

# EIR

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Congress Takes First Steps Toward Curbing Cheney  
International Mobilization To Stop U.S. Attack on Iran  
Ethanol, Free Trade Augur Starvation for Mexico

## Bio-Foolery Is Causing 'Food Shocks'



*"Before they wipe me out, I am going to take you with me!"*

# EIR

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## From the Managing Editor

**H**as the new Congress gotten on board with what Lyndon LaRouche has described lately as the “New Politics”? Yes and no. As our *National* lead documents, the Senate and House are showing unprecedented feistiness in their efforts to curb the Bush-Cheney “surge” for war in Iraq, and Iran. And as LaRouche Youth Movement leader (and choral conductor) Matthew Ogden reports, the LYM gathered in Washington, D.C. for a Week of Action the week of Jan. 8 “felt like this was their Congress.” Never had they seen such openness to LaRouche’s ideas, and his call for returning the Democratic Party to the legacy of Franklin D. Roosevelt.

It therefore comes as no surprise, that the globalizers and synarchists would attempt to knock out LaRouche’s influence by hitting Congress on the flank, and that’s where the latest explosion of propaganda for “biofuels” comes from.

Our *Feature* is a sharp and irrefutable counterattack, whose overriding theme could be the slogan being used by the LYM in Mexico: “*Only nuclear energy will save your tortillas!*”

- Marcia Merry Baker and Christine Craig first lay out who’s behind the “bio-foolery,” and how it will ravage the world food supply;

- Dennis Small gives the case study of Mexico, whose population, especially the poor, is dependent upon the corn from which ethanol is made, for its very subsistence. The price of corn has seen a 50% rise in two weeks! This means genocide.

- Joe Smalley of the LYM reports on the barrage of sophistry and bullshit that is being thrown against Congress;

- Laurence Hecht dissects and thoroughly refutes the “scientific” claims behind the ethanol “moonshine”;

- Marjorie Mazel Hecht tells why nuclear energy is the best, and only, way to provide the power that the planet needs.

- Rob Ainsworth and Jean-François Sauvé of the LYM in Canada, and Robert Barwick from Australia, report on the globalized food cartel’s destruction of family farming in those countries.

And next week, Lyndon LaRouche promises a sequel, “The Dance of the Bio-Fuels,” which will be “dedicated to a Rabelaisian spirit of frolic in exposing fools for the dangerous species which they actually represent in our terribly menacing present times.”



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EIRNS/Brian McAndrews

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**Correction:** In *EIR*'s Jan. 19 article on hedge funds and the auto-supply sector, we misidentified Ripplewood Partners as one of three funds that backed out of investing in Tower Automotive's reorganization plan, and the date of that event as Jan. 12. The third firm was actually Wayzata Investment Partners LLC; the date was Jan. 11. And Tower operates "more than 40" plants internationally—not 60 as we reported—including 12 in the United States.

## Culture

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War' vs. Anglo-Dutch  
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The stunning exhibit of Rembrandt's etchings at the National Gallery of Art in Washington, provides the opportunity to honor the life and work of a genius who embodies the most beautiful idea of his time, as it was given expression in the 1648 Treaty of Westphalia, which ended the Thirty Years War. Bonnie James reports, on the 400th anniversary of Rembrandt's birth.

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Brig. Gen. Yossi Ben Ari (res.) was a participant in the Madrid+15 Conference on Mideast peace. He served in the Israeli Defense Forces as a senior military intelligence officer, and is a former co-director of the Strategic Affairs Unit of the Israel-Palestine Center for Research and Information.

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## Bio-Foolery Is Causing 'Food Shocks'

by Marcia Merry Baker and Christine Craig

It shouldn't take a specialist to realize that the current fad of "biofuels" is a scientific fraud, roughly equivalent to Jonathan Swift's depiction of scientists trying to produce light from excrement. Sure, it's a scientific challenge—but it's absolutely insane. The reality is that humanity's demand for clean and plentiful energy can only be met by an advance into the nuclear realm of fission and fusion power. As we reveal below, the "biofuel" alternative is not only a rip-off, but also it will never solve the energy crisis, and will starve people in the meantime.

The impact of biofuels mania on the food chain, is now hitting as *food shocks* at points all along world supply lines. This results from interaction with pre-existing crises of low grain stocks, marginalized agriculture, monoculture cropping, speculation, and the many other features of globalization.

The most dramatic effects so far relate to corn (maize), the grain for which the United States has typically accounted for over 40% of the world's annual production, and 70% of annual exports. But in 2006, fully 20% of the entire U.S. corn harvest went into ethanol distilleries, creating an automatic squeeze on exports, current and near future, and domestic uses as well (**Figure 1**).

Mexico, forced by the North American Free Trade Agreement (NAFTA) to be a corn-importer, is in a corn-for-tortillas crisis. U.S. livestock producers are being hit by sky-high corn-for-feed prices, and family-scale operations are threatened with shutdown. Unless stopped, this food-for-fuels dynamic—based on a *scientific fraud* of net energy gains from bio-mass—will guarantee outright famine.

Who will starve? "In the long run, it means that we are fueling our cars with food that people might have eaten. There are important trade-offs," was the warning from the Director of Public Resources, Lisa Kuennen-Asfaw, for the Catholic Relief Services, who put out an alarm in mid-January, that the agency is being forced to drastically cut its international food aid for the coming year. One SUV's 25-gallon tank of ethanol consumes enough grain to feed one person for a year, is the calculation of the trade-off, by Lester Brown of the Earth Policy Institute. (See box, p.9.)



*California Gov. Arnold Schwarzenegger, major booster for biofuels, talks with General Motors VP for Environment and Energy, Beth Lowery, about the Chevrolet Tahoe, which can use 85% ethanol (known as E85-capable). November 26, 2006.*

General Motors/Steve Fecht

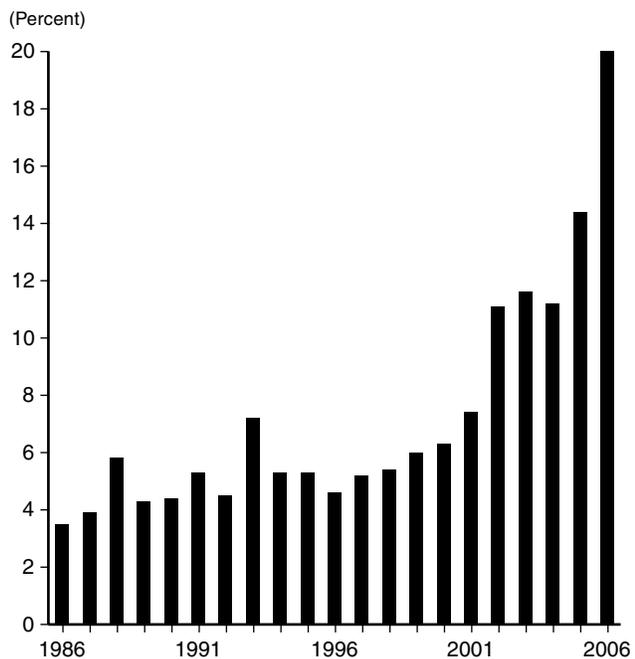
This crisis is not the result of a natural disaster or mistake. A deliberate, top-down drive has been conducted by select financial circles—under both “right and left” guises—to push so-called renewable, alternative fuels, with intent to benefit from the financial bubble, to undermine national food security, and take advantage of the chaos. “Energy security” is the slogan, and the figurehead is R. James Woolsey, former CIA director. The networks include Chevron, British Petroleum, Archer Daniels Midland, Cargill, Morgan Stanley, and a host of other major transnationals. Among the leading figures are George Shultz and Arnold Schwarzenegger, as well as Al Gore.

“Food shock”—*as a policy*—cannot be separated from the panicked manipulations of the Anglo-Dutch financial groupings that are steering a course for global banking and food control, through extreme deregulation and intervention.

### Fools Rush In

The worst danger of all is the mad rush by leading government and institutional bodies, to get in on the action. “Biofuels will be the engine of the next farm bill,” was the statement Jan. 10 by Sen. Tom Harkin (D-Iowa), chairman of the Senate Agriculture, Forestry and Nutrition Committee, in concluding his marathon hearing on “Rural America’s Role in Enhancing National Energy Security.” Food shortage dangers from fuels.-food trade-offs barely received a mention during four hours of “expert” testimony. Instead, the glories of cellulosic ethanol were extolled—switchgrass, fescue, pine trees—as the great Green Hope of the future, to supersede using corn.

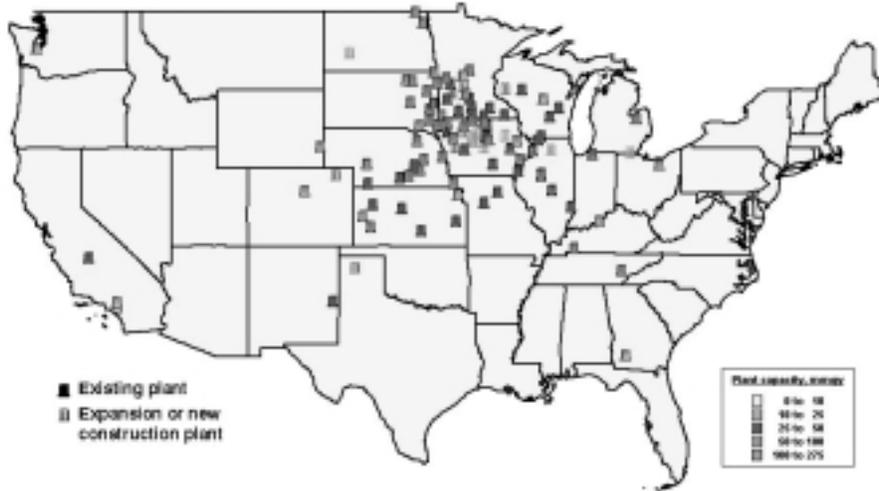
FIGURE 1  
**Share of U.S. Corn Harvest Used for Ethanol Is Soaring, 1986-2006; Now Over 20%**



Source: U.S. Department of Agriculture.

FIGURE 2

**U.S. Ethanol Biorefinery Locations**

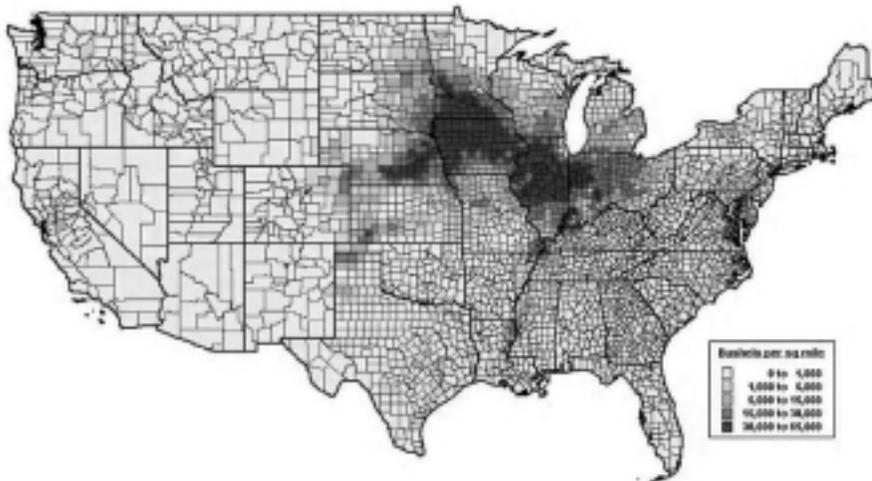


Source: Renewable Fuels Association, June 2006.

FIGURE 3

**Geographic Distribution of Annual U.S. Corn Production**

(10.6 Billion Bushels; Average Over 2000-04, in Bushels per Square Mile, by County)



Sources: USDA National Agriculture Statistics Service; Kansas State University.

In reality, the next five-year farm bill, due for passage this year, should be crafted as part of the solution, not as more of the problem. But Harkin's home state, the world's leading corn producer, has become the world's epicenter for ethanol and switchgrass madness.

On Feb. 1, the Senate Energy and Natural Resources Committee will join in the frenzy, with a "Biofuels Transportation

Conference," sponsored by the two Committee leaders from New Mexico, Jeff Bingaman (D), chairman, and Pete Domenici (R), ranking minority member.

In 2000, about 6% of U.S. corn production went into ethanol. In 2005, about 14% of the corn crop was so used. This past year, 20% was converted into motor ethanol; and next year it could be 30%. In volume terms in 2006, the amount of corn going into ethanol was the same as the United States typically exports annually. Now, either that corn export flow is eliminated, or use of corn for domestic livestock feed is shorted, or some other trade-off occurs, if corn-for-ethanol becomes king. Something has to give. Corn is milled and processed into a wide range of foods, from table sugar, to beverage sweeteners, oils, vitamin C, and many other by-products, besides animal feeds.

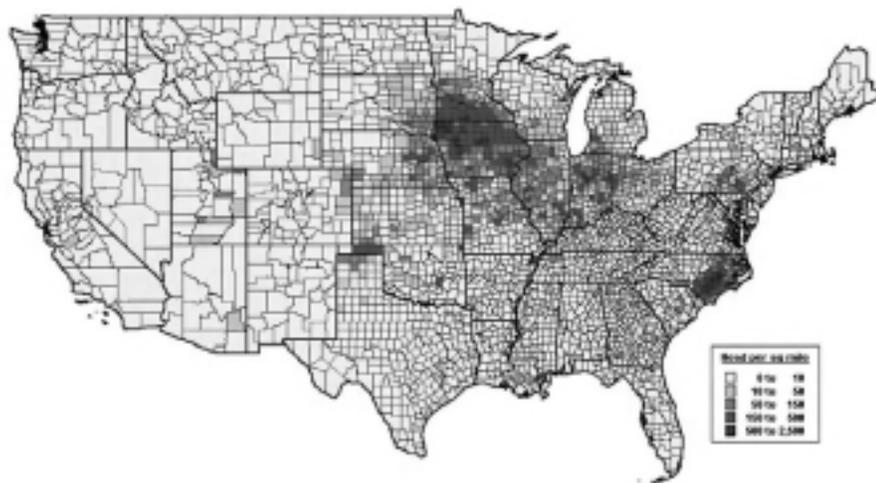
In 2006, U.S. corn went as feedstock into some 110 operating ethanol distilleries, in 20 states; an additional 73 facilities are now being planned, or under construction (see **Figure 2**). Iowa and neighboring Minnesota, Nebraska, and Illinois are home to the leading corn counties of the nation, indicated in terms of density of bushels of corn produced per square mile (see **Figure 3**). But new projects are talked about for many of the outlying states. Five are actively proposed right now for Pennsylvania. At the present rate of ethanol expansion, half the entire U.S. corn crop could be siphoned off into ethanol during 2008!

Iowa State University economist Robert Wisner calculates that if all the present and planned bio-refineries in his state come on line, 2.7 billion bushels of corn will be needed for ethanol in-state, when Iowa harvests "only" 2.2 billion bushels in a good year—the lead corn state in the nation. Then what? Will hog feed be imported into Iowa, or the animals eliminated? **Figure 4** shows the current concentration of hogs in the corn belt.

FIGURE 4

## Geographic Distribution of U.S. Hog Inventory

(53.5 Million; Average over 2000-04, in Head per Square Mile, by County)



Sources: USDA National Agriculture Statistics Service; Kansas State University.

Bio-foolery is leading to extreme shifts in land use and agriculture practices, amounting to chaos. However, U.S. Department of Agriculture (USDA) Chief Economist Keith Collins has testified to Congress in “value free” terms about these implications. On Sept. 6, 2006, at a Senate Agriculture Committee hearing on the “Renewable Fuel Standards Program,” Collins said, “If exports and feed use are to be maintained, corn acreage would have to rise to about 90 million acres in 2010 . . . nearly 10 million more than the average planted during 2005 and 2006.” Collins’ estimate to the Senate on Jan. 10, was that U.S. corn acreage in 2007 is expected to be 82 million, up from 78.6 million in 2006.

Collins proposes that farmers could start corn-growing on land now in the Conservation Reserve Program, which originated in the 1970s, supposedly to protect the environment (by not growing row crops). A USDA study looks to 4.3 to 7.2 million acres available that way for corn or soybeans. The trend line is for almost one-third of the U.S. cropland base to go into corn, at the very least.

On Jan. 10, the Senate Agriculture Committee heard testimony on how corn can start displacing other crops, and gain new acreage, because new bio-tech corn seeds can be developed that are more drought- and cold-resistant. So corn planting can move northward and westward out of Iowa, displacing wheat. Farmers will cease rotating crops, and grow “corn-on-corn” every season. Already a “corn rush” is on. This past Fall, Cargill offered a special deal to corn growers: any farmer who would contract in advance to sell Cargill his corn crop, would receive a free grain storage bin, which the farmer could erect on his farm (at his own expense).

What’s the payback of all this frenzy in terms of “domestic” bio-fuel? The 5 billion gallons of ethanol produced in 2006 amount to 3% of U.S. gasoline consumption.

But a vastly bigger vision is seen by the Department of Energy. DOE Assistant Secretary Alexander Karsner, of the Office of Energy Efficiency and Renewable Energy, is plugging the “Billion-Ton Study,” done by the USDA and DOE in 2005, which, Karsner told the Senate on Sept. 6, 2006, “indicates that there are enough agricultural and forestland resources in the U.S. to sustainably produce up to 1.3 billion tons of biomass feedstocks by 2030. This would be enough feedstock to potentially produce at least 60 billion gallons of ethanol.” This would be roughly 30% of yearly motor gasoline used.

Hence, it’s called the “30 by 30” program.

Karsner gives a wild-eyed vision of the new American agricultural landscape, where formers and foresters everywhere are producing “dedicated energy crops. . . . Different regions could potentially support different feedstock crops—for example, switchgrass in the South Central region and willow in the Northeast.”

### International Biofuel Bubble

On a lesser scale, the same bio-fool process is under way on other continents with ethanol and biodiesel, and even with “blends” of edible oils and fats of all kinds, going into petroleum products at existing oil refineries. DuPont and Chevron are now at work on bio-butanol. World food trade logistics—port storage, handling, and shipping—are now pressed into service to meet the sudden demands to transport agriculture commodities for new, non-food use.

#### Asia:

In China, PetroChina, a unit of China National Petroleum Corp., is currently producing ethanol from corn, and plans to produce 200,000 tons of biodiesel a year by 2010. However, in December, Beijing reportedly stopped approving new corn-based ethanol plants, while continuing to pursue plans for offshore deals. In mid-January, Chinese Prime Minister Wen Jiabao was expected to sign bilateral agreements to participate in ethanol plants in the Philippines. The Association of South East Asian Nations (ASEAN) has agreed to adopt common standards on biofuels, in the spirit of furthering alternatives to fossil fuel imports. China is also committed to non-food biofuels. On Jan. 11 PetroChina announced intentions to pro-



EIR/Andrew Spannaus

*An ethanol plant under expansion in South Dakota in 2006, one of 14 in the state, despite scarce water supplies for crops and processing.*

duce 2 million metric tons of ethanol a year from non-grains, by 2010. A deal was signed in January with the State Forestry Administration, to work on joint wood-energy projects in Yunnan and Sichuan.

In Malaysia, palm oil is being channelled into biodiesel, bound for European markets. For example, in 2006, a contract was announced in which Cargill Palm Products Sdn Bhd will supply crude palm oil, as the primary feedstock for a new biodiesel plant, designed for a 100,000-ton annual capacity. The facility is part of Mission Biofuels Ltd., listed on the Australian stock exchange. Austria-based commodity trader Godiver Handelsgesellschaft GmbH will market the product in Germany. This typifies the rush into bio-oils in Southeast Asia.

#### **Europe:**

In Spain, some 60 ethanol and biodiesel plants are either operating or planned, making this country a leading producer. Spanish production of biodiesel—the most common biofuel in Europe, was 125,000 metric tons in 2006, up from 73,000 in 2005, and the current projection is for 600,000 tons in 2008. The bio-feedstock is imported soy or palm oil; other countries are using rapeseed. Spanish ethanol is from wheat or barley.

In France, Cargill has strategically located biodiesel facilities next to its rapeseed crushing operations in Montoir, in western France, and elsewhere.

In Germany, Cargill has a new biodiesel plant in the Hoechst Industrial Park near Frankfurt, intended to process rapeseed oil and other vegetable oil feedstocks. A new trading venue for rapeseed oil options contracts is starting up Jan. 22 by Euronext, to serve all the activity in biofuels in Europe.

In Britain, Cargill has a 25% holding in Greenergy Biofuels, Ltd., otherwise owned by

Greenergy Fuels—the leading bio-energy group. Among the Cargill/Greenergy Biofuels projects, is a Liverpool biodiesel plant, next to Cargill's existing crushing mill on the Mersey River, using imported oilseeds. Cargill's February 2006 press release proclaimed its plans: "With biodiesel plants on the east coast Humber estuary and West Coast Mersey estuary, Greenergy will have a presence in two of the most important oil refining regions in the U.K. . . . [with] unmatched access not only to the raw materials for production but also to the fuel supply chain."

This sweeping trend of private, global biofuels control was furthered by a wave of national laws over the last two years, mandating timetables and standards for what percentage of vehicular fuel had to come from bio-sources by what date.

In the United States, the 2005 "EPAct"—the Energy Policy Act of 2005—decreed what are called the annual Renewable Fuel Standards (RFS), on the volume and make-up of biofuel that must be blended into gasoline. EPA Acting Assistant Administrator William Wehrum told the Senate in September 2006: "The renewable volume [to be blended into gasoline] begins at 4 billion gallons in 2006, and increases to 4.7 billion gallons in 2007, 5.4 billion gallons in 2008, and continues to scale up to 7.5 billion gallons in 2012. EPAct requires that EPA annually establish the percentage requirement, which will apply individually to refiners, blenders, and importers to ensure the total volume of renewable fuels specified for that year in EPAct is achieved." On Sept. 7, 2006,



Ford Motor Company

*Rep. Jerry Moran (R-Kans.) in a Ford E85 pick-up truck, in support of bipartisan Federal legislation to further bio-fuels, May 17, 2006.*

## Warnings: Bio-Foolery Will Prompt Food, Farm Crises

**Poverty:** “Biofuels Boom Pinches the World’s Poorest; Ethanol Means Money for Farmers, But Hunger for Many Poor People,” reports a Jan. 14, 2007 Gannett News Service article. Its point is that the price of corn and other crops is soaring because of the demand for grain to make ethanol, and that means a government’s budget won’t buy as much food as it used to. The price of corn alone, a key food in Africa, has more than doubled in the past year.

**Food Relief Cut:** “In the long run, it means that we are fueling our cars with food that people might have eaten. There are important trade-offs,” said Lisa Kuennen-Asfaw, director of public resources for Catholic Relief Services in Baltimore, in the same Gannett News Service article.

**Low Grain Stocks:** “[T]he soaring demand for corn comes when world grain production has fallen below consumption in six of the last seven years, dropping grain stocks to their lowest level in 34 years. . . . The grain it

takes to fill a 25-gallon tank with ethanol just once will feed one person for a whole year. Converting the entire U.S. grain harvest to ethanol would satisfy only 16% of U.S. auto fuel needs,” reports Lester Brown, in his Jan. 15 article, “Distillery Demand for Grain to Fuel Cars Vastly Understated.” Brown is at the Earth Policy Institute, which specializes in data on the scale of the impact on agriculture,

“The competition for grain between the world’s 800 million motorists who want to maintain their mobility, and its 2 billion poorest people who are simply trying to survive, is emerging as an epic issue. Soaring food prices could lead to urban food riots in scores of lower-income countries that rely on grain imports, such as Indonesia, Egypt, Algeria, Nigeria, and Mexico. . . .”

**Biodiesel Trade-offs with Food:** “If we took all of the vegetable oil produced in the world, it would only produce 54% of the total U.S. annual demand for diesel fuel,” commented John Baize, an oilseeds consultant at the Prairie Grains Conference, which was reported on Jan. 5, 2007 in the *Farm and Ranch Guide*, of North Dakota. “One of the questions we are soon going to have to deal with is, will a guy in Germany be able to fill up his tank with biodiesel or is a father in India going to be able to buy vegetable oil so his family can eat?”

EPA issued its new rules for 2007, which introduced a new feature: a “marketplace” for buying and selling under- and over-used allotments among the entities involved in meeting the RFS.

To re-emphasize: The 2006 U.S. output of nearly 5 billion gallons of ethanol, exceeding the RFS, amounts to barely 3% of the gasoline used nationally, but that’s not the point of bio-bubblenomics. Size doesn’t matter. What matters, in Wall Street lingo, is that the laws are necessary to guarantee the climate for “market reliability” and “investor security”—meaning that biofuels could become a safe bet for speculators and the cartel players in the game.

Such national mandates have been enacted around the globe. For example, in September 2005, France set quota allocations for selected biofuels operations, to implement a government mandate for having 5.75% of fuel come from biofuels in 2008; 7% by 2010, and 10% in 2015.

### Behind ‘Big Ethanol’

Thus, a huge biofuels financial bubble is now aloft, with hedge funds, equity partnerships and banks involved, as well as the long-time ADM, Cargill, Monsanto, and DuPont agro-cartel giants, plus a few local farmer-owned ventures. Morgan Stanley owns the second biggest private ethanol company in the world, Aventine Renewable Energy Holdings, LLC. U.S. state budgets have been throwing scarce revenues into the biofuels mania.

Who was behind the national law mandates and “popular opinion” manipulation to get to this point? The very same financial interests behind what’s known as Big Oil and the Merchants of Grain, to begin with—from Chevron Oil and BP, to ADM and Cargill. First, look at a short list of the active “names,” and then, a brief history.

One recent event makes the point. On Oct. 10-12, 2006, in St. Louis, Missouri, a national biofuels “summit” was jointly hosted by the Departments of Energy and Agriculture, under the title “Advancing Renewable Energy.” This government event was officially financially sponsored by the very crowd raking it in off Federal subsidies, and government biofuels mandates: Chevron, Monsanto, Goldman Sachs, and others. President Bush appeared to make a pitch for “making sure we diversify away from oil.” An additional featured speaker was James Woolsey, who has been tasked by behind-the-scenes financial interests to peddle the line that biofuels are essential for energy security.

Next, look at the upcoming Agriculture Department 2007 Agricultural Outlook Forum (March 1-2, Arlington, Virginia), an annual event held for over 80 years. The plenary panel is titled “Renewable Energy—Inroads to Agriculture.” Speakers will include Patricia Woertz, currently president and CEO of Archer Daniels Midland, who joined the firm in May 2006, after being a Chevron Oil vice president in charge of refining, marketing, and trading oil. Other scheduled speakers are Warren R. Staley, chairman and CEO of Cargill. Mod-



EIRNS/Finn Hakansson

*A Wall Street event on June 14, 2006, promoting the initial public offering of an ethanol company, VeraSun Energy Corp., with ethanol plants in Iowa, South Dakota, and Minnesota.*

erating the panel will be *Wall Street Journal* reporter Scott Kilman.

On the history of the principal players in the Great Biofuels Game, it should be understood that before there was Halliburton or Enron, there were the agro-cartels seeking to control agriculture commodities of food, livestock feed, and fiber. The short list includes ADM, Cargill, Bunge, Louis Dreyfus, and a few others. Their pedigree traces back to the private financial networks, self-named during the early 20th Century as the “Synarchists,” which among other things, referred to the fascist economic practices they backed in Europe in the 1920s-1940s rise of Hitler and Mussolini.

In particular, ADM and Cargill have all along been making a bundle off the the U.S. biofuels hoax, and now they are key parts of the global biofuels bubble. ADM and Cargill dominate all U.S. corn processing—for oils, feed, sweetener, and by-products. Today, the two companies own over one-third of the current U.S. ethanol capacity. They also dominate U.S. soy processing for potential feedstock to biodiesel. Over 71% of U.S. soybean crushing is owned by ADM, Cargill, and Bunge, in that order. Cargill and ADM also have a lock on seed supplies for soy and corn, through their partnerships with Monsanto, and DuPont/Pioneer Hi-Bred. This came about, as traditional U.S. patent law was changed over the past 30 years, to permit the granting of sweeping patent rights to private interests, for techniques of bio-genetic engineering of food plantlife.

ADM and Cargill each have outstanding records of criminal charges and plea-bargaining, for their illegal food industry practices. ADM, a public company based in Illinois, founded in the mid-20th Century by Dwayne Andreas, a former Cargill

employee, overcharged the Food for Peace program in the 1970s, pled no contest to short-weighting and mis-grading U.S. grain relief grain shipments, and in 1996 agreed to pay multimillion-dollar fines for criminal price-fixing of corn by-products. Top ADM official Michael Andreas, son of the founder, did jail time in 1999. His cousin, G. Allen Andreas, took his place in line to become head of the firm. ADM today operates in 180 countries, commanding the world’s largest capacity for processing corn, soybeans, and wheat.

Cargill, the world’s biggest wholly private company, is headquartered in Minnesota, and functions in 59 countries, with a workforce of 124,000. Its history extends farther back than ADM, but its practices are the same. For example, in 2004, under CEO Warren Staley, Cargill agreed to a \$24 million settlement of charges against it by 18 plaintiff food firms, from a 1995 conspiracy with ADM, to fix corn sweetener prices. The same Staley was appointed by Bush in 2003, to the President’s Export Council, to represent the food industry; and Staley is listed as a featured speaker at the 2007 Annual Outlook Conference of the USDA.

A detailed account of the facts of these companies has been most recently published by *EIR* (June 2, 2006), and is in mass circulation in the LaRouche PAC White Paper “‘Ethanol Madness’—End the Great 2006 Biofuels Swindle” (June 2006), in a dossier called “ADM, Cargill—The Enron and Halliburton of the Ethanol Swindle,” including a timeline from 1945 to 2006 of their record of global corruption.

As of the 1960s, ADM and Cargill were in on the ground floor of U.S. ethanol production, with small operations in the farm states. Then, over the 1970s, numbers of Federal acts

were passed to subsidize ethanol producers, in the name of “energy independence.” In particular, a 51¢ per gallon Federal tax break was given for use of ethanol blends in gas, which remains in effect today.

A line-up of right-wing and left-wing personalities and arguments was activated to justify “alternative” and “renewable” bio-mass energies, all the while that the national nuclear power program was being thwarted by the same operation.

A leader of the pack was Albert Wohlstetter of the RAND Corp., who from the 1950s, to his death, fought to keep civilian nuclear power from spreading. With him on the right were such figures as Paul Wolfowitz and Richard Perle; and on the left, Barry Commoner and Ralph Nader. Today, the fake “right and left” are epitomized by George Shultz and Al Gore.

James Woolsey is just the latest in the continuation of the operation. In 2005, he signed on to a 129-page energy program, from a newly formed, right/left Energy Future Coalition, which calls for energy from all kinds of biomass, including corn stalks and sawdust. This gang helped ram through the Energy Act of 2005.

Behind all this programmatic bio-energy claptrap for the gullible, *the intent of private financial and commodity cartels to impose private food control*, over and above the interests of nations, is to be seen in the blatant assault on the farmer-related institutions of the Wheat Boards in Canada and Australia, by none other than ADM and Cargill and cohorts. There is no camouflaged rhetoric about energy involved, but just an all out grab for private control. Nation-states and food supplies are directly at stake. The dossiers on this are provided in this *Feature*.

## Farmers Go for the Green

Why does the farmer—who knows better—go for the bio-fools hoax? Money; plus pessimism and cynicism. At present about 50 out of the 110 operating ethanol plants across the United States are owned in part or whole by farmers, commonly as cooperatives. For over 40 years, the U.S. farmer has been stiffed, by receiving prices for his output that were under his costs of production—for commodities ranging from eggs, to meat, milk and crops. He remained in operation only by off-farm income and various Federal supports, and/or, by converting his farm operation into a “mini” mega-farm—in effect, falling into vertical integration with the cartel system.

But as the rounds of increasing free trade came into effect—1986 GATT, 1992 (signed) NAFTA, and 1995 WTO—it has become harder and harder for family-scale farming to persist in any form at all. (Before the 1960s, the FDR-era policy of parity pricing was in effect, where the farmer received prices that covered his costs of production, as a safeguard for guaranteeing the public a secure, domestic food supply.) Now almost total “global sourcing” for food has been imposed. Huge factory farm operations and neo-plantations are gaining ground in the United States, similar to the neo-colonialization projects in Third World nations. Family-scale



USDA Agricultural Research Service

*The Voyager Ethanol Llc plant, in Emmitsburg, Iowa. Note the rail cars, as well as roadways. Ethanol cannot be conveyed by pipeline. This is one of 50 plants in Iowa, either operating or under construction.*

operations are driven under.

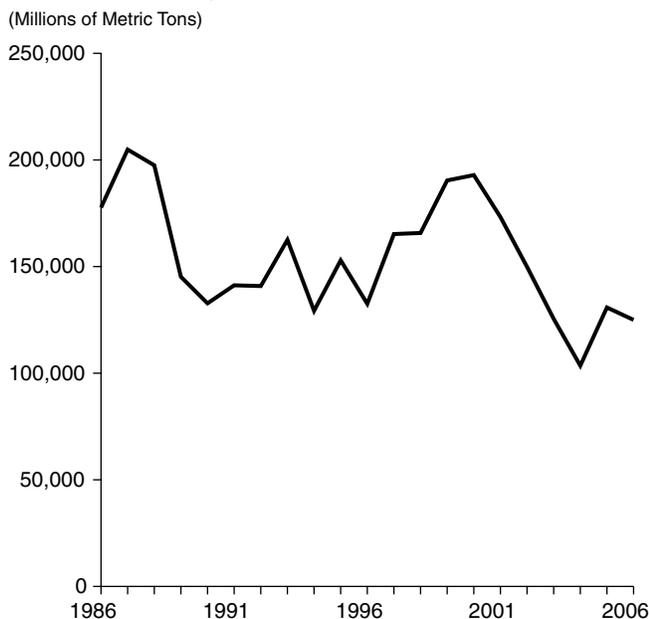
Therefore, when the government-sanctioned ethanol swindle came along, hundreds of farmers jumped in on it as investors, as the only game in town. “If Washington had backed nuclear, and backed prices for farmers, we never would have touched this,” said one farm leader, who organized a cooperative ethanol distillery, presently making multi-millions. “But,” he added, “Washington is hopeless, so we’re just going to make all the money we can, while we can. . . .”

Dozens of these farmer-owned cooperative ethanol projects are now in jeopardy, from the simple math that when corn prices climb high enough, there won’t be a profit in ethanol. Farmers have sunk their family money in deals at a time when corn was in the \$2 range; it is now above \$4 and climbing.

On Jan. 12 and Jan. 16, two consecutive business days on the Chicago Board of Trade, the corn futures price jumped up 20¢—its daily trading limit—following the Jan. 12 release of the Agriculture Department’s “Supply and Demand” monthly grain report, showing lower than expected corn inventories. While such trading mania somewhat reflects “supply and demand,” it also stems from wild speculation, and even rigging—an infamous practice on the commodities exchange. The same financial interests that contrived the biofuels stampede to begin with, can pull the plug on farmer-distilleries, by having corn prices skyrocket. And/or, they can have the price of oil and gasoline plummet, and sock farmers on the other side of the profit equation.

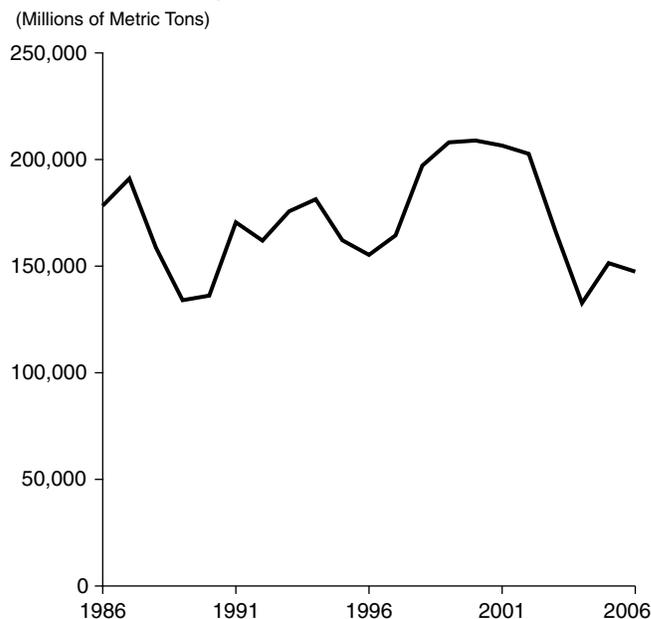
Farm state officials, worried that their farmer ethanol operations are in already trouble, are now appealing for “countercyclical Federal corn supports” to farmer-ethanol producers, for when corn prices rise, ethanol prices fall. The

FIGURE 5  
**World's Ending Stocks of Corn, 1986-2006**



Source: UN Food and Agriculture Organization

FIGURE 6  
**World's Ending Stocks of Wheat, 1986-2006**



Source: UN Food and Agriculture Organization.

November 2006 *Successful Farming* magazine, in its “Bio-power” feature issue, runs a formula from Purdue University economist Wally Tyner, on how to protect farmers’ “bio-refineries from expensive corn, cheap ethanol, or both.”

Farmers well recall the rigged corn price in 1996. That was the year of the infamous radical “Freedom To Farm/Starve Act,” which was premised on the neo-con line that farmers will benefit from a totally “free” market, and therefore over seven years all government subsidies would be phased out. Mysteriously, corn growers saw corn prices shoot up over \$4 a bushel, from under \$1.90, as if to prove all would be rosy. Within months of its signing, corn prices again fell back to under \$2. After five years of chaos, the law itself was replaced in 2002; and now a new five-year law is due.

Two caveats for the non-farmer: The high corn prices going to the farmer right now, welcome to some crop producers, are not at all reflective of a Federal policy intervention to restore decent price levels to all farm commodities (crops, dairy, meat, fiber), and trust-bust the cartel food control, but rather, an aspect of the “chaos and confusion” of the bio-fools stampede.

Secondly, the argument that mass ethanol won’t cause bad food trade-offs because the by-product called “distillers grain”—dry or wet—can be fed to livestock, has a only a grain of truth. Yes, the animals will eat it, but the energy value is sapped because of the distillation of the sugars and starch. For those abroad, distillers’ grains are irrelevant. Cancellation

of their U.S. corn imports or food aid means hunger and starvation.

### Low Grain Stocks, High Disease Threats

Figures 5, 6 and 7 show the low levels of annual worldwide ending stocks of corn, wheat, and rice, indicating the danger inherent in diverting any food and farm capacity into non-food purposes. Grain ending stocks—also called reserves or carryover—have been declining in recent years, in absolute tonnage levels, and even more extremely, in per-capita terms, to below minimal food security levels. World grain consumption has exceeded grain production in six out of the last seven years, forcing a draw-down of reserves.

Total world grain stocks (corn and all coarse grains, wheat and other small grains, and rice) in 2004 were 408 million metric tons, and fell 23% to an estimated 318 mmt by 2006. Stocks at this level, relative to the level of annual utilization (for any and all purposes—food, feed, energy) of 2,045.44 mmt in 2006, are at a stocks-to-use ratio of 15%, which is below the minimal food security level set by the United Nations of a 17% ratio. Plus, to improve diets in large parts of the world, especially sub-Saharan Africa, far more grains and other foods are required.

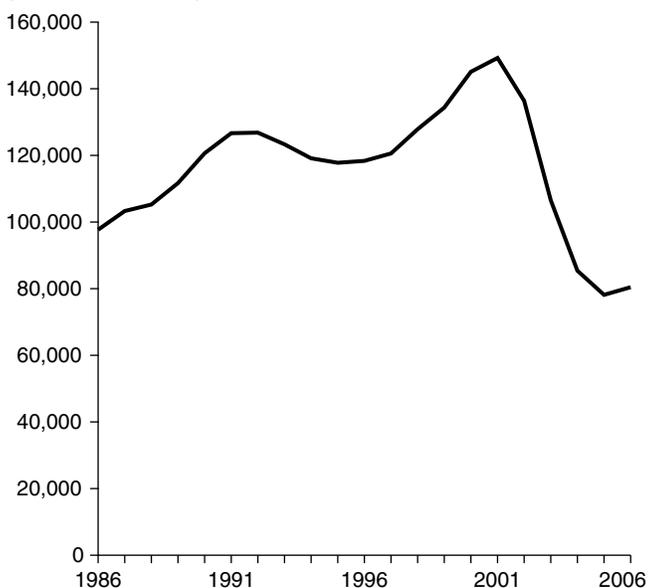
The level of 124,991 mmt of world corn ending stocks in 2006 is about a 12% stocks-to-use ratio. Wheat and rice 2006 ending stocks, shown in Figures 6 and 7, are, respectively, 19 and 18% of 2006 utilization of those grains.

Even without the escalating diversion of corn to ethanol,

FIGURE 7

### World's Ending Stocks of Rice, 1986-2006

(Millions of Metric Tons)



Source: UN Food and Agriculture Organization.

the world grains supply picture is “an accident waiting to happen.” The most obvious danger is adverse weather. Australia’s current wheat crop has been cut more than half by drought, which is an international disaster, because Australia is a leading wheat exporter. The water and other infrastructure that would mitigate weather problems has not been built over the past 30 years.

Even more ominous, is the threat of disease. Over the decades of increasing globalization, less and less funding and resources have gone into worldwide cooperative efforts to monitor for plant and animal diseases, and develop contingencies. For crops in particular, the kind of precautionary botanical work which grew up from the efforts of FDR’s Vice President Henry Wallace’s backing of what became the “Green Revolution” research centers (CGIAR, Consultative Group on International Agricultural Research), was downsized at the same time as the private agro-cartel companies came to dominate more of the food chain—from seeds, to food on the table.

Now a very dangerous wheat disease has broken out. The highly virulent strain of wheat stem rust (*Puccinia graminis*) called Ug99 (see photo), emerged in Ugandan wheat fields in 1999, and has since spread to several other east African countries, notably Kenya and Ethiopia, where it has inflicted major damage on local crops.

Then, on Jan. 16 this year, the International Maize and Wheat Improvement Center (CIMMYT) in Mexico, announced what the wheat world has been dreading. Ug99 has been detected in wheat fields in Yemen. It has jumped the Red Sea to the Arabian Peninsula. Some 25% of world wheat production capacity lies in the potential spread path of the disease. On the wings of a strong wind, the spores of the fungus can pass from the Arabian Peninsula to the heavy wheat-producing countries of the Indian subcontinent, and beyond.

The chairman of Pakistan’s Agriculture Research Council, M.E. Tusneem, warned, “If we don’t control this stem rust threat, it will have a major impact on food security, especially since global wheat stocks are at an historic low.”

Norman Borlaug, the Nobel Prize-winning creator of the Green Revolution, concurred: “If we fail to contain Ug99, it could bring calamity to tens of millions of farmers and hundreds of millions of consumers.”

Almost all of the rust-resistant wheat varieties bred in the last 40 years have proven highly susceptible (in test plots) to the disease, leaving the world wheat producers at the mercy of one of the age-old agents of famine. Instead of breeding up contingency varieties of potentially new resistant wheats, funding was cut for this activity. Now there is a mad scramble under way. In September 2005, agronomists formed the Global Rust Initiative to do everything possible, including sifting through old genome libraries, but pickings are slim.

Borlaug, 91 years old, said at the September 2005 meeting, “Nobody’s seen an epidemic for 50 years, nobody in this room except myself. . . . Maybe we got too complacent.” Or went crazy.

There is no longer any excuse for being a bio-fool.



*Wheat stem rust, Puccinia graminis, a highly virulent strain, present on the Arabian Peninsula, after it emerged in East Africa in 1999. For over 50 years, the varieties of wheat in use worldwide had been bred to be rust-free, but the new outbreak threatens to spread around the globe. In the mid-1950s, a related wheat rust destroyed 40% of the U.S. crop.*

# Ethanol, Free Trade in Mexico Augur Inflation, Starvation, Mass Migration

by Dennis Small

Have you ever eaten a Mexican *tortilla*?

Odds are you have. . . or what passes for a tortilla in the fast-food demiworld of *tacos* and *burritos*.

But Mexicans—all 107 million of them—eat the real thing every day. In fact, according to Mexican press accounts, Mexicans are estimated to eat a staggering 630 million tortillas *a day!* The tortilla—a kind of thin, unleavened flat bread, made from finely ground maize, or corn—is *the* staple of the Mexican diet, especially for the 50 million Mexicans who are officially living in poverty. Tortillas are the source of 47% of the calories consumed by Mexicans, and along with beans, are pretty much the only thing that most poor Mexicans really eat.

Even so, under the auspices of NAFTA—the flagship free trade accord negotiated by George H.W. Bush and Mexican President Carlos Salinas de Gortari, and put into effect by the two countries and Canada in 1994—Mexican agriculture has been devastated, as have overall consumption levels. For example, average annual tortilla consumption dropped from 140 kilos per capita in 1996, to 104 kg in 2006, a 25% plunge.

With that summary picture in mind, what do you think



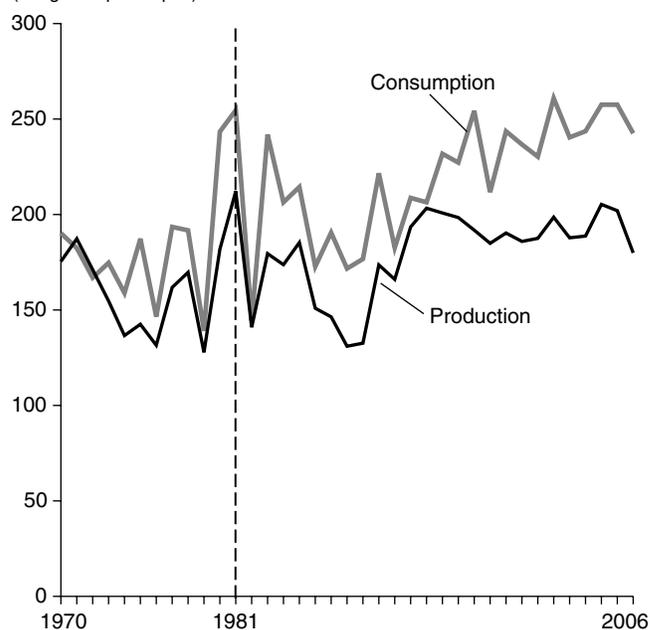
*Corn tortillas are the staple of the Mexican diet, especially for the poor, but prices are soaring, in part as a result of the global ethanol craze. And the Calderón government wants to make production of more ethanol a national priority—taking food out of people's mouths.*

would happen if the price of tortillas in Mexico rose by 50%? Well, that's what just happened, in a period of less than two weeks at the beginning of 2007. A kilo of tortillas which cost 6.5 pesos (about 60 cents) at the end of 2006, leapt to 8 pesos a kilo on Jan. 6, and to 10 pesos on Jan. 9. In some parts of the country, prices have been reported as high as 20-30 pesos per kilo. It is widely expected that the average national price will go up to 13-15 pesos per kilo by March. *That will mean a doubling in the price of Mexico's most basic food staple, in three months time.*

The response of the government of Felipe Calderón, who took office on Dec. 1, 2006, has been both psychotic and criminal. The former, because it is so totally dissociated from the elementary physical economic reality facing Mexico; the

FIGURE 1  
**Mexico's Corn Production and Consumption**

(Kilograms per Capita)

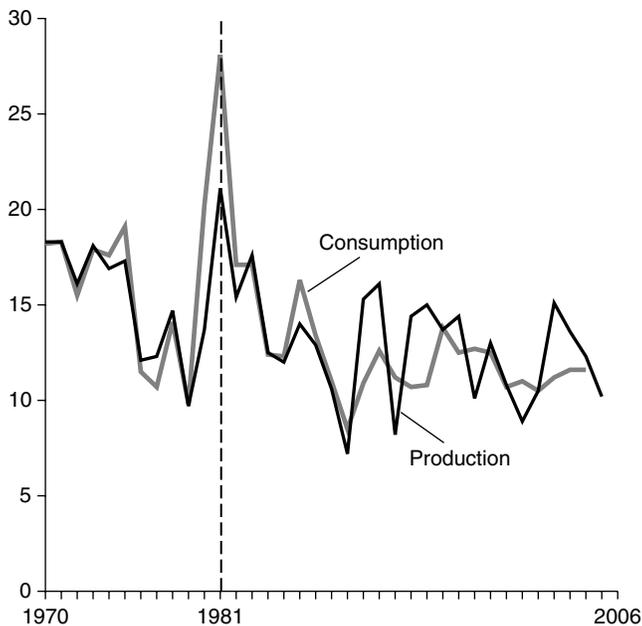


Source: FAO

FIGURE 2

### Mexico's Bean Production and Consumption

(Kilograms per Capita)

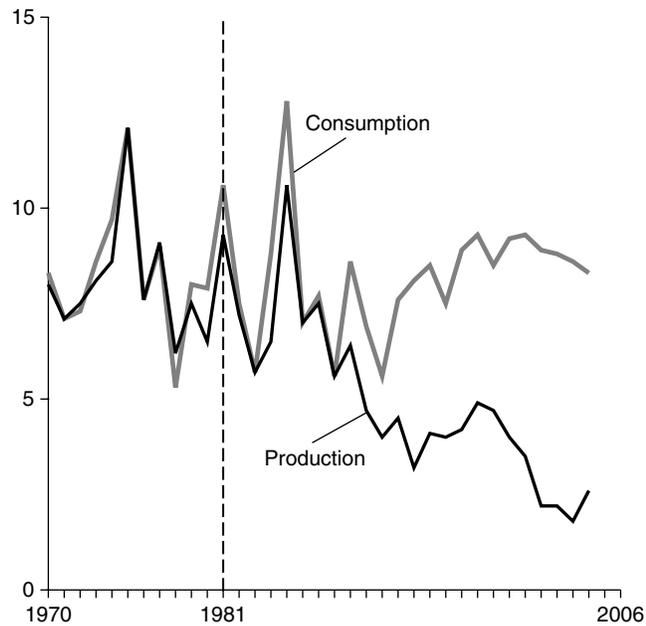


Source: FAO

FIGURE 3

### Mexico's Rice Production and Consumption

(Kilograms per Capita)



Source: FAO

latter, because of the foreseeable genocidal consequences for the vast majority of Mexicans, millions of whom will face dramatic hunger and/or attempt to flee across the border to the United States as economic refugees, just to keep themselves and their families alive.

The Calderón government's response in the tortilla affair has been two-fold:

1. They quickly blamed the skyrocketing price of tortillas, and corn on which it is based, on the world ethanol boom and the consequent leap in demand for corn (see articles in this *Feature*). But rather than protect Mexico from this madness, the Calderón government jumped boldly into the abyss. Agriculture Secretary Alberto Cárdenas argued that "the Mexican countryside urgently needs competitively priced corn and sugar cane in order to produce ethanol," according to the Mexican daily *Excelsior*. "Mexico needs to cultivate at least one million hectares of that grain [corn] in order to satisfy the demand that will be generated by bio-fuel plants," officials calculate. Juan Camilo Mouriño, head of the Office of the Presidency, elaborated that ethanol would be a top priority in the administration's national development plan, as a way of dealing with "the lack of employment in the agricultural sector."

The Calderón government's decision to jump into bed with the bio-fools was *not*, however, the result of the latest price run-up. Back in October of 2006, before he was even

sworn in as President, Calderón traveled to Brazil and Canada to announce that Mexico would be moving into bio-fuels, big time.

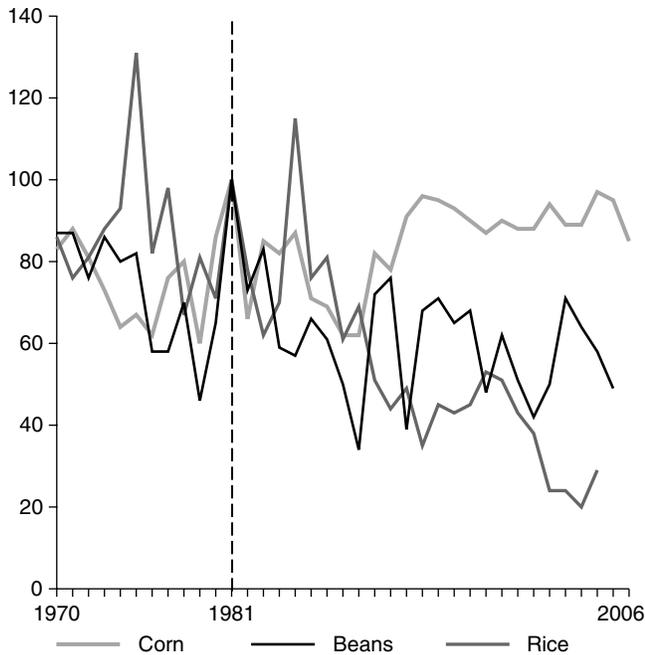
The utter insanity of Mexico—one of the world's great oil producers—switching to corn to produce ethanol, when its own population is so hungry, and depends so totally on corn tortillas to provide minimal nutrition, has not been lost on Mexicans. Víctor Suárez Carrera, director of the National Association of Marketing Companies (ANRC), denounced "neo-liberal economic policies" for decimating agriculture. "There isn't enough supply to meet demand, but authorities should focus their policies on production for *human consumption*, rather than for biofuels."

2. The Calderón government's second policy decision was to refuse to apply price controls in the face of the out-of-control speculative spiral, arguing that this would "discourage production." "Market forces"—i.e. criminal speculators—will be allowed to continue to rule. Rather than price controls, or steps to increase output, Economics Minister Eduardo Sojo announced the immediate lifting of restrictions on corn imports, purportedly to allow more foreign corn (principally from the United States) to enter the country and lower the price that way. The only real-world effect this decision to open the flood gates will have, is to bankrupt the 2.2 million Mexicans still engaged in corn production. Half of Mexico's cultivated land is dedicated to corn production, so the eco-

FIGURE 4

**Mexico's Corn, Bean, and Rice Production**

(Index 1981 = 100)



Source: FAO

conomic and social consequences of such a free-trade tidal wave are unimaginable.

Free trade under NAFTA has already gone a long way to wiping out Mexico's agriculture. In the decade since its adoption in 1994, NAFTA has helped wipe out 2 million jobs in the Mexican countryside, contributing significantly to mass emigration: There are now about 12 million Mexicans residing in the United States. As PRD congressman José Antonio Almazán González stated in early January:

"The crisis we are facing, regarding tortillas, is the crisis of the Mexican countryside, because before neo-liberalism, Mexico was self-sufficient in food. What does that mean? That the beans, the rice, the tortillas—the things we eat—we produced them. And with the Free Trade Agreement, that all ended. And that is the deeper explanation we have for this matter of the criminal increase of the price of tortillas, which the government wants to ignore."

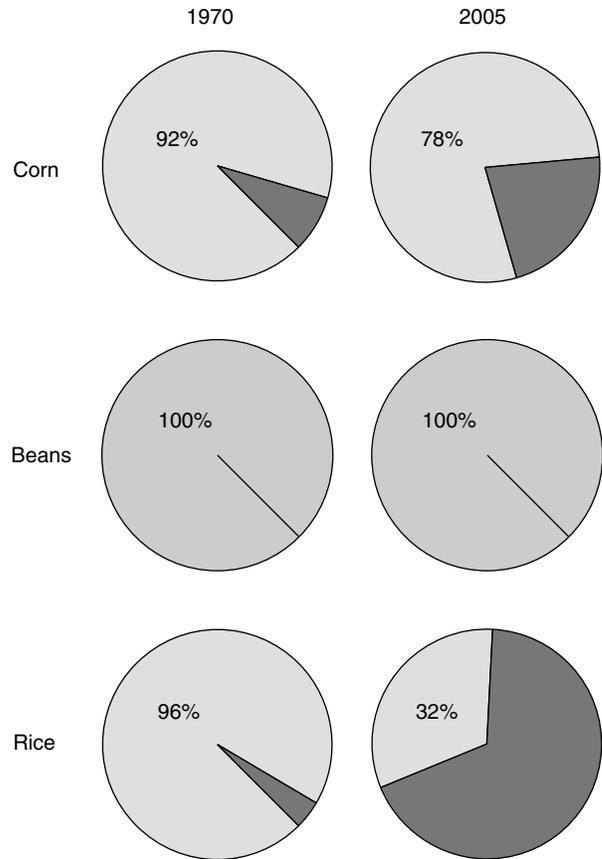
**Enter Venice**

Congressman Almazán's remarks point to a deeper issue.

Under the terms of NAFTA, rice, soybeans, and wheat each became totally free of Mexican tariff restrictions in 2003, following a nine-year transition to trade liberalization. Over those nine years, Mexican production of those crops was wrecked, with rice being particularly devastated—as we will

FIGURE 5

**Mexico's Production of Corn, Beans, and Rice as a Percentage of Consumption**



Source: FAO.

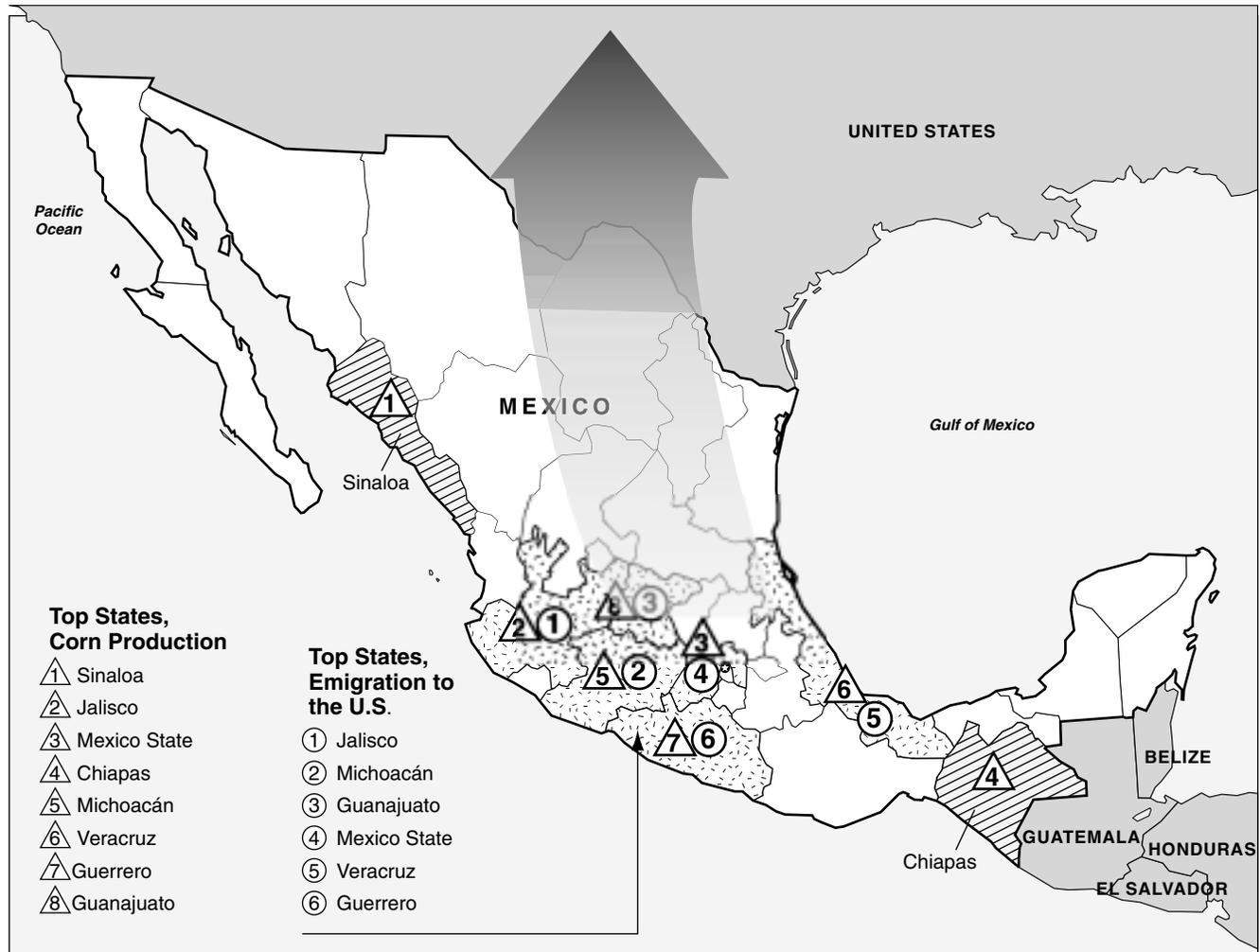
document below.

Corn and beans, however, the staples of the Mexican diet, were excluded from that deadline in the 1994 NAFTA accord, because, in the words of a May 2004 U.S. Department of Agriculture study, "It was widely believed that a sudden opening of the Mexican corn market to U.S. exports would be extremely disruptive, displacing many small-scale corn producers in Mexico and forcing them to migrate to other job opportunities in either Mexico or the United States." The transition to free trade in corn and beans was given 14 years rather than 9—but D-day, Jan. 1, 2008, is rapidly approaching.

There is enormous political opposition in Mexico to accepting this looming deadline, which is widely viewed as the death sentence for Mexican agriculture. But with tortilla prices now skyrocketing out of reach of most Mexicans, there are powerful international forces which are trying to orches-

FIGURE 6

**Mexico: Corn Production and Emigration to the United States, 1995-2000**



Source: INEGI (Mexico).

trate a clamor in the country to bring in cheaper imports *now* from somewhere, anywhere, to bring down prices.

Who are the big players in the tortilla market in Mexico? A staggering 85% of the corn flour industry in Mexico is controlled by a single company, Maseca. Maseca's owner is Roberto González Barrera, who also controls Mexico's fourth largest bank, Banorte. He is perhaps best known inside the country as the businessman who helped the hated former Mexican President Carlos Salinas de Gortari flee the country in González Barrera's private jet in March 1995. But González Barrera has a far more sinister—and important—*foreign* connection that has been little noted, outside of these pages (see *EIR* of July 2, 2004).

González Barrera is on the General Council of Assicurazioni Generali, the powerful old-money Venetian insurance gi-

ant which, among other things, financed Mussolini's rise to power in Italy. Assicurazione's General Council reads like a *Who's Who* of Europe's oldest and dirtiest money interests. No mere local banker joins that body, unless he is playing Venice's game, in which *they* call the shots.

González Barrera may have a stranglehold on Mexico's tortillas, but his international fame stems from his mastery of what Citigroup's SmithBarney refers to as "the loan recovery and administration business of non-performing loans"—i.e., buying up heavily discounted bad loans, and then collecting like a mafia loan-shark. As SmithBarney noted with respect in a 2004 report, Banorte has an "average recovery ratio of 40% of face value [on the bad debt]. In this particular business, return on investment on many of these assets has been more than 100%."

## What Awaits

To get a better idea of what may come from the present tortilla crisis and related ethanol hoax in Mexico, consider the recent history of Mexican agriculture, as portrayed in the following series of graphs, covering the period 1970 to the present. Note that the International Monetary Fund imposed devastating economic conditionalities on Mexico, beginning in 1982, whose results are evident in these graphs.

**Figure 1** shows the evolution of Mexico's per capita corn production and consumption. After reaching a high of 212 kg per capita in 1981, corn production has stagnated, with 2006 production of 180 kg per capita being 15% less than 25 years earlier. The only way that per capita consumption levels have not declined, is by importing growing quantities from abroad. Today, almost a quarter of national consumption is imported.

**Figure 2** shows what has happened to beans, where 1981's per capita production of 21.1 kg had been halved by 2005. Here, imports have not been as significant, and so consumption has mirrored the production drop.

Rice is the real horror story, as **Figure 3** shows plainly. In 1981, per-capita production was at 9.3 kg, but it had plummeted to 2.6 kg by 2004—a more than 70% collapse. Foreign imports meanwhile flooded Mexico, so that the per-capita consumption of rice “only” dropped by 22% in that same period. Imports now make up about 70% of national consumption, according to FAO figures—although statistics provided by Mexican rice producers put the figure at 80%.

Under NAFTA, rice imports were totally freed up as of 2002. That is what is slated to happen to corn and beans as of Jan. 1, 2008.

As Heladio Ramírez, the president of the National Peasant Confederation (CNC), put it in 2005: “NAFTA has done more damage to the Mexican countryside than a hurricane, because rice nearly disappeared as a productive sector; and NAFTA now endangers millions of producers of corn, beans, and sugar cane, because the trade agreement establishes that in 2008 Mexico will be invaded by foreign production.”

**Figure 4** summarizes the production trend for the three crops, indexed to their 1981 levels: corn dropped by 15%, beans by 51%, and rice by a whopping 71%. **Figure 5** tells the respective stories of the diminishing role of national production in domestic consumption.

One of questions one is forced to ask upon reviewing this summary picture, is: What will happen when the Mexican corn sector receives the “rice treatment”—which is now slated to happen not on Jan. 1, 2008, but *now*, as a result of the ethanol/tortilla crisis?

What will happen as foreign corn imports bankrupt the remaining 2.2 million impoverished Mexican corn producers? What will happen to tortilla consumption, as millions of hectares of corn are turned over to the ethanol lunacy? What will happen as the price of tortillas continues to sky-



*LaRouche Youth Movement organizers constructed a nuclear cooling tower as their costume, for organizing in Mexico City last year. Now, their theme is, “Only nuclear energy will save your tortillas!”*

rocket thanks to Venetian-run speculators? Consider the fact that back in 1999, the year that the Mexican government formally abandoned price controls on tortillas, a kilogram of tortillas could be purchased with about 1% of the minimum wage, whereas at the end of 2006 that same kilo required 20% of the minimum wage. What will happen as the price of tortillas doubles, and it takes 40% of the minimum wage to purchase a kilo?

Now look at the map in **Figure 6**. About half of all Mexican emigrants to the United States—legal and illegal alike—come from six states in the center of the country. Those same six states are also among the countries top eight corn-producing states, and the six jointly produce 49% of the country's corn. Two other leading corn states, Sinaloa and Chiapas, produce another 14% and 10%, respectively.

Just what do you think is going to happen—to Mexico, and to the United States—if the lunatic ethanol and free trade policies continue to be implemented?

Better to go nuclear and put an end to the era of globalization. As the LaRouche Youth Movement is telling people in the streets of Mexico: “Only nuclear energy will save your tortillas.”

# Inside the Cartesian Corridor of Congress

by Joe Smalley,  
LaRouche Youth Movement

Echoing what Lyndon LaRouche has described as an intrinsically incompetent approach to economics,<sup>1</sup> a wave of propaganda is now being dumped on the U.S. Congress and the American public, to divert attention from the necessity of actual technological progress. Congressmen are being disorganized as if, while conferring on economic recovery, including the advancement of nuclear power, a swarm of dung flies is interfering, buzzing bullshit in the ears of the would-be patriots.

This nuisance manifested itself at a Jan. 10 Senate Agriculture Committee Hearing, on “Rural America’s Role in Enhancing National Energy Security.” Nine panelists, including the chief economist of the U.S. Department of Agriculture (USDA), a co-chair of 25 × ’25 steering committee, a number of research directors, and representatives from farming, livestock, energy, and environmental associations, offered their input on the 2007 Farm Bill. Each of them prepared statements for the committee supportive of the call to reduce our nation’s dependence on imported oil, and each was optimistic about the future of biomass’s role in achieving that end. Each testimony was bounded by the assumption that *nuclear power is not to be mentioned*. Without reluctance, Chairman Sen. Tom Harkin (D-Ia.) proudly forecast, “Energy is going to be the engine of the Farm Bill.”

Just how much chicken spoil must be scooped before Congress admits that the solution lies not in the poop, but in themselves? We must turn ourselves consciously toward the subject of method, focussing on a proposal very popular among Congress and the people.

## Smelly Statistical Sophistry

According to J. Read Smith, the co-chair of its steering committee, the 25 × ’25 Renewable Energy Alliance is a group of dozens of current and former governors, Senators, and Representatives, and almost 400 business, labor, and environmental organizations. It was formed by a group of farmers with the influence of the Energy Future Coalition, which set the goal of having the agriculture, forestry, and ranching industries provide 25% of the nation’s energy by 2025. To back up the forecasted benefits of such an agro-energy policy,

1. Lyndon H. LaRouche, Jr., “What the Congress Needs To Learn: The Lost Art of the Capital Budget,” *EIR*, Jan. 12, 2007.

Smith cited a major analytical study by researchers at the University of Tennessee Institute of Agriculture (UTIA), funded by the Energy Future Coalition and Energy Foundation.<sup>2</sup> By what method were the conclusions reached, that “25 × ’25 is achievable,” and, “reaching the goal would have extremely favorable impacts on rural America and the nation as a whole”? More than likely, millions of Americans believe in the UTIA’s conclusions, without ever being challenged to uncover the method that has shaped their opinion.

Insert your nose-plugs and glove your hands, because this stuff stinks.

“The goal of this study,” states the report, “was to provide an economic analysis of agriculture’s ability to contribute to the goal of supplying 25 percent of America’s energy needs with renewable energy by the year 2025, while continuing to produce safe, abundant, and affordable food, feed, and fiber. The first objective of the study was to evaluate the ability of production agriculture to contribute to this goal, and the impacts on the economics of the agricultural sector associated with this effort. The second objective was to estimate the overall economic impact of production agriculture and other agro-forest sources on the nation’s economy. These impacts involve not only the conversion of bioenergy feedstocks, but also the impacts of bioenergy feedstocks from food processing industries and forestry residues and mill wastes.”

Only the first objective will be discussed here in detail; the second will be the subject of a future article. Because the second objective is modelled as an extension of the first objective, it depends upon the same axiomatic structure as the first. It is this axiomatic system that quickly needs to be abandoned, if the scent of our nation were to remain attractive to others.

To proceed with the first objective, UTIA researchers used POLYSYS, which is, nominally, “a dynamic agricultural sector model . . . to estimate the quantity and type of energy to be produced from agriculture, as well as the price, income and other economic impacts deriving from producing such a level of energy production.” The 2006 *Annual Energy Outlook* of the Energy Information Administration (EIA) of the Department of Energy, and a RAND Corp. study were used to determine the quantity of energy to be consumed by the United States through the year 2025, expressed both in total energy and in electricity and automotive fuel energy.<sup>3</sup> Of the 117.7 quads (quadrillion BTUs) projected by the EIA for total U.S. energy consumption, 29.42 quads made 25%, and thus this figure became the established quantity to be produced by

2. Burton English, Daniel G. de la Torre Ugarte, et al., *25% Renewable Energy for the United States by 2025: Agricultural and Economic Impacts* (The University of Tennessee Institute of Agriculture, Department of Agricultural Economics, November 2006).

3. *Annual Energy Outlook 2006* (Energy Information Administration, U.S. Department of Energy, February 2006).



PRNewsFoto/Alliance of Automobile Manufacturers/Randy Santos

*“Green People” rally in Washington for alternative fuel vehicles. The last thing Congress needs, is more chicken shit.*

renewable resources. Of this portion, it was projected that 15.45 quads would need to come from new farm and forest production, as already existing biomass and other renewable resources accounted for the remaining 13.97 quads.

Thus, the projected figure 117.7 quads of total U.S. energy consumption by 2025 was assumed to be accurate by the UTIA researchers. *How could one predict the quantity of energy that the nation will consume almost 20 years from now?*

The 2006 *Annual Energy Outlook* is a report of results computed via the National Energy Modeling System (NEMS). According to the EIA, “Overall, NEMS represents the behavior of energy markets and their interactions with the U.S. economy . . . the system reflects market economics, industry structure, and existing energy policies and regulations that influence market behavior.” The *Outlook* does acknowledge a plethora of assumptions and conditionalities, but it does not make explicit the axiom upon which the NEMS has been created.

The following passage from the UTIA report demonstrates the hoax that is being perpetrated:

“A few technical improvements are assumed for the extension through 2025. Conversion coefficients of cellulose to ethanol were increased linearly for stover [stalks and leaves of the corn plant], straw and switchgrass from 2015 to 2025 to final coefficients of 87.9, 83.2 and 90.2 gals per ton respectively. The conversion of corn grain to ethanol is assumed to

increase from 2.7 gals per bushel in 2014 to 3.0 gals per bushel in 2019, and thereafter remain steady. Biodiesel is also assumed to increase from 1.4 gals per bushel in 2014 to 1.5 gals per bushel in 2019 and thereafter remain steady.”

Not only do researchers assume steady progress in the efficiency of converting cellulose to ethanol, but they also assume that cellulose-to-ethanol conversion will be feasible in the first place. They assume that conversion methods that do not exist today will exist in the future, will steadily improve in the future, and will help achieve the 25 × ’25 goal that prescribed just how much energy would have to come from renewable resources.

To state the fallacy of composition more clearly: The researchers first postulated the quantity of energy that must be produced by renewable resources to meet 25% of the defined energy consumption quantity for 2025. Then, to generate this postulated portion of the defined U.S. energy consumption by 2025, the means of converting cellulose to ethanol were assumed to exist. The conversion efficiency necessary to convert the assumed supply of feedstock was assumed to increase to quantities in accord with the requirements to meet the postulated portion of energy.

What would be the effect of continuing to operate within this set of assumptions? Perhaps another study will define the quantity of production jobs to be discarded, so that manufacturers can “remain competitive,” then assume that productivity will increase over time as a smaller supply of jobs will spur competition among laborers, and finally assume that the postulated productivity levels reached will make the manufacturer more competitive abroad. Continue to act on this set of assumptions and watch the nation, including its “competitive manufactures,” collapse into a dark age.

One should ask oneself, “What kind of joke is this? Who would commission such a study? Who would permit such fraudulence to justify a policy proposal?”

## Defining a Nation

Were human beings mere creatures in a jungle, avoiding pain and satiating pleasure, it were not likely that more than several million of us would be roaming the planet today. It would also be impossible to unleash the benefits of nuclear power throughout the world. How we act upon the currently reigning popular delusions will determine the conditions of the world for billions of human beings in the future. The Congress has the power to intervene, on behalf of the people, to craft policy in the pursuit of happiness. The 25 × ’25 initiative, and sundry other “bio-fool” proposals, ought to be considered dead on arrival: Bullshit does not belong in the halls of Congress.

# Smell of Gigantic Hoax in Government Ethanol Promotion

by Laurence Hecht

The warning signs of a gigantic hoax in the promotion of ethanol as a substitute for gasoline came into sharp focus in mid-January, as *EIR* stepped up investigations of the claims by government agencies to the efficiency of biofuels. The evidence is not yet conclusive, but sufficiently suggestive to warrant prompt Congressional investigation into what might be one of the greatest and most costly hoaxes perpetrated by the Cheney-Bush Administration since the selling of the Iraq War.

The leading beneficiaries of this false promotion are the major grain cartels, the large hedge fund operators, who have moved in on the boondoggle, and at a higher level, those policy interests who would take us back to an agricultural society on the imperial model. The big losers will be the American public, including those farmers and farm-state businessmen who have been suckered into one of the greatest investment swindles since John Law's Mississippi land bubble.

The entry point for uncovering this hoax were the claims by officers of the U.S. Departments of Agriculture (USDA) and Energy (DOE) that production of ethanol from corn shows a positive net energy balance of 30,528 Btu per gallon,<sup>1</sup> or 67% more than the energy required to grow, transport, and distill it, and that cellulosic ethanol (derived from switchgrass or other inputs) could provide even higher net energy returns. But deeper investigation showed that while some independent analyses, most of them of recent vintage, show a slight positive energy balance, the figures promoted by government agencies—the USDA Office of the Chief Economist, in particular—appear wildly inflated. A huge energy giveback credit is allocated for the byproducts of ethanol production, the data appear selectively chosen to make the case, and the claims have been inflating over the years.

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1. Hosein Shapouri, U.S. Department of Agriculture, Office of the Chief Economist; James Duffield, USDA/OCE; Andrew McAloon, USDA/Agricultural Research Service; and Michael Wang, U.S. Department of Energy Center for Transportation Research, Energy Systems Division, Argonne, National Laboratory, "The 2001 Net Energy Balance of Corn-Ethanol," (2004).

If, as the preliminary evidence suggests, the bottom line has been goosed up to make the case, the source of such probable corruption is not far to find. As one Federal official with experience in energy and pollution was quoted in the January 2007 *Scientific American*, referring to the 51-cent-per gallon tax break for ethanol, "Congress didn't do a life-cycle analysis; it did an ADM analysis." ADM is Archer Daniels Midland, the largest of the five grain cartel giants, which has been pushing corn ethanol for more than two decades, and whose influence over the USDA is no secret.

The hoax, however, goes much deeper than the debatable claims for a positive net energy balance for ethanol production. No competent evaluation of the efficacy of biofuels can be carried out apart from a consideration of the overall thermodynamic efficiency of the national economy. On this matter, deliberations by Congress and government agencies have been either non-existent or grossly lacking in competence. An observer from another Solar System, looking down on the past decades' transformations in industrial and land-use patterns of the United States, might well conclude that its inhabitants had been inhaling an excess of the vapors of that substance which the intelligent aliens would have identified in their molecular rotation spectroscopes as C<sub>2</sub>H<sub>5</sub>OH, or ethanol.

The expansion of the biofuels boondoggle to *cellulosics*, which is expected to be a leading feature of the President's 2007 State of the Union message, is now about to push us one step deeper into the "red ink" of negative net product of physical economic output. This latest bio-foolery has the added feature of driving us backward in time, toward that condition of agricultural and raw materials-based production which the American Revolution was intended to redress. We must warn the reader who would wish to simplify the issue, that the usual accountant's measures of net profitability have nothing to do with a competent analysis of the subject.

The outstanding weakness among the better-intentioned dupes of the biofuels mania has been an over-readiness to accept the narrowly defined premises of a problem, which, by its nature, cannot be solved without going beyond those self-imposed boundaries. For example, the ethanol question addresses a very limited part of the overall efficiency of our



USDA/Keith Weller

*In a scene straight out of an H.G. Wells film, a microbiologist and technician add starter microorganisms to pilot-plant-size bioreactors in which ethanol is brewed from sugar mixtures derived from corn fiber. “The vision is of ethanol stills dotting the rural land area, drawing on the labor of hardworking peasants in a production radius of 25-30 miles for corn stover, and up to 60 miles for plants using switchgrass as a feedstock.”*

national economy—the production of a fuel for motor vehicle transportation. In a modern, nuclear energy-based economy, the best candidates for a portable motor vehicle fuel are electricity and hydrogen: the one to recharge the batteries of plug-in electric or hybrid electric-powered vehicles; the other to power fuel cells, or to feed the combustion chambers of high-temperature ceramic turbines capable of burning hydrogen at efficiencies twice or greater than that we can achieve with the best gasoline engines. As an interim measure, synthetically produced liquid hydrocarbons, including ethanol and methanol, may be generated by combining the nuclear-generated hydrogen (from electrolysis or catalytic cracking of water) with carbon from coal and other sources, even including a small amount of agricultural waste.

The cheapness and overall efficiency of the nuclear fuel cycle, not the energy input-output balance of the fuel produced, dictates the suitable replacement fuel for the gasoline which, by any calculation, will be in shortening supply over the next century. From a strictly thermodynamic standpoint, the energy cost of any synthetically produced fuel is always greater than the return. That goes for all the electricity that has been generated in the past hundred years, as well as for the nuclear-generated hydrogen which will make up an important part of our future fuel mix. The efficiency of electricity, which was the most important component of the advance of physical economic productivity in the 20th Century, lay in the new *qualities* of productive capability which it brought to farm, factory, and home. That paradox should help the reader to see the necessity of redefining the meaning of thermodynamic

efficiency in physical economic rather than purely mechanical terms.

### **Food and Scientific Principle**

As a first step, let us view this matter from a standpoint often emphasized by physical economist Lyndon LaRouche, making use of the terminology of the great Ukrainian-Russian founder of biogeochemistry, Vladimir Vernadsky (1863-1945). Let us conceive the universe in which we live as consisting of three great domains: the non-living, encompassing all that which the chemist sometimes refers to as the inorganic; the living matter, including all life and its products (the Biosphere); and finally, that unique domain, relatively new on the scale of geologic time, of the products, both material and spiritual, of the human mind (the Nöosphere). Further, let us try to keep in our mind, a moving process conception of the interaction of these domains over time, from the period of the Earth’s history when life existed as an unexpressed potentiality, to the development and rapid spreading of life over the whole envelope of the Biosphere, taking over the inorganic domain for its own purposes, to the emergence of the third and now dominating domain, cognitive humanity.

The negative energy balance findings for production of ethanol from corn are consistent with fundamental principles of science and physical economy, proceeding from this standpoint. For such principled reasons, even if ethanol, or some other biofuel, could be shown to exhibit a positive net energy balance from a strictly thermodynamic standpoint, it would

be foolhardy to convert large portions of our agricultural economy to biofuel production, as the interested beneficiaries of this great hoax propose. Much of the confusion on this matter stems from a failure to understand the fundamental distinction between *energy* and *power* (not *power* as defined in mechanics, as work divided by time, but in the Classical sense of transformative ability: *dynamis*).

The concept of energy, as used in thermodynamics, is based on the mechanical theory of heat, the presumption that a given quantity of heat may be equated to a definite quantity of motion. Its usefulness lies in the fact that the work of all types of machines—mechanical, electrical, chemical, and heat engines—may be compared. Thermodynamics fails, however, when it comes to evaluating systems of human or natural economy. Power, in the Classical sense of the term, such as that invoked by Plato in the *Theaetetus* dialogue, means something quite different. For example, which is more powerful: an atomic bomb, or the human mind? Which, or who, created which?

In evaluating so-called biofuels, it is thus necessary to distinguish between energy and *power*. The useful *power* contained in a kernel of corn is not to be measured by the number of kilocalories or Btu's of heat that can be generated by burning either the whole kernel, or its less-energetic ethanol derivative. Thus, we come to a second paradox: In terms of raw heat energy, there is several million times more available energy in a gram of slightly enriched uranium than in a kernel of corn. Yet the corn kernel contains more *power*, because it represents a far higher degree of organization of matter. Its power to support human or animal metabolism is not only greater, but immeasurably so. (Just imagine eating one or the other, and the point may be grasped immediately.)

Such a view helps us to fix our feet more firmly on the ground, that we may more readily grasp some basic principles which, until a few decades ago, were the common intellectual property of most of our fellow citizens: 1) The purpose of agricultural land, and its accompanying infrastructure, is to produce food. The living matter associated with the chlorophyll in the green part of plants permits the conversion of the extremely low-intensity energy flux of the Sun into this substance we cannot live without. The maintenance and improvement of this land area, its proper supply with water, power, transportation, and all the products of human invention, permit us to use this finite surface area to feed a human population of approximately 6.5 billion. 2) Modern industrial processes require the application of power at high levels of energy flux density, in such forms as electricity, light, and process heat. For the supply of this input, we turn to nonliving processes, particularly to the atomic and subatomic regions. Here, by harnessing the work of millions of particles of extremely low mass and high velocity (or, alternatively of tiny wave packets of extremely high frequency), we are able to produce work in the form of heat,

or directly as electricity, at densities millions of times greater than the received Solar energy.

## The Cellulosic Fantasy

Domestic ethanol production jumped 50% in 2006 to approximately 5 billion gallons. Nonetheless, this made up less than 4% of the 140 billion gallons of gasoline consumed. Almost all of that ethanol came from corn. Already, at that level of production, the pressure is being felt on the price and supply of corn, which makes up a major part of poultry and livestock feed. In a world in which nearly 4 billion people are malnourished, the conversion of corn and cereal grain production capability to production of alcohol for burning in cars is thus clearly both immoral and insane. The amount of agricultural land is finite. According to a calculation by University of Connecticut emeritus physics professor Howard Hayden, replacing the entire U.S. motor vehicle fuel consumption with corn ethanol would require 51% of the land area of the United States.

The latest fantasy among the bio-fools, and the just plain fooled, is that cellulosic ethanol—ethanol distilled from non-food crops, such as switchgrass or southern pine, or from waste paper—can fill the gap. Detailed studies of such subjects as the collocation of corn ethanol and cellulosic feedstock production have been produced by the USDA and DOE.<sup>2</sup> In one study, the optimum collection distance for production of ethanol from corn stover and from switchgrass are compared.<sup>3</sup> The vision is of ethanol stills dotting the rural land area, drawing on the labor of hardworking peasants in a production radius of 25-30 miles for corn stover, and up to 60 miles for plants using switchgrass as a feedstock. It is the primitive agricultural dream world of John Ruskin and his pre-Raphaelites. To see more clearly why it can only bring us closer to economic destruction, let us step back and take a quick overview of the production of ethanol from a biochemical standpoint.

Ethanol, or ethyl alcohol, the same substance found in beer, wine, and spirits, is produced by the fermentation of simple sugars under the action of tiny yeast organisms. In the production of wine or apple cider, the fruit sugars are acted

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2. Robert Wallace, Kelly Ibsen (National Renewable Energy Laboratory, National Bioenergy Center); Andrew McAloon, Winnie Yee (U.S. Department of Agriculture, Eastern Regional Research Center Agricultural Research Service), "Feasibility Study for Co-Locating and Integrating Ethanol Production Plants from Corn Starch and Lignocellulosic Feedstocks," A Joint Study Sponsored by: U.S. Department of Agriculture and U.S. Department of Energy, NREL/TP-510-37092, USDA-ARS 1935-41000-055-00D (revised January 2005).

3. Robert Wooley, Mark Ruth, John Sheehan, Kelly Ibsen (National Renewable Energy Laboratory); Henry Majdeski, Adrian Galvez (Delta-T Corporation), "Lignocellulosic Biomass to Ethanol Process Design and Economics Utilizing Co-Current Dilute Acid Prehydrolysis and Enzymatic Hydrolysis Current and Futuristic Scenarios," NREL/TP-580-26157 (July 1999).

on by yeasts found in the air or introduced by the vintner. To ferment corn or grain requires first breaking down the vegetable starch, known as amylose, which makes up most of the nutritional value of the grains, into the simple sugars of which they are composed. A starch is a type of complex molecule known as a polymer, a straight or partially branched chain of sugar molecules numbering in the hundreds or even thousands. In the human digestive system, the starch contained in cereal grains and other foods is acted on by two slightly different enzymes, generically known as amylase, present in the saliva and in intestinal fluids. By acting on the chemical bonds which join the molecules of the starch together, the enzymes break the polymer down into its simpler component sugars, which can then be metabolized. Amylase, first purified from malt in 1835 by Anselme Payen and Jean Persoz, has long been used in the industrial fermentation of grains. The two types of amylase employed in producing ethanol from corn add about 4 to 5 cents per gallon to the cost.

Cellulose, which makes up most of the fibrous, structural part of plants and trees, is very similar in its components to starch, and shares the same empirical formula,  $(C_6H_{10}O_5)_n$ . Cellulose is the most abundant organic compound in the biosphere, containing more than half of all the organic carbon. But breaking down the cellulose into its component sugars, which can then be fermented into ethanol, is not such an easy matter. Only a few mammals, the ruminants and the beavers among them, can digest cellulose, and they do so not by their own devices, but by hosting bacteria which can do the digesting. In nature, the job of breaking down the great mass of cellulose fiber so the carbon within it may be reused, is given to certain bacteria, and especially to fungi.

Like starch, cellulose is classified as a polysaccharide, meaning a collection of many simple sugars. However, it is put together quite differently. The structural units are two linked sugars and they link together in chains of hundreds of sugars. Links between the hydrogen atoms of separate chains give the cellulose structure a crystal-like quality. Thousands of polymer strands might be put together in this way. To compound the problem of getting at the sugars, the cellulose is wrapped in a sheath of hemicellulose, another polysaccharide, and lignin. The hemicellulose is a bit easier to break down but more difficult to ferment than the cellulose. All in all, the cellulose is doing the job nature intended it for: to keep plants standing rigidly and resistant to outside attack. It is worth considering that, pound for pound, wood is stronger than steel as a structural member. Its strength comes from the ingeniously designed cellulose/lignin structure. Organic molecules are built around the incredible versatility of tetrahedrally bonding carbon atoms in joining up, in chains, rings, spirals, and the more complex topologies of living structures. What life builds up, man's ingenuity can break down. But at what cost, and for what good purpose?

Corn ethanol gets by with its 51-cents-per-gallon Federal

subsidy. To qualify cellulosic ethanol production for this level of welfare subsidy, still requires solving a lot of problems. Heat and acid pre-treatment are required to remove the lignin from the cellulose. Once freed, the cellulose must then be treated with strong acid and higher temperatures. The dream of the cellulosic ethanol proponents is that new ways of producing cellulase enzymes might be developed. So far, it remains only a dream. Several years ago, the DOE's National Renewable Energy Laboratory subcontracted the two largest enzyme companies to try to bring down the cost of producing cellulase. In the first phase, a cost reduction of about 10- to 12-fold was achieved. But this left the price of the enzyme, optimistically calculated, in the range of 30 to 40 cents per gallon. The goal has been to bring that price down to 10 cents or less; but that has proved much more difficult. According to Matthew Wald, writing in the January 2007 *Scientific American*, "at a seminar at the House of Representatives last September, companies complained that they could not convince a design firm to guarantee to a bank that the finished [cellulosic] plant would work."

Leading candidates for the feedstock of choice in cellulosic ethanol production include switchgrass (the native species of the North American tall grass prairies), Miscanthus, a tall grass of Asian origin which has gone through many trials in Europe, and fast-growing trees, such as the southern pine. Proponents argue that these species will not compete with food crops, as corn ethanol does. However, the land, infrastructure, and labor requirements for growing and harvesting don't go away. On the R-Squared Energy blog, Robert Rapier, who studied cellulosic ethanol production at Texas A&M University, calculates that a mid-sized cellulosic ethanol facility of 50 million gallons-per-year capacity would require 860,585 Douglas firs *per year* to stay in operation. At the best possible yields of switchgrass, he calculates that the replacement of 50% of our current annual gasoline consumption, would require 13% of the land area of the United States. This is assuming that a cellulosic ethanol production plant could ever be made remotely efficient. His figure is in the same general ballpark as the one cited earlier in the article for corn ethanol. But such quantities of arable and accessible land are simply not available.

## The Net Energy Debate

For more than 25 years, competent scientific studies had shown that, when all the inputs were taken into account, it takes considerably more energy to produce a gallon of ethanol than can be derived from it. In 1980 and 1981, two panel studies by the U.S. DOE reported a negative energy return from corn ethanol production.<sup>4</sup> These reports were reviewed

4. Gasohol: Report of the Energy Research Advisory Board, U.S. Department of Energy, Washington, D.C., 1980; Biomass Energy: Report of the Energy Research Advisory Board Panel on Biomass, November 1981.

## How the USDA Gooses Its Data

Production Process	Without Give-Back	With Give-Back
	(Btu per Gallon)	
Corn production	18,713	12,350
Corn transport	2,120	1,399
Ethanol conversion	49,733	30,586
Ethanol distribution	1,487	1,467
<b>Total energy used</b>	<b>72,052</b>	<b>45,802</b>
Net energy value	4,278	30,528
<b>Energy ratio</b>	<b>1.06</b>	<b>1.67</b>

Note: Figures are weighted average of dry and wet milling process. Energy value of ethanol is taken as 76,330 Btu per gallon.

Source: Hosein Shapouri, James Duffield, and Andrew McAloon (USDA); Michael Wang (DOE), "The 2001 Net Energy Balance of Corn Ethanol" (2004).

*Energy use and net energy value per gallon of corn ethanol, before and after "coproduct energy credit" give-back.*

by 26 independent scientific experts. The findings that the net energy balance from conversion of corn into ethanol was negative, were unanimously approved. Numerous investigations in the intervening decades have confirmed those results. In the most extensive study carried out recently by Dr. David Pimentel of Cornell University's College of Agriculture and Life Sciences, corn ethanol showed a negative net energy balance of -29%.<sup>5</sup>

However, according to Hosein Shapouri, the leading economist promoting ethanol at the USDA, those earlier studies "are useless, because we didn't know how to make ethanol then." It took 100,000 Btu's per gallon just to process it in the inefficient plants of that time, Shapouri recently told *EIR*.

But, Shapouri's leading opponents in the great debate over net energy balance, Pimentel and Prof. Tad Patzek of Berkeley's Department of Environmental Engineering, do not use the 1981 figures. When their estimates for the steam and electricity required to distill ethanol from corn are converted into units of Btu per gallon,<sup>6</sup> their figure comes to 53,431. Shapouri gives a figure for the energy consumed in ethanol conversion of 52,349 for wet milling and 47,116 for the dry milling process, yielding a weighted average of

49,733 Btu per gallon. The difference is hardly enough to account for the enormous discrepancy between -29% and +67% in their respective estimates of the net energy balance. Pimentel and Patzek add in other small inputs, including the energy cost of the steel, stainless steel, and cement contained in the plant, which Shapouri has not used, and a small energy cost for treating sewage effluent. But Shapouri factors in a figure of 1,487 Btu per gallon for ethanol distribution. After all is said and done, Pimentel and Patzek have 56,436, and Shapouri 51,220 Btu per gallon for the energy cost attributable to the refining end of ethanol production. Again, the difference is minor.

A much larger discrepancy occurs respecting the energy cost attributed to corn production. Shapouri gives 18,713, while Pimentel and Patzek's data, after conversion of units, yields 37,884 Btu per gallon, more than double Shapouri's figure. The difference is 19,171 Btu, or 26.6% of the 72,052 Btu per gallon total energy needed for corn ethanol production, as calculated by Shapouri. Shapouri claims that his data are the best available from years of USDA calculations, and that Pimentel is not knowledgeable on many aspects of agricultural production. Pimentel is an entomologist, an insect specialist, Shapouri notes. But Pimentel says that Shapouri has shopped his data. He has taken the corn yields from the best-producing states, and looked for the lowest-value data for such items as the application rate of various fertilizers. Pimentel also says that Shapouri has omitted assigning an energy value for the farm labor. Shapouri concedes that point, but says that he sees no reasonable way to assign such a cost.

One of the largest energy inputs to corn growing is in the production of nitrogen fertilizer. Almost all nitrogen in fertilizer is derived from ammonia produced by the Haber-Bosch process which takes nitrogen from the atmosphere, using natural gas as a source for hydrogen and heat. Pimentel assigned a value of 11,452 Btu per gallon for the heat energy contained in the nitrogen fertilizer used for corn ethanol production in 2003; he may have lowered the estimate somewhat in subsequent years. Shapouri's figure from 2002 is 7,344 Btu per gallon. The difference of 4,108 accounts for 22% of the 18,713 Btu per gallon total energy cost which Shapouri assigns to corn production. Asked to explain his much lower figure, Shapouri says that the energy cost for nitrogen fertilizer has dropped considerably in recent years, owing in large part to the closing down of older, inefficient plants in the United States. Shapouri says that much of the ammonia and other nitrogen compounds are now imported from newer plants in such locations as Trinidad and Tobago, where natural gas is cheap. Patzek reports that improvements in the production process have reduced the energy cost of ammonia by about one-third over the past 60 years, but the figure Patzek gives (in 2004) for the specific energy consumption of nitrogen fertilizer is still about 26% higher

5. David Pimentel and Tad W. Patzek, "Ethanol Production Using Corn, Switchgrass, and Wood; Biodiesel Production Using Soybean and Sunflower," *Natural Resources Research*, March 2005.

6. A British Thermal Unit (Btu) is the quantity of heat required to raise the temperature of 1 pound of water by 1°F when the water is at its temperature of maximum density (39.1°F). A kilocalorie, the unit used in Pimentel's studies, is the quantity of heat required to raise the temperature of 1 kilogram of water by 1°C, at a temperature of 15°C. There are 3.97 kilocalories (the unit used to measure nutritional value of food, also known as the Calorie) in 1 Btu.

than that of Shapouri et al. in 2002. Shapouri also uses a somewhat lower figure than other authors for the application rate per hectare of the nitrogen.

### The Great Give-Back

The really suspect part of the combined USDA and DOE analysis of the ethanol energy cost is yet to come, however. Even after all the differences noted so far, Shapouri's analysis results in what he calls an *energy ratio* of 1.06, that is a +6% net energy balance. How does that become +67%?

One part of the answer is to be found in an accounting program, technically known as a process simulation program, called ASPEN Plus. It was adapted by a USDA employee by the name of Andrew McAloon to apply to the corn ethanol calculation, according to Shapouri. The gist of the adjustment lies in what Shapouri et al. call the *coproduct energy credits*. There are certain byproducts of the ethanol production process, principally a substance known as distillers dried grains (DDG), and smaller quantities of corn gluten feed (CGF), and corn gluten meal (CGM). The DDG byproducts have some value in preparation of animal feeds for ruminants, although they are of limited value for feeding hogs and chickens, according to Pimentel and Patzek. In any case, their preparation by other means, if they had been produced, would have taken a certain amount of energy. The argument is, thus, that an energy credit should be assigned them.

Patzek believes their energy value is zero or less, because the costs of their production, including restoration of the soil, are greater than they are worth. Soybeans, which require no nitrogen fertilizer, make a much more effective animal feed, he points out. Pimentel has generously assigned an energy credit of 6,684 Btu per gallon to the DDG byproduct.

However, Shapouri et al., by means of ASPEN Plus, have given to the byproducts an energy credit of 19,167 Btu per gallon, or 26.6% of the total energy they had calculated for the entire ethanol production cycle!

But that's not all. Another 7,084 Btu per gallon of coproduct energy credit is allocated to the corn production and transport process. The argument is that ethanol is derived from the starchy part of the corn, and corn consists of only 66% starch by weight. Therefore, only 66% of the energy cost of corn production and of corn transport should be assigned to ethanol production. It would be as if a refiner of ore with a 5% useful metal content were to say that 95% of the cost of mining and hauling the ore should be discounted. Taking into account this additional gift, Shapouri et al. achieve a total *coproduct energy credit* of 26,250 Btu per gallon. The total energy consumed in ethanol production thus miraculously shrinks to 45,802 Btu per gallon. The energy value from burning a gallon of ethanol has been measured as 76,330 Btu per gallon, and thus a net energy value of 30,528 Btu per gallon, or +67% is achieved!

It is already past time for our new Congress to open vigorous investigations into this giant hoax.

## Only Nuclear Power Can Close Energy Gap

by Marjorie Mazel Hecht

Nuclear energy is the only way to keep the lights on and the wheels of industry turning in the United States and around the world. There is no other way to ensure that the 6.5 billion and growing world population will enjoy the standard of living and longevity typical in the industrial world today. Windmills, solar cells, biomass, and other so-called alternatives cannot power an industrial society.

The energy released from a chain reaction of splitting atoms inside a nuclear reactor has a higher energy flux density than older energy sources like wood, coal, oil, and gas. To get an idea of this, consider that 1.86 grams of uranium fuel equals the energy in 30 barrels of oil, or 6.15 tons of coal.

The higher temperatures of fission enable nuclear to efficiently create hydrogen fuel (as a petroleum replacement) from water, and to efficiently power industrial processing like seawater desalination. Nuclear energy is efficient, clean—and also renewable! Spent nuclear fuel can be recycled—97% of it—into new reactor fuel.

But the “business as usual” method is not going to build the numbers of nuclear plants that the United States, and the rest of the world, need to move civilization forward (and certainly not in the time frame that is required to save millions of lives). Going nuclear is a question of real national security. A nation cannot exist, much less thrive, with an inadequate, decentralized “micro”-energy system of the sort promoted by bio-fools like Amory Lovins. We need a Manhattan Project-type approach to civilian nuclear energy, a Great Projects mission with the funding to get the job done.

Nuclear engineer Jim Muckerheide, the president of Radiation, Science, & Health, who is also the state nuclear engineer for Massachusetts, has proposed such a new public corporation as the only feasible way to tackle the daunting task of building 6,000 nuclear plants worldwide by 2050 to meet projected electricity needs.<sup>1</sup> The Russians, he said, are organizing such a national entity, and have set the goal of building 100 nuclear plants, 40 of them inside the country, and 60 exported by 2030. China has a similar approach, with its National Nuclear Corporation, working with local governments and private vendors to build new plants. Its short-term goal is to build 32 units by 2020.

Here, the Bush Administration has a long-term nuclear

1. See James Muckerheide, “How to Build 6,000 Nuclear Plants by 2050,” *21st Century Science & Technology*, Summer 2005.

program with the goal of building an initial nuclear fuel recycling facility and a fast “burner” reactor to eliminate long-lived transuranic isotopes from spent nuclear fuel, in the next 15 years. But the program is driven by a political ideology of centralizing control over the nuclear fuel cycle, not putting multiple units on line. The U.S. nuclear industry meanwhile is caught in its supposed bottom line, justifying each planned new unit individually against the variations in coal and oil prices and financial risk reduction, and trying to get as much as possible out of its existing fleet of nuclear plants. The industry is not willing to invest in new plants without government guarantees.

The bulk of the necessary funds should be generated in the same way that Lyndon LaRouche has proposed for the rest of the nation’s infrastructure: a system of low-interest (1 to 2%) government loans to jumpstart nation-building infrastructure. The payback for such investment over the coming decades would be enormous.

## The Safety Question

The rational person can comprehend the precautions and risks involved with an advanced technology like nuclear. But those with an irrational fear of “nuclear” are like the many-headed hydra; every time one question is reasonably answered, another fear will pop up.

Radiation is all around us (from cosmic rays), and inside us (from the foods we eat). Natural background radiation varies considerably from place to place, based on altitude. High-altitude Denver, for example, has about twice the natural radiation of Dallas. On average, Americans get about 360 millirems per year of radiation. In addition to natural background radiation from cosmic rays, the ground, and building materials, there are man-made radiation sources: coast-to-coast airplane flights add 5 mrem; watching color television adds 1 mrem; one chest X-ray adds 50 mrem. How much do all the nation’s nuclear plants add to the average? About 0.003 mrem. Coal plants emit more radiation than nuclear plants because of the natural radiation in coal, which is discharged at the stack!

As Edward Teller liked to quip: “In sleeping with a woman, one gets just slightly less radioactivity than from a nuclear reactor; but to sleep with two women is very, very dangerous.”

The biggest radiation myth is that all radiation is dangerous, no matter what the dose. In actuality, low-dose radiation has been shown to be beneficial to human health. It is wrong to take the known damage from high-level radiation exposure and extrapolate this damage down to a zero dose. Instead, as one nuclear scientist has suggested, we should have a “radiation deficiency” standard, because people who live in areas of relatively high background radiation turn out to live longer and be healthier than their counterparts in sea-level areas!<sup>2</sup>

But are nuclear plants themselves safe? The U.S. nuclear

plants have multiple safety systems and are built with thick concrete containment walls. Today’s nuclear plants operate like other power plants: Heat from burning coal, oil, gas, or uranium is used to boil water and create steam, which then turns a turbine to produce electricity. Operators are trained and plants are highly regulated.

Tomorrow’s plants, the fourth-generation nuclear reactors, are fail-safe, and automatically shut down if there is a problem, even without the assistance of an operator. The fuel cannot be damaged by accident conditions. Can things go wrong? Yes. But the risk to the public of a nuclear accident is very small—much smaller than the risk of driving a car, smoking a cigarette, or doing any number of risk-laden activities, including working in (or living near) a coal-fired plant.

We need to build many kinds of nuclear plants: large ones for urban-industrial centers, medium and small reactors for developing nations and remote areas, breeder reactors to create new fuel, fusion-fission hybrids to make the transition to a fusion economy. But the workhorse of the next generation of nuclear reactors will be the modular high-temperature gas-cooled reactor, both the Pebble Bed Modular Reactor (PBMR) and the Gas-Turbine High Temperature Reactor (GT-MHR). The first, originally a German design (a small plant operated there from 1967-89), is being built in South Africa, and a small plant now operates in China. The second, designed by San Diego-based General Atomics, is being built in prototype in Russia, with the aim of burning excess plutonium from weapons.

The advantages of these reactors is that they are small enough to be modularly produced on an assembly line and shipped to the plant site for assembly, thus cutting production costs. The nuclear site can be configured to start with one or two units and build up to six, as needed, making use of a single control building.

The GT-MHR is a 285-megawatt plant with passive and inherent safety features that make a meltdown impossible. Its tiny fuel particles are encased in ceramic spheres, which serve as “containment buildings” for the fission process. The overall design prevents the reactor from ever getting hot enough to melt the ceramic spheres that surround the nuclear fuel. The spheres are mixed with graphite and shaped into cylindrical fuel rods.

The high temperature of the reactor (1,560°F), compared to the 600°F limit of a conventional water-cooled nuclear reactor, gives it greater generating efficiency, and allows a wide range of industrial applications. It uses a direct-conversion gas turbine, with no steam cycle. The heat is carried by the helium gas, which is also the coolant. This simplifies the system and increases efficiency. The GT-MHR is 50% more efficient than conventional light-water nuclear reactors.

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2. For further reading: See nuclear articles accessible from the home pages of *EIR* <http://www.larouche.pub.com> and *21st Century* <http://www.21stcenturysciencetech.com>.

# British Crown Assaults Canadian Wheat Board in Grab for World Grain Control

by Rob Ainsworth and Jean-François Sauvé, Canadian LaRouche Youth Movement

Acting through its Canadian and Australian Privy Councilors, the British Crown has launched a coordinated assault to destroy both the Canadian and Australian Wheat Boards, to the benefit of its assets in the international grain cartel. Combined, the two nations account for a stunning 65% of global wheat exports, control of which would give the Crown and its food cartel unchallenged dominance over world wheat prices and supplies.

As documented in this article, and in an accompanying article on the case of Australia, the assault on the two nations' wheat producers is moving in lockstep. "Single desk" wheat boards (export monopolies) were established in both nations in the 1930s, to protect their respective farmers, and to guarantee national food supplies. After a prolonged governmental and media campaign against the Canadian Wheat Board (CWB)—which controls 50% of world wheat exports—Prime Minister Stephen Harper's government in early 2006 tried to ram through a law which would have stripped the CWB of its single desk. Then, on Oct. 5, Queen Elizabeth II's Canadian Governor General made an almost unprecedented public intervention into the political fray with an "Order in Council" aimed at destroying the CWB. Meanwhile, in Australia, the government in 1999 corporatized the Australian Wheat Board (AWB), preparatory to its being privatized (which has not yet officially happened), and, in December 2006, the government of Prime Minister John Howard stripped the AWB of its export monopoly.

## The Strategic Setting

A 1994 study by *EIR*<sup>1</sup> documented how the international financial oligarchy centered in the British and Dutch royal families, known as the "Club of the Isles," controls a preponderance of the world's most powerful corporations in raw materials (including mining, petroleum and food), in finance, and in the media, among other fields. The Club's assets were estimated by insiders at US\$9 trillion in 1997, and have grown phenomenally since then. Merely a few of the names in its

corporate apparatus include:

**Mining:** Rio Tinto Zinc, BHP, CVRD, Anglo-American, De Beers, Lonrho, and Barrick Gold;

**Oil:** Royal Dutch Shell, BP;

**Banking:** Bank of England, HSBC, JP Morgan & Co., Lazard Brothers & Co., N.M. Rothschild & Sons;

**Food:** Cargill, Archer Daniels Midland, Louis Dreyfus, and Bunge and Born.

Coordinated by Queen Elizabeth's Privy Council in London, with its House of Orange cousins in The Netherlands, the Club rests upon the long-standing British imperial tradition of integrating its corporate elite with government ministers and the top echelons of Britain's intelligence services. This Anglo-Dutch entity is the primary force promoting globalization, free-market neo-liberalism, and the end of nation-states as the preeminent political institutions on the planet; its fronts include such "one-worldist" entities as the European Union and the World Trade Organization. At issue is control of the world's strategic raw materials in a time of global financial crisis, as the U.S. dollar faces imminent collapse.

A new world financial architecture will be created from the ashes of the current floating exchange-rate-system. The as-yet-unresolved question is who will determine the nature of the new arrangement, which will either be an agreement amongst sovereign nation-states, or be dictated by private financier power. It is in this context that the Canadian Prime Minister's Office and other Crown agents are being deployed against the CWB. Once the solidarity of Canada's greatest co-op has been destroyed, the international grain cartel (U.S.-based Cargill, and Archer Daniels Midland; EU-based Louis Dreyfus, and Bunge and Born), which controls the transportation and distribution infrastructure, will be free to crush the independent Western Canadian farmer, and to secure control of two of the world's most important bread baskets, in Canada, and in Australia.

## The Assault on the CWB

Canadian Prime Minister Stephen Harper (Conservative) and Agriculture Minister Chuck Strahl have trumpeted their intent to dismantle the CWB, established in 1935 and com-

1. "The True Story Behind the Fall of the House of Windsor," *EIR*, Oct. 28, 1994.



Ted Buracas

*Prime Minister Stephen Harper has led the charge to dismantle the Canadian Wheat Board, which protects farmers from looting by the globalized food cartels.*

posed of 75,000 farmers in Western Canada (where Canada's wheat is grown), and to replace it with a CWB II, which would offer "marketing choice" to Canada's wheat and barley farmers. Currently, all such farmers must, by law, sell their produce to the CWB, under the single desk marketing system. The government's "free enterprise" sophistry ignores the wide-ranging benefits which the Wheat Board's single desk provides to its members, such as procuring, on average, Can\$350-400 million in additional annual profits due to increased bargaining power and marketing directly to the end consumer. When other benefits, such as freight rate caps, are included, these extra profits approach \$800 million. Instead, as stated in the 2006 Conservative Party Platform, the government promises to "give farmers the freedom to make their own marketing and transportation decisions and to direct, structure, and voluntarily participate in producer organizations," such as the CWB.

By claiming to offer farmers "the freedom to choose," Harper implies that the Wheat Board will survive his intended changes. He lies. Prof. Murray Fulton, of the University of Saskatchewan, conducted a study, *CWB in an Open Market*, examining the potential impact of introducing a dual-market system. In the abstract of his report he writes:

The most likely impact of removing the single-desk selling powers is that the CWB will cease to exist. The elimination of the CWB would transform the Canadian

grains industry, with the impact of this change felt in virtually every part of the system. The changes that would accompany the loss of the CWB's single desk selling power would make the Canadian system more and more like that in the United States. It is expected, for instance, that grain company and railroad competition would fall, that producer cars and short line railways would suffer, that the current freight revenue cap would disappear, and that less value would be returned to farmers. *Once these changes are made they are irreversible—it would be virtually impossible to go back and restore the system to what is currently in place [emphasis added].*<sup>2</sup>

Today, Canada produces 12% of the world wheat supply, but accounts for up to 50% of world exports. The regulated, single-desk CWB is an essential institution for western farmers. It provides high value-added services and a powerful selling advantage to those farmers, helping them market their products and get a fair return for their crops. All sales revenues (\$4-6 billion annually), less operating costs of 5-7%, are returned directly to the farmers. Of great import is the CWB's method of dealing directly with the end purchaser, thereby cutting the grain cartel out of immense profits. The Crown's intention to dismantle the CWB, for the benefit of the international financiers who dominate the world food supply, is a matter of the utmost importance for the sovereignty of our nation. It is a threat to our national security.

The destruction of the CWB will expose Canada's farmers to the Hobbesian world of the so-called "free market," which is increasingly dominated by a multinational cartel, of which four companies alone control 73% of the international grain trade: Cargill, Archer Daniels Midland (ADM), Louis Dreyfus, and Bunge. With the new arrangement, farmers would be forced to negotiate individually with the grain cartels, and at the same time compete against one another, thus heralding the end of the family farm in Western Canada. The inevitable result of the government's policy will be either widespread consolidation into a small number of giant factory farms and the consequent destruction of Western Canadian society, or the highly unlikely issuance of massive subsidies to maintain family farms, as the multinationals force prices lower than the cost of production.

### History of the CWB

"Canada would not have existed without the western wheat economy," wrote Dr. John Herd Thompson, in a 1996 study of the history of the CWB.<sup>3</sup> This was true at the founding of our nation, and it is still true today. Because of the impor-

2. [www.kis.usask.ca](http://www.kis.usask.ca)

3. [www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab\\_1.pdf](http://www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab_1.pdf)

tance of agriculture, the wheat trade has long been regulated. The precursor of the CWB was created in 1917 to alleviate the difficulties which farmers were experiencing at the hands of middlemen and market speculators. The CWB of today was born later, out of both the desperation of the Great Depression and the prior experience of pooling and joint selling in the western provinces.

For much of its history, the CWB functioned as a Federal government agency. However, in 1998 the government changed its management composition, allowing farmers to run the corporation directly, while ensuring a certain amount of oversight to protect the public interest. This oversight is now, in a gross abuse of power, being exploited to ultimately destroy the CWB. The government established a Board of 15 directors which “assumed overall responsibility to direct and manage the business and affairs of the CWB.” Ten directors are elected by the farmers, four are appointed by the government, while the president and CEO are appointed by the Federal government in consultation with the Board. The government’s role, apart from appointing these five directors, is supposed to be limited to reviewing and approving certain financial aspects of the CWB’s operations, and guaranteeing its pre-harvest payments to farmers, its borrowing, and its export sales; but technically, as ex-president and CEO Adrian Measner has observed, the 1935 Canadian Wheat Board Act “also gives the federal government the authority, through the auspices of the [Governor General in Council], to give direction to the CWB as to the manner in which it operates. However, this provision has rarely been used.” More importantly, he emphasizes that “*over the long history of the CWB this provision has never, prior to 2006, been used over the CWB’s objections*” (emphasis added).<sup>4</sup>

### Prime Minister Harper vs. the CWB

In May 2006, Bill C-300 was introduced into the federal Parliament, with the intention of creating a loophole to the requirement in the Canadian Wheat Board Act of 1935 that all Western Canadian wheat and barley producers sell their grain to the CWB. The loophole would have permitted farmers to sell their grain directly to grain-handling companies such as Agricore United (controlled by ADM) and the Saskatchewan Wheat Pool, which is allied with ADM subsidiary Töpfer. This action, on the part of the government, was illegal, as expressed in section 47.1 of the Act, which stipulates that, *before the government can introduce legislative changes to the Act, it must consult the Wheat Board directly and the farmers must approve the proposed changes by a plebiscite. The government did neither.* Fortunately, the bill was defeated by the opposition parties, which united against such blatant injustice.

Only weeks later, Minister Strahl refused to approve the CWB’s annual corporate plan because it was “based on a

strategic direction that envisages the maintenance of the single desk.” Strahl stated that before he would approve the plan, the CWB would have to “delete any reference to the maintenance of the single desk, and any activities in 2006-07 that . . . are geared to the maintenance of the single desk.”<sup>5</sup> The Minister made these demands in full knowledge of, and complete disregard for, the law. Undaunted by serious opposition from farmers and a majority of the Parliament, Harper and Strahl pushed ahead with the Conservative agenda. On Oct. 5, 2006, the Governor General, “on the recommendation of the Minister of Agriculture,” issued an Order in Council, directing “The Canadian Wheat Board to conduct its operations in the following manner:

“a) it shall not expend funds, directly or indirectly, on advocating the retention of its monopoly powers, including the expenditure of funds for advertising, publishing or market research; and

“b) it shall not provide funds to any other person or entity to enable them to advocate the retention of the monopoly powers of The Canadian Wheat Board.”

This directive has effectively placed a gag order on the CWB, preventing it from defending itself, although the CWB is free to promote the government’s position! *This Directive is a de facto violation of one of the most important principles in our Charter of Rights and Freedoms: the right to free speech.*

The timing of this despotic Order in Council coincided with the CWB’s biannual elections, thus sabotaging the CWB at a critical moment. Simultaneously, the government campaigned aggressively for its preferred candidates, spending tens of thousands of dollars, while Strahl crisscrossed the western provinces in their support. Meanwhile, Harper and Strahl unleashed a further scheme. On Oct. 17, fully six weeks after the start of the election period, Strahl announced the removal of 16,000 of the 44,578 names from the voters list, without consulting the CWB. These measures, happily, did not induce the desired results: The farmers overwhelmingly chose candidates who supported the single desk. In the meantime, the government had replaced three of its own directors with people who were openly against the single desk, hoping to destabilize the co-op and intimidate the farmer-elected directors into accepting the government’s free-market policies. The government has now effectively split the Wheat Board, with eight directors supporting the single desk, countered by seven government agents.

Strahl’s most recent act of sabotage was the unprecedented firing of Wheat Board CEO and President Adrian Measner, explicitly because he refused to support the government’s policy of eliminating the Wheat Board’s monopoly. In an interview with one of the authors, a current CWB director asserted that “Adrian Measner was fired because he upheld the law.”

4. [www.cwb.ca/public/en/hot/judicial/pdf/affidavit\\_ameasner.pdf](http://www.cwb.ca/public/en/hot/judicial/pdf/affidavit_ameasner.pdf)

5. [www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab\\_20.pdf](http://www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab_20.pdf)

## Attacks on the CWB From the Private Sector

While the government proceeds according to this free-market agenda, it is getting plenty of help from operatives in the private sector who are linked to the international grain cartels:

**The National Citizens Coalition:** The NCC claims to be a grassroots organization, but is actually an extreme right-wing think-tank which promotes free enterprise and free trade, whose former president is none other than Prime Minister Stephen Harper. It is virulently anti-union, anti-regulation, anti-“big government,” anti-public health care.

The NCC is part of a nest of right-wing organizations in Canada (and in Australia) in the stable of the Mont Pelerin Society, the British Crown think-tank perhaps best known for designing the privatizations in Britain under Conservative Prime Minister Margaret Thatcher, and which is the “mother organization” for the deregulation/privatization movement worldwide, in which the nation-state’s assets are sold off for a song to “private enterprise.”

**The Media:** The anti-CWB *Calgary Sun* and *Edmonton Sun*, along with dozens of other daily and weekly publications, are owned by Sun Media, which, in turn, is owned by Quebecor, Inc., one of the biggest media conglomerates in Canada, posting annual revenues over \$10 billion. Sun Media’s publications are known for their right-wing outlook. **Brian Mulroney**, the former Prime Minister who brought the Free Trade Agreement (FTA) and North American Free Trade Agreement (NAFTA) to Canada, is the chairman of the Board of Quebecor and its subsidiary Quebecor World, the second-largest printing company in the world. Mulroney is also the mentor and closest advisor of Quebecor President and CEO Pierre Karl Péladeau.

Mulroney is one of the most powerful men in Canada. He holds numerous influential Directorships, among them a spot on the International Advisory Council of JP Morgan Chase & Co., along with Henry A. Kissinger and George P. Shultz. He also sits alongside business magnate Peter Munk on the Board of Barrick Gold, whose International Advisory Board features former U.S. President George H.W. Bush. Mulroney is a protégé and business associate of Paul Desmarais, Sr., who controls Power Corp., one of Canada’s predominant companies, which controls assets in the range of \$280 billion. He is also an associate of the New York Council on Foreign Relations and a member of the Bilderberg Group. Finally, Mulroney sits on the Board of ADM, one of the companies which would benefit most from the destruction of the CWB.

The media role in the campaign against the CWB is clearly shown in the case of journalist Wendy Holm. On Oct. 26, 2006, before the House of Commons Select Standing Committee on Agriculture and Agri-Food, Holm, an award-winning Western Canadian journalist, economist, and agrologist, testified that on July 27, she had attended a rally of farmers in Saskatoon, in support of the Canadian Wheat Board. “Later that afternoon,” she said, “Chuck Strahl emerged from the



www.agr.gc.ca

*Chuck Strahl (left), Canada’s Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, meets with U.S. Secretary of Agriculture Mike Johanns in Washington in 2006. Strahl refused to approve the CWB’s annual corporate plan, unless it adopts his free-market credo, in violation of the law.*

invitation-only meetings he had been having across the street, with those who agreed with the Harper government’s views on the Canadian Wheat Board—to hold a press conference.

“I attended as a freelance columnist with the *Western Producer*, and asked the minister whether his government was prepared to implement dual marketing without a supporting vote of producers and in violation of Section 47.1 of the Act. I then returned to B.C. [British Columbia] to write my column.

“That Monday, I was about to file my August *Western Producer* column when I received a phone call from my editor, who seemed shaken. She said they’d received a call from Chuck Strahl’s office—and from one other person—suggesting that my presence at the rally indicated bias on the part of *Western Producer*. My monthly column, which had appeared on the op-ed page the second issue of every month for the past 12 years, was dropped permanently the next morning.”

It turns out that *Western Producer* is owned by Glacier Ventures International (GVI), which controls dozens of community newspapers across the western provinces, and which bought up all of the Canadian media of the Hollinger International Corp. of Conrad Black. GVI has become “the primary source of essential agricultural information for Western Canadian farmers and ranchers.” The second of the two calls which ended Holm’s career at *Western Producer* could trace back to Glacier’s Board of Directors, on which sits Brian Hayward,

CEO of Agricore United, the largest grain handler in Western Canada, and a subsidiary of Archer Daniels Midland.

**Archer Daniels Midland:** While there are numerous players in the world grain trade that would benefit from the destruction of the CWB, ADM plays a particularly prominent role. G. Allen Andreas is chairman of the Board, and is extremely well connected in the world of high finance: He is a member of the Supervisory Board of the A.C. Töpfer International Group, and on the Board of Directors of Gruma S.A. in Mexico, and Agricore United in Canada. He is a member of the Trilateral Commission, the Business Roundtable, and a trustee of the Economic Club of New York. He serves as a member of the European Advisory Board of the Carlyle Group, through which he has close connections to Paul Desmarais, Sr.

ADM is the biggest North American player in the current ethanol craze, which threatens to take untold hectares of arable land out of food production, and dedicate it to producing a type of fuel which costs more energy to produce than it supplies. This has not, however, stopped Prime Minister Harper from calling for the annual production of 4 billion liters of ethanol by 2010. This plan would not only enrich the grain cartel, but would marginalize the importance of the CWB on the prairies, as the wheat crop diminishes in size and consequence.

Should the CWB find its single desk monopoly annulled, ADM, as well as the other multinationals, would stand to make hundreds of millions, if not billions of dollars at the expense of our nation's family farms.

### **The Real Power: Her Majesty's Privy Council**

The extremely unusual intervention by Canada's Governor General in October against the CWB reveals the hidden hand behind the plot to destroy both it and the Australian Wheat Board. The head of state for Canada and Australia, as for all nations of the British Commonwealth (the new name for the British Empire), is Queen Elizabeth II, who rules via her Privy Council in London. The fiction is that Her Majesty's power, as that of the Governors General who rule Canada and Australia in her name, is merely a quaint ceremonial relic of times past. However, when the stakes are high, the fist in

the velvet glove comes crashing down, as it did when her Governor General Sir John Kerr, in 1975, sacked Gough Whitlam, the popularly elected Prime Minister of Australia, or when Canada's Governor General assaulted the CWB.

The prime ministers of most Commonwealth countries are Privy Councilors. However Canada, unlike Australia, has its very own Privy Council, and therefore is, if anything, held in an even tighter imperial vise, reflecting Canada's historic role as a bastion of British imperial attempts to destroy the United States. In typical British understatement, the Canadian Privy Council's website describes how it works:

The Privy Council Office (PCO) provides essential advice and support to the Prime Minister and Cabinet. The Privy Council Office (PCO) is the hub of public service support to the Prime Minister and Cabinet and its decision-making structures. Led by the Clerk of the Privy Council, PCO facilitates the smooth and effective operations of Cabinet and the Government of Canada through the work of the PCO secretariats. PCO helps to clearly articulate and implement the Government's policy agenda and to coordinate timely responses to issues facing the government and the country.

And one of those "issues" for which the PCO is clearly providing "timely responses" is the destruction of the CWB. And so we also find that former Prime Minister Brian Mulroney, the chairman of the media conglomerate Quebecor, which is leading the crusade to destroy the CWB, is one of Her Majesty's Privy Councilors.

### **Canada Must Be Sovereign**

In these times, when our national institutions are besieged, when the government has become a puppet of the moneyed men, and the rule of law is cast in doubt, it falls to those with a sense of the future to rally their countrymen not simply to oppose a policy, but to propose a workable alternative, in this case to the calamitous logic of globalization.

It is only in the context of a general financial reorganization and assertion of national sovereignty, in partnership with nations such as the U.S.A., Russia, China, and Germany, that Canadians may rest secure. The age of kings and oligarchs is past. We owe nothing to that parasitical cabal; we owe nothing to the Crown. The Crown has been the worst enemy and perpetual bane of our sovereignty, viewing Canada as simply a territory to be looted for raw materials and used as a geopolitical asset against the United States.

During December 2006, the CWB launched a court challenge to overturn the Governor General's intervention. Let us, in the same spirit, finally abandon this colonial past and look to the future, which is heavy with expectation—of development, progress, and the unleashing of our once-remarkable industrial energies; yet only if we commit ourselves to the current principled struggle for liberty that is unfolding in the United States, as well as in Canada.

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# Cartels Crush Wheat Board in Australia

by Robert Barwick

The Liberal/National government of Australian Prime Minister John Howard, in December 2006, stripped the Australian Wheat Board (AWB) of its export monopoly of wheat, known as the “single desk.” Thus ended over six decades of regulated wheat marketing for Australia’s wheat growers, who produce 15% of all world wheat exports. There are some 16,000 grain farms in Australia, and 95% of those producing for export are in the state of Western Australia; 12,500 of the 16,000 are small-to-medium size farmers, who account for about half the income of the overall grain industry, and who will almost certainly be driven out of business without the support infrastructure—including guaranteed prices—formerly provided by the AWB.

While the effects will be devastating to Australia’s rural industry, and in particular to Western Australia, it will be a windfall to the British Crown’s international grain cartel, which has long eyed Australia’s important international markets for wheat, in particular the government-to-government deals which bypass the cartel.

## A Rigged Scandal

The nominal cause for Her Majesty’s Privy Councillor John Howard pulling the plug on the AWB’s monopoly, was the so-called “oil for food” scandal in Iraq, which first surfaced in 1999. At the behest of “Canada” (i.e., the Privy Council which runs the country), the United Nations started investigating kickbacks paid to Saddam Hussein’s government by almost anyone doing business in Iraq. Its investigation was headed by Trilateral Commission operative and former U.S. Federal Reserve chief Paul Volcker, the man who destroyed much of the U.S. economy under President Jimmy Carter by raising interest rates overnight to more than 20%. Central banker Volcker found the AWB to be the “biggest” of the more than 2,000 offenders, and Australia’s huge, AWB-organized wheat contract with Iraq suddenly disappeared to the advantage of the “United States”—meaning the international grain cartel.

Howard appointed a royal commission under Queen’s Counsel Terence Cole to supposedly investigate the AWB’s role in this affair. In late November 2006, Cole handed down his five-volume, 2,065-page report, which duly found the AWB guilty, and also, as expected, cleared Howard’s government. The Howard government’s Department of Foreign Affairs and Trade (DFAT) had oversight over the AWB’s deal with Iraq, and it is beyond question that dozens, if not hun-

dreds, of Australian government officials were fully aware of the AWB’s \$290 million in kickbacks to Saddam. Howard, however, rigged the terms of the “inquiry” so as to preclude Cole from looking into the government’s role. Even the necon Rupert Murdoch’s national daily, *The Australian*, squealed about the blatant coverup:

“Forget the spin, Prime Minister. The AWB kickbacks scandal will stand as a dark stain against the competence of the [Liberal/National party] Coalition, irrespective of the claims by John Howard and his senior ministers that they were in the dark all along. The central question remains: How did the Government miss nearly \$300 million paid in kickbacks to Saddam Hussein’s former regime?”

Howard parried that he had given Cole the right to expand his inquiry to look into the government if he thought that were appropriate. Surprisingly, Howard’s hand-picked flunky chose never to do so, despite testimony pouring in from all sides, that the government knew precisely what was afoot. And, mysteriously, some relevant documents turned up “missing” from the DFAT’s files. All in all, a case of business-as-usual in a Commonwealth country, where royal commissions are notorious cover-ups.

## The Usual Free-Market Swill

Howard has been after the AWB for years. Already in 1999, he rammed through a “corporatization” of the AWB, overseen by Bankers Trust, preparatory to privatizing it (i.e., selling it off to the grain cartel for peanuts). His argument for “corporatization” and then privatization was the usual “free market” swill about how the “farmers will be free to go wherever they can to get higher prices.” He knows that to be absurd because, under the fairly modest free market “reforms” implemented in the industry thus far, farmers are already getting clobbered.

For instance, under the AWB single desk system, the farmer cooperative in Western Australia, Cooperative Bulk Handling (CBH), had a well-developed network of a lot of small storage bins throughout the countryside; many of these have now been closed. This disrupts the harvest by forcing farmers to arrange other, costly transport; by getting deliveries stuck in long waiting lines; and by forcing producers to pay higher handling costs, which have jumped such that the quoted price for wheat of \$215 price per ton now drops to only \$180 after CBH takes its cut. And, naturally, CBH and the cartel companies will just “cherry pick” the best wheat from the biggest producers, letting the rest of the farmers sink, whereas profits under the AWB system were equally shared across the entire wheat crop, based solely on the amount delivered.

After Cole delivered his pre-arranged verdict, Howard immediately stripped the AWB of its single-desk monopoly, *although that monopoly had nothing whatsoever to do with the corruption charges*. Two other grain export licenses have been issued already, including one to a consortium involving Cargill.

## International Mobilization To Stop U.S. Attack on Iran

by Muriel Mirak-Weissbach

Anyone, including those in Iranian political circles, who cherished the illusion that the Cheney-Bush cabal was not committed to a new war in Southwest Asia, has had to abandon such dreams in the wake of George W. Bush's Jan. 10 speech on his "new" policy for Iraq. The so-called "surge" in troop strength for Iraq which Bush announced, was recognized, correctly, by all in the region, as a commitment to open a new war front, this time against Iran or Syria. This analysis, which *EIR* had been circulating for weeks, including during a visit to Tehran in late November-early December, was finally embraced as the correct reading.

Bush said that he would not only deploy 21,500 more troops to Iraq, but that he would pursue foreign elements working with the insurgency (read: Syria and Iran). Secretary of State Condoleezza Rice and outgoing U.S. Ambassador to Iraq Zalmay Khalilzad both echoed the new policy. Not only would the U.S. forces now pursue Iranian and Syrian elements inside Iraq, suspected of working with the insurgency, but they would also engage in "hot pursuit" into Iran itself. National Security Advisor Stephen Hadley, when asked by ABC's George Stephanopoulos, whether he thought the Administration did *not* have the authority to engage in cross-border incursions into Iran, said, "I didn't say that."

Thus, what is "new" in the crazy line emanating from the White House, is not the *number* of troops to be beefed up in Iraq. What is "new" is the propaganda line being spread to justify military action against Iran. Due to the fact that the U.S. has not succeeded in producing any smoking gun to show that Iran's nuclear program were military, and in fact, could not do so, it is difficult for Washington to present the nuclear program as a *casus belli*, even despite the unfortunate UN Security Council's December resolution, calling on Iran to suspend its enrichment activities. The new indictment against

Iran is therefore that it has been feeding the anti-U.S. resistance in Iraq with men and matériel.

### 'Sheer Insanity'

Combined with the highly visible increase in U.S. military deployments to the Persian Gulf, the President's announcement has led to a dramatic escalation of activity *opposing* military action against Iran on Capital Hill, and in other quarters. Leading Senators, including Ted Kennedy (D-Mass.), Joe Biden (D-Del.), Jay Rockefeller (D-W.Va.), and Chuck Hagel (R-Neb.) have come forward to assert that the President has no authority to do something as insane as to attack Iran. Legislation on that precise point has already been introduced by a group of Republicans and Democrats in the House, and can be expected to be pursued in the Senate as well. Columnists are also warning about the potential of a provocation being carried out by the U.S. forces in the area, which could serve as a "Gulf of Tonkin" pretext for war.

Retired military figures have also upped their profile in opposing action against Iran. These include retired Generals Barry McCaffrey, Joseph Hoar, and William Odom, who testified before the Senate Foreign Relations Committee on Jan. 18, primarily against the Iraq "surge" policy. Most blunt was McCaffrey, who said the public threats against Iran by the Administration were "sheer insanity," and that if the plan for military action went ahead, "this is truly the most significant blunder in strategic thinking we will have seen since World War II."

Internationally, initiatives have been taken by French President Jacques Chirac, who is sending a special envoy to Iran, and by Russian officials, who are blowing the whistle on U.S. plans. As for the Arab states in the region, who are being wooed to support the plan, they have coolly recom-



U.S. Navy/Spc. 1st Class Johnnie Robbins

*The aircraft carrier USS John C. Stennis pulls out of port, heading for the Persian Gulf, on Jan. 16. Retired generals, Congressmen, the American public, and the Iraqi public are widely in accord with Gen. Barry McCaffrey (ret.), who said that the U.S. threats to Iran are "sheer insanity."*

mended to the Administration that it carry out talks with Iran. They have been rebuffed.

Overall, a certain degree of fatalism pervades the capitals of Europe and Asia, vis-à-vis being able to stop the British-crafted, but Bush/Cheney initiated plans to hit Iran. They rightly look to the United States for the decisive action. For that to be effective, the timetable will have to be moved rapidly indeed, but the aggressive intention to prevent such a disaster is palpable on Capital Hill.

### War Preparations Ongoing

Col. San Gardiner (USAF, ret.), who has an excellent track record regarding military operations in the Southwest Asia theater, issued a new warning on Jan. 16, entitled "Escalation Against Iran." After noting the fact that a second carrier strike group was leaving the U.S. on Jan. 16, Gardner listed a number of steps he expects the U.S. will take, if indeed it is on the warpath. First, he said to expect a barrage of articles in the media, planted by a National Security Council staff-led group, commissioned to produce "outrage" against Iran.

Then, he wrote, expect some European-based missile defense assets to be deployed to Israel, plus additional U.S. Air Force fighters deployed into Iraq and perhaps Afghanistan. He wrote that some of the "surge" troops sent into Iraq will be sent to the Iranian border. Then, "As one of the last steps before a strike, we'll see the USAF tankers moved to unusual places, like Bulgaria. These will be used," Gardiner writes, "to refuel the U.S.-based B-2 bombers on their strike missions

into Iran. When that happens, we'll be only days away from a strike."

Gardiner's forecast of a massive media campaign has already been confirmed. Arabic media in the region have begun denouncing Iran's nuclear program as being dangerous, and claiming that Hezbollah, Hamas, et al., are Iranian agents committed to destabilizing the region. British and other Western press organs have been working overtime to paint the picture of the looming Iranian threat, which, they claim, is poised to take over security, political, and oil installations in Basra, for example, as soon as British troops leave.

Gardiner is one of the most competent analysts in the field, but not the only one to blow the whistle. Former CIA and Bush Administration National Security Council senior official Flynt Leverett wrote in the *Washington Note* after Bush's Jan. 10 speech, that the aircraft carrier groups deployed to the region must be there "to provide the necessary numbers and variety of tactical aircraft" for attacks against Iran, because land-based assets could not be

used for political reasons. Furthermore, Leverett wrote, the only reason Bush would deploy Patriot batteries to the Persian Gulf, is to deal with Iran's Shahab-3 missile, "the only missile threat in the region."

A full-page article in the Jan. 13 *Le Figaro* made the same point, stressing that the second aircraft carrier group being sent in, the *USS Stennis*, "will not only be deployed to make a show of force, but will be involved in combat operations." A most telling sign of a move toward a conflict came in a report issued by the ING bank in the Netherlands, which forecast the impact on financial flows of a military confrontation with Iran.

And from Russia, former Black Sea Fleet Commander Adm. Eduard Baltin said on Jan. 9 that the presence of so many U.S. nuclear submarines in the Persian Gulf waters points to the likelihood of a U.S. attack against Iran. He emphasized that currently there is a group of up to four submarines in the area. "The presence of the submarines indicates that Washington has not abandoned plans to launch a sudden attack against Iran," the Admiral said. He blamed the Jan. 8 collision between a U.S. submarine and a Japanese oceanliner near the Strait of Hormuz on the fact that U.S. submarines needed to operate at a relatively higher level than their usual depths, to get clearer vision enabling them to zero in on likely targets.

Baltin noted that, in previous conflicts, U.S. submarines "clean up the road" for air strikes by destroying enemy air defense installations.

## Facts, Not Words

Bush's threat to go after suspected Iranian elements inside Iran, is backed up by ongoing action. Already, at Christmas-time, the U.S. forces in Iraq had seized two Iranians on charges they were planning military attacks. The move was protested by Iraqi President Jalal Talabani's office which stated the two were "invited by the President to Iraq . . . within the framework of an agreement between Iran and Iraq to improve the security situation." Then, on Jan. 11, U.S. troops raided an Iranian consulate office in Irbil, arresting six staffers and seizing computers and documents. U.S. helicopters had landed on the roof and soldiers had broken down the doors. Iranian Foreign Ministry spokesman Ali Hosseini charged the raid was in violation of international law. Other protests came from the Iraqi government, the Kurdish regional government, and the Russian Foreign Ministry, because the persons detained were diplomats.

Furthermore, Washington-based sources have told *EIR* there are plans ready to launch aerial strikes against a key Iranian Revolutionary Guard site in the suburbs of Tehran, the headquarters of the al-Quds Brigade. Such an insane option is reportedly being hotly debated in Administration circles, as some relatively sane elements recognize this would trigger a regional explosion.

On the diplomatic level, Secretary of State Rice's visit to the region only underlined the threat of military action. Rice met in Kuwait with her counterparts in the Gulf Cooperation Council, Egypt, and Jordan (GCC+2), and attempted to mobilize them against Iran. Although she succeeded in getting the participants to sign a joint declaration accepting the U.S.'s "commitment" (through the surge policy) to "defend security of the Gulf, the territorial integrity of Iraq," etc., the Saudis openly declared they supported only the stated "goal," with reservations about the means. And, most significantly, the Kuwaiti Emir told Rice that if she wanted peace in the region, she should talk to the Iranians and Syrians. Sheikh Sabah al-Ahmed al-Sabah, told Rice it was important to have a "dialogue with Syria, in particular, and with Iran in the interest of Gulf security in general."

## Iran Responds

The most recent speech by Bush has erased any remaining doubts in Iran that Washington is bent on confrontation. One of the many Iranian political figures whom *EIR* met in December in Tehran, summed up the mood there in an e-mail message: "Bush and [British Prime Minister Tony] Blair have practically declared war on Iran and have definitely turned up the heat against Iran to the level of a devastating military clash between the Christian West and the Muslim East. I am very disturbed by the prospect of this new development."

On the official level, the government responded by preparing for an assault. Mohammed Saeedi, head of Iran's Atomic Energy Organization, said that, though he deemed it "highly improbable" that the country's nuclear installation would be

bombed, they were being protected by special precautions. At the same time, Iran invited members of the International Atomic Energy Agency, from the Non-Aligned, G77, and Arab League, to travel to Iran to visit its nuclear sites.

On the diplomatic level, Ali Larijani, head of the Supreme National Security Council and chief negotiator on the nuclear issue, travelled to Saudi Arabia for talks with the leadership there. He delivered letters from President Mahmoud Ahmadinejad as well as Supreme Leader Ayatollah Ali Khamenei to Saudi King Abdallah, in which Iran offered collaboration to stabilize the situation in Iraq, in particular. The response, said Ahmadinejad, "generally, was positive." Reports (later denied by the Iranians), had it that the letter suggested the Saudis try to intervene with the United States, to prevent the worst.

## Chirac Steps In

Just as tensions were reaching a fever pitch, a report appeared of a bold initiative by French President Jacques Chirac, to stave off the war threat. As reported in *Le Monde* on Jan. 16, Chirac wanted to send his Foreign Minister Philippe Douste-Blazy to Tehran, to reestablish direct contact, a move which would contrast with the declared Bush-Cheney approach. The French Foreign Ministry confirmed Jan. 16 that a high-level emissary would be sent to discuss matters pertaining to the Middle East, Lebanon, etc. Iranian sources reached by *EIR* said the Chirac initiative was very important, but could give no details.

According to an account in the *Neue Zürcher Zeitung* Jan. 17, the secret diplomacy has been going on for some time. In July, Paris sent Jean-Claude Cousseran, former head of foreign intelligence; in September, Chirac received an envoy of Ahmadinejad; in October, diplomatic advisor Maurice Gourdault-Montagne met the Iranian advisor in Geneva. Gourdault-Montagne then met Iranian Foreign Minister Manouchehr Mottaki, in Bahrain, at a conference last month. Then the idea emerged to invite Douste-Blazy. He was to go in January, but the trip was cancelled two days before.

The line in the French press is that Chirac wants to open talks with the Iranians, to get them to rein in Hezbollah, so that Chirac's planned donor conference (Paris III) on Jan. 25, with Lebanese Prime Minister Fouad Siniora, will be a success. Given the current drive for military aggression against Iran, it is far more likely that Chirac is hoping to avert a war.

Condi Rice was not pleased, to say the least. When apprised of the French move, she said she thought, "We all need to stay focussed" on Iran's alleged violations of the Security Council. She made clear she did not accept the notion that France could violate U.S. policy on Iran: "I think that at this point in time" (referring to the Security Council resolution of December), "that this is not the time to break a longstanding American policy of not engaging with the Iranians bilaterally."

# Madrid +15 Conference Calls for Immediate Mideast Peace Negotiations

by Dean Andromidas

Yossi Beilin, chairman of Israel's Meretz party and architect of the Oslo Peace Accords, called last August for the convening of a Madrid II peace conference as the only solution to ending the Israeli-Palestinian conflict and ending the war in Iraq. Beilin's call soon received the warm endorsement of American statesman Lyndon H. LaRouche. This month, some of the original Madrid conference organizers took steps toward the goal of an official Madrid II.

On Jan. 11-12, delegations gathered in Madrid to commemorate the 15th anniversary of the Madrid Mideast Peace conference of 1991. Entitled Madrid+15, the conference was sponsored by the Foreign Ministries of Spain, Sweden, Norway, and Denmark, whose Foreign Ministers attended the conference. Delegations attended from Israel, Syria, Egypt, Lebanon, Jordan, the Palestinian National Authority, Libya, Morocco, Saudi Arabia, and Russia. Other participants included representatives from the Arab League, the Gulf Cooperation Council, the European Union (EU), and the United Nations.

Although the conference was unofficial, many of the

participants were former government ministers, or actively serving parliamentarians and government officials, and would be candidates for attending an official Madrid II conference.

The concluding document of Madrid+15 called for a revival of the "Spirit of Madrid." The "participants discouraged interim agreements as a negotiated destination, and called for an immediate return to negotiations towards a final and expedient comprehensive regional agreement. . . ." It goes on to say that many participants made calls "to convene an official international peace conference for the region of the Middle East, in the spirit of Madrid."

Former U.S. President Bill Clinton, in a letter read at the conference, declared that the conflict in the region "requires assertive leadership in the region, and from Europe and the United States. . . . For many years the people of the Middle East have been denied normal lives. Every passing day without peace threatens to further radicalize the region and engulf it in another deadly conflagration. Every passing day endangers the very possibility of a two-state solution to the Israeli-Palestinian dispute."

James Baker III, former Secretary of State under President George H.W. Bush, and a convener of the 1991 Madrid conference, issued a statement saying the conference "could not be more timely."

Mikhail Gorbachov, former President of the Soviet Union, and also a convener of the 1991 Madrid Peace conference, called for reviving the Madrid approach. He contrasted sharply the first Gulf War, when there was a broad international coalition operating under a United Nations mandate, with the Bush Administration's disastrous war in Iraq.

"The new war in Iraq", wrote Gorbachov, "has produced tragic consequences for the civil population and introduced the uncertainty for the future of this state. It has provided a sharp political division in the international community . . . the Israeli-Palestinian conflict is heading towards a dead end. . . . As a result of the recent events, new conflicts were added to former unresolved problems. . . ."

Gorbachov then warned: "The drama of the Middle East fraught with the gravest consequences and capable of turning into a global political and humanitarian catastrophe, should serve as a stimulus for the world community, urging it to mobilize its resources of solidarity, responsibility, and intel-



[www.madrid15.org](http://www.madrid15.org)

*Some of the members of a large Israeli delegation which attended the conference in Madrid are, from left: Dalia Rabin; Shlomo Ben Ami (former Minister of Public Security and Foreign Minister, until the election of Ariel Sharon, under whom he refused to serve); Dan Meridor (former Finance and Justice Minister); and Moshe Shachal (former Cabinet Minister and Member of the Knesset).*



www.madrid15.org

*The Madrid+15 conference attracted a roster of high-level attendees, including, from left: Irina Donovna Zvyagelskaya and Andrei Gratchev (Russia); Prince Abdul Aziz al-Saud (Saudi Arabia); Abdul Rahman bin Hamad al-Attiya (Secretary-General, Gulf Cooperation Council); Amr Moussa (Secretary General, Arab League); Benita Ferrero-Waldner (Austrian diplomat, European Commissioner); Álvaro de Soto (Peruvian diplomat, senior UN official); and Dan Kurtzer (former U.S. Ambassador to Israel and Egypt).*

lectual courage in order to prevent the disastrous degradation of the situation.”

### **Ben Ami: ‘Put a Peace Plan on the Table’**

Former Israeli Foreign Minister Shlomo Ben Ami, a veteran of Madrid I, said, “My expectations start with the very existence of this meeting, which brings back all the original delegations. This conveys the message that we can meet even in troubled times. . . . We know that with the Palestinians [the meeting point] lies somewhere between the Clinton peace parameters and the Arab peace initiative; and with the Syrians, it is somewhere between the international border and the 1967 borders. . . . I personally have lost any hope that peace can be reached by bilateral negotiations. I don’t believe this is possible. . . . So what needs to be done is to have these kinds of international envelopes which would put a peace plan on the table. This peace plan will act in sort of reverse engineering. We start from the end—this is the plan—and go backwards to see how to implement it.”

The large Israeli delegation represented almost the full spectrum from left to right, including former Likud ministers Dan Meridor and Roni Milo, and Labor Party Knesset members Colette Avital, Ophir Pines Paz, and Moshe Shahal. Dalia Rabin Pelosoff, the daughter of slain Prime Minister Yitzhak Rabin, and chairperson of the Yitzhak Rabin Center for Israeli studies, also attended.

Former Palestinian negotiator and veteran of Madrid I, Hanan Ashrawi, told conference participants, “We must create a coalition of the willing; it is time for peace, not for war.”

The Palestinian delegation included, among others, Palestinian Legislative Council members Mustafa Barghourti and Ziad Abu Amir; former minister and negotiator Nabil Shaath; and former Prime Minister Ahmed Qurei, who had led the Palestinian delegation during the Oslo Accords of 1993.

Syria was represented by the legal counselor to President Bashar al-Assad and the Foreign Ministry, Riad Daudi, and Foreign Ministry spokeswoman Bushra Kanafani.

### **Baker-Hamilton Report Underlined**

That a major fight in the United States was occurring because the Bush Administration had rejected the Baker-Hamilton Report, which called for a new Middle East policy, certainly did not go unnoticed at the conference.

Amir Moussa, Secretary General of the Arab League and another veteran of Madrid I, declared in his presentation to the conference: “I firmly believe that the comprehensive settlement of the Arab-Israeli conflict will produce a much better regional environment conducive to coping more successfully with crisis and tensions. In this respect, I underline here the pertinent and inspiring recommendations of

the Baker-Hamilton report.”

Hans Blix, the former international weapons inspector, attended the conference as a member of the Swedish delegation. He spoke on the question of weapons of mass destruction, especially tension over the question of Iran’s nuclear ambitions. He openly criticized the Bush Administration’s policy of threatening Iran, “including messages that all options are on the table.”

Although there was no official representation from the U.S. government, the American delegation was comprised of several senior retired state department and government officials including Daniel Kurtzer, former U.S. Ambassador to Egypt and Israel; Samuel Lewis, another former U.S. Ambassador to Israel who is now chairman of the Middle East Advisory Board of the organization Search for Common Ground, which helped organize the conference; Robert Malley, former National Security Council member in the Clinton Administration and now director of the Middle East and North Africa Program, of the International Crisis Group, another organizer of the conference; and Nicholas Veliotis and Theodore Kattouf, both former senior State Department officials.

Conference participant Yossi Ben Ari, of Israel (see interview) said the conference was no mere ceremonial commemoration of Madrid I, but is expected to pull together a steering committee or core group which will draft a comprehensive peace plan for the Middle East with the aim of presenting it to President George W. Bush and the U.S. Congress. It was clearly the hope of many of the participants to see the convening of a Madrid II as soon as possible.

## Madrid +15 Must Lead To a New Peace Plan

*Brig. Gen. Yossi Ben Ari (res.) was a participant in the Madrid +15 Conference. He served in the Israeli Defense Forces as a senior military intelligence officer, and is a former co-director of the Strategic Affairs Unit of IPCRI (Israel-Palestine Center for Research and Information).*

**EIR:** Could you please tell us the significance of the Madrid +15 meeting?

**Ben Ari:** I think the most important outcome of this meeting was a common agreement among all participants—the Israelis, Arabs, Europeans, Americans, and other participants—that as a next step, a core group or a steering committee should be organized to push forward a new peace plan based on the Arab Peace Initiative of 2002.

It seems to me that there is significant intent and sufficient background to make progress, at least within this framework, which, to my understanding, is a unique one. It's true that most participants were not formal representatives of their governments; Yet, in the case of the Arab members, most probably they are guided, instructed by the decision-makers in their countries, who knew of this initiative and gave a hand in supporting it.

The Europeans, to my understanding, will take the opportunity and, in the absence of a United States formal representation, will take the lead in initiating something new. As for the Israelis, it is a bit different because they were not a homogeneous group which shared common political ideas. As they declared, they represented only themselves, and none of them enjoyed the support of the Israeli government or the Israeli Prime Minister. Yet, the common agreement among the Israeli participants, that efforts should go ahead on the basis of the Arab initiative, represents and reflects, to my understanding, the basic will of a large part of the Israeli people.

Now, I believe if this steering committee moves fast, gets down to work, and comes up in a short period of time with a coherent peace plan, there's a good chance of getting all the governments involved in action to turn this civil society initiative into a Track I conference, a real Madrid II-type meeting, where governments are directly involved and interested in accomplishing a comprehensive peace agreement.

Although the American Administration today is not interested in such an initiative, I believe that if there is a coherent peace plan, a well-cooked dish, so to speak, that would be



Courtesy of Yossi Ben-Ari

*Yossi Ben Ari thinks that if a core group from the Madrid conference organizes a new peace plan based on the Arab Peace Initiative of 2002, other governments would support such a comprehensive plan, making it difficult for President Bush to ignore it.*

delivered to the White House, it would be very difficult for President Bush to ignore it. So I believe there are chances for progress. It just depends on how quickly the steering committee will be organized, and how determined they will be in moving things forward. The European Union must lead such an initiative and get the support of all other participants. I am optimistic.

**EIR:** As you know there is a big fight between Congress and the Bush Administration over the Baker-Hamilton report to end the war in Iraq, through a comprehensive regional political diplomatic effort that seeks to resolve not just the Iraq problem, but the Arab-Israeli conflict as well. It seems to me that a new peace plan that could come out of Madrid +15 could positively impact that debate. What is your view?

**Ben Ari:** Baker was invited to take part in the meeting last week, but unfortunately could not make it. Not surprisingly, the conclusions which came out of Madrid +15 were quite similar to those of the Baker-Hamilton report, especially the need to replace the violence with the negotiating tables.

Now, in answer to your question: If the steering committee will come up soon with a coherent, comprehensive peace plan that would be presented to the American Administration, Congress, and public, I think it would inflame even deeper the debate that already exists there. I am not sure it's the right thing to do. If there's a real will and interest to implement such a plan, it must be presented, first of all, to President Bush in a discreet way; otherwise he would ignore it, as he did with the Baker-Hamilton report. The Congress and the American public should be involved only later.

**EIR:** Were the tensions concerning Iran taken up at the conference? There is great concern that Bush will attack Iran.

**Ben Ari:** It came up here and there. Some participants suggested that attention should be paid to Iran, which is an important component of the Middle East conflict, if not immediately, then later.

# Even Sharon Allowed Israel-Syria Talks

by Dean Andromidas

As Vice President Dick Cheney was plotting new wars against Iran and Syria, the Israeli daily *Ha'aretz* on Jan. 16 revealed that secret back-channel talks were held between the two nations' representatives from September 2004 to July 2006. According to *Ha'aretz's* senior correspondent Akiva Eldar, the talks were approved by the governments of both Ariel Sharon and Ehud Olmert, and continued even during the first phase of last Summer's Israel-Lebanon War. The Israeli and Syrian teams were able to produce a draft agreement, providing the four "pillars" of a durable peace: "security, water, normalization, and borders." The unsigned draft agreement included the following major points;

- Sovereignty over the Golan Heights to the lines of June 4, 1967 would be returned to Syria. A mutually agreed territorial borderline would be guaranteed by the U.S. and the United Nations.

- A "Framework Agreement" for the implementation of a full Israeli withdrawal from the Golan Heights, arrangements for security, including early warning stations, the establishment of normal diplomatic relations, etc. The state of belligerency between the two states would end with the signing of this agreement. The time frame of its implementation remained open, with the Syrians proposing 5 years and the Israelis 15 years.

- A peace treaty would be signed following the completion of the above agreement.

- Israel would retain control of the disposition of the waters of Lake Tiberius and the Upper Jordan River, while Syria would be guaranteed access to these waters for residential purposes and for fishing.

- The establishment of a buffer zone along the Israeli-Syrian border with the creation of a Syrian national park on the Golan Heights. While the park would be fully under the sovereignty of the Syrian government, Israeli citizens would have visa-free access to the park for daytime visits.

While the document is described as a "non-paper," and therefore lacks legal standing, its significance is political. It was prepared in August 2005, and updated during meetings held in Europe over the course of the negotiations. The discussions continued even during the recent Lebanese-Israeli War, and were only broken off after the Syrian demand that the discussions become official, and proceed on the level of Deputy Minister, was rejected by Israel. It is significant to note that in July 2006, within days of the outbreak of the war, Vice

President Dick Cheney and his neo-con allies were demanding that Israel attack Syria, a demand that was rejected.

The office of Prime Minister Olmert denied any knowledge of the Syrian-Israeli back-channel talks, and the Syrian government denied that any "negotiations" ever took place.

According to *Ha'aretz*, the idea for discussion began in January 2004, when Syrian President Bashar al-Assad made an official visit to Turkey. During that visit, Dr. Alon Liel happened to be staying at the same hotel as the Syrian delegation. Apparently, Turkish Prime Minister Recep Tayyip Erdogan took the initiative to serve as a mediator to open a channel between Liel and the Syrians. Upon his return to Israel, Liel, who confirmed that such talks took place, was told by the Turkish Ambassador to Israel that Assad had asked Erdogan to use his good offices to open a channel to Syria.

Liel then brought Geoffrey Aronson, from the Washington-based Foundation for Middle East Peace, into the process;

## EIR Queries White House

*EIR's White House correspondent Bill Jones on Jan. 16 asked White House spokesman Tony Snow about the revelations in Ha'aretz that Israel and Syria had conducted secret peace negotiations between 2004 and 2006, that were undermined by the Bush Administration. Here is the exchange:*

**EIR:** Tony, there were reports in the Israeli press by Akiva Eldar that between 2004 and 2006 there were back-channel discussions going on between Israel and Syria, and they were at the point that they had a draft agreement for the two countries to sign, but pressure from the United States led to the Israelis backing down from that, and subsequently to the attacks into Lebanon. If that, indeed, is the case—

**Snow:** Wait, you're saying that the failure to talk with Syria led to the kidnapping of an Israeli soldier, which then produced attacks? . . .

**EIR:** What Akiva Eldar is saying is that the Israelis and the Syrians were on the brink of an agreement to resolve the differences between those two countries, and that pressure from the United States kept them from actually moving in that direction.

**Snow:** Honestly, I haven't seen the report. It sounds—I'm a little dubious about it, but rather than sticking my neck out and trying to be definitive, give me some time to look into it, and I'll give you a straight answer. Call me this afternoon.

Aronson, in turn, suggested bringing Syrian businessman Ibrahim (Ayeb) Suleiman into the project. The latter, who is based in Washington, comes from the same Alawite village as the Assad family, and has been involved in mediating between Damascus as Washington quite often. Suleiman was able to win the support of unnamed Syrian representatives, while Liel was able to involve Israeli representatives.

The two sides then engaged in unofficial discussions on the “academic” level. An unnamed European mediator became involved and was subsequently revealed by Meretz Party Chairman Yossi Beilin to have been Nicholas Lang, head of the Middle East desk at the Swiss Foreign Ministry. Lang had previously played a key role in the Geneva Peace Accord which was drafted by Beilin and Palestinian negotiator Yasser Abed Rabbo. Alon Liel is said to be a very close associate of Beilin as well. Lang had reportedly also met with Shalom Turjeman, Olmert’s top advisor, who told Lang that Israel had no interest in the talks. Lang also met with Syrian Vice President Farouk Shara, Foreign Minister Walid Muallem, and a senior official in Syrian intelligence on several occasions. The Swiss Foreign Ministry provided financial support and hosted several of the discussion sessions in that country.

### **Bush Administration Sabotage**

The final meeting of the two sides took place during the Lebanese-Israeli War, when Suleiman said that the Syrians felt the back channel had run its course and suggested upgrading the talks to the level of Deputy Minister. The Syrians also asked U.S. Assistant Secretary of State for Near Eastern Affairs David Welch to participate. These suggestions were rejected, thus ending the back channel.

A senior Israeli source, who had been involved in the discussions, commented that the “non-paper” agreement is still important, not so much because of its content, but because it demonstrates that an agreement could be reached if there were the political will on the part of Syrian and Israeli leaders, and if there were constructive backing by the United States.

Another source said that the requirements for a Syria-Israel peace process include a willingness on the part of Israel to give up the Golan Heights; for Syria to give up its support of Hamas and Hezbollah; and for the U.S. to remove Syria from the “Axis of Evil.” The draft agreement, the source said, demonstrates that Syria and Israel are prepared to implement the first two, but the Bush Administration refuses to implement the third requirement, and that is what is blocking an agreement.

An editorial in *Ha’aretz* on Jan. 17 called on Olmert to open negotiations and convince the Bush Administration of their necessity. “Olmert is obligated to determine whether the U.S. is indeed a barrier to negotiations with Syria. If this is in fact the case, the Prime Minister must make an effort to persuade President Bush that removing Syria from the region’s cycle of violence is an Israeli and American interest of the highest order.”

## **London, Opus Dei Ran Argentine Atrocities**

by Cynthia R. Rush

When Argentine Federal judge Raúl Acosta ordered the arrest of former President Marí Estela Martínez de Perón on Jan. 12, charging her with responsibility for atrocities carried out under her 1974-76 government, it set off a political firestorm in the country, while attracting significant international media attention. The 75-year-old “Isabelita,” as she is known, became President in 1974 following the death of her husband, three-time President Juan Domingo Perón. Overthrown in a March 24, 1976 military coup, she went into exile in Spain after serving eight years in jail.

Acosta, followed a few days later by Federal judge Norberto Oyarbide, charged that Mrs. Perón had issued three decrees while President, whose wording to “annihilate the actions of subversive elements” authorized the death squad activity of the Argentine Anti-Communist Alliance (AAA) and the illegal detention centers set up in several regions of the country. Run by the fascist occultist José López Rega, who served as Social Welfare Minister, the AAA kidnapped, tortured, and murdered approximately 2,000 people over a period of 30 months in 1974-75—a foretaste of the Operation Condor butchery that would follow the 1976 coup.

### **A Coverup**

The Jan. 12 arrest order sparked fierce debate inside Argentina, with factions spanning the political spectrum taking sides on whether Isabel were guilty or innocent, what she knew and didn’t know, what other Cabinet ministers were involved, etc.

But as Lyndon LaRouche pointed out on Jan. 16, this whole discussion is a fraud, being used to cover up for those actually responsible for the atrocities committed in Argentina, that began well before the Perón government, and continued afterward. As Mrs. Perón’s lawyer Atilio Neira asked, “Why aren’t López Rega’s international connections being investigated?”

It was the London-based Anglo-Dutch financial oligarchy and allied synarchist elements, including those inside the “Catholic” Opus Dei and the fascist Propaganda Two (P-2) lodge, that ran the death squad activity in Argentina, to impose free-market economic policies and dismantle the sovereign nation-state. The same trio that installed Chilean fascist Augusto Pinochet in power in the 1973 coup, and backed his fascist repression—former U.S. Secretaries of State George Shultz and Henry Kissinger, and synarchist financier Felix

Rohatyn—was at the center of the events that led to Argentina’s “dirty war” of the 1970s and 1980s.

According to Robert Hill, former U.S. Ambassador to Argentina after the 1976 coup, it was Kissinger himself who in June of 1976 urged Argentina’s Foreign Minister to “clean up the problem” of subversion, demanding that it be done “quickly.” The David Rockefeller and Kissinger crony who became the Finance Minister of the 1976-83 military junta, the British-trained José Martínez de Hoz, not only imposed the economic policies of Shultz’s University of Chicago, but also backed savage “anti-subversive” repression.

As President Néstor Kirchner noted in a March 24, 2006 speech marking the 30th anniversary of the 1976 coup, de Hoz represented those “powerful economic interests” and “ultramontane nationalists” that “knocked on the barracks door” to demand a coup. They used military might because it was “the only way they could impose a political and economic project to replace the process of industrialization that substituted imports with a new model of *financial valuations* and structural adjustment.”

## P-2 and Synarchy

Known as the “sorcerer,” José López Rega belonged to P-2, whose Grand Master, Licio Gelli, was protected by Opus Dei, which has historically provided cover for an array of fascist and synarchist elements operating internationally.

Gelli captured an ailing and vulnerable Juan Perón during the latter years of his exile in Spain, and used López Rega, who had made himself indispensable to the Perón couple in Madrid, to gain increasing control over both of the Perón Presidencies between 1973 and 1976. P-2 members, such as Adm. Emilio Massera, were installed in key ministries in both governments.

The network of Opus Dei and synarchist operatives to which López Rega was linked both in Europe and the Americas, included such figures as Italian fascist Stefano Delle Chiaie, and assorted other Nazis and Falangists with proven records of involvement in terrorist activities and overthrowing governments. It was well known that the AAA collaborated with Augusto Pinochet’s DINA, the secret police agency that preceded Operation Condor and with which Delle Chiaie had closely collaborated.

Military intelligence agencies that had infiltrated both the left and the right in Argentina obviously helped orchestrate the AAA’s crimes. But atrocities of this kind hardly began with López Rega or the Isabel Perón government. Anti-semitic “Catholic” operatives associated with Opus Dei, together with French and Spanish fascist networks, had sunk their hooks into Argentine civilian and military circles decades earlier.

Nor did they limit themselves to shaping the ideology of the ultra right. Many of the well-educated, upper middle-class leaders of Argentina’s leftist guerrilla groups, including the Montoneros and the People’s Revolutionary Army (ERP),



*Isabel Perón is being held responsible for death-squad atrocities that began before she became President, and continued after a military coup ended her presidency.*

began as members of the “Catholic nationalist” pro-Nazi Tacuara group, whose spiritual advisor was the anti-semitic fascist priest Julio Meinvielle. They later declared themselves to be “Marxists” and “revolutionaries.” Thus, the synarchists of the “left” and “right,” who battled each other beginning in the 1960s, came from the same mother.

In the late 1950s and early 1960s, members of France’s Secret Army Organization (OAS), the synarchist grouping that devised the policy of torture and disappearances used in the Algerian War of the 1950s, and tried to assassinate French President Charles de Gaulle on several occasions, began training the Argentine Army in these same “counter-revolutionary” tactics. For years, OAS officers rotated through Argentina’s Superior War College, teaching classes to an entire generation of military officers, several of whom became members of the junta that overthrew Mrs. Perón in 1976. Groups of Argentine officers also traveled to France for further training.

Mrs. Perón is being held responsible for the notorious 1975 “Operation Independence,” the anti-subversive sweep in the province of Tucumán typified by indiscriminate arrests, torture, and clandestine detention centers. But its main architect was the brutal and sadistic Gen. Acdel Edgardo Vilas, a longtime admirer of the OAS’s torture policy. He boasted that he ran a “parallel government” in Tucumán to get around norms established after the issuance of the three 1975 decrees, to ensure that those accused of subversive activities would be accorded due process and constitutional protections.

It was Opus Dei that controlled the 1966-70 military regime of “Argentine Franco” Gen. Juan Carlos Onganía, under whose rule illegal kidnappings and murders became common practices. His Cabinet largely included members of Opus Dei as well as of the integrist Christian Catequists (*cursillos de Cristiandad*), originally founded in Franco’s Spain, and the French synarchist *Cité Catholique*, which also had established cells within the Armed Forces.

# New Ecuador Leader: Replace 'Inhuman' Globalization With National Economy!

*Inaugurated on Jan. 15, coinciding with the birthday of that great fighter for the universal dignity of man, Martin Luther King, the new President of Ecuador, Rafael Correa, addressed with remarkable pungency, the fundamental issue facing mankind today: the urgency of restoring the moral principle of the Common Good as the premise of economic policy. To do that, he made clear, "inhuman and cruel globalization" must be buried, replaced by a return to the primacy of the Nation State.*

*The principles identified by Correa in his inaugural address conform with the American System of Economics upon which the United States itself was founded, yet internationally, Correa is being painted as some kind of new "communist threat," while financier outlets such as London's Financial Times openly proclaim their intention to ensure he does not finish out his term.*

*So that readers internationally can see for themselves what so upsets London's interests, EIR publishes here extracts of his speech, translated by EIR.*

Beloved compatriots: More than 50 years ago, when our country was devastated by war and chaos, the great Benjamín Carrión expressed the necessity of once again having a Fatherland. This phrase was the inspiration for a handful of citizens [in my Alianza Pais slate] who decided to free themselves from the groups that have held our Fatherland captive, and thus undertake the fight for a Citizens' Revolution, consisting of radical, deep, and rapid change of the current political, economic, and social system that has destroyed our democracy, our economy and our society. . . . With one hope: that the Fatherland is returning, and, with it, jobs return, justice returns, the millions of brothers and sisters who have been expelled from their own land by that national tragedy called migration return. . . .

## **Plank I—Constitutional Revolution**

The first plank of that citizens' revolution is constitutional revolution. . . . The yearned-for reforms cannot be limited to cosmetic reforms. Latin America and Ecuador are not living through an era of changes, but through a genuine change of era. The historic moment for the Fatherland and for the entire continent demands a new Constitution that prepares the country for the 21st Century, once neo-liberal dogma and Play-Doh democracies that subjugated people,

lives, and societies to the entelechies of the market are overcome. The key instrument for this change is the National Constituent Assembly. . . .

## **Plank II—The Fight Against Corruption**

The second plank of the citizens' revolution is the fight against corruption, so rooted in our society, but also exacerbated by models, policies, and doctrines which exalted egoism, competition, and greed as the motor of social development.

These aberrations also seriously affected citizen security and levels of violence, not only because of the inequity and pauperization that the policies applied in recent years have generated, but also because, if competition is good in economics, why not also on the streets?

. . . There are various kinds of corruption, from filling one's pockets with state funds to tax evasion, including corrupt behavior, corrupt structures, and paradoxically, corrupt laws.

What about the 18 dead retirees we had in 2003, who for nearly two months had been asking for an increase in their miserable pensions; was this not corruption? . . . What about the debt swap of 2000, which explicitly sought to improve bond prices to the benefit of the creditors, while the country was destroyed? What about the existence of completely autonomous central banks, whose opulence is an insult to the poverty of our people and which, further, do not answer to democratic controls but rather to international bureaucracies; is this not corruption?

What about the Law of Deposit Guarantees, imposed by the political power of the bankers, which forced the State to guarantee 100% of bank deposits, for unlimited amounts, days before the generalized bankruptcy of the banks; was this not corruption? All this led to the dollarization of our economy, when the Central Bank tripled monetary emission in 1999 to rescue the banks. Today, we no longer have a national currency. . . .

What about the existence of absurd laws such as the Law of Fiscal Transparency, which limits all expenditures except debt service; is this not corruption?

What about the outrage called the Fund for the Stabilization, Investment, and Reduction of the Public Debt—the infamous FEIREP—which used new oil revenues to guarantee debt payment and for the pre-announced prepayment of the

debt; was that not corruption? In this way, our money, our natural resources, our sovereignty, have been stolen from us. . . .

### **Plank III—Economic Revolution**

The economic policy followed by Ecuador since the late 1980s faithfully followed the dominant development paradigm in Latin America, so-called neo-liberalism, with its inherent inconsistencies of corruption, the need to maintain economic subordination, and the demand to service the foreign debt. All these policy prescriptions obeyed the so-called “Washington Consensus,” a supposed consensus in which, to Latin America’s shame, we Latin Americans did not even participate. Those “policies” were not only imposed, but also diligently applauded, without any reflection, by our elites and technocracies.

The results of these policies are there for all to see, and after 15 years of application, the consequences have been disastrous. Ecuador has scarcely grown in per capita terms in the past 15 years, inequity has increased, and unemployment numbers have doubled in comparison to the early ‘90s, despite the mass emigration of compatriots during recent years.

The absurdity was reached of defending policies which destroyed jobs, such as those applied in 2003-2004, as “prudent.” Dogmatism was so extensive, that anything that neo-liberal dogma didn’t recognize was labelled “populism”. Yet, any Cantiflas-like incoherency on behalf of the market and capital was adopted as “technical,” in a true “capital populism.” This brings to mind the examples of autonomous central banks, outside democratic control, the simplemindedness of free trade, privatizations, dollarization, and so many other outrages.

These policies have been sustained on the basis of swindles and anti-democratic attitudes on the part of the beneficiaries of those same policies, with total support from the multilateral institutions, which disguised a simple ideology as science, and whose supposed scientific research was more akin to multimillion dollar ideological marketing campaigns than academic studies. These institutions also became the representatives of the creditors and the executive arms of the foreign policy of certain countries, leading not only to economic failure, but also reducing sovereignty and effective representation through the democratic system, this being in fact one of the leading sources of ungovernability in the country. . . .

Ecuador and Latin America must not only seek a new strategy, but also a new conception of development, which does not merely reflect the perceptions, experiences, and interests of dominant groups and countries; which does not force societies, lives, and individuals to submit to the entelechies of the market; where the State, planning and collective action recover their essential role in achieving progress; where intangible but fundamental assets, such as social capital, are preserved, and where the apparent demands of the

economy do not exclude, or, worse still, are antagonistic to social development.

### **A Sovereign Policy Regarding Indebtedness and Management of the Public Debt**

. . . Under the new policy regarding indebtedness, the country should use domestic savings as much as possible, and only incur debt when strictly necessary. . . . Foreign loans will primarily be used for productive investments which generate foreign exchange to pay off loans, while social projects will be financed by our own resources.

However, there will be no solution to the problem of the debt until the international financial architecture is reformed, and therefore concerted action on the part of the debtor countries is required, to redefine the criteria for debt service sustainability, to determine what is illegitimate foreign debt, as well as to promote the creation of an International Court for Sovereign Debt Arbitration. . . . An adequate definition of sustainability must take into account its effect on well-being. . . .

There is illegitimate foreign debt, acquired under dubious circumstances, which was not used for the purposes for which it was contracted, or which has already been paid many times over. After adequately defining the criteria for sustainability and what is illegitimate debt, an impartial and transparent International Court should decide what debt is to be paid, and the indebted countries’ ability to pay, and means of payment. . . .

### **Lessen Dependency and Vulnerability through Regional Integration: The Bank of the South**

Under the new economic policy, Ecuador will begin to make itself independent of the international bodies which represent foreign paradigms and interests, even more so as multilateral credits and financing in general are the new way of subordinating our countries.

On the other hand, at the same time that the Latin American countries seek financing, the region has hundreds of billions of dollars in reserves invested in the First World, which is truly absurd. For this reason, more than an economic imperative, bringing these reserves back to the region, pooling and administering them adequately in a Bank of the South—that is, the start of a great financial integration—is an imperative of common sense and sovereignty. For this, of course, that senseless technicality of autonomy for central banks, which send our reserves out of the region behind the backs of our countries, should be done away with.

### **Human Work**

As the encyclical, *Laborem Exercens* of John Paul II says, human work is not just one more production factor, but the purpose itself of production. Neo-liberalism, however, reduced human work to a mere instrument to be used or discarded, as needed for the accumulation of capital. To accomplish this, forms of exploiting labor under well-disguised

euphemisms such as “labor flexibility,” “outsourcing,” and “hourly contracts,” extended across Latin America. It should be pointed out that, according to multiple studies, this “labor flexibility” has been one of the least effective reforms in the region; it produced no greater growth, but it did leave the labor force more precarious, and thereby brought about greater inequality and poverty.

But even if flexibility would have worked, we cannot lower the dignity of human work to a simple commodity. It is time to understand that the principal good which our societies demand, is the Moral Good, and that the exploitation of labor, in the name of supposed competitiveness, is simply immoral.

One of the principal causes of the exploitation of labor has been the fraud of competition. The role this principle plays between domestic economic factors is already highly questionable, but is a complete absurdity between countries, where the logic of cooperation, of complementarities, of coordination, of mutual development should prevail. This neo-liberal, cruel, and inhuman globalization, which wants to transform us into markets and not nations, which wants to make us only consumers and not citizens of the world, is very similar conceptually to the savage capitalism of the Industrial Revolution, where exploitation knew no limit, until nations came to enjoy domestic laws protecting labor. . . .

The time has come for our countries, in the search for a new form of integration . . . to adopt regional labor laws which restore the centrality of human work in the production process and in the life of our societies, and which avoids this absurdity of competing by damaging the working conditions of our people. . . .

**Plank IV: The Revolution in Education and Health**

. . . Ecuador is one of the five countries of Latin America with the lowest social investment per inhabitant, with a per capita social expenditure that is one-fourth the regional average. It is therefore necessary to reverse this situation, which will require freeing up resources from other areas, basically from the unbearable weight of the foreign debt. To do this, we will proceed with a sovereign and firm renegotiation of the Ecuadoran foreign debt, and, above all, of the unacceptable conditions that the debt swap of 2000 imposed on us. . . .

Another heart-rending cost of the crisis: Ecuadoran immigration. Without a doubt, the greatest cost of the neo-liberal model’s failure, and the resulting destruction of employment, has been migration. In the political history of America, one of the most aberrant practices was that of banishment, which began with the Inca resettlements, with the forced transplanting of communities that were separated from their original



www.rafaelcorrea.com

*Ecuador’s new President Rafael Correa, shown here giving his inaugural address Jan. 15, has committed his government to ending the evils of globalization and the reign of neo-liberalism’s unfettered Central banks.*

surroundings. Migration entails precisely this kind of offense to humanity, of uprooting and tearing families apart. The exiles of poverty in our country number in the millions, and, paradoxically, they are the ones who, with the sweat of their brow, have kept the economy alive by sending their remittances home, while the privileged send their money abroad. . . . Let this be clear to all: this country is sustained by the poor. . . .

**Plank V: Rescuing Dignity, Sovereignty, and the Search for Latin American Integration**

From today forward, Ecuador decidedly joins in the construction of the Great South American nation, that utopia of Bolívar and San Martín which, thanks to the will of our people, will see the light, and, with its historic sparks will be capable of offering other horizons of brotherhood and fraternity to South America’s people, a just, proud and sovereign people. . . .

**Farewell**

Beloved Ecuadorans: The time has come. There is no reason to be afraid. He who walked on the sea and calmed storms, will also help us to overcome these difficult but hopeful times. Let us not forget that the Kingdom of God should be built here, on Earth. Ask the Lord to grant me a heart big enough to love, but also strong enough to fight. Martin Luther King said that his dream was to see a United States in which white and black could share school, table, and Nation. My dream, from the humbleness of my brown Nation, is to see a country without misery, without children on the streets, a Fatherland without opulence, but dignified and happy. . . .

# Response to Chancellor Merkel: Germany Needs a New Economic Policy

by Helga Zepp-LaRouche

*Subtitled “Europe’s soul lies in the Platonic Humanist tradition, not in Voltaire!” this article, written for the German weekly Neue Solidarität, was translated from German.*

The speech that German Chancellor Merkel gave before the European Parliament on Jan. 17, in her capacity as President of the European Union, betrayed a fundamental problem which lurks behind her policy of “small steps.” That she holds the opinion that Voltaire, of all people, expressed the soul of Europe, is alarming. One can only hope that it is just due to Mrs. Merkel’s youthful frivolity, as a “17-year-old youth in the European Union,” as she herself put it in her speech, that she sides with Voltaire, in the anti-Leibnizian tradition in Europe.

Mrs. Merkel missed an opportunity in her speech to warn the nations of Europe of the consequences of a further war by the Bush-Cheney Administration against Iran. It is not sufficient to demand the expansion of the Middle East peace process, the reactivation of the so-called Quartet (the U.S.A., Russia, the UN, and the European Union), and a unified position by the EU toward the Iranian nuclear program. Because even as Mrs. Merkel was speaking, Condoleezza Rice, during her Middle East tour, was pulling the rug out from under Mrs. Merkel’s plans. While Rice pretended to promote dialogue, in reality the U.S. Administration is supporting the conflict between the Palestinian groups Hamas and Fatah, and is simultaneously constructing the argument that Iran and Syria are supporting the insurgents in Iraq—which naturally could provide the pretext for their desired attacks against the two states.

The second essential theme of our time—the fact that the world financial system finds itself in an unsalvageable situation—the Chancellor didn’t even find worthy of being mentioned. Instead, she spoke of a further deregulated “transatlantic market,” and, without her mentioning the Transatlantic Free Trade Zone, which has been proposed by people such as [former U.S. Ambassador to Germany and Lazard bank official] John Kornblum, her proposals still go in that direction. She also uttered not a word about the changed balance of power in the United States and the potential that America can return to the tradition of the economic policy of Franklin D. Roosevelt. Mrs. Merkel failed during her recent trip to the

United States, to meet members of the new Democratic majority.

Merkel declared that a top priority of the German Presidency of the EU, is to bring the European Constitution back onto the agenda, although, after the “No” vote in the French and Dutch referenda, and the ruling of the German Constitutional Court in Karlsruhe, there is no legal basis for it. That is a total waste of energy, because none of the Presidential candidates in France want a European Constitution which will sacrifice the sovereignty of France to a supranational apparatus. The EU as an imperial structure (as Robert Cooper, the director for foreign and political-military affairs of the EU Council, and the advisor to EU foreign affairs spokesman Javier Solana, has in mind) is a useless concept for representing the true interests of the European states, which should instead cooperate as a Europe of the Fatherlands, in the sense of Charles de Gaulle.

## No Smashing Success

In Berlin as well, Mrs. Merkel’s Grand Coalition government is not achieving a smashing success. The alleged break-



European Parliament

*Chancellor Angela Merkel at the European Parliament on Jan. 18, with its new President, Hans-Gert Pötering. Merkel is President of the European Union this year, and launched her stint with a speech the previous day, that typified her idiotic policy of “small steps,” failing to address the most important issues of our time.*



EIRNS/Daniel Buchmann

*Helga Zepp-LaRouche confers with members of the LaRouche Youth Movement in Duesseldorf. While Mrs. Merkel sides with Voltaire and the tradition of Anglo-Dutch Liberalism, Mrs. LaRouche is building a youth movement in the tradition of the humanist scientist and philosopher Gottfried Leibniz.*

through in health-care reform which Merkel proclaimed the “most important project of the legislative session,” and which the chairwoman of the Council of Experts, Bert Rürup, correctly identified as a “monster,” means merely a strong increase in insurance contributions for 50 million publicly insured patients, and a grievous worsening of health care as a result. Actually the health-care reform in practice means the same second-class medical care as the system of private health maintenance organizations (HMOs) in the United States.

In this connection, there is also the dubious fact that the Health Ministry, during 2003 and 2004, brought in a total of 44.6 million euro in donations from unnamed private sponsors, which is about four times as much as all the other ministries combined. Despite censure by the Federal Accounting Office, the government is still not ready to publish the names of the industrial enterprises involved, and therefore it is impossible to know the conflicts of interest and improper influences. It is not to be excluded that, for example, pharmaceutical concerns, private clinics, or the Bertelsmann Foundation have provided the models for this health reform.

The reform has not yet gone through. The reporter for the union in the accounting committee, who was commissioned to examine the constitutionality of the reform, Merkel’s enemy Friedrich Merz (of the American law firm Mayer, Brown, Rove, and Maw, as well as the financial “locust” TCI), had previously not given his approval, but now has expressed the

idea that this reform is a step toward a socialist single payment system. Merz, who had previously warned Federal Justice Minister Zypries of this in a letter, could ask for the additional opinions of experts who see constitutional problems with the reform, with the intention of letting it run aground.

But Roland Koch [Governor of Hesse and No. 2 in Merkel’s Christian Democratic Union party, the CDU] has already declared his veto on behalf of Hesse, too, so an agreement in the Bundestag is already blocked. President Köhler has already demonstrated that he can defeat the bill. Otherwise the road to the Constitutional Court in Karlsruhe is still open. Therefore, even if the reform should become law on April 1, as a bad April Fool’s Day joke, it can perhaps not be put into effect. Friedrich Merz, after the election of Angela Merkel as Chancellor, had projected a term of one year for her Grand Coalition government, and could be tempted to prove himself right.

In contrast, U.S. Democratic Congressman John Conyers has brought a bill before the Congress which would introduce to the United States a health-care system such as the German system used to be. The “U.S. National Health Insurance Act,” in the tradition of the previous Hill-Burton Law, would guarantee everyone residing in the U.S., universal health care of the highest quality, and that is with regard to medical care as well as to the capacity necessary to provide it. Due to the new majority in both Houses of Congress, the passage of this bill is likely. At the same time, the Congress is preparing a bill which will put the reindustrialization of the United States, in the tradition of Franklin Roosevelt, into motion. In this, the ideas of Lyndon LaRouche on the conversion of the auto industry and the composition of an investment institution, are playing a decisive role.

### **Oligarchical Thinking**

But why is the German government going in the wrong direction, when, from America, a positive model, which could lead to re-establishing the once-excellent German health-care system, is being shown in health policy? And why did Mrs. Merkel not use the opportunity, during her recent U.S. visit, to meet with the Democratic majority in Congress, when she always meets with the opposition during her visits to Russia? Perhaps all these political mistakes and omissions have something to do with the previously mentioned axiomatic problem in her thinking, which was expressed in her absurd assumption that the soul of Europe is expressed by Voltaire.

The cynic and sophist Voltaire's books *Candide, Or the Best of All Possible Worlds*, which was directed against Leibniz, and *La Pucelle*, which drags Joan of Arc into the mud, demonstrate in the best way that Voltaire was perhaps clever, but in no way creative; he belonged to a group of Aristotelians such as Paolo Sarpi, Antonio Conti, Lagrange, and so forth, who joined in the judgment of Machiavelli that a society must permit technological and scientific progress if it does not want to fall behind militarily, but, from oligarchical motives, must deny the population access to creativity. For this reason, they consciously introduce mechanical and obscurantist thought, in order to make the pursuit of discovery of universal principles impossible.

### Europe's True Soul

The soul of Europe is rather to be found in the tradition which Solon of Athens and Plato pursued to develop the humanity of society, and which proceeds from a fundamental difference between the human individual and the animals. In that idea, man has, in contrast to all other forms of life, the capability of continuously developing his cognitive capacities, of understanding the laws of creation better and better, and of developing from this an improved scientific and technological understanding, while continually improving the living conditions of mankind. The soul of Europe lies also in Classical art, which contributes to the ennobling of the character of man.

So when Mrs. Merkel in her speech used the word "tolerance" 18 times, obviously for rhetorical purposes, that did not make her argument any more correct. And there is a huge gap between Voltaire and Lessing, whom she in one breath calls representatives of tolerance. Lessing, together with Moses Mendelssohn, laid out the basis for the German Classical period, because he fought against the decadent influence of such people as Voltaire, and the whole English and French Enlightenment.

Mrs. Merkel also cites the publisher Peter Prange, that everything that Europe has achieved, is thanks to its inner contradictory nature, the constant back and forth between opinion and counter-opinion. Perhaps Mrs. Merkel in her youth read Mao's piece "On Contradiction" too often, but perhaps she is also only really an Aristotelian and scientific pluralist, who is tolerant in the face of contradictory beliefs. This gives one minestrone, but not scientific discovery.

One can therefore only hope that Chancellor Merkel will study Leibniz in the future, instead of Voltaire, and will write his name on the banner of Europe. Because Leibniz had a vision of Europe, he proposed, for example, that France should develop Africa, and Germany develop Russia. He also had the idea that Germany and China should work together as the two poles of Eurasia, in order to bring the entire territory between them onto a higher level. The relevant vision for the 21st Century, is the improvement of the Eurasian Land-Bridge, as the centerpiece of a new and just global economic order.

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## French Elections

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# Cheminade and the LYM Revive Republicanism

by Fred Bayle,  
LaRouche Youth Movement

"Now I'm back in shape." This is how one French mayor ended his meeting with Jacques Cheminade, the Presidential candidate of the Solidarity and Progress party, who is allied with Lyndon LaRouche. As the April 22 date of the Presidential election is getting closer, the LaRouche Youth Movement (LYM) and Cheminade are awakening the soul of the country, so that the nation can shake off its rotten elite, and regain its republican tradition.

To get a sense of that, let's first discuss what is so special about this Presidential election.

France is the only European country which has a real Presidential system. Gen. Charles de Gaulle's legacy, the "Fifth Republic," allow the French people to elect its President, (in a two-round election) by direct vote, thus bypassing any parliamentary decision to designate a ruler by compromise.

Yet, not anybody can get to be on the ballot. All candidates must receive at least 500 endorsements from elected officials (mayors, regional representatives, parliamentary deputies, and so on). Once these endorsements have been checked, the candidates each receive 150,000 euros from the state to print the ballots, a declaration of candidacy distributed to all households, and posters. By law, each official candidate has to be equally covered by the media, with the "smaller" candidates and the "big machine" candidates all treated equally. It is the one and only fair election in France.

De Gaulle's idea of leadership was swept away after 14 years of President François Mitterrand (1981-95); throughout the years, the required number of endorsements has increased from 100 to 500, in order to force the debate into a right-wing/left-wing sophisticated box. But, in 1995, Jacques Cheminade violated these oligarchical rules, by breaking into the Presidential race, with more than 500 mayors vouching for him; he thus obtained two hours of prime time on all national TV channels. The establishment's reaction was surprise and panic. Sabotage, slanders, lies, as well an attempt to bankrupt him, were immediately used to try to stop him in his tracks.

In 2002, the same ruling circles, not to be caught by surprise a second time, went into full gear during the final phase of the endorsement gathering, launching a vicious defamation operation to scare away the well over 500 mayors who had committed themselves to stand for Cheminade's candidacy.

As a result, only 406 mayors kept their endorsements, too few to allow Cheminade to run. The French nation was thus left with an unexpected second electoral round that pitted Jacques Chirac (center-right wing) against Jean Marie LePen (right-wing fascist).

Many, many people got a cold shower that day. First the graceful media put the blame on the “small candidates, who took away votes from the Socialist Party,” and then they blamed the mayors who enabled these candidates to run by signing for them. Mayors, in particular, became victims of a kind of lynch mob operation run by the local media, and sometimes even by their own constituency. The worst is that many villages were not granted their usual income subsidies because of the mayor’s choice of candidate, which was made public by the government.

Now, more than three out of five mayors whom we contact via telephone simply reject the idea of signing for any candidate, no matter what the party.

## Occupation and Resistance

The current situation in France is tragic. During the past five years, people have begun to feel the bitter consequences of the 1980s turn toward globalization.

During the last quarter of 2006, the Renault auto giant saw its sales fall by one-third, and there was massive outsourcing in the textile industry, computers, and engineering. It is expected that by 2013, more than two-thirds of the farmers will have disappeared, while 1 out of every 10 children in the country now suffers from malnutrition. All in all, the real figures of unemployment amount to about 20% of the working-age population. We are far away from that period in which France was the third nation to launch a rocket in space. Nowadays, all the neo-conservative networks are claiming that it is the end of the “French model,” which came out of World War II, inspired by Franklin D. Roosevelt and the roots of the French nation-state as de Gaulle represented it.

The euro system brought a downfall of the living condition of the middle class and of the lower 20% of income brackets, at the same time that the upper 5% transformed themselves into grand feudal landlords, and the upper 20%, as in the United States, benefits from confetti money. In this situation, the political layers are acting like Edgar Allan Poe’s nobility in “The Masque of the Red Death”—protecting themselves by a veil of media, to stay blind and deaf to the growing discontent of the population.

Recently, three big movements have created ferment for a major shift. First, in May 2005, came the “No” vote to the European Constitution, which was intended to put the seal on a free-trade kind of European “cooperation.” Then there was an uproar among high school students against budget cuts in their education. Finally, in May 2006, there was a youth mobilization to counter a labor law which was promoting “greater flexibility” (which translates into freedom to randomly fire employees) and low-paid jobs for young people. As a result of this, the registration of new voters, most of them



EIRNS/Julien Lamaitre

*LaRouche Youth organize for Cheminade in Paris.*

youth, doubled, tripled, and was even multiplied by ten in certain cities. All of these events showed a determined longing for a greater change, but also a growing risk of a Jacobin-type of insurrection if the elites remain deaf to the calls of the population.

The predetermined choices for the available change today are to be found with Nicolas Sarkozy, a French neo-con and admirer of Britain’s Tony Blair, or with Ségolène Royal, a Socialist, harboring the colors of the Blair model. Other candidates are either extremist, environmentalist, or represent some sort of folkloric entertainment.

People are searching for something different, something deeply rooted in that which built the nation, and that’s where Cheminade’s campaign is crucial.

## Reawakening the ‘Free France’

The mayors whom Jacques Cheminade met with recently were neither part of the political elite, nor representing larger cities, but rather smaller ones with less than a thousand inhabitants. They all have different social backgrounds, and come from all parts of the country. They are the only elected officials in France who receive more than the majority of the votes whenever there is an election, which reflects a real recognition of their hard work. Their everyday mandate has become more and more difficult, mostly because of great budget cuts. In a recent poll, 75% of the mayors declared that they will not run in coming elections.

The French LYM had reached 16,000 mayors during the last year, setting up meetings to convince them to support Cheminade. Out of 700 mayors with whom we’ve met, 220 have signed the form vouching to endorse Cheminade, and the same number have refused. The determining factor now, is to get back to the 300-400 undecided mayors as well as contacting 10,000 new ones. We have six weeks to gather the remaining 300 endorsements to guarantee that Cheminade

will be on the ballot. This is a big challenge for the French LaRouche movement, as many of the likely signers are distrustful toward politics and pessimistic about changing the situation!

And yet, they are the necessary means by which we are taking back the nation. They are moved to hear and see young people fighting as we do, but their real inspiration is Cheminade himself, when they get a chance to talk with him (as has been the case for the last few months, when Cheminade has been driving all over the country).

### Three Hidden Traditions

To grasp the different currents which converge toward Cheminade, let's look at three meetings that he had with different representatives.

*The left humanist.* "So why do people say you're a fascist?" one mayor asked Cheminade, testing him. He had been discussing Jacques with some of his trade union colleagues. "Your youth [the LYM had introduced him to Jacques] told me you were not political!" to which Cheminade exclaimed, "They are wrong, I am political!"

"But from which side," the mayor asked, "left- or right-wing? I read your program. It is not clear; those who say they are not from any of these sides are always right-wingers."

Cheminade told him about Jean Jaurès (leader of the first branch of the Socialist Party at the beginning of the 20th Century), Léon Blum, and Jean Zay (leaders of the Popular Front in 1936), as being his references in the French left, and how today's Socialists were betraying this heritage. The mayor finally relaxed, and smiled while Cheminade continued to explain how the Communist Party during the 1936s social movement organized some choral and drama performances in the streets to elevate people's culture. This contrasts with today's leftist populist culture, which pulls people down.

Once he had listened to Cheminade's ideas concerning education, he reacted by describing how he thought the Trotskyist left was destructive, and he understood Jacques as having a more constructive and optimistic outlook. He then confessed his other profession—namely that of a German teacher. He had, in fact, read with great delight two articles on our website, "Schiller for France" and another on Heinrich Heine, both by Cheminade. The best people in our network are happy to see writings on art and poetry on a political website.

*The remaining Gaullists.* An old mayor declared solemnly to Cheminade that even though he agreed to set up a meeting, he would never sign for anyone. "The only candidate I ever supported was the General"—that is in 1965, he supported de Gaulle for President. Cheminade replied that he had not come merely for a signature, but rather to give him a history lesson. He then took the current devaluation of the British pound to draw the parallel between the 1967-68 period and today. He showed him how de Gaulle's opposition to the nonconvertibility of dollars into gold led to the May 1968 insurgency and

de Gaulle's forced departure.

The mayor said he knew about that already. Then Cheminade said: "But here comes the second lesson of history. In 1968, your people, the Gaullists, were on the good side! But today, which side do you think Sarkozy is on?" The man uneasily admitted that Cheminade was right.

Cheminade then explained his aim: that by pushing for infrastructure projects and research programs, he was taking up de Gaulle's concept of "planification." The mayor became very enthusiastic about Jacques's military program, and told him how his own military service had been such a great experience.

Cheminade concluded by telling him, "I hope you have a bad conscience for not signing for me!" The mayor then smiled and answered, "Give me eight days," adding, "I did not expect that."

*The Social Christians.* The first words uttered by this mayor were very loud: "Your program is full of American terms. Look, 'New Bretton Woods'! Sounds like American crap!" Cheminade took him by surprise by saying, "Good." The man, even more irritated, retorted, "Why do you say that?" Cheminade replied, "I'm pleased to see that you've read my program." Both of them started laughing.

The mayor was then briefed about the American part of the LaRouche organization, which has been leading the fight to impeach both Cheney and Bush. He responded: "That's good. Bush is not a Christian anyway."

The mayor had previously signed for Christine Boutin, a so-called "social Catholic" who just endorsed Nicolas Sarkozy. He and Cheminade had a good talk about the Social Doctrine of the Catholic Church, Pope Leo XIII, and Pope John Paul II's encyclicals on human labor.

This Social Christian mayor, who at times appeared to have right-wing tendencies, couldn't stand Sarkozy, whom he considers a populist "disease."

After a two-hour meeting, he signed the endorsement form with a smile, declaring: "After talking with you, now I'm back in shape. I hope you'll come back. My City Hall is open to you."

Cheminade's campaign platform has thus far created great curiosity within all of these different currents. The "capital budget" conception of the project answers the mayors' anxiety about how to build a better future for their children and their constituency. This way, the alliance between Cheminade and a core—or rather, chorus—of mayors is not just a compromise, but a real commitment. They see in him the same type of character that de Gaulle, Roosevelt, Konrad Adenauer, and Pierre Mendès-France represented.

Many mayors have already decided to sign, but they are still waiting to meet with Cheminade, "to check if he really does exist," as one mayor said: "The youth described to me a person called Cheminade. I rather trusted them because they are so convincing. But the reality of the character in my office is a true moment of hope."

# CIA Agents on Trial in Amu Omar Kidnapping

by Claudio Celani

CIA paramilitary activities launched under the Cheney-Bush phony “war on terror” policy went to court in Milan on Jan. 9, when the first preliminary hearing took place in a trial against 26 CIA officials for the kidnapping and torture of an Egyptian citizen, Nasr Osama Mustafa Hassan, known as Abu Omar. Abu Omar was kidnapped on Feb. 17, 2003, in Milan, and flown to Egypt via U.S. military bases in Italy and Germany. He was imprisoned and tortured, but managed to smuggle out an affidavit to Milan prosecutors, with a dramatic description of the treatment he underwent (see *EIR*, Nov. 24, 2006).

Along with the 26 U.S. citizens, two former high officials from Italian military intelligence (SISMI) are also defendants in the trial: former SISMI director Nicolò Pollari and former counterintelligence director Marco Mancini. Another defendant is a Carabinieri policeman, Giuliano Pironi, who participated in the kidnapping.

Pollari demanded subpoenas for numerous current and former Italian government officials. On the U.S. side, the question must be raised whether the chain of command stopped at CIA headquarters, or went further up, to Dick Cheney’s office. It looks improbable that, if Italian involvement goes up to the highest government levels, the U.S. counterparts were “just” the CIA.

## An Open Fight

The Abu Omar case offers leverage to U.S. legislators to help reverse ominous illegal practices run by the Bush-Cheney Administration, and potentially, to provide further ammunition for impeachment. The new political climate in Washington is allowing a fight inside the CIA itself, on “rendition” policies, to come to light, as reported by the *Chicago Tribune* on Jan. 9. After the Abu Omar abduction, the *Tribune* writes, naming senior CIA sources, “an internal review of what went wrong in Milan had generated tension within the Agency.” The same source said that one of those who signed off on the Abu Omar abduction was Stephen Kappes, at the time, the CIA’s associate deputy director for operations, and currently its no. 2 official. Initial enthusiasm for paramilitary operations is now fading at the CIA, writes the *Tribune*.

In the Milan trial, former CIA station chief in Milan, Robert Seldon Lady, could play a decisive role. According to the *Tribune*, Lady seems to have been against the kidnapping, but could not oppose Rome station chief Jeff Castelli, who was

backed by higher-ups. Lady reportedly tried indirectly to stop the operation, by informing his Italian colleague, SISMI Milan station chief Stefano D’Ambrosio. But when D’Ambrosio, who also opposed the abduction, was removed, Lady had to obey orders.

D’Ambrosio told prosecutors that Lady’s opinion of Castelli as a terrorism fighter was not high. “What do you expect someone who is a Buddhist, burns incense in his office, and listens to the music of Bob Marley, to know about terrorism?” D’Ambrosio quoted Lady as saying. Castelli was promoted to a senior position in Langley after the abduction.

Lady is being offered immunity by Italian prosecutors if he takes the stand. However, at the preliminary hearing, Lady’s lawyer unexpectedly resigned. “This is a political case and I am not a political mediator,” said Daria Pesce, adding that her client “does not recognize Italian justice.” Prosecutor Armando Spataro answered, “We were used to hearing this answer from the Red Brigades.”

Lawyers for Pollari called for subpoenas to be issued to former Prime Minister Silvio Berlusconi, current Prime Minister Romano Prodi, former Defense Ministers Antonio Martino and Franco Marini, plus two former Cabinet members. Pollari, who is accused of having collaborated with the CIA commandos in preparing the abduction, says that exculpatory evidence is contained in classified papers. Such papers probably contain reference to U.S.-Italian deals at the government level, struck by Berlusconi and his “good friend” George W. Bush, and maintained by Berlusconi’s successor, Prodi.

Lawyers for former SISMI official Marco Mancini produced a thick stack of documents showing that SISMI kept Abu Omar under surveillance from Sept. 11, 2001 to the day of his abduction in February 2003. Furthermore, they produced a letter from the CIA in May of that year, informing them that Abu Omar was in Egypt.

The Italian government must soon decide whether to accept the prosecutors’ requests for extradition of the U.S. agents and file them with the U.S. government. Of course, it is expected that the Bush-Cheney Administration will turn them down; nevertheless, if the requests are filed, this will be a highly significant political move.

Justice Minister Clemente Mastella, a man with a highly developed sense of political opportunism, has come under strong pressure from a group of senior Senators. The head of the Senate Judiciary Committee, Cesare Salvi; former Milan chief prosecutor Gerardo D’Ambrosio; former Venice prosecutor Felice Casson; and former Palermo prosecutor Giuseppe di Lello (all famous players in past investigations against terrorism and the mafia), along with two more Senators, filed a parliamentary interrogation asking, “Why has the Justice Minister not yet acted on requests by Milan judiciary authorities, for extradition and search through Interpol, in order to arrest 26 U.S. citizens?” The interrogation uses strong arguments: Public opinion must get “a strong testimony of our capacity to ensure respect for legality in our country.”

# U.S. Military Strike In Somalia Is Part of Bush-Cheney 'Surge'

by Lawrence K. Freeman

In good political intelligence work, one should never get so focussed on the facts on the ground, that one fails to see the actual cause motivating the observed events. This is certainly true of the U.S.-supported Ethiopian invasion into Somalia. After the U.S. used an AC-130 gunship attack on Jan. 8 in southern Somalia, which mowed down dozens of civilians according to numerous accounts, I kept asking myself this question: If the U.S. were truly serious about hunting down three alleged al-Qaeda operatives, why would they use the equivalent of a flying tank to indiscriminately fire on a large group of Somalians?

The answer does not lie within the bounds of the conflict in Somalia. In a response to questions from Congressional offices during his Jan. 11 webcast, U.S. statesman Lyndon LaRouche said: "The recent bombings in Somalia are a reflection of the extension of Vice President Cheney's intention behind the surge in Iraq, and Cheney's intention to have a war against Iran. This is a long-term process, and it's all evil."

At a recent Washington, D.C. conference on "Somalia's Future," Theresa Whelan, U.S. Deputy Assistant Secretary of Defense for African Affairs, told the gathering of several hundred, that there was just *one* military strike by the U.S. in Somalia, that killed only eight Somalians, who were connected to a terrorist al-Qaeda cell. However, Jendayi Frazer, Assistant Secretary of State for African Affairs, who spoke later, revealed to the audience that the American attack was in response to the perception that the U.S. military was too overstretched in other conflicts to carry out another military adventure, and was part of the "surge of forces into the Gulf."

This confirms LaRouche's analysis, that to understand the Somali conflict in the Horn of Africa, one has to understand the larger geopolitical British strategy to destabilize Muslim nations along the "Arc of Crisis" from Pakistan to Turkey, south through Southwest Asia, across into the Horn of Africa.

According to the *Australian* newspaper, which cited the *Sunday Times* and Reuters, a British SAS team joined U.S. Special Forces inside Somalia to hunt down al-Qaeda suspects, after having prepared Ethiopian troops for months in advance, for the December invasion. The newspaper also reported that the U.S. helped finance the operation and provided satellite surveillance as well. Claims by U.S. military and

intelligence agencies, that al-Qaeda controlled the Council of Islamic Courts (CIC) inside Somalia, provided the pretext to enter Somalia under the cover of fighting the global war on terrorism. In the Spring of 2006, the U.S. failed to get a foothold in Somalia, when the warlords it was backing were defeated by the CIC, which then gained control over the southern part of the country. This is the first visible U.S. military presence in Somalia since U.S. forces were driven out 12 years ago, in what became known as "Blackhawk Down."

## How Will Somalia Recover?

The most accurate and honest assessment of the Somalia crisis presented at this conference was given by a representative of Doctors Without Borders, who said that the situation in Somalia was a disaster today as it has been for the last 16 years. Other American and Somali speakers repeated what has become the catch phrase—that Somalia is now at a moment of "opportunity," as a result of the success of Ethiopian military in defeating and driving out the CIC. This is followed by a caution: The window of opportunity is narrow and will close very quickly, if the Transitional Federal Government (TGF) does not bring stability immediately.

However, most observers realize that the TGF has insufficient support inside Somalia, and is presently too weak to rule the country were the Ethiopian military machine to pull out. Ethiopia is faced immediately with making difficult decisions that will affect its security, with over 50% of its people belonging to the Muslim faith, and noticeable opposition to its invasion of Somalia, a Muslim nation. If it leaves too soon, Ethiopia could collapse the TGF, but staying will drain Ethiopia's overstretched treasury, and subject it to blowback both at home and in Somalia.

Aside from verbal encouragement and military backing, the U.S. is offering little to address the real underlying problem of the conflict—the multi-ton elephant in the room, that everyone wishes to ignore—which is the lack of even basic infrastructure, and the overwhelming poverty that afflicts the entire region. The U.S. has promised a mere \$40 million for Somalia, and of that, a paltry \$10 million is earmarked for some type of development.

The immediate issue of concern is, when Ethiopian troops pull out, will there be an orderly "hand-off" to peacekeeping troops? More to the point, will there be any peacekeeping troops? The target of 8,000 troops was ridiculed as far too few to be effective, and having even such a small force in place by sometime in February, as put forth by Assistant Secretary Frazer, seems quite remote. No African country has stepped forward with a commitment to send troops, except Uganda, which is considering sending about 1,000 troops for such a peacekeeping mission. Most countries, including Uganda, are quite nervous about the exit strategy of such a deployment, given that little is being done to actually stabilize Somalia, notwithstanding the usual bromides of mobilizing international support and encouraging dialogue.

### Plot Thickens Against Angela Merkel

*The ouster of Bavarian Governor Stoiber is intended to turn Germany into a bastion of Anglo-Dutch Liberalism.*

Hardly had Chancellor Angela Merkel left Germany for her Jan. 4 talks with President George W. Bush, than the campaign, simmering for a couple of weeks at the end of 2006, to oust Bavarian State Governor Edmund Stoiber from office, blew into the open. To be precise, it was blown into the open by the establishment media, most of all the notoriously pro-British publications based in Hamburg, *Stern* and *Spiegel*. Their newly discovered hero against Stoiber is Gabriele Pauli, a district politician in Fürth, who has kept up an Internet-based protest action against Stoiber's intent to run for re-election in September 2008.

The first assault on Stoiber, timed with the traditional early-January conclave of the leaders of the Bavarian Christian Social Union (CSU), Stoiber's party, in Bad Kreuth, resulted in the CSU leadership stating full support for the Governor, on Jan. 16. The mood at the party base and among traditional CSU voters may be quite different, however, as indicated by an opinion poll published by *Stern* magazine on Jan. 15, reporting that 69% of Bavarians, and even 64% of CSU members, were opposed to Stoiber's re-election.

Right after the conference, on Jan. 18, Stoiber announced that by September he would resign as party chairman of the CSU and as Governor.

This might seem to be simply a local Bavarian affair, but it isn't, because Stoiber, who ran as the Chancellor candidate of the German Christian Democrats against incumbent Chan-

cellor Gerhard Schröder (Social Democrat), in September 2002, and lost by only a few thousand votes, is a powerful rival to Christian Democratic Chancellor Merkel. A serious rival only, however, if there is a prospect of Merkel resigning or being overthrown—and indeed, circles inside Germany that are closely interwoven with the global fascists of the U.S.-based Federalist Society (see last week's *EIR*), are already involved in activities that could collapse Merkel's government.

One potential detonator for that, is Merkel's proposed, disastrous "health reform" package, which would install a German variant of the U.S. HMOs. But a report Jan. 8, in *Der Spiegel*, indicated that Friedrich Merz, one of the most prominent German liaisons of the Federalist Society, could defeat the reform—and thereby, Merkel—by slyly pointing to its anti-constitutionality. Merz, a longtime rival and critic of Merkel's, who soon after her inauguration as Chancellor in November 2005 said publicly that he wished her rule to last no longer than a year, could sabotage her in his function as the person charged with coordinating the Christian Democratic parliamentary group's activities on the health issue. And indeed, Merz and another rival of Merkel's, Hesse State Governor Roland Koch, harshly criticized the reform over the weekend of Jan. 13-14, calling it "socialist" (!), and Koch threatened his state government's veto against it.

If Stoiber, whose Bavarian CSU is affiliated with the national Christian

Democratic Union (CDU), is removed from the second echelon of the Christian Democracy from which a likely successor to Merkel would come, the next in line to replace her would be—Roland Koch. Apart from having good connections to the Frankfurt-based center of banking in Germany, and to the traditionally pro-British nobility of the Rhine-Main region, Koch has excellent connections to the neo-cons in the Bush Administration as well. A few years ago, Koch introduced a German variant of the brutal "work-to-welfare" policy of former Wisconsin Gov. Tommy Thompson (R). Koch himself became the number one of the Hesse state section of the Christian Democrats in the wake of an intense inner-party and media campaign similar to that which has haunted Stoiber, and which made him Governor of Hesse in February 1999.

Less than a year later, Koch almost became a victim of the Hesse CDU's "black money scandal," an illegal funding scheme run by a prominent member of the local nobility, Kasimir Prince of Sayn-Wittgenstein. He used a number of slush funds in Liechtenstein—a haven for financial transactions that cannot even be run through the oligarchical banks of neighboring Switzerland. Some 17 million German marks had been pumped into Liechtenstein over the years, escaping the German tax and party-funding laws, re-entering Germany then as alleged "donations from dowries of deceased Jews."

Designed as a "politically correct" lie that nobody in Germany would contest, the trick failed. Finally a deal was struck which took the scandal off the front pages of the newspapers. Rumor has it that the deal was arranged by the powerful House of Nassau, a noble family originating in Hesse, which made it to world prominence in the 16th century.

## Congress Takes First Steps Toward Curbing Cheney

by Jeffrey Steinberg

Scarcely two weeks have passed since the 110th Congress was sworn in, and already battle lines have been sharply drawn between the legislative branch and the embattled Bush-Cheney White House. And, as forecast by Lyndon LaRouche in his Jan. 11 Washington webcast, increasingly, Republicans are joining with their Democratic counterparts to challenge the permanent war dogmas of Bush-Cheney, and the words “double impeachment” are being heard around the Capitol.

Although the impulse for bipartisan cooperation in opposition to the escalation of conflict in Southwest Asia was already a critical theme, President George Bush’s Jan. 10 televised address, announcing the details of his proposed “surge” in ground forces into Iraq, vastly accelerated the revolt against what was widely seen as an unprovoked declaration of preventive war against Iran, and a violent repudiation of the Iraq Study Group report. This report had been released in early December 2006 by a bipartisan group co-chaired by former Secretary of State James Baker III and former House Foreign Relations Committee chairman Lee Hamilton, now head of the Woodrow Wilson Center. The Baker-Hamilton report called for the Bush Administration to begin diplomatic talks with both Iran and Syria, to finalize a just two-state solution to the Israel-Palestine conflict, and to set a clear timetable for the withdrawal of American occupation forces from Iraq.

Long before the Jan. 10 Bush speech, it was known that the White House, taking its lead from Vice President Dick Cheney, had rejected the Baker-Hamilton recommendations. And most of the details of the proposed increase in U.S. troop strength in Iraq by 21,000 soldiers were also known. But sources in Washington confirmed to *EIR* that the President’s harsh rhetoric against Iran and Syria, combined with U.S. action on the ground, made lawmakers suddenly realize that LaRouche was right in warning that the Bush-Cheney Admin-

istration was hell-bent on military confrontation with Tehran and Damascus before leaving office.

### Congress Begins To Act

A number of new laws and Congressional resolutions was introduced over the week after Bush’s disastrous Jan. 10 address to the nation, all aimed at denying the White House the authority to escalate.

Among the leading Congressional actions to date are:

- A bipartisan Senate bill to voice opposition to Bush’s surge policy, co-sponsored by Joseph Biden (D-Del.), chairman of Senate Foreign Relations Committee; Carl Levin (D-Mich.), chairman of the Senate Armed Services Committee; and Chuck Hagel (R-Neb.), a decorated Vietnam veteran and possible Republican Presidential candidate. At least one other Republican Senator, Olympia Snowe (Me.) is also expected to sign on.
- A bill by Sen. John Warner (R-Va.), former chairman of the Senate Armed Services Committee and a U.S. Secretary of the Navy under President Ronald Reagan, that would endorse the Iraq Study Group recommendations. It is anticipated that this resolution will get widespread bipartisan support, including among Republican lawmakers who are afraid to make an outright break with the White House. Back in 2005, Senator Warner had joined with Sen. Robert Byrd (D-W. Va.) and a dozen other Senators, to defeat Vice President Cheney’s efforts to strip the Senate of much of its Constitutional power.
- A bill introduced by Rep. Walter Jones (R-N.C.), demanding that the Bush Administration go to Congress for permission before taking any kind of military action against Iran.
- A bill sponsored by the Progressive Caucus in the House, repealing outright the Congressional authorization for the use of force in Iraq, and providing funding for the with-



EIRNS/Will Mederski

Senators Chuck Hagel (R-Neb.) (left) and Joe Biden (D-Del.) are part of a group of Senators proposing a resolution stating that it is not in the national interest to deepen U.S. military involvement in Iraq. They call for engaging the nations of the Mideast to develop a regionally sponsored peace and reconciliation process.

drawal of all American troops within six months.

- A bipartisan House bill, sponsored by Rep. Wayne Gilchrist (R-Md.), stating that “an increase in American troop levels cannot resolve this conflict,” and endorsing the Baker-Hamilton call for diplomatic initiatives with Iran and Syria.

- A series of Senate bills, sponsored by Sens. Christopher Dodd (D-Conn.), Hillary Clinton (D-N.Y.) and others, to cap the number of American troops in Iraq at the current level of 130,000—thus stopping the Bush “surge.”

According to one military commentator, Col. Patrick Lang, former head of Defense Intelligence for the Middle East, if the Bush-Cheney White House goes ahead with the deployment of additional military forces in defiance of the will of the Congress, the President and the Vice President will be walking into an “impeachment trap.” Such a trap is exactly what Lyndon LaRouche demanded in his Jan. 11 webcast. LaRouche warned that the only way to avoid an expanded war, likely to last for generations, is to dump Cheney from the Bush Administration immediately.

### Three Paths to Impeachment

There are at least three pathways to Cheney’s rapid removal from office. First, President Bush could conclude—under prodding from his father and other “Bush 41” allies—that Cheney is the biggest obstacle to a Presidential legacy. Bush Sr., White House political advisor Karl Rove, and other Bush family loyalists are deeply upset that, as of this moment, George W. Bush will go down in history as one of the worst American Presidents to ever hold office. With less than two years left in his Presidency, Bush is going to have to take

drastic remedial action to create even a modest legacy. On Dec. 31, 2006, *New York Times* columnist Nicholas Kristof wrote a series of ten recommendations to the President on how to create a viable legacy. He urged Bush not only to embrace the Baker-Hamilton recommendations, but also to fire Dick Cheney right away, because Cheney was a magnet for hatred of his Administration, and only by removing him from office and replacing him with a more popular and competent Vice President could Bush hope to win back some public support.

Second, the U.S. Congress can prioritize oversight hearings that get at the crimes of Cheney. Rep. John Conyers (D-Mich.), the new chairman of the House Judiciary Committee, has already prepared a report, itemizing 23 separate felony crimes committed by Cheney and Bush, in their first six years in office. Now that Democrats hold a majority in both the House and the Senate, the committees can subpoena witnesses and documents that were hidden for the past six years. Among the Cheney crimes already under probe are the fabrication of pre-war intelligence, to convince Congress to authorize the use of force against Iraq; violations of the U.S. Constitution by spying on American citizens; violations of the Geneva Conventions that ban torture of prisoners; and



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Sen. Ted Kennedy (D-Mass.) (left) has introduced a resolution to restrict funding for the increase of troops in Iraq until President Bush gets Congressional approval. Chairman of the House Appropriations Defense Subcommittee Rep. John Murtha (right) has reintroduced his 2005 resolution calling for a phased withdrawal from Iraq. It now has 87 co-sponsors.

lying to Congress about his ties to Halliburton, the corporation he once headed, which has received tens of billions of dollars in government contracts.

Third, Independent Counsel Patrick Fitzgerald can nail Cheney, for his role in the leaking of classified information about CIA agents to journalists. Fitzgerald was appointed in December 2003 to investigate which top White House officials were responsible for leaking the identity of CIA undercover officer Valerie Plame Wilson, wife of former Amb. Joseph Wilson. It is a Federal crime to identify an undercover CIA officer, and Cheney's former chief of staff, Lewis Libby, is now on trial for his role in that crime. Libby is charged with lying to a Federal grand jury. His lawyers have announced that they plan to call Dick Cheney as a defense witness, and this will afford Fitzgerald a unique opportunity to interrogate the Vice President, under oath, about his role in the Plame Wilson leak. If Cheney's role in that crime is revealed publicly, there will be a groundswell demand for his removal from office.

Any or all of these actions could remove Cheney from his position of power, and this would be a revolution in American politics—one that is vital at this moment.

### Capital Budgeting

While recent surveys of American voters show that the Iraq war is the burning issue on the minds of most citizens, there is also grave concern about the collapse of the U.S. economy, the loss of decent-paying jobs, the looming blowout of the real estate hyperinflationary bubble, and other economic and financial crises. In response to inquiries from leading Congressional Democrats, Lyndon LaRouche wrote a policy document, "The Lost Art of Capital Budgeting," which has been circulating among Congressional offices for the past two weeks. In that document, LaRouche calls on Congress to return to former practices of massive investment in infrastructure growth, by the issuance of long-term, low-interest government credits. LaRouche argued that such long-term investment always generates more wealth and more revenue for the Federal government than is invested, while at the same time creating decent paying jobs in the manufacturing and construction sectors, and creating the conditions for overall physical-economic expansion.

LaRouche's proposal is being studied by scores of Congressional offices, and a LaRouche-commissioned bill, the Economic Recovery Act, to save the U.S. automobile manufacturing sector from total collapse, is likely to be debated soon as part of Congressional hearings on the real state of the U.S. economy. Mirroring LaRouche's capital budgeting call, this week, Sens. Frank Lautenberg (D-N.J.) and Trent Lott (R-Miss.) reintroduced a bill to spend billions of dollars to expand America's collapsed national railroad infrastructure. Although modest in scale, the bill does represent a bipartisan impulse among senior lawmakers to tackle the issue of the economic crash—a sign of more such efforts to come.

## Will Congress Sing for Double Impeachment?

by Matthew Ogden,  
LaRouche Youth Movement

No matter how much Howard Dean screams, he will never be able to claim credit for the landslide victory that the Democrats won on Nov. 7. The new 110th Congress is full of maverick freshmen Democrats who rode the wave of a great generational paradigm shift, which swept them into Congress, and they are now in Washington with a mandate from millions of young people to make trouble. On campuses across the country, these millions of youth were shocked to discover that you didn't have to imitate the Howard "Scream" to consider yourself political, but that the real political leadership were the youth who were calling for the impeachment of Cheney and Bush, pushing for a FDR-style economic recovery, and mobilizing the population through song!



EIRNS/Will Mederski

*LaRouche Youth Movement organizers during a Week of Action in Washington, D.C. on Jan. 8. Some new Congressmen have asked the LYM to teach them how to sing!*

Unless *bel canto* voice lessons become a regular activity for Dean's Democratic National Committee (DNC), the "Scream" should retire and give way to the real leadership of the Democratic Party, the LaRouche Youth Movement. Many members of the new Congress have already claimed Lyndon LaRouche as their leading intellectual point of reference in Washington, D.C., and these Congressmen are now asking the LaRouche Youth Movement to teach them how to sing!

### Back to the FDR Legacy—With Song

Gathering together in Washington last week from months of intensive campaigning all around the country, 75 members of the LaRouche Youth Movement felt like this was their Congress. This was the concrete result of our generation asserting itself politically, with our youth movement blazing the trail out of the "no-future" era of the Baby Boomer, and leading a new Democratic Party back to the legacy of FDR.

Most of these Congressmen had not been sanctioned by the DNC and had made it to Washington obliged to no one but the youth who had elected them. We assembled a full youth chorus of all the ensembles that had been working hard across the country, and brought our music to the streets of Washington and the Congressional offices of Capitol Hill, under the banner: "Youth to Congress: Read Between the Votes, Impeach Cheney Now."

Whether in the parties celebrating the arrival of the freshman Congress or inside the Congressional offices themselves, as we greeted the 110th Congress with song, this was invariably their most vivid memory of how the LYM had organized in their districts all across the country. Most of these new Congressmen had also encountered the LaRouche Youth Movement during a freshman Congress orientation program sponsored by Harvard University in Boston in December. The LYM had intervened into this event, serenading the participants with a political Christmas Carol, "We Wish Dick Would Leave the White House" in four-part harmony.

So, we had already primed these Congressmen to come into Washington ready to fight. And they did, immediately moving to reclaim the Constitutional powers of the U.S. Congress, powers almost forgotten over the past six years of the Cheney-led Republican dictatorship. In Sen. Ted Kennedy's speech announcing his bill to block the proposed surge policy by Bush, he cited Article I, Section 8 of the U.S. Constitution.

But, even as Administration officials were called to come before all of the oversight committees of the House and Senate, getting roasted by veteran and freshman Congressmen alike, both Democratic and Republican, Bush still went ahead with his insanity during a televised speech on Jan. 10. This speech proved to the Senators and Representatives what the LYM had personally told many of them: This surge is not just a plan to escalate the war in Iraq, but it is a plot to expand the war into Syria and Iran. The only way of stopping this once and for all is to impeach Cheney now! (This story is documented fully in the Jan. 12, 2007 *EIR* magazine containing



EIRNS/Joanne McAndrews

*LaRouche Youth Movement organizers in Washington make sure that impeachment is on the minds of Congress—and everyone else.*

Jeff Steinberg's article on Bush's Peloponnesian War, of which we distributed thousands throughout the city in a week.)

Immediately, impeachment was on everybody's lips, and the questions being fired at Administration officials during hearings were on this subject: Does the President believe he has the Constitutional right, without Congressional consent, to invade or bomb Iran or Syria, etc.

This Congress is ready to follow the leadership of Lyndon LaRouche and the LYM. On Thursday, Jan. 11, five freshman Congressmen sent questions to LaRouche's live webcast address, essentially walking through the wall of fire by associating themselves, right off the bat, with the leading troublemaker in Washington. Many of these Congressmen told us that they have already been studying LaRouche's proposals for how to rebuild America's physical economy, such as the Emergency Reconstruction Act.

One new Congressman from the Midwest recognized some of the youth attending his celebration party as the same ones he had seen in Boston at the Harvard orientation, and he told us that after he had heard us singing about impeaching Dick Cheney, he had spent some of the time he had before coming to Washington to study LaRouche's plans for retool-

ing the auto plants to build infrastructure.

Another group of youth lobbying the offices of Congress were shocked to confront the true character of the 110th Congress: Still accustomed to what can be called the 109-mode, the LYM organizers asked the secretary for a formal meeting with an office staffer, but when they glimpsed the Congressman sitting at his desk studying, the secretary offered to let us pop our heads in to say hi. This Congressman strode across the room, happy to greet young people, since he knew about the magnitude of the youth vote that got him there. But when the youth told him they were with the LYM, he also remembered seeing, and hearing us sing, at Harvard, and told us that he is regularly briefed about LaRouche's policy initiatives by a UAW leader who also worked with his campaign.

### A More Optimistic Tone

With this new Congress, the apparent laws of the universe of Congress 109 seem to have changed; the world of 110 is of a much more optimistic tone, with inspiring possibility. This new Congress, fueled by the ferment of the younger members, and in the political dynamic of an emerging cultural paradigm shift, can operate like Franklin Roosevelt's Administration to save the American republic from fascism and economic disintegration, if they follow LaRouche's leadership in initiating emergency economic interventions, and impeaching Cheney and then Bush.

But, as LaRouche stressed in his report on the "Lost Art of the Capital Budget," circulated widely during this week of action, only an individual with a personal, internal moral strength and a driving passion to do good, can move himself or herself to fight for their nation and posterity. So, before the week of action ended, the LYM decided to deliver a gift to all the freshmen Congressmen, to help them remain firm in their commitment to the New Politics of the youth generation that put them there. We visited every freshman Democrat's office and sang for them.

In each office we sang a three-part canon by Mozart based on the theme from "Exultate Jubilate," and a four-part canon by Mendelssohn, "Friend Felix," with rewritten political lyrics:

Impeach Cheney while you still can,  
Or he'll pull a coup like the Nazis ran!  
Even Republicans are warning of a Nazi Cheney  
Reichstag Fire.  
Na-a-zi is what Dick Cheney is!  
No torture for goose-stepping Cheney, only prison!

Many of the Congressmen recognized us from the campaign trail. One Congressman from a Southern state was very happy to see us in Washington (he had seen us at all of his campaign events), and he gathered his whole staff to listen to us sing. Another Congresswoman was seated with her staff in an office meeting. When we told her that we were there to sing, she was overjoyed, saying that she had been a music

major before she came to Congress, and she had her entire staff listen closely to our polyphony.

Finally, a freshman from a Midwest state invited us into his back office, recognizing us as the group of youth that had been singing on the street at the Harvard orientation event. He was so inspired by the idea that we wanted the Congress to sing "Alleluia" on the day they impeach Dick Cheney, that he asked us to teach him how to sing it. As we sang one phrase, he listened and repeated it, and finally sang the whole canon with us, perfectly in tune! He told us that when he attended a reception at the White House, he refused to shake Cheney's hand. After discussing the play "Othello" by Shakespeare, and Verdi's opera by the same name, this Congressman finally realized why he thought Cheney was the evil one—"Oh, so you're saying that we have an Iago in the White House!"

By an ironic twist of fate that Shakespeare would enjoy, Iago himself had to stand in front of every new U.S. Senator and conduct the swearing-in: "I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office which I am about to enter."

The youth are depending on this new Congress to uphold that oath, and impeach our "enemies domestic" now!

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## LYM at the 'Temple of Doom'

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# 'Moving On,' From The Old Politics

by Wesley Irwin,  
LaRouche Youth Movement

In the weeks leading into the Nov. 7, 2006 Democratic Congressional landslide victory, and later, in an even more focused intervention the following month in a special election held in San Antonio, Texas, the LaRouche Youth Movement (LYM) physically demonstrated, that the political process in the United States for the coming revolutionary period will be determined by the quality of creativity embodied by the LYM. We have now reached a moment in history when a justifiably enraged American population is reacting against the policy assumptions of the last several decades, and the LYM is reaching out to them with a unique quality of beautiful ideas, rooted in the best conceptions that mankind has ever produced.

In the scientific and philosophical tradition of our Republic's founder, Ben Franklin, the LYM is using ideas of Kepler,

Bach, and Plato, to name a few, to uplift the population of the United States to the level that they are able to use their minds to passionately reason; reason through the lies told by the Cheney-Bush Administration about our foreign policy disaster(s), as well as those told by the “Wall Street Urinal” high priests, like Alan “Greenspin,” who preside over the ever-shrinking, in fact actually “Invisible,” physical economy of today’s world, and discover the solutions, for themselves, to the onrushing existential crisis facing mankind.

Thus on Jan. 6, just hours before 75 youth were to descend on Washington, D.C. for a revolutionary “Week of Action,” about 15 members of the LYM took their singing voices and high spirits to the American Enterprise Institute (AEI) headquarters, known to D.C.’s well-informed as the “Temple of Doom,” where Sen. John “Manchurian Candidate” McCain (R-Ariz.), and Joe “Howdy-Doody” Lieberman (I-Conn.), were giving speeches in favor of the President’s fantasy “surge” policy.

### **Beauty Trumps Rage**

Arriving early, we greeted citizens with carols and canons, blasting Cheney and Bush musically, calling for their impeachment, and distributing literature to anyone walking on the blocks surrounding the AEI building. Then, about an hour into the event, we began noticing older people amassing on the corner of the street we were on, carrying yellow signs, “Out of Iraq!” and “No to the Surge.” We quickly were told that this was a MoveOn.org protest event, and soon, the 15 LYM organizers, singing beautifully, were surrounded on both sides by about 100 protestors—all but four of whom were over the age of 45—who repeatedly echoed slogans they heard from a small, seemingly very enraged man on a bullhorn. The line of screamers continued, “*John McCain, John McCain, ‘Surge’ policy is insane!*” over and over and over, at the top of their lungs. The LYM, keeping the idea of the beauty of the choral piece in mind, continued singing in harmony, which caused some of the Baby-Boomer protestors to ask us to join their circle of uniform noise. We declined the offer, as it was clear to all the LYM singers that the type of emotional-reactionary protesting which they were practicing, was derived from a method without beauty, and therefore, also void of any reasonable solution to the world crisis we face today.

As we continued to sing polyphonic songs about Joe Lieberman’s ties to William F. Buckley’s purse strings, and so on, the little “MoveOn” man on the bullhorn turned his rage on the crowd of older protestors and the LYM, yelling at the marchers, “*C’mon, the LaRouche people are louder than you! This isn’t the civil rights movement! (We were singing spirituals) Let’s hear it! John McCain . . . !*” This “peacenik” turned the bullhorn on our singers, who were singing the beautiful Bach motet “*Jesu, meine Freude,*” holding the horn within a few feet of us at high volume. The more he yelled the same slogans over and over at the overwhelmed, and increasingly tired marchers, the more it became clear that many of the

MoveOn people were slowing down to hear our singing, and soon many of them were smiling at us as they walked by, and were taking the LaRouche PAC literature we were handing out as they passed.

One 60-year-old, who had previously asked us to join the protest, asked the fellow on the bullhorn to stop shouting so the marchers could hear the music. He refused, but it was clear that the protestors were slowly being won over to the method of our “New Politics,” which we had used on the campuses to turn out the youth vote, before the Nov. 7 election. Our songs cut through their dry, passionless chants like a knife through butter.

### **The Chorus Grows**

At a certain point, when we began to sing the Negro Spiritual, “*Oh Freedom,*” everyone stopped chanting to listen, and many people, who learned the music long ago, began to sing with us. Slowly, individuals left their places in the roaming herd of sign-holders and joined our chorus. First one, then two, then more; they kept breaking ranks until we had recruited eight protestors to our chorus of beauty!

The LYM’s calm, potent method, and seeming easiness of our recruitment of the MoveOn marchers, was too much for some of the lead organizers of their group. These frustrated, enraged people launched their own “Surge” campaign against the LYM, sending one woman over, who posed as a reporter, to try to interview our fearless conductor Matthew Ogden, while he was conducting the chorus, attempting to pull him away. When that didn’t work, we were physically threatened by another lead MoveOn organizer, who told us that if we didn’t give up our singing spot at the doorway to the AEI building (where we had been standing for an hour before he had arrived), that someone “might get hurt,” and he “didn’t want that.” However, this angry, rather rotund liberal “for peace” couldn’t stop the power of our truthful ideas as they pierced the noise and confusion, appealing to the potential within everyone in range of our voices, to give up their fear and anger, and use ironical humor and beauty, to transform the failed policies of our nation.

Eventually, the MoveOn protest, which began after the AEI event, ended, and the exhausted protestors went home, before McCain and Lieberman left the event; while the singing, literature, and ironic signs of the LYM, continued to shape the social geometry of the event until the last AEI member left the building. The LYM organizing and singing recruited many MoveOn protestors to our “New Politics,” and sent neo-con former UN Ambassador John Bolton scampering out the door of the AEI building to his car.

We organized many institutional contacts, including international political figures, around LaRouche’s idea of a new Treaty of Westphalia for Southwest Asia, as well as youth contacts around our Kepler/music work, and the ideas of Plato, Cusa, and LaRouche. In short, on Jan. 6, in D.C., the LYM continued to prove that the politics of revolution is, in fact, the politics of scientific creativity and beauty.

## Rembrandt's 'Thirty Years War' vs. Anglo-Dutch Liberal Tyranny

by Bonnie James

Your Majesty,  
I lately pass'd through Flanders and Brabant,  
So many rich and blooming provinces,  
Fill'd with a valiant, great, and honest people!  
To be the father of a race like this,  
I thought must be divine indeed! and then  
I stumbled on a heap of burnt men's bones!  
...  
True, you are forced to act so; but that you  
Could dare fulfil your task—this fills my soul  
With shuddering horror! O 'tis pity that  
The victim, weltering in his blood must cease  
To chant the praises of his sacrificer!  
And that mere men—not beings loftier far—  
Should write the history of the world. But soon  
A milder age will follow that of Philip,  
An age of truer wisdom:—hand in hand,  
The subjects' welfare, and the sovereign's greatness,  
Will walk in union. Then the careful state  
Will spare her children, and necessity  
No longer glory to be thus inhuman.  
—Posa to Philip II  
—Friedrich Schiller, *Don Carlos*, Act III,  
Scene 10<sup>1</sup>

The year 2006 was an unusually rich year for significant birthdays: We commemorated the 250th birthday of Wolfgang Amadeus Mozart (Jan. 27, 1756) and the 300th birthday of Benjamin Franklin (Jan. 17, 1706). It is therefore fitting that, as we bid adieu to 2006, we remember the great

genius and sublime artist, Rembrandt van Rijn, born 400 years ago, on July 15, 1606 (Rembrandt lived till 1669).

Like Mozart and Franklin, Rembrandt was a protagonist in a time of tremendous political, social, and economic upheaval, dominated by his nation's 80-year struggle for its independence from Hapsburg Spain, and by the Thirty Years War, both of which ended with the 1648 Peace of Westphalia. More than any other single figure of that era, Rembrandt embodies the most beautiful idea of his time, as it was given expression in the Treaty of Westphalia: that to establish peace among the warring parties, "each Party shall endeavour to procure the Benefit, Honour and Advantage of the other."<sup>2</sup>

Through his hundreds of paintings, etchings, engravings, and drawings, Rembrandt left us one of the most extensive bodies of creative output of any individual in history. His scores of self-portraits, an unprecedented and never-surpassed record of his life and character, provide a brilliant autobiography, as revealing as any ever written.

His courage and love for mankind, in the face of the evil of Venice's Hapsburg oligarchy, whose hatred and contempt for humanity Rembrandt stood courageously against, as so beautifully expressed in his art, should inspire us today to take on Venice's satanic offspring, with Rembrandtian determination and *agapē*.

While art historians have pieced together the outlines of his life—and these are available in thousands of books, more of which are published each year, and on hundreds of Internet websites—if we really want to know Rembrandt, we must find the truth in his art: his paintings, drawings, and prints, which tell us much about the impact that the political, scien-

1. *The Works of Friedrich Schiller: Don Carlos*, R.D. Boylan, trans. (New York: Bigelow, Brown & Co., 1901).

2. "Treaty of Westphalia: The Avalon Project"; Yale Law School, [www.yale.edu/lawweb/avalon/westphal.htm](http://www.yale.edu/lawweb/avalon/westphal.htm).

tific, and cultural revolutions of his time had on his thinking and his work. And we must look at his enormous artistic output in the context of the world-shaking events that took place in the 17th Century, and shaped his world view.

\* \* \*

In 1606, the English King James I established two merchant companies eager to stake their claims upon the legendary riches of North America. They set forth on Dec. 20, and on May 14 of the following year; 108 settlers of the Virginia Company landed at what they called Jamestown Island, to establish the first English colony in the New World.

Some five months before the English ships embarked from London, a boy, the ninth of ten children, was born to a prosperous miller of Leiden, in the province of Holland, in the northern Netherlands. Harmen Gerritsz. van Rijn (whose name is derived from the Rhine River), and his wife, Neeltje van Suijtbroeck, who was the daughter of a baker, named their son Rembrandt.

These two events, the English colonization in North America, and the birth of Rembrandt, are connected by more than mere happenstance. The historical and cultural forces that led to the establishment of the United States of America, also produced this artistic genius who took into his art all the great discoveries and achievements of the 15th-Century Renaissance, and added to them his own contributions, which until now, have never been surpassed. As we shall see, Rembrandt anticipated, and gave expression, through his visual metaphors, to the very principles—the “self-evident truths”—that formed the foundation of the American Republic, as they were to be expressed a century after his death: the inalienable rights of all men; the basic goodness of mankind; the role of government as the protector of the common good.

Rembrandt’s commitment to these principles would place him in direct opposition to the oligarchical forces that seized control of the Netherlands during the 17th Century, just as the founders of the American Republic would find themselves in a struggle, ultimately victorious, against that same Anglo-Dutch Liberal power.

### Young Rembrandt

Rembrandt chose a propitious place for his birth.

Early 17th-Century Leiden was one of the leading intellectual and artistic centers in Europe, home to the celebrated Leiden University. It was also a magnet for refugees of religious persecution from all over Europe, who were fleeing the horrors of the ongoing religious wars and from the terrifying Spanish (Hapsburg) Inquisition. These included Puritans from England, Sephardic Jews from Spain and Portugal, Ashkenazi Jews from Eastern Europe, and Catholics and Protestants of all stripes fleeing the horrors of the wars which swept the continent throughout the 16th and half of the 17th Centuries. The influx of immigrants added to the intellectual and

FIGURE 1



*Rembrandt depicts himself in 1648, as he looks up from his etching. It is the year of the Peace of Westphalia, ending the Thirty Years War, but Rembrandt’s expression is anything but pacific; it seems to say, there is still a lot of work to be done.*

economic vigor of the city, and helped to shape Rembrandt’s earliest impressions.

By Rembrandt’s time, these religious and political conflicts—which began in 1492 with the expulsion of the Jews from Spain by a monarchy in thrall to Venetian manipulation, setting Catholics against Protestants, Protestant sects against one another, nobles against peasants, feudal barons against the merchant class—ignited a series of wars which had lasted 150 years, and drenched the soil of Europe in blood over much of its territory. The Thirty Years War (1618-48), at the end of this period, devastated most of Europe, but struck most severely in present-day Germany: An estimated 5 million people were sent to their graves in Germany alone, and the population fell from 15 million to less than 10 million. Those who escaped the immediate effects of the war, then faced famine and disease as farmlands and cities were destroyed; the Plague struck again and again, adding its grim toll to the death count.

The setting of Rembrandt’s birth and education cannot be separated from the fact that the Dutch attitude toward the education of children, even from the “lower classes,” had

## Strokes of Genius

The National Gallery of Art in Washington, D.C. has mounted an exhibition, titled “Strokes of Genius: Rembrandt’s Prints and Drawings,” from its own extensive collection, in celebration of the artist’s 400th birthday (July 15, 1606). The exhibit, which includes 190 masterworks, and runs until March 18, is exceptionally well presented, so that the viewer can follow Rembrandt’s development as a graphic artist, throughout his career.

What distinguishes this particular show, is the presentation of multiple impressions of the same print. Rembrandt often reworked his copper plates, sometimes using different types of paper or varying the inks, or making substantial changes in the composition itself, so that each impression or “state” became a singular work of art. The placement of the different states from a single copper plate, side by side, offers a rare opportunity to compare them, and to look into the master’s mind as he “edited” his work.

Today, 82 of Rembrandt’s original 300-plus copper plates, survive; one of the exhibition’s highlights is the original plate for the print shown here, “Abraham Entertaining the Angels” of 1656. The plate, unlike most of those surviving, is in pristine condition; it still retains remnants of the ink Rembrandt used. The plate was found, after being hidden for 350 years on the back of a river landscape painted by a little-known 17th-Century Flemish artist. Following its discovery in the 1990s, it was purchased by the Gallery in 1997.



National Gallery of Art

“Abraham Entertaining the Angels” (1656) is based on a story from Genesis. The aged Abraham and his wife Sarah (seen in the doorway) are childless. One day three travellers appear at their house, and are invited to rest and eat. The visitors are actually two angels and God Himself (the central figure), who have come to tell the couple that Sarah will soon give birth. In Rembrandt’s treatment, the three visitors are depicted as ordinary men (albeit with wings), including the most unlikely Jehovah, while Abraham’s expression reveals his delight at the news.

been shaped by the influence of the schools of the Brethren of the Common Life, a religious/political movement, founded by Gerhardt Groote in the 15th Century, whose ideas were then disseminated by Thomas à Kempis’s widely read book, *The Imitation of Christ*. In Leiden of Rembrandt’s time, the movement, known as the *Devotio Moderna*, promoted the precept that the individual believer should develop a personal, direct relationship to God, without the intercession of priests, or other anointed figures. By reading the Bible, the individual could develop the spiritual strength to live in “the imitation of Christ.” Needless to say, this was a revolutionary idea, one which demanded literacy for the common man, and challenged the feudal system, in which a small number of oligarchs ruled over the mass of what they viewed as human cattle. Among the more famous students of the Brotherhood schools were the Renaissance geniuses Nicholas of Cusa, the founder of both the modern commonwealth form of nation-

state, and of modern science; and the Erasmus of Rotterdam associated with England’s Sir Thomas More.

In this setting of his childhood and early youth, Rembrandt, as the son of a well-to-do miller, attended the Latin School in Leiden, from age 9 to 13. Then, in 1620, at the time of the Plymouth settlement in what was to become the U.S. Commonwealth of Massachusetts, he was registered at the University of Leiden to study literature, although we have no record of his having ever attended classes there. Instead, he was apprenticed at age 15 to a local artist, Jacob Isaacsz. van Swanenburg, with whom he studied until 1622.

Perhaps the question of why Rembrandt was taken out of school, and apprenticed to Swanenburg, is answered by Rembrandt’s biographer Gary Schwartz.<sup>3</sup> In 1618, the year

3. Gary Schwartz, *Rembrandt: His Life, His Paintings* (New York: Penguin, 1991).

of the outbreak of the Thirty Years War, Maurits, Prince of Orange, the Venetian-controlled son of the great and good William the Silent, the Father of the Netherlands, overthrew by force the ecumenical government of Leiden, and installed a virtual Calvinist dictatorship. The coup extended beyond the city council, into the schools, and other institutions of civic life.

The political opponents of the House of Orange and its Calvinist allies in Leiden were loosely organized around the followers of the Remonstrant faith, a branch of the Protestant Church, with which Rembrandt was associated. When the “Orange Revolution” in Leiden overturned the more moderate and tolerant Protestant leadership, other outcast groups, including both renegade Protestant sects and Catholics, tended to coalesce around the Remonstrants. It will be the members of this latter “coalition,” with its ties into Amsterdam, who will constitute the humanist circles that nurtured Rembrandt in his early years in that city.<sup>4</sup>

### The Leiden Studio

In that setting, 16-year-old Rembrandt had travelled to Amsterdam to begin his advanced training as a painter in the studio of Pieter Lastman. From the time that Rembrandt began his Leiden studies with Swanenbergh in Leiden, he was taken under the protection and patronage of leading members of the Leiden/Amsterdam humanist intelligentsia. One of the key figures among them was the Remonstrant Pieter Hendricksz. Schrijver (Petrus Scriverius), Swanenbergh’s next-door neighbor, a Classical scholar, and patron of vernacular Dutch Renaissance poetry. Scriverius’s Amsterdam relatives, especially his cousin Geurt Dirksz. van Beuningen, an alderman, and his brother Jan Dirksz., were active in the art market. From 1617 to 1646, the van Beuningens were one of the two leading auctioneers of Amsterdam, and Rembrandt would have extensive ties with them, as he built his own collection of artworks, and sold his many prints through their auctions.

In 1622, the year Rembrandt arrived in Amsterdam, the van Beuningens were elected to the town council, thus giving the young artist important allies in the city. Moreover, Rembrandt’s new master, Lastman, lived next door to Guert Dirksz van Beuningen.

Meanwhile, even before Rembrandt left for Amsterdam to study with Lastman, he and his friend and fellow artist, Jan Lievens, had set up a studio in Leiden in 1624. After his apprenticeship in Amsterdam, Rembrandt returned to Leiden, and began producing etchings, in addition to paintings and drawings. At this time, he took on his first students.

Rembrandt’s prints were to become the greatest part of his artistic legacy (see box). Like the German master Albrecht Dürer (1471-1528) before him, Rembrandt understood the

4. Rembrandt’s mother was a Catholic; his father, a lapsed member of the Dutch Reformed Church. This may help to explain his lifelong ecumenical outlook.

FIGURE 2



*A self-portrait of 1629, when the artist is only 23; these are troubled times, but Rembrandt appears confident, even combative, and ready to take on the world.*

power of mass organizing through the medium of prints (he owned several series of Dürer’s prints, along with those of the great Italian Renaissance artist Andrea Mantegna [1431-1506]). Each copperplate could produce hundreds of prints, and thus they were able to reach a wide market, whereas his paintings, which were commissioned by powerful and wealthy patrons, would be seen by only a privileged few. Through these prints—the equivalent of today’s leaflets and pamphlets—Rembrandt was producing what Lyndon LaRouche has called a “mass effect.”

His etchings reached far beyond the borders of The Netherlands, and were responsible for the international reputation he enjoyed during his lifetime. In 1660, the Italian painter Guercino (Giovanni Francesco Barbieri), speaking of Rembrandt’s prints, which were circulating in Italy, said, “I frankly consider him to be a great virtuoso.”

He also produced the first of his self-portrait prints in this period (**Figure 2**). In this rough etching from 1629, Rembrandt has given us one of the first examples of what will be a lifetime of portrayals of his own image: a hold-nothing-back autograph. His appearance, despite his early success, conveys anxiety; it’s a troubled, but also determined expres-

## What Is an Etching?

Rembrandt used a technique for his prints called etching, in which the medium is a thin copper plate, which is covered with an acid-resistant mixture known as the etching ground, composed of asphalt, resin, and wax. The artist “draws” his composition into the wax compound with an etching needle.

The plate is then submerged in a bath of dilute acid, which penetrates onto the plate where the needle has etched into the wax, so that the lines of the composition are etched away, producing grooves in the surface of the metal. The longer the plate is left in the bath, the deeper these grooves become. If particular lines have to be deeper than others, the plate is removed from the bath, the lines that have been bitten deeply enough are covered with acid-resistant varnish, and the plate is replaced in the bath.

After this, the wax mixture is removed and the clean plate is inked with an ink-pad or roller, and then wiped clean by hand so that the ink remains only in the grooves. Then a damp sheet of paper is laid on the plate, and both are passed through the rollers of the press. The paper absorbs the ink from the grooves, producing a reverse impres-

sion of the design on the plate.

Rembrandt often combined etching with drypoint, in which he used an etching needle or an engraving tool, the burin or graver, to draft directly onto the copper plate. As it passes through the copper, the drypoint throws up a burr which retains additional ink when the plate is wiped; this makes a softer, or blurred line. The burin has a V-shaped point which cuts a sharp-edged line, starting and ending in a point.

After about 1640, Rembrandt became increasingly interested in the more painterly effects of the drypoint line, which gave him new degrees of freedom in creating an astounding variety of textures and “colors,” using only paper and ink (see **Figure 1**, done in etching, drypoint, and burin; it shows Rembrandt, etching needle in hand, as he renders his image into a copper plate; he peers into a mirror, and seemingly through it, out at the viewer—as if “through a glass darkly”).

Rembrandt also experiments with different types of paper, to produce the effects he was after. Beginning about 1650, Japanese paper arrived in Amsterdam, and he began using it for its warm, off-white color (Figure 1 is done on Japanese paper). The National Gallery exhibition has examples of a single print produced both on European and Japanese paper.

sion. The tension around his mouth and eyes is reinforced by the lopsided set of his collar and his gaze away from us, toward a view we cannot see, but which is only suggested by his reaction to it. In this early print, we find the seed crystal of the mature artist he is to become.

In this early period, he and Lievens were “discovered” by Constantijn Huygens, the powerful statesman and secretary to the Prince of Orange. Huygens, the father of Gottfried Leibniz’s associate and ally, Christiaan Huygens, was the sometime Ambassador of Orange to the English Court of St. James, and was knighted by King James I; the elder Huygens would later turn against Rembrandt, and was involved in the persecution of the artist, which led to Rembrandt’s bankruptcy.<sup>5</sup>

Constantijn Huygens was, at the time, the leading promoter in the Netherlands, of the Flemish painter Peter Paul Rubens (1577-1640), the official painter of the Council of Trent, and the Counter-Reformation. (Rubens, it seems, took

after his father, Jan, a radical Calvinist and city counselor in Antwerp, who became infamous for carrying on an illicit affair with the emotionally fragile wife of the Dutch hero William the Silent.) Rubens himself became court painter at Antwerp, and later held the impressive title, “Secretary to the King in His Secret Cabinet.” Huygens apparently intended to make Rembrandt a “Dutch Rubens,” an effort doomed to fail: No two artists could have been more diametrically opposed in their life’s mission: Rubens used his considerable skills as a propagandist for the oligarchy, while Rembrandt’s art upheld the nobility of the most humble of his fellow men and women.

Yet, Rembrandt initially benefitted from Huygens’ patronage: Huygens held the powerful post of Secretary to the Statholder and Prince of Orange Frederik Hendrik. Once established in Amsterdam, the young artist received a number of commissions for the court at The Hague; among them were a pair of portraits of the Prince (1631) and his wife, Amalia van Solm (1632).

Rembrandt was then 26 years old.

Between 1628 and 1631, Lievens and Rembrandt were kept busy with commissions from the Court. These included at least two of the Apostle Paul (St. Paul in Prison and St. Paul at His Desk)—Paul will become a subject that Rembrandt returns to again later, many times, including a self-portrait as

5. The question of Constantijn Huygens’ relationship to Rembrandt and his key role as a leading figure in the Court at The Hague, is somewhat paradoxical, considering what we know of the plot by Christiaan Huygens and Gottfried Leibniz to copy covert papers from the British monarchy’s captive documents of Leonardo da Vinci, doing this, under the protection of Constantijn, in service of the science program of France’s Jean-Baptiste Colbert.

the saint. Rembrandt clearly saw something in the life of Paul, who underwent a transformation, rejecting his past as a persecutor of the followers of Jesus in the Roman Empire, to become a leader and teacher of the movement after Christ, following his “Damascus Road” conversion. Perhaps there was also a resonance in Rembrandt’s mind between Paul’s letters to the early “Christian”<sup>6</sup> communities, and his own many “epistles”—prints—which reached out into the population to spread the ideas of the Renaissance.

### Amsterdam: The Venetian Takeover

. . . Men hastened toward a country where freedom raised its gladdening flag, where respect and safety and revenge on her oppressors were assured to fugitive religion. When we consider the confluence of every people in today’s Holland, who upon entering her territory regain their human rights, what must it have been then, when all the rest of Europe still groaned under a mournful oppression of spirit, when Amsterdam was well-nigh the sole free port of entry to all opinions? . . .

At the very time when the republic of Holland was still struggling for her existence, she advanced the borders of her territory across the ocean and quietly built up her East Indies thrones.

—Schiller, *Revolt of the Netherlands*<sup>7</sup>

The Amsterdam Rembrandt found at the age of 24 was a city of contradictions: As mentioned above, the city, which allowed a high degree of toleration in an age of religious warfare, became a refuge from war and persecution; at the same time, it was home to the most evil financial oligarchy in history. Following Venice’s defeat of the League of Cambrai in 1511, the *Serenissima Repubblica* seized on Hapsburg Spain as its instrument to impose the bestial rule of the Inquisition, to terrify and demolish the enemies of its imperial rule. Thus was unleashed a century and a half of bloodletting, whose purpose was to crush out of existence the political, scientific, and cultural breakthroughs of the 15th-Century Renaissance, and the emergence of the modern nation-state republic. And so were founded, at the dawn of the 17th Century, the British and Dutch East India Companies—what Lyndon LaRouche has referred to as the “Anglo-Dutch Liberal” imperial maritime power. Indeed, the Dutch “Republic” was established as a replica of its Venetian parent: The republic was no such thing; rather, a tightly organized oligarchy of leading

families ruled through a network of political and financial institutions.

Rembrandt’s painting of “The Syndics of the Cloth-makers’ Guild (The Staalmeesters)” of 1662 (**Figure 3**) perfectly captures the character of this Venetian-style financial oligarchy: The conspiratorial meeting is interrupted, as these powerful men go over their books; the man at the far right is clutching his moneybag, which has taken on the shape of a snake’s head. The standing figure at the left has risen from his seat, and cast a warning look at the intruder. What are they hiding?

In 1550, the Spanish King Charles V unleashed the Inquisition in his imperial colony, the Netherlands, and an orgy of executions began. With the arrival in 1567 of the Duke of Alva and his 10,000 troops, came the establishment of the “Council of Blood,” a religious tribunal; over the next six years, 12,000 souls were condemned to a horrible death. A few years later, in 1576, the “Spanish Fury” consumed Antwerp: Over a three-day period, 8,000 civilians were slaughtered by Spanish troops. One historian described the carnage: “The whole country became a charnel house; the death-bell tolled in every village; not a family but was called to mourn for its dearest relatives, while survivors stalked listlessly about, the ghosts of their former selves, among the wrecks of their former homes. The spirit of the nation, within a few months after the arrival of Alva, seemed hopeless, broken. . . .”<sup>8</sup>

The Amsterdam which Rembrandt found, some 50 years after these events, was already home to the Venetian-installed Dutch East India Company, founded in 1601–02, whose predatory, anti-nation-state, slave-trading policies Rembrandt opposed all this life. In fact, in the year Rembrandt was born, 1606, the first Dutch slave ships sailed with their human cargo to the New World.

But, as a city of great wealth, Amsterdam was also a center of science, culture, and learning: The city saw its population quadruple between 1600 and 1650, from 50,000 to 200,000. Among the world-shaking developments that took place during Rembrandt’s lifetime was the founding of European settlements in the New World, including the sailing of the Mayflower in 1620, a voyage which included Dutch citizens. All of Holland would have known of, and followed, the fortunes of those who sailed, and would have received news of the progress of the emigrés in America. New Amsterdam (now New York) was founded on Manhattan Island in 1624 as an overseas province of the Dutch Republic.

But unlike the oligarchs Rembrandt portrayed in his “Syn-dics” painting, who saw the New World as a “gold mine” for looting, he and his fellow humanists recognized that the intention behind the colonization of America was to form commonwealths reflecting the principle of the great ecumeni-

6. It is anachronistic to refer to the believers in Jesus as the Messiah, during the time of Paul’s ministry, as “Christians,” as no such term or concept existed then. Paul saw his mission as convincing the Jews and Gentiles to accept Jesus as the Messiah.

7. “The History of the Revolt of the United Netherlands Against Spanish Rule,” “Introduction,” Susan Johnson, trans.; in *Friedrich Schiller, Poet of Freedom*, Vol. III (Washington, D.C.: Schiller Institute, 1990).

8. Robert Ingraham, “Origins of the Anglo-Dutch World Order,” unpublished manuscript; Part V: “The Dutch Tragedy.”

FIGURE 3



*“The Syndics of the Clothmakers’ Guild” (1662). Rembrandt’s group-portrait brilliantly captures the bland evil of the leading merchants of Amsterdam—the Venice of the North—as they tally their profits.*

cal Council of Florence (1438-39), at a relatively safe distance from pro-oligarchical cultures dominating Europe then (and still today).

During the same period, in which Rembrandt grew to maturity, the works of Shakespeare, who died in 1616, began to reach the continent, in translation. To give only a few examples: By 1604, *Romeo and Juliet* appeared in German; in 1621, *The Tragedy of Titus Andronicus* was translated into Dutch; a few years later, *Julius Caesar*, *King Lear*, and *Hamlet* were printed in German; in 1654, the *Taming of the Shrew* appeared in Dutch. In fact, there is evidence that Rembrandt may have been in Shakespeare’s London: He drew the gates of the city in the early 1640s, and may have accompanied his close friend, the rabbi and leading Jewish intellectual in Europe, Menasseh ben Israel, who went to England to convince Oliver Cromwell to open the country to Jewish immigration.

Turn now to the key historical turning points in Rembrandt’s life, to see how they were reflected in his art.

### **The Partnership With Uylenburgh**

The 1630s were productive years for the young artist. In 1631, he was put in touch with the Amsterdam art dealer Hendrick van Uylenburgh, by the humanist networks who had guided his career up till then. That same year, Rembrandt moved into the home of Hendrick and his wife Maria van Eyck, bringing with him two or three of his students. It was then

that his career took off.

Between November 1631 and December 1635, he was the most highly sought portraitist in Amsterdam, painting as many as 50 portraits of the city’s leading figures. In this same period, he executed “The Anatomy Lecture of Dr. Nicolaes Tulp” (1632), a group portrait of the top physicians and surgeons; and numerous biblical histories, including “Belshazzar’s Feast” (1635). Among his sitters was prominent intellectual Johannes Wtenbogaert, who for half a century had been fighting to create a tolerant, humanist Christian faith. He was the author in 1610, of the “Remonstrance,” which gave its name to the movement whose intent was to bring about reconciliation among the numerous Protestant sects.

Rembrandt’s partnership with Uylenburgh brought him another kind of happiness as well: Hendrick’s cousin Saskia became Rembrandt’s wife in 1634; she was the daughter of a burgomaster in Friesland, Romburtus Uylenburgh, who also served as attorney general of the republic. In the short time of their marriage—Saskia died in 1642—Rembrandt produced numerous images of his wife, including the 1636 etching reproduced here, “Self-Portrait with Saskia” (Figure 4). This small etching ( $4\frac{1}{8} \times 3\frac{5}{8}$ ”) is an example, albeit in miniature, of an innovation by Rembrandt in marriage portraits, in which the wife was depicted participating in the activities of her husband. Here, a strong light falls on Saskia, whose gaze is directed ambiguously both at us, and at her young artist-husband. He, contrariwise, is half in shadow, as her light

FIGURE 4



“Self-Portrait with Saskia” (1636). Rembrandt presents his wife Saskia as his “better half”—she radiates light, while his face is shaded—and as his muse; once again, he is at work, etching.

illuminates his “better side.” One art historian has suggested that the portrait could be an illustration of the Dutch maxim, *Liefde baart kunst* (Love gives birth to art). Rembrandt portrays himself as looking up from a sketch, for which his wife/muse Saskia is the model.

Around this time, in 1635, Rembrandt produced one of his most powerful images, the etching of “Christ Driving the Moneychangers from the Temple” (Figure 5). By this time, virtually the entire class of wealthy Netherlanders was directly involved in the East Indies trade, or finance, or both. The message of this print is unambiguous: Jesus stands at the center of the composition, wielding a heavy rope, which he swings vigorously, as the usurers cower before him. The scene is derived from accounts in all four Gospels, as in Luke (19:46): “My house shall be called the House of Prayer; but ye have made it a Den of Thieves.” There is a humorous aspect as well, almost slapstick, as one man is dragged away by a calf (a reference to the Golden Calf? But this one has a comical expression); another clings desperately to his pouch of money; a dog barks frantically at Jesus. In the background, the priests of the temple look on with expressions of consternation, disbelief, or wonder. While Rembrandt has “borrowed” the figure of Jesus from a woodcut of the same subject by Albrecht Dürer, he makes it completely his own, by chang-

ing the light source from a candle on the wall, to having a burst of light emanating from Christ’s hand as he swings the rope.

In 1641, Rembrandt’s son Titus was born (the couple’s first three children, a boy, and two girls, died soon after birth); the following year, his beloved wife Saskia died, and Rembrandt was overcome with grief. Though he would paint one of his most celebrated works, the “Nightwatch” (its official title is “The Company of Frans Banning Cock Preparing To March Out”) that year, after 1642, Rembrandt’s fortunes took a sharp turn. His big commissions all but dried up, and over the coming decade, there were few portraits of leading citizens. The Anglo-Dutch oligarchy, it seems, had no use for Rembrandt.

### 1648: The End of the Thirty Years War

It is hardly possible to imagine the joy that must have swept over Europe at the signing of the Peace of Münster/Westphalia in October of 1648. The treaty stated:

That there shall be on the one side and the other a perpetual Oblivion, Amnesty, or Pardon of all that has been committed since the beginning of these Troubles, in what place, or what manner soever the Hostilities have been practis’d, in such a manner, that no body, under any pretext whatsoever, shall practice any Acts of Hostility, entertain any Enmity, or cause any Trouble to each other; neither as to Persons, Effects and Securitys, neither of themselves or by others, neither privately nor openly. . . .

That they shall not act, or permit to be acted, any wrong or injury to any whatsoever; but that all that has pass’d on the one side, and the other, as well before as during the War, in Words, Writings, and Outrageous Actions, in Violences, Hostilities, Damages and Expences, without any respect to Persons of Things, shall be entirely abolish’d in such a manner that all that might be demanded of, or pretended to, by each other on that behalf, *shall be bury’d in eternal Oblivion*<sup>9</sup> [emphasis added].

In a number of etchings and paintings from this period, Rembrandt gives visual form to the idea of compassion, or *agapē*, expressed in the Treaty of Westphalia. The most famous of these is his magnificent etching, “Christ Healing the Sick,” better known as the “Hundred Guilder Print” (Figure 6) (known by this name because of the unusually high price it fetched). The work, done in etching, drypoint, and engraving, took several years to complete. The scene places Christ at the center of the composition; He is illuminated by a strong light from the left, outside the space of the

9. Treaty of Westphalia, *op cit*.

FIGURE 5



*“Christ Driving the Moneychangers from the Temple” (1635). Rembrandt’s etching is a less-than-subtle message to the Dutch merchants and moneylenders, who have become “a den of thieves,” getting fat off the East Indies trade.*

picture, which falls over the group to His right; but He also emanates a powerful light from within: By this light we can clearly “read” the expressions and thoughts on the faces of those around him, and in the motions of the supporting cast, those listening who come forward to hear him, and to be healed, both physically and spiritually. He is the “organizing principle” of the drama. The script Rembrandt has chosen for its dramatic potential, is taken from the Gospel of Matthew (19:1-30): “And great multitudes followed him; and he healed them there.” From the right, a crowd enters through the city gate: They are the sick, the crippled, the aged, who beseech His help. At the left of the stage, the Pharisees, the religious fundamentalists, who demand to know Christ’s “position” on “single issues,” like divorce: “The Pharisees also came unto him, tempting him, and saying unto him, ‘Is it lawful for a man to put away his wife for every cause?’” In front of the Pharisees, two mothers approach Christ, offering their children for His blessing, as Peter, at Christ’s right hand, tries to hold the women back, but Christ reproaches Peter: “Then were there brought unto him little children, that he should put his hands on them, and pray: and the disciples rebuked them. But Jesus said, ‘Suffer little children, and forbid them not, to come unto me: for of such is the kingdom of heaven.’”

Seated between the two women, a youth is deep in thought; he is the rich young man, who came to Christ seeking eternal life. Jesus tell him: “If thou wilt be perfect, go and sell that thou hast, and give to the poor, and thou shalt have treasure in heaven: and come and follow me.” But when “the young man heard that saying, he went away sorrowful: for he had great possessions.” Jesus tells his disciples, “It is easier for a camel to pass through the eye of a needle, than for a rich man to enter into the kingdom of Heaven.” Lo and behold! As we turn our eyes to the right-hand side of the stage, just inside the gate, there is the camel; the rich man is at the far left, with his back to the viewer; each of these is as far from Christ as can be, and still be on stage.

Rembrandt conveys Matthew’s summation of this verse, “many that are first shall be last; and the last shall be first,” by presenting the poor and the sick with more precise definition, and greater substance, than the rich and powerful. In doing so, he gives us a rich visual metaphor for the idea of the common good, which imbues the Treaty of Westphalia.

### **The Bankruptcy**

In 1656, Dutch East India Company shares plummeted on the Amsterdam Exchange and many investors were ruined.

FIGURE 6



*“Christ Healing the Sick” (1648). This etching, is one of Rembrandt’s most celebrated, also done the year of the Peace of Westphalia. The story is based on the Gospel of Matthew: “And great multitudes followed him; and he healed them there.”*

Among them was Rembrandt van Rijn, now 50, who was declared bankrupt and whose possessions were put up for sale. The process leading to Rembrandt’s bankruptcy however, was not so simple; his finances unravelled over the decade of the 1650s, as powerful patrons abandoned him, and the vultures closed in. In January 1653, with the country at war with England, and finances tight, Rembrandt’s creditors called in their loans. The details of all this are somewhat murky, although certain facts are known. In order to hold off his creditors, he borrowed additional funds, while a large portion of his debt was sold off to that day’s version of hedge fund traders. Things continued to fall apart; two sales of his household goods took place by the late Summer of 1655. Finally, in November of 1657, Rembrandt was forced to sell off his house, and his entire art collection, a collection he had spent a lifetime gathering—dozens of Dürer and Mantegna prints; copies and engravings after the greatest works of art in Italy—those of Leonardo, Raphael, and others, as well as a quarter-century’s production of his etched copper plates.

There was a decidedly political motivation behind the financial persecution of Rembrandt; the key moneylender, who finally called in the chips, was Gerbrand Ornia, one of the richest men in Amsterdam, and a relative of one of Rembrandt’s earlier protectors, Cornelis Witsen. Witsen, who held the post of sheriff, was described in a chronicle of the time, as a drunkard and a crook, who stole from the

public coffers. Ultimately, it was Witsen and Ornia who forced Rembrandt to sell his house for a mere 300 guilders. One explanation for all this, was that the two moneylenders were enemies of Rembrandt’s patron and protector, the Remonstrant Willem Schrijver.

In defiance of his tormentors, Rembrandt continued to work throughout this period. Among his most powerful works are portraits of his common-law wife Hendrickje, and his son Titus—these portraits are among the most loving and sublime of all Rembrandt’s output. Clearly, he found refuge with his family from his financial and political battles. A beautiful portrait of Titus from 1655, show his son, then about 14 years old, deep in thought, pen in hand, and papers before him, either for writing or drawing (Rembrandt had taught him to draw and paint), as a soft light falls on his face and on the sheaf of paper on the desk he leans on.

But Rembrandt also continued to wield his mighty weapons against his political enemies: In 1653, he painted “Aristotle Contemplating the Bust of Homer” (**Figure 7**) the astonishing masterpiece, which demolishes the sophistry of Aristotle, who is, not surprisingly, the official philosopher of Dutch Calvinism. Here, we see Aristotle, his right arm extended, hand resting on the head of a bust of Homer. But irony of ironies: It is Aristotle who is blind—his eyes don’t see—while Homer, who was sightless, “sees” with his mind, his head bathed in light. Perhaps Aristotle, who claimed that

FIGURE 7



Rembrandt's painting, "Aristotle Contemplating a Bust of Homer" (1653), demonstrates his deep knowledge of history, literature, and philosophy: Aristotle only "knows" what he can learn through his senses, but the blind poet Homer, sees with his mind.

all knowledge is derived from the senses, thinks he can learn from Homer by placing his hand on the poet's head. Pity the poor philosopher, says the Rembrandt speaking to us from this portrait: All his fame, the heavy gold chain he wears, his splendid garments, will never bring him closer to the truth.

### The Phoenix

By 1658, Rembrandt had begun to emerge from bankruptcy and to put his affairs in order once again. He had lost his home and his great art collection; and his mistress Hendrickje had been expelled from the Dutch Reformed Church for living in sin with the artist. His former patrons and friends had abandoned him. But Rembrandt was not defeated. That year he produced one of his most personal and innovative prints, "An Allegory: The Phoenix" (Figure 8). In this etching, Rembrandt takes the mythical story of the fabled bird that consumes itself, and then rises from its own ashes, restored to youth.

Although Rembrandt had depicted hundreds of images from the life and Passion of Christ, surprisingly, he produced only one Resurrection, and that, at an early age (1630s). Perhaps the "Phoenix" was Rembrandt's secular metaphor for his own "resurrection" from the humiliation and defeats he had suffered.

In Rembrandt's image, the Phoenix stands atop a huge pedestal, as two putti blare forth the news on their trumpets that he has risen; a huge Sun, whose rays penetrate the composition, rises behind him. A youth, whose dramatically foreshortened figure lies at the base of the pedestal, and whose head extends over the edge of the picture into our space, suggests nothing so much as a Classical Greek statue, now fallen.

But Rembrandt's Phoenix is not the splendid bird of myth; missing are the sharp beak, long talons, and luxuriant plumage. Instead, he is an "ugly duckling," whose ability to fly is by no means certain. Surely, this is Rembrandt himself, risen from the ashes of his hardships, ready to take on the world again. He is conscious of his immortality; he knows he will outlive his enemies.

### Self-Portraits

No other artist known to us reproduced his own image so many times (50-60 paintings; dozens of drawings, engravings, and etchings) as did Rembrandt, over such an extended period of time; in fact, it was rare for an artist of Rembrandt's time to depict his own image at all. For example, neither of his famous contemporaries, Johannes Vermeer (1632-75) and Franz Hals (c. 1580-1666), produced a single self-portrait. Rembrandt has left us his autobiography in these critical

FIGURE 8



"An Allegory: The Phoenix" (1658). Rembrandt made this etching as he began to emerge from a long period of personal and financial tragedy. But he was undaunted. Like the legendary Phoenix, he rose from the ashes, and went on to produce his most sublime works over the next decade.

FIGURE 9



“Self-Portrait as the Apostle Paul” (1661). Rembrandt clearly identified with Paul; like Paul, the artist lived not for the pleasures of this world, but to create something immortal and universal.

self-examinations.

In 1661, Rembrandt painted a “Self-Portrait as the Apostle Paul” (Figure 9). That Rembrandt saw St. Paul as an “alter ego” or “soul brother” is shown by the fact that he executed a number of paintings and etchings of the saint, including one of Paul in prison. The universality of Paul’s mission, to build a movement of Jesus-followers within the Roman Empire, no matter the threat to his personal safety, and ultimately, his martyrdom, resonated strongly with Rembrandt.

Unlike earlier portrayals of Paul, Rembrandt did not depict him as Saul, at the moment of his Damascus Road conversion, but later, during the period of his evangelization, in prison, and writing his Epistles.

In this work, a bright light illuminates the Apostle’s features; the brightest light though shines on, and from, his mind. The only other bright spot is the book which he holds (this would most likely be the Greek-language Old Testament; the Gospels would not be written down for at least 20 years after Paul’s ministry. Paul letters were the first writings of the Apostles). Paul/Rembrandt’s expression is complex: In it, there is resignation, humility, even sadness, but most of all, a powerful sense of *compassion*. Only the deepest love for

humanity, and the faith that gives him the courage to confront his immortality, can sustain him.

In a recent speech to the Solidarity and Progress party conference in Paris (*EIR*, Jan. 12, 2007), Helga Zepp-LaRouche discussed the importance of compassion, as defined by the great poets and philosophers of the German Classic: Schiller, Lessing, and Mendelssohn, in the development of a beautiful soul. The beautiful soul, she said, “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.”

Could there be a better example of this idea than that immortal, beautiful soul, Rembrandt van Rijn?

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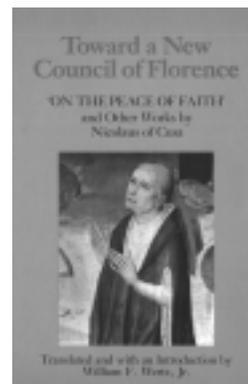
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## Toward a New Council of Florence

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## Editorial

### *Don't Be a Bio-Fool!*

While there is no question but that the issue of the impeachment of Vice President Cheney, and the prevention of the war against Iran, are at the cutting edge of what the incoming Congress must do in the weeks ahead, Lyndon LaRouche nonetheless chose to commission a major feature this week on the subject of “bio-fuels.” Why? As LaRouche put it in one memo, “the characteristics of the present intersection of the Congressional agenda with the global strategic, economic, and other realities, require that the biofuels delusion be called into question, popularly, as widely and deeply as possible.”

In other words, if the U.S. Congress—and the population it represents—allows itself to be diverted into the biofuels insanity, it will short-circuit its own ability to deal with the leading political issues, and, equally importantly, with the fundamental cause of the current crisis, the destruction of the world financial system.

The bio-fool question “is the breaking point of the Democrats,” LaRouche commented. It demonstrates the very dangerous lack of clarity on the part of even the most astute Democratic leaders as to how the world economic breakdown is impelling the international financial oligarchy to push toward war and the destruction of the nation-state, and as to what kind of measures need to be taken in order to solve the economic crisis.

In large part, of course, the bio-fool “issue” is a generational one. The susceptibility of lawmakers to the drive for what is clearly an uneconomical form of fuel (it costs much more energy to make than the energy you get out), is a direct spinoff from post-industrial-society psychosis which was foisted on the Baby-Boomer generation. Those who were brought up, and brainwashed into being anti-nuclear energy, are going to fall for any hoax that sells itself as being based on “natural products.” The fact that pursuing such products will almost literally take the food out of people’s mouths, might give some of this generation pause, but they quite honestly don’t understand the alternative.

It cannot be said often enough what that alternative is. What fire was to primitive man, and fossil fuels were to the industrial revolution, nuclear energy is to a mod-

ern society today. Only by utilizing the power of nuclear fission and fusion on a massive scale can our planet hope to provide enough power to feed, and upgrade the living standards of the billions of people who are now with us, and those of future generations. Nuclear power is key to providing clean water, to harnessing hydrogen as a source of power, and to replacing the raw materials which are becoming increasingly scarce in our environment. In sum, nuclear power is the key to our future.

But many of our nation’s leaders have decided that, even if *they* could accept nuclear power, the population couldn’t, and therefore they have jumped onto the bio-fools bandwagon. They have not considered the question seriously. For, as our cover feature this issue, the first in a series, indicates, the adoption of this policy would literally lead the world into disaster.

It is worth noting that in the case of biofuels, as well as in the case of nuclear energy, there has been a major shift on the part of some of the leading environmentalists in the direction of sanity. Take Lester Brown, for example, longtime leader of the WorldWatch Institute which has spent decades campaigning on a Malthusian agenda.

Lester Brown’s Earth Policy Institute held a conference call Jan. 4 to release a paper by Brown saying that the people promoting the ethanol bubble are using facts and figures that are vastly understated respecting corn volume. Brown states that the USDA projects that distilleries will only require 60 million tons of corn from the 2008 harvest. But his Earth Policy Institute says that it will take 139 million tons of corn, which is half of the projected 2008 corn harvest. Brown says that this will drive food prices to record levels and make it difficult for people to buy food. Therefore he is calling for a moratorium on the licensing of new biofuel distilleries.

Brown’s call is important, but nowhere near enough. The entire *idea* of solving the energy crisis with biofuels is insane, the equivalent of sending the human race back to the caves! It’s so primitive, that even George W. Bush and Dick Cheney support it—and that should tell you something. Don’t be a bio-fool! Be a human being instead!