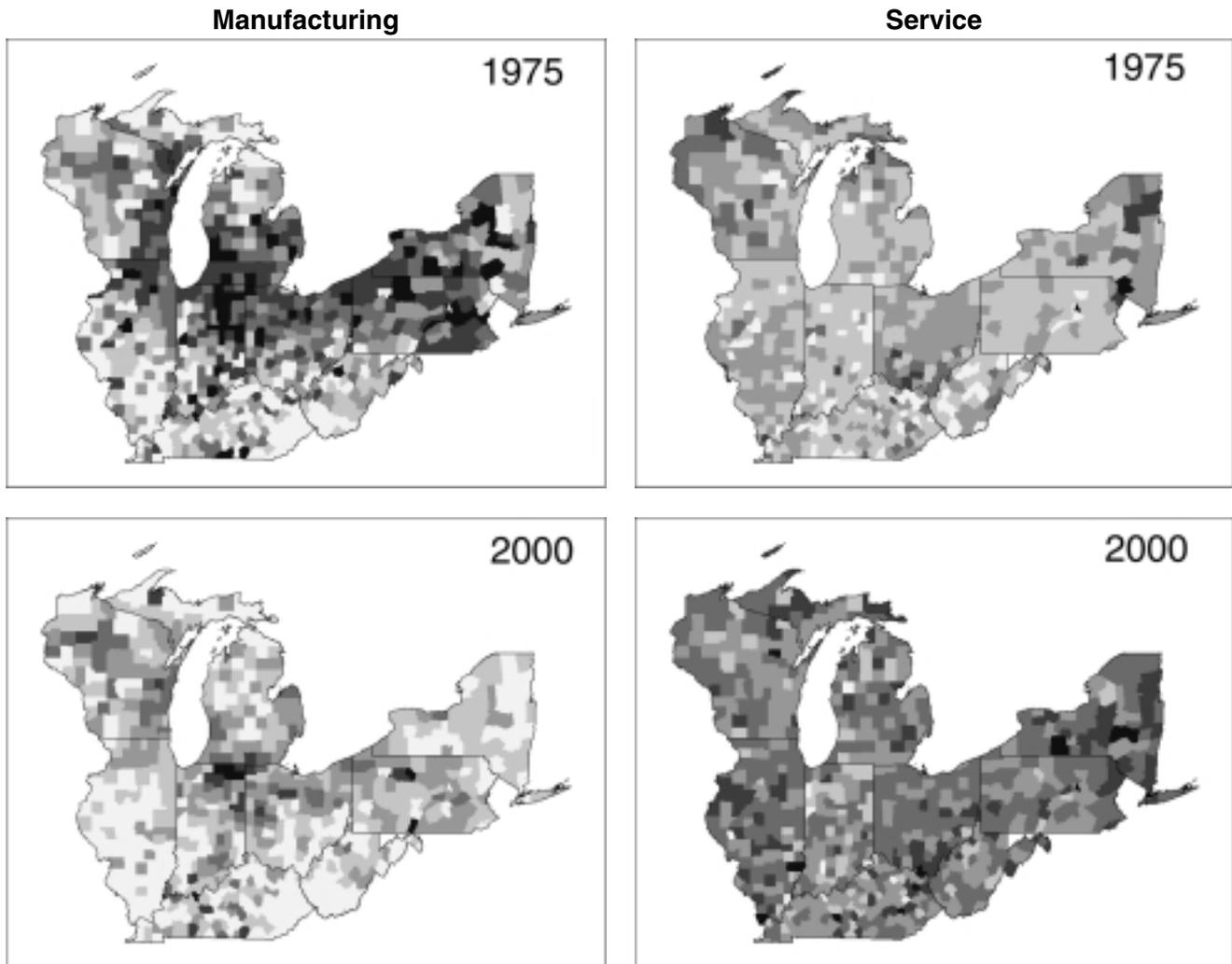
Source: [www.nationalatlas.gov](http://www.nationalatlas.gov); EIR.

excited—discussion of the future was before them, and they were a part of it. In January-May 2006, we met with numerous staffers of the Ohio State House and Senate and with municipal and county officials, the majority of whom told us that they would bring common sense to their U.S. Representatives and Senators. But the Congress—Republicans and Demo-

crats—and the pedantic Party mainstreamers voiced their excuses, “Where would you ever get the money for that? Doesn’t technology need investment?”

History demonstrates that the actions of those who worship idols are restricted by their beliefs. Thus, whether employing an equant or epicycles, Ptolemy and Copernicus

## What's the Cause Behind the Numbers?



Consider this sequence of maps of the Great Lakes-Ohio River basin region, layered with county-level employment data. Notice the contrasting motions of the manufacturing and service employment, each expressed as ratios of the entire labor force. Darker tones mean higher percents. In period 1975-2000, manufacturing employment degenerated substantially, while service sector employment grew. In the more recent period 2000-06 (not shown), the respective motions accelerated—the rate of degeneration of manufacturing increased and the rate of growth of services increased.

But what is the cause? Each of 435 people could interpret this data in 435 different ways, each concocting their own model. However, they would all commit one sin—self-denial of the possibility of actually knowing what they believe. The LYM role in preventing such degeneracy takes focus in “Animating the Economy”—a process ongoing via the activation of the dynamic method of Johannes Kepler.

accepted, as an axiom, that the motion of heavenly bodies was circular. More significantly, they did not challenge whether they could know what they believed. The most commonly guiding axiom of traditional political campaigners today is that the future is determined by a set of rules: “Globalization is inevitable! History is beyond our comprehension!” When we brought with us officials from various UAW locals to meet representatives of the nation in Washington, D.C. (on numerous occasions), we were taken in circles. “The Republicans are in control. The budget’s in

the red. We can’t get it up.”

The recent period of history has proven the immorality of such beliefs. As the elections mandate, the People have jettisoned free trade idolatry. Democrats took both Houses, as an effect of a surge in the youth vote. Young Americans decided to think—they thought it worthwhile to vote—to give Democrats the power to impeach, the power to save the United States, and *the power to invest in the future*.

Interpretation aside, we know that revolutionary discussion must continue. Unrestricted, the new Congress has a

truly historical mission: Lead the country. Don't follow the Dean.

## Endnotes

1. [www.democrats.org/a/2006/11/how\\_did\\_this\\_ha.php](http://www.democrats.org/a/2006/11/how_did_this_ha.php)
2. *EIR*, Dec. 8, 2006, p. 6.
3. "Young Voter Mobilization Tactics," The George Washington University: Graduate School of Management. [Youngvoterstrategies.org](http://Youngvoterstrategies.org). [civicyouth.org/PopUps/Young\\_Voters\\_Guide.pdf](http://civicyouth.org/PopUps/Young_Voters_Guide.pdf)
4. [democrats.org/a/2006/11/college\\_democra\\_8.php](http://democrats.org/a/2006/11/college_democra_8.php)
5. [larouchepac.com/pdf\\_files/LP6376\\_Train.pdf](http://larouchepac.com/pdf_files/LP6376_Train.pdf)
6. The latter was reported in the county newspaper just days before the election: Andrew Tillotson, "Students, Townspeople Rally on College Green Against War," *The Athens News*, Nov. 6, 2006.
7. See Michael Kirsch, "What Horowitz's Defeat Implies: In Present Crisis, Politics Must Be an Action on the Future," *EIR*, Dec. 8, 2006.
8. See [larouchepac.com/pages/otherartic\\_files/2005/051227\\_save\\_machine-tool.htm](http://larouchepac.com/pages/otherartic_files/2005/051227_save_machine-tool.htm) for a full listing of LPAC publications documenting LaRouche's role in organizing for an economic recovery. Notable are the pamphlets, *Recreate the Economy*, April 2005, and *Economic Recovery Act of 2006*.
9. Immediately following the 2004 Presidential election, LaRouche and his Youth Movement began, in Ohio, a campaign against G.W. Bush's Social Security proposal. See [larouchepac.com/pages/social\\_security/social\\_security.htm](http://larouchepac.com/pages/social_security/social_security.htm) for relevant articles.

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## Election 2006

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# The Inside Story Of Dean's Sabotage

by Debra Hanania-Freeman

When Senate Democrat Tim Johnson was rushed into emergency surgery on Dec. 13 to alleviate intercranial bleeding caused by a congenital defect, Democrats across the nation held their breaths. Prior to that day, many Democrats outside of his home state of South Dakota had never even heard of the centrist Democrat. But, the realization that he might not be unable to serve out the remaining two years of his term, highlighted the fragility of the Democrats' 51-49 lead in the Senate. The press wasted no time in speculating that, should Senator Johnson die, South Dakota's Republican Gov. Mike Rounds would likely name a Republican to succeed him; a move that would not only erase the Democrats' one-vote majority, but would also give Vice President Dick Cheney the decisive vote on critical issues.

Fortunately, Johnson is recovering well and there is no reason at all to believe that he will relinquish his seat. However, the close call reintroduced a discussion of the number of additional seats the Democrats *could* have won, were it

not for what Democratic strategist James Carville famously labelled "the Rumsfeldian incompetence" of Democratic National Committee Chairman Howard Dean.

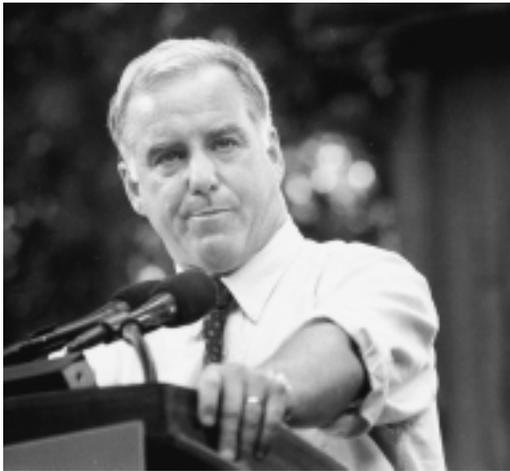
Indeed, as *EIR* has documented, the fight over the Democratic Party's midterm election strategy erupted no later than last Spring, when Charles Schumer and Rahm Emanuel, the respective heads of the Democratic Senate and House Campaign Committees, demanded an emergency meeting to discuss the fact that Dean's DNC was starving Democratic campaigns of funds, and instead funneling money into Dean's so-called "50-state strategy," a "strategy" that did little more than buy Dean loyalty from state Party officials whose treasuries swelled. Democratic strategists, among them Carville and Stan Greenberg, argued that with Bush's approval rating plummeting rapidly, Democrats could win far more than the 15 seats that they needed for a majority in the House of Representatives. In fact, in the months leading up to the November election, it became increasingly apparent that a clear and aggressive national strategy could give the Democrats a majority in the Senate and a *veto proof* majority in the House.

## Dean's 'Grassroots Strategy' for Defeat

Approximately 16 days before election day, more prominent Democratic strategists, including former DCCC (Democratic Congressional Campaign Committee) head Martin Frost of Texas and Howard Wolfson of New York, urged Dean to expand the Party's effort in second- and third-tier House races. Democratic candidates in districts that earlier had been considered long shots, surged in the polls, and pleaded with Emanuel's committee to send critical funds their way for the last weeks of the campaign. But, the campaign committees were already overextended. If additional funds were to be deployed, the money would have to come from DNC coffers.

Howard Dean continued to insist that such a move would take money away from the effort to build up the Party's "grassroots" organization and that that, ultimately, was of far greater long-term importance than the midterm election. Ironically, Dean's main allies in setting Democratic sights low did not come from the Party's left wing, but from the same Democratic Leadership Council crowd that presided over the disastrous 2000 national election that sent Bush to the White House in the first place. Another Democratic consultant with close ties to labor, Steve Rosenthal, argued strenuously against an aggressive strategy.

Rosenthal was prominently featured in a *New York Times* piece cautioning against Democratic "overconfidence," insisting that the best the Democrats could hope for, even in the House, was a majority of one, and that looking for more would result in a crushing defeat. "On the House side," he argued, "it makes sense to be focusing on 25 seats to win 14, *not* 50." He accused Schumer and Emanuel of being "overenthused" and argued that the Party did not have unlimited funds. "We



EIRNS/Stuart Lewis



EIRNS/Stuart Lewis

*Democratic strategist James Carville (right) scored DNC chair Howard Dean's failure to fund second- and third-tier Democratic campaigns, calling it "Rumsfeldian incompetence," but it smelled more like outright sabotage.*

have to be careful," he said.

In the days following the Democrats' stunning Nov. 7 victory, Dean rushed before the cameras and claimed credit for the win. But, when the dust settled, it was very clear that Dean's strategy had in truth sabotaged what could have been a Democratic landslide. Fourteen Democratic Congressional candidates lost by two percentage points or less. In Florida, another Democratic candidate, Christine Jennings, is now in court to overturn the GOPer Vern Buchanan's 376-vote lead in an election with 18,000 undervotes for Congress. Jennings has also filed a "Notice of Contest" with the Clerk of the House of Representatives.

Was a lack of money a factor in these losses? In the last three weeks of the election, according to the Federal Election Commission, the National Republican Campaign Committee spent \$58,326.78 on robocalls against Christine Jennings, buying Buchanan approximately 1.17 million calls in a district where only 250,000 people voted. Voters in the Florida district reported being inundated with calls. According to the local press, voters were terribly confused. Since the calls began saying, "Hi, I'm calling with information about Christine Jennings," and did not identify the true source of the calls until the very end (by which time most people had already hung up), voters thought the intrusive calls were coming from the Jennings campaign. From the *Sarasota Herald Tribune*: "We're just glad the election is over," said Betty Beatty. "They bugged us with their phone calls something terrible," said Beatty, a Democrat who voted for Republican Buchanan because, "with all her calls, Jennings, Jennings, Jennings, I wouldn't have voted for that woman if she were the only one running."

Florida's 13th District wasn't the only one targeted. The National Republican Congressional Committee was respon-

sible for repetitive, often harassing robocalls in more than two dozen districts across the country in the immediate run-up to the election. In at least seven of those districts, the Democrat failed to unseat a Republican incumbent by only a couple of thousand votes. Election analysts are arguing that the NRCC calls may have been the difference in those races, particularly because the Democratic candidates didn't have the funds to mount an effective counter-offensive. Some of those races were extremely close.

- In New York's 25th District, Dan Maffei lost by fewer than 4,000 votes, out of a total of more than 200,000. According to a local radio station, voters got repeat calls (i.e., if they hung up, their number would be automatically redialed), leading many to think that they were being harassed by the Maffei campaign. Maffei's campaign office was inundated with complaints. Overall, the New York environment was one that was favorable for Democrats. Had Maffei had sufficient funds for one more week of ads against Rep. Jim Walsh, even Republican strategists agree that he could have brought him down.

- In Illinois' 6th District, Tammy Duckworth, a veteran of the Iraq War who recovered from severe injuries and went on to run for Congress, was not only the victim of the NRCC's robocall campaign. The Republican Party spent \$1.1 million in a single day to help Peter Roskam hold her off. Still, she lost by only approximately 4,000 votes.

- In Pennsylvania's 6th District, Lois Murphy lost by 3,000 votes. AP reported that her district was inundated by the calls. The FEC shows that the national GOP poured \$3.9 million into the district to save Jim Gerlach's seat.

And there's also Eric Massa, who narrowly lost in New York's 29th District (fewer than 6,000 votes); Diane Farrell in Connecticut (down slightly more than 6,000); and Phillip

Kellam in Virginia's 2nd District (down fewer than 5,000 votes)—all of whom were victims of the NRCC's robocall effort.

Other Democratic candidates, who weren't necessarily victims of robocalls, were just victims of a lack of funding. Gary Trauner suffered a narrow loss to Rep. Barbara Cubin (R-Wyo.). Larry Kissell lost by less than 1% (fewer than 400 votes) to Rep. Robin Hayes (R-N.C.). Neither Democrat received a single dollar from the national party. The list goes on and on.

On the Senate side, the Tennessee race stands out. Democratic Rep. Harold Ford, who is black, was in a contest with Chattanooga's former Republican Mayor Bob Corker for the Senate seat vacated by Bill Frist (the outgoing Republican Senate Majority Leader). Ford was called "an amazing candidate because of his charisma and powerful ads," and he led Corker in the polls throughout much of the race. Whether Ford could be legitimately called "an amazing candidate" is arguable, but Corker is unarguably a scandal-ridden idiot. But, in the last days of the campaign, Corker was bailed out by huge investments by the national Republican Party. His campaign ran a series of ads that were scandalous and overtly racist. Ford had received significant funds from the DSCC (Democratic Senate Campaign Committee) during the course of his campaign, but when the GOP attack ads hit, DSCC funds *and* Ford's were largely depleted. When the final votes were tallied, Ford had picked up 48% of the vote—five percentage points more than John Kerry had won during the 2004 Presidential campaign.

### Not in the 'Cult of the DNC'

A week after the election, at a *Christian Science Monitor* breakfast in Washington, D.C., James Carville unleashed a scorching assault on Howard Dean. Carville explained that the DNC had taken out a \$10 million line of credit for the campaign and used barely half of it. Carville said Dean left \$6 million on the table that Democratic candidates like Ford, and second- and third-tier Democratic candidates could have used to pick up more seats. Dean's argument that funding those candidates would take money away from his effort to build up the Party's grassroots organization was a totally fraudulent one.

Carville's public statements have charged Dean with incompetence. However, it is very hard to believe that even Howard Dean could be *that* incompetent. But, then, why would Dean wittingly sabotage candidates of his own party?

A close look at the Democrats who sought office, and many of those who actually won, reveal a group of individuals who, for the most part, are not acolytes of what Carville has referred to as the "Cult of the DNC." A large portion of them are not politicians in the traditional sense, but instead a product of the American people's deep and growing discontent with the policies of the Bush-Cheney Administration. When they entered their races, they didn't necessarily expect to win;

they just knew they had to fight. The national party gave them nothing, and they owe the national party nothing. In large part, they can be expected to respond to the people who elected them.

A study released by the Republican Luntz, Maslansky Strategic Research group provides some critical insights. According to the study's findings, one critical margin in the Democratic victory was Republican swing voters—Luntz, Maslansky calls them the "Republican Rejectors."

The study showed that the Republican Rejectors didn't necessarily like the Democrats. Then why did they vote for them? They were angry. When read the statement, "I'm mad as hell and I'm not going to take it anymore," 61% of Republican Rejectors agreed. They cited a lack of accountability as the number one sin of the Bush-Cheney Administration. Seventy-nine percent said they wanted whoever took control of the Congress to pursue "bold, meaningful change." The change they wanted most: an end to what they saw as preferential spending by the Bush Administration, as opposed to spending on things that were important to them. The 79% said they felt sad and disappointed about what Bush-Cheney had turned the Republican Party into.

But, above all, 74% of Republican Rejectors said they had lost hope and think that their children will inherit a *worse* America than what their parents left to them (compared to 57% of the general population). No hope = no votes.

It is precisely that sentiment, that mass effect, that the LaRouche Youth Movement catalyzed during the campaign. While the Republican Rejectors may have played some role in the Democrats' November victory, the far more significant margin came from the largest turnout of young voters—some 10 million or more—in more than 20 years. In Montana, where Democrat Jon Tester won by one percentage point, his margin among voters under 30 years old (who were 17% of the total electorate), was a full 12 points.

On Jan. 4, when the new Congress is sworn in, it will signal the end of business as usual in Washington. Far too many of them know exactly what it is that got them elected—their opposition to Bush and Cheney, their fight for economic justice and the principle of the general welfare, for decent health care—and they are likely to remain loyal to it. Still more, many of them Republicans, are acutely aware of the dissatisfaction with this Administration that voters expressed on Nov. 7. There is no doubt that under Lyndon LaRouche's leadership, the LYM played a key role in ushering in a New Politics. And there is little doubt that the Bush Administration is in for the fight of its life when Congress reconvenes. But, opposition to Bush and Cheney's war is not going to be enough. Just like those Republican Rejectors, the American people need hope. And that hope is only possible if we succeed in ushering in a New Economics on the heels of the New Politics; a new economics characterized by the policies that LaRouche has advocated for upwards of three decades.

# Freshmen Dems Mean New Kind of Congress

by the LaRouche Youth Movement and EIR Staff

Since the surprising landslide victory of the Democratic Party in the Nov. 7 midterm elections, many Americans now want to know: “What will the incoming Democratic Congress do as the Majority?” “Will we get out of Iraq, and finally impeach those bums?!”

Judging from statements by the 30 newly elected Democrats, they intend to end free trade, auto and other manufacturing shutdowns, and the war in Iraq. Before November, they were machine-tool workers, sheriffs, teachers, social workers, farmers, and veterans who are part of the lower 80% of American income brackets. One freshman seemed to characterize the whole group, when he said, “I feel like I’m ‘Mr. Smith Goes to Washington.’”

A number of the newcomers were elected without financial support from the national Democratic establishment, such as David Loeb sack from Iowa, who won with a mere \$458,000 war chest. Loeb sack told CQ Politics.com that he is glad the Democratic Congressional Campaign Committee took little interest his race, because that allowed him to run the kind of campaign he wanted. As CQ comments, owing little to the national Democratic leadership, Loeb sack can take a more independent posture.

Minnesota high school teacher Tim Walz defeated six-term Republican Gil Gutknecht in Minnesota’s 1st CD, a Republican-leaning area centered around Rochester. Walz got publicity on the blogosphere, CQ reports, “while he ran well under the radar of Democratic campaign operatives in Washington.” A retired sergeant-major in the Minnesota Army National Guard, Walz proposed a redeployment of troops out of Iraq, and universal health care.

The Congressional freshmen are eager to reverse free trade and save manufacturing. One freshman was a former machine-tool worker, and had heard about LaRouche’s Emergency Recovery Act of 2006. Another freshman from the Midwest raised the issue of the Delphi auto parts employees, whose wages fell from \$21/hour to \$9/hour. Another Midwest Democratic freshman called on the Party leadership to address the outsourcing of U.S. industrial jobs. At the Harvard Orientation session for the freshmen (see below), one Congressman-elect called for nuclear power, and another debunked ethanol as “putting more in than you get out.” Rep-elect Steve Kagen of Wisconsin told CQ, Wisconsin “cannot surrender manufacturing.”

The freshmen are also eager for oversight of the Bush-Cheney operations. Incoming Rep. Chris Murphy (D-Conn.) told the Litchfield *County Times*, “There has been little or no oversight [in Iraq] in the last six years. . . . When it comes to the situation in Iraq, it is [CBS-TV show] ‘60 Minutes,’ and not Congress, that has been conducting the oversight on the President.” Murphy has been assigned to the House Government Operations Committee, to be chaired by the tough, veteran investigator, Rep. Henry Waxman (D-Calif.).

At least one Congressman-elect, and the spouse of another, denounced Cheney’s lies, and agreed on the need to get him out. This is clearly a new Congress.

## Freshmen, Meet the LYM

Fully conscious of the severity of the crisis facing the nation, the LaRouche Youth Movement jumped on the first opportunity to take up the economic and impeachment issues with 36 freshmen at the New Members of Congress Conference (NMCC), an “orientation” hosted by Harvard University’s Institute of Politics Nov. 28-Dec. 1. Most sessions were closed to the public and press, and few Harvard students even knew the event was occurring on their campus.

The group of 20+ LYM organizers, after some successful sleuthing, walked over to the Kennedy School of Government, went inside the room, and formed what is known as the G-Chorus (Guerrilla Chorus) for its reputation for catching unsuspecting audiences off-guard with beautiful *bel canto* harmony. The LYM sang a Christmas Carol satire entitled, “We Wish Dick Would Leave the White House” to the tune of “We Wish You a Merry Christmas,” in four-part harmony, and other humorous “carols” directed at Bush-Cheney. These were received with joyous laughter from most in attendance.

The next day, four members of the LYM press team attended the NMCC forum on “Energy and National Security,” which all the Members-elect attended, along with a top aide to Speaker-elect Nancy Pelosi. The forum reflected the indecisive approach to the disintegration of the U.S. economy of the old 109th Congress, consisting of a wide array of views on energy policy, ranging from that of the moderator, a former Representative: “The price of petroleum is going up because of consumption: Thus our post-industrial economy necessitates we follow the market prices, and move on to alternative fuels including ethanol, wind, etc.,” to a former physicist and Representative-elect: “People are high on ethanol. It will never work; you get less out than you put in. Basic technical competence! Besides, using corn for fuel is immoral, with a starving world!” A former Senator chimed in: “The U.S. should stop fighting wars for oil. Our energy policy is immoral, with one-third of the military budget being used to secure oil.” Questions from the new Reps of the 110th Congress displayed a refreshing view, in contrast to the dangerous lack of confidence of the old:

Congressman-elect: “Ethanol will never work, aren’t we underutilizing nuclear power? Why not go nuclear to solve energy challenges?!” Current Congressman: “The market has

## Democratic Gains in The 110th Congress

### The Senate

Claire McCaskill, Mo., defeated 1-term incumbent Jim Talent, 49-47.  
Jon Tester, Mont., defeated 3-term incumbent Conrad Burns, 49-48.  
Sherrod Brown, Ohio, won a landslide over 2-term incumbent Mike DeWine, 56-44.  
Robert Casey, Jr., crushed 2-term incumbent Rick Santorum, 59-41.  
Sheldon Whitehouse, R.I., defeated 1-term incumbent Lincoln Chafee, 53-47.  
James Webb, Va., defeated incumbent George Allen by 9,000 votes.

### The House of Representatives

Harry Mitchell, Ariz., CD 5, defeated 6-term incumbent J.D. Hayworth, 50-46.  
Gabrielle Giffords, Ariz., CD 8, won open seat of retiring Republican Jim Kolbe, 54-42.  
Jerry McNearney, Calif., CD 11, defeated incumbent Richard Pombo, 53-47.  
Ed Perlmutter, Colo., CD 7, won open seat of retiring Republican Bob Beauprez, 55-42.  
Joe Courtney, Conn., CD 2, defeated 3-term incumbent Robert Simmons by a 91-vote margin.

Chris Murphy, Conn., CD 5, defeated 12-term incumbent Nancy Johnson, 56-44.  
Tim Mahoney, Fla., CD 16, won the seat of resigned GOP Rep. Mark Foley, 50-48.  
Ron Klein, Fla., CD 22, defeated 13-term incumbent Clay Shaw, 51-47  
Bruce Braley, Iowa, CD 1, won open seat of GOP 8-term Rep. Jim Nussle, who ran for Governor, and lost.  
Dave Loebsack, Iowa, CD 2, defeated 15-term moderate incumbent Jim Leach, 51-49.  
Joe Donnelly, Ind., CD 2, defeated 2-term incumbent Chris Chocola, 54-46.  
Brad Ellsworth, Ind., CD 8, won a landslide over 6-term incumbent John Hostettler, 61-39.  
Baron Hill, Ind., CD 9, won his seat back from 1-term Mike Sodrel, who had defeated him in 2004.  
Nancy Boyda, Kan., CD 2, defeated GOP incumbent 5-term Jim Ryan 51-47, in GOP stronghold state.  
John Yarmuth, Ky., CD 3, defeated 5-term incumbent Anne Northup, 51-48.  
Tim Walz, Minn., CD 1, defeated 6-term incumbent Gil Gutknecht, 53-47.  
Carol Shea-Porter, N.H., CD 1, defeated 2-term incumbent Jeb Bradley.  
Paul Hodes, N.H., CD 2, defeated 6-term incumbent Charles Bass, 53-46.  
John Hall, N.Y., CD 19, defeated 6-term incumbent Sue Kelly, 51-49.  
Kirsten Gillibrand, N.Y., CD 20, defeated

4-term incumbent John Sweeney, 53-47.  
Michael Acuri, N.Y., CD 24, won 54-45 in district of retiring GOP Rep. Sherwood Boehlert.  
Heath Shuler, N.C., CD 11, defeated 8-term incumbent Charles Taylor, 54-46.  
Zack Space, Ohio, CD 18, won open seat vacated by resigned Republican Rep. Bob Ney, by a 62-38 landslide.  
Jason Altmire, Pa., CD 4, defeated 3-term incumbent Melissa Hart, 52-48.  
Joe Sestak, Pa., CD 7, military veteran, defeated 10-term incumbent Curt Weldon, 56-44.  
Patrick Murphy, Pa., CD 8, Iraq War veteran, defeated 1-term incumbent Mike Fitzpatrick, by a 1,500 vote margin.  
Chris Carney, Pa., CD 10, military veteran, defeated 4-term incumbent Don Sherwood 53-47.  
Nick Lampson, Tex., CD 22, won open seat of indicted former House Speaker Tom DeLay 52-42.  
Ciro Rodriguez, Tex., CD 23, defeated 7-term incumbent Henry Bonilla 55-45.  
Steve Kagen, M.D., Wisc., CD 8, won open seat vacated by Mark Green, 51-49. Green ran for Governor and lost.  
(13th CD, Florida: Undecided at press time. Christine Jennings filed a Notice of Contest on Dec. 20, challenging Republican Vern Buchanan's lead of 369 votes, on the basis of an 18,000 undervote in Sarasota County, the only county in the district that Democrats won.)

the power and influence in these matters. You have to play around the edges!"

Congressman-elect: "The situation in energy must be seen as a national crisis. How can we view this as an Apollo-style crash program?" Current Congressman: "Good idea, we need nuclear power to get hydrogen, but the problem is, where to get the funding?"

The panel presentation on energy policy to the freshmen reflected the fact that Congress is not prepared for the world economic crisis, and needs an emergency approach like the one illustrated in Lyndon LaRouche's Nov. 16 webcast. Luckily, four LYM members had gotten into the event and engaged the new Reps in discussion around LaRouche's "Economic Recovery Act of 2006" (ERA) and that the economic crisis necessitated impeachment of, at least, Cheney.

One notable discussion took place after the event, with a newly elected Member, who had asked the question about adopting an "Apollo Program" approach to energy policy. She explained that she had won her election without any real support from the Democratic National Committee, nor much money, and that she owed her victory to the youth vote. On

the energy crisis, she called for a return to nuclear power, and rising skill levels in the workforce; she stated that change could not take place under the current economic system, but that the incoming Congress will work to win that fight.

More policy dialogue with the new Representatives occurred at a reception at the JFK School of Government. The working class character of many of the new Congressmen came through in discussions, which had a different quality than the meetings the LYM has with the 109th Congress in its Capitol Hill work. Many of the Reps acknowledged the role of the LYM in the elections, and commented that they had previously received LaRouche PAC literature, either from mass distributions, from friends, or from the United Auto Workers union.

On the subject of impeachment, some repeated the party line, that it would be a distraction from the policy initiatives they want to introduce, while others said that it was not "off the table," and agreed that it might be necessary to defend the Constitution. The entire evening's discussion was polarized around LaRouche's needed policies and the leadership emerging from the 18-35 age bracket.

# 109th Congress Comes To an Unlamented End

by Carl Osgood

The 109th Congress finally stumbled to a conclusion in the wee hours of Saturday, Dec. 9, bringing to an end 12 years of Republican rule on Capitol Hill. During those 12 years, Republican control of the Congress often looked more like a one-party dictatorship, particularly under the leadership of disgraced former Speaker of the House Rep. Tom DeLay (R-Tex.), than it ever did any honest attempt to conduct the Constitutional responsibilities of the legislative branch. The Republican leadership routinely rammed legislation through the House without hearings and with little committee action, and under restrictive rules that limited debate and amendments on the House floor. They would then hold conference committees with the Senate behind closed doors, locking the Democrats out of the process completely. On more than one occasion Democrats and Republicans alike were forced to vote on conference reports in the middle of the night, with little time to even read what they were voting on. While not every bill was passed under such circumstances, the more controversial and fractious a bill was likely to be, such as the 2003 Medicare Reform bill, the more likely the GOP leadership was to strong-arm its passage.

The 110th Congress will be of a very different character, with the Democrats set to take control of both the House and the Senate on Jan. 4. The Democrats have wasted no time, since the election, establishing what they think that character will be. Incoming House Speaker Nancy Pelosi (D-Calif.) has already announced that the House will run on five-day weeks throughout much of 2007, with votes possible every day, and recesses, with the exception of the August break, will be much more limited. If maintained, such a schedule will be in stark contrast to 2006, in which the Congress worked fewer legislative days than even the Congress of 1947-1948, famously labelled by Harry Truman as the "Do-Nothing Congress." While Pelosi has laid out a "100-hour agenda" for the Democrats in January, high on the list of priorities will be finishing the unfinished work left by the Republicans, including, most emphatically, the fiscal 2007 appropriations process.

Whatever Pelosi's plans for a new agenda in Congress, there are two other factors that are sure to have a powerful impact on the 110th Congress: the onrushing collapse of the global financial system, and the "New Politics" of mass-effect organized by Lyndon LaRouche and his Youth Movement, which was instrumental in the Nov. 7 Democratic election victories.

## 'The Most Useless Congress in Modern History'

The unfinished budget process is indicative of what Rep. David Obey (D-Wisc.) labelled "the most useless Congress in modern history"; on Dec. 8. Rep. Barney Frank (D-Mass.) added that the Republicans ended the 109th Congress "governing in the same way in which they carried on for two years: incompetently, without respect for democratic procedures, and with a willingness to inflict harm on the most vulnerable members of our society." Frank's remarks could arguably be extended to the entire 12 years of Republican rule. They came to power in 1995 viewing the process as a vehicle for their neo-conservative, tear-down-the-government agenda (the "Contract on America"), which led to the government shut-downs of late 1995 to early 1996, when they tried to force it on President Clinton.

In fact, only once in the last six years did the Republican-controlled Congress finish all of the annual spending bills without an omnibus appropriations bill, and even in that one year, 2002, it took until Dec. 20, more than two-and-a-half months after the beginning of the fiscal year, to finish them. In two of those years, 2004 and 2006, the process was left for the next Congress to deal with.

Obey, who will take over the chairmanship of the House Appropriations Committee, and Sen. Robert Byrd (D-W.V.), Obey's counterpart in the Senate, decided they would be facing a nightmare if they were to try to pass the remaining nine of this year's spending bills in the first weeks of the new Congress. Not only would they be forced to deal with them during Pelosi's 100 hours agenda, but the White House will be sending up the Fiscal 2008 budget and a very large Fiscal 2007 supplemental appropriations request for the wars in Iraq and Afghanistan during the first week of February. Obey and Byrd announced on Dec. 11 that, in order to be ready to manage the tidal wave coming in early February, they would finish off the Fiscal 2007 budget process with a long-term continuing resolution.

The two Democrats stated: "The outgoing Republican leadership's failure to govern has denied the new Congress the opportunity to start with a fresh slate. . . . There is no good way out of the fiscal chaos left behind by the outgoing Congress. . . . After discussions with our colleagues, we have decided to dispose of the Republican budget leftovers by passing a year-long joint resolution. We will do our best to make whatever limited adjustments are possible within the confines of the Republican budget to address the nation's most important policy concerns."

Overall, GOP control of the Congress was characterized by an all-out war on the principle of the general welfare, on behalf of the wealthiest few percent of the population. As a result, that top tier of income groups received hundreds of billions of dollars in tax cuts, while the bottom 80% of income earners was left to fend for themselves. The Republicans pushed budget cuts, in parallel with the tax cuts, that targeted

the social welfare of large numbers of Americans, from veterans, to Medicare and Social Security recipients, to the poor who depend on Medicaid and other low-income programs to everyone in between, all in the name of “fiscal responsibility.”

Try as they might, however, they could not keep their own corruption from hanging out for everyone to see, as four significant members of the House GOP caucus were forced out of the 109th Congress, two of them to go straight to prison on corruption charges: Rep. Randy “Duke” Cunningham (R-Calif.) for bribery, and Rep. Bob Ney (R-Ohio) for his involvement in the Jack Abramoff scandal; House Majority Leader DeLay, indicted for campaign finance violations in Texas, and Rep. Mark Foley (R-Fla.), forced to resign just before Election Day when salacious e-mails he had sent to underage House pages became public.

### Democrats Promise Oversight

With all of the committee chairmanships changing hands, the Democrats will be in a position to do what they complained the Republicans rarely, if ever, did: oversight of the Executive branch. A number of the key incoming chairmen have already begun to move aggressively on that agenda: Rep. Henry Waxman (D-Calif.), who will take over the House Government Reform Committee, has issued findings and/or inquiries on half a dozen different matters since the election, including on Iraq contracting, Food and Drug Administration regulation, the pharmaceutical industry and others. Waxman was quoted, last month, telling an audience in Los Angeles that his biggest problem will be deciding how to “pick and choose” among the large number of issues requiring oversight. Incoming House Armed Services Committee Rep. Ike Skelton (D-Mo.) announced that he would be re-establishing the Oversight and Investigations Subcommittee within the Armed Services Committee, which will likely be chaired by Rep. Marty Meehan (D-Mass.). One of the issues that Skelton’s committee is likely to scrutinize is the outsourcing of what used to be considered strictly military functions. Rep. John Murtha (D-Pa.) plans to use his chairmanship of the House Defense Appropriations Subcommittee to investigate the Iraq War, with “two hearings a day for the first three or four months . . . to find out exactly what happened and who’s been responsible for these mistakes.”

Similarly, on the Senate side, Democratic Leader Harry Reid (D-Nev.) is promising to take a close look at the Iraq War. For the last several years, the Democratic Policy Committee, under the chairmanship of Sen. Byron Dorgan (D-N.D.), has done a credible job of exposing much of the mismanagement of the war, in spite of not having the authority of the standing committees of jurisdiction. Now that the Democrats will be in control, that work must be built upon within the relevant committees.

Sen. Jay Rockefeller (D-W.V.), who will become chairman of the Senate Select Committee on Intelligence, announced shortly after Election Day that two of his top priorit-



EIRNS/Stuart Lewis

*The 109th has been described as “the most useless Congress in modern history.” Incoming Democratic leaders Harry Reid and Nancy Pelosi, shown here at a recent press conference, are promising change in the 110th; but they have still not acknowledged the number-one issue facing them: the onrushing collapse of the global financial system.*

ies would be investigating the use of pre-war intelligence on Iraq and the National Security Agency’s domestic wire-tapping program. In a Nov. 15 statement, listing a number of foci for the committee, he said: “We must insist on full access to the NSA warrantless surveillance program and the CIA detention and interrogation program. Only then, can we conduct thorough oversight. . . .” On the Iraq War he stated, “as part of our core oversight responsibilities, [we] must complete the long-overdue, unfinished business, related to the use and misuse of intelligence leading up to the war in Iraq.” He noted that the committee had already put out three reports related to pre-war intelligence, and that now, “we will complete the three remaining sections of Phase II.”

A few days earlier, Sen. Carl Levin (D-Mich.), who will chair the Senate Armed Services Committee, announced his intention to probe the CIA’s renditions and secret prisons program. “I’m not comfortable with the system,” he said on Nov. 12. “I think that there’s been some significant abuses which have not made us more secure but have made us less secure, and have also, perhaps, cost us some real allies, as well as not producing particularly useful information. So I think the system needs a thorough review and, as the military would say, a thorough scrubbing.”

Sen. Patrick Leahy (D-Vt.) announced a similar agenda for the Judiciary Committee. In Dec. 13 remarks at the Georgetown University law School, Leahy promised “to repair real damage done to our system of government over the past few years.” Leahy continued, “The White House has behaved as if the Constitution begins with Article II,” (referring to the section on the Executive branch, and leaving out Article I, on the Legislative branch). “And they’ve taken their extreme ideology of a ‘unitary executive’ to strip both Congress and our independent Federal judiciary of their rightful roles. For this country to succeed, the constitutional balance has to be restored.”

Leahy said that his new agenda for the Judiciary Committee is “an agenda of restoration, repair, and renewal: restoration of constitutional values as well as the rights of ordinary Americans; repair of a broken oversight process and the return of accountability; and also, and just as important, a renewal of the public’s right to know—the right of every American to know what their government is doing.” Leahy’s agenda items included war profiteering, warrantless wiretapping in violation of the law, and restoring habeas corpus and other fundamental rights stripped away by the Military Commissions Act.

Sen. Barbara Boxer (D-Calif.) will head up the Environment and Public Works Committee. While she has demonstrated a weakness for some of the hobbyhorse environmental issues, such as biofuels and wind energy, she also expressed a commitment to investing in the nation’s economic infrastructure, when she announced her committee priorities on Dec. 5, particularly in drinking water infrastructure and the Water Resources Development Act. The WRDA, she said, “will be a priority in the next Congress.” The bill passed the Senate, last July, with broad bipartisan support and was taken to conference with the House, but it never emerged from the conference committee. A WRDA was generally passed every two years from the mid-1980s through the end of the 1990s, but not once in the last six years of the Bush-Cheney Administration. The bill would authorize billions of dollars in long overdue work on American waterways.

Boxer also reported that the committee will take up the request of the two Louisiana Senators, Mary Landrieu (D) and David Vitter (R), to hold hearings on the post-Katrina debacle, “as soon as we get all our ducks in a row and get ready to go and help them through that rebuilding process and make sure we don’t face this again.” In doing so, it is likely that the committee will also learn a great deal more about how the Bush Administration, through the Federal Emergency Management Agency, has been dragging its feet on the recovery process.

## How To Deal with Financial Meltdown

Though the Democrats are still loath to admit the reality of the financial meltdown, the economic issues they plan to address will bring them face to face with it. Both the incoming

chairman of the Senate Banking Committee Chris Dodd (D-Conn.) and Rep. George Miller (D-Calif.), of the House Education and the Workforce Committee, plan hearings on the collapse of manufacturing. Dodd noted to reporters on Dec. 12 that the manufacturing sector is “hemorrhaging, plain and simple,” and has lost over 3 million jobs in the last six years. Miller, during a Dec. 12 press conference, said in response to a question from *EIR* that more than hearings were needed to reverse deindustrialization, and spoke at length about “reinventing the auto industry at the same time it is downsizing”; “reinventing American manufacturing” and unleashing innovation; but within the Democratic bounds of producing new types of vehicles and fuels.

One of the factors behind the “hemorrhaging” that Dodd spoke about is hedge funds. Both Dodd and Rep. Barney Frank (D-Mass.), Dodd’s counterpart in the House, have indicated that hedge funds will also come under scrutiny but perhaps not to the degree that they should. Dodd, while he said he plans to examine the role that hedge funds play in the economy, also said that, “I’m not hostile to them at all.” Similarly, Frank is not anticipating any legislation, but told the Dec. 10 *San Francisco Chronicle* “What we need to do is have hearings on hedge funds.”

Another factor making the character of the new Congress different will be the incoming freshmen. Pelosi has already moved to strengthen the positions of many of the freshmen who won in close races, or were running in districts where the GOP incumbent was mired in controversy. A number of these freshmen have been given plum committee assignments that have already garnered favorable news coverage in their districts. Eight freshmen have been put on the House Armed Services Committee, ten on the Transportation and Infrastructure Committee, and six on the Education and the Workforce Committee.

Two freshmen, Paul Hodes (N.H.) and Chris Murphy (Conn.), have been assigned to the Government Reform Committee. These committee assignments are likely to raise the profiles of the freshmen members as they participate in oversight investigations. According to news reports, several have even been told that given a choice between voting the party line and casting a vote that will help them in their districts, they should feel free to decide on their own.

If the Democrats do the kind of oversight that they are promising, in a nonpartisan way, the evidence of the malfeasance of the Bush Administration that will emerge as a result will, itself, put the issue of the impeachment of both President Bush and Vice President Cheney on the table. Bush made the 109th Congress irrelevant by his signing statements and, by taking away Congress’s ability to legislate: it could not do anything, not that the Administration’s allies in control of the Congress were much inclined to do anything, anyway. However, the vote on Nov. 7 actually saved the Republic. Now, the Congress must assert its constitutional authority as the legislative branch and move to stop a dictatorship.

## DOLLAR FACES EARLY COLLAPSE-THREAT

# A Narrow Band of Decision

by Lyndon H. LaRouche, Jr.

December 15, 2006

So far, the prevailing mood in the U.S. Congress is a grimly hysterical, Chamberlainesque mood of wishful confidence, the wish-driven obsession with the hope that no great financial collapse will actually happen “in our time.”

Since economic processes are reflections of human voluntary choices of actions, or inactions, the exact timing of the onrushing threat of a global, general breakdown-crisis of the present world monetary-financial system is not to be found in the statistical sediment of any Cartesian tea-cup. Nonetheless, the characteristic of any current form of global monetary-financial system predetermines the destiny of that system; delays which do not radically change the axiomatic rules of the existing system, may delay the onset of the crash slightly, but only by making the slightly postponed crash more deadly, less susceptible of correction, than had the systemic issues been faced earlier.

There are cures for this onrushing collapse. The problem is, that time is running out for that opportunity. We must act soon, as President Franklin Roosevelt would have acted, or our ability to act, our ability to launch a recovery would be taken out of our hands.

The current state of the U.S.A.’s mortgage-based securities crisis illustrates the point.

1. The market for growth of the accumulation of new volumes of mortgages has been in a state of collapse for months. This is true not only in the U.S.A., England, and Spain, but is a radiating global trend within the present world system as a whole.
2. Nonetheless, the pressure to bring new mortgaged properties on line for sale is growing, since this is the only way in which the chains of stages of invest-

ment, between “beginning a development” to the bail-out of the investors by the creation of permanent owners’ mortgages, can be brought off. This is the present threatening the U.S. banking system already rotted-out by a massive margin of excess real-estate paper in the banking system as a whole. Given the general state of the monetary-financial system as a whole, this state of affairs means increasingly strong “bearish” pressures through the later phases of the relevant investment cycle; the trend is toward an accelerating rate of decline of nominal values of mortgaged real-estate properties.

3. This situation is complicated by recent years’ increase of the ration of absolutely freakish varieties of mortgage-agreements within the system. Thus, as the market descends, that descent intersects the point at which nominal home-owners and the like have less than zero-equity in those holdings.
4. One of the recently significant trends which have emerged, quite logically, amid this general financial mess, is the hysterical nominal home-owner who must sell to gain a slight margin of equity out of the sale of housing in a declining level of market-price of properties. The poor fellow, like the old Boston Braves baseball team of yore (“Spahn, Sain, and pray for rain”), keeps his for-sale house off the market, in desperate hope that he might receive a better offer “in case the market should turn up”; in the meantime, his net equity plunges toward somewhere below zero, while the level of actual collapse, and of rate of collapse of the market, by statistical reports which overlook this not-really-hidden, soaring mortgage-bubble within the general mortgage-bubble.

In the U.S.A., for example, former Federal Reserve Chairman Alan Greenspan's Fountainhead of speculation in mortgage-based securities, a trick he used in his attempt to hide the actual net performance failure of his post-1987 Federal Reserve policies, became a drug on the market. The drug, like Colombian cocaine or Afghanistan's opium, makes some people rich, by destroying the economic productivity of the population of consumers of the stuff, and thus pushing the economy as a whole more and more toward long-time ruin. The ratiom of the total Greenspan bubble dependent upon the real-estate speculation promoted through channels such as "Y2K" and Fannie Mae, created the present situation, in which the onrushing collapse of the mortgage-based-securities system has become a major threat of collapse of the entire present world system as a whole.

That case of mortgage-based real-estate speculation, is only an important, typical example of the reasons why a general collapse of the entire world monetary-financial system, is headed toward a general physical-economic, as well as financial collapse, during the early future. The result is the all too typical member of Congress, or others, who says: "But, the Wall Street market is up!" just as many like those gripped by the current epidemic of gambling manias, said on the verge of the 1929 collapse, against which wiser minds had warned.

## Out of the Past

Read an illustrative page from my past. During 1957 I spent the better part of a week in Havana, Cuba, in the company of another consulting executive visiting to advise the Banco de Fomento on the matter of physical capital improvement of Cuba's shoe manufacturing industry. The doom of the Batista regime was written everywhere, even in Havana itself. The moral rot was beyond belief. My concern was to promote action to save the relevant industry of Cuba, on the assumption that Cuba would exist as a U.S. neighbor once Batista were soon gone. My problem was to help the industry gain needed capital improvements, without letting Batista's gang simply steal any financial capital provided for the intended purpose.

To sense the situation, I walked around the core of the city, and included a part of an evening observing the behavior at Clark's gambling operations. I also visited the Copacabana, where I studied mature, bejeweled senior ladies in "basic black," helped to a position facing a one-armed bandit by liveried men, a lady who suddenly sprang into action, like a leopard at its prey, on that one-armed bandit. Such energy, the woman showed. The speed with which she attacked the machine, repeatedly, was astonishing in a person of her apparent age.

When I recall that experience there, then, I think of many of the elected officials of our political parties in a U.S. economy and political system, both steeped in an orgy of gambling psychosis, a gambling mania, called "the market," reigning where our farms and industries once stood.

Today, I recall my published general warning to the citizens of Virginia's Loudoun County. I warned against what was being called "development" even then. Without farms and industries to provide the generation of real income within the county, speculative real-estate speculation would create a terrible financial-economic catastrophe for the county and its inhabitants. Without emphasis on basic economic infrastructure, including a restoration of an efficient commuter transport system, and build-up of nuclear power, agriculture and industry could not thrive. Speculative "development" would leave the county at the point of becoming a hopelessly bankrupt hulk, at some point during the generation just ahead.

We have reached that shore today.

They call it a "real estate" boom. I call it gambling mania, lacking only those floating bordellos called gamblers' riverboats, sliding along the Potomac.

Problems of this type can be fixed. President Franklin Roosevelt set a precedent for the kinds of remedies needed, again, today.

## The Prospect Before Us

With rare exceptions, the bankers who knew how to organize a successful form of economy are nearly all gone, for reasons of age, today. The generation of senior political and economic leaders in the U.S.A., for example, today, is limited to those who are willing to recognize two facts. First, that every change in U.S.A. policies since about 1967 was a crucially contributing cause for the economic disasters of the U.S.A., the American Hemisphere, and western and central Europe today. Second, that by going back to rebuilding the infrastructural basis for a return from the awfully failed, so-called "post-industrial paradise," to a capital-intensive, high-technology-driven agro-industrial, infrastructural basis, and adding "crash program" emphasis on nuclear and thermonuclear-fusion technologies, we can proceed, Franklin Roosevelt-style, to build the healthy economy of tomorrow.

The crucial obstacle in the pathway of such now desperately needed changes in direction of policy-shaping, is induced habits of the type associated, principally, with the "68er" variety of "white collar" generation. For them, their "68er" and related cultural legacy, provides the Cartesian-like set of definitions, axioms, and postulates upon which their ideological way of thinking is grounded. Concerned strata of this "White Collar Baby-Boomer" generation, are willing to introduce humane reforms, but they remain unwilling to overturn the "definitions, axioms, and postulates" of what they "feel" to be the work of their generation.

Because this stratum operates on that generational set of "definitions, axioms, and postulates," they have neither the knowledge, nor desire for any actual comprehension of the way in which a successful economic process has actually worked in the past. Only their active perception of imminent doom would open their minds to the real options available for halting a global collapse at this time.

There is nothing as urgent today, as getting across that point which I have just made. Our nation, and the world besides, has a very, very narrow band of options open to us to escaping the onrushing threat of a global new dark age of all humanity. The needed options exist, but those options will not save us, unless those options are both recognized, and then, rather promptly, adopted.

## Growing 'Bubble Within' The Housing Bubble

by Richard Freeman

In the preceding report, Lyndon LaRouche focuses on the "soaring mortgage bubble within the mortgage bubble." The growth of this process is an incontestable marker that the U.S. mortgage bubble has reached a desperate stage of instability; the continued enlargement of the "bubble within the bubble" would of necessity rupture itself and the larger \$17 trillion Greenspan mortgage bubble within which it is intimately situated. That would bring down the U.S. financial system.

The "bubble within the bubble" refers, in particular, to those homeowners who, after first listing their homes for sale in 2006, *yanked their homes back off the market* when they saw that prices were falling. In the interim, they are losing \$5-15,000 a month from the selling price of their homes as

they keep them off the market. The more the market price of homes falls, the more they silently lose.

But the situation gets worse. Many homeowners in this situation had taken out a non-traditional, or "exotic" mortgage loans. The loans were at adjustable interest rates (ARM), and allowed borrowers to pay no principal, and in some cases, to pay only part of the interest. The amount of interest that they didn't pay was recapitalized into the loans, i.e., it made the outstanding amount owed even larger.

As the market price of homes fell, the mortgage-holders found that *they had negative equity, that is, they owed more on the mortgage loans than the market value of their houses*. These are called "upside-down" loans. The homeowners can't refinance the mortgages, because no bank will refinance a loan that has fallen into the "upside-down" condition. The homeowners can't sell their houses, because the market is plummeting. The individuals are caught. There are millions of people in, or soon to enter this situation. A portion of those who are "upside-down" are within the "bubble within the bubble." Another slice of the homeowners' lives is taken away each month that home prices fall, because they move even further away from being able to pay off the mortgage loans.

The "bubble within the bubble" is the dynamic that has governed the geometry of the U.S. real estate market during the past five months. U.S. government statistical reports overlook this phenomenon. But millions of people throughout the United States know the "bubble within the bubble" and its destructive potential personally. We examine this phenomenon, using the case study of Loudoun County, Va., which is



EIRNS/Stuart Lewis



EIRNS/George Hollis

*Loudoun County, Virginia, which has the highest median household income in the country, is also "ground zero" for the explosion of the housing bubble. That process is now well under way. The photos show an unfinished, abandoned "McMansion" and desperate homeowners reducing the sale price of their property.*

ground zero for the housing bubble's rupture, to show how it developed. Loudoun County indicates what will happen to a significant portion of the rest of the country.

The dynamic of the "bubble within the bubble" is rife with the potential for further damage, causing foreclosures. On Dec. 12, *RealtyTrac* reported that the number of American households whose homes entered some stage of foreclosure, climbed to 1.2 million for the first 11 months of 2006, a leap of 43% over the comparable period of 2005. That is one in every 100 households. The popping of the "bubble within the bubble" will turn that into a flood.

### Loudoun County's Hidden Bubble

Consider that from 2000-04 in Loudoun County, there were on average 1,500 "active listings" (homes listed for sale) a month. During the hot housing market of 2005, the number of active listings jumped to, on average, 2,500 a month. During 2006, there was a phase-shift in the Greenspan housing bubble. In the first phase of this process, as the number of days that homes were unsold on the market jumped nearly five-fold, there was an acknowledgment that the bubble was about to burst. In this atmosphere, a herd mentality took over, as people moved to put their homes on the market lest they be left out of the last phase of the bubble, and not get the top price. This is shown in **Table 1**. Listings increased by 80% in only five months.

There was mass hysteria. In some areas, there were five or six homes for sale, on each street. But, already home prices began to break; "For Sale" signs stayed on the front lawns of homes month after month. It dawned on the homeowners that the more homes they put on the market, the faster and further

TABLE 1  
**Loudoun County, Va., Home Active Listings, 2006**

Month	Active Listings
<b>Phase #1</b>	
January	2,745
February	2,982
March	3,734
April	4,313
May	4,718
June	4,907
<b>Phase #2</b>	
July	4,747
August	4,437
September	4,173
October	3,806
November	3,386

Sources: Dulles Area Realtors Association; U.S. Department of Commerce.

TABLE 2  
**Loudoun County: Newly Produced Homes and Housing Units Listed, as Multiple of Homes Sold**

2000	2.81
2001	3.36
2002	3.36
2003	2.88
2004	2.18
2005	3.39
2006*	9.82

\*First 11 months through November

Sources: Dulles Area Realtors Association; U.S. Department of Commerce; Loudoun County Government.

home prices would fall. So, ruled by the same herd mentality, they began taking the homes off the market. This began the second phase.

From June's level, listings plunged by 31%. From June through November, 1,521 homes were taken off the market. These 1,521 unsold and "unsellable" homes constitute the "bubble within the bubble." They have *not* been sold (home sales are still falling), nor are they any longer listed for sale. Where are they? Look for the person with the twisted smile, as he watches his home price plunge.

### Loudoun and the National Picture

To situate the deeper dynamic, on Dec. 17, Lyndon LaRouche said, "And this is really fantastic. Because if you take the total number of [new] units produced, against total number sold, and add the total number which had been put on the market but have not been sold, then you get a more accurate picture of the explosive potential and the way it is building up, with the secondary factor of the held-back part."

This method is fruitful. In what follows, we take the combined total of a) the number of housing units newly produced, and b) the number of existing housing units put/listed on the market. This total is roughly what housing is being supplied to the market. We compare that to the number of housing units sold.

What this multiple-ratio shows is that in Loudoun County, during the period 2000-05, there was a normal band of between 2.18 and 3.39 homes offered for sale, for every home that actually sold (see **Table 2**). But during 2006, this process went into another domain: an explosive build-up of 8.9 housing units for sale, for every unit that was sold.

This touched off a corollary dynamic. From June-July 2006 onward, each month, more homeowners removed their homes from listings for sale, increasing the ranks of those in the "bubble within the bubble" (as shown in Table 1). However, the number of homes that sold also continued to decline.

TABLE 3

### U.S.A. Inventory of Unsold Homes That Are Listed on the Market, 2006

Month	Inventory
January	2,883,000
November	3,820,000

Source: National Association of Realtors.

Thus, even if the number of homes offered for sale, and the number of homes that actually were sold, were both shrinking, the multiple-ratio of homes offered for sale to homes sold, stayed high—in the range of 9. Nothing significantly improved the situation.

Panic took over. Those who *keep* their homes listed on the market for sale, are cutting their home prices a second, third, or fourth time, without an appreciable increase in sales. Within a housing downturn, there is a nasty cycle: The number of those who take their homes off the market increases, but home sales do not increase, and prices fall. The grouping who are trapped in the “bubble within the bubble” grows larger monthly. They would lose \$5-\$15,000 a month, which comes out to from \$60,000 to nearly \$200,000 a year.

Can one determine a national bubble within the bubble? To approximate this, keep in mind, that Loudoun County is an extreme, but what is happening there, foreshadows what will happen in numerous pockets throughout the country, by six to nine months.

Nationally, starting January, people scrambled to put their homes on the market lest they be left out of the last phase of the housing bubble, and not get the top price. **Table 3** demonstrates that between January and October, the inventory/active listings of homes placed on the market grew by 937,000, or 33%. Were the United States as a whole to follow the trajectory already traced by Loudoun County, by May 2007 almost 700,000 homeowners will have plunged into the “bubble within the bubble.” And because national averages distort what is really happening, it is likely that in pockets of the country where the real estate bubble had once been hottest, but now is shattered, that there are 100-200,000 households already in that trap.

### ‘Let Them Eat Shingles’

The case study of Loudoun County was selected because it exemplifies what would happen if a county were *planned for the purpose of a real estate bubble*, with little other consideration. As its real estate bubble breaks, the strange concoction known as Loudoun County will melt away. Loudoun is a mythical construct, in which people live fantasy lives. The value of residential real estate constitutes 77% of the county’s total assessed values, which total is comprised of residential, industry, commercial, agricultural, and public utilities. There

TABLE 4

### Loudoun County Assessed Residential Property Values

(\$ Billions)

Year	Assessed Value
2000	\$10.8
2001	13.8
2002	17.6
2003	20.9
2004	25.7
2005	33.3
2006	47.3

Source: Loudoun County Government.

may be no other county among America’s 3,077, where residential real estate is such a high percentage of all assessed valuations.

Loudoun is one of the ten fastest-growing counties in America, and in 2005, had the highest median household income, at \$98,483. It was once agriculturally based, but that is today a vestige.

In the 1980s, Lyndon LaRouche proposed a county plan for real high-technology-vectored development, but the oligarchy, featuring Mellons and other families of celebrated wealth and power, rejected it. Instead, it followed a plan that is the wet dream of post-industrial Baby Boomers. Consider:

- Manufacturing employment as a percent of total employment in Loudoun County is a nearly invisible 3.7%
- In some areas, there is no central sewage system; several individual “septic tank-mounds” are so poorly developed that effluvium bubbles up through manicured lawns.
- Morning commutes from Leesburg, the county seat, to Washington, D.C.—only 39 miles—can take two hours.

Aside from a few companies such as AOL, what is the principal reason people move into Loudoun County? To buy a home. What is the principal “industry” of Loudoun? Building homes, to build a housing bubble.

The assessed value of Loudoun County dwellings—overwhelmingly homes—leapt 4.5-fold in only six years. (See **Table 4.**) Whereas in 1993, residential assessed valuation represented 55% of the county’s total assessed valuations of all kinds of properties, in 2005, it represented 77%. The tax base is totally dependent on the housing bubble. On Dec. 14, LaRouche noted that as county home prices fall, officials will have to increase the rate on real estate property taxes to maintain the tax revenues to pay for vital social services.

Loudoun exists as a case *in extremis*; but a similar housing bubble functions in thousands of counties across the country. Loudoun County, with its enlarged “bubble within the bubble” which is on the verge of rupturing, represents in microcosm what will happen throughout the nation.

# 2006 Buyout Wave Is Default Blowout of 2007

by Paul Gallagher

The fourth-quarter explosion of so-called “leveraged buyouts” worldwide, accelerated wildly in the final weeks of the year, marked on Dec. 18 by the announcement of \$87 billion “worth” of such buyouts, the fourth day in three months in which at least \$75 billion in leveraged takeovers was made public. The Dec. 18 buyout splurge involved \$57 billion in new debt loaded upon the takeover target companies, two of the biggest of which were immediately downgraded from investment-grade to junk-debt status in the process. And the \$87 billion does not include the \$30 billion merger, also announced Dec. 18, of Statoil and Hydro, two oil companies substantially controlled by the Norwegian government.

With the 2006 “debt-leveraged takeover” bubble reaching \$4 trillion in “market value,” which is, in fact, largely just new borrowings from commercial and investment banks and hedge funds, this bubble is threatening many nations with corporate debt blowouts in 2007. Fully \$500 billion or more of this “market value” in takeovers was done during December alone.

Apart from the looting of many target firms already involved, the leveraged takeover boom looks to many financial regulators like a corporate twin-bubble of the U.S.-centered housing/consumer-debt bubble now bursting. Estimates of household debt in the OECD countries are at roughly 90% of total GDP, compared to just 29% in 1990. But estimates of corporate debt in those nations by the end of 2006 will be close to 80% of GDP, compared to 55% in 1995; and it is the corporate debt which is exploding in volume now. The 80% level is well above that of 1988, at the collapse of the 1980s takeover boom, which was much smaller in volume than the current boom.) The Reserve Bank of Australia’s just-retired chief Ian McFarlane, for example, is publicly warning that the whole Australian economy is “becoming leveraged,” and could be producing a corporate debt-jump like that of Australian household debt, which has leaped from under 50%, to 150% of disposable income in the past decade.

The wild acceleration of takeovers has lifted the record totals to 33,000 mergers and buyouts “worth” \$3.9 trillion in 2006. Over \$1 trillion will be in pure predatory takeovers by “buyout firms”—private equity and hedge-fund locusts—as opposed to mergers between two companies in an economic sector. But even in the cases of mergers or buyouts of one operating company by another, the takeover costs are usually being paid in cash—not stock, as in the 1999-2000 merger

boom—and the cash is coming from terrific amounts of new debt, borrowed from banks, hedge funds, etc., on the basis of “leverage,” another name for the promise of looting and destruction of the companies and their workforces. “Lenders are increasingly willing to arrange aggressive financing packages for corporate clients,” is how the *Financial Times* characterized the debt-default bonfire being stoked up.

Moreover, private equity-fund predators were reported, as of mid-December, to have \$200 billion more to put into mergers in the final two weeks of the year; with bank lending multiples typically of three or four to one, that could push the year’s total to over \$4 trillion, 20% above the previous record in 2000.

Effective action by governments to intervene and stop this destruction has been proposed and urged by Lyndon LaRouche. And in South Korea, the same principle has informed a crucial November decision of the Supreme Court, which found many leveraged buyouts illegal under clearly defined conditions (see box). The Republic of Korea Supreme Court decision indicates a precise model and *political* method for national legislatures—including in the United States, the epicenter of the buyout-bubble madness—to intervene to reverse it before the corporate debt bubble explodes in “leveraged defaults,” blowing out the credit markets.

## A Second Warning from Ratings Agency

The economics research department of the Standard and Poor’s debt-rating agency put out a warning report on Dec. 14, about a coming wave of “leveraged debt defaults” threatening the international credit markets. This means rapid-fire, and potentially massive defaults on the debts loaded onto merger and takeover “target” companies by hedge funds, private equity funds, and banks. It’s known as “leveraged” debt because it’s issued on the assumption of looting the target. “Predators are extracting special dividends from prey to recoup their investment quickly, leaving these companies saddled with debt,” said the report highlighted in a Dec. 15 London *Daily Telegraph* article by Ambrose Evans-Pritchard. The lending banks themselves, in turn, take risk fees which may be a couple percent of the total new debt; and the consulting banks, still more fees, which may be 0.5% of the total valuation of the takeover. Goldman Sachs led the world in this regard by making \$2.1 billion in consulting fees on nearly 500 takeovers in 2006.

This S&P report, “Risk Outlook for 2007,” followed one it issued on Oct. 25, on the same danger (see *EIR*, Nov. 3, 2006). That earlier report said that if the ballooning “leveraged debt” and “collateralized loan obligations” (CDO) market pits of the world blow out, banks in Europe and the United States will be left holding up to 40% of the bag of losses. Pension funds will hold a lot more. Large volumes of bank lending, it said, are going to burgeoning hedge funds and private equity funds which are buying more and more risky debt; and banks are advising pension funds to pour capital

## LaRouche, and Court: How To Stop LBOs

On Dec. 14, Lyndon LaRouche made an aggressive proposal to stop the “bonfire of buyouts” which is loading target firms with new debt, looting these targets and their workforces, and driving them toward default. LaRouche proposed that “*any takeover that turns a viable firm into a junk-bond company is against the national interest. . . . Therefore, Congress should start to intervene to defend the national interest, and block the mergers, including any merger in which it can’t be shown that the target companies will gain in capacity, productivity, and production from the merger.* Congress has to draw that line, LaRouche said, and draw it now, in the face of the oncoming debt crash.”

In November, the Republic of Korea Supreme Court made an extraordinary decision which reversed one apparently “successful” leveraged takeover, declared it illegal, and reinstated criminal prosecution against the CEO of the takeover company involved. The decision was made in the

“leveraged” takeover of an engineering firm of the Shinhan Bank group. This takeover, using debt borrowed against the assets of the company targeted for takeover, and the subsequent “restructuring” of the target firm to lower operating costs, had allegedly led to an increase in profits, and no personal diversion of funds or assets was involved.

The Supreme Court ruled the takeover a breach of fiduciary duty by the takeover firm, because of its, and its CEO’s, *prior intent* to indebt the target company without compensation or benefit, and to subject the target company to economic burden, risk of default and impaired credit, and risk of contraction. No post-takeover actions or results could be considered as disproving this criminal intent, the Court ruled: The elements of the crime were complete, under the law, *before the takeover took place*, and had not been compensated by any payments or economic benefits to the target firm which could be shown prior to the takeover. Thus, the Court ruled, the takeover was illegal—and by implication, the “leveraged takeover” *method* is illegal as practiced by the private equity pirates.

The decision impacts other takeover battles, and provides a principled method for legislatures, including the U.S. Congress, to stop the mad takeover wave—the method urgently proposed by LaRouche.

into these hedge funds as well. The funds are throwing this wave of capital into extremely leveraged debt (debt “justified” only by promises of dramatic future looting, cost cutting, and industrial shrinkage), thinking that they can “dump the risk” by selling that debt, as securities and financial derivatives contracts, to each other and to banks on the CDO markets. As the *Financial Times* expressed it, “the heat of investor demand is forging lending multiples and structures that would have seemed impossible just a couple of years ago,” and the average debt “multiple” of such “capital investments” has grown to \$6 borrowed for each \$1 invested.

The Dec. 14 S&P report and conference call warned that: “Leveraged loans have exploded. . . . As the interest coverage becomes thinner, defaults are certain to increase. . . . Prudent financial policies are being discarded. The average purchase-price for European LBOs in the three months to November hit a record high level of 9.4 times earnings.” Most of this purchase money is being borrowed, and S&P points to disturbing signs, including “a trend toward deals that are not even rated for credit risk. . . . The big question is what happens [to this debt] in a downturn,” now underway, the report warns.

The new round of ongoing attempted takeovers in the airline industry, for example—USAir taking over Delta, United and Continental merging, AirTran taking over Midwest—are new attacks on airlines already drastically shrunk

and looted. Carriers that employed 420,000 workers in September 2001, employed 264,000 five years later, at more than a 25% cut in wages; their fleet of jets had shrunk by 12%.

On Dec. 13, Rep. James Oberstar (D-Minn.), who will chair the House Transportation and Infrastructure Committee, demanded that the Justice Department stop the USAir-Delta takeover; if not, he said, he’d start hearings to block such mergers.

### Rapidly Worsening Financial Cancer

New York financial community sources report that, of the 30-40,000 corporate mergers and acquisitions (M&As) worldwide this year, only perhaps 1,000 have been “leveraged” takeovers (premised on placing large amounts of new debt upon the target firm in the takeover), but these account for more than half the market value and most of the debt. About half of these involve *hostile* leveraged takeovers and/or attempts, which bids often involve very large amounts of new debt, and “valuing” of the target company at 20-40% above its current market value. M&As in general are now the main driver for the stock market, led by the large amounts of money to be made in playing the leveraged takeovers. Investment banks and lending banks are making very large risk fees, up to 2.5% of the whole takeover loan. For hedge funds, the takeovers are more profitable than their derivatives-based strategies, which are getting harder to work.

The buyout firms' strategy in leveraged takeovers now, is to try to borrow as much as possible of the takeover price, and use the extracted cash flow of the target company, or the sale of its assets, for repayment.

Some very recent examples:

- An example of the new leveraged-debt extreme is the current attempt on India's (Hong Kong-owned) Hutchinson Essar communications firm, by Blackstone Group and Reliance Group (this is one of several competing bids circling around this target company). The \$15 billion takeover price will be borrowed in its entirety from Citigroup and UBS-AG, if this takeover goes through.

- Qantas Airways takeover by the pirates of Macquarie Bank, Ltd. and Texas Pacific Group involves \$9 billion in new debt, 15 times Qantas' earnings. This is the most controversial of the takeovers of 2006; Qantas, a state company until 1995, essentially Australia's only carrier, and one of the world's best-run airlines, is suddenly pulled down like Persephone into the Hades of private-equity debt speculation. "This deal is all about debt," one banker told the *Sydney Herald*. "The deal will only work if the consortium [Airline Partners Australia, so-called] can extract a 20% internal rate of return for 5-10 years. Otherwise, watch out for default. Qantas' debt will rise from \$3.7 billion to \$12.5 billion; annual interest will rise from \$158 million to \$715 million; the Australian government warned Dec. 18 that Qantas' debt will be junk-rated, and the government will not bail it out in future."

- Express Scripts' hostile takeover of Caremark Rx—a merger of two of the biggest "pharmacy benefit managers" of the HMO jungle—involves \$14 billion in new debt, which is nine times the annual earnings of the combined target company. Caremark Rx debt may be downgraded to junk.

- Apollo Management Group's takeover of Realogy Corp.—which owns Century 21 and Coldwell Banker real estate companies—involves \$7 billion in new borrowings from JP Morgan Chase and Credit Suisse. Realogy's debt was immediately downgraded to junk on Dec. 19, and the cost of insuring its debt against default leaped up, from 0.6% to 3% of the debt.

- USAir's attempted takeover of Delta will leave Delta with an immense \$23 billion in debt, as opposed to the \$10 billion debt it would have otherwise. This \$13 billion in new debt is more than 25 times earnings, when last Delta had any earnings, in 2003. According to Delta's reorganization bankruptcy filing Dec. 19, which opposes the takeover, it would lose 10,000 jobs, 180 aircraft, and a 10% shrinkage of the combined airline. And absurdly, \$4-6 billion of the new debt is to be floated *simply to pay off unsecured Delta debt*, which is now frozen in bankruptcy.

- The Freeport McMoRan Mining takeover of Phelps Dodge loads \$15 billion in debt on the combination of two corporations which had no net debt; and produces a combined junk-rated company from two companies whose bonds were each AA-rated.

## Why Indian Scientists Oppose the U.S.-India Nuclear Agreement

by Ramtanu Maitra

At a ceremony in the White House on Dec. 18, U.S. President George W. Bush signed the U.S.-India nuclear agreement, otherwise known as the Henry J. Hyde U.S.-India Peaceful Atomic Energy Cooperation Act. The bill would enable American nuclear transfers to India to take place in the future, following a 32-year moratorium.

In India, however, the opposition to the bill remains strong within the scientific community, which believes that it would stymie India's indigenous and hard-earned thorium fuel-based nuclear program. As a result of their pointed arguments, the Manmohan Singh government has yielded to the parliamentary opposition's demand for a full discussion of the bill in India's Parliament. Although the opposition to the bill stems from two major segments of Indian society—the military and the scientific community—to the chagrin of the government, it is now actively being discussed by political leaders.

On the American side, approval by three other institutions—the 45-nation Nuclear Suppliers Group (NSG), the International Atomic Energy Agency (IAEA), and the U.S. Congress—are still needed before American nuclear transfers to India can take place. Although the U.S. Congress voted overwhelmingly on Dec. 9 to approve the bill, amidst strong resistance put up by the nuclear non-proliferation lobby, Congress still needs to approve the technical details of nuclear trade in a so-called 123 agreement—a peaceful nuclear cooperation pact with a foreign country, under the conditions outlined in Section 123 of the U.S. Atomic Energy Act.

### Uneasy Non-Proliferators

There is little doubt that the White House, helped by a massive lobbying team mobilized on Capitol Hill by the Indian Embassy and non-resident Indians, considers passing the bill in a relatively short period of time as a great success in bringing U.S.-Indian relations closer in the near future.

The opposition to the bill within the United States was epitomized by a letter sent to the U.S. Senate in mid-November by 18 arms-control advocates. They said that, without amendments, the proposed legislation "would have far-reaching and adverse effects on U.S. nonproliferation and security objectives." Signers included Robert Einhorn, former Assis-

tant Secretary of State for Nonproliferation; Lawrence Korb, former Assistant Secretary of Defense; Prof. Frank von Hippel of Princeton University; Daryl Kimball of the Arms Control Association; and John Isaacs of the Council for a Livable World.

Their concerns center around India's alleged unwillingness to curb its nuclear weapons program, India's lack of transparency in non-proliferation efforts, and its close ties with Iran. A new report by the Congressional Research Service, which examines policy issues for Congress, found that while India does not want Iran to have nuclear weapons, New Delhi's "views of the Iranian threat and appropriate responses [to that threat] differ significantly from U.S. views." In 2004, Washington imposed sanctions on two Indian scientists for nuclear-related transfers to Iran, and in 2005 and 2006, four Indian companies were sanctioned for chemical-related transfers to Iran, the report noted.

In India, the opposition to the bill is based on an entirely different perspective. India has remained a non-signatory of the Nuclear-Nonproliferation Treaty (NPT) since the Treaty entered into force in 1970, following U.S. ratification. Staying outside of the NPT-regime, India has tested its nuclear devices on three occasions—once in 1974 and twice in 1998. In other words, India has developed nuclear weapons, but it is not recognized as a nuclear weapons state by the five official Nuclear Weapons States (NWS)—United States, Russia, Britain, France, and China—which had all tested their nuclear devices prior to the existence of the NPT.

### **Atomic Scientists and the Military**

The issue of future nuclear tests is important to the opponents of the bill in India, because they consider that such tests are necessary in order to upgrade India's nuclear weapons to match nuclear developments elsewhere, and provide security to the nation. The Hyde Act that President Bush signed, categorically demands that India ban all nuclear explosive tests in the future. It, however, does not address the fact that the United States itself is working on the design of a "Reliable Replacement Weapon" (RRW) to modernize its nuclear arsenal, and may indeed carry out a test in the future!

Moreover, in the "Definitions" section of the contested bill, it is clearly stated that the "Additional Protocol" is to be based on the Model Additional protocol of the IAEA applicable to non-nuclear-weapon states, which is highly intrusive, as pointed out by India's former Atomic Energy Commission (AEC) chairman, M.R. Srinivasan, in a recent article in the English news daily *The Hindu*.

He also pointed out that the Hyde Act makes it clear that the U.S. President has to satisfy himself that India is working actively on an early conclusion of the Fissile Material Control regime (FMCT); that India is supporting the United States in preventing the spread of enrichment and reprocessing technologies; and that India adheres to the Mis-

ssile Test Control Regime (MTCR) and NSG guidelines (without actually being invited to be a member of these bodies). These actions which India is obliged to take are not consistent with what "a strategic partner" (which Washington wishes India to be) should be taking. Neither are they consistent with what India—described as a "responsible state with advanced technology"—should be mandated to take, Srinivasan affirmed.

What also concerns India's defense planners about the bill, is the way it has been formulated. The Hyde Act calls for achieving a moratorium on the production of fissile material for explosive purposes by India, Pakistan, and the People's Republic of China. It may be recalled that China has been producing fissile material for weapons purposes for a long time, while India was forbidden to do so by the NWS. Therefore, stopping production of fissile material at the same point in time would lead to a serious imbalance. The statement of policy goes on to say that the United States shall "seek to halt the increase of nuclear weapon arsenals in South Asia and to promote their reduction and eventual elimination."

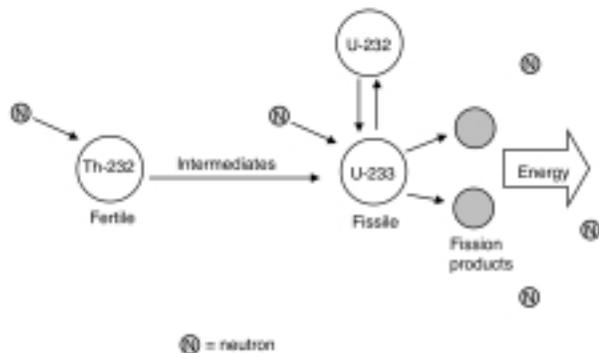
### **India's Thorium Program Is the Issue**

Indian scientists have made their views known about the inadequacy of the Hyde Act, citing two specific areas. First, the bill says categorically that India cannot reprocess spent fuel from its reactors. It demands this because the United States claims that the "no reprocessing" clause would prevent India from getting plutonium, which could be used later for making nuclear weapons. However, there is more to the clause than meets the eye, Indian atomic scientists point out.

India decided on a three-stage nuclear program back in the 1950s, when India's nuclear power generation program was set up. In the first stage, natural uranium (U-238) was used in pressurized heavy water reactors (PHWRs). In the second stage, the plutonium extracted through reprocessing from the used fuel of the PHWRs was scheduled to be used to run fast-breeder reactors (FBRs). The plutonium was used in the FBRs in 70% mixed oxide (MOX)-fuel, to breed uranium-233 in a thorium-232 blanket around the core. In the final stage, the FBRs use thorium-232 and produce uranium-233 for use in the third-stage reactors. (See Ramtanu Maitra, "Thorium: Preferred Nuclear Fuel of the Future," *EIR*, Nov. 18, 2005.)

To a certain extent, India has completed the first stage, despite the fact that it has only built a dozen nuclear power plants so far. The second stage is only realized by a small experimental fast-breeder reactor (13 MW), at Kalpakkam. Meanwhile, the Indian authorities have cleared the Department of Atomic Energy's proposal to set up a 500 MW prototype of the next-generation fast-breeder nuclear power reactor at Kalpakkam, thereby setting the stage for the commercial exploitation of thorium as a fuel source.

## Simplified Diagram of the Thorium Fuel Cycle



The neutron trigger to start the thorium cycle can come from the fissioning of conventional nuclear fuels (uranium or plutonium) or an accelerator. When neutrons hit the fertile thorium-232 it decays to the fissile U-233 plus fission fragments (lighter elements) and more neutrons. (Not shown is the short-lived intermediate stage of protactinium-233.)

One reason for India's commitment to switch over to thorium, is its large indigenous supply. With estimated thorium reserves of some 290,000 tons, it ranks second only to Australia. Further, the nation's pursuit of thorium helps to bring independence from overseas uranium sources. Since India is a non-signatory of the NPT, its leaders foresaw that its civil nuclear-energy-generation program would be constrained in the long term by the provisions laid down by the commercial uranium suppliers. The Nuclear Suppliers Group demand that purchasers sign the NPT and thereby allow enough oversight to ensure that the fuel (or the plutonium spawned from it) is not used for making nuclear weapons. A non-signatory of the NPT is prevented from receiving any nuclear-related technology or nuclear fuel.

India has already begun construction of the Advanced Heavy Water Reactor (AHWR) in 2005. The AHWR will use thorium, the "fuel of the future," to generate 300 MW of electricity—up from its original design output of 235 MW. The fuel for the AHWR will be a hybrid core, partly thorium-uranium 233 and partly thorium-plutonium.

In other words, if India cannot reprocess the spent fuel to secure plutonium for the sake of converting thorium into fuel, the thorium reactors will never take off. Separation of plutonium is essential for the eventual use of thorium as a nuclear fuel. India therefore expects that reprocessing will be an important activity of its nuclear energy program. This is what has put the Indian atomic scientists on a warpath against the Singh government's willingness to accept the bill.

Natural uranium contains about 99.3% of the isotope uranium-238 and 0.7% of the fissionable isotope uranium-

235. Although uranium-235 is the rarer of the uranium isotopes, it is the one that most readily undergoes nuclear fission, and is thus the most useful for common nuclear applications. Therefore, to use uranium, the proportion of the uranium-235 isotope found in natural uranium must be increased. This process of increasing the fraction of uranium-235 in natural uranium is called enrichment. At the same time, one must note that while uranium-235 is present in natural uranium in small amounts, uranium-233 does not exist in nature. Therefore, thorium-232 must be converted to uranium-233 in order to generate nuclear power.

## Not an Easy 123

The second concern of the Indian scientists is the scope of "full civilian nuclear energy cooperation" (Section 123 of the U.S. Atomic Energy Act) that was promised to India in July 2005. India had assumed that this term encompassed the fuel cycle, namely enrichment of uranium and reprocessing of spent fuel. In the discussions leading to the adoption of the Hyde Act, U.S. legislators argued that the U.S. Atomic Energy Act of 1954 specifically forbids export of these technologies, as well as heavy water production technology, to other countries. India has developed its own technologies in these three important areas.

According to an English news daily, *The Times of India*, India's top atomic scientists have spelled out some of the key points which are to be incorporated in the 123 agreement:

- India should not be asked to participate in international non-proliferation efforts with a policy congruent to that of the United States.
- There should be full-scale civilian nuclear cooperation, with an assurance of constant fuel supply.
- India should be free to carry out more nuclear weapons tests.

Although the Bush Administration has shown a great deal of interest in seeing that the nuclear agreement goes through, it is highly unlikely that it would bow to the Indian atomic scientists' demands. At a Dec. 16 powwow in Mumbai, organized by India's present AEC chairman, Anil Kakodkar, and attended by six former atomic czars, *The Times of India* reported a scientist saying: "We hope the voice of the former nuke chiefs will now resound in those areas where the 123 agreement will be negotiated."

This could spell danger for the bill, as well as for the Manmohan Singh government, which has made the bill the centerpiece of its foreign policy initiatives. These top scientists and administrators of the country's nuclear establishment told *The Times of India* that since July 2005, bureaucrats in the External Affairs Ministry were calling the shots, either in New Delhi or at the Indian Embassy in Washington. However, there is now an indication that for the first time, these informed critics of the deal cannot be kept out of the country's nuclear diplomacy.

# 110th Congress Health-Care Policy: End HMOs; Rebuild Hospitals

by Mary Jane Freeman

The 110th Congress must seize the initiative to restore the FDR legacy of accessible and affordable health care for all, by reestablishing the only valid metric for health-care investment: the cost in human lives lost if health care is denied. It is providing for the general welfare, a promise of the Constitution, that defines what must be the nation's priorities. To have a productive and growing economy, we need a healthy population. The costs of health care must be so framed.

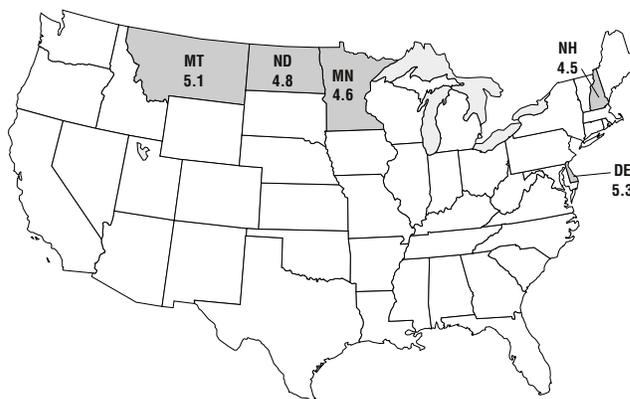
Bold initiatives are required. Congress must end HMO/business-model practices of profit-making, and restore care-giving practices. With the exception of Rep. John Conyers' bills H.R. 676 and H.R. 5770 (see boxes in this section), other legislative initiatives are directed at trying to fix a broken system which has been taken over by Enron-like health-care sharks. Band-aids won't work. The health of the population requires a health-care infrastructure of public community hospitals, doctors, nurses, technicians, and staff committed to that mission. Health care is a national security issue.

Over two decades, America's health-care system, providing county-by-county access to hospitals and trained professionals, has been systematically looted and shut down. The Nixon-era creation of health maintenance organizations, and follow-on managed care polices, ushered in "shareholder" profits as the driver of health-care policy. "Cost containment" became the metric, not health and well-being. As *EIR* Founding Editor Lyndon LaRouche wrote in a 2002 Special Report, "Science and Infrastructure" (*EIR*, Sept. 27, 2002), "HMO law is not merely an inevitable failure, now becoming a national catastrophe; it is a predatory medical malpractice performed by shareholder value. We must reverse this presently continuing, disastrous course."

Hospital infrastructure has been taken down, and limits put on the number of new doctors and nurses that would be educated and trained. The nation's health-care infrastructure and citizens' health-care needs fell prey to de facto cartels looking for new revenues to bleed for financial loot. Now this cannibalizing of the human and physical infrastructure has led to a crisis in health-care delivery, as shortages of hospitals, doctors, and nurses exist. Were a pandemic flu or domestic terror incident to occur, America's health infrastructure would fail.

Nearly every newly elected Representative to Congress

FIGURE 1a  
**1958: Over a Decade After Hill-Burton Act Passed; Five States Had Federally Mandated Minimum Hospital Beds per 1,000**



Sources: U.S. Statistical Abstracts; *EIR*.

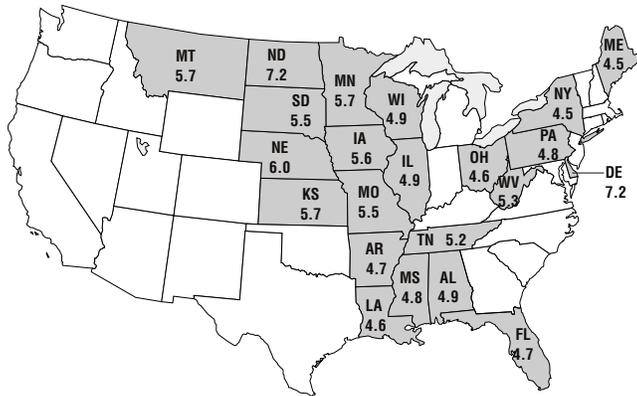
campaigned for improving access to medical care. The question now is: Will they go outside the broken box to pose a comprehensive rebuilding of a national health-care system, with an emphasis on building the infrastructure needed? Legislating to lower drug costs will not fix the system, nor will another desperate effort being proposed—a national version of Massachusetts' much touted legislation, which abolishes the uninsured by mandating that all citizens of the state purchase health insurance, supposedly made possible by a hodge-podge of government subsidies.

## HMO Policies Target Hill-Burton Standard

The 1960s "post-industrial" paradigm-shift from a producer to a consumer society decimated the physical infrastructure and workforce upon which we rely for our existence. In the case of health care, it was Nixon's signing into law of the 1973 Health Maintenance Organization and Resources Development Act, which altered the mission of health care to "cost containment" and profits, first and foremost. These HMO/managed care policies maximized profits for health insurance and pharmaceutical companies, while making health care unaffordable and less accessible to most. "Over

FIGURE 1b

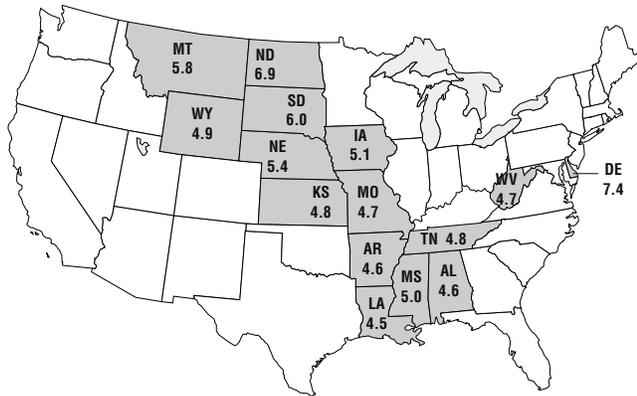
**1980: Build-Out of Hospitals and Bed Capacity Peaked; 22 States Had Federally Mandated Minimum Hospital Beds per 1,000**



Sources: U.S. Statistical Abstracts; EIR.

FIGURE 1c

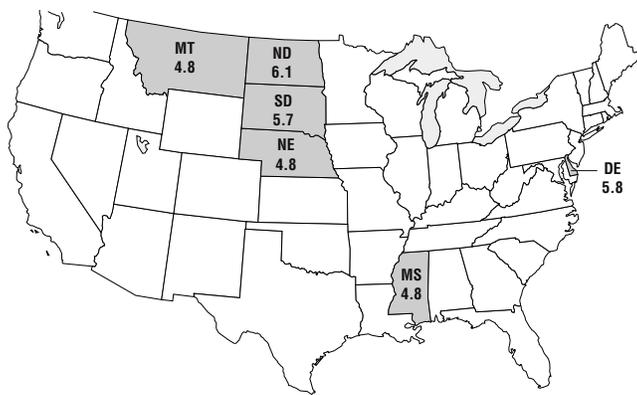
**1990: The Impact of the HMO and Deindustrial Policies Hit; Only 15 States Had Federally Mandated Minimum Hospital Beds per 1,000**



Sources: U.S. Statistical Abstracts; EIR.

FIGURE 1d

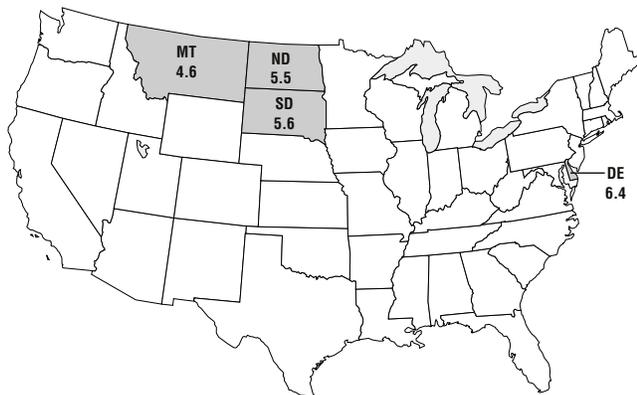
**2000: A Decade of Mergers and More Takedown; Only Six States Had Federally Mandated Minimum Hospital Beds per 1,000**



Sources: U.S. Statistical Abstracts; EIR.

FIGURE 1e

**2005: Bush-Cheney Years of Privatization Press the Shutdown; Only Four States Had Federally Mandated Minimum Hospital Beds per 1,000**



Sources: U.S. Statistical Abstracts; EIR.

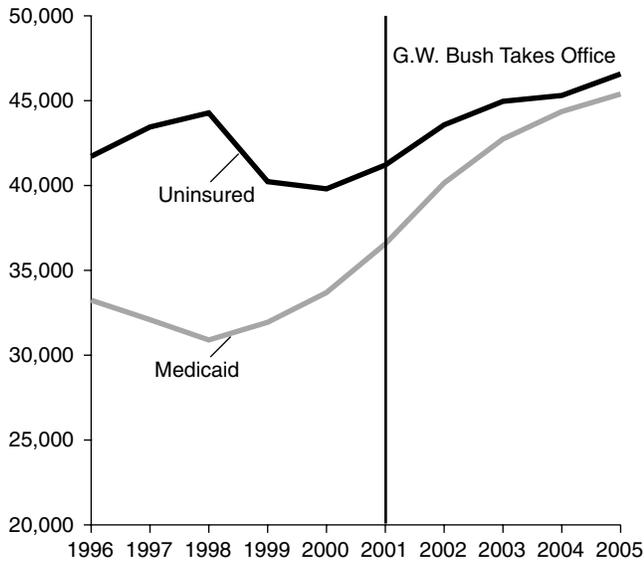
capacity” at hospitals and labor costs—salaries and benefits for nurses and staff—were deemed the culprits for rising costs. To curtail these profit-gougers, Wall Street demanded: hospitals and/or bed capacities be shut down or decommissioned; restriction on the number of people trained to become doctors and nurses; elimination or scaling back of teaching hospitals and college programs; and imposition of unrealistic, even deadly, workloads upon the dwindling number of doctors and nurses in the workforce.

To accomplish these profit-driven goals, HMO policies targeted, for dismantling, the health-care infrastructure built by the 1946 “Hospital Survey and Construction Act,” intro-

duced by Senators Lister Hill (D-Ala.) and Harold Burton (R-Ohio), today known as the Hill-Burton Act. The Act mandated the construction of hospitals and staffing of hospital beds based on a county-by-county survey of the population’s health-care needs. It set a ratio of 4.5 to 5.5 beds per 1,000 population as a baseline to build an adequate national health-care system. From 1958 to 1980, under the Hill-Burton mandate, 583 community or general acute care hospitals, and 378,000 staffed community hospital beds were added, bringing the nation’s total to over 5,000 community hospitals. But

**FIGURE 2**  
**People on Medicaid, Medically Uninsured**  
**Rise as Economy Collapses**

(Number of People, in millions)



Source: U.S. Census Bureau; Centers for Medicare and Medicaid; *EIR*.

*The Bush years saw a 20% increase in Medicaid recipients and 12% increase in uninsured.*

between 1980 and 2001 the shift into HMO-dictated cost-accounting policies hit, and the result was that 902 community hospitals and 161,000 beds were lost.

The population, however, continued to grow. Up through 1980, the Hill-Burton ratio of beds per 1,000 people improved, but then dramatically declined. In 1958, five states met the Hill-Burton ratio; by 1980, the ratio was met in 22 states. Then the takedown began. By 1990, only 15 states still had enough beds to meet the ratio; by 2000, a mere six states met it; and by 2005 the nation had fallen below the 1958 level, with only four states meeting the ratio. (See **Figure 1 a-e.**)

This shutdown of the community hospital base from its post-World War II build-up intersected the takedown of the U.S. physical economy, especially its manufacturing base. The shutdown of hospitals in 1980-2001, in three key industrial heartland states, is indicative: Michigan lost 58 hospitals; Ohio 36;

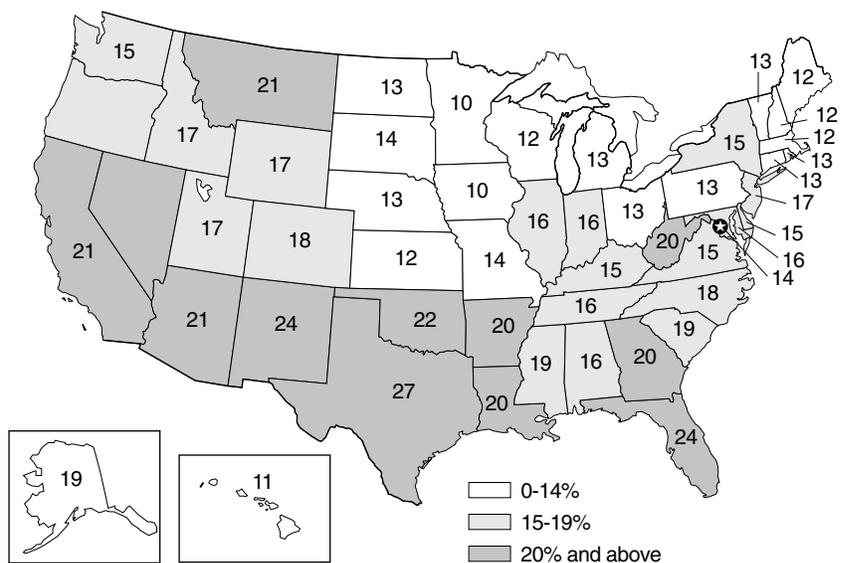
and Pennsylvania 45. Five other states had larger or comparable 1980-2001 hospital losses to these three states: California 120; Illinois 49; Massachusetts 39; New York 59; and Texas 79. All but five states lost hospitals between 1980-2001.

### Dump Privatization of Health Care

The Bush-Cheney Administration moves to further privatize health-care policies continued to erode hospital infrastructure. Under Bush-Cheney, from 2001-05, the five years for which data exist, bed capacity continued to plummet, while a slight up-tick in number of hospitals added occurred. In these years, 86 hospitals opened while 58 others closed, for a net gain of 28 hospitals built or restored. But, the closures, combined with the downsizing of hospitals as per the “cost containment” dictum, resulted in a net loss of 24,000 beds in these years. The modest gain in hospitals, many due to mergers, but with fewer beds, facilitated the ability of mega-hospital corporations to increase fees as bed supply shrank and demand grew.

Looking at the future for community hospitals, even the hidebound American Hospital Association’s “Trends: Overview 2003” published in 2005, analyzing various pressures on hospitals, admitted that the mid-1990s merger mania, done to “take unneeded beds out of the system” and maximize “efficiencies through consolidation,” had “failed” and created a “consumer backlash against managed care.” The AHA’s 2006 “Trends: Overview 2004,” went so far as to pose the

**FIGURE 3**  
**2004-05: Rates of Non-Elderly Uninsured Are Double-Digit in 50 States, While Two-Thirds of Them Are 15% or Higher**  
 (Percent)



Source: Kaiser Family Foundation, State Health Facts, 50 State comparisons: Health Insurance Coverage of Nonelderly citizens, 2004-2005; *EIR*.

## Conyers for Universal Single-Payer Health Care

Appearing at a Town Hall meeting in Detroit Dec. 15, Rep. John Conyers (D-Mich.) announced his firm intention to put the issue of universal single-payer health care on the agenda of the new Congress. Conyers noted that the United States has the most expensive health-care system in the world, while 47 million American residents go without coverage, and another 30-40 million lack adequate coverage. He then stated simply, "It's time we had a universal single-payer health care plan."

As he has done in every session of Congress for years, Representative Conyers will introduce his U.S. National Health Insurance Act into the Democratically led 110th Congress. It gained 79 Congressional endorsers in the Republican-dominated 109th. The plan was endorsed by Lyndon LaRouche last April, and has the endorsement of major trade unions and health-care activist groups.

Both the accelerating health-care crisis and a growing popular mobilization—with significant input from the LaRouche Youth movement—will see that it is not shoved to the sidelines in favor of more limited approaches.

As introduced by Conyers in the first session of the 109th Congress, the act would entitle everyone living in

the United States to a high-quality standard of care to be delivered through the "single-payer system" of an expanded Medicare apparatus.



EIRNS/Stuart Lewis  
Rep. John Conyers

The health insurance benefits under the act would cover all medically necessary services, including primary care, dental, mental health, prescription drugs, and long-term care, with no co-payments or cost-sharing permitted. Enrollees would receive care from physicians of their choice. All participating institution-owned providers

to non-profit status, effectively removing the profit motive of "shareholder values," and the Health Management Organization (HMO) system originated by Nixon-era legislation, from the practice of medicine in the United States. Another name for his bill is, "Medicare for All."

Along with its other actions, Healthcare-Now ([healthcare-now.org](http://healthcare-now.org)), a grassroots organization promoting the Conyers legislation, has announced plans for 1,000 "Truth Hearings" in Congressional Districts across the country, on the issue of universal health care, between now and the 2008 Presidential election.

question: "The Rising Demand for Hospital Care: Can We Meet the Challenge?" AHA cited the shrinkage in numbers of hospitals and beds, and noted the meteoric 61% rise in outpatient hospital visits per 1,000 population between 1990 and 2004, as cause for posing the question. The capacity constraints, in terms of facilities and sufficient trained staff, has put in doubt the nation's readiness to keep pace with increased demand.

Other contributing pressures leading to hospital closures has been the growth in reliance on Medicaid and the number of people who are uninsured. Since Bush took office, both have steadily grown as the physical economy contracted and more employers terminated health insurance coverage, and as laid-off workers lost any coverage. As the AHA writes, "for most non-elderly Americans, access to health insurance is tied to employment." In a healthy economy, in which people have high-paying, skilled jobs, health care is sustainable. So, despite efforts by Republican ideologues to restrict Medicaid benefits, there was a 20% rise in the number of Medicaid recipients, from 36.6 million in 2001 to 45.3 million in 2005. The number of uninsured from 2001-05 has jumped by 12% from 41.2 million in 2001 to 46.6 million in 2005. (See **Figure 2.**) Eighteen percent of Americans are uninsured, with no state having less than 10% of its population uninsured, and

two-thirds of the states at 15% or higher. Texas is the highest at 27%. (See **Figure 3.**)

Community public hospitals are the primary health providers for the uninsured and those on Medicaid. But reduction in Medicaid reimbursement payments to hospitals, and the growth in uncompensated care hospitals provide to the uninsured, which by law they must, have significantly contributed to hospitals operating in the red, precipitating closures. Yet, the population these hospitals served require care. Forced to travel greater distances, some patients' lives are put at risk, as when a heart attack strikes, and every minute matters. Community clinics for the poor, or physician-owned limited service hospitals for the insured and wealthy, cannot take the place of full-service, affordable, and accessible, public community hospitals.

As with the Hill-Burton paradigm, this new Congress can create a legacy of restoring health care for the general welfare, with swift action to reinstate the principles established in Hill-Burton. In tandem with a hospital-building effort and initiative to educate a new generation of doctors and nurses, this Congress must launch FDR-style great infrastructure-building programs to create full employment. To make health care "sustainable," requires that we put Americans back to work at productive jobs, rebuilding the world economy.

# Reverse Shortage of Doctors and Nurses

by Pat Salisbury

In what many consider an extraordinary turnaround, in the last few years, the major gate-keepers of the medical profession have been forced to acknowledge that the shortage in the supply of physicians in the United States has reached a crisis level. Until 2003, except for a few bold voices, such as that of Dr. Richard A. Cooper (see interview this issue), the official, uncontested position of these institutions has been, that there is, and will continue to be a glut of physicians in the United States, and that therefore, measures need to be taken to reduce the number of doctors, with the possible exception of primary-care physicians.

Reality, and the stubborn refusal to buy into the fraud by a few, such as Dr. Cooper, have forced a grudging reassessment. The dimensions of the shortage crisis have thus begun to emerge. Immediate action to begin the reversal of this crisis is necessary if all Americans are to receive decent health care.

## More Primary-Care Physicians Needed

A report on the status of officially designated Health Professional Shortage Areas (HPSAs) from the Government Accountability Office (GAO), released in October 2006, provides some basic figures on the shortage throughout the United States, of primary-care physicians, the first line of defense against ill-health. Updated in 2005, it shows that as of September of that year, there were more than 5,500 health-professional shortage designations, indicating not enough doctors in either a geographic area, among a population group such as migrant workers, or a particular health-care facility such as a rural health clinic.

Looking at the deficit for geographic areas and population groups, the study showed that 831 entire counties were designated as HPSAs, while another 815 consisted of service areas within counties. There is no state that does not have some HPSA designation. The GAO estimate concluded that 6,941 additional full-time primary-care physicians are needed to achieve ratios that would eliminate HPSA designations; this is based on a ratio of one physician for every 3,500 people in a geographic area, and 1:3,000 persons in a population group.

While the HPSA designation was created in 1978 to identify areas and populations that needed doctors, and is used by a number of Federal programs to make decisions about financial and manpower aid, it has a built-in rationing system. The administering agency, Health Resources and Services

Administration (HRSA) designates HPSAs based on the ratio of population to the number of primary-care physicians and other factors, such as the area's infant mortality rate, the percentage of the population below the poverty level, or the area's birth rate. HRSA then gives each HPSA a score based on specific criteria that ranks its shortage of primary-care providers or other needs, relative to other HPSAs. Each HPSA is ranked from 0-25. A low score can disqualify an HPSA for certain Federal aid programs.

The GAO study was conducted to prove that the number of HPSAs in the nation is over-estimated, and through the usual process of redefinition and sleight of hand, manages to assert exactly that: a finding which, if left standing, would have dire consequences for numerous under-serviced areas and population groups.

## The Fraud of Physician Oversupply

In 1994, the Council on Graduate Medical Education (COGME), the body authorized by Congress in 1986 to provide an ongoing assessment of physician workforce trends and make accompanying policy recommendations, reported that the nation would have 165,000 surplus specialists, and the notion of a glut of specialists remained the official position until 2003.

Based on this assumption, residency slots for training specialists were reduced, and Federal financial support for specialty physician training was cut. To foster this fraud, the most basic demographics on population growth and aging, and the aging of currently practicing doctors were ignored.

The assumption that the managed health care organizations would reduce effective demand for medical treatment, was elevated to a universal truth. As the population grew and aged, and doctors retired, the supply of new specialists was held at a constant of approximately 16,000 each year. Meanwhile, the vicious HMOs did their best to deny health services, but failed to convince the population that it was unreasonable to want to live and be healthy. Thus the reality that there are too few physicians, a shortage that Dr. Cooper expects to reach 200,000 by about 2020, has been greatly aggravated by the official claims made in 1994 by COGME, that there would be a glut of specialist physicians.

The fraud simply could not stand up to the overwhelming reality of the medical needs of the aging Baby Boomers and the refusal of a few, like Dr. Cooper, to buy into the lie or remain silent. In its 2003 report to Congress, COGME changed course, acknowledged at least a future shortage, and made some modest recommendations for increases in the number of physicians entering residency training each year, from 24,000 in 2002 to 27,000 in 2015.

In March 2005, the Association of American Medical Colleges (AAMC) called for medical schools to boost their enrollment over the next decade by 15%, a move which, if followed by every medical school, would result in an additional 2,500 graduates per year. The call by the AAMC marks

## Conyers Bill Would End Physician Shortage

One in five Americans lives in a rural or urban area deemed to be without an adequate number of physicians to provide care. This reality, as Dr. Richard Cooper's interview (below) shows, is a national disaster in the making. Rep. John Conyers (D-Mich.), the incoming chairman of the House Judiciary Committee, took the initiative to reverse this, when, on July 12, 2006, he introduced H.R. 5770, titled, "United States Physician Shortage Elimination Act of 2006." The bill died with the close of the 109th Congress, having been stalled in committee.

The bill remains a critical initiative to address the problem. A reintroduced bill in the 110th Congress, would be greatly improved by including a provision to issue grants for construction and/or renovation of full-service public hospitals in the medically underserved areas which the Conyers bill targets for expanded service by newly trained physicians. Such a provision could amend the existing Hill-Burton Act, which provides funding for construction of hospitals.

The core findings of Conyers' bill are:

Over the next ten years, as physicians who graduated in the 1970s retire, the U.S. will have a 30% deficit in the supply of physicians, while at the same time, the U.S. population is expected to grow by 24%. This will create a shortage of at least 90,000 full-time physicians by 2020.

In the last 20 years, the median tuition and fees at medical schools have exploded by 745% at private medical schools, and 876% at public medical schools, thereby re-

stricting those who can afford to apply.

What is to be funded and created under the Conyers bill:

1. A national health service corps medical school scholarship program to train 5,000 additional medical students each year.

2. Scholarships would be granted to individuals who agree to serve for six years after medical school in a Federally designated professional shortage area, and incentives would be created to encourage them to remain in these areas thereafter.

3. \$425 million in contracts would be allocated to award scholarships to individuals based on various priorities, including to those who are from disadvantaged backgrounds and who would otherwise be unable to afford a medical school education, thereby augmenting pipeline program for minority students, ensuring an increase in the number of minority health professionals serving medically underserved communities.

4. \$500 million in grants to medical schools would be made to increase the number of available slots for new applicants by providing funds to develop curriculum; acquire equipment; recruit, train, and retrain faculty; and provide aid to students completing residency training programs at recipient medical schools.

5. \$200 million in grants would be provided to community health centers—facilities designated to serve adults and children in rural and urban areas who have financial, geographic, or cultural barriers to care, including primary and preventative health care, mental health and dental services, and transportation and translation services. These funds would be used to acquire or lease facilities; construct new or repair or modernize existing facilities; and purchase or lease medical equipment.—*Mary Jane Freeman*

the first time since the 1960s-70s that medical schools have been asked to boost enrollment. This hit like a shock wave, as talk of a crisis in the supply of doctors spilled over from professional journals into the popular media, including reports on current shortages in states such as California, Texas, and Florida.

Those who engineered the crisis are now trying to manage a half-hearted solution. Dr. Cooper estimates that the remedies proposed thus far are, in general, inadequate by about half; even in a best-case scenario, the shortage will persist for 10-15 years, since it takes at least 8 years to educate a physician. A gear-up period also has to be expected, as new medical schools are built or existing ones expanded. The impact on mortality and life expectancy of this too-many-doctors fraud has yet to be measured.

In addition to the shortage of doctors in all areas, there is

an even more dire shortage of nurses.

A report updated in September 2006 by the American College of Nursing, reported the following summary numbers from a variety of sources.

- An HRSA study released in April 2006, projects that the nation's nursing shortage would grow to 1 million by 2020. All 50 states will experience a shortage of nurses to varying degrees by the year 2015.

- Currently, according to a report from the American Hospital Association released in April 2006, U.S. hospitals need approximately 118,000 registered nurses to fill vacant positions nationwide. This translates into a national vacancy rate of 8.5%. Another survey reported that 85% of hospital CEOs reported shortages of RNs. Another study conducted in 2004, found that "a clear majority of RNs (82%) and doctors (81%) perceived shortages where they worked."

## Qualified Applicants Turned Away

Similar to the failure to build schools to train the necessary number of doctors, the nursing supply crisis is directly related to the failure to continue to develop physical infrastructure in the medical field. HRSA officials stated in April 2006, that the U.S must graduate approximately 90% more nurses. But in 2004, U.S nursing schools turned away 41,683 qualified applicants due to an insufficient number of faculty, clinical sites, and classroom space.

This situation has resulted in some nursing schools resorting to a lottery system. According to a March 2005 report in the local California media, San Jose State University, Chabot College, De Anza College, Evergreen College, and Ohlone College are among those which are using a “luck of the draw” system to determine admission, a system that is criticized as degrading and discouraging to the applicants.

In addition, a 2005 survey of nursing schools found that 73.5% reported faculty shortages as a reason for not accepting qualified applicants, and most nursing professionals report that nurses do not join the faculties of nursing schools because the positions are poorly paid.

Study after study shows that even the current inadequate staffing levels, with nurses responsible for more patients than they can safely care for, leads to stress, exhaustion, and retirement. Another study indicates that one-third of hospital nurses under the age of 30 are planning to leave their current job in the next year. Given these dynamics the average age of nurses has increased from 45.2% in 2000, to 46.8% in 2004.

A 2005 study showed that the average registered nurse turnover rate was 13.9%; the vacancy rate was 16.1%. Another study in 2005 had more than one in seven hospitals reporting a vacancy rate of over 20%. High vacancy rates were measured across rural and urban settings, and in all regions of the country. Shortages are contributing to emergency department overcrowding and ambulance diversions.

Several of the studies cited document the obvious connection between shortages of nurses and quality of care, presenting statistics that are hair-raising with regard to the variation in survival rates.

## HMOs Drove Nurses Out of Hospitals

As with the shortage of physicians, the crisis in nursing is entirely manufactured. By at least the mid-1990s, HMOs were putting every hospital in the country under pressure to reduce the cost of delivering hospital care in order to increase the HMO profits. A major target was the allegedly “high labor costs” associated with the most highly skilled and experienced registered nurses. So-called experts were brought in to reorganize the hospitals, cutting the nursing staffs and replacing them with “aides” or “techs” who had minimal training. The remaining nurses were run into the ground with lengthy shifts and impossible patient loads. No need to build schools to train nurses, if the nurses could be replaced or worked to exhaustion.

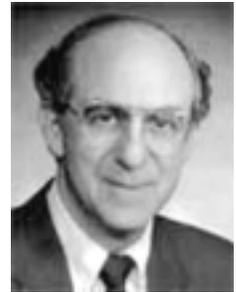
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Interview: Dr. Richard A. Cooper, M.D.

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## To Train More Doctors, Remove Residency Caps

*Dr. Cooper is the former dean, executive vice president, and Health Policy Institute director of the Medical College of Wisconsin, and has been a professor of medicine and a senior fellow at the Leonard Davis Institute of Health Economics at the University of Pennsylvania, in Philadelphia, since 2005. Patricia Salisbury interviewed Dr. Cooper on Dec. 12, 2006.*



**EIR:** I understand from researching the shortage of physicians around the country that you were one of the few people who accurately forecast the fact that we would have a shortage of physicians, rather than sharing the institutional view that there is a glut of specialist doctors around the country. Would you fill us in on the dimensions of the shortage, and also how you came to the conclusions that you did?

**Cooper:** As to the dimensions, probably overall at the moment there is something between a 5 and 10% shortage, probably closer to 5%. It varies from area to area, and from specialty to specialty. Some areas have too many physicians, some too few, but if you were to average it across the country, it is probably a 5%, 6%, 7% shortage, which is a lot, because unlike lots of other professions, the number of physicians is kept pretty close to the absolute number needed. I mean, you always have more McDonald's than you could possibly need, and you have more lawyers than anybody would want; but for physicians it is always pretty close to the margin.

But we are looking at a progressive increase in that number, hitting probably 20% by the next 15 or 20 years. So 5% is already a problem, people are already waiting; but when it gets to 20%, they are going to really be waiting. It is going to be a big problem.

How did I come to this conclusion? It's not very difficult to come to; it is very simple. If you just think about it, the population is growing; technology is growing; the economy is growing; the population is aging; we have the economic capacity to purchase more health care because the economy is growing. That has been going on for 50 years or more; as the economy grows, the nation spends more on health care as a percentage of the Gross Domestic Product. So it doesn't

take a great deal of insight to recognize that these past trends are likely to continue.

### **A Myth, Like WMD in Iraq**

Now why did people think the opposite of that? It was not based on any real analysis statistically; it was a belief that a shortage shouldn't happen, kind of like the weapons of mass destruction in Iraq—they sort of believed they were there. So, the belief was that health-care spending is bad for the economy, and that if you have a lot of doctors, you spend more on health care, and therefore we needed fewer doctors, and if health care was organized in a way that people used less health care, we wouldn't need as many. What they did was, they modelled a future in which fewer health-care services would be used. You can do that if you want, but that is not what people want; people don't want less, they want more. And it is like modelling a future with smaller houses: You say houses are too big, we'll model a future where all the houses are small. Well, that is okay if you want to do that; except people don't want small houses, they want big houses.

So, this was the wisdom that was out there, and these people felt that their view was in the public interest, and it turns out not even to have been in the public interest. Think about health care as the most rapidly growing sector of the economy: In big cities like the one I live in, Philadelphia, health care is a major industry. It is not uncommon to have small towns dependent on health care for economic survival. I was in California, with a legislator from California at a meeting talking about how if the hospital in this little town closed, the town would close, because it was the only real industry in the whole town.

There are two sides to this. One is health care as a public good, and the other is health care as a factor in our economy. Both are true. You begin to shrink health-care spending, and the question is, where are the jobs for people? How are people going to work; how are they going to buy groceries, and stimulate the retail industry, because that is where the jobs are?

**EIR:** Would you like to say more about who relied on this kind of modelling?

**Cooper:** Everybody, all of them, Everybody who is in a public position. In fact Theodore Marmor, who is a very well-known economist at Yale, referring not to this specifically, but to the whole notion of the poor leadership of the policy community, said that there should be a truce. That the policy experts should just abandon their policy, make a truce, stop arguing with each other, and all get together and think of something creative. We have been in this trap for decades: the policy people believing something that is contrary to what the public wants, and then some crazy policy gets developed that the public doesn't want, like managed care; it doesn't work, and the policy people lament the fact that they were

right, but nobody would listen to them. Well, maybe they weren't right, maybe they were wrong. And maybe what you have to understand is what the public wants, because the public gets what it wants. This is a democracy.

**EIR:** I noticed references to the Council on Graduate Medical Education and other institutions, now changing their views. Why have they done that?

**Cooper:** Because they couldn't continue to argue, in the face of what we were publishing, ultimately. We were publishing something that was so logical, and people were all gravitating to it, that eventually they had to say okay. So they watered it down. Sort of like they do everything else: They either lie, or make it up, or water it down. So their estimate is about half of ours; their call for action is about half of ours. But at least it is in the right direction. They are philosophically driven. I've often said they make Enron look honest, It is such a travesty, but no one really cares. They care about Enron. They don't care about economy.

**EIR:** Many people probably didn't know of the role of the Council on Medical Education.

**Cooper:** They have really had quite an influence. And the tragedy is that we have now wasted 15 years, from the mid-'90s, when I began writing about this, saying that we had to build medical education infrastructure. Nothing happened. And you can't really do it quickly. Nothing much is going to happen for another couple of years. There are some new medical schools forming, but for all intents and purposes you have got 15 years from—let's call it from 1995—during which there was no investment in medical education infrastructure. All those years more doctors were not trained, the infrastructure was not created to train more—and you can never catch up.

**EIR:** If you were in a position to dictate a kind of FDR-style emergency mobilization in this area, as Roosevelt was able to do during the last Depression, is there a way you could see, through mobilization methods, something that would permit this crisis to be averted?

**Cooper:** Yes, over time, but remember, it takes four years of medical school and four years of residency. So already you are locked into eight years, and it takes a while to make that happen. You are locked into 10 or 12 years just to make anything happen. But you can at least keep it in that time frame.

Absolutely, take the caps off. The other thing that the great policy wizards did, was they got the Federal government to put caps on the number of residency positions, because they thought that the training of residents was producing too many doctors. So, you've got to take the caps off residency training, so we can train more residents. If we don't have more residents, we won't have more doctors, and we have to build more medical schools. I don't think it is complicated.

The exact same thing happened in the 1960s and 1970s. There was a shortage after the Second World War. There was a huge national response, Federal and state response; more medical schools were built, more residency programs were created, and we worked our way out of it. We can do that again; but the national will isn't there. You still have too many policy people saying that what we really need to do is not train more doctors, but to change the system. I don't know any way to change the system that does not require more doctors. Make it more efficient, less administration, more money to pay for more medical services—you need more doctors. Provide health insurance for the uninsured. Well, if the uninsured have more health insurance, they need more doctors.

There are only two ways that you would need fewer doctors: if patients get less care or doctors work harder. The doctors I know are working as hard as they can. Of course the younger generation works less hard than the older generation, but they are working as hard as they want. So you are not going to get doctors to work harder and see more patients. And secondly, you are not going to convince patients that they shouldn't have what they can afford, or the nation can afford. If they want cancer therapy or a face-lift, either one. And the policymakers say we can't train people to do these consumer kinds of health care, such as face-lifts. Well, why not? If that gives people a better feeling about themselves, they accomplish more in life, so who am I to say that you or anybody else shouldn't have a face-lift, or who are you to say that I shouldn't? The fact is that if I am in charge of medical education, I have to serve you. And you say, when I get older, I want a face-lift, and I want there to be a doctor to do it. It is my obligation as a medical educator to ensure that that happens. Not to convince you not to have that. That is not my job. My job is to prepare a work force to give you the care that you need and can afford.

**EIR:** But the consequences of the deficit you are describing over a 10-15 year period are going to be a lot more dire than people simply not having face-lifts. What do you see occurring? Do you see an increase in mortality, a decrease in life expectancy?

**Cooper:** First of all, it will not be equal across society. Already, the rural areas can't get doctors, so you are going to see a declining standard of care in rural areas. And secondly, it will affect the poor, as it always does. You will have declining access or delayed access. You may say other professionals will rise to the occasion. Well, sometimes that works; I have a lot of confidence in nurse practitioners and midwives. They are really good, unless they get pushed beyond their level of competence. And when there are not enough doctors, they are going to get pushed. Just as happened in California during the managed-care boom. Primary care doctors were pushed to do things beyond their level of confidence, and there were bad consequences. If you begin with too few doctors, and take

otherwise good people and push them beyond their level of confidence, I think it is going to be a bad situation.

**EIR:** We are also facing a shortage of nurses. Some sources say as many as a million by 2020.

**Cooper:** Yes, a similar situation. Linda Aiken, who is my colleague at the University of Pennsylvania, has been very "out front" on this. And the number we use is 800,000. It is a huge number. It is very clear. She has done elegant studies to show that, for hospitals at least, staffing relates very closely to outcomes. If you have too few physicians and too few nurses, you can always say, "We can have more orderlies or LPNs." Well, you can't hand health care over to LPNs and orderlies, even though they are very important. The real quality is determined by nurses and their level of education, and by doctors and their level of education, and that is why it is so obvious.

I would love to take a lot of credit for what I did, but I have to tell you that it was so obvious. All I did was stop and look at it, while everyone else was busy doing something else, so they believed all this policy stuff. But anybody who had any background in medicine, any kind of medical education, looking at this, would have arrived at the same conclusion. And lo and behold, they all have.

**EIR:** As I mentioned, we have been devoted for a long time to the question of Hill-Burton standards of hospital availability around the country. Are you of the same mind on that?

**Cooper:** Of course, but that is what is going to suffer. It is the distribution that is going to suffer first. It is a real problem, and it is happening already. A primary care physician goes to some small community, and he assumes that there will be a cardiologist and an orthopedic surgeon, and so forth. So the primary care physician has a little local referral network for the common things. Except the specialists aren't there, because there aren't enough, and the few that there are, are in the cities. Then the primary care doctor says, "I can't practice here." The primary care doctor goes to the city. Doctors have to have kind of a network to make it work. You can do it, I suppose, but mainly the way health care works, is as a kind of a web, and when you begin to be missing pieces of the system, then the rest of the system falls apart. And that is what is happening now, at our current level of shortage. In areas where the system is fragile, in the rural areas and the small towns, that is where it is falling apart. And the second is, doctors say, "Medicare is squeezing us, Medicaid is squeezing us. I can fill my practice with non-Medicare patients." And only two-thirds of doctors in America, on average today, are accepting new Medicare patients. And that is slowly trickling down, very, very slowly, but it is slowly trickling down.

**EIR:** We have editorially endorsed Congressman John Con-

yers' HR 676 universal health-care legislation, with the observation that it really begs the question of infrastructure. If you do insure everyone, where is the infrastructure, in terms of hospitals, physicians, etc., come from? What would you like to see come out of the new Democratic Party majority in the Congress?

**Cooper:** I don't exactly know the mechanism by which you would get everyone insured. People are looking to Massachusetts to see how that works.

**EIR:** Congressman Conyers' legislation has been described as "Medicare for all."

**Cooper:** There has to be something, whether it is Medicare for all, or something else. The problem with Medicare for all, is the Federal government runs Medicare. It will sink health care. They are too capricious; it is too politically driven, too bureaucratically onerous. Physicians hate Medicare. They like the reimbursement when it comes, but it carries so much regulation, so much inefficiency—caring for Medicare patients is a terribly inefficient process. So my own view is, if the Federal government does it, it is bad enough that they are doing Medicare. The view of the Federal government is that if they are paying the bills, they should make a whole bunch of rules. Well, that just doesn't work. They spend all their time looking for the rotten apple in the barrel. There are rotten doctors, everyone knows that. But good doctors are exposed to such scrutiny and such arbitrary action, that they are scared to death to take care of Medicare patients. So Medicare for all, in my view, is the death of health care in America. On the other hand, there are other ways to provide universal coverage. Massachusetts is looking at one way.

**EIR:** Well the Massachusetts plan has been criticized as more of a boondoggle for the insurance companies than anything that is actually going to deliver adequate health care.

**Cooper:** I'm not conversant enough with it, so I don't even know if it is any good or not. But there must be something. I have read, through the years, of many ways to assure universal coverage, without having Medicare for all. I just don't like the Federal government involvement, because they are central and not local; I think these decisions have to be local. And certainly working with the private health system as a provider, working through locally owned [operations]. We have the same problem on the private side, They get bought by these huge nationally owned companies, just as bad as Medicare. What you want is something that is a relatively local insurance that can deal with local reality. And maybe that is possible. The Clinton health plan was something like that. That would have had these local, or regional alliances. It has to be something like the Clinton health-care plan, but not Medicare as we know it.

**EIR:** What are some other aspects of the crisis and its solution?

**Cooper:** I think the emphasis is, if you want universal coverage, you have to have an infrastructure that can do it. And infrastructure is doctors, nurses, hospitals, and then lots of other people: psychologists and x-ray technicians, everybody. The country needs insurance attention. But it has to decide, either it wants more health care which it can afford, which CMS [Centers for Medicare and Medicaid Services] projects, and look at the projections and prepare for that future. Or say, okay, we agree we need to shrink the health-care system, and we'll have fewer doctors and nurses, and we'll get less health care. I can't imagine the public saying the latter. If it is the former, we are not doing it. We are not preparing the infrastructure for what the public expects it will get in the next decade, categorically not.

**EIR:** And that leaves aside also the issue of such things as pandemic flu, avian flu, and so forth.

**Cooper:** Oh yes, we have no margin. This is a point which Linda Aiken and I always make. There is no margin for emergency preparedness—nothing. You talk to doctors and nurses today, they are flat-out. God forbid there should be some huge crisis in some community. The hospitals are already turning the ambulances away because they are full. They have got this thing so stripped down. And the idea is, strip down the system, which is the barrier to patients getting care, and that will reduce health-care spending. That is the logic: You provide insurance as we do, with Medicare and employer-based insurance, but restrict access in this manner. That is the logic that has been followed in America for decades.

**EIR:** As I said, always our major thrust has been the emphasis on Hill-Burton standards in infrastructure, as the cornerstone of any health-care delivery system.

**Cooper:** And moreover, you cannot just build the infrastructure tomorrow. It's not like opening a coffee shop. You don't build this kind of infrastructure in a day. So you have to ask, what is the likelihood of need, and what is the time frame, and let's plan ahead. This country deals with everything in quarterly reports, and annual reports. We are talking now about 5- and 10- and 15- and 20-year plans. Nobody makes them for health care or anything else. So I'm glad you are out there talking about this.

This is not political: Whether you are the Christian right or the liberal left, it doesn't matter. If you are a person in America, this is what you have got to be thinking about.

**EIR:** Our intention is to get this package to the new Congress, through our youth movement, the minute the new Congress convenes.

**Cooper:** The message can be stated very succinctly: Build infrastructure—and in this case, infrastructure is residency programs, which means removing the caps that restrict the number at medical schools. It is not complicated.

# Rohatyn's Cronies Destroy Medical Care

by Patricia Salisbury

In a dramatic move Dec. 21, New York City Comptroller William C. Thompson, Jr. held a news conference on the impact of the proposed closures of New York City emergency room service. A plan to shut down nine hospitals in New York State and to reorganize 48 more, reducing the number of hospital beds in the state by over 4,200 and nursing home beds by 3,000, was scheduled to go into effect on Jan. 1, 2007. According to a report on New York public radio, Thompson told the media that the Berger Commission plan had looked too much at the economics of health care and not enough at the needs of communities. Thompson concluded that the closing of five New York City hospitals could lead to large, potentially disruptive influxes of emergency room patients at neighboring hospitals, cause reductions in ambulance availability, and require some New Yorkers to travel longer distances to reach an emergency room—taking extra minutes that could prove critical for people needing the most urgent care. Implementation of the closure recommended by the Berger Commission, Thompson found, would mean that the number of New York City emergency rooms will have decreased by 21% since 2002, and he warned against rushing to implement its recommendations.

The Berger plan is a direct continuation of the 1970s infrastructure-destroying activities of synarchist banker Felix Rohatyn's "Big MAC" and the commission dictating the plan is chaired by Stephen Berger, who headed one of the "Big MAC" enforcement agencies in the early 1970s. The Berger Commission was handed immense power by Gov. George Pataki and the state legislature; its recommendations can only be overturned by a vote of both houses of the legislature. In early December, the legislature adjourned without taking that vote.

Thompson's report, while it dealt primarily with the impact on emergency room services, also noted that several of the hospitals nearest to those recommended for closure have high occupancy rates for staffed inpatient beds, raising concerns about their capacity to handle inpatients who would have been treated at the closed facilities. "The hospitals proposed to be closed provide significant amounts of under- and unreimbursed care and essential emergency care as well as substantial amounts of primary care to vulnerable populations," he noted in the report, and concluded that "this is a

historic moment for health-care reform in New York, and it should not be carried out in a hasty manner."

## Applying the Hill-Burton Standard

The recommendations of the commission are particularly outrageous, given the picture presented of New York health care when the Federal Hill-Burton criteria are applied (see article in this section). By 1980, New York, still operating off the infrastructure-building impetus of the early 1960s, had met the Hill-Burton standard of 4.5 beds per thousand people. But by 1988, it had slid down dramatically, and its ratio of beds per thousand population was less than it was in 1958. That slide has continued, and even before the planned loss of another 4,200 beds, the state's ratio was 3.3 beds per thousand population in 2005.

At least one New York State Assemblyman has called for a halt to the plan. Democratic Assemblyman Robin Schimminger made his appeal after chairing an hours-long public hearing in December, after the report was released. He called for the rejection of the commission report, because he found that because much of the work was done by health-care insiders, without input from the public. Congressman Anthony Weiner (D), who lives near New Parkway Hospital in Queens, and who was recently treated there, led a rally at which he was joined by hospital workers, other elected officials, and area residents. In addition, staff and supporters of Bellevue Woman's Hospital, one of the institutions slated to be axed, held rallies in Albany to protest the shutdown. Anne Saile, president and CEO of Bellevue, told the press that much of the information in the Berger Commission's report on the hospital is inaccurate. Specifically, Bellevue's net deficit as of December 2005 was \$1.3 million, rather than the \$17.6 million reported by the commission—a 92% error!

Other supporters of the threatened hospitals have pointed out that one of those on the closure list, Westchester Square Medical Center, was listed by the commission as having the lowest treatment cost for Medicaid patients of any hospital in The Bronx; and that it runs at a profit. They have questioned the logic of shutting down lower-cost institutions, where the average cost may be \$1,000 a day, and shunting patients to nearby institutions, where the average cost is \$1,500 a day.

Just before Christmas, organizers for the LaRouche Political Action Committee went to the threatened Cabrini Medical Center in Manhattan, with signs reading "Berger Commission Equals Nazi Policy." and a dossier on Felix Rohatyn titled "Rohatyn and the Nazis." Despite statements by hospital administrators that they would resist the order to close the facility, they were hostile to the presence of the LaRouche organizers. However, workers at the hospital reacted very differently, stopping to discuss the Rohatyn policies behind the destruction of the hospital system, as well as the need to impeach Bush and Cheney.

# An Immoral HMO Case in Virginia

*This Dec. 17 leaflet, titled “Health Insurance Companies Threaten Our Lives: Cut Their Profits, Not Hospital Care!” was widely circulated in Washington, D.C. and northern Virginia by the LaRouche Political Action Committee.*

The practice of insurance company HMOs overruling medical professionals and cutting off their urgently needed care of patients, is threatening our health and our lives—your life, your loved ones’ lives—and it must be stopped. The new Congress must be made to address the crisis, and solve it. Meanwhile, HMO executives should have to cut their profits, or cut their administrative spending, or cut their own salaries, but stop cutting off seriously ill people from medical care!

On Dec. 11, a Virginia-based HMO ordered Mrs. Nina Ogden, 59, of Leesburg, out of George Washington Hospital in the District of Columbia, against the judgment, and over the protests, of her shocked doctors there. Mrs. Ogden’s life had been saved at George Washington by two critical spinal operations against a rapidly progressing infection which had suddenly moved into her vertebrae, and by three weeks’ intensive and acute care. She, her family, and doctors had had to battle insurance company obstacles for days, to get her admitted to the hospital in mid-November for the operative

treatment, despite the grave threat to her life from any delay.

On Dec. 11, although doctors insisted that at least another week of hospitalization and intensive physical therapy were necessary to ensure that Mrs. Ogden was out of danger (she was still being transfused and given multiple medications intravenously), the insurance company decided otherwise. Despite several days of appeals and fights by medical professionals against this decision, the HMO enforced it. On Dec. 13, it forced her expulsion overnight to her home 40 miles away. The HMO repeatedly overruled even her doctors’ urgent entreaty for a “compromise,” that she be transferred to a “sub-acute facility.”

There is nothing unique or unusual about this outrage, but the unique human life and family at stake. Medical professionals can propose, but the insurance companies now dispose; they are ruling and overruling decisions of the hospitals themselves. This is happening everywhere; it must be stopped.

The HMO’s actions in Mrs. Ogden’s case reflect a moral crisis which we must force the Congress to address. The well-being of the patient must be the first consideration. Insurance companies should cut administrative costs first in order to ensure the necessary care. They must perform their mission first. Their salaries should be cut if they can’t perform that mission. Unless they perform their mission, they are not earning their profits or any of their income.

The HMO profiteers must pay for the care of life. If they can’t meet their primary obligation to human life, then the Federal government should intervene to change the law that enables HMOs to run our health insurance and our health care.

Their actions are immoral, and contrary to the interest of the United States and its people.

Since the HMO’s first decision on Dec. 11 to expel Mrs. Ogden, Virginia Congressman Frank Wolf’s office has protested this action to the Virginia State Bureau of Insurance. That Bureau has not yet acted. Mrs. Ogden’s life and health are in the balance.

Call the Virginia Bureau of Insurance hotline: 877-310-6560 (“Press 4”) and demand that the Bureau compel coverage of the urgent hospital care for Mrs. Nina Ogden of Leesburg, and in all the cases like hers.

The new Congress must act to solve this crisis. The Lyndon LaRouche Political Action Committee supports a policy of universal healthcare insurance, as in the legislation proposed by Rep. John Conyers.



EIRNS

*To improve their profit margins, HMOs are forcing medical professionals to cut off urgently needed medical care, including throwing patients out of hospitals altogether. Here, a patient confers with a doctor while undergoing kidney dialysis.*

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## Confirmation That Mars Is a Changing Planet

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*An announcement of stunning new results from Mars on Dec. 6, 2006, indicates that water may be flowing on the surface of that planet today. Marsha Freeman reports.*

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In the minds of men, Mars has been changing throughout the ages, as the capability of scientific instruments advanced. When ground-based telescopes gave way to visiting spacecraft, the myth of intelligent beings on Mars disappeared, and new mysteries evolved.

As the most Earth-like planet, Mars has held special interest, in that it is the most likely place in the Solar System that could have supported at least primitive life. So leaving aside little green men, or H.G. Wells' depressing creatures in *The War of the Worlds*, the question is posed: "Was there life on Mars?"

Even with the discovery over the past decade of the flourishing of life in extreme environments on Earth, the presence of liquid water remains a prerequisite. So to answer this most profound question, the current space missions have been designed to search for evidence of water on Mars.

There have been many hints, and more recently, evidence that is almost irrefutable, that water existed on the surface of Mars. But, until now, it was unclear whether liquid water was there billions, millions, or tens of thousands of years ago, or even in recent decades.

On Dec. 6, scientists described a discovery made through an intensive effort to compare images of Mars over time taken by the Mars Global Surveyor orbiter. The results led them to conclude that there is liquid water underground *today* on Mars, which periodically spurts up to the surface.

The high-powered Mars Reconnaissance Orbiter, which has just begun its science mission at Mars, along with the in-service European Mars Express, are using radar to search for

reservoirs of ice and/or liquid water under the surface of the planet. More surprises can be expected.

### The Long Road to Mars

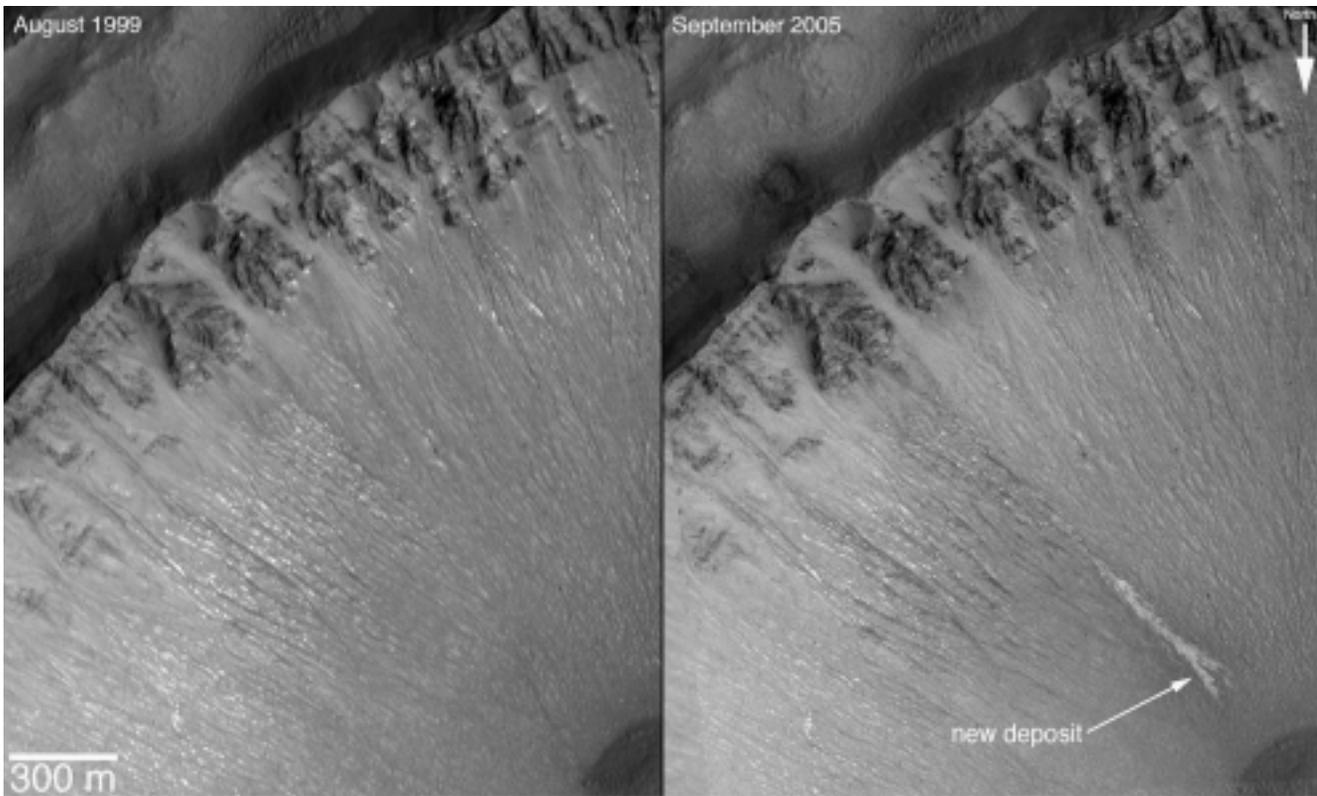
Two centuries ago, using ground-based telescopes, astronomers could see shades of light and dark material, somewhat fancifully interpreted as structures made by intelligent life forms. Periodic changes in the surface features of Mars led to the idea that the differences in coloration were due to vegetation, the growth of which waxes and wanes with the planet's seasons.

When the Space Age first brought men's sensory equipment closer to Mars, during the 1960s Mariner fly-bys, scientists were disappointed to find that not only was there no evidence of intelligent beings, but that Mars looked hauntingly like the dry, dead, pock-marked Moon.

The first Mars orbiter, Mariner 9, provided a closer look at the planet, revealing a landscape with dazzling geological features, including very large impact craters, the largest canyon in the Solar System (Valles Marineris), and the largest known volcano, Olympus Mons. It was clear that even were Mars today a relatively unchanging world, it had undergone an evolution similar to that of the Earth.

The mid-1970s Viking mission sent two orbiters and two landers to Mars, providing global measurements along with the first-ever "ground truth." A new Mars was revealed. The orbiters could see features ten times smaller than Mariner 9.

The Viking orbiters obtained 52,000 images of the surface of Mars, and helped characterize the planet's atmosphere.



NASA/JPL/Malin Space Science Systems

Using imagery from the Mars Global Surveyor, scientists have intensively studied intriguing gully formations inside craters and on slopes on Mars. Mars Orbiter Camera scientists have located a new, light-colored deposit of material inside a crater in a 2005 photograph (right), which was not there when the same crater was photographed in 1999. Their conclusion is that an eruption of liquid water from underground created these new soil deposits, some time over the past six years. There is liquid water on Mars.

Water vapor, it was found, is highly variable, depending upon local time, elevation, latitude, and the season. Mars, like Earth, has changing weather. Photographs taken by the Viking landers showed periodic layers of morning frost on surface rocks on Mars, demonstrating the movement of water ice and vapor around the planet. The Viking orbiters confirmed earlier evidence that there is a cache of water in the permanent ice cap at the north pole of Mars.

Some of the most dramatic evidence of previously existing significant amounts of liquid water on the surface, was seen in the photographs of Valles Marineris, with ancient river channels, connected valleys, and layers of material in the sides of the canyons. The most likely explanation for these features was an earlier warmer, wet Mars, with flowing water on its surface. The question became: Did liquid water exist on Mars long enough for life to have been able to flourish there?

Over the past decade, and to the present day, the next-generation, post-Viking spacecraft have all found more evidence that liquid water once existed on the surface. These include NASA's Mars Global Surveyor, Mars Odyssey, and Mars Exploration Rovers, and Europe's Mars Express spacecraft. But if liquid water did exist, how long ago was that?

In the year 2000, members of the Mars Global Surveyor (MGS) imaging team released spectacular photographs that

showed gullies that had been formed inside the slopes of craters. These were similar to such formations on Earth, and suggested that they had been formed by liquid water running down the crater slopes. MGS also observed the layering of rocks, possibly from lakes of water, and identified the presence of gray hematite, a mineral that forms in an aqueous environment.

The long-lived Mars Exploration Rovers, *Spirit* and *Opportunity*, have verified from their on-the-ground excursions, the historical presence of water on Mars. *Spirit* found an assortment of rocks and soils, after a 2.6-kilometer drive to the Columbia Hills, of minerals such as the iron-hydrogen-oxide mineral, goethite, which bear evidence of extensive exposure to water. *Opportunity*, right at its landing site in Eagle Crater, examined an outcrop of rock that had been saturated, and formed under gently flowing surface water.

Europe's Mars Express orbiter has been returning data since early 2004, and confirmed water ice in the south polar cap of Mars. Its radar instrument has mapped layers at the pole, determining the thickness, and history, of the cap of ice. Its Omega near-infrared instrument has identified clays and sulfate minerals in ancient terrain, formed at a time when water may have been present on the surface.

As Mars Express continues to probe deep under the sur-

## You Are There

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### Postcards From Mars

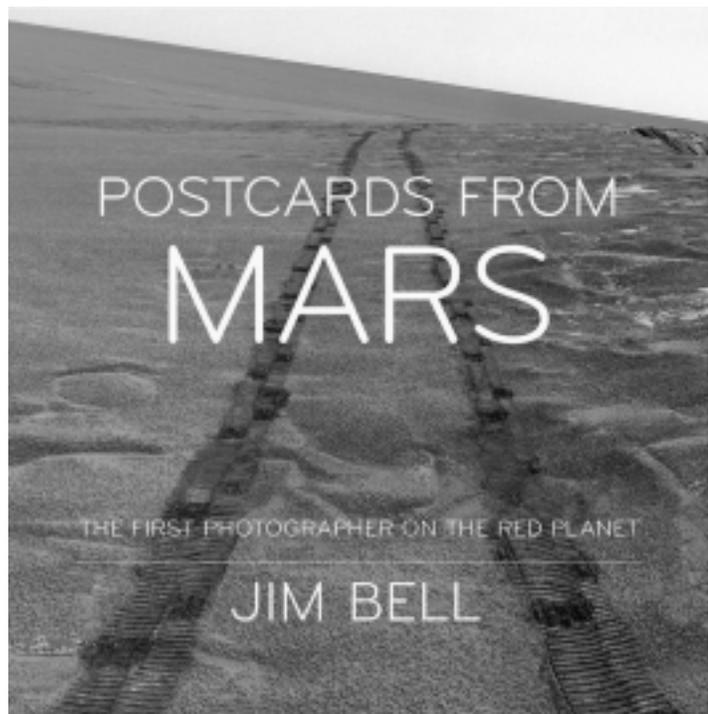
by Jim Bell  
New York: Dutton, 2006  
196 pp., hardcover, \$50.00

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Since January 2004, the two Mars Exploration Rovers, *Spirit* and *Opportunity*, have been sending back postcards from Mars. Previous cameras in place on the planet, such as the 1970s Viking landers, or the 1997 diminutive Mars Pathfinder rover, *Sojourner*, “acquired images,” which is a technical, science-driven, resource-limited activity, scientist and author Jim Bell explains. The Viking landers did not rove. Pathfinder was short-lived and had very limited photographic and data transmission capability.

The Mars Exploration Rovers were outfitted with technology that allowed scientists, and the public, to see Mars as it would look to the human eye. Because the rovers could use the orbiting Mars Odyssey spacecraft as a link to transmit large amounts of data back to Earth, images have been at a much higher resolution than if the rover were to carry all of its own communications equipment. Because the rovers were designed for longer life (although no one expected them to be soon starting their third Earth year on Mars), scientists have been able to take the time to compose photographs, not simply point and shoot pictures.

Over the course of their travels, the panoramic cameras



(Pancam) aboard *Spirit* and *Opportunity* have not only taken breathtaking color panoramas of their surroundings; they have photographed the Earth from Mars; the red planet's two small moons; their own shadows; pieces of, and the impacts from, their landing gear; and their tracks in the Martian soil.

Jim Bell has shared 150 of the more than 100,000 pictures taken by the rovers' Pancams in this magnificent book. To do them justice, it takes time to examine them, comparable to that required by the scientists to compose and process them.—*Marsha Freeman*

face, to discover whether ice or liquid water are present, NASA's recently arrived Mars Reconnaissance Orbiter is imaging geological features as small as a kitchen table, identifying minerals and materials at high resolution, using radar to probe underground to search for ice, and monitoring the Martian atmosphere and dust storms.

### Right Before Our Eyes

On June 22, 2000, a team of scientists who had been studying high-resolution images from MGS reported that features they discovered were evidence that liquid water on Mars had made its way to the surface more recently than billions of years ago, when it is assumed the planet was warmer and wet. They proposed that seepage of water from below the surface might even be continuing at the present time.

Their evidence was about 120 sites where gorges, or gullies, had been created by material excavated by the action of flowing water from surrounding cliffs and sides of craters. From the alcove, or source of the water seepage, were seen channels that would have been carved out by the water. A fan-like apron formed at the end of the channels, where debris carried by the water was deposited.

The scientists, led by Michael Malin and Ken Edgett, investigators for the Mars Orbiter Camera, estimated that the features they observed would indicate liquid water 300-1,300 feet below the surface. Since the sites are not near volcanic regions, the researchers could not explain how the subsurface water, on this very cold planet, could be in liquid form.

Because more than 90% of the sites occur south of the equator at high latitudes, nearer to the colder polar regions, it

was assumed that any seepage coming to the surface would freeze almost instantly. Malin and Edgett proposed that when the water emerges and quickly evaporates, it freezes, due to low pressure and temperature on the surface of Mars. This block of frozen water produces an “ice dam.”

Pressure would build behind the dam from the liquid water underneath, they surmised, and at some point, water would break through. A flood of water would run down the gully, carrying debris along with it, similar to flash floods on Earth. The most provocative conclusion from their research was that these features indicated floods on Mars, that while temporary, are much more recent than had been expected in the past. Key to this conclusion was an accurate estimate of the age of the features they were seeing.

Determining the age of a surface of another solid planet is generally done by counting the number and density of impact craters. This method is unworkable on Earth, where the geology, atmosphere, and biosphere constantly change the planet, erasing its past. On the airless Moon, where there is no weather and little evidence of geologic or volcanic activity for eons, this method is an accepted approach.

Mars falls in between. As far as we know, there is no biosphere reshaping the planet, but weather, seasons, climate change, and geologic activity are clearly evident there, at least from the past. In examining the sites where the gullies were found, Malin and Edgett reported that there was very little cratering, so they assumed that these are younger surfaces—millions, rather than billions, of years old, using the cratering rate to determine age.

The Mars Orbiter Camera imaging team continued their quest to find out more about these gullies. They instructed the MGS to revisit many of the sites, repeatedly imaging them, to see if anything had changed since 1999.

On Dec. 6, the team made a remarkable announcement. Examining photographs taken by MGS in 2004 and 2005, and comparing them to images of the same sites in 1999, two previously imaged gullies had bright new deposits. This suggests that at some time *during the past six years*, liquid water erupted from below the surface, and carried sediment through a channel.

“These observations give the strongest evidence to date that water still flows occasionally on the surface of Mars,” stated Michael Meyer, lead scientist for NASA’s overall Mars Exploration Program. “The shapes of these deposits are what you would expect to see if the material were carried by flowing water,” explained Michael Malin. The two fresh deposits are each several hundred yards long.

Dr. Malin said in an interview after the announcement that the evidence suggests that the material that flowed down the side of the slopes moved very slowly, and was “dirt mixed in with something that gave it mobility.” There is evidence that it “was changing its properties as it was moving downslope,” as it picked up material along its path. The flow was “easily diverted around very, very subtle topography, and

it has very long, finger-like terminations at the ends of these flows. Those are all attributes of something that has liquid water in it.”

Over the years, the imaging team has discovered thousands of gullies on slopes inside craters and other depressions on Mars, and now have so far found two with new deposits. Could the new deposits simply be excavated material that has been moved around by the wind? The scientists think not.

Based on examination of the dark color of the soil unearthed by the wheel tracks of the two Mars rovers, photographs of real-time dust devils that kick up dark-colored sand, dark-colored material excavated from fresh craters, and the color of dust slipping down slopes, the team has eliminated the possibility that what they are seeing is subsurface material in the new crater wall deposits, since the color is not the same.

They propose that the light tone of the new deposit material in the gullies could be from surface frost continually replenished by ice within the body of the deposit. Another possibility is that a light-colored crust forms on the top of the deposit, as salts in the water become more concentrated.

Dr. Malin explained that the team thinks there is “a trickle of water initially . . . building up pressure behind the ice dam. . . . Eventually there’s a rapid release of many thousands of cubic meters of water that comes out; swimming pool amounts of water come rushing out of the ground in a very short, brief event, and then the surface refreezes; then more water builds up time and pressure, and eventually breaks again.” He likened the sudden water release to being out in the desert during a flash flood.

The imaging team also reported, at the briefing and in their paper published in the Dec. 8, 2006 issue of *Science* magazine, that their study of fresh meteorite impacts on Mars, also observed since 1999 by MGS, provide a direct measurement of the present-day impact cratering rate on Mars. They conclude, based on this new data, that the model used to predict the rate of new craters that is used to determine the age of features on the surface of the Moon and Mars, is consistent with the observed rate. This confirms that the gullies they are observing are indeed young surfaces.

As the scientists were presenting their new findings, mission controllers at NASA’s Jet Propulsion laboratory in California were struggling to recontact the MGS, which had gone silent at the beginning of November 2006. No contact has been reestablished.

Apparently it has finished its mission, but MGS has done yeoman’s service in advancing our understanding of the constantly changing planet Mars.

As the intensive, multi-mission study of Mars continues, on the ground and from orbit, sites are being examined for the next generations of landers and scientific laboratories that will continue the search for water, and possibly, life, on Mars. Their ultimate job is to prepare the way for the human explorers who will answer the most profound questions about the Solar System planet most like the Earth.

## ‘Chickenhawk Down’: The Real Target Is Iran

by Jeffrey Steinberg

In response to the James Baker III and Lee Hamilton-directed Iraq Study Group report, President Bush and Vice President Cheney turned to their chickenhawk allies at the American Enterprise Institute to craft a counter-plan, based on the fantasy premise that a “surge” of American troops could secure victory in Iraq before the next Presidential election in November 2008. On Dec. 14, AEI fellow Frederick Kagan released the Institute’s utopian scheme, “Choosing Victory: A Plan for Success in Iraq Interim Report.” The 52-page power-point presentation, delivered by Kagan at an AEI forum, argued, in effect, that a two-year “surge” of upwards of 50,000 additional U.S. combat soldiers into Baghdad and into the Sunni stronghold al-Anbar Province, would break the back of the resistance and bring peace and stability to Iraq. The AEI document outright rejected the idea at the heart of the Baker-Hamilton study: that the U.S. must negotiate directly with all of Iraq’s neighbors, including Iran and Syria, and settle the Israel-Palestine conflict, if there is any hope of stabilizing Iraq and withdrawing the American forces—without having to shoot their way out of the country.

In fact, the Kagan scheme, according to sources familiar with the latest neo-con maneuverings, is premised on the creation of a Sunni bloc of “moderate” states, that will confront Iran and the Shi’ite “extremists” throughout the Persian Gulf and Eastern Mediterranean region—in a de facto alliance with Israel. Unspoken, but underlying the “Choosing Victory” plan, is the ludicrous idea that Saudi Arabia will cut off the flow of funds and weapons to the Sunni insurgents, thus hastening their defeat. The “Sunni bulwark” scheme, which was peddled to Saudi Arabia’s King Abdullah by Vice President Cheney when he visited Riyadh in late November 2006, just before the release of the Baker-Hamilton report, is premised

### Where Baker-Hamilton Stands

by Lyndon H. LaRouche, Jr.

December 22, 2006

Since the majority of the leading European press surveyed has promoted a falsified view of the current political situation inside the U.S.A., I report the following essential facts of the situation there.

The framers of the Baker-Hamilton Commission’s report have informed leading circles inside the U.S.A., that the report was composed on the basis of foreknowledge that both President George W. Bush, Jr. and Vice-President Dick Cheney, would reject those proposals, unless maximum public pressure from relevant circles would mobilize broad popular and other opinion to bring about the adoption of those proposals.

The new U.S. Congress will not be seated until shortly after the beginning of the new calendar year. In the meantime, there is no doubt among well-informed circles inside the U.S.A., that Vice-President Dick Cheney is committed to a massive aerial attack on Iran at some time during the immediate few months ahead. Throughout the U.S., the opposition to the present war in Iraq has reached the level of a widespread demand for Cheney’s early impeachment.

Europeans should not underestimate that demand for

on an expansion of the Gulf Cooperation Council (GCC), to include Egypt and Jordan; and the buildup of a military alliance between the “GCC-Plus-Two” and NATO.

As *EIR* warned in the “Behind the Cheney Trip to Riyadh” report of Nov. 27, any move by the Anglo-Americans to provoke a Sunni versus Shi’ite confrontation would lead inevitably to the outbreak of a new Hundred Years War, which would rapidly spread out from Southwest Asia to engulf the entire planet.

While the AEI “Choosing Victory” report was written by Kagan and represented his views alone, the final power-point page listed the participants in the study group. Apart from several retired military officers, including Gen. Jack Keane and Lt. Gen. David Barno, the task force was stacked with the neo-con “usual suspects,” including many of the participants in the Project for the New American Century (PNAC). Frederick Kagan, brother of fellow neo-con Robert Kagan, and son of Straussian professor Donald Kagan, were all on PNAC. Other AEI task-force participants included PNAC co-founders Thomas Donnelly and Gary Schmitt. Other leading task-

force neo-cons include Michael Rubin, Reuel Marc Gerecht, and Danielle Pletka.

If there were any doubt that the Kagan AEI report was cooked up with Cheney’s complicity, to insure that the Baker-Hamilton report would be “dead on arrival” at the White House, National Public Radio reported, on Dec. 21, that Kagan, along with Elliot Cohen and other participants in the “Choosing Victory” study, had met with President Bush at the White House earlier in the week, and received strong support for their “surge” scheme. This, despite the fact that the Joint Chiefs of Staff have unanimously opposed the idea of sending more U.S. troops to Iraq, arguing that the U.S. Army and Marine Corps are already at the breaking point, and cannot sustain any additional combat deployments.

In fact, any “victory” in Iraq, based on military counterinsurgency actions, would require a minimum of 500,000 occupation troops. A more realistic figure would be 1 million troops, using the widely accepted formula of 1 peacekeeper for every 20-25 civilians. Even these estimates, according to military specialists interviewed by *EIR*, do not take into

Cheney’s impeachment. What Europeans appear to think they are hearing from leading spokesmen for the U.S. House of Representatives and Senate, is based on Europeans’ lack of understanding of the difference between a European parliamentary system, and the U.S. Presidential system.

Concisely, in the case of an impeachment of a U.S. President or Vice-President, the U.S. House of Representatives adopts the role of a Grand Jury in a criminal proceeding, whereas the U.S. Senate acts as the jury which tries the case and delivers the decision. Now, precisely because the impeaching of Cheney, or Bush and Cheney, is actually on the table, the spokesmen from the two branches of the U.S. Congress are obliged to do nothing which would make a delivery of a decision for impeachment appear to be a lynching born of blindly impassioned seeking of vengeance. However, the restraint being shown now by leaders of the two Houses of the Congress does not reflect the mood of the voters, or a growing ration of Republican as well as Democratic officials individually.

The hatred against the war in Iraq, and the hatred against a spread of that war into Iran, has accumulated to something approximate to the level of a political explosion against both the President and Vice-President. The current wisdom is, that the impeachment, or resignation of Vice-President Cheney is imperative, although an impeachment would come about as a more or less circumspect, although impassioned form of due process. If the impeachment, or resignation of the Vice-President does not lead to the Presi-

dent’s conceding to the essential spirit and crucial points of the Baker-Hamilton Commission, then, given the presently onrushing general world monetary-financial and economic crisis, the impeachment of President Bush would soon follow.

Those among those of us who are better-informed U.S. citizens with relevant experience of government, are concerned that whatever we shall do, we shall proceed, as we did with the Nixon case, with the greatest concern that what is done in a governmental crisis such as the present one, shall be done with minimal damage to the institutions of our system of government. This same concern is also tempered by knowledge of the United States’ unavoidably leading role in world monetary-financial and economic institutions under conditions of crisis. The Baker-Hamilton Commission’s report represents a sense of the absolute need for action which both preserves the institutions of the U.S. government, and also maintains the indispensable role of leading cooperation which the U.S. must provide as its role in meeting the challenge of what is presently the oncoming, greatest global monetary-financial crisis in modern memory.

Only the most incompetent sort of member of government, or political organization, in Europe, could believe that the internal politics of the U.S. will stagnate during the months immediately ahead. The current President of the U.S.A. lives in the real world, but his opinions do not. His mind, like a dead Autumn leaf, will go where the winds of change carry it.



DoD/Lance Cpt. Ryan L. Tomlinson

*If the madmen in the Bush-Cheney Administration and their chickenhawk allies at the American Enterprise Institute have their way, a “surge” of up to 50,000 additional troops will be sent to Iraq. Show here: a technician prepares a robot to counteract IEDs in Anbar province.*

account the fact that the greatest threat to the stability of Iraq is not coming from the Sunni insurgents. It is coming from the fact that the country is already in the throes of a civil war and ethnic cleansing. One recent U.S. estimate is that 65% of Baghdad has been ethnically cleansed—like civil war-torn Beirut of the 1980s.

### **General Abizaid Bows Out**

One casualty of the persistent Bush-Cheney chickenhawk insanity is Gen. John Abizaid, who announced on Dec. 20 that he would be retiring from the U.S. military in March 2007. The current Commander of the Central Command reportedly decided to publicly announce his retirement at that time, because he is convinced that the Bush-Cheney White House is committed to military action against Iran before it leaves office. The recent deployment of an additional U.S. Navy carrier group to the Persian Gulf, according to the sources, is targeted against Iran—and is not part of the expansion of U.S. military forces combatting the Iraqi insurgency.

As of Dec. 30, following Bush and Cheney’s meeting with the National Security Council at the Bush ranch in Crawford, Texas, sources in Washington are reporting that the Administration has already decided on a “surge” of American combat forces in Iraq, and that the announcement will come right after the New Year. However, while all the chatter about a boost in American troops is ostensibly aimed at combatting and defeating the Iraqi insurgency, one well-placed Washington intelligence community source cautioned that the boost is actually part of U.S. plans for a military strike against Iran.

And, while war-planning for a hit on Iran has been handed to the Strategic Command (STRATCOM) under its “Global Strike” doctrine, the source said that an added 20-

30,000 American combat troops would be required to fight the anticipated Shi’ite insurrection against any U.S. attack on Iran—even a “limited” air strike against selected so-called nuclear weapons sites. Abizaid’s March 2007 departure date could be an indication that military action against Iran could occur as soon as the Spring.

Other sources have emphasized that one of the biggest pushers of a U.S. attack on Iran is Saudi Arabia’s national security chief and longtime Ambassador to Washington, Prince Bandar bin Sultan. Bandar is an enthusiast for the Sunni bloc versus Iran, and has been peddling the argument with King Abdullah, that a U.S. attack on Iran, and a surge in U.S. combat forces in Iraq, would benefit Saudi Arabia, binding Washington to an enhanced “strategic partnership” with Riyadh, and assuring American “boots on the ground” in the Persian Gulf for the foreseeable future.

Bandar, according to the sources, was devastated by the Sept. 11, 2001 attacks, responsibility for which was claimed by Saudi national Osama bin Laden, and involved a dozen additional Saudis, turning American public opinion against the Kingdom for the first time. Bandar has been desperate ever since to get Saudi Arabia back in the good graces of the American public, as well as Washington policymakers on both sides of the aisle. This emphatically includes Vice President Cheney and his neo-con allies. It was Bandar who arranged Cheney’s trip to Riyadh in late November—behind the back of then-Saudi Ambassador Prince Turki al-Faisal. According to one source, Bandar ally and chargé d’affaires at the Saudi Embassy in Washington, Rihab Massoud, ran a vicious campaign of backstabbing of Prince Turki, which played a major role in Turki’s decision to quit his post. Massoud is still officially listed as the number two at the Embassy, but is reportedly back in Saudi Arabia, serving as Bandar’s deputy, according to several news accounts.

Among Bandar’s “missions” on behalf of Cheney and the “bomb Iran” faction in the Bush war cabinet: To convince the Saudi King to pay off Sunni tribal leaders inside Iraq to cool down the insurgency—on the grounds that the United States has “switched sides” and will now once again back the “Sunni stability belt” of monarchies and dictatorships.

The Cheney/AEI utopian madness is anything but a guarantee of stability in the extended Persian Gulf/Eastern Mediterranean region. But this reality is far beyond the comprehension of President Bush, Vice President Cheney, or the chickenhawks at AEI who are so obsessed with countering the Baker-Hamilton report that they are blind to the strategic disaster that they are cooking up for the United States and the world.

Any notion that an alliance between Saudi Arabia, Egypt, Jordan, and the oil Emirates of the Persian Gulf with the United States and Israel—against a Muslim state—is going to bring stability to the region, is pure folly. How long will those regimes last, in the face of an American or Israeli bombing of Iran? What will be the consequences for world oil prices

and regional stability—in the near, medium, and longterm— if a conflict is induced between Sunni and Shi’ite Muslims?

## Cheney Must Go!

In the warped mind of Vice President Dick Cheney and his neo-con allies, Nov. 7, 2006 never happened. The American electorate never voted to sweep the Republican majority out of power in the U.S. Congress. The Baker-Hamilton report was a mere blip on the radar screen, which has already passed into oblivion.

But reality says otherwise. When the House and Senate are sworn in on Jan. 4, 2007, the new Democratic majority—with the backing of some leading Republican lawmakers—will begin vigorous oversight hearings. Once President Bush has delivered his “surge” announcement, the Baker-Hamilton report will take center stage. Leading members of Congress have already promised that they will no longer allow the Bush Administration to finance the Iraq War on the basis of supplemental expenditures, outside the budget and Congressional oversight process. How will an American public, already turned decisively against the Iraq War, react when the true costs of Bush and Cheney’s “surge” are presented?

The political dynamic in Washington is about to change dramatically. The trial of Cheney’s former chief of staff and top national security advisor, Lewis Libby, is scheduled to begin in January, and Cheney is already on Libby’s defense witness list. Subpoenas will be issued during the first week of January for documents and witnesses from the Bush Administration on the pre-Iraq War intelligence process, on Cheney’s energy task force, on the sweetheart deals with Halliburton and other mega-defense contractors.

It is in this context that Lyndon LaRouche has called for the removal of Vice President Cheney from office—immediately. Already, there are senior Republican members of the U.S. Senate who have broken from the Bush-Cheney White House madness, led by Oregon’s Gordon Smith. In the early moments of the new Senate, others are expected to bolt, creating the preconditions for Cheney’s ouster. Among some White House Bush loyalists, Cheney’s departure is part of a “legacy” strategy, to salvage the deeply tarnished Bush Family reputation.

At a recent farewell ceremony for Florida Gov. Jeb Bush, former President George H.W. Bush publicly broke down in tears, in what many saw as a lament over the failure of the George W. Bush Presidency. The next day, ex-Governor Jeb told reporters, “*No tengo futuro*”—“I have no future,” another unambiguous Bush family admission that G.W. has wrecked the dynastic legacy. President Bush’s only way out is to dump his Vice President and bring in a qualified, sane replacement, to steer America towards a safer course over the next two years. Those who are pressing for Bush’s impeachment and Cheney’s ascent are among the most dangerous minds on Earth. Those who are saying that the world can survive two more years of Bush-Cheney are equally mad.

# News From U.S. Brings New Hope for Germany

by Helga Zepp-LaRouche

*The following is a translation of a mass leaflet now being circulated in Germany under the headline, “New Year’s Message from the Schiller Institute: Finally! Good News from the U.S.A.: New Hope for Germany.” Mrs. Zepp-LaRouche is the chairwoman of the Schiller Institute in Germany.*

Dear Citizens,

The Democratic victory in the U.S. Congressional elections on Nov. 7 brings tidings of hope for Germany. The Democrats’ landslide victory was due in large part to the massive increase in voter participation by young Americans aged 18 to 35. And this shift in attitude in a growing number of America’s youth, has become a decisive factor in international policy-making and in America’s foreign policy.

There is also a second change in America with worldwide significance, and that is the timely coincidence of this Democratic election victory with the release of the so-called Baker-Hamilton Report, which contains proposals for a fundamental change in U.S. policy toward Iraq, and toward the ever-expanding civil warfare in Southwest Asia. Despite the bullet-heads in the White House, quite another attitude prevails in the rest of the United States. Direct talks being held by a number of U.S. Congressmen, including former Presidential candidate Sen. John Kerry, with governments in the region, are hopeful signs that the nightmare currently engulfing Southwest Asia, can be ended by joint efforts by the United States and Europe.

If this new trend takes firm hold, concrete steps can then be taken toward dealing with the currently escalating civil warfare now threatening to spill over from Iraq, Lebanon, and the Palestinian districts, into the entire region. And this change in the United States is of no less importance for solving the dramatic systemic crisis of the world financial system, because beyond the United States, there is no other nation or group of nations which is capable of effectively proposing and implementing the measures required to overcome the most dramatic, imminent global financial panic to have faced the world in centuries.

The Democratic landslide victory now opens up the possibility that in the short term, the United States will introduce reforms in the tradition of Franklin D. Roosevelt, and, in cooperation with the key nations of Eurasia and Ibero-America, will not only halt the current plunge into worldwide



EIRNS/Helene Möller

*Young members of the BüSo party organize in Pankow, Germany, in August 2006. They are campaigning for Daniel Buchmann, candidate for mayor of Berlin on Sept. 12, 2006, with the slogan, "Youth Wants a Future."*

economic depression, but will also cause a turnaround of the world economy, through reconstruction.

The new spirit among young American voters was most prominently catalyzed by the LaRouche Youth Movement, and has created a change of heart in the Democratic Party as a whole. If this new spirit grows stronger still, then we in Germany, as well as those in other European nations, will be able to play an important role in shaping world policy to the benefit of all humanity.

These transformations in U.S. political affairs are crucially significant for us here in Germany, because they give our citizens hope that there is a way out of the economic crisis, and that it is possible to master the other dangers threatening us. Among these are the prospects for long-term economic cooperation on the Eurasian continent, in which Germany can and must play a central role, if we are to overcome mass unemployment.

If the United States implements reforms in the tradition of Roosevelt and his New Deal—i.e., if it provides long-term government credit for productive investment in infrastructure, industry, and agriculture—then we in Germany and other European nations can introduce similar measures, in the tradition of the Kreditanstalt für Wiederaufbau (Reconstruction Finance Agency)'s credit policies, and of the post-World War II "German economic miracle" era. Such an economic reconstruction program is the best antidote to the despair and fear which has been spreading among the population on both sides of the Atlantic.

Because the greatest danger threatening Germany today—one which is widespread both in the population and among political leaders—is cultural pessimism, and the paralyzing feeling that, "You can't change anything." This cultural pessimism had fatal consequences during the 1930s. And of course, the situation in Germany today is indeed cata-

strophic: There has never been a time when political leaders, managers, and the so-called cultural elite have been as completely discredited, as today. And of course, the media are completely rigged, and instead of confronting people with reality, they have launched one wave after another of black propaganda against us. And even though, according to a new poll, some 58% of all German citizens would like to abandon the euro and return to the deutschemark, there currently exists no institutional opposition to the dictatorship of the European Central Bank and of the Maastricht Treaty.

It should therefore be clear enough to every well-informed citizen, that the crisis in Europe cannot be overcome without the cooperation of the United States. And that is why the positive news of the changes in America is so crucially significant: We in Germany can regain hope, and we can now seize the future opportunities which many in our country had lost all hope of attaining.

We in Germany must also rediscover our soul: i.e., we must revive the ideas of our great poets, philosophers, and scientists—ideas which are by no means outmoded, but which rather carry with them a power against which the thoughts and utterances of today's "elites" are downright pitiful. I'm referring to the ideas of Nicholas of Cusa, father of modern physical science and of the modern nation-state, and to the ideas of Johannes Kepler, whose scientific method is still today highly applicable to solving economic problems.

I'm referring to Gottfried Leibniz, whose ideas were a determining influence on the American Constitution; and to Carl Friedrich Gauss and Bernhard Riemann, whose concepts are indispensable for organizing today's physical economy. And I'm speaking about the importance of the music of Bach, Mozart, Haydn, Beethoven, Schubert, and Schumann for the development of the individual's creativity. I'm referring to the importance which Gotthold Lessing, Moses Mendelssohn, and Friedrich Schiller give to aesthetical education for the development of a beautiful personality; and of the scientific knowledge of Friedrich List concerning the difference between the "American" and the "British" systems. Just to name a few.

The Civil Rights Movement Solidarity (BüSo) is firmly committed to bringing about a renaissance of this great cultural tradition, so that out of this, something completely new can take shape. The shift in the United States was effected by the LaRouche Youth Movement there; but Germany, too, needs a new politics, and the LaRouche Youth Movement in the BüSo is going to play a prominent role in making sure that happens.

Provided that we, in alliance with America, unite economic reconstruction with a renaissance of Classical culture, Germany will have all the opportunities in the world to shape our future!

Yours,  
Helga Zepp-LaRouche

# I Defend President Jimmy Carter

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*Lyndon H. LaRouche, Jr. comments on President Carter's new book, Palestine: Peace, Not Apartheid, and his broader foreign policy role.*

I intervene to defend former President Jimmy Carter at this instant, for two reasons.

First, he is right on the issue of the title of his current book. What the Israelis and others are currently practicing against the Palestinians, is nothing differing in principle from a continuing practice of Apartheid. Every sane and intelligent political figure I know agrees with that in fact, but only a few of those politicians acting in the tradition of "political animals," are willing to be caught saying that publicly.

Secondly, former President Carter has come to follow in the pattern set for ex-U.S. Presidents by John Quincy Adams and Dwight D. Eisenhower. He was elected to serve in the Presidency. There are also others, who have sought that office on the basis of competent advocacy of relevant, needed changes in principles of government, rather than personal ambition, as I have, who also represent a continuity of our Presidential legacy, just as the Baker-Hamilton Commission enjoys the aura of past service of George H.W. Bush as Vice-President and President.

Thus, President John Quincy Adams' role as a member of the U.S. House of Representatives, paved the way for President Abraham Lincoln's rescue of our republic from the relevant Franco-British plot to divide and destroy us. The wave of 1960s coups d'état, such as that against Prime Minister Macmillan in the United Kingdom, the attempted assassinations of President Charles de Gaulle by the forerunners of the just recently deceased Pinochet of Chile, the hastened retirement of Konrad Adenauer, the assassinations of President John K. Kennedy, Malcolm X, the Reverend Martin Luther King, and Robert Kennedy, over the 1961-1968 interval, left us with no active continuation of the Presidential tradition but that of the former President Eisenhower who set the pace for those, like Jimmy Carter, George H.W. Bush, and Bill Clinton, who have been still significantly active publicly today on that account.

Former President Jimmy Carter had the great misfortune of being elected during a time that the 1970-1981 destruction of the U.S. economy was the reigning policy imposed upon any President who had the historic misfortune of becoming the future scapegoat for the wrecking of our economy which occurred under hegemony of institutions typified by the Trilateral Commission. He came out of that experience, momentarily bitter and confused; but, later, he played an important role, at times as a virtual maverick, in bringing the legacy of President Eisenhower's post-service role into play. The Eisenhower-Carter Presidential legacy is to be seen

clearly today in the matter of issues of the U.S. "Middle East" policy.

As virtual founder of our modern U.S. State Department, President, and conscience of the Congress, John Quincy Adams, helped by our spies such as Washington Irving, Edgar Allan Poe, and James Fenimore Cooper, defined the legacy of such institutional functions; and diplomats in the footsteps of Benjamin Franklin and John Quincy Adams himself, all together, defined the function and practice of the U.S. Presidency as the distinctive soul of our republic. The best representatives of these professions have been the needed exception, when prevalent popular opinion and most legislators have walked the streets of political opportunism, with a large following from among the masses of Sophists from within the body of what Mae West might have defined as "popular appeal."

Some among us must stand apart from the caprices of so-called popular opinion, to take care of the future of our republic, and of civilization generally. It is those who think as a suitable President of our republic should, who represent the true conscience of our republic, represent those whose preference for principle over short-term popularity, qualifies them to see more clearly where the future interest of not only our own republic, but of the continuity of civilization, lies.

Among Twentieth-Century Presidents, McKinley, Franklin Roosevelt, Dwight Eisenhower, Carter, and now Clinton, have clearly taken upon them the challenge of that legacy. This is the same legacy echoed in the performance of the Baker-Hamilton Commission. They are not required to be right at all times; nonetheless, their honest commitment to seeking truthful and appropriate policies for our republic, sets a standard for all mere mortals occupying or seeking highly placed public office today.

With Jimmy Carter's frankly honest title for his book, something good for our nation and civilization were more likely to be gained. The Baker-Hamilton Commission's work is not perfect, but it is the launching-pad for the immediate changes in policy desperately needed to rescue our nation from the damnable follies of the current U.S. administration.

Without bringing about a peaceful resolution of the Arab-Israel conflict, there is no hope for the continued existence of Israel itself, nor the so-called "Middle East" as a whole. If the "Middle East" goes, as the Bush-Cheney policies would ensure an early catastrophe there, there is the danger that the entire planet is plunged into related political-strategic flames. Jimmy Carter is right.

# BüSo Conference Offers New Leadership for Germany

by Rainer Apel and Bonnie James

The dramatic shift of political constellations in the United States, toward what Lyndon LaRouche has called the “New Politics,” after the Nov. 7 midterm elections—in significant part brought about by the political “mass effect” introduced by the LaRouche Youth Movement in mobilizing the youth vote for the Democrats—has not yet led to changed policies by the German establishment and its media. The German government, the political parties, the “experts,” are still on autopilot, as if nothing had changed since Nov. 7. So far, the LaRouche movement in Germany and its political arm, the BüSo (Civil Rights Movement Solidarity), have been the only ones to respond to the changed U.S. situation, reshaping the party to make it fit for the political struggles to come. On Dec. 18, the BüSo held its national party convention at Frankfurt/Main.

BüSo chairwoman Helga Zepp-LaRouche and Lyndon LaRouche, who heads the LaRouche Political Action Committee in the United States, addressed the convention (transcripts of both speeches will appear in an upcoming issue of *EIR*). But for many, the highlight was the role played by the members of the LaRouche Youth Movement. They set the tone for the convention with beautiful music, including the American civil rights rallying-song “Battle Cry of Freedom” and Beethoven’s setting of Schiller’s “Ode to Joy.” After Zepp-LaRouche’s speech, four of the youth who had run as candidates during 2004-06, gave reports on the most important phases in the development of the LaRouche Youth Movement in Germany.

In her keynote, which opened the proceedings, Zepp-LaRouche challenged the BüSo members to break with the paradigms of the past—the system of monetarist “old politics”—and adopt a new paradigm, which puts mankind, its dignity, its creativity, at the center. Caught within the web of cultural pessimism of the past, many people will respond with skepticism to the idea that reality can be changed, she said, but reality has already changed significantly, with the LYM intervention and success in the U.S.A. on Nov. 7. The creativity of the young people has created a mass movement in the United States, ushering in a new era of politics, which, for the first time in human history, opens up the prospect of development of humanity’s true potential.

Lyndon LaRouche, whose speech closed the conference, was blunt about the crisis facing humanity: “We are now a

few hours, in history, away from doom,” he said, and declared that only the United States, with its republican institutions, is capable of leading the way back from the abyss.

## Cusa’s Battle Cry Against the Oligarchy

Zepp-LaRouche focussed her presentation on the contributions of the great Renaissance thinker Cardinal Nicholas of Cusa. Looking back at the early 15th Century, she said, when man’s creative potential was proclaimed, we find the young Nicholas of Cusa, publishing his *Concordantia Catholica* (Catholic Concordance) at the age of 29—a revolution in thinking about politics, which was prepared by the rediscovery of the ancient Greek philosophy and science that had been lost for 1,700 years. The *Concordantia*, for the first time, portrayed a true republic, based on the individual citizens electing their own representatives. This battle cry against the oligarchy, against the feudal system, was the foundation of what later, in 1776, became the American Revolution.

The process set into motion by the Renaissance, Zepp-LaRouche stressed, created many other revolutions: in music, with Bach and Beethoven; in science, with Kepler; in poetry and historiography with Schiller, for example. To enter the “Age of Reason,” which Schiller saw on the horizon, we must go beyond the daily political struggle; it takes people, notably young people, to be conscious of their crucial role in the historical process, to replace the system of the oligarchy.

Zepp-LaRouche pointed again to the U.S. elections, underscoring the impact of the LYM, whose “New Politics” caused a political explosion that helped elect many new Democrats (see this week’s *Feature*).

The world economy will be reorganized, Zepp-LaRouche said, with a changed U.S.A. at its center; it will not and cannot be reorganized without the United States; the other powers like Russia, China, India, Europe, cannot do it alone. The change can only come from the U.S.A., because there, the tradition of the American Revolution is still vivid, unlike the other parts of the world, notably Europe, where the counter-tradition of the oligarchy still prevails.

Zepp-LaRouche then defined the particular problem facing Germany: that its elites have discarded the LaRouche warning in 1989, that, should they adopt the free market radicalism ideology after the collapse of the communist system, they would create a situation much worse than communism.

That is, indeed, what happened, with the deindustrialization of eastern Germany during the past 17 years. But when the LaRouche Youth intervened in 2004 with their slogan, “In Saxony, the economy must grow (again), it met broad popular support—because Germans in the East happen not to be so brainwashed with degenerate paradigms, like the Baby Boomers in the western parts of the country.

Despite the crushing of the revolutionary spirit in Europe, following the French Revolution, that spirit is still latent in the population; one can see it in France, where the response of mayors to the LaRouche candidate for the French Presidency in 2007, Jacques Cheminade, is encouraging, and one can see it even in Germany, where pollsters find voters disgusted with all the top politicians, managers, and artists. The time is ripe for “New Politics,” and the BüSo party with its call for a 200-billion-euro annual economic recovery program is the decisive factor for the change also in Germany. What Schiller proclaimed 200 years ago, namely that a great historical moment finds a great people to act accordingly, is what shall be turned into reality today, Helga Zepp-LaRouche said at the end of her keynote address, receiving a standing ovation from the convention delegates.

Granted, numerous members of the older generation of the LaRouche movement in Germany have difficulties with the urgency of radical restructuring, and some of them also voiced that, during the convention debate. The vast majority, however, voted for the proposed new party executive of the BüSo., which now includes six members of the LYM: Daniel Buchmann, Petra Carlsson, Kai-Uwe Dücke, Katarzyna Kruczkowski, Stephan Tolksdorf, and Karsten Werner. Party chairwoman, as before, is Helga Zepp-LaRouche, joined by the two (also new) co-chairs Elke Fimmen and Klaus Fimmen. Already during the convention, the new party executive met to map out the interventions needed to establish the “New Politics” in Germany.

## The Youth Speak

Newly elected to the BüSo party executive were six members of the LaRouche Youth Movement in Germany: Daniel Buchmann, mayoral candidate in the September 2006 elections for city-state parliament in Berlin, was elected as one of three vice chairmen of the BüSo. In addition: Karsten Werner, former mayoral candidate in Leipzig; Kasia Kruczkowski, former candidate for the national parliament in the September 2005 early elections, in Dresden; Alexander Pusch, former slate leader in the 2005 elections for state parliament in North Rhine-Westphalia; and Stephan Tolksdorf and Petra Carlsson.

Alexander Pusch gave a lively report on how he and about 20 other youth restarted the Leipzig Monday Rally movement, in early July 2004, with big banners and a sound-car, addressing passersby at the very square next to the Opera House where the historic 1989 Monday Rallies began. The banners called for a New Bretton Woods and for a profound change of economic, scientific, and cultural policies. Pusch



EIRNS/Chris Lewis

*Kasia Kruczkowski, former candidate for the national parliament in September 2005, from Dresden, was one of several members of the LaRouche Youth Movement just elected to the Executive Board of the BüSo. She is shown here addressing the party conference.*

said that whereas the first LYM rally did not attract so many people, it was clear that an important event in history was taking place—and indeed, four weeks later, 40,000 gathered on that same square. Many other cities joined, all across Germany, and six weeks after the first rally, a quarter-million Germans took to the streets in protest against the establishment’s monetarist policies, Monday after Monday, into October.

That campaign then overlapped with the election campaign for state parliament in Saxony, and on election day in September 2004, the BüSo/LYM recognition was so high among Leipzig citizens and other Saxonians throughout the state, that BüSo candidates, many of them youth, received up to 6 or 7%. That Saxony election campaign, and the Spring 2005 mayoral campaign in Leipzig, were an entirely new experience for the LYM also, because it took them into the urban residential districts for door-to-door organizing, and there, Pusch reported, they were confronted with the frustrations and worries of tens of thousands of jobless citizens. The LYM all of a sudden became the main mouthpiece for these concerns of a larger section of the population.

Kasia Kruczkowski reported how she once attended a public meeting of the BüSo in Munich, at the end of which Helga Zepp-LaRouche said that the young generation simply had to learn much more about reality. Having been at school for 13 years and at the university for another five, Kruczkowski was at first skeptical about having to learn even

more, but then got increasingly attracted by the LaRouche movement's ideas. For the September 2005 national elections in Germany, she ran as one among numerous BüSo candidates, and when her Dresden district had to hold elections two weeks after actual election day, because of the death of the candidate of another party in the middle of the campaign, Kruczkowski all of a sudden found herself in the position of the most important candidate in all of Germany, because the outcome of the Dresden vote would decide which of the two dominant establishment parties—the Social Democrats or the Christian Democrats—could win with a tiny margin: Kruczkowski was the swing vote! That special election was another important step forward, in the development of the LYM in Germany—also because of the new members who were recruited in the process.

Karsten Werner reported on the mayoral elections in Leipzig, which (with LYM candidate Thomas Rottmair) yielded 0.5% in May 2005; 0.8% in the first re-election; and 1.5% in the second re-election (both with Werner as the LYM candidate) in early 2006. Emerging out of the 2004 Monday Rallies, during which the LYM chorus made a big impact on the population with its beautiful Bach motets and other Classical songs, the three mayoral campaigns in Leipzig showed a steady increase in public recognition of the BüSo.

Petra Carlsson reported how she, coming from Sweden, with little or no knowledge of Germany, found herself in the middle of these 2004 Monday Rallies, and the broad positive response to that convinced her there is something powerful in German history and culture that is important to revive. Carlsson said that bringing back their own dignity to the Germans, is a central mission for her: that is why she ran for a seat on the national BüSo party executive.

### **'Normal' Ways of Thinking Won't Work**

The closing remarks were made by Lyndon LaRouche, who did not pull any punches about the profound challenge faced by the international LaRouche political movement: "We are not a drinking and marching society. We are an organization internationally, which is dedicated to the purpose of trying to save civilization from a catastrophe which has taken over the world since the death of Franklin Roosevelt."

The key problem, LaRouche stated, is the breakdown of the global economy: "a complete breakdown of the type that could cause *mass death* in this planet! To reduce the world population from over 6 billion to less than 1 billion. . . . We're weeks and months away at the most, from that point; we have to make a decision."

"Normal" ways of thinking about politics will not work in this kind of crisis; a sudden change in policies of everything, is required, LaRouche said. This means "crushing" the power of the banks and the hedge funds, and putting the banks into receivership.

"You must go back to the nation-state. You must put na-

tional banking systems into reorganization, receivership. You must create large-scale credit, like the deutschemark system again. You must generate credit for investment in long-term, low-interest, infrastructure development, major capital-intensive infrastructure development, *as a driver for rebuilding industry!*"

"How can such revolutionary changes be made?" LaRouche asked. "It can be made by a revolutionary people. And where do you find revolutionary people? They are found, especially, where the American Revolution found its people. The American Revolution was made by people who were mostly between 19 and 25 years of age. They were the leaders of the American Revolution—with an old geezer like me, Benjamin Franklin, involved in it. Every great movement in history depends upon young people. . . ."

LaRouche then discussed the kind of creative thinking that is needed, with reference to the fundamental scientific discoveries of Kepler, Gauss, and Riemann, and the revolution in music made by J.S. Bach. These discoveries are the basis of the education process well under way in the LaRouche Youth Movement.

In conclusion, LaRouche outlined what must be done now: "Our job, from the United States and in Europe, in particular, is to make sure that we have an activation of a principle, a seed crystal, in each of the countries of Europe, which is ready to respond at the point that we are able to make a turn in the United States.

"But the only chance for Europe, is the United States. If the United States does not change, the situation for Europe is hopeless. The situation for Eurasia is hopeless. The situation for the planet, is hopeless.

"So this is not a game. This is not a sport. This is not speculation, this is not an investment. This is the salvation of humanity, at least for a long time to come. And we have to understand this, that we have to have revolutionaries. We have to think like revolutionaries, as I described that. We have to fix what's wrong with the world. We have to reach out, and create alliances and contacts with various parts of the world, bring ourselves into collaboration and discussion with them. We have to craft a system, which will save the planet."

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# 'New Politics' Comes to the Philippines, As Plan To Subvert Constitution Fails

by Mike Billington

A dramatic victory for the Philippine nation was achieved during the week of Dec. 10, when, under the threat of mass demonstrations from nearly all the institutions of the state, the government threw in the towel in its effort to implement a charter change ("cha-cha," in popular usage, meaning a revision of the Constitution). But the real cause of the capitulation was in Washington—the fact that the government in Manila had suddenly lost its "protection," when the Bush/Cheney team was delivered a solid defeat in the Nov. 7, 2006 U.S. elections. Suddenly, the would-be Emperor in Manila had no clothes.

The cha-cha plan calls for scrapping the existing Presidential system, along with the checks and balances which go with it, to be replaced by a unicameral parliamentary system, in which both the Executive and the Legislative branches would be run by a single party. Included in the plan was the elimination of constitutional restrictions on foreign ownership of certain industries, properties, and mineral wealth.

The role of the Philippine LaRouche Society (PLS) in the victory against this plan was significant, if apparently marginal. On the day that Speaker of the House José de Venecia announced in 2005 his drive to ram through the charter change, the leading TV station in the Philippines, ABS-CBN, came to PLS leader Butch Valdes for his response, as Valdes was known for his strong opposition to the plan. Valdes described the effort as a "constitutional coup," demonstrated both by the dictatorial character of the proposal itself, but also by the character of its three primary sponsors: President Gloria Macapagal Arroyo; the power behind her throne, George Shultz-asset and former President, Fidel Ramos; and the long-standing front-man for Ramos in the Congress, Speaker de Venecia.

Since that time, Valdes has read a PLS statement on his daily radio show at least once a week, denouncing the cha-cha as an essentially fascist move, saying in part: "Make no mistake, the recent attempt by the Administration congressmen, and their lackeys in and out of government, to hijack the democratic process, is but the latest in a series of sinister moves to propel the nation towards further subservience to globalist forces."

When the Senate refused to go along with this constitutional coup, the ruling troika which had promoted it, Arroyo,

Ramos, and de Venecia, tried by various means to simply ignore the very Constitution they were trying to destroy. First, they ordered government officials to gather signatures on a petition and pass this off as a "people's referendum" for charter change. The Supreme Court denounced this scam in October 2006, ruling that it would not allow such an effort to "trivialize the Constitution by cavalierly amending or revising it in a blatant violation of the clearly specified modes of amendment and revision laid out in the Constitution itself."

Then President Arroyo mandated the House of Representatives, which, unlike the Senate, is controlled by the government party, to simply ignore the overwhelming opposition in the Senate, and proceed on its own, in disregard of the constitutionally mandated methods for changing the Constitution. In an all-night session of the House on Dec. 5, the House changed its own rules, essentially allowing itself to form a Consultative Assembly to implement the constitutional changes demanded by the troika. This was such an overt effort to subvert the Constitution, that even the institutions which have supported the President during her nearly six years of crisis-wracked rule, threatened to revolt.

Foremost amongst these institutions was the Catholic Bishops Conference of the Philippines. Under the now-deceased Cardinal Sin, the Church had played a leading role in the so-called "people's power" revolts against President Ferdinand Marcos in 1986, and against President Joseph Estrada in 2001 (bringing Arroyo to power), which were actually military coups controlled by former U.S. Secretary of State George Shultz and his minions in Washington, using their man Gen. Fidel Ramos to do the dirty work. However, partially due to the influence of the Vatican, the Church has largely stayed out of the multiple legal and extra-legal efforts by the opposition and some factions in the military to remove President Arroyo from power, efforts based on accusations of assuming her post illegitimately, corruption, vote fraud, and condoning military death squads which have murdered dozens of opposition politicians and journalists.

The recent drive to impose the charter change, however, was denounced by the bishops as an act of "indecent haste," ignoring the Constitution in trying to change it. A mass demonstration was called by the bishops to protest cha-cha, and

the mass-based evangelical movements on both the Catholic and Protestant sides, which had heretofore supported President Arroyo, joined in supporting the call for public protest. The leader of the opposition in the House, Rep. Francis Escudero, warned in the *Manila Times* that “the Administration is unwittingly courting another people power.”

President Arroyo knew that this time she had no one to appeal to in Washington, and gave in—even countering Speaker de Venecia’s effort to introduce yet another method to ram through the cha-cha.

### Heritage Foundation Protection

Perhaps de Venecia could not see as clearly as President Arroyo that the new political reality in the United States meant that their game was up. De Venecia had famously offered to sell the nation to foreign speculators at a Heritage Foundation speech in Washington in September 2005. To the fawning crowd of neo-conservatives at the meeting, de Venecia promised to do away with the “disruptive” voice of the opposition in the Senate, which had held back the government’s implementation of the International Monetary Fund’s austerity “reforms,” including the lifting of Constitutional protections of key industries and raw material wealth. De Venecia also offered a “debt-for-equity” swap plan, making clear that he was not asking for debt forgiveness, debt reduction, or a debt moratorium for the deadly debt burden which is strangling the nation, but rather that 50% of the existing foreign debt be transformed into equity in valuable Philippine enterprises. He promised that the “return on investment” would far exceed the current returns on the debt: “Instead of earning 1% or 2% over prime as you do now, we are proposing debt-for-equity in very attractive, very high-yield projects, where real returns on investment can be over 100%, 200%, 300%.” He pointed especially to forestry and mining operations that would be up for grabs.

Nationalist economist Alejandro “Ding” Licahuco, in a Dec. 14 op-ed in the *Daily Tribune*, pointed to this side of the cha-cha as the core reality ignored even by most of the opposition: “The proposed shift from the presidential to the parliamentary system is actually intended to facilitate the implementation of the sinister agenda, an agenda which would remove the very economic underpinning of the people’s political sovereignty and make economic sovereignty itself a sham. . . . The real issue, in brief, is high treason, and not only corruption: The treasonous project to submit to international auction nothing less than the entire patrimony and territory of the republic in the name of globalization and development.”

The planned mass demonstration against cha-cha turned



OPS-NIB Photo/Michael Rey Baniquet

*The troika pushing for a charter change to scrap the Presidential system (left to right), Speaker of the House Jose de Venecia, President Gloria Arroyo, and Gen. Fidel Ramos, have lost their neo-conservative sponsors in Washington to the “New Politics.”*

into a “celebration prayer rally” on Dec. 17, with 50,000 people gathered in Manila, under the theme “Watch and pray—Be concerned for the country.”

### The Economic Reality

Congressional elections coming up in May are now free of the cha-cha controversy, and can focus on the economic disaster brought upon the nation by subservience to globalization dogma. A recent survey showed that hunger has reached a record rate of 16.9%, or 8.5 million Filipinos. Manufacturing output collapsed by 8.3% in 2006, while the nation pays its foreign debts by shipping more and more of its citizens overseas to earn foreign exchange, breaking up families in the process. The only growing “industry” in the country is the foreign “call centers,” servicing the shopping whims of American families across the Pacific in a modern form of colonial servitude. Electricity rates have more than doubled in the past months as the privatized and deregulated power industry (President Arroyo’s first act as President) has now fully kicked in, allowing speculators to repeat the Enron process seen in the United States after the election of George W. Bush in 2000.

It is far from certain that leadership will emerge in the Philippines willing to tackle the globalization process which has destroyed so many nations. At least the opposition has preserved the American Presidential system, which will allow the Congress to reject treasonous policies, and, if they can find the backbone, take on the speculators and globalizers, foreign and domestic.

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# Report from Iran: The Elections and The Economy Put Ahmadinejad on Notice

by Muriel Mirak-Weissbach

As the New Year opens, U.S. policy on Iran will be one of the items high on the agenda of both the Bush-Cheney war party, and those institutional forces committed to imposing a new, sane policy for the entire region, as indicated in the Baker-Hamilton report. To this end, a firsthand overview of developments in Iran should be useful. This report is based on a two-week visit to Iran by the author, an American citizen, and her German husband. It aims at providing lawmakers as well as ordinary citizens with some insight into recent developments in Iran, as well as into how leading political figures are thinking. Two interviews with personalities from diametrically opposed camps, the government and the opposition, fill out the picture.

## Iran's Election Surprise

Although the Iranian elections on Dec. 15 were not comparable to the earthquake provoked by the U.S. Democratic victory on Nov. 7, they took place in the same universe, and the tremors are being felt inside Iran and internationally. In those elections for city councils across the Islamic Republic, and for the Assembly of Experts (the body which elects, supervises, and can impeach the Supreme Leader), the moderate conservatives, so-called "pragmatists" and some reformists reasserted their presence on the political landscape, after having been overshadowed the last 18 months, by the forces of President Mahmoud Ahmadinejad, considered an extremist conservative or hardliner.

Most significant was the showing of Hashemi Rafsanjani, who had served as President for two terms after the Iran-Iraq War, but who was overwhelmingly defeated in the run-off election against Ahmadinejad in 2005. His humiliating defeat at that time was the result of an extraordinary mobilization of right-wing forces by Ahmadinejad, as well as widespread dislike of Rafsanjani, who had been tainted by rumors of corruption. According to reform politician Mohammad Atrianfar, a member of the Central Committee of the Khargozaran Party, that mobilization involved the deployment of the national paramilitary organization, the Basij, in the electoral process, in what was essentially a vote-rigging operation (see interview below).

Rafsanjani won this time around, coming in first place in the list in Tehran for the Assembly of Experts, with over 1.5 million votes. Ayatollah Mohammad Taqi Mesbah-Yazdi, a hardline supporter of Ahmadinejad, came in sixth, with about half as many votes. Other clerics allied to the President, and Mesbah-Yazdi failed to win seats.

Rafsanjani's victory was largely the result of the alliance forged in the campaign between his "pragmatist" (or "centrist") group and the reformists associated with former President Seyyed Mohammad Khatami. Khatami campaigned energetically for a high turnout. As Atrianfar told *EIR* prior to the vote, a big turnout would be key for the reformists' chances. Khatami also campaigned openly for Rafsanjani, with whom he was photographed when the two cast their votes. The turnout was over 60%, a radical reversal of the low turnout of earlier elections.

Khatami had also stressed the importance of unity against the government, which is seen as authoritarian. "One lesson that has been learned for the Assembly of Experts vote is for Rafsanjani's supporters. They should appreciate unity and moderation," said the *Kargozaran* daily.

In the Tehran city council elections, it was the moderate conservatives, associated with Mayor Baqer Qalibaf, who were set to take 8 of the 15 seats, followed by 4 reformists and only 2 from the Ahmadinejad camp (one being his sister). Early reports indicated that in Shiraz and Bandar Abbas, not a single pro-Ahmadinejad candidate won.

Thus, the vote results were immediately hailed by the reformists and centrists, as a vote *against* the President. "The initial results of elections throughout the country indicate that Mr. Ahmadinejad's list has experienced a decisive defeat nationwide," the largest reformist party, Islamic Iran Participation Front, said. "These results were tantamount to a big 'no' to the government's authoritarian and inefficient methods," the party's statement asserted.

Although some Western press claimed that the Dec. 15 vote indicated the people's rejection of Ahmadinejad's staunch pro-nuclear policy, this is not accurate. Virtually no Iranian opposes the nuclear program, or the fact that the government is fighting for it. To be sure, some may feel that

Ahmadinejad's hardline stance is counterproductive, and that a more conciliatory attitude might be preferable. This is what is meant by the charges that the government's methods are "inefficient."

It is important to understand that Ahmadinejad's surprise victory in 2005 was an *institutional* move, by the real powers that be, to deliberately adopt a more aggressive stance on the nuclear issue. As one Iranian diplomat explained to *EIR*, Iran had tried a moderate approach, under Rafsanjani's Presidency, and had extended a hand to the West even more generously under the Presidency of Khatami, but had received nothing in return. Therefore, the establishment opted for a shift towards a harder line.

Despite the apparent weakening of popular support in these recent elections, Ahmadinejad is firmly in the saddle, in so far as institutional support, from the military, intelligence, and security sectors is concerned. He is also reported to have the complete backing of the Supreme Leader. This means that, unlike reform President Khatami, he has the power to deliver, and the power to negotiate with the United States, should that opportunity arise.

## The War Danger

The first fact one has to consider in evaluating anything happening inside Iran, is that the country is being targeted for military attack and/or regime change, by the political forces associated with Vice President Dick Cheney, and the international synarchist banking networks behind them. These include political factions inside Israel, mainly grouped around Cheney's cohort Benjamin Netanyahu.

The war danger is not something you can feel in the course of day-to-day life. Walking down a crowded street in Tehran in the early evening hours, for example, when women, men, and especially young people are moving in throngs, doing their last-minute shopping, and exasperated drivers sit trapped in their stopped autos, waiting patiently for the traffic to move forward an inch or so, you would never have the impression that U.S. and Israeli armed forces were poised to launch aerial assaults on the country, even with nuclear weapons, as soon as the order were issued. The capital city has an estimated population of 15 million, and, judging from the permanent traffic jams, each and every Tehran resident must have a car. The youth make up 60% of the Iranian population, and they are the country's future. Now both land and people are targeted.

How the threat of a military attack is perceived in Iran varies, according to which social and political layers you are dealing with. Whereas the military is well informed and combat-ready, were an attack to occur, the political layers are less mobilized. Foreign Ministry sources told us that they had striven to convince the military that all the threats emanating from U.S. Vice President Dick Cheney, President George W. Bush, Secretary of State Condoleezza Rice, and a string of

Israeli government representatives, were merely "psychological warfare" and "propaganda." Government representatives have repeatedly been quoted saying as much.

In the thinking of some Foreign Ministry circles, as long as discussions continue between Iran and the West—regarding the nuclear energy program, which has been used as the pretext for a crisis—then no military option can be launched. Some political figures, such as Dr. Hossein Shariatmadari, the representative of the Supreme Leader Ayatollah Ali Khamenei, and publisher of the influential *Kayhan* newspaper group, believe that the United States is so "bogged down" in Afghanistan and Iraq, that it is not in a position militarily or politically to start a new war (see interview). Others, particularly among intellectual circles who are powerful opinion-shapers, warn that this is a fallacious argument; true, they say, any military professional would agree that it would be foolhardy for the United States to launch a new military adventure, but that is a *rational* argument. What we are dealing with in the U.S. leadership, intellectuals such as Professor Pirouz Mojtahed-Zadeh stress, are fanatics, not rational, military professionals, who are "normal and sane."

As for the general population, it is estimated that 2-10% at most, have an awareness of the seriousness and imminence of a military attack.

All those who take the threat of a military attack seriously, concur that Iran's response would be immediate and total. Professor Pirouz stated unequivocally that such an attack would unleash unconventional, asymmetric warfare. U.S. naval units in the Persian Gulf region would be sitting ducks. "We could never attack the U.S. at home," said one political figure, "but now they are here, we have them trapped."

The Strait of Hormuz, said one newspaper editor, would be blocked, and "you could kiss the price of oil goodbye for years." Even without Iran's issuing orders to any foreign forces, groups and individuals sympathetic to its cause, would rally with military actions. As Professor Pirouz put it, "There are enough fanatical people in the Islamic world just waiting for a pretext to attack the U.S." Such a worldwide asymmetric war, in his view, would be worse than traditional "religious warfare," because we are dealing today with "political Islam," in which not only governments but individuals, have taken up the banner.

This does not mean that Iran wants war. As Dr. Shariatmadari noted, and as military leaders have declared, Iran will fight only if attacked. Significantly, President Ahmadinejad issued an open letter to the American people, on Nov. 29, entitled, "Isn't There a Better Way to Govern?" in which he denounced the "wars and calamities" caused by U.S. policy, with reference to Iraq, the Palestinians, and Iran, as well as to renditions, torture, and the limitations of civil liberties. Ahmadinejad then addressed the recent U.S. congressional elections: "Undoubtedly," he wrote, "the American people are not satisfied with this behavior and they showed their



*Tehran's Ayatollah Khomeini Mosque. The situation inside Iran, presented in this firsthand report, is far different from the monolith portrayed in the U.S. press.*

EIRNS/Michael Weissbach

displeasure in the recent elections. I hope that in the wake of the midterm elections, the administration of President Bush will have heard and heed[ed] the message of the American people.”

The letter continues with a message to the Democrats: “The United States has had many administrations; some who have left a positive legacy, and others that are neither remembered fondly by the American people nor by other nations. Now that you control an important branch of the U.S. government, you will also be held to account by the people and by history.”

### **The LaRouche Factor**

No matter which political faction you talk to in Iran, whether the hardline conservatives, the moderate conservatives or the opposition reformists, all agree that the key to peace in the region, lies in Washington, D.C. Thus, an energetic debate has unfolded in the country, on U.S. policy towards Iran and the region. In this context, it should come as no surprise that LaRouche representatives should be welcomed, and their briefings on the Cheney war danger received with great interest, by representatives of all major political alignments.

In the space of ten working days, this author and her husband had as many media appearances. The Islamic Republic of Iran Broadcasting (IRIB), which is the state-run radio and television, ran coverage of LaRouche’s perspective on ten different occasions. Interviews on English, German, and Farsi language programs focussed on the danger of a military attack by the United States and/or Israel, as well as Dick Cheney’s and Condi Rice’s dreams of organizing a “moderate Sunni

Arab coalition” to oppose the “Shi’ite extremists,” i.e., an alliance to support a military assault on Iran.

But most important was the discussion of the perspectives for a radical change in U.S. foreign policy, as a result of the Nov. 7 elections, which gave the Democratic Party a majority in both House and Senate. The role of the LaRouche faction, particularly the LaRouche Youth Movement, in mobilizing the youth vote in critical swing states, was the focus of broad discussion in all media events. Press representatives responded first with incredulity, then with enthusiasm, to briefings on the chances for double impeachment of Bush and Cheney, as the precondition for a radical, positive shift in foreign policy.

LaRouche’s own extensive proposal for solving the Iraq crisis in the context of a regional program for Southwest Asia, was greeted with interest. Our visit occurred just prior to the release on Dec. 6 of the Iraq Study Group’s report, which was certain to be read in the light of the LaRouche Doctrine. One question raised repeatedly was: How will Bush respond to the Baker-Hamilton report, if it indeed embodies LaRouche’s approach? The other recurring question was: What can we Iranians do to help shift U.S. policy?

In addition to extensive media activity, there were meetings with government figures engaged in foreign policy, political figures from the conservative right to the reform left, and numerous influential intellectuals.

### **It’s the Economy . . .**

*EIR*’s visit to Iran took place in late November/early December, just prior to the city council and Assembly of Experts elections. Although the outcome at the time was utterly unpre-

dictable, definite signs of protest against President Ahmadinejad were already visible. In fact, on Dec. 11, he was heckled by students during a university speech, for the first time in his tenure. But that was just the tip of the iceberg.

As stated above, it is not the nuclear program which has turned some layers against the President; instead, as Democrat James Carville said in 1992, on the occasion of Bill Clinton's electoral victory, "It's the economy, stupid." Ahmadinejad's main support comes from the institutions associated with the clergy, as well as the intelligence and security apparatus, but also from the poor and the uneducated. It was these layers who provided the mass base of support for him in 2005.

However, as the first student protests indicated, and the recent elections have confirmed, Ahmadinejad is losing popular support. The reasons for this, aside from continuing debate about the legitimacy of the elections, are economic. After serving as mayor of Tehran for two years, Ahmadinejad pledged during the election campaign, that he would make major improvements in the economy, especially tending to the needs of the poor. As mayor, he had overseen some projects for road building and low-cost housing.

However, in his first year and a half in office, Ahmadinejad has not yet delivered on those promises. Instead, as his critics point out, he has made it a practice to travel to the provinces, and dole out favors to the local authorities. "If one province needs new roads, he gives them new roads; if another needs a new hospital, he gives them a hospital," one Foreign Ministry figure told us. In this way, the President has been building up a constituency among the provincial authorities by handing out monies from the Federal budget, which some would prefer to see invested in major projects for the entire nation. Their view is that the provincial governors are responsible for their constituencies and should take care of them, whereas the President should deal with national priorities. Although the price of oil on international markets has zoomed, the enhanced revenues have not been invested in visible projects.

One journalist told us of one Ahmadinejad program in which low-interest credit was made available to the general population, in hopes of stimulating consumption. However, seeking quick profits, most recipients of the cheap loans invested the funds in real estate, especially in the capital, with the result that housing prices skyrocketed. Rents also went up, creating a serious crisis for the less well-to-do. Another program distributed so-called "justice stocks" to the people, who would benefit from the profits. Such projects have led critics to conclude that the government is acting pragmatically on short-term plans, but has no overall national design. In the view of Professor Pirouz, this is "wishful thinking," not a policy.

The urgency of developing such a national economic program is underlined by the facts and figures published on the condition of the population. Iran is a country of 70 million

people, 60% of whom are youth. Given the high rate of unemployment, young people tend to go for university studies, even though they may still be without a job after graduation. Many new universities have been created in recent years, including private ones set up under Rafsanjani's rule, which require tuition fees. Intellectuals with whom we spoke complained that the plethora of new universities were not adequately staffed with highly qualified teachers, and that therefore such higher education did not meet expectations.

This young, highly politicized population can become the arbiter of developments in the country, as has been the case often in Iran's history. Students whom we talked with in Tehran, as well as Shiraz, openly expressed their dissatisfaction with the course of events, and are seeking fundamental change. It would be tragic if the only alternatives available to youth were to be life in the university, or activism in the Basij militias.

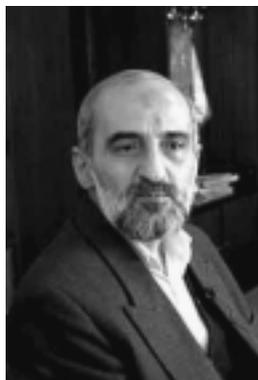
During the Presidency of reformer President Seyyed Mohammad Khatami, from 1997-2005, hopes were high, particularly among youth, that real change could occur. He was voted in with an overwhelming mandate (70%) and he was reelected with almost the same percentage, for a second term. Yet, because he did not succeed in fulfilling their expectations, voters became demoralized and did not bother to go to the polls to vote in the next election. This demoralization, according to Mohammad Atrianfar, has been the greatest problem facing the reform camp, as it struggles to reestablish a political position in the country.

The longer-term perspective of the reformists, is for gradual evolution towards a more functional representative system, as Atrianfar outlined it in his interview. No doubt, this process is unfolding in that direction. However, the outside world is not going sit and wait for this process to play itself out. The world economic breakdown crisis and the war threat which it is generating, are ticking time bombs. For the Iranian leadership to come out of the crisis on top, it will have to mobilize the population—especially its majority youth—around a national economic development program, within a regional context. The new momentum generated in Washington with the release of the Iraq Study Group report, whose findings echo those of LaRouche's regional approach, are being read in Iran as a reason for optimism. It is Iran's critical contribution to the overall infrastructural development of Southwest Asia, which can fulfill the economic requirements of its growing population, and at the same time define a viable strategy for peace.

U.S. policy, with the new Democratic majority, can and must change. The Iranian leadership has signalled its willingness to contribute to regional stabilization, and to enter direct talks with the United States, if the conditions are right. Ahmadinejad has the power to do so, and recent pressures from the electorate are likely to urge him further in that direction. It is up to clear-thinking people in Washington to seize the opportunity.

## ‘The Sunni vs. Shi’ite Scheme Is Meaningless’

*Hossein Shariatmadari is the Representative of the Supreme Leader of the Islamic Revolution, Ayatollah Ali Khamenei, and is president of the Kayhan Group of Newspapers and Publications. Kayhan is considered to reflect the views of the government. Muriel Mirak-Weissbach interviewed him on Dec. 4, 2006, in his Tehran office. He spoke through an interpreter.*



**EIR:** How do you evaluate the war danger?

**Shariatmadari:** First of all, thank you for coming here. I hope you will have good memories of Iran. We are also following this news, monitoring it, and are well informed about Cheney’s recent trip to Saudi Arabia, and we have said that the main concept he was talking about was the question of the war between Sunnis and Shias. He asked the Saudis to help the Americans solve the Iraq issue.

In the recent explosions in Iraq we have found the hands of the Saudis. Last week two car bombs were prepared for an attack in a protected area. But these two cars were stopped by the Iraqi police in Baghdad, and the people in it were Saudis. The Americans had them released by the Iraqi police.

I believe the Americans are not in a position to be able to attack us. The Americans in Iraq are being drowned in a sea. What has President Mr. Bush gained from the invasion? The greatest benefit for the invasion was to Iran and the Islamic world. Saddam Hussein was a great enemy of ours; he attacked us on American orders. So the invasion was to our benefit.

The Iraqi people have a good potential as Muslims, but they were under the dictatorship of Saddam Hussein. Now their potential has been freed up for the Islamic world. Now the Iraqi people are seeking a government based on Islam, so this is also to our benefit and the benefit of the Islamic world. The Americans made a big effort in recent years, and had many parties supporting them; they had a good position in the region. With what Mr. Bush did, he disgraced the word “democracy” and democratic parties and groups. Now the pro-American groups are afraid of saying that they are pro-American, because of this invasion. Before the invasion, the

democratic supporters of the U.S. claimed they would bring democracy to the region, and that American democracy was the best. Now they don’t dare to make such claims, because they see that the people are supporting the martyrs.

The American invasion did not bring the U.S. benefits; they lost a lot. What we hear here is that there are on average four U.S. and U.K. soldiers killed each day. The American population has the right to ask why. We believe the American population is more pious than the system, and does not want these crimes. Remember that, after Sept. 11, 2001, Mr. Bush spoke of a religious war, and accused some Muslim countries of being behind that event. I think he was very proud of what he was claiming. From that time, he had this plan to attack Afghanistan, Iran, Iraq, and Syria, and to draw a new map of the Middle East. In Afghanistan, they somehow felt successful, because really the Afghanis were fed up with the Taliban. But when they invaded Iraq, gradually they are now seeing the signs of defeat.

These days, they are bringing up the nuclear issue of Iran. You saw that Iran stood firm against the American claims. Even now, Iran has not given up on the 5-plus-1 group [the five permanent members of the United Nations Security Council plus Germany, who have been negotiating with Iran about its nuclear energy program]. Last night, the 5-plus-1 meeting in France was again unsuccessful [in finding agreement on sanctions against Iran].

In between, there was the war in Lebanon, which lasted 33 days. Nobody could believe that Israel, the fifth strongest army in the world and America’s ally, could be defeated by a military group [Hezbollah]. On the 20th day into the war, Mr. Bush said that the Israeli war against Lebanon was a war of the United States against Iran. He said Hezbollah was fighting on behalf of Iran and that Israel was fighting on behalf of the U.S.—and I accept what he said!

Now, I want to talk about the Middle East. In the Middle East, Mr. Bush claims that he wants to change the map. The Middle East *is* really changing, but the main axis is Islam, and this is a great defeat for the Bush Administration.

With all this, I do not believe that the Israelis and the Americans dare attack Iran. Hezbollah was a small sample. If Israel tries something [against Iran], within one minute, Israel will be covered by our missiles. We are not afraid of a war, but we are never *after* a war. I do not think Mr. Bush will make such a stupid move.

Now, regarding the Saudis: I believe the Arab countries are in for a great shock coming from their people very soon. In the Kingdom of Saudi Arabia, the government is a hereditary monarchy. There is only one family controlling the state, all of the benefits of the country are in the hands of one family. This is unacceptable.

The Saudi people, especially the youth, are well informed and well educated. In the age of communications, youth are aware of everything going on. Can we imagine that these young people will continue to accept this government? For

sure, it will not last. We are now seeing all the signs of this great change. The Saudi royal family does not have the power to deploy manpower, the army, in any war against Iran.

But the new American plan, as you said, is war between Sunnis and Shi'ites. This plan has not shown any success up to the present. The reason is that people have eyes, and they can see. Everybody sees that Hezbollah is Shi'ite, but it helped break the siege [by Israel] against Hamas, which is Sunni. You can see that the most support for Hezbollah comes from Arab Sunni people in the region. Two days ago, Mr. Ben Bella in Algeria had an interview with our ambassador there, and there is a report in our paper today. Let me just cite one phrase: Ben Bella said, it is my honor to be the soldier of Seyyed Hassan Nasrullah [leader of Hezbollah].

From the other side, if you look at the Iranian Revolution, for the last 27 years, you see we have had problems and a struggle with America and Israel—but we never had any problem with the Sunnis. The Sunni people in the region see Iran as a Shi'ite state fighting the common enemies of the Muslims, the United States and Israel. So the Sunni vs. Shi'ite scenario is meaningless.

**EIR:** What do you think of the scenario for regime change in Iran, through activation of ethnic groups—Kurds, Arabs, Azeris—in order to break up the country?

**Shariatmadari:** This is a plot that has been in the making for 20 years; it's nothing new. Just as the Islamic Revolution was victorious, some weeks later, there was a big war in Kurdistan. What the Kurds were claiming was that there was oppression against them. The Islamic Republic said, we just took power two weeks ago. How could we be oppressing you? And the Kurds comprehended what we said; the Kurdish people had not forgotten the pressure they were under from the Shah. And they could see the pressure put on the Kurds in Iraq and Turkey, and could compare their situation.

The Americans at that time insisted that the Kurds were fighting, but the Kurdish people told us, we are not fighting, these are American groups fighting. The Kumelah Party belongs to the Mossad. Another party called the Kurdish Democratic Party was originally a Marxist party, and everyone found out after the war what their role had been.

I want to give you an example for the contemporary situation. One month ago, Iranian President Ahmadinejad went to Kurdistan. Everyone saw, and all the news agencies reported, on how people welcomed him in Kurdistan: The Kurds realize who is their friend and who is their enemy. . . .

Now about the Azeris: We don't have such a thing as a Persian, Pars, or Turks in Iran. You cannot find a family who does not have a Turk as a relative. We are so mixed through intermarriage, that the Turks and Persians are together. I think that the mistake Mr. Bush made, was that he took a map and said, this is where the Azeris are, this is where the Kurds are, and thought he could foment a war. But he doesn't understand the people. The Supreme Leader [Ayatollah Ali Khamenei]

is a Turk, he's Azeri. Many Iranian ministers and officials are Azeris, Turks. So Mr. Bush is asking them to split power? They have power already! So, I don't think this ethnic plot will work. But, of course, they may put a bomb somewhere and explode something.

**EIR:** Do you think a real peace is achievable in Iraq? You know that the Iraq Study Group is to present its report in two days; they are expected to ask for a withdrawal of 15 brigades, with no set timetable, as well as talks with Iran and Syria. What we are proposing is that a regional security arrangement be established, with the nations of the region, particularly, Iran, Syria, Turkey, and Egypt, because of its role in the Arab world. That this security arrangement, anchored on a regional infrastructure development program endorsed by the U.S. government. In that context, it would be possible to organize an orderly withdrawal of U.S. and British troops.

Mr. LaRouche has proposed this again, insisting that therefore the U.S. government must immediately establish full diplomatic relations with Iran, with no conditions, and revive normal relations with Syria. What is your view? How do you think the Iraqi situation can be stabilized? What would Iran's role be? Would Iran speak to the United States?

**Shariatmadari:** When James Baker started his studies, it was just before the U.S. elections, and Mr. Bush had to accept the idea of listening to their conclusions. But just as their conclusions were to be published, with their recommendations for troop withdrawal, Mr. Bush said no, he would not listen. Mr. Bush is a liar. He lies all the time. It reminds me of the story of the liar, who was asked, do you ever tell the truth? And he answered, if I say yes, I will be telling another lie.

I think security in Iraq is good for everybody, it is to the benefit of all states, except for Mr. Bush. If there is security established in Iraq, it means that Mr. Bush has lost everything. Not only Mr. Bush, but the neo-cons and the Republican Party will lose.

Because the first question is: Why did Mr. Bush invade Iraq? He has killed American soldiers and a lot of innocent Iraqis, and has spent billion of dollars of American taxpayers' money, and discredited the image of America's liberal democracy in the world. So if he withdraws, everyone will ask: Why did you invade in the first place? He has no way out; he has to stay in Iraq.

I was following the news about the elections and studying what Mr. Bush said. I was very sensitive to what Mr. Bush said. I wanted to find out what he had to say to the American people. During the elections, I realized that Mr. Bush changed his propaganda strategy very slowly. Very delicately, he changed his position, and the rest of the Republicans followed him. This is an important point, and I will tell you how he changed: Right before the elections, Mr. Bush was saying all the time, "We invaded Iraq to bring democracy to the Iraqi people." Right near the election, he said, "We need the Iraqi

oil.” So in a way he was telling the American people, although we did not bring democracy for the Iraqis, if we withdraw you’ll lose your benefits.

We believe the main reason for the insurgency in Iraq is the presence of American and British troops. If they withdraw, the Iraqi people will have no problem living together. So I said that Iraqi security is good for everyone except Mr. Bush. And Turkey, Syria, and Iran are Iraq’s neighbors, so the insurgency in Iraq would cause insurgencies in these countries too. And we are very happy to sit together to solve this problem. Some steps have already been taken, but the Americans don’t want it. We had suggested recently that Tehran host a summit among [Syrian President Bashar] al-Assad, Ahmadinejad and [Iraqi President Jalal] Talabani. Suddenly, the Americans said this was against their interests. Right at that time, Ms. Rice made a trip to the Arab countries and Mr. Cheney went to Saudi Arabia.

I know Mr. Bush will not withdraw, but I do not know what the next American government will do. Then, anything is possible.

**EIR:** If Iran were not harassed by this U.S. government, you would have many challenges to face. It’s a big country, with a big population, especially a big youth population. What do you see as the priorities for government action?

**Shariatmadari:** There are many things that others would see as threats, but we see them as opportunities. For example, our youth represent an opportunity. We have a lot of young educated people, who have studied in universities, and you see the nuclear achievement that has been made by these young people. We have had great success in nanotechnology. We will make announcements on the anniversary of the revolution [in February 2007], and everyone will be surprised. In the medical field we have had great successes, that only a few countries can match.

We are a big, a great country, and have a lot of unused resources. One of our great problems was that we were leaning on our oil income all the time. Yesterday, it was announced that our non-oil imports increased 48% over last year. We are gradually establishing infrastructure and think we will be successful in utilizing these resources. Take unemployment, which creates problems for young people, in particular; we know we have to solve this problem. We don’t say that we don’t have problems, but we say that we can solve them.

Some years ago, I had a journalist from the first channel of the German television network, ARD. The journalist told me that after World War II, the Germans rebuilt their country very fast. I told him, the whole world helped you. But after our war with Iraq [1980-88], the whole world hindered our recovery.

I don’t want to say that the only problem is American pressure. I know we have to do more, and work harder and have good planning. I think the new government is doing well. So, I’m very optimistic and hope we can solve these problems.

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## Interview: Mohammad Atrianfar

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# Iran Under Hardliners: An Insider’s View

Mohammad Atrianfar is a political activist and close aide to former Iranian President Hashemi Rafsanjani. He is the founder of three newspapers, *Hamshahri*, *Kargozaran*, and *Sharq* (the latter, recently closed). He was interviewed by Muriel Mirak-Weissbach in his Tehran office on Dec. 7, and spoke through an interpreter.

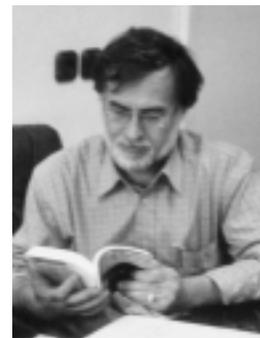
**EIR:** What is your view of the situation in Iran, considering the reports of a war threat?

**Atrianfar:** There are various views of the new situation of Iran, which can be divided into three categories. Some here are very concerned about a situation where the whole political structure of the region may be compromised; some think nothing will happen; and some believe the situation will get worse. I’m inclined to the third viewpoint.

The two viewpoints at opposite extremes belong to the radicals in Iran. Those who believe nothing will happen mainly belong to what are often called the hardliners in the right-wing camp. Mr. Ahmadinejad represents this viewpoint. This viewpoint can also be seen in the people affiliated with the Basij [see below], or others affiliated with the right-wing faction. Such a viewpoint is not far-fetched on the part of military people, because the military always talk tough; but politicians are expected to behave differently. So, we don’t endorse these views of Mr. Ahmadinejad.

Of course, his views are not limited to Iran. They sometimes also threaten other countries—you can understand this in the way he wrote a letter to President Bush and in his speeches at the United Nations, from his position on the Palestinians, Israel, etc. This suggests these people think that Iran is the center of the universe and can bring about any change they want. This is also false and cannot be accepted.

There is a second group concerned about any change which may occur in Iran, mainly from the rich strata of Iranian society, because to retain their privileged status, nothing should happen, so that the status quo, their wealth, is not changed. From their point of view, there is no meaning to



political independence. . . . So this viewpoint has little following in Iran, about 5-10% of the population.

Those so-called hardline groups which are following Mr. Ahmadinejad, are about 15-20% of the population. Then there are 60-70% who fall in-between. These are the people who were represented over 16 years by the governments of [Hashemi] Rafsanjani and [Mohammad] Khatami. These 60-70% include technocrats, intellectuals, industrialists—mainly the middle class—who would like to have interaction with the outside world. They would like to preserve political independence while pursuing development, and reducing conflict, using a language of understanding with the outside world.

There is a strong, serious challenge between the first and the third groups. The hardliners now in power are just a minority of 20%, against a large majority of 60-70% who are out of power. This large majority is like the body, and the head—the 20%—now controls everything. This is what the current picture of Iran is.

Logic would stipulate that the 60-70% majority should be in control. But this is not happening, and I will elaborate on this. We believe that this minority group, now in power, took power not in a legitimate way.

**EIR:** Were they not elected?

**Atrianfar:** Yes, we endorsed the [2005] elections, but they were flawed. Not like the U.S. elections, but more like Watergate: they were prearranged. Let me elaborate on one aspect: The big national organization called the Basij, is a big militia which enjoys the complete support and financial backing of the government. Legally, this militia is not allowed to interfere with the electoral process, according to Khomeini, the founder of the revolution. It is an 8 million strong network, mainly Iranian teenagers, about 70% of them; the rest are older. Of these 8 million, 3 million are organically connected to the organization. Millions have gone to this organization in the 27 years since the revolution. This structure is run according to military codes of behavior. In military management, loyalty takes precedence over reason. This is right, because the military who have to fight wars, have to listen to their commanders; if ordered to fight, they can't say they want to think about it. That's fine for the military. But if you use a military structure as a political tool, those who are in good with the commander, can go to battle and win the battle.

What political activists criticize is that this military structure was heavily involved in the [2005] elections. This was opposed by Mr. Rafsanjani and by Mr. Karroubi, and all reformist parties protested. The Supreme leader [Ayatollah Khamenei] was expected to intervene, to organize a fact-finding team to look into the Basij involvement. From three to four months prior to the elections, some 400 opinion polls, scientific surveys, were conducted, locally, regionally, and nationally. None indicated a win by Mr. Ahmadinejad.

What happened? Is it possible that an unidentified, unknown person could win? Or is it a miracle, though we say the era of the Prophets is over? Or, there must be irregularity, vote rigging.

Besides, the performance of Ahmadinejad in the first year, has been such that he has alienated many of his wise supporters, even many people in his government, his cabinet. So, Ahmadinejad was not democratically elected, although there was the appearance of a democratic process. It was influenced by forces from the outside. . . .

**EIR:** What about the upcoming elections?

**Atrianfar:** We believe, if sound elections are held and outside forces don't intervene, the reformists will win. Of course, when the urban middle class feels with its sixth sense that there are exterior forces intervening in the elections, they feel marginalized from the process.

I maintain that in *any* elections—for Parliament, the President, the Assembly of Experts—if the turnout is 55-60%, the reformists will win; if the turnout is 40% or 45-60%, the result will be contentious between these two groups; if the turnout is under 40%, the reformists will lose. So the reformists are synonymous with legitimacy and a large turnout; the rule of the so-called hardliners is synonymous with weaker legitimacy and a lower turnout; and an authoritarian, totalitarian system of government.

**EIR:** The problem seems to be to mobilize, to overcome demoralization. On our first visit to Iran, in 1997, just after the election of Khatami, there was great optimism in the population. Then in 2002-03, we saw pessimism. So it is a question of mobilization and morale, especially among the youth. This was the decisive factor in the Nov. 7 U.S. elections.

**Atrianfar:** That's completely right. Let me elaborate on why that mobilization did not happen [in 2005]. The main problem is, the parties are not allowed to institutionalize and become strong. In political activity, our new Constitution, which is about 25 years old, has a provision for the establishment of political parties, yet no real political parties have been established.

There are three reasons for this: 1) Some Iranians see parties as a sign of division, not unity. This is not related to the government, but is deep in society. 2) Iran's way of government, historically, had featured anarchy, then kings, royal families, treated with awe. Iranians are not good at teamwork, it is said, even in sports; we are not good at soccer, but at wrestling. This is characteristic of Eastern societies. 3) The theocratic structure of government: The clerics are one political party and they are in power now. Naturally, they don't allow other political parties to come to power. This clerical establishment only allows those parties to grow directly under its influence. Even if a clergyman, low ranking, or middle rank, or senior, were incompatible with the party, he could not make changes, but would be kicked out.

**EIR:** Are there such clerics?

**Atrianfar:** Yes, Montazeri, Shabestari, even Rafsanjani, who is being pressured for this reason. Consider Rafsanjani, a clergyman, a senior aide to Khomeini, acting commander-in-chief in the war, then President, an intelligent person with a macro-plan for reconstruction: There are those trying to drive him from power now because he is not compatible with the traditional clerical power structure. This should not be interpreted to mean that I oppose clerics; that is not so. But in the new political atmosphere, political activities should be in tandem with the political traditions of the outside world, which recognize that parties are not based on sectarian tendencies. We believe clerics can engage in political activities but not create obstacles for other political parties. These are the problems which do not allow a sound movement to emerge as a political party, in agreement with us.

The second problem is that political activities, based on a clerical power structure, have involved the powerful organization of the Basij, which they're bringing into all elections. So, it's difficult to be hopeful. Nonetheless, I am optimistic. I might be stupid to be in politics, but I'm here and I think we will win. In a simple analysis, we shouldn't enter politics, we should stay out, but I think we have to resist. Why? Because we have an intelligent population, a high-level, strong, urban middle class which can support a party structure. We believe, if we can hold on for 10-15 years, we can overcome the three "reasons" why parties don't function, (the idea they are divisive, traditional convictions, and the clerical party structure). Then we can base a party structure on the urban middle class, the carriers of democracy in Iran. This transition will take about two generations, which is logical, if compared to Europe or the United States.

**EIR:** A friend of ours in Iran told us on an earlier visit, that he thought the reason why Khatami had failed in putting through a reform agenda, was that he was not prepared to challenge the system as a whole, mobilizing people into the streets, for example, for fear of a bloodbath. Khatami made many attempts at reform, presenting bills on the power of the Presidency, the economy, etc., but they were blocked by the Guardians Council. Could this be attributed to a problem in the system as a whole?

**Atrianfar:** First, I totally defend the achievements of the 1979 Revolution. We believe that Imam Khomeini was not in any way in contradiction to democracy. Secondly, despite his old age, his thinking was very young. . . . Whenever he saw something new in the world, he supported it, for example, his agreement with voting in elections, forming the Majlis (parliament), shaping the judiciary, in tandem with the needs of the modern world, developing a Constitution—all things one would not expect from an old man. Thirdly, Imam Khomeini was concerned about the ossified clerical elements who do not favor innovations.

Imam Khomeini was alive until ten years after the revolu-

tion. His focus for the first two years was dealing with internal conflicts, coups, civil strife. The next [eight] years were spent running the war, so he had little chance to develop the political institutions he founded. I believe that the system he founded, after his death, moved away from his ideas. The current leader, Mr. Khamenei, is an open-minded person, but he does not have the strength needed to cope with the ossified clerical establishment, and is concerned with them. And because of some tough moves by some movements who gave the impression that they wanted to uproot the clerical establishment, Khamenei defended the system.

Khatami and Rafsanjani do not have the power to weaken the political structure of the clerics. Things must run their own course. It may take 10 to 15 years. That's why I believe that, though Khomeini was older, his thinking was younger, more inclined to innovation. Khomeini's charisma was stronger. That's why you can say, in comparison, Khomeini was more efficient than Khamenei.

I agree that Khatami did not challenge or risk a bloodbath. There is a classic example in Iranian history I want to cite. It's the Mongol invasion about 800 years ago. The Mongols were simple people, and the Iranians, who were intelligent, served as their viziers and advisors. The Mongols were very violent, but the existence of the intelligent Iranians around them allowed Iran to be free of the effects of this violence.

There was an Emir (like Mullah Omar of the Taliban), who had the last word and was like a god on Earth for the Muslims. He was in control of people's lives; this was a Sunni concept. Iran was the center of Shi'ism. One of the Mongol Emirs had a vice president, named Haje (Mullah) Nasir-al-din al-Tusi (from Tusi, near Mashhad). Hulagu Il-Khan was the Mongol leader. He set out to invade Iraq, brought down the Mesopotamian government, and occupied Baghdad (in 1258). He wanted to kill the Caliph and undo everything. Hulagu was also a Muslim. The Sunnis believed that, since the Caliph is God's representative on Earth, if he were killed, the entire universe would come apart. The Caliph was terrified. Nasir-al-din told the ruler not to kill him. He said he had a way. He knew that nothing would transpire if the Caliph were killed, but he couldn't raise his objection. Hulagu was a firm believer and was afraid of the people's ignorance. Nasir-al-din said, "I have a suggestion: Let us wrap up the Caliph in a mat, and roll him over, and then look up at the sky to see if it is coming down. If anything happens, we will let him go, but otherwise, we'll keep rolling." This way, he killed the Caliph. He confirmed the ignorance of society, but carried out his own will and confirmed his own power. This has been turned into a proverb.

Some complicated problems in Iran can be solved with this mat-rolling method. If you are dealing with a wild horse, you might get kicked and get hurt; you have to be careful, and see if you can mount it, and ride it.

### **'End-of-Regime' Crisis Is Under Way**

*Of all the 2007 Presidential candidates, only LaRouche's friend Jacques Cheminade offers a real alternative.*

**I**t is with a deep sense of crisis that France is preparing its 2007 Presidential elections, although none of the candidates, with the exception of LaRouche co-thinker Jacques Cheminade, are prepared to propose a real alternative to the present situation.

France has clearly come to the end of the political system which Charles de Gaulle and the forces of the Resistance bequeathed to the country after the Second World War. On March 15, 1944, de Gaulle proclaimed the following reforms: "Have the nation acquire the main sources of energy: coal, electricity, gas, which it alone can develop as they should be; ensure its control over credit so that its activity is not at the mercy of financial monopolies; . . . free from anguish in their life and labor, those men and women from our country, by ensuring them officially against sickness, unemployment, old age. . . ."

On the same date, the National Council of the Resistance (CNR), which assembled the main components of the Resistance against the Nazis, published its own program, which included among the inalienable rights of every citizen: the right to a job, to a high-quality education, to a home, and to health and retirement insurance. These inalienable rights were then included in the Preamble of the 1946 Constitution, and in de Gaulle's 1958 Constitution.

It is this, the French social model, which has now come to an end, destroyed by the 14-year Presidency of former Pétainist François Mitterrand, and by 12 years of the extremely weak, neo-Gaullist Presidency of

Jacques Chirac.

Historically in France, end-of-regime crises of this type have often called forth a great leader for a republican upsurge. These are the times for a Joan of Arc, a Charles de Gaulle, or an FDR, in American terms of reference. This time, however, with the exception of Jacques Cheminade, only two paths are being proposed to the nation. Nicolas Sarkozy, the president of the majority party, the UMP, is proposing to lead France down the road of neo-conservatism—even after Bush's Nov. 7 defeat! During an official visit to the U.S. last September, Interior Minister Sarkozy pledged allegiance to Bush and publicly distanced himself from the policies of his own government.

On the other side of the spectrum, the attractive Socialist Party Presidential candidate, Ségolène Royal, will probably seduce France into voting for her, so much are people fed up with the manipulative style of politicians trained often at France's high-level schools of administration, and happy to have a woman dealing in a seemingly simple and direct fashion with their daily problems. Glamour and style, however, have allowed her to cover up for her lack of policies on most of the life-and-death issues facing France.

It should be noted however that one of the better reasons for Royal's success is her attack on the "do your own thing" 1968 cultural paradigm. One of her main campaign themes is the need to reestablish a "just order" in all domains of society. In a recent speech at Ilkirch, she called for the

state to bring security and protection to the people. "One hears that the state is impotent. I reject that characterization," she stated.

François Bayrou, head of the center party UDF, contending to become a "third way," between Sarkozy and Royal, is also betting on a similar paradigm shift. In declarations made while visiting the poor ghettos of the Lyon area, Bayrou called for a state which is "present, impartial, balanced, directed, and legitimate."

While such personalities might wish for a paradigm-shift in the right direction, they are not willing to risk their careers and perhaps their lives, by calling for the only changes which could make that shift a reality. And this is the role that LaRouche's French friend, Jacques Cheminade, is playing in the race. With hardly any funds and no support from ruling circles, Cheminade has been campaigning for the Presidency in a truly Promethean manner. Beyond his well-known personal talents, Cheminade's main claim to legitimacy, is that of having abandoned his comfortable post at the Economics Ministry in order to build a real movement in opposition to the deregulation follies that have taken over the advanced sector since the 1970s. While most of his peers were grabbing top positions and promoting policies that would destroy the productive economy and the perspectives for future generations, Cheminade decided instead to build a movement which is today fighting for the defeat of financial power, against the European Union's Maastricht Treaty and the Stability Pact, for the replacement of the independent European Central Bank by a system of national banks, and extending Marshall Plan-type credits for research and for the construction of great infrastructure projects throughout Eurasia.

# Cheney Is the Missing Link!

by Lyndon H. LaRouche, Jr.

The carefully composed, following report, by our Scott Thompson, is a chronology of the associated events surrounding the strange death of British intelligence officer Dr. David Kelly, in England, and the suicide of Jeremy Duggan, in Germany, all in the same short time-frame. This investigation has led investigators to the crucial connection of these deaths to the family circle of U.S. Vice-President Dick Cheney and his independently notorious wife Lynne Cheney.

The pivotal fact which links all of these and related developments, is David Kelly's role in exposing the British Blair government's role, as having had done a "sexing up" of a pack of alleged facts used to create the hoax, led by Vice-President Dick Cheney, which misled the U.S. Senate into endorsing the launching of the U.S. into the currently still-escalating catastrophe in Iraq.

The attempt by certain high-ranking British and U.S. circles to distract continued attention from the very high-level implications of David Kelly's death, has led back to the scene of the actual crime, London, where the attempt to cover up the Blair government's complicity in launching the presently disastrous crisis of Southwest Asia, shows how far, and how long, the high-level British and U.S. cronies are willing to go, in trading in the corpse of a poor suicide, Jeremy Duggan, who died, far from home and friends, tormented by a legacy of his past, on a highway, alone, at night, in a torment which had haunted him from childhood.

The root of the hoax crafted around that suicide, began with my several interviews on the subject of this war, interviews which appeared on BBC during this period. Those BBC interviews of mine, are key to the role of Cheney's circles, including Baroness Liz Symons, in using Duggan's suicide, later, as a distraction from the issues of policy posed by the death of British intelligence officer Kelly. The fact that I had played a notable part, internation-

ally, in launching the exposure of Cheney's role in lying to the U.S. Senate and others, in sending the U.S. in to the disastrous Iraq War, was the setting in which certain British circles with the mentalities of Burke and Hare elected to shop the corpse of poor Jeremy.

The complicity of the government and person of Prime Minister Tony Blair in this matter, involving Baroness Symons, through her husband in Blair's office, on one end, and the Baroness herself on the other, has led the world up to the threshold of the present crisis of the British government, and also of that U.S. Bush Administration, a crisis which presently threatens to bring down the present Bush Administration, including Cheney, even very soon.

A case of that sort, with all the complexities, high and low, which Scott Thompson's chronology logs in his report, should be recognized as illustrating the typical, dynamical character, reaching to both the highest and lowest, the more immediate and also most remote aspects of the social process which are swept up to common effect, in any nasty little conspiracy of the sort toward which the official attempt to pro-



*The "missing link" in the deaths of David Kelly and Jeremy Duggan: Dick and Lynne Cheney.*

mote the contrasting, fraudulent views of the Duggan and Kelly cases leads. The British effort to continue the hoax now, will only unveil the dirty scheme of the Blair ministry the more fully, the longer the attempt is made to keep the hoax of the alleged Duggan case alive.

From all the evidence accumulated thus far, we must presume that Jeremy Duggan himself was, essentially, a well-meaning innocent, a likeable fellow, if with an awful psychological burden. He sought peace from the noises which had been dwelling within him for longer than he could continue to bear; his suicide, awful as it was as a way of dying, had earned him a decent and peaceful interment. His poor corpse should not have been sold on the open market of strategic lying, all for a political swindle in which Baroness Symons and other sullied connections of Lynne and Dick Cheney came forth to play their disgusting part.

## Baroness Symons Of Vernham Dean

by Scott Thompson and Jeffrey Steinberg

Elizabeth Symons, Baroness Symons of Vernham Dean (created Life Peer by nomination of Tony Blair in 1996), is a Senior Labour Peer, director of two companies, consultant to business, and a key figure in the Jeremiah Duggan transatlantic slander operation against Lyndon H. LaRouche, Jr., along with Mr. and Mrs. Dick Cheney.

Here is an outline of the Baroness's career.

- Born on April 14, 1951, Elizabeth Conway Symons, the daughter of Ernest Symons, who became chairman of the Her Majesty's Board of Inland Revenue, before his retirement, and Elizabeth Megan (née Jenkins).
- Educated at the Putney School for Girls, and received a Bachelor of Arts and a Master of Arts from Girton College, Cambridge.
- Married Philip Bassett in 2001, shortly after Bassett received a job at Tony Blair's 10 Downing Street. She had a son by Bassett in 1985.
- Researcher at Girton College, 1972-74.
- Administration trainee, Department of the Environment, 1974-77.
- Inland Revenue Staff Federation Assistant Secretary, 1977-78.
- Deputy General Secretary, 1978-89; then, General Secretary, Association of First Division of Civil Servants, 1989-97 (a trade union job).
- Nominated by Blair in 1996 to the House of Lords, as a Labour representative. Took her seat in 1997 as Parliamentary Under-Secretary of State, Foreign and Common-



DoD/R.D. Ward

*Baroness Liz Symons, here in Washington, D.C. in 2001, to sign a Memorandum of Understanding for a \$200 billion contract for the Joint Strike Fighter, awarded to Lockheed Martin. At the time, Lynne Cheney was on the board of Lockheed Martin.*

wealth Office.

- Minister of State for Defence Procurement, Ministry of Defence, 1999-2001. It is in this position that we have our first indications of ties with Dick Cheney's Halliburton (Cheney was CEO of Halliburton, and remains infamously in close business association) and Lynne Cheney, who then served on the board of Lockheed Martin (see below).
- Became Minister of State for Trade, Foreign Trade, and Industry, Foreign and Commonwealth Office Department of Trade and Industry, 2001-03, and Minister of International Development, 2001-03.

During that time period, Symons gave advice to lawyer David Mills on the political surroundings of a proposed deal to sell 146 aircraft from British Aerospace in 2003 to the Iranian airline Mahan Air. The deal did not receive preferential treatment otherwise, and it did not go through. It was subsequently revealed that as a consequence of these dealings, Mills's estranged wife, Tessa Jowell (Secretary of State for Culture, Media and Sport), has been excluded from Cabinet papers and talks on Iran since 2003. Mills is currently under indictment for money-laundering and tax fraud stemming from his advice to former Italian Prime Minister Silvio Berlusconi on setting up a series of offshore trusts for Berlusconi's Fininvest. On March 10, 2006, prosecutors in Milan asked a judge to order Mills and Berlusconi to stand trial on corruption charges.

- Minister of State for the Middle East, International Security, Consular and Personal Affairs, Foreign and Commonwealth Office, June 2003-May 2005; Deputy Leader of the House of Lords, 2003-May 2005, resigning both positions in the reshuffle after the general elections. She was appointed with her mentor, Lord Levy of Mill Hill (Blair's "bag-man"), as envoy to the Middle East.

- Fellow since 1990 of the British-American Project for a Successor Generation (BAP), which has been called a "junior Bilderberg."

Symons is one of 600 Fellows of BAP, in that she was selected to attend at least one BAP meeting. She said of this transatlantic U.S.-U.K. organization: "I had thought the relationship was special and this program gave that idea a deeply human meaning." BAP started in 1985, holding an annual meeting of 24 Americans and 24 Britons, with a \$425,000 grant from the Pew Memorial Trust, which also funds the right-wing American Enterprise Institute (AEI) and the Heritage Foundation. BAP claims that the idea for its founding came from Sir Charles Villiers, whose daughter is the wife of John Negroponte, and U.S. Rhodes Scholar Lewis Van Duesen. Villiers, an old Etonian, had been in the Special Operations Executive. Van Duesen, a senior partner in Drinker, Biddle, and Reath, was deputy to the first representative to NATO between 1950 and 1952. From BAP's beginning, the Royal Institute of International Affairs (Chatham House), was heavily involved, and remains the center for the British Advisory Board to BAP. In the United States, the School of Advanced International Studies (SAIS) of Johns Hopkins University in Washington, D.C., serves a similar U.S. role.

A large number of Tony Blair's first officers came from BAP: 1) Peter Mandelson, EU Trade Commissioner; 2) Jonathan Powell, chief of staff; 3) Mo Mowlam, former Labour Northern Ireland Secretary; 4) Matthew Taylor, Downing Street head of policy; 5) Baroness Symons; 6) Lord George Robertson, former NATO Secretary-General; 7) Geoff Mulgan, former head of Downing Street's policy and strategy unit.

- Currently chair of the U.K. Parliament's all-party group on Qatar, the Saudi-British Joint Business Council, and the British Egyptian Society.
- Leading member of the British Fabian Society.
- Former member, General Council, of the Trade Union Council.
- Former member, Executive Council, Campaign for Freedom of Information, 1989-97.
- Former Governor, London Business School, 1993-97.
- Former member, Council of the Open University, 1994-97.
- Member of the Board of Governors of the Ditchley Foundation, a British organization based at Ditchley House



Council of the EU

*British Prime Minister Tony Blair nominated Liz Symons as a Life Peer in 1996, and Symons' husband, Philip Bassett, is also in the inner circle of Blair's Cabinet.*

near Chipping Noreton, Oxfordshire, which aims to promote especially the Anglo-American special relationship, through 15 annual conferences on matters of international interest. The foundation was incorporated in 1958 by David Wills, descendent of the tobacco-importing family W.D. & H.O. Wills of Bristol.

At each conference, 40 invitees are drawn from senior levels of politics, business, the armed forces, and academia. About one third of the guests are American, one third British, and one third of other nationalities. The current director is Sir Jeremy Greenstock, former British Ambassador to the United Nations. Discussion follows Chatham House rules, and cannot be revealed.

A corresponding American Ditchley Foundation helps shape the conference program, as well as select American participants.

John Major, the former British Prime Minister, is the current chairman of the Ditchley Foundation. Its first chairman, in 1958, was the British historian Sir John Wheeler-Bennett.

- Appointed to the Privy Council in 2001.
- Highly paid consultant on the Middle East to Standard Chartered. She became their consultant a day after leaving office, despite Standard Chartered having gotten lucrative loan guarantees in areas of the world she covered for the Foreign Office.
- Director of British Airways, the largest air carrier in Britain, and the third largest in Europe. This position pays her £2,300 per day, for a few days a year.
- Hired by DLA Piper (known until Sept. 5, 2006 as DLA Piper-Rudnick Gray Cary), in an unknown capacity. DLA Piper is an international legal services provider, which describes itself as a global services organization, the members

of which are separate and distinct legal entities. It is one of the largest legal services providers in the world, second to Clifford Chance in terms of worldwide turnover, at \$1.5 billion, in 2005. Among other things, the firm has provided lobbying services for Lockheed Martin and Raytheon.

- Non-executive board member of Peninsular and Oriental Navigation company (P&O) from Dec. 1, 2005, until Hurricane Katrina forced its sale to Dubai Ports World on March 8, 2006. P&O earned its way into the pages of *Dope, Inc.* (published by Executive Intelligence Review). In 1914, it took over British India Steam Navigation Company, which was then the largest British shipping line, with 131 steamers. In 1918, it gained a controlling interest in the Orient Line, its partner in the England-Australia mail route.

### Liz Symons and the Cheneys

These are the leads to Baroness Symons's ties to the Cheney family.

According to *Private Eye* magazine, Sept. 20-Oct. 3, 2002, Baroness Symons gave a £300 million contract to Halliburton in January 2001, to deliver British tanks and hardware to frontline combat situations. At the time, Symons was Minister of State for Defence Procurement.

The *Private Eye* article also reported that in April 2000, while still CEO of Halliburton, Dick Cheney had chaired a conference in Oxfordshire, England, on the subject of his proposal to privatize the military. That session was attended by many top Ministry of Defence officials.

At the time of the Halliburton contract, Cheney was Vice President, but he continued to be paid by Halliburton with stock options, and his ties ran deep with the company, as revealed by the fact that in 2004 he was caught lying about them, denying to Congress that he had any role in procuring Administration contracts for Halliburton. Leaked Pentagon internal e-mails, however, confirm that the awarding of a multibillion-dollar pre-war contract to Halliburton for restoration of Iraq's oil industry, was "coordinated with the VP's office."

In October 2001, Symons was involved in negotiating and approving a \$200 billion contract for the Joint Strike Fighter, which went to Lockheed Martin, a company on whose board, at the time, sat Lynne Cheney. Lynne Cheney was on the board of Lockheed Martin from 1994-2001, and she left with \$500,000 in deferred payments.

No sooner had the Bush Administration gotten down to business, than the Undersecretary for Defense Acquisition, Technology, and Logistics announced, on Oct. 26, 2001, the decision to proceed with the Joint Strike Fighter. The accompanying photo shows Symons in Washington to sign the Memorandum of Understanding for the Structural Development Design phase of the fighter project. James G. Roche, who announced the decision, teamed up Lockheed Martin (principal), Northrup Grumman, and British Aerospace. Interchangeable engines were to be produced by Pratt &

Whitney and GE/Rolls Royce. Overall, the shared \$400 billion to produce this aircraft makes it the most lucrative one ever.

Eight Lockheed Martin senior personnel—including Lynne Cheney—joined the Bush Administration. Others include: Bruce P. Jackson, a Lockheed vice president from 1993-2001, who became chairman of the Board of the Committee for the Liberation of Iraq and chaired the Republican Party Platform subcommittee on National Security and Foreign Policy. Also, Otto Reich, appointed by President Bush as Special Envoy to the Western Hemisphere, came from Lockheed.

During April 2001, Lynne Cheney travelled on several occasions to Great Britain, as an informal "cultural emissary" of the Bush-Cheney Administration, meeting with British intellectuals, and promoting the "English-speaking partnership."

Lynne Cheney's doctorate at the University of Wisconsin was on the 19th-Century neo-Kantian Matthew Arnold, whose works helped to inspire the later founding of the Fabian Society, of which Symons is a prominent member. The Fabian Society is an arm of 20th-Century British liberal imperialism. It is the British Fabian Society, presently affiliated with "Christian Socialist" Tony Blair, which exerts intellectual control over the Cheney household, and through it.

In October 2003, Symons appeared on the same podium with Elizabeth Cheney, daughter of Lynne and Dick, who was, at the time, a top State Department Middle East official. The conference was a London meeting of the Arab International Women's Forum, and Symons has played an important role in "women's affairs" in Britain. In addition, as noted above, in June 2003, Symons had been appointed Minister for Middle East Affairs at the Foreign and Commonwealth Office. The title of the forum was "Women in the Arab World: Windows of Opportunity Opening Wider in Business and Public Life."

Symons is known to have snubbed those protesting the torture at Abu Ghraib and Guantanamo, including of British detainees, an operation initiated by Dick Cheney et al.

### A Concise Timeline of the Symons-Duggan Affair

**Early March 2003:** Jeremiah Duggan, a 22-year-old British student, meets LaRouche Youth Movement organizers in Paris at a literature table, engages in a discussion, and takes some literature. Duggan is told about an international conference in Germany at the end of the month. He is particularly interested in LaRouche's strong opposition to the Cheney-Blair Iraq War and the imperial policies underlying that unjust invasion. Over the next several weeks, Duggan exchanges several e-mail messages with LYM organizers, and arranges to travel to Germany for the conference.

**March 27, 2003:** Duggan, attending the Schiller Institute international conference and youth cadre school near Wiesba-



*BBC journalist Andrew Gilligan met with British Ministry of Defence weapons scientist David Kelly in May 2003 and then broadcast Kelly's accusation that the WMD charges in the government's Sept. 24, 2002 white paper were "sexed up."*

den, Germany, is killed when he jumps in front of speeding cars on an autobahn. Wiesbaden police and prosecutors investigate the death, and conclude that Duggan committed suicide.

Duggan had confided to his conference roommates, in his last days, that he was diagnosed with Obsessive Compulsive Disorder, an illness that can induce schizophrenic behavior, including paranoia. He had begun to show signs of emotional stress during the day before his suicide, March 26, and had fled the apartment where he was staying, March 27, at approximately 3:30 in the morning. When a LYM organizer called Jeremiah's girlfriend, Maya Villanueva, in Paris, shortly after Duggan left the apartment, to see whether she had heard from him, the girlfriend cynically asked, "Is there a river nearby?" Subsequently, both Erica Duggan (Jeremiah's mother) and Maya Villanueva have failed, notably, to mention Jeremiah's diagnosed illness, fuelling the media fraud about the alleged role of the Schiller Institute in his death. Erica Duggan has acknowledged to reporters that she, Jeremiah's father (from whom she is divorced), and Jeremiah, had undergone group counselling at the Tavistock Clinic in London when Jeremiah was approximately seven years old.

**March 28, 2003:** Jeremiah Duggan's parents meet in Wiesbaden with representatives of the Schiller Institute. Although they make no mention of Jeremiah's Obsessive Compulsive Disorder diagnosis, the meeting is very cordial, given the tragic circumstances.

**April 1, 2003:** The LaRouche in 2004 campaign releases the first 250,000-copy run of *Children of Satan: The 'Ignoble Liars' Behind Bush's No-Exit War*. The pamphlet exposes the entire neo-conservative cabal inside the Bush-Cheney Administration behind the Iraq War, and surfaces damning evidence that many of the leading Bush-Cheney neo-cons are protégés of the late University of Chicago philosophy professor Leo Strauss, a protégé of Nazi Party fascist ideologues Carl Schmitt and Martin Heidegger. Within a short period of time after the release of the campaign report, mainstream media in North America and Europe pick up the basic themes of the *Children of Satan* book, particularly the demonic role of Strauss in the neo-con drive for empire, based on perpetual war.

**April 3, 2003:** Lyndon LaRouche is interviewed for six minutes on the British Broadcasting Corporation (BBC) news show "Live Five." LaRouche is introduced as a leading critic of the Bush Administration's Iraq War, and as a candidate for the 2004 Democratic Party Presidential nomination.

**May 22, 2003:** British Ministry of Defence weapons scientist Dr. David Kelly meets with BBC journalist Andrew Gilligan at London's Charing Cross Hotel, where he allegedly tells the journalist that 10 Downing Street operatives, including Alastair Campbell, "sexed up" the British government's Sept. 24, 2002 white paper, which accused Saddam Hussein of amassing weapons of mass destruction, in violation of United Nations resolutions.

**May 29, 2003:** BBC's "Radio 4 Today" news broadcast airs a report by Gilligan, levelling the charges about the "sexed-up" dossier as having been aimed at making a more convincing, albeit false, case for war with Iraq.

**June 2, 2003:** BBC "Newsnight" science editor Susan Watts broadcasts a second story, using Dr. Kelly as a source, and raising concerns about the Sept. 24, 2002 dossier's claims that Saddam could launch WMD on 45 minutes' notice.

**June 9, 2003:** LaRouche is again interviewed on the BBC "Live Five" news show, this time for 12 minutes. The subject of the interview is LaRouche's recent call for the impeachment of Vice President Dick Cheney, for his role in the faking of intelligence, including making knowingly false claims of Saddam Hussein purchasing nuclear bomb material in Africa, to justify the Iraq invasion.

**July 7, 2003:** The Foreign Affairs Committee of the House of Commons, after a week of tumultuous hearings, clears Blair communications director Alastair Campbell of "sexing up" the 10 Downing Street white paper.

**July 8, 2003:** Blair chairs a meeting at No. 10, where it is agreed that Dr. Kelly's name will be released as the source of the Gilligan story. Former U.S. Ambassador Joseph Wilson publishes an op-ed in the *New York Times* revealing, for the first time, that he was the emissary sent by the CIA to Niger in February 2002, to probe allegations that Iraq had attempted to purchase vast quantities of "yellowcake" uranium, to produce nuclear bombs. His conclusion: There was no truth to the story.

**July 11, 2003:** Erica Duggan meets with the London Metropolitan Police, to discuss the circumstances surrounding Jeremiah's death. By this time, she has been contacted by individuals and groups affiliated with American Family Foundation (AFF).

**July 12, 2003:** The London-based *Guardian* newspaper publishes the first smear story linking LaRouche and the Schiller Institute to the suicide-death of Jeremiah Duggan. The author of the story, Hugh Muir, has, in the past, written stories based on information provided by so-called "anti-cult" groups affiliated with the AFF.

**July 15, 2003:** Dr. David Kelly is called to testify before the Foreign Affairs Committee of Parliament.

**July 17, 2003:** Dr. Kelly leaves his home in Abingdon in Oxfordshire, telling his wife he is going for a walk. His body is found the next morning by local police. Prime Minister Blair announces the launching of a judicial review of the Kelly case, to be headed by Lord Hutton.

**July 21, 2003:** BBC airs a slander on LaRouche and the Duggan suicide by Tim Samuels, under the headline, “Mother calls for inquiry into son’s death.”

**Aug. 29, 2003:** Alastair Campbell resigns as head of the communications office for Blair, denying that he is quitting over the death of Dr. Kelly.

**October 2003:** The AFF holds a conference in Hartford, Conn. Among the speakers is Dennis King, longtime anti-LaRouche operative. After working in the early 1980s as a paid propagandist for Roy M. Cohn, the former chief counsel to Sen. Joseph McCarthy, King was bankrolled by the neo-conservative Smith Richardson Foundation to write a book-length slander of LaRouche in 1989. During the same period, King’s *pro bono* attorney was Steven Bundy, the son of McGeorge Bundy.

**Nov. 5, 2003:** A coroner’s inquest into Jeremiah’s death occurs at Hornsey Coroner’s Court, with Dr. William Dolman, HM Coroner for North London, presiding. The British media claim that Dr. Dolman has “rejected” the German authorities’ view that the death was a suicide. Statements attributed to Dr. Dolman suggest that evidence was presented at the inquest by AFF circles, making wild charges that the LaRouche organization is a dangerous cult. British media coverage of the inquest includes interviews with Dennis King and with Chip Berlet. (Berlet, a former Washington, D.C. bureau chief of *High Times* magazine, the semi-official publication of the drug legalization lobby in the U.S.A., was a leader of the National Student Association during the late 1960s, when it was exposed for having received CIA financing, in a *Ramparts* magazine article. Berlet, who joined the National Students Association after the *Ramparts* exposé, was widely regarded, according to sources, as a continuation of CIA penetration.)

**Nov. 11, 2003:** The *Wiesbadener Kurier* publishes an article challenging the coverage in the British media, and defending the assessment of the Wiesbaden Prosecutor’s Office that Duggan’s death was the result of suicide. Chief Prosecutor Dieter Arlet complains that it is “completely inexplicable how such a characterization could get into the media.” A spokesman for the Prosecutor’s office reports that the German Federal Police (BKA) had found that the British coroner’s inquest had been closed, and that the British media coverage had misrepresented the findings of Dr. Dolman. Arlet says that, based on the BKA inquiry, there are “no grounds for us to reopen the investigation.”

**Jan. 28, 2004:** The Hutton inquiry issues its final report, totally whitewashing 10 Downing Street’s role in exaggerating the Weapons of Mass Destruction dossier.

**Jan. 29, 2004:** Greg Dyke, BBC director general, and



*The British White Paper of Sept. 24, 2002 accused Saddam Hussein of amassing WMD. Defense scientist Dr. David Kelly was found dead two months after telling the BBC that the charges were “sexed up.”*

Gavyn Davies, chairman of the BBC board, both “resign” over government criticism of BBC’s coverage of the Kelly leaks about the “sexed up” report.

**Feb. 12, 2004:** BBC News airs further slanderous coverage of the Duggan affair by Tim Samuels.

**Feb. 25, 2004:** A meeting takes place at the British Foreign Office between Erica Duggan and officials, who set up a

followup meeting with Baroness Symons. News of the planned Duggan-Symons meeting is leaked to the British press.

**April 1, 2004:** Erica Duggan, Rudy Vis, and Lord Janner meet with Baroness Symons at the Foreign Office. Symons announces she will appoint a *pro bono* international human rights lawyer to work with the Duggan family, to pressure German authorities to reverse their assessment of the case.

**April 21, 2004:** BBC "Live at Five," the show that had twice interviewed Lyndon LaRouche a year earlier, runs an interview with Erica Duggan and Rudy Vis.

**May 6, 2004:** Blair provokes a firestorm of protests by appointing John Scarlett as the new head of the British Secret Intelligence Service, MI6. Scarlett, as the head of the Joint Intelligence Committee, was the principal author of the Sept. 24, 2002 white paper which lied about Saddam Hussein's ability to launch weapons of mass destruction "within 45 minutes," and his efforts to obtain uranium in Africa, for building nuclear bombs. Scarlett worked closely on the dossier with top Blair aides Alastair Campbell and Phil Bassett, the latter being the husband of Baroness Liz Symons.

**May 20, 2004:** Italy's *Corriere della Sera* Sunday magazine publishes a lengthy, vicious slander against LaRouche, centered around interviews with Erica and Hugo Duggan, by writer Agostino Gramigna.

**May 23, 2004:** Members of the LaRouche Youth Movement, distributing an "Open Letter to the *Washington Post*" by Lyndon LaRouche, in front of the *Washington Post* building in downtown Washington, D.C., encounter Michael Winstead. Winstead had briefly infiltrated the Baltimore chapter of the LYM, only to abruptly leave the group, and circulate a series of slanders. Accompanied by a *Washington Post* photographer, Winstead boasts to LYM organizers that he is working for the *Post* on a slander on LaRouche and the LYM, which will heavily feature the Duggan suicide. (When Winstead departed from Baltimore, he left behind a large collection of pornography, which he had downloaded from the Internet.)

### Mr. Baroness: Phil Bassett

Phil Bassett is Liz Symons's longtime partner, with whom she had a son in 1985 and whom she married in 2001. Bassett is a former industrial writer for Rupert Murdoch's *Times* of London. In 1997, Bassett was hired by the newly elected Prime Minister Tony Blair to handle labor relations.

From September 2002 until October 2003, Bassett was a senior advisor to Blair and head of the Strategic Communications Unit, which became enmeshed in the "dodgy dossier" scandal with Dr. David Kelly. As such, he and Press Secretary Alastair Campbell travelled to Washington in October 2002 to see Bush appointee Karen Hughes, Undersecretary for Public Diplomacy and Public Affairs in the U.S. Department of State, to better coordinate the propaganda line between Washington and 10 Downing Street. There was formed the Coali-

tion Information Centre, with Tucker Eskew deployed to London to work with Campbell and Bassett.

Although not directly involved in drafting the Downing Street dossier, which was the work of MI6 Chief John Scarlett with editorial prerogative to Alastair Campbell, Bassett's e-mails on the subject came out in the Hutton Report. Two e-mails of Sept. 11 have Bassett expressing his unhappiness with the dossier, saying it "reads like the *Sunday Times* at its worst." In another e-mail, Bassett tells Campbell, there was a "very long way to go [with the dossier] I think. Think we are in lot of trouble with this as it stands now." "On another occasion, Bassett e-mailed that the dossier was "intelligence-lite" adding: "We've got to find a way of getting over this by having better intelligence material."

As a former journalist and senior advisor to Tony Blair, Bassett wrote many of op-eds signed by Blair. But Bassett was becoming a liability in the publicity over David Kelly and the "dodgy dossier," and he received a less conspicuous appointment to serve as an advisor to Lord Falconer, the Lord Chancellor, one month after Campbell was forced out of office. Lord Falconer, who stands number three in precedence, is Tony Blair's friend and former landlord. Having failed to receive a secure Labour seat, he was ennobled and made Solicitor General. Now as a Minister of the Cabinet, he is one of the most important figures in the Blair Administration.

## America's Untold Story

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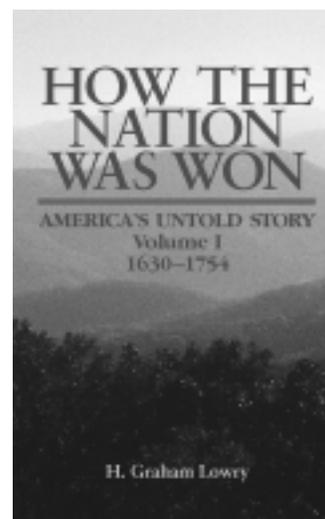
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# Montreal LYM Applies 'New Politics'

by Rob Ainsworth,  
LaRouche Youth Movement

The Liberal Party of Canada held its Federal leadership convention in Montreal, Quebec at the end of November and beginning of December, to elect a new leader and, or so many claimed, the "next Prime Minister of Canada." The Liberals enjoy vaunting themselves as the great nation-building party of Canada and a veritable force for goodness; however, the reality is something quite different. It was the Liberals, under the leadership of Jean Chrétien and Paul Martin, who imposed massive austerity measures on the Canadian economy throughout their mandate, from November 1993 until February 2006. The nation has decayed to such a point that Ontario alone requires \$100 billion in short-term infrastructure investments simply to maintain what already exists, as recently confirmed by a conservative member of the Federal government from Ontario.

At the outset, the frontrunner was Michael Ignatieff, the great-grandson of the founder of the Russian secret service, the Okhrana, a leading proponent of the abolishment of the modern nation-state. Ignatieff, through his writings and pedigree, has proven himself to be an asset of the currently dominant financier-oligarchy. Ignatieff is also closely connected to financier George Soros through Project Syndicate, a media network which is funded by Soros's Open Society Institute. This was the man with an 11-point lead in the polls over his closest rival, and whose platform consisted primarily of free trade, deregulation, and debt repayment policies.

The next most-popular candidate was Bob Rae, ex-Premier of Ontario and current director of the Canadian Ditchley Foundation. Rae's brother, the executive vice president of Power Corporation, contributed \$750,000 to his campaign. Power Corp. is controlled by the Desmarais family, which is at the center of Canada's oligarchic networks. The total assets of the companies in which the Desmarais family has a controlling interest are estimated to approach \$280 billion. The Desmarais are also at the center of the powerful Canadian Council of Chief Executives, the primary private business lobby in the country, which is currently the driving force in Canada towards the complete integration of Canada, Mexico, and the U.S.A.—the so-called North American Union. The clan has numerous connections to the Anglophile establishment of the U.S.A. as well as to the aristocratic Lambert family of Belgium and the Synarchist faction in France, via Felix Rohatyn. The Desmarais clan, since the 1970s, has controlled the fol-

lowing Prime Ministers: Pierre Trudeau, Brian Mulroney, Jean Chrétien, and Paul Martin. All of these men have worked directly for Power Corp., and Chrétien's daughter is married to one of the sons of Paul Desmarais, Sr., the current patriarch.

None of the other candidates were of any substance whatsoever. There were no ideas, no principles (apart from appeasing popular opinion), and no conception of how to deal with the looming financial blowout. Much of the debate centered on a "Green Economy" concept. It seemed as if the entire party had been brainwashed with greenie ideology; thus, despite much talk of climate change, there was nothing said with respect to the critical role which nuclear power must play.

The first morning of the convention was dominated by Jacobin mobs stomping to and fro while incessantly chanting the candidates' names. The noise was astonishing, particularly when one crowd entered blowing whistles. Throughout the week the majority of literature being distributed, apart from that of the LaRouche Youth Movement, pertained to the nightly festivities the Young Liberals had organized in accordance with their own concept of "party politics": They were Jacobins by day but *sans-culottes* by night!

## Bringing Reality to Bear

It was into this milieu that the Canadian LaRouche Youth Movement deployed from Nov. 29 until Dec. 2, with the mission of reshaping the event to correspond with the historic times in which we live. We wrote a four-page leaflet for the occasion, entitled "Canada Needs a New Bretton Woods!!" which elaborated on the crisis, its remedies, and the principal issue of the survival of the nation-state system. By the end of the convention, we had circulated approximately 4,000 leaflets (the total attendance for the convention was less than 7,000), and talked to hundreds of people, the results of which will presently become clear.

By the end of the first day we had managed to speak with six of the eight candidates, placing the leaflet directly into their hands. One memorable moment occurred when, during Ignatieff's first public appearance at the convention, LYM organizer Valerie Trudel marched straight through the ring of bodyguards protecting Ignatieff, grabbed his hand, drew his face close to her own, looked him squarely in the eyes, and demanded, "Do you think a broken nation can survive the financial collapse?"

Ignatieff, who had been all smiles, recoiled in shock. Trudel repeated, but this time with a powerful *bel canto* projection, "Do you think a broken nation can survive the financial collapse?" Ignatieff looked stunned, as did a great number of the sycophants who were ranged about him. At this point, the bodyguards converged on Trudel, grabbing her scarf and goonishly dragging her away from the still speechless candidate while she began calling out repeatedly, "The U.S. economy is collapsing!"

Luc Trudel and Valerie confronted Bob Rae in front of his supporters four times, demanding to know how he would deal with the financial collapse. Candidate Stéphane Dion



Michael Ignatieff, who was defeated in his effort to win election as the Canadian Liberal Party leader by a brilliant intervention by the Montreal LYM, wrote the article featured on the cover of the New York Times Magazine of Jan. 5, 2003. The article, "The American Empire (Get Used to It.)" promoted the Iraq War as a necessary act of an imperial power (the U.S.) to bring order to an unstable region.

was also given a leaflet by Luc and told that his green agenda would not work. Dion said he would read the leaflet and that he would speak more with us in the future. Bill Graham, the interim leader of the party, was briefed several times by LYM members, receiving both the leaflet and Lyndon LaRouche's latest webcast pamphlet.

Dozens of conversations, primarily on economic policy, took place over the course of the convention, both with Members of Parliament and delegates, as well as observers and young people. All of the organizers noticed that the quality of discussion was consistently better with the delegates, youth, and observers than the MPs. People were noting that we were providing the leadership which none of the candidates were themselves able to provide. We provoked many thoughtful responses simply by asking people if they believed that any of the candidates were prepared to deal with the financial crisis. Few of those to whom we spoke denied the economy was tanking; the only point debated was the degree of severity. There was widespread recognition that we must reindustrialize our nation if we are to survive, coupled with a general disgust with free trade.

On the final day of the convention, we brought our chorus into a crowded hallway through which all the attendees had to pass. For at least half an hour, and just after Dion had pulled slightly ahead of Ignatieff on the penultimate ballot, we sang several canons we had prepared such as the following, to the tune of "I should be envious?" by Haydn: "Goodbye, Mike

Ignatieff: You're a nut, Your policies suck, You financier slut! Your lips are glued to Cheney's ass! Goodbye, goodbye, goodbye, you puppet of the right! Goodbye!"

Dozens upon dozens of people were stopping to listen, laughing, and taking literature—especially Dion's supporters. Hundreds of people heard us singing, our voices resonating throughout the convention center, provoking scowls from Ignatieff supporters.

### Changing History With the 'New Politics'

By the time the last round of voting was completed and the giant crowd of delegates and candidates had assembled in the main convention room, it was clear that the actions of six young adult LYM members, with the help of three contacts, had managed to engage hundreds of people on a profound level, with those most integral ideas of the human experience, with the reality of the global strategic situation, and with a sense of citizenship rarely manifested in this country before. We saturated the terrain with literature, made numerous interventions, and uplifted a gloomy mob with a certain *bel canto* grace. By means of these methods the total environment of the convention was reshaped to reflect the real events taking place throughout the world, events which the new Liberal Party leader will find impossible to avoid.

Thus, when Stéphane Dion was pronounced the new chief of the Liberal Party, by a margin of only several hundred votes, we knew that we had expressed a principle of political organizing which Lyndon LaRouche recently elaborated upon in "The New Politics." They changed history in the same way that the LYM changed history with the midterm elections in the U.S.A. Thus it was, that due to our actions, people were given a certain margin of freedom to react to reality, as opposed to the generally prevalent fantasy world concocted by the campaign spin doctors and convention organizers.

One confirmation of our influence came several weeks later, when a contact in British Columbia reported that several of his friends, who had been delegates at the convention, were talking about how our leaflet and our activities significantly altered the convention, causing "quite the sensation," such that that many people who would have gone with Ignatieff chose the acknowledged anti-Establishment candidate Stéphane Dion. The contact was thrilled with what we had accomplished, exclaiming, "You guys changed history!"

The full implications of what this are not yet known, for Dion will not easily remain free from the tentacles of the Desmarais family and the other powerful figures working behind the scenes. However, what is known, is that these oligarchs were both surprised and dismayed that both their candidates were defeated, and that Canada will not face a choice between the Conservative goon Steven Harper and a boot-licking lackey of the Liberal Imperialist Establishment. The full fruits of the LYM's activities will now depend upon mobilizing the party in the coming months, and saturating the nation and the government with the ideas and solutions of Lyndon LaRouche.

## Political Revolution Requires Aesthetic Education of Man

by Helga Zepp-LaRouche

*Helga Zepp-LaRouche, president of Germany's Civil Rights Solidarity Movement (BüSo), gave the following speech on Nov. 18, to the annual congress of the Solidarity and Progress party in France, which is backing the Presidential candidacy of party president Jacques Cheminade. She spoke in English.*

I think we are actually in a very good moment of history, because when Lyn [Lyndon LaRouche] said that it would be the youth who would be the revolutionary difference in bringing change in the world at this moment, I think this was just very powerfully demonstrated by the American part of the LaRouche Youth Movement. As you know, only two months ago, during the period of the primaries, which had the lowest turnout for a long time, most Democrats were actually convinced that they would not be able to win this election. And then Lyn has this really brilliant idea to catalyze an intervention into the campuses, into the universities in the United States. And basically we realized that the political block of most of the youth, the failure to react, of students and graduate students, was due to mind control by the Lynne Cheney/John Train apparatus,<sup>1</sup> and the Ayn Rand Institute; and basically, that you had a real mind-Gestapo preventing people from engaging in political discussions.

And then, when we intervened with the pamphlet “Is Joseph Goebbels On Your Campus?” and so forth, we had a real explosion. We then concentrated on those election districts which we thought were the most decisive ones, and the youth vote—especially of the age between 18 and 35 years—had the largest increase in turnout in these states where we were deployed. This catalyzed them, but also, obviously, other po-

litical forces got mobilized, so that the youth vote in general really picked up tremendously, where it had been completely apolitical and not mobilized just a very brief period before.

I think that this is really a very important reference, because the situation, I would say, before Nov. 7, was almost hopeless. Just think, what a universe we would be in, if we would still have a Republican majority for four more years or who knows what—it would be completely depressing, it would be a nightmare; there would be almost no hope. But when Lyn said that the situation had to be changed in the United States, to then create other options elsewhere, I think he really has been proven to be right, and now we have a fighting chance.

I spoke briefly with Lyn earlier in the day, and he said that the response to his webcast on Thursday [Nov. 16] was absolutely fantastic, that the right people in the Democratic Party got it, and they were completely excited. And these are also people who know that the crash is on. I don't need to name who these people are, but I think Jacques probably has told you, these are people who do know something about Wall Street, they do know something about the global financial system.

Therefore, I think we are going into a period where, between now and the end of the year, the beginning of the new year, you will see *dramatic*, changes. You probably will see the meltdown of the system. You have now, almost every day, the *Financial Times*, or Robert Rubin, or other such people warning of an imminent crash—this is not supposed to be the “psychology of the markets.” Because, according to the psychology of the markets, you are supposed to talk very nicely about the financial system, and not give an alert warning that it's about to crash.

Now, you all know the situation in Iraq is absolutely out

1. See Anton Chaitkin and Jeffrey Steinberg, et al., “John Train's Press Sewer: Is Goebbels on Your Campus?” *EIR*, Oct. 13, 2006.



EIRNS/Julien Lemaître

*Helga Zepp-LaRouche with Jacques Cheminade in Paris on Nov. 18, at the annual conference of the Solidarity and Progress party, which Cheminade heads. The challenges facing the world in the next weeks and months, she stressed, will require profound subjective changes—of the sort that were most incisively described by the great humanist poets and philosophers of German Classical culture.*

of control. And if there is not an immediate reversal of the policy, in the direction of the “LaRouche Doctrine for Southwest Asia,”<sup>2</sup> there is right now, the danger—even if they don’t make an attack on Iran, which is not off the table until we have Bush and Cheney impeached—the dynamic right now, is towards a broader war and civil wars, involving Turkey, involving other countries in the region, because this thing is just exploding on a Shi’ite-Sunni-Kurdish basis.

### **A Turning-Point in History**

So, if the crash comes, Lyn is the only person—and he has stated this many times—who can effect the necessary change in a reform of the monetary system. But, I’m pretty sure, that when this happens—and it will happen, as we say in Germany, “as surely as the ‘Amen’ in church”—then there will come a period which will be the most challenging in world history. I’m sure that that is not an exaggeration. Because, either Lyn can catalyze the Democratic Party and hopefully some moderate Republicans, to immediately go for the proposals of a New Bretton Woods—a new monetary, emergency conference—or there will be chaos.

We will come to a moment when the American Revolution or any other great moment of change will look relatively small, compared to what we have to effect. So, that is why, in a certain sense, I wanted to discuss this question tonight of what is required subjectively.

Now, obviously, when the American Revolution happened, the best European minds all hoped that this could be

replicated in Europe. And the biggest hope obviously was placed on the French Revolution, with Jean Sylvain Bailly and the idea to have a National Convention until a Constitution could be debated, representing the closest approximation to going in the direction of an American Revolution.<sup>3</sup> But we all know what happened: the storming of the Bastille; shortly afterwards the Jacobins; Robespierre said, “The Revolution doesn’t need any scientists”; the guillotine started to be used; Thermidor came as a response to that; Napoleon crowned himself Emperor, and started to establish a global empire, by plunging all of Europe into wars. And at that point, all the humanists in all of Europe, who had looked to France to be the first example to follow the American Revolution, were completely shocked, and only some strange Jacobins stayed on the course of the French Revolution after that.

### **Schiller and Aesthetic Education**

One person who was very much in favor of the French Revolution in the beginning—as a matter of fact, he, in 1789, thought that the Age of Reason was about to start—was Friedrich Schiller. In 1789, he gave his famous lecture on universal history in Jena, and he was convinced that the possibility to establish true political freedom, republics all over the place, was extremely close. He was made an honorary citizen of France in 1792, by the National Convention. But when Schiller heard that Louis XVI had been executed, he was com-

2. Reprinted in *EIR*, Dec. 15, 2006.

3. Pierre Beaudry, “Jean Sylvain Bailly: The French Revolution’s Benjamin Franklin,” *EIR*, Jan. 26, 2001, and “Why France Did Not Have an American Revolution,” *EIR*, Jan. 18, 2002.

pletely disgusted, and he rejected this honorary citizenship, because he didn't want to have anything to do with such a policy.

Schiller at that point wrote the famous *Aesthetical Letters*. He starts these *Aesthetical Letters* by saying about the French Revolution, that "a great moment had found a little people." That the objective condition was there, for political change, but that the subjective, moral condition was lacking. And he wrote his *Letters on the Aesthetical Education of Man* to try to find a means to make sure, that in the future, such great moments would find, not a little people, but a great people, who would be capable of using the objective opportunity and making the kind of political change which was required.

If people remain the same, he said, nothing will change. So the only possibility you have is to change the people, to make them better people. And how do you make people better? By aesthetical education. And since most people today have almost no idea of what that actually is, how do you aesthetically educate somebody? Does that mean that you go to the theater every evening? Does that mean you read a lot of books? Or, what does it mean? I want to actually go a little bit into the evolution of the idea of aesthetical education, how this occurred.

### Origins of the Weimar Classical Period

Now, you probably know that the two persons who were more important to lay the foundation for the German Classical period than anybody else, were Gotthold Lessing and Moses Mendelssohn. And I will talk about them in a little while. Lessing was actually the first German tragedian in the real sense, writing real tragedies, after the Seven Years' War, and after the Thirty Years' War in particular, reviving Shakespeare and going back to the Greek Classics, laying the foundation for the Weimar Classic, which was Schiller, Goethe, Wilhelm von Humboldt, and several others; but Lessing was one of the founders. And he was actually the first one to say: Tragedy means ennobling the audience by evoking its compassion—*Mitleid*. And he said: Who makes us compassionate, makes us better and more virtuous.

Actually, one can say the real founding of aesthetical education was in a letter exchange—which, when your German has progressed enough so that you can all read this fluently, I advise you to read it—a letter exchange among Lessing, Moses Mendelssohn, and Friedrich Nicolai (Nicolai was the publisher) from Aug. 31, 1756 to May 14, 1757.

In this letter exchange, Lessing develops the essential conception of his theory of the ennoblement of man. He starts with questions such as: Which passions are provoked by tragedy, and which faculties of the soul are responsible for moral cognition? Which power of the soul guides moral behavior? I think that is a very worthwhile question, and I will come to it in a second. He says: The most compassionate man is the best man, more open to all social virtues and all kinds of generosity.

You can believe that or not, but it's something I put on the table tonight as a thesis, and as I keep talking, I want you to think, is that sentence true? Is it true that the most compassionate person is the best human being? Well, I think so, and I hope that you will debate me and refute it, make arguments and so forth, but I want to come to this.

### Aristotelian Manipulation

But let me first give you the prehistory of how we came to this point. Now, in the period since Aristotle, everybody would talk about the *affect* of tragedy, of drama; they refer normally to Aristotle and his *Poetics*. And in this work, Aristotle says that you need tragedy for *catharsis*. Now, what he means by *catharsis*, is that you need a lot of emotions—fear, compassion, and many others—so that the emotions get purified by fear and compassion. He also says, just in parenthesis, that an actor should go on the stage and feel anger, when the main character feels anger; or feel love, when he kisses Juliet, if he's Romeo. And so forth and so on. (Schiller by the way, later completely rejected this. Concerning the idea that you have to go on stage and pull out your hair when you're upset, he wrote a very nice article, called "About Bürger's Poems," which I advise you very strongly to read, because it's full of gems.)

So, Aristotle says: Also people should cultivate their emotions very well, because you need that for rhetoric. He says, the objective of speech, of rhetoric, of oratory, is to influence the judgment of the audience; and therefore the orator must get himself and the person who judges, into a certain attitude. The same subject appears differently to the person who loves, from the person who hates; it appears differently to the person who is angry, or who is mild—the same subject will be judged by people in a different mood, in a completely different way. So therefore, truth is not what counts, but that you (I would say) manipulate people to believe, through rhetorical skills, you put them in the mind-set so that they judge the matter according to the mood you put them into.

He says, therefore, for him, affect—and I use the old word "affect," which is the same as passion or emotion, but since Lessing and all of these people talk about it in terms of "affect," I use it this way, because it's simply more accurate; it's more to the point. So, Aristotle says: There are two other means of persuasion. One is the character of the speaker, and the speech itself. And also, the proofs and the supposed proofs. It doesn't matter if it's true or not, as long as I make it appear that the proof is true.

Now, that thinking of Aristotle's influenced the debate for a very long time. Rudolph Agricola wrote, in 1515, that it is of no importance for the affect, for the emotions, whether the matter is true, as it only appears that way; every affect is unreflected and heated, and mostly in a heated argument one affect grows out of another. You know, in a heated debate, where everyone is talking with high emotions, one emotion catalyzes the other, and it doesn't really matter then what the



Rudolph Agricola was an Aristotelian of the 16th Century, who maintained that it is not truth that is the basis for judgment, but the manipulation of emotions.

reality is. So, the judgment, he says, does not occur on the basis of reality, but on the basis of the delusion of another affect, which a person has accepted because of another even minimal and unimportant influence. So, it's all about manipulation.

He says, an affect is a certain motion of the mind, which causes us to desire or reject something more than if we were in a state of calmness of the mind. In other words, all you have to do, is whip up emotions, and you can influence people, change their views and so forth.

Then another writer in this line was Gerhard Johannes Vossius, who in 1630, wrote about rhetoric, that what counts is a change of the state of the soul, or the mind, for that matter, which is excited through the affects; and then, the person judges differently than the calm person or the appeased person before. He describes the persuasive effect of affect, and he says, it can be made so strong, that it can even be deployed against the truth.

I unfortunately have recently seen such examples, in my immediate environment.

Aristotle, who was the founder of the rhetorical school, actually said the reason the speaker has to learn the characteristics of affect, is to manipulate the result, so that he can consciously cause a certain result. Antonio Sebastiano Minturno wrote a piece, *De poeta*, in 1559, also on the line of Aristotle, and he says: "Compassion and fear can be very well used to break anger, to destroy greed, to reduce ambition, to suppress lust for power, and to contain every unbridled raving of the mind." So, this was the common view of all poets, at least the ones I encounter, in the 16th and 17th centuries; this was the opinion of Vossius, Jacobus Pontarus, the so-called Giessener Poetik group; Gryphius, who wrote during the Thirty Years' War, very emotional, really powerful poems, which you should also look at at some point. And all believed that this was the Aristotelian view of compassion and fear.

Aristotle, by the way, called compassion, "*eleos*" and fear, "*phobos*"; you find this word still in "phobia," and so forth.

Behind that, is the idea that you need a *catharsis*, a cleansing of the emotion.

## Enter, the Leibnizians

Then Lessing appeared in the middle of the 18th Century for the first time, with this idea that tragedy only creates one passion, not many, and that that passion is compassion, *Mitleid*: that you feel with the suffering of the other person. Also, he's the first one to ever say that there is a moral effect of compassion. Now, he did not completely invent this on his own. He goes back on the one side to Leibniz, and on the other side he was in this dialogue with Mendelssohn. But, he nevertheless made a clear break with the Aristotelians.

Leibniz had written *Meditationes de Cognitione, Veritate et Ideis* [*Reflections on Knowledge, Truth and Ideas*]. (Unfortunately he wrote most of the time in French or Latin, which makes it very difficult to read him, because he writes with three languages in one sentence.) He describes also, in a certain sense, the different kinds of cognition. He says, the key is the activity of the soul, because it is the soul which defines cognition. If a soul cannot recognize the perceived matter, or the subject that you are trying to understand, he calls it "*cognitio obscura*," dark cognition. If you recognize it clearly, he calls it "*cognitio clara*." If you can differentiate the matter from other things, he calls it "*cognitio distincta*"; or if you cannot do it, "*cognitio confusa*." (Now, that is also something I have recognized recently a lot.)

Leibniz was the first to investigate the subjective condition of the process of cognition, namely that it is occurring in the human soul. That is not self-evident, because most people, when they talk about reason, understand it as an objective process of the mind.

Another person who was following Leibniz in this tradition, was Alexander Gottlieb Baumgarten, who wrote *The Theoretical Aesthetic*. He developed it for the first time, and he goes even a step beyond this, and says: It is the sensuous part of the soul which is also capable of independent cognition. That you have the mind, reason, which does the cognition; but you also have the soul, which is the part which is responsible for the sensuous part of cognition. So he developed the first scientific definition of the instruments for an investigation of this power. He develops these different powers of the soul, which are involved in the sensuous part of cognition. He differentiates between *imaginatio*, which is the power of imagination; the *facultas fingendi*, the power of poetry; the *perspicacia*, the power of analysis; *memoria*, memory; *previsio*, the power of anticipation; the *judicium*, the power of judgment; the *praesaegitio*, the power of inkling, or what Lyn would call "prescience"; and the *facultas caracteristica*, the power of conceptualization. The area of cognition, he says, is exclusively the realm of the sensuous part of the soul, or that part with which you understand poems. The power of the soul in respect to cognition is sensuous. But, he says, absolutely clearly, it is not feeling for feelings' sake, but



*Moses Mendelssohn (1729-86), the great German-Jewish philosopher, was known as “the Socrates of Berlin.”*

it is the question of how do you educate your emotions so that they play a better part in the role of cognition?

So aesthetics, in that sense, as an independent science of sensuous cognition, was really developed in the course of the 18th Century.

### **Moses Mendelssohn on ‘the Sensations’**

Mendelssohn, referring to Leibniz and to Baumgarten in 1755, wrote “Letters About the Sensations,” in which he investigates the nature of pleasure; and what he means by that, is to look at the processes which occur in the soul when a person experiences pleasure. Now, Mendelssohn discusses compassion and love for an object, or a person, who is associated with a misfortune or a physical evil, which happens to him without his own doing. The love part is based on the perfectness of the person you love; you think the person you love has some very good qualities, otherwise you wouldn’t love this person, and that obviously gives you pleasure. And if a misfortune happens to this person, for which the beloved person is not to blame, then the innocent beloved who is in such a misfortune is even more lovable, and it increases the value of his excellence.

Mendelssohn says: This is the nature of our sensations. If some bitter drops are mixed in the honey-sweet cup of pleasure, they increase the taste of pleasure and double its sweetness.

That is the essence of tragedy: Why do you feel pleasure in something which is horrible? Why do you bother to see Sophocles, or Euripides, or Shakespeare, or Schiller? Well, because obviously, the misfortune of the noble person increases the “fun,” so to speak. I’ll come to this in a second.

So, then Mendelssohn, in the tradition of Leibniz and Baumgarten, insists that the perception of a matter is constituted by the processes of the soul in the subject who does the cognition. And he then writes about the *Main Principles of the Beautiful Art and Sciences*, and this is the title of a book in 1757: In the rules of beauty lie the deepest secrets of our

soul. In each rule of beauty, lies at the same time, the discovery of knowledge about the soul. He calls this *Seelenlehre* or *Seelenkunde*, which nowadays you would call psychology. The point he’s making, is that each rule about beauty, when you discover it, tells you something about how your mind works. Since the rule specifies which condition a beautiful object has the best effect on our mind or soul, it is possible to explain it by the nature of the human mind and its attributes. One has to investigate the appearances, which are the main-spring, the motives of our soul, and when the soul is in the heaviest turmoil, the most upset, very carefully compare it with the theory, to shed new light on it and to expand its limits through new discoveries.

Now, that is a similar idea to what you find in Nicolaus of Cusa, about the laws of the microcosm and laws of the macrocosm being the same. It is the same idea that you find in Leibniz, that you have to understand the human soul as a Monad, which contains in germ form, all the laws of the physical universe at large. It is the same idea, that in the laws of beauty, you find the key to the inner secrets of your own soul. So, he says further, that, in respect to the appearances of the mainsprings of the soul, emotion, then what causes the mainsprings of the soul to be most activated, is beautiful art.

Now, the notion of the affect, of the passion, for Mendelssohn is completely different than for Aristotle. And this group of people, especially Mendelssohn and Lessing, consciously broke with all the theories about poetry, about rhetoric, derived from Aristotle. Because, for Aristotle and the school of rhetoric, affect, passions, are only a means for persuasion and manipulation. While for Mendelssohn, he’s talking about the psychology, the *Seelenkunde*—I have not found a good [English] word for it: the knowledge of the soul. And he has given it a new sharpness in this notion.

### **The Mendelssohn-Lessing-Nicolai Dialogue**

Now, the question was asked, what kind of passion is evoked by tragedy? On stage, all kinds of passions happen; the main actors are sometimes joyful, they fall in love, they become angry, they become vengeful. So now, Lessing asks: Do these people in the audience experience these emotions that are shown on the stage? I’m not asking the question, do they accept that the actors have these emotions in the play; but rather, does the poet get the person in the audience to feel these passions himself? Does the person who is sitting in the audience feel like Juliet, or Romeo, or like Iago, or these people? And here Lessing answers: No. No passion or emotion is evoked by tragedy in the audience but one: compassion. Because the person in the audience does not get really furious or afraid, even in a horror movie! When you switch off the TV set or leave the movie hall, the horror goes away, because you remember, it was just a movie. So you’re not really experiencing this emotion, because, as Lessing says, the uncomfortable object is missing.

Lessing says this is totally different concerning compas-



EIRNS/Stuart Lewis

*Classical actor Robert Beltran works with a LaRouche Youth Movement drama workshop in Pennsylvania, coaching a performance of Shakespeare's Julius Caesar. Does the audience actually experience the emotions portrayed on the stage? Lessing, who rejected the Aristotelian concept of tragedy as catharsis of the emotions, said no: What the observer experiences is compassion.*

sion. Because here, the affect, the passion, has an object, the misfortune of the tragic hero, and compassion is a specific form of cognition.

Now, Nicolai, who participated in this dialogue with Mendelssohn and Lessing, says: No, the tragedy is only effective when the observer feels the emotion himself, in his soul. Lessing disagrees with that, and explicitly says: I disagree with this whole Aristotelian school. And then he starts this letter exchange on Aug. 31, 1756, and in the letter, he says, "I'm going to dispute and disprove the argument of Aristotle, that the aim of tragedy is to purify the emotions."

That is the main reason why so many dramas which were written in Germany are bad dramas. Because if the purpose of a drama is to achieve the moral improvement of the audience, you end up with these terribly moralistic, didactic plays. And Nicolai says: I say the best play is that which evokes the passions the most. Therefore, he says, the most important thing is the plot in a drama, because the plot is what evokes the emotions the most. And then he goes through different categories of plays, Greek tragedies and so forth, and says: Look, don't you see? In these tragedies all kinds of emotions are evoked: fear, compassion, admiration, and so forth.

And then Lessing writes to Moses Mendelssohn in October 1756—I'll just give you a little anecdote, because some people these days complain that Lyn is polemical, and I wanted to tell you through this story, that Lessing was also

quite polemical.

In one of these letters to Mendelssohn, he says: "I read your message about Naumann's metaphysical discussion with a noble lady." He wanted to issue philosophy for ladies, which was never published. Naumann—I'll tell you at the end who he was—said: "After I heard that from you, I couldn't help shouting out, 'Why did he not rather drown?' This thought is, according to your own system, by the way, not so malicious as it appears, because what is best for a single person must always be secondary to the general welfare. And it would be better even for his own honor. Would it not be better to drown as a bad poet, than as a bad philosopher? By the way, I don't predict or wish such a fate for him—God, no! I'm not doing that. I would even save him at the risk of my own life, pulling him out of the waters if he had fallen into them. But the point is simply, Naumann is not smart."

The background of this story, is that Naumann was a lousy poet, who at the same time wanted to make a lot of

money. He tried to sell a shipment of ladies' stockings to America, but the ship went down and he lost all his money. And then on top of that, he wrote a poem about this story, and sent the poem to Lessing, and that is what he refers to—better to drown as a bad poet, than as a bad philosopher.

I just wanted to tell you, because Lessing is full of such humorous things, which are very difficult to capture in translation.

So, finally, in November 1756, Lessing answers Nicolai's first letter from Aug. 31. He says: We both agree that the principle, that tragedy must make people better, resulted in many well-meaning but bad dramas. But the second principle you mentioned, that the more passions a drama arouses, the better—well, let's look at what passions are aroused by a drama.

And then he goes through these questions again, and says: Do you actually become more joyful? Do you fall in love? Or, is it something else? And he says, "No," and he repeats, the only passion which is evoked is compassion. Because horror and admiration are not really passions. Horror, he says, is nothing but the surprise of the compassion; for example, when a ghost appears, as in *Hamlet*, it is the anticipation that this ghost has something to do with the misfortune of a person. Because you would not be afraid of a ghost as such. So, he calls "horror," *Schrecken*, a "surprise compassion." Or, admiration, if the hero is unfortunate, but he's so sublime that the



Gotthold Lessing (1729-81) believed that compassion is the only true emotion evoked by tragedy, whose purpose is to increase the feeling of compassion in the audience.

compassion turns into admiration. So, he says, horror and fright, and admiration, are only steps on a ladder, where the middle is compassion, and if it comes too soon, then he calls it *Schreck*, and if it goes too far, it becomes the Sublime, it turns into admiration. He says: The purpose of the tragedy is to increase the feeling of compassion. It is not supposed to teach us to feel compassion for this or that unfortunate person, in the concrete situation in the play, but to educate our emotions to feel compassion for all unfortunates at all times, in all situations, to move us to engage ourselves for them.

Now, this is very important, because Lessing says at another point that the reason people should study tragedy and great plays, also comedies, is that they teach you, in looking at the stage, how to deal with a problem you may meet in real life, but which comes so suddenly that you have no time to rehearse it. And Schiller says, for example in the introduction to the *Bride of Messina*, which was one of the plays which he wrote completely in the Greek style, that great tragedy or great Classical art evokes in us an emotional power, which stays within us even after we have long left the theater.

Now, I believe this is absolutely true, both positively, but also unfortunately, negatively. I twice made the mistake that I went to a good play by Schiller and one by Shakespeare, which had these horrible, modern *Regietheater* performances, and it really caused *terrible* emotions in me, and I could not switch them off. They stayed with me for days to come. And, at the same time, when you experience a very elevated performance, and you are ennobled, it stays with you. You have learned emotionally something which will not go away. With great music, it's similar, but he says this for great tragedy.

So, he says, the aim of this whole thing, is to make us feel compassion for all unfortunates at all times in all situations, and cause us to engage ourselves for them.

Now, this is the main problem we have to deal with. Because, you see, the problem is, why do people not immediately say, "The world is in terrible shape: Africa is dying, the culture stinks, most people are suffering terrible lives. I have to de-

vote my life to changing that." No. People don't react like that. They say, "Oh. . . I don't go there." "To look at the misery in Africa? I don't let that get to me. It would ruin my evening." We have many people who say, "I haven't watched the news for a long time, because all you see is bad news, and I don't want to ruin my day with all of this reality."

Schiller, in the *Aesthetical Letters*, which are all based on these earlier writings, especially of Lessing and Mendelssohn, he says: The main problem of our time, is the lack of *Empfindungsvermögen*, development of sensuous faculties, of the emotional side of cognition. And most people neglect that completely. They say, "Oh, I need to study, I need to know all of these things," but they pay very little attention to the fact that their emotions have to be educated to be on the same level as reason, that there should not be a contradiction. So the *Aesthetical Education* is addressing exactly this problem.

Then, Lessing says: The most compassionate person is, therefore, the best human being, ready to act on the basis of all civil virtues, to demonstrate all kinds of generosity. And therefore, one who makes us compassionate, makes us better and more virtuous.

And then he says, the same thing is also true for comedy, because it enables us to recognize all sorts of absurdities, and a person, who has, in a playful way, studied these absurdities, will not repeat these in his own behavior, and therefore eventually will become the best-educated person.

So, both tragedy and comedy, at the same time, naturally, are inseparable from having fun.

## The Essential Nature of Tragedy

Now, they go into how to make a drama, such that this effect is brought about. The person who suffers misfortune in the play, must have good qualities and accomplishments, and the misfortune must remain in a balanced relation to accomplishment. You must have a good person, and a good misfortune, but not a big accomplishment and a small misfortune, or vice versa; they have to be approximately equal to have this effect. Therefore, the poet must not put a completely evil person on the stage, because you will not feel compassion for a totally evil person. And you should not put God on the stage, because He is so perfect that there is no tragedy involved—there is only admiration.

So therefore, the question is, how do you write a tragedy in such a way that such compassion is evoked in the maximal way? Lessing does not refer to the outcome of the play—whether the tragedy ends badly, and therefore you call it a tragedy—but he says, it has to be sustained for the entire duration of the play. Then, in the letter to Nicolai on Nov. 29, he writes: The aim is to cause the audience to be moved, even to tears.

Take, for example, a beggar. I go to the beggar and I ask him why he is in this situation, and he says, "I lost my job three years ago. My wife is sick. My children are too small



The Shakespeare Theater at the Folger

*The blinded Earl of Gloucester with his son Edgar in a performance of Shakespeare's King Lear. The audience is deeply moved, wrote Lessing, when the suffering and the accomplishments of a character in a play are approximately in balance.*

to take care of themselves. I just overcame a severe illness yesterday." Then the person asks the beggar, "Who are you?" and he replies, "Well, I worked for a minister, and I could get my job back immediately, if I would agree to be the creature of this evil minister." And then Lessing says: Well, that's a story, but nobody would be moved to tears about it. But if the beggar says, "I lost my job because I was honest, and I made myself hated by the minister, and therefore I'm now suffering hunger, and my sick wife and my small children go hungry and would rather beg, than have to see me become evil, and they cannot bear having me become evil." In this case, the compassionate person may weep, because here you have a story where accomplishment and misfortune are in a balanced relationship.

Take a balance-scale, and place misfortunate on one side, and compassion on the other. Let's put a little bit more emphasis on the one or the other, and then see what it does to the emotional reaction of the audience.

Let's have the same beggar, the unfortunate, who continues his story, and says: "But, if only my wife recovers from her illness, everything will get better, because we are brave people and we are not ashamed to earn our money with the work of our hands. We can cut wood, or do something else practical. The only thing that counts is not whether we work with our hands or we work in the ministry, but that we aspire to the Good."

And then, Lessing says: At this moment, our tears dry and admiration takes over, with all of this noble behavior. But we are no longer moved.

Okay, let's emphasize the other side of the scale: The misfortune becomes too big. So, the story continues; the beggar does not get any donations; everyone rejects him and says, "Go away!" His hunger becomes worse, his mind becomes

confused, and his anger increases. And then, at the height of it, he murders his wife, his children, and finally kills himself.

So, then Lessing asks: Can I still cry? Obviously not, because here the pain has overtaken the compassion, and the compassion stops.

He has more elaborated examples from the Greek tragedies and so forth, which would take too much explaining, so I took a relatively simple story. But he applies the same principle to *Oedipus*, to *Hecuba*, to other Greek tragedies, and it's a very useful mental exercise; if you want to write tragedies, or comedies, it's useful to read this. Because it gives you a sense of what kind of thinking people had to use to create their characters, to assess the scientific effect on the audience. And we come to this in a second, with Schiller.

So, the whole point, what Lessing is trying to do, is to develop as many people as possible into self-thinking people who are capable of individual compassion, a personality which is developing harmoniously as an individual. And compassion is the most important. Now, remember, when Lessing and Mendelssohn wrote these things, Mendelssohn was called the "Socrates of the 18th Century"; he continued the *Phaedon* of Plato, and he was really the outstanding, towering mind, and was regarded as such in the 18th Century in Germany.

### **Against the Enlightenment—and Popular Culture**

They all did that, against what? Against the French Enlightenment, against the English Enlightenment, against the ideas of Locke, Hobbes, the idea that the only interest is egoism, self-interest. Basically, personal benefit, that that would motivate people to do things.

Now obviously, you can see already, that by this theory you have to have, not self-interest, but you have to organize people so that they feel compassionate toward each other. It is obviously the opposite of the Enlightenment, and a total attack on the Enlightenment.

And Lessing and Mendelssohn were very much against everything which was [debased popular culture]. For example, they did not go to soccer games, obviously; but they would be horrified if they had seen the World Cup soccer games in Berlin last Summer, when you had these people in a rave. And they would be completely horrified if they were to go to a modern pop or rock festival, where you have 10,000 young people all in very strange, Dionysian, orgiastic motions. As a matter of fact, mobs and crowds are actually the opposite of what this aesthetical education is all about. Nobody will ever be aesthetically educated by going to any kind of mass event of that kind.

Just yesterday morning, there was a TV program about video-games, and you know, they actually did a study which completely confirmed what I said several years ago, when I worked on Pokémon and video-games and so forth. They have now found—not surprisingly, it's not new, but I just want to repeat it in this context: At a rock concert, people

have wild, crazy emotions. But what happens in the video-game is totally the opposite: People become autistic. They develop a certain faculty of the mind, and when they play video-games for hours and hours, you can even say that they develop a certain skill, like having quick reactions. But it is almost like a dead part of the mind, because it's based on pure logic, almost like a digital reaction in your mind. And people have *no emotions*. In video-games you cannot have emotions, you become autistic. Because you're not developing—Lessing would say, how can you be compassionate with a video-game?

But the researchers took students, or children, or whatever—young people who do this for hours and years, and then they expose them to family fights, to political disaster, to natural catastrophe, to certain scenes that are in the video-game, they have almost no reaction. But when the video-game is tested, they have very big emotions. Now, I think this is really a very interesting thing.



Feature Photo Service

*Video-gamers in Los Angeles. Studies have found that video-gamers' emotions are suppressed, almost to the point of autism, even as their minds are narrowly focussed to master skills such as quick reflexes. The opposite of Classical aesthetic education!*

### Schiller: The Sublime Aim of Poetry

Now, let's look at Schiller, because in a certain sense, the idea that man can be aesthetically educated, as I tried to point out, came out of a long struggle, until people really had the right idea. Schiller wrote the *Aesthetical Education of Man*, and many other aesthetical writings. Why do people feel joy at tragic subjects? He wrote two very beautiful articles about the Sublime—which is really unique to Schiller: The notion of the Sublime, is something which I think nobody else has in a play. Schiller made a special kind of different universe of tragedy, by inventing this idea of the Sublime. But he was very clearly influenced by Lessing and Mendelssohn, and one should know that the Humboldts, for example, Alexander and Wilhelm von Humboldt, used to go to Mendelssohn's family home all the time.

So, what I said so far, was the fertile ground out of which then the German Classics came. In Schiller, concerning pleasure about tragic subjects, he actually said almost the same thing that Lessing had said earlier: that the well-meant desire to have the morally good in art, as the aim, has produced so much mediocrity, and also in theory has caused similar damage.

So, what is the aim? The main idea of the *Aesthetical Letters* is the following: He asks, why did the French Revolution collapse? (That's one reason why you should read it, by the way!) He says, because the subjective condition was not there. That's what we have been talking about the whole time. So, then he asks, what should one do, where should the ennoblement come from, when the masses are degenerate, and the governments are corrupt? Then he comes to the surprising—or not so surprising—answer: It has to come from great Classical art. Why? Because in the case of great Classical art,

when it has the true principles of this art, the tyrant can contain it, he can forbid it, but he cannot rule in it.

A great poet, he says, only deserves to be called a great poet, if he idealizes himself at the moment when he creates great art, at the moment when he writes a tragedy or a poem; he has to ennoble himself, to be an ideal man, or he should not dare to move his audience. Because the poet, or the artist in general, or the composer—but especially the poet, because he has such power, that he can touch the emotions and he can change people—should not go in front of the audience if, when he composes his great art, he has not ennobled himself to be an ideal man, *and*, he should not talk about a subject which is not a universal one. Because if he fulfills these two conditions, he has a scientifically knowable effect on the audience. A poet or an artist who says something and then produces chaos, what Aristotle was talking about before—where some people hate, others love, and so forth—Schiller says: No, the effect on the audience must be scientifically known by the poet beforehand. And the only way you can accomplish that, is by having these two conditions fulfilled.

**Q:** Can you repeat the two conditions?

**Zepp-LaRouche:** Well, the first one is that any artist who dares to touch the audience should ennoble himself to be an ideal man, at least at the moment when he writes the poem. Then later he can have a little pause—but I'm saying that's the condition of Schiller, that a person may be irrational or may be a gourmand, or something else—but when he is a poet, he should stop eating at least while writing the poem! No, I'm making fun of a very poignant subject. But it's true! Beethoven, Bach, Schiller—they would never have written



EIRNS/Steve Carr

A statue of Friedrich Schiller (1759-1805) in Detroit, Michigan. Germany's greatest poet and playwright, Schiller wrote that "a beautiful soul is a person for whom freedom and necessity, passion and duty, are the same thing."

what they wrote, if they had not done that! They ennobled themselves to the highest ideal of man, when they composed. Bach's *Jesu, meine Freude*—you cannot write that, when you're having a freak-out!

You have to ennoble yourself, with what Lyn calls the "lunge principle" of a conductor—you have to mobilize the highest ideal. When you write a poem at home, don't write a poem just because you have eaten beans, and your stomach is full, and you have to get it out somehow! The subject you write about should be of universal interest for mankind. This is why most poems which are like opportunity poems—"the air is so blue, and the leaves are so green"—that is generally bad poetry. Because according to Schiller's demand, the subject you discuss must be a universally interesting and truthful subject for mankind. Only then can you call it great.

And if you fulfill these two conditions, then you can have a scientific effect, a knowable effect on the audience.

### The Beautiful Soul

Schiller also writes in a critique of the poems of Bürger. So, Schiller says:

"It is inconceivable that a man whose knowledge has matured will seek refreshment for heart and mind from an immature youth; nor will he desire to encounter in a poem the very same prejudices, brutish customs, and vacuousness which plague him in his daily life. Such an individual is fully justified in demanding that the poet be as Horace was for the Romans, a trusted guide through life, and that the latter be on his own moral and intellectual level—since he desires never to sink below himself, not even in the hours he sets aside for recre-

ation. It is therefore not enough to merely depict sentiments with elevated colors; our sentiments must themselves be elevated. Enthusiasm alone is not enough; we demand the enthusiasm of a matured mind. All that the poet can give us, is his own personality; it must therefore be worthy of being presented to the scrutiny of society and posterity. The task of ennobling that personality to the highest degree, of refining it into the purest, most splendid humanity, is the first and most important business he must address, before he may venture to stir members of the elite. There can be no greater value to his poetry, than that it is the perfect imprint of a truly interesting disposition of a truly interesting, perfected mind. . . .

"One of the poet's indispensable functions is to idealize his object; failing this, he deserves not the name. It is his office, to free all that is excellent about his object (whether this be a physical shape, a sentiment, or an action, whether internal or external) from coarser, and even from merely extraneous substances; to gather the beams of perfection scattered among many objects, into a single beam; to subordinate asymmetrical features to the harmony of the whole; to elevate what is individual and local, into

what is universal. All particular ideals which he develops in this fashion, are, as it were, outpourings of an inner ideal of perfection abiding within the poet's soul."<sup>4</sup>

In other words, when you write a poem, you can see the soul of the poet. So you'd better watch out, because everyone can read the innermost secret of your soul, when you write a poem! Which is why I personally find it very difficult to write poems, when not surrounded by friends. Lyn said the same thing: Lyn wrote poems when he was a younger man, and he said he stopped because there was no culture which would allow him to write these poems in an appropriate environment. And I have had the same experience, when I wrote some poems, and I was not in the right environment. Then you stop, because you expose your soul. When you write an article or a leaflet, or a book, or whatever, it's still sort of objective—compared to a poem. But when you write a poem, you reveal something of your innermost secrets, they're totally exposed. I think those of you who have written operas recently, probably can say the same thing for operas, or other compositions. If you didn't do it last week, you will do it next week—it's okay!

Okay, so what is now required for the poet to become such an idealized person? How do you manage to fulfill this ideal? How do you become an ideal man, at least temporarily? Better, you should be that all the time, but—

Well, the whole purpose of what Schiller wrote, was exactly like for Lessing and for Mendelssohn, to ennoble man-

4. "On Bürger's Poems," in *Friedrich Schiller: Poet of Freedom*, Vol. II (Washington, D.C.: Schiller Institute, 1988).

kind. Anybody who tells you anything different, forget it. They don't know what they're talking about.

And the highest ideal of the image of man which Schiller had, was what he called the "beautiful soul." Now, I give you a quote from a writing by Schiller, which is called, "On Grace and Dignity." He says:

"We call it a beautiful soul, when moral sentiment has assured itself of all emotions of a person ultimately to that degree, that it may abandon the guidance of the will to the affect, and never run the danger of being in contradiction with its own decisions. Hence, in a beautiful soul, individual deeds are not properly moral; rather, the entire character is. Nor can one add any individual deed to its account of merit, because the satisfaction of an impulse can never be called meritorious. The beautiful soul has no other merit, than that it is."<sup>5</sup>

And then, at another point, he says: "A beautiful soul is a person for whom freedom and necessity, passion and duty, are the same thing." Which follows all of what I just said: because, if you have educated all your emotions to this high level, then you have to do what is necessary, which is a duty, but you're not doing it *against* emotions. Most people say, "Ugh! I have this terrible thing to do, but because I'm moral, I suppress my emotions and I do the moral thing." And then they become Kantians, because they have to use the moral imperative, about which Schiller says, Kant must have had a terrible childhood, because he was not a beautiful soul; he didn't write for us, he only wrote for slaves. If you have to rip out your emotions because they go against what you should do, you have to make a categorical imperative like Kant; so Schiller says, this categorical imperative may be useful in moments when you are not quite yet a beautiful soul, and before you let the "inner swine" run out, so to speak—let your passions gallop in a different direction—then he says, rather than allowing that to happen, you should use Kant's categorical imperative to remain relatively moral. But he says, this is not a condition.

Schiller's aesthetical writings are a complete attack on Kant. Kant started to write his *Critiques* only at the moment that Moses Mendelssohn was dead. Because if he had written this crap when Mendelssohn was still alive, he would have taken him apart, because Mendelssohn was the Socrates of the 18th Century. But after Mendelssohn was dead, then Kant wrote the *Critique of Judgment*, the *Critique of Reason*, the *Critique of Practical Reason*. And especially the *Critique of Judgment*, which had this crazy idea that you can have reason, and that's lawful; but then you have taste and art, which should not follow any laws. He even goes so far as to say that an arabesque which a painter throws on the wall, where you see no meaning and no plan, is more beautiful than a painting where you would see the Golden Mean, or some other intention or plan of the painter. And then, naturally, Kant attacked the unity of beauty, truth, and knowledge.

5. "On Grace and Dignity," *Ibid.*



*Immanuel Kant (1724-1804). He must have had a miserable childhood, Schiller wrote, to come up with such a wretched philosophy.*

So therefore, the aim of Schiller is to have the beautiful soul. And, this beautiful soul is also a person who is not just looking at himself to be all of these things, but again, is a compassionate person. Here he says, in the same "On Grace and Dignity": "A beautiful soul does not know a sweeter happiness, than to see the sacred which he has in himself, repeated and imitated outside, and realized, and also embraced in the world of senses as their immortal friend.

"Love is at the same time, the most general and the most selfish in nature: the first because she receives nothing of its subjective, but gives everything back, because the pure mind can only give and not receive; and the second, because it's always only her own self, which she sees in the other, and loves."

So, in other words, the beautiful soul is the happiest when other people become beautiful souls, when other people are creative, when other people accomplish all the things the beautiful soul wants to accomplish for him- or herself.

### **Without Beauty, We Are Not Human**

In a certain sense, it is that idea which Schiller also means as eminently political. That is what he means, when he says that the highest work of art, *das grösste Kunstwerk*, is the building of political freedom.

Here's another quote, in the 10th Letter of the *Aesthetical Letters*: "The pure notion of the reason of beauty, if one could demonstrate one—because it cannot be deduced from a concrete example, but rather guides our judgment about each concrete case—can only be looked for by way of abstraction, and must be concluded from the possibility of the sensuous, reasonable nature of man. In a word, beauty should be demonstrable as a necessary condition of mankind."

Now, I believe that this is absolutely true: that without beauty, we are not human. And without beauty in art, without

beauty in social relations, without beauty of our soul, we are not doing the right thing.

So, to come back to the question posed from the beginning: What we have to do, in order to be capable of dealing with the upcoming challenges, I think each of us should have the aim to quickly become a beautiful soul. I think that it's much more important that people have this as an ideal, than to have a beautiful body, or to go to the fitness center, or to go the beauty salon! Most people spend an enormous amount on beauty! But they pay almost no attention to the beautification of their souls. So, I think that the best thing to do is to really work on that, and to really make it an ideal, if you still have certain things that need to be ironed out, which prevent you from doing passionately what is necessary.

Or, Schiller in his *Kallias* letters, uses the image of the Good Samaritan, where he takes five examples: A wounded man lies by the wayside, and other men come, and then he uses these examples, to ask, what is the motive for them to help him? The first guy says, "What do I receive in terms of honor, if I do that?" The second one says, "I first have to take care about what I will get from it." And so on. Only in the fifth case, the Good Samaritan puts his bag to the side, not even paying attention to whether he might lose it; he puts the wounded man on his horse, takes him to the

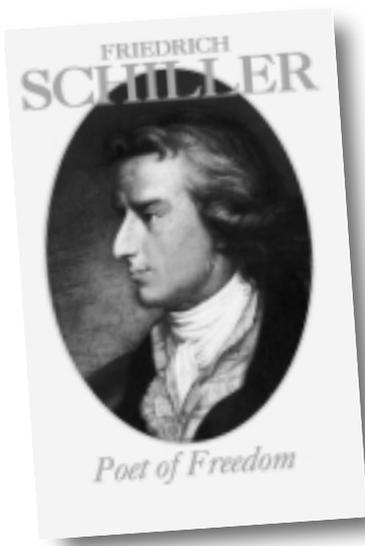
next city so that he gets cared for, without even thinking about it.

And I think it's that attitude, that, when you are needed, you do what you have to do, that is a quality which signifies leadership; it is at the same time the route to genius—you will not become a genius by studying everything which is on the curriculum, if you are not compassionate. You will not become a genius, even if you read everything of Lyn's and you just "know it," but you're not in it with total determination and compassion, as a beautiful soul.

So, I just wanted to say this, because, the problem with the youth culture—and the Boomers on top of it, and the Tweeners, I don't need to go into—but the problem is that the idea of emotional development, of taking care that your soul becomes beautiful, I think it's something worth thinking about, because it's not self-evident. And it is also, unfortunately, not the total *praxis* of everybody, every day. Otherwise, you would never have fits, you would never have shouting sessions, we would never have screaming matches. We would never have people sitting in the corner, but people would be much more creative, and much more lively. And this question of the soul, I think, is worthy. And I think these people—Lessing, Mendelssohn, and Schiller, and also some others, but these are the main ones—have written the best about it, in my view.

*"There is a limit to the tyrant's power."*

—Friedrich Schiller,  
Wilhelm Tell.



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## Editorial

# *The Old Economics Are Dead; The New Economics Must Begin*

On Jan. 11, 2007, at 1:00 p.m. Eastern Standard Time, in the capital of the United States, Lyndon LaRouche is going to address the headlined theme above in an international webcast. With a new Congress, dominated by Democrats for the first time in 12 years, coming into town right after the first of the year, there is a sea-change in Washington, making it ripe for dramatic changes away from the economic and strategic policy which has driven the United States into disaster, changes LaRouche has vigorously championed.

LaRouche's Jan. 11 intervention is being intensively prepared, through discussions with Congressional offices and Democratic Party circles. And as Congress officially opens, LaRouche's associates and the LaRouche Youth Movement (LYM) will deliver his latest paper, entitled "The Lost Art of the Capital Budget," to every Congressional office. As LaRouche puts it in the opening paragraph of that report, he will be elaborating a vital conception "on which the future existence of our nation now depends."

One week later, as the webcast opens, LaRouche will act to drive an economic agenda into the House of Representatives, just as the "New Politics" was driven by a new generation of voters, led by the LYM on Nov. 7, 2006. The House is going to be much more of a policy-shaping force than the Senate—at least at the start, LaRouche has noted. You have a new generation of members of Congress, and voters, and they are ready for this change. When the Congress returns on Jan. 4, they will already be ready to begin a series of hearings about the economy, about the war disaster in Iraq, and about issues that have been swept under the rug, in the same manner as the massive contracting fraud in Iraq run by Halliburton and others.

LaRouche's webcasts have had a proven ability to shape the environment in Washington, even prior to the ground-shaking LYM role in the 2006 elections. LaRouche's Jan. 3, 2001 webcast sparked a battle among Democrats against the confirmation of Attorney General John Ashcroft, which, although it failed due to the crumbling of the party leadership, taught an invaluable lesson to many.

Even more dramatic was the impact of LaRouche's webcasts following the disastrous 2004 re-election of George W. Bush. The Nov. 9 webcast of that year threw down the challenge for the Democrats, and many who voted for Bush, to do two things: Face the reality of the economic collapse, and orient toward the youth stratum as the harbinger of the future. With such an orientation, capped by the perspective of returning to the economic policies of Franklin D. Roosevelt, the American population can be turned around, LaRouche said.

LaRouche's initial webcast of 2005, held on Jan. 5, had a palpable effect in energizing the Democratic Party into a fighting mood, both on the question of the legitimacy of Bush's Presidency, and, crucially, on the issue of the Pinochet-style Social Security "reform" which Bush had laid out as the primary objective for his Administration. Under LaRouche's leadership, the Democrats shifted into an openly FDR-style orientation, including a mobilization of the popular base, and stopped Bush's project cold.

While the Democrats in Congress failed to pick up on LaRouche's urgent call, expressed in numerous webcasts, to save U.S. auto capacity, over the course of the next nearly two years, the process went forward which the former Presidential candidate and economist had laid out in November 2004. On the one hand, the Bush Administration's facade of lies fell apart, both on Iraq and on the economy, lifting the scales from the eyes of many voters who had been duped in 2004. On the other hand, crucially, the visibility and momentum of the LaRouche Youth Movement, as a catalyst for a winning fight for a future, took off—and provided the impetus for the dramatic Democratic surge in the 2006 mid-term elections.

Now, on Jan. 11, LaRouche will tell the Democrats how they must follow up—both in economic policy, and with impeachment of Cheney. The indispensable step of winning the elections can't be followed by sitting on one's laurels. American citizens must ensure that Congress takes up LaRouche's lead *now*, in the next few weeks, for a new economics, and a new future.