

# EIR

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Zepp-LaRouche Demands Referendum on Lisbon Treaty  
Fascism and the Project for a World Company  
Global Warming Scare Rests on Hot Air—Literally

**Defeat Transatlantic Plot  
For a 'New Feudalism'**



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# EIR

## From the Managing Editor

**O**ur *Feature* develops in sequential articles what it means, that the financier oligarchy wants to install Michael Bloomberg as President of the United States, and the Lisbon Treaty in Europe, in order to impose a “new feudalism” in the 21st Century. Some people may find that idea perplexing. Doesn’t “feudalism” refer to a society with kings, noblemen with ruffled collars, and peasants living in huts? Not any more than to be a fascist, a person has to wear a swastika.

The essence of feudalism is that 95% of the population lives and is treated like cattle—ill fed, poorly educated (if at all), with a low life expectancy, without hope of a better life for their children. Things are run from the top by a usurious oligarchy and its unelected flunkies, not responsible to any republican constituency. The goal of the upper 5% is to enhance its own power and wealth, not to develop the nation and the minds of its people. Indeed, under feudalism, nations themselves do not exist.

Few people today would fail to recognize that such a future looms as a possibility. If you doubt it, read Harley Schlanger’s report on what is happening right now in Arnie Schwarzenegger’s California. And look at key elements of the global picture:

- The Bloomberg/Felix Rohatyn project to replace nations with globalized city-states.
- The European Union’s drive, via the Lisbon Treaty, to strip the national governments of any but the most trivial powers.
- Lisbon Treaty author Giuliano Amato’s July 2000 declaration that his goal is a return to the Middle Ages.
- Case studies of corporatism in Mussolini’s Italy and Bloomberg’s New York City; British Fascist Sir Oswald Mosley’s 1940s promotion of a European single oligarchical state; British “liberal imperialist” Robert Cooper’s call for the EU to break up nations; and how Venice created the Dark Age of the 14th Century.
- George Ball’s plan for a “World Company,” and how that is reflected in the globalized world today (in *Economics*).

The only sane conclusion is that Bloomberg’s coup against the U.S. Presidency *must be defeated*. But also, look to the work of the LaRouche Youth Movement (p. 32), on how to lift the citizenry to the level required to bring about a new renaissance. The LaRouche PAC DVD that the youth have produced will be crucial to this task.



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"The Triumph of  
Death" (detail)  
ca. 1562.*



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RETURN TO THE 14TH CENTURY

## Rohatyn, Bloomberg Peddle 'Post-Nation-State' World

by Jeffrey Steinberg

In *A Distant Mirror: The Calamitous 14th Century* (1978), historian Barbara Tuchman catalogued the horrors that destroyed all of Europe, with the bankruptcy collapse of the Lombard banking system, the outbreak of the Hundred Years' War, and the arrival of the "Black Plague." Within a few generations, half of the population of Europe was obliterated, and it took almost a century for Europe to recover. The Council of Florence (1438-39), the 15th-Century Golden Renaissance, and the creation of the first modern nation-states in France and England, provided the cure for the 14th-Century plunge into usury and perpetual war, which were the hallmark of the Venetian system of rule by rentier financier oligarchy.

Yet, today, such leading figures as Synarchist banker Felix Rohatyn, George Shultz, and New York City's billionaire Mayor Michael Bloomberg, London's favorite son candidate to be installed as President of the United States in January 2009, are all working overtime—on behalf of a London that is today's "new Venice"—to return Europe and the Americas to the 14th-Century nightmare, where nation-states no longer exist, and where warring city-states dominate a greatly depopulated world, all in hock to private financier cartels.

Think-tank spinmeisters have developed a deceptively seductive lingo, to conceal the underlying objectives of Rohatyn et al. Today, they speak of "public-private partnerships," "sustainable futures," "climate change," "globalization," and the growing power of "local government." But it all comes out the same in the wash.

In Europe, the destruction of all sovereign nation-states and the establishment of what former British Prime Minister Tony Blair, in a 1999 speech in Chicago, enthusiastically labeled a "post-Westphalian" order, is moving forward at breathtaking speed, through the Treaty of Lisbon, which

would establish a dictatorial single European government in Brussels, perhaps as early as January 2009.

The scheme for a single European super-state, under private oligarchical rule, was a cornerstone of every 20th Century European fascist movement, from the original Saint-Yves d'Alveydre scheme for world Synarchy, to Hitler and Mussolini, to Count Richard Coudenhove-Kalergi's Pan-European Union, and Sir Oswald Mosley's Europe a Nation. In each instance, the corporatist fascist plan involved top-down imperial dictatorship over all of Europe, administered through decentralized power structures, operating on metropolitan or regional levels, crushing the sovereign nation-state out of existence.

Under one such scheme, promoted by Austrian School ideologue Leopold Kohr, and published in 1957 under the revealing title, *Breakup of Nations*, the "big nations" of Europe would be divided into smaller principalities, on the model of the Swiss cantons. In a later version of the same scheme, promoted at the time of the 1992 Maastricht Treaty, Dutch beer baron Freddy Heineken promoted a "Eurotopia," of 75 mini-states. In each case, the devolution of power would fall under a top-down supranational European Council.

It should come as no shock that, in the United States, in the 1930s and 1940s, a similar "Union Now" movement, promoting a full Anglo-American imperial marriage, was promoted by Clarence Streit, who would become the father-in-law and mentor of Lazard Brothers' Felix Rohatyn (see box).

### From Nation-States to City-States

On April 6, 2000, then-U.S. Ambassador to France, Felix Rohatyn, convened a conference in Lyon, called the First Transatlantic Summit of Mayors. The conference was opened



the heart and soul of this historic and global transformation, and globalization gives us new opportunities for partnership.... Our regional economies have emerged as the engines that drive our national economies. In the United States, our metro economies accounted in 1998 for 84% of national gross domestic product and 84% of national employment.... In the United States, both political parties are coming to recognize the growing importance of cities and metropolitan regions and the federal government is slowly ceding more authority on issues such as health care, transportation, economic development, and welfare to state and local governments.”

Thomas Cochran, then the executive director of the U.S. Conference of Mayors, punctuated the message, noting that “if city and county metro economies were ranked with the economies of nations, 47 of the world’s top 100 economies would be U.S. metropolitan areas,” adding that “counties and cities are quickly overtaking many states’ economic engines.”

In his own remarks to the Lyon conference, Felix Rohatyn boasted that in the 1970s, he, as Chairman of the Metropolitan Assistance Corporation, otherwise known as “Big MAC,” had gone to French President Valéry Giscard d’Estaing and German Chancellor Helmut Schmidt, to get them to pressure then-U.S. President Gerald Ford, to bail out New York City, which was bankrupt, and under the receivership of the bankers creditor committee that he was heading. Rohatyn neglected to mention that, as Big MAC Chairman, he had presided over the slashing of municipal services, the shutdown of hospitals, schools and firehouses, the wipeout of the City’s once thriving industrial base, and the depopulating of many of the city’s poorer, formerly blue collar historic neighborhoods.

The Lyon conference was the kickoff of a trans-Atlantic drive to recruit an apparatus of local and state elected officials who would promote globalization, the privatization of public infrastructure, and scientific hoaxes like “global warming,” as a battering ram against the power of the nation-state. The United States was a particularly pivotal target of this Synarchist drive.

*The 14th-Century plunge into economic devastation and perpetual war is the model for today’s financier oligarchy, whose leading U.S. figures, Felix Rohatyn and Michael Bloomberg, intend to take the world back to the Medieval Dark Ages. This detail, from Peter Bruegel’s “Triumph of Death” (ca. 1562), depicts the effects of the centuries of warfare and disease that followed the Lombard bankruptcy.*

by Denver Mayor Wellington E. Webb, who told the delegates, “If there is one theme that I would like to impart during this session, it is: the nineteenth century was the century of Empires. The twentieth century was the century of nation-states. The twenty-first century will be a ‘century of cities.’ Our cities,” Mayor Webb continued, “are economic engines that drive our respective nations’ economies, and through our collective efforts and partnership we can fully claim the role of international economic and cultural brokers.”

The overriding theme of the Lyon conference was the dominant role that globalization would play, in shaping a new world paradigm. Mayor Webb directly addressed the issue at the conclusion of his opening speech: “Our cities will be both

On the eve of the Lyon conference, in November 1999, the U.S. Conference of Mayors had released a report, “U.S. Metro Economies: Engines of Economic Growth,” which is now annually updated. The kickoff report argued for the autonomy of metro economies, and the devolution of power from the Federal and state governments, to the cities—nothing less than a pitch for a new form of feudalism. “The study also finds that metro economies ignore state and local boundaries, and that state and local boundaries are increasingly irrelevant to economic growth. Many metro economies are located in two or more states and encompass many communities. City and county leaders believe the new data demonstrates that public policies and economic planning must focus on the needs of metro regions, rather than *artificial political boundaries*” (emphasis added).

Ten days after Lyon, the U.S. Conference of Mayors convened its “First Summit on Investment in the New American City,” co-sponsored by a new organization, the Council for

Investment in the New American City. The Council was sponsored by the Mortgage Bankers Association of America, Citigroup, Countrywide Home Loans, Fannie Mae, and Freddie Mac, and promoted the very real estate bubble that has now burst, leading to millions of potential home foreclosures, and contributing to the fact that every commercial bank in the United States, Europe, and Japan is bankrupt.

Rohatyn addressed the gathering, and launched into his *spiel* for “infrastructure,” an Aesopic term for privatization, looting, and planned shrinkage. As if to prove the point, the Council for Investment in the New American City soon afterwards published an announcement that it would focus its efforts to “remove barriers, and create incentives for private investment in cities. It will create new models for public/private cooperation in the areas of affordable housing, environmental infrastructure, business development, transit-oriented development, and urban amenities.” The announcement promised to “implement actual partnerships.”

## Union Now with Britain: Felix Rohatyn’s Marriage

On June 9, 1956, 28-year-old Felix Rohatyn married Jeanette Streit. It was only a year after his entry into Lazard’s New York office, and Rohatyn was being welcomed into a much larger family whose leading members had supported Hitler and Mussolini. Rohatyn’s new father-in-law, Clarence Krishman Streit, and his intimate associates, were attempting to reorganize post-World War II Europe into a supranational corporatist government with U.S. participation. Their ultimate goal was to defeat the Soviet Union and establish world government.

Rohatyn’s father-in-law was one of the few secret American members of Britain’s powerful Milner Group, named after Sir Alfred Milner. Milner had inherited the political network of Cecil Rhodes, and upon Milner’s death, the network was run by Lord Lothian (Philip Kerr) and Lionel Curtis. Streit was a Rhodes Scholar, and one of Lothian’s responsibilities was to run the Cecil Rhodes Trust, which oversaw the scholarships. By no later than 1934, Streit, the *New York Times* correspondent at the League of Nations, had been picked up by the Milner group. (See Carroll Quigley’s *The Anglo American Establishment*.)

In 1939, Streit published *Union Now*. (In its second printing, the title was changed to *Union Now with Britain*.) The thesis of Streit’s book was that the United States and Britain should form a supranational government based

upon a union or federation of Atlantic nations which would be housed in The Hague. The Union would have a joint military, a common foreign policy, and an integrated economy based on free trade and the use of a single currency. Now, almost three quarters of a century later, they have almost succeeded.

With the publication of *Union Now*, Lord Lothian and Curtis instructed Streit to create a propaganda organization in the United States. Streit formed Federal Union, Inc., which was also known as the Association to Unite the Democracies. The latter spawned the Atlantic Union Committee. Rohatyn’s foundation supported its work for years, even during his second marriage.

The Rockefeller Family housed Streit’s original office in Rockefeller Center, and it secretly financed its activities for a quarter-century.

Lothian, who was a leading member of the pro-Nazi Cliveden Set, and who thought Hitler was a messiah, created a parallel organization in London, the Friends of Atlantic Union. Their umbrella group was the International Movement for Atlantic Union, whose Honorary Council included Prince Bernhard of the Netherlands, a former member of the Nazi Party. Rohatyn’s father-in-law was its president.

The Atlantic Union Committee’s National Council included E. Roland Harriman, whose Union Banking Corporation had helped put Hitler into power; Col. William Draper, the American eugenics supporter who sponsored Ernst Rudin, the racial theorist of the Nazis; and an assortment of leading Congress for Cultural Freedom members, including Dr. Sidney Hook and economist Abba Lerner.

—Steven P. Meyer

In January 2005, Chicago Mayor Richard Daley announced the sale of the city's Skyway to an international vultures' consortium of the Australian firm Macquarie Infrastructure Group and Cintra Concesiones de Infraestructuras de Transportes, S.A. of Spain, for \$1.8 billion.

On Nov. 12, 2003, once again addressing a national summit of mayors and business leaders in New York City, Rohatyn pushed the need to "look at new institutional arrangements that would allow for greater and longer term investment of pension funds in infrastructure development."

### City-States and Private Armies

A year later, Rohatyn joined George Shultz to co-host a conference at Middlebury College in Vermont, on the "privatization of national security." During the early 1970s, when Rohatyn was an outside director of IT&T, and Shultz was a top Nixon Administration official, the two played a pivotal role in the Pinochet coup in Chile, which violently overthrew the Allende government. In the wake of that fascist coup, a number of World War II-era Nazis joined with Pinochet in "Operation Condor," a death-squad program that carried out scores of targeted assassinations in the Americas and Europe over the ensuing decade.

At the Oct. 9, 2004 conference, Rohatyn argued that virtually all national security functions of the Federal government could be outsourced to the corporate sector. Peter Feaver, a speaker at the event, who was, at the time, a consultant to the Bush-Cheney National Security Council, openly used the "F-word" in his speech, boasting that "In fact, what we're seeing is a return to neo-feudalism. If you think how the East India Company played a role in the rise of the British Empire, there are similar parallels to the rise of the American quasi-empire."

Rohatyn, in his own remarks, focussed on the bottom line: "I will address this issue as privatization and what goes with it—not if it's good or bad—because I think it is here to stay and there's no point in arguing that issue. And also because I think it will grow. I don't think for a moment that privatization will stop with security services.... I believe it is inevitable that more and more ranking officers will leave the Pentagon and go with private companies, and then go back to the military as contractors, with businesses that have far greater market values. Because one actor that you haven't included here are the securities markets. And privatization, which is a dogma as well as a process, usually brings with it two other elements. One is deregulation and the other is a need for transparency."



White House photo/Eric Draper

*New York City Mayor Michael Bloomberg, London's "favorite son" for the U.S. Presidency, is shown here, in the Oval Office with President Bush, the man he plans to replace in January 2009.*

### Enter Michael Bloomberg

While Felix Rohatyn's Big MAC tenure as the bankers' *gauleiter* over New York City set the precedent for the gutting of the city and its transformation into an imperial metropolis, it would take the 2001 election of Michael Bloomberg as Mayor, to give the financial oligarchy a direct vise-grip on power in New York, and a hands-on control over the larger international cities movement.

Bloomberg barely won the 2001 mayoral election, relying on the Independence Party of New York ballot line, run by looney-birds Lenora Fulani and Fred Newman, to squeak past Democratic candidate Mark Green by 50,000 votes. Once in office, Bloomberg paid off his debt to Fulani and company, through an \$8 million municipal bond, which financed a "community center" headquarters for the radical therapy group and its network of community front groups. In 2005, when he ran for reelection, Bloomberg again drew on the support of Fulani, and in return, poured a reported \$270,000 of his own money into the Independence Party coffers. Today, Independence Party of New York chairman Frank MacKay is leading Bloomberg's 50-state effort to launch a 2008 independent Presidential bid—once the Democratic and Republican party nominees have been pilloried by a ravenous media, led by the likes of Bloomberg ally Rupert Murdoch.

Despite the narrow victory, Bloomberg moved instantly to revive the worst looting features of Big MAC, and combine it with some of the most radical "global warming" swindles to come out of the Al Gore "climate change" mafia. And every step along the way, in league with Felix Rohatyn, the Rockefeller Foundation, and the Mayor's cronies from the Wall Street corporatist establishment, all part of the David Rocke-



EIRNS/Stuart Lewis

*Behind Bloomberg, is the eminence grise of the trans-Atlantic plot to impose a new feudalism: Felix Rohatyn of Lazard Frères, the architect of New York's fascist "Big MAC" program of the 1970s.*

feller-founded Partnership for New York City, the New York "model" was spread around the U.S.A. and Europe.

To make the point clear that he was leading a global crusade, in February 2002, Bloomberg announced the appointment of Marjorie B. Tiven—his sister—to the post of de facto foreign minister for the City of New York. In her official capacity as Commissioner of the New York City Commission for the United Nations, Consular Corps and Protocol (UNCCP), Tiven is the official liaison to foreign governments, and is the Mayor's director of New York City Global Partners, Inc., an international league of cities, which has held a series of conferences of the world's largest cities. In January 2007, Bloomberg and the New York City Global Partners, Inc., hosted a summit of 26 world cities, on "Governing a Diverse City in a Democratic Society." In May 2007, Bloomberg hosted the C40 Large Cities Climate Summit, which was a follow-up to the October 2005 City of London conference on climate. That event was bankrolled by the Rockefeller Brothers Fund and Local Governments for Sustainability (ICLEI).

Indeed, climate change and the greening of urban America, Europe, and Asia—i.e., genocidal deindustrialization—are top priorities for Bloomberg and his corporatist allies.

In September 2006, Bloomberg announced the creation of an Office of Longterm Planning and Sustainability, headed by Douglas Foy, formerly of the Conservation Law Foundation, and a booster of the work of radical malthusians Dennis and Donella Meadows, co-authors of *Limits to Growth*, and a series of follow-on studies from MIT, that argued for radical population-reduction measures. The work of Foy's office was, from the outset, carried out in partnership with the Earth Institute at Columbia University, a program headed by Jeffrey

Sachs, and closely tied to the United Nations climate change swindle. Indeed, the Earth Institute board of advisors includes mega-speculator George Soros and economist Kenneth J. Arrow, a major booster of the "global warming" hoax.

A Sept. 21, 2006 Bloomberg press release proudly announced that the "key components of the plan include ... the undertaking of a major greenhouse gas inventory for City government and the City overall. ... We intend to make New York City a national leader in meeting the challenge of making ours an environmentally sustainable city. ... And the constant threat of global warming means that we have to think about the urban heat island effect that makes our summer days even hotter than the green areas around our city." The announcement of the new project was made while Bloomberg was in California, touring the state with his self-proclaimed "soul mate," Gov. Arnold Schwarzenegger.

The Earth Institute's Center for Sustainable Urban Development, another component of the Bloomberg "green cities" apparatus, played a pivotal role, along with the Rockefeller Foundation, in a month-long conference in July 2007, at the Rockefeller Foundation's Bellagio, Italy conference center. The Global Urban Summit further promoted the idea of a global league of cities, taking independent initiatives outside the framework of sovereign nation-states.

Just a few months before the Bellagio event, Bloomberg's Office of Longterm Planning and Sustainability unveiled its own blueprint, on April 22, 2007. Known as PlaNYC 2030, the report spelled out plans for a "Greener, Greater New York," through a series of green-genocidal programs, all touted as "building new infrastructure." At the heart of PlaNYC 2030 is a real estate boondoggle, that aims to create upscale and over-priced urban neighborhoods along all of the city's waterfront—i.e., a new real estate bubble.

Typical of the propaganda that punctuated "Greener, Greater New York" is the following: "Just 15 years ago, the waterfronts of Williamsburg and Greenpoint were areas left behind. Much of the activity slowly ebbed away after the loss of manufacturing industries along the East River. By 2000, these waterfronts and nearby neighborhoods were a mix of remaining housing, vacant and contaminated waterfront lots, and abandoned industrial buildings that had begun to be reclaimed by a new generation of Brooklynites for housing, art spaces, and craft industries.

"Across New York," the report continued, "stretches of land once teeming with life, action, activity, commerce sat largely abandoned. As factories and ports closed down after World War II, the land stayed cut off from communities, the piers vacant, the old buildings empty. Our economy had evolved. Our land use did not. But recently, that has begun to change."

The report then touted a waterfront renovation in Greenpoint-Williamsburg, which, the authors claimed, is "the biggest transformation of the city landscape since the rezoning of 1961." The goal: to turn the city into a deindustrialized, green

tourist mecca. And, for good measure, PlaNYC 2030 calls for high-rise apartment and office buildings to be converted to solar energy. Among the funding schemes devised to pay for this facelift: a “congestion tax” on all vehicles entering Manhattan, from 86th Street to Battery Park, during weekdays.

But ultimately, the idea is to extract the costs of these loony schemes from the pockets of city residents and visitors. As the report admitted, in a rare note of candor, “The answers are neither easy nor painless.”

### **Barnstorming for Green Fascism**

As part of his highly publicized drive for the Presidency, Mayor Bloomberg has been barnstorming as the self-appointed ambassador of America’s cities. In London last September, Bloomberg, joined by Governor Schwarzenegger, addressed the British Conservative Party’s annual convention in Blackpool, where he made the outright treasonous remark to his London sponsors: “You forgive us for 1776, and we forgive you for 1812.”

On Feb. 11, 2008, Bloomberg addressed a United Nations conference on climate change, and made it clear that his zealotry matched that of Al Gore. “It has been not quite two months since the close of the United Nations Framework Convention on Climate Change in Bali. And it was my privilege to address that convention at the invitation of ICLEI, Lo-

cal Governments for Sustainability, a worldwide network of more than 700 cities and counties that, like New York City, are actively engaged in combatting climate change.” Bloomberg insisted that the United States must set firm carbon reduction goals and fully implement them, raving: “It’s clear that the world cannot wait for 2009. Global warming demands immediate action. As the *New York Times* columnist Tom Friedman warned in a report summing up the Bali conference: ‘On this issue, it’s too late for later.’ The world’s great cities recognize that. . . . So we are not waiting for others to act first. And it’s why the mayors of many of the world’s largest cities have joined forces to fight climate change in the C40 organization. . . . It’s why, even though our national government has yet to approve the Kyoto Protocol, more than 700 cities in the United States, representing more than 80 million Americans, have pledged to meet its goals.”

It is this green corporatist whom the City of London has anointed as its man, to usher in the post-nation-state era of deindustrialization, vast population reduction, and scientific fraud, bordering on medieval alchemy. This profoundly un-American, anti-human scheme must be defeated, decisively.

*Mark Bender, Tony Chaitkin, Richard Freeman, Michele Steinberg, and Karel Vereycken contributed invaluable research for this article.*

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## **Demand a Referendum on the Lisbon Treaty!**

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# **Abolishing Democracy by Stealth: Constitution for Feudalism in Europe**

by Helga Zepp-LaRouche

*Mrs. Zepp-LaRouche is the chairman of the Civil Rights Solidarity Movement (BüSo), a German political party. Her article has been translated from German, and subheads have been added.*

When the European heads of state gathered in Lisbon on Dec. 13, 2007 to sign the European Union treaty that bears that city’s name, they were all in agreement that this treaty—which is 95% identical to the EU Constitution that in 2005 had been rejected in popular referendums in France and the Netherlands—should be ratified by Europe’s parliaments as quickly as possible, and with a minimum of fuss. Quite evidently, they shared the view which French President Sarkozy had voiced at a closed meeting with members of the European Parliament in Strasbourg on Nov. 14: Ref-

erendums, Sarkozy averred, are dangerous; they are defeated in every country where they are held, because there is such a deep rift between the population and their respective governments.

It was in this spirit, that Germany’s government showed no inclination to rush the public release of this treaty—which is virtually unparalleled in its complexity and impenetrability—in its new, only slightly revised form, and instead confined itself to releasing a list of revisions. Anyone who wanted to read the text in its entirety, had to put the original Constitution text side-by-side with the revision list, and insert the corrections one-by-one—a procedure which could not fail to considerably increase the text’s incomprehensibility for anyone who is not an expert in constitutional law—namely, the overwhelming majority of elected offi-



*The Lisbon Treaty was signed on Dec. 13, 2007 by European heads of state or government, who thereby agreed to surrender their national sovereignty to a supranational dictatorship—in defiance of their own constitutions. It is reasonable to assume that none of them had read the unreadable document, especially since no copy of it existed in the various languages at that time.*

cials, reporters, and the general public—and to diminish the number of individuals who would succeed in burrowing through the text.

It was only after a student in Leipzig, Markus Walther, began circulating a complete, corrected version of the treaty which he had laboriously pieced together, that the German government itself began to distribute the student’s unofficial text. They were evidently of the opinion, that danger lay not only in referendums, but also in the very act of reading and understanding the text, and they wanted to avoid exposing elected officials and citizens to such a danger.

If, despite this, you take the trouble to read the treaty’s text from the standpoint of interpretations and commentaries by some renowned experts on constitutional law in the German-speaking countries, then it becomes quite clear just why Europe’s governments would be so intent on bringing about the treaty’s ratification so covertly and without great discussion. Roman Herzog, for example, who was President of the German Federal Constitutional Court from 1987 to 1994, had already written back in January 2007 in the newspaper *Welt am Sonntag*, that the EU poses a threat to parliamentary democracy in Germany, and that the treaty had to be rejected on those grounds. Prof. Hans Klecatsky, one of the fathers of the Austrian Constitution, put it even more succinctly in his commentary: “The Austrian Republic will, along with its Federal Constitution, become a sub-partial legal entity subsumed by the EU legal entity. Thus, the coordination of both constitutions is supplanted by a definitive subjugation, and,

thus, the dissolution and absorption of the Republic into the EU. Member-states will lose the core of their existential statehood, and will be relegated to being mere regional administrative bodies.”

Ratification of the Lisbon Treaty would transform the EU from a European federation of states, into a federal state, one in which state power no longer derives from the people—as is required by our Basic Law—but rather from the EU itself. Klecatsky examines many individual points of the EU treaty, showing in each case that they will result in a fundamental alteration of the Austrian Constitution, such that a popular referendum would be absolutely required to decide on it. Prof. Karl Albrecht Schachtschneider, one of the four professors who filed a lawsuit with the German Federal Constitutional Court challenging the Maastricht Treaty and the introduction of the euro currency, has reached the same conclusion. In an expert opinion dated Oct. 13, 2007, he argues that the EU treaty’s discontinuance of the democratic principle results in such a fundamental alteration of the Austrian Constitution, that it requires the direct assent of the Austrian people.

The same is true, of course, for Germany’s Basic Law, where it says in Article 146: “This Basic Law, which since the achievement of the unity and freedom of Germany applies to the entire German people, shall cease to apply on the day on which a constitution freely adopted by the German people takes effect.” Clearly, we have had no such “free adoption” of a new constitution for a Germany that would function as a mere “regional administrative body.”

## The End of National Sovereignty

And in fact, what emerges from the declarations issued by the conference of governments concerning the reform treaty, is that henceforth, the Union's laws are to be given precedence over those of the member-states. In Declaration 27, it says explicitly: "The conference points out that the treaties, and the laws set into place by the Union on the basis of those treaties, in harmony with current ongoing jurisdiction of the European Court of Justice, and under the conditions defined by that ongoing jurisdiction, have precedence over the laws of the member-states."

And in an opinion issued by the Legal Service of the European Commission on June 22, 2007, it says: "According to European Court of Justice case law, the precedence of EU law is one of the pillars of the law of the Union. . . . The fact that this principle of precedence is not incorporated into the future treaty, does not alter the fact of its existence, nor of the existing ongoing jurisdiction of the European Court of Justice." Come again? EU law has precedence over German law, but that's not even part of the treaty? And just in order to find this radical revision, one must look it up in the Declarations, and then, just to be sure, look it up once again in a court opinion, which states why this principle doesn't appear in the treaty text, but is in force nevertheless?

Professor Schachtschneider justifiably poses the question of whether such a fundamental alteration of the Federal Constitution (and of Germany's Basic Law, I might add) by means of political state treaties, is permissible at all. It is, at any rate, fallacious to assume that political state treaties can effect a total revision of the Federal Constitution (and, German Basic Law), without giving all citizens the opportunity to vote on it.

But the treaty text contains still other monstrosities. The institution of a "simplified alteration procedure" according to Article 33, Paragraph 6 of the EU Treaty, enables the EU Council to decide upon "the revision of all, or part of the treaty concerning the functioning of the European Union." This third part includes all fields of policymaking with the exception of foreign and security policy, which latter are only listed here in order to more clearly delineate the full extent of what it *does* include. It includes: the free flow of commodities within the customs union; agriculture; travel among member countries; the free circulation of services and capital (i.e., the domestic national market and basic freedoms); the reach of freedom, security, and law; transportation; the common rules governing competition, taxation, and harmonization of regulatory laws; economic and monetary policy; employment; common trade policy; tariff cooperation; social welfare policy; consumer protection; the trans-European power grid; industry; economic and social cohesion; research and technological development; the environment; foreign development cooperation; economic, financial, and technical cooperation with third countries. The legislative bodies of the member-

states are *not* to be involved in changes in the regulation of any of these areas.

Professor Schachtschneider comments on this: "The simplified revision procedure is the farthest-reaching transference of constitutional sovereignty to the European Council, the leaders of the Union. It does not even require the approval of the European Parliament, not to mention national parliaments. This general clause is an essential component of the existential statehood of the European Union—a statehood which is to be expanded by this treaty reform. By means of this empowerment, the EU will gain the most far-reaching constitutional sovereignty, without having been democratically legitimized to do so—certainly not by some Union citizenry endowed with original sovereignty.

"The 'simplified revision procedure' is simply incommensurable with the principle of democracy. On those grounds alone, the introduction of this procedure is a total revision of the Federal Constitution [and, of Germany's Basic Law—HZL], which contains the democratic principle as one of its fundamental structural principles. . . .

"The simplified revision procedure is an empowerment law for the European Council, one which allows the Council to revolutionize the internal, and, also, extensively, the external order of the Union, and, thus, of the member-states. Only foreign and security policy is, as stated before, excluded. With its approval of this treaty revision, the Austrian Republic [and Germany—HZL] empowers the European Union to make any revision it wants to the Federal Constitution. Only the Federal Chancellor can have any influence over these revisions, because the European Council itself must adopt them unanimously. The simplified revision procedure is a dictatorship's constitution in its nature, bereft of the slightest trace of democratic residue. . . .

"This is not something that a people can agree to, if it desires to remain an independent, self-subsisting state. Under no circumstances can the National Parliament [or, the German Bundestag—HZL], the people's representative, disempower the people by approving such a treaty."

In the legal challenge to the Maastricht Treaty, Germany's Federal Constitutional Court did in fact decide that a certain degree of sovereignty could be transferred from the member-states to the EU. And it is also unfortunately true, that even before the Lisbon Treaty, up to 80% of all legal guidelines came from Brussels, and that the Bundestag restricted itself to the implementation of those guidelines. But when popular representatives cease to represent their constituents, it's high time for them to be voted out of office.

One further aspect of this undermining of the EU member-states' existential statehood, is that the treaty reform grants the Union the right to levy European taxes without the approval of national parliaments. And so, taxpayers are to cough up more funds for a bureaucracy, without any means whatsoever for holding that bureaucracy accountable!

## Military Deployments

Just how thoroughly the treaty reform could transform Europe from a federation of states into an imperial oligarchy, is put into sharpest relief by the so-called “solidarity clause” in the EU Treaty’s Articles 27 and 28. These clauses state that the member-states are to come to each other’s assistance militarily, in combating “terrorist activities.” The term “terrorist activities” is left completely undefined, but military assistance is indeed defined as deployment with the force of arms, also for conflict resolution and wars of aggression; and, member-states are obliged to build up their armaments.

The international law expert Prof. Manfred Rotter correctly points out that the EU Treaty fundamentally expands the EU’s structural spectrum, and that, on top of all of its other powers, it also makes the EU a military alliance. He writes: “This [military] alliance obligation is especially perplexing when one considers that 22 of the 27 EU members also belong to NATO, and that thus, in opposition to the 26 [!] NATO states, they have their own separate alliance obligation—an obligation which is explicitly emphasized in Article 27, Paragraph 7, and which is apparently endowed with a certain degree of precedence. But then again, it could be that, with this anchoring of the EU states’ mutual alliance obligation in the event of a defense emergency, a de facto interlacing of the EU and NATO is to be insinuated into Union law.”

More than anything else, this symbiosis of the EU and NATO highlights the fact that with the Lisbon Treaty, the EU is moving precisely along the lines foreseen by Robert Cooper, a former advisor to [EU foreign policy and security policy representative Javier] Solana, who describes the EU as the most far-reaching form of imperial expansion. In his 2003 book, *The Breaking of Nations: Order and Chaos in the 21st Century*, Cooper writes: “The postmodern, European answer to threats is to extend the system of co-operative empire ever wider.” So, it is not difficult to understand why Russia has long equated NATO’s eastward expansion with that of the EU, and has seen both as part of a strategy of aggressive encirclement.

Another serious revision of the treaty, is the establishment of an appointed President with a two-year term, who would have far-reaching powers over the right to propose policies, and to reject them. Sarkozy, along with British Prime Minister Gordon Brown, are among those advocating Tony Blair as the first such European President. This same Blair, we must recall, is not only the conceptual father of the Iraq War, but in 1999, in his infamous Chicago speech on “liberal imperialism,” he propounded a new era of worldwide interventionism. According to Blair, the era of the Peace of Westphalia, and its associated respect for national sovereignty, is at an end, and a “new imperialism” must prepare itself for intervention into nations’ internal affairs—for “humanitarian” reasons, of course. NATO interventions world-

wide are permissible against rogue states, “even when we are not threatened directly.”

Claude Juncker, Prime Minister and Finance Minister of Luxembourg, who is likewise being mooted as first European President, made it equally clear in a 1999 interview with *Der Spiegel* magazine, just what he thinks of democracy, truth, and transparency, and of how our basic system of freedoms is best done away with by stealth: “We decide on something, and then we put it out and wait a while to see if anything happens. And then, if there isn’t any big outcry or revolt, because most people don’t understand what’s been decided, we keep on going, step by step, until there’s no turning back” (*Der Spiegel*, 52/1999).

Professor Schachtschneider has pointed out repeatedly, that with the adoption of the EU Treaty, the death penalty is to be reintroduced. This is because by accepting the treaty, we are also accepting the EU Charter of Fundamental Rights. The Charter states that no one is to be condemned to death—but this has been revised in the annotations, to say that the ban on the death penalty and execution is not in effect during times of war or the imminent threat of war, or in periods of rebellion and revolt. And what could be more efficient than the threat of a death sentence, to ensure that soldiers do what they have been ordered to do? Schachtschneider stresses that a treaty which makes the death penalty possible once again, cannot be approved under any circumstances.

## An Oligarchical Dictatorship

Lest anyone remain doubtful about what this Lisbon Treaty means—an oligarchical dictatorship, in which member-states’ sovereignty has been wholly relinquished in favor of an aggressive, imperial structure, one in which a new feudalism leaves no remaining handles for defending the social welfare state and the general welfare, and which would lead us further down the road to a suicidal confrontation with Russia and China, as demonstrated most recently by the EU’s behavior in the case of Kosovo—then let him take to heart the words of the treaty’s author, Giuliano Amato, who is currently Italy’s Interior Minister.

In an interview with *La Stampa* on July 12, 2000, Amato elaborated on how his model is England and the Middle Ages: “Therefore I prefer to go slowly, to crumble little by little pieces of sovereignty, avoiding sudden shifts from national to federal powers.... And why not going back to the period before Hobbes? The Middle Ages had a much richer humanity, and a diversity of identity which today can be a model. The Middle Ages is beautiful; it can have policymaking centers, without entirely relying on anyone. It is beyond the bounds of the nation-state. Today, as then, nomads are reappearing in our societies. Today also, we have powers without territories. Without sovereignties, we will not have totalitarianism. Democracy does not need a sovereign.”

Small wonder that Europe’s monarchies are particularly enthusiastic about the EU Treaty: a Europe of regions and cit-



German Government Press and Information Office

*German Chancellor Angela Merkel and Vice Chancellor Frank-Walter Steinmeier sign the Lisbon Treaty. Only after a Leipzig university student pieced together a complete text of the treaty, did the government circulate it.*

ies, without sovereign nation-states to defend the general welfare, but rather an imperial structure, a new Middle Ages, with a life expectancy, population, and poverty to match. No, thanks!

This Middle Ages utopia endorsed by Amato means nothing else than the desire of the financial oligarchy to use the Lombard League of the cities, from the period before the sovereign nation-state developed, as a model for financial control within an imperial structure today. This is the same direction in which the “Transatlantic Mayors Initiative” of Felix Rohatyn and John Kornblum aimed, where “smart mayors” would help to privatize all areas and then govern the world, together with 400 or so CEOs of the largest multinational cartels, with the exclusion of all nation-states.

Now exactly what is necessary, is what Jean-Claude Juncker wanted to avoid: We have to make sure, that the population understands *very well* what the reform treaty is trying to implement with a cold coup. It is clear that the text and the entire procedure are done in such a way that nobody can understand what it is all about. But if one takes the trouble to try to understand it, then one realizes, that there are such radical changes at stake, that in an honest debate and referendum, there would not be the slightest chance to get them through.

One sophisticated trick to make the monster of Lisbon more palatable, has been to present it as the necessary basis for a European identity, to counterbalance America’s aggressive worldwide influence. But that is a deliberate bait-and-switch trick: As the already-mentioned merging of EU and NATO and the eastward expansion of both makes clear, what we’re

dealing with is rather an imperial strategy of confrontation against Russia and China—something which those two nations have understood for quite some time now.

And even if the authors of the Maastricht, Amsterdam, Nice, and Lisbon treaties could not have known that the phase of attempted ratification of the EU Treaty would coincide with the final collapse phase of the world financial system, it is nevertheless evident that the financial crash has greatly amplified the energy and tempo of the EU’s and governments’ attempts to get the EU Treaty ratified by parliaments without any real debate.

And then, if the efforts to establish a dictatorship in Europe are put into context with Bloomberg’s attempt to take the U.S. Presidential elections, it becomes clear that the international financial oligarchy would like to react to the new depression and the world financial crisis, with the same methods as they employed

in the 1930s: corporatism *à la* Mussolini, and Hjalmar Schacht’s austerity policy.

## The People Must Decide

The European Court of Justice, as mentioned earlier, respects no limitations on its Community law. And Articles 2 through 6 of the reform treaty, under the title “Common Provisions,” purport to establish the EU as guarantor of human dignity, freedom, democracy, etc. These values, however, are among the irrevocable constitutional principles of our Basic Law; they belong to the constitution of mankind’s humanity, and represent principles of law which are not subject to the vagaries of politics.

From all that we have said above, the only conclusion can be that such a drastic revision of our legal system, and subjugation of our Basic Law under an undemocratic structure, cannot be permitted to occur without a comprehensive debate by the entire citizenry, and a popular referendum.

Article 20, Paragraph 2 of the Basic Law says that “All state authority is derived from the people. It shall be exercised by the people through elections and other votes and through specific legislative, executive, and judicial bodies.”

Up to now, these bodies have been remiss in working out rules for holding popular referendums, because they have apparently thought it better not to ask the people directly. But on a question as existential as the one before us, these bodies are now called upon to immediately define such rules for “other votes” as specified in Article 20, Paragraph 2.

For a referendum on the EU Treaty!

# Italy's Amato Wants Return to Middle Ages

by Claudio Celani

*This article is excerpted from EIR, Aug. 11, 2000 (the original headline was "The Multiple Personalities of Italy's Premier Giuliano Amato"). Since that time, Giuliano Amato has emerged as one of the key figures in Europe promoting the fascist program known as the "Lisbon Treaty" (see p. 4). Amato, who currently holds the position of Interior Minister in the Italian government, was the vice president of the Convention on the Future of Europe, which drafted the European Constitution, which has now been reformulated as the anti-nation-state Lisbon Treaty.*

Giuliano Amato is one of the many technocrats who have recently become prime minister without being beholden to a constituency. Amato was chosen as an "anti-parties" prime minister in 1992, when he made sure that the attack against the Italian currency, the lira, planned on board the British royal yacht *Britannia*, and eventually unleashed by the British-directed global speculator George Soros, would meet no serious reactions (on those events, there is still an investigation in Naples, opened after a legal brief submitted by the LaRouche movement). After the lira crisis of the Summer of 1992, Amato implemented the most severe austerity package seen in Rome since the time of Diocletian.

In April 2000, Amato was again appointed prime minister by President Carlo Azeglio Ciampi (who, in the Summer of 1992, was Amato's pal at the Central Bank), as a result of a palace coup against Massimo D'Alema. It was clear that, with Amato, the international oligarchy again had their man in the driver's seat.

Amato revealed his intentions in an astonishingly candid interview given to the daily *La Stampa* on July 12. He confessed that he wants to sabotage anything opposed to what he believes to be the inevitable transfer of power away from the sovereign nation-state—not in favor of a supranational European institution, but in favor of a state of anarchy! He called it a "post-Hobbesian world," or better, a "medieval" world.

Anybody who thinks that Lyndon LaRouche exaggerates, when he accuses the international oligarchy of planning to go back to the Middle Ages, where 90% of the human population is thrown back into the condition of animals, should carefully read what the current prime minister of Italy, a former head of the Aspen Institute, says.

## Out of the Closet

It may be to the credit of the *La Stampa* interviewer, Barbara Spinelli, that Amato's thoughts came out of the closet. Spinelli believes in the utopia of a supranational European government, and is provoked when Amato bluntly replies that this will never come into being. "The Italian premier," she writes, "indicates that projects can be ambitious, but in order to overcome the political obstacles, one must hide, dissimulate them. You must act 'as if,' in Europe, ... as if states remained sovereign, to convince them to no longer be sovereign. The Brussels [European Union] Commission, for instance, must act as if it were a technical body, in order to operate like a government. And so on, dissimulating and leaving things unsaid. Amato ... let it be understood that this is a tactic the better to enter through the [narrow door]. The narrow door is the December conference in Nice. ... Until that day, one must act 'as if.' ... Amato, in reality, envisages an evolving world, abstracted from the balance of power still prevailing in the West: He envisages a world he calls post-Hobbesian, post-sovereign, without hierarchies. He seemed enthralled by this mental speculation, so much so that he became a prisoner of it. Hence, his criticism of the Federalists, who still believe that the United States of Europe will be born of a transfer from the old sovereignties to a superior, supranational sovereignty. According to Amato ... the sovereignty lost on a national level does not go to any new subject. It is given to faceless entities: NATO, the UN, at last the [European] Union. The Union is in the vanguard in the evolving world: It points to a future of princes without sovereignty. In this sense, it supersedes the United States itself, which is bound to the old idea of the prince. ... The new one is headless, and the driver is neither catchable, nor electable."

"The truth is," Amato says, "that sovereign power, by changing, evaporates. Powers are moved to higher levels, without these levels taking on sovereignty, and therefore I speak about changing functions and not powers."

In reality, sovereignty, like power, does not disappear. What Amato does not say is that power will be "privatized" in the hands of the oligarchy, which will pull the strings of the "higher levels." In this picture, citizens' rights will be also privatized.

Amato goes on: "What is taking shape, and the European Union prefigures that perfectly, is a new post-Hobbesian, post-state order. ... Today, nobody is sovereign any longer ... [as in] the classic state expressed by princes with exclusive powers. Such powers today become dispersed, without, however, giving life to a new sovereign figure, as the Federalists thought."

Being a radical positivist, Amato believes, or speaks "as if" he believed, that the modern nation-state was born with Hobbes. What he means really, is a "post-Leibniz" world. He also lies when, later on, he adds, "This is how Europe was built." In reality, the original European Common Mar-

ket was built as a community of nations, and only afterwards, was the European idea subverted by a supranational conspiracy. The method of the conspiracy, however, is accurately described by Amato: “By creating community bodies, such that these bodies, where they overlapped with states, gave the impression that they were imposed by a higher power. The Court of Justice as a supranational body was born in this way.” In the same way, Amato suggests that the European Commission must act “as if” it were a technical body, but should enforce policy. By saying this, Amato reveals that he is in reality against the French proposals *in toto*.<sup>1</sup>

### Mother England

“Frankly, I do not want a continental Europe only, without the immense patrimony of England, and of the Scandinavians linked to England. Nor would I like to lose Spain, which is skeptical of the vanguard.... To have England among us would not be bad: In many ways, London is already where we would like to be. It would not be bad if England [which is not part of the euro bloc], with its experience of economic reforms, were present in the Council of States belonging to the euro.... Therefore I prefer to go slowly, to crumble little by little pieces of sovereignty, avoiding sudden shifts from national to federal powers.... I do not believe in a federal sovereign, because our globalized universe is post-Hobbesian.”

Amato’s profession of anarchy is evidently too much for the interviewer, who challenges him: “The world you describe seems to be pre-Hobbesian. It seems to precede the nation-state.”

“And why not go back to the period before Hobbes?” replies Amato. “The Middle Ages had a much richer humanity, and a diversity of identity which today can be a model. The Middle Ages is beautiful: It can have its policy-making centers, without relying entirely on anyone. It is beyond the bounds of the nation-state. Today, as then, nomads are reappearing in our societies. Today, also, we have powers without territories.... Without sovereignties, we

will not have totalitarianism. Democracy does not need a sovereign.”

Amato is campaigning for a return to feudalism, which is the true word for his system. In his clinical insanity, he calls “beautiful” a system which was characterized by the enslavement of most of the population, by the absence of individual rights and a system of justice, and by short life expectancies. But, he is accurate when he says that we are in a transition to that system. The Black Death (HIV-AIDS) is again there, already threatening to eliminate one-third of the African population as a sacrifice to keep the international financial system alive. Maybe Amato thinks that by reducing world population, there will be more wealth for the oligarchy, their money managers, and for himself. That is what he calls a “richer humanity.”



EIRNS/Claudio Celani

1. The French proposal was for a continental policy, based on “strengthened cooperation” between France and Germany, as a counterweight to the British.

# Fascist in an Armani Suit: Bloomberg Channels Mussolini's Corporatism

by L. Wolfe

From Oct. 27 to Oct. 29, 1922, gangs of black-shirted thugs, members of Benito Mussolini's National Fascist Party, descended on Rome from all over Italy. They numbered less than 30,000, but what was to become known as Mussolini's "March on Rome," is given credit for peacefully toppling the Italian government and ushering in the era of Italian Fascism, when King Victor Emmanuel III asked the pint-sized *Duce* to form a cabinet.

So much for fairy tales. The reality is that the March on Rome was a cover for a pre-arranged coup—pre-arranged by the powerful Italian families and their financiers—who had chosen Mussolini and his Blackshirts as their instruments to crush all opposition to their economic agenda. The March itself was not organized by Mussolini, but by leading generals and members of the Italian oligarchy, such as Generals Gustavo Fara and Sante Ceccherini, and the Marquis Dino Perone Compagni. *Il Duce* was instructed to stay behind, until the appropriate moment when he would be summoned by the King.

Such behind-the-scenes orchestration and manipulation were to be the hallmark of the 20-plus years of Mussolini's rule on behalf of these oligarchical interests. *Il Duce* was the frontman, the actor on the stage, making the pronouncements handed him, with great rhetorical flourish, but making little policy of consequence himself.

If New York Mayor Michael Bloomberg is to become America's version of *Il Duce*, it will be through a similar process of manipulation and orchestration. What recommends him to his potential backers is not his \$11 billion personal fortune; he didn't earn that fortune—he was given it, for services rendered and proposed by the same financial oligarchs in London and on Wall Street who now promote his Presidential aspirations. It is his chameleon-like propensity to be whatever people want him to be, and an ability to serve as a frontman and thug for a corporatist fascist agenda, as evidenced in his reign in New York City, that puts him forward as Wall Street's and London's preferred new Mussolini in an Armani suit.

## Beast-Man Ideology

What was to become the cornerstone of fascist ideology came from the work of one of the oligarchy's stable of ideo-

logues, Gabrielle d'Annunzio, a Nietzschean "futurist poet" and protégé of Count Piero Foscari of Venice. D'Annunzio was to become the first *Duce* in the first major fascist experiment of the 20th Century, upon which Mussolini's regime would be based: the 1919-20 occupation of the disputed city of Fiume by d'Annunzio, who also held the rank of Superiore Incognito in a Martinist masonic lodge. Aside from seizing the disputed territory, the purpose of the Fiume project was the creation of a Beast-man political experiment, led by d'Annunzio.

In a work entitled "*Le Faville del Maglio*" ("The Sparks from the Hammer") d'Annunzio wrote: "Some days I have known how man lived, before Prometheus weakened their hearts with hope." Man, he says, lives "as a beast" whom an unloving god created "to suffer." In another work, titled "Maia," he declares that "technology and progress" have harmed man and the natural order of things; they are "false myths" proffered by "false gods"; only a return to the true myths of "blood and soil" can save man from extinction.

Initially, the oligarchy toyed with making d'Annunzio the leader of a wider "Beast-man" movement. But he lacked the necessary charisma—something Mussolini had in abundance. So d'Annunzio's "new Beast-man" ideology was melded with Mussolini's stylized Romanticism and flair for spectacle, and given a healthy heaping of Venetian cash to whip up a fascist brew that could be sold to a desperate citizenry longing for relief from depressed economic conditions and the paralysis of the Roman government. *Il Duce*, with the help of the Venetian-controlled media, portrayed himself as the "outsider" fighting for the little people against the power of a corrupt and ineffective government—much as Bloomberg campaigns and positions himself now.

## The Corporatist State: A British-Venetian Creation

Scholars have produced tomes trying to define Mussolini's Fascist state, or what he referred to as corporativism. Most look at the superficial structures, and try to draw conclusions which wrongly place power in the hands of Mussolini, rather than in powers behind him, and in the "experts" who ran his economic policy.



Spencer T. Tucker

*In 1922, the thug Benito Mussolini was installed by the Venetian oligarchy as Il Duce, the Fascist dictator of Italy; today, the financiers' tool is Michael Bloomberg, the Presidential candidate "above the parties," who will step in to impose Mussolini-style fascism in America. Shown: (left) Il Duce waves to the crowd in Genoa, 1938; (right) Bloomberg waves to crowds in New York City, 2008.*

They overlook that Mussolini's Fascist movement was a syncretic creation of the powerful Venetian financial oligarchy, who funded his Fascist *squadristi* and handed him his Fascist ideology, a combination of nationalism fused with an anti-Promethean, Dionysian outlook that closely resembled the ideology of the British-manipulated mobs of the French Revolution and Terror, that ultimately brought Europe's first true fascist, Napoleon, to power.

Specifically, a Venetian oligarchical group led by Count Piero Foscari, of an ancient family of the Venetian doges, and including Count Giuseppe Volpi di Misurata and Count Vittorio Cini, and including many of the families that composed the former Venetian council, sponsored and ran the Mussolini project. The financial muscle behind this group included the Banca Commerciale Italiana and Assicurazioni Generali di Venezia e Trieste (whose President from 1938-43 was Count Volpi).

The most important of Mussolini's controllers was Volpi, whose prominence had come through British sponsorship as one of their Venetians agents. This was prominently evident in his critical role in the so-called Young Turk pan-Turkish movement, which the British planted in the Salonika region as part of their plans to break up the Ottoman Empire in the run-up to World War I; the top British agent in Europe, Alexander Helphand "Parvus" was also deployed to this project, collaborating with Volpi, as he was later to do in sponsoring the Bolsheviks in Russia. Not surprisingly,

when the Young Turks seized power in a coup in 1913, Volpi was on hand in Istanbul, meeting with a director of the Ottoman Turkish Bank, and later helping to arrange acceptance of the new regime.

In the British-Venetian Mussolini project, Volpi was a more visible personality, while also working behind the scenes as the control point on economic and financial policy and as the go-between for the regime with the City of London and British oligarchical circles generally, including in the early stages with Bank of England head Montagu Norman, an early strong supporter of Mussolini's corporatism.

Once in power, Mussolini proclaimed that to "fix" what was wrong with Italy, to make it once again a powerful nation, the State would have to be transformed. Italy was weak because its people were weak; they required regimentation and total direction, and the State must provide that, without objection from corrupting influences, including those that misled the "little people." The true personality of Italy, he argued, was to be found in great "tradition" of its former empire. The repository of this tradition lay in the great families, families who have stood for centuries for the values of the nobility, even as governments came and went, families who, despite corruption of daily life, remained above "politics." These pure influences will now show the way to Italy's new future and greatness.

Just as the Romans followed Caesar to glory, the Italian

state must mobilize its people to follow the Fascist route to a new glorious future; *Il Duce*, he told cheering Italians, serves them because he serves not his own interest but that of the State.

This ideology of a new mass slavery explicitly rejected the idea of the General Welfare and would be used to justify wiping out any and all institutions that either stood or might stand for that principle. “The maxim that society exists only for the well-being and freedom of all the individuals composing it does not seem to be in conformity with nature’s plans,” Mussolini once wrote, echoing d’Annunzio; the State does not derive its power from the consent of the governed, or from its ability to serve those whom it governs; the State rules with power that comes from itself, and it acts in its own interest—which happened to coincide in every case with the interest of the financial oligarchy.

The standard economic and political science texts ignore the essentials of the Mussolini state and ideology, including its real sponsors, and try to come up with a definition of corporatism based on “structures.” Thus, it is said that corporatism “is a political or economic system in which power is given to civic assemblies that represent economic, industrial, agrarian, social, cultural and professional groups” which “exert control over the social and economic life of their respective areas.” More commonly, corporatism is used to denote the granting of great power to private corporate interests or the domination of government by those interests (e.g., Wikipedia).

But as we have shown with the Mussolini example, as it is copied today in the case of Bloomberg, corporatism has no meaning separate from the financial oligarchical interests that give it life. Stated truthfully and simply: *Corporatism is the regimentation and mobilization of the state, including its credit and financial resources, to carry out policies that are dictated by and implemented for the benefit of a financial oligarchy.* To the extent that social and political “harmony” is achieved, it is because no opposition to this stated aim is to be tolerated; forget about the comparisons between Mussolini and Hitler’s methods, how Mussolini was more genteel, more civilized than Hitler: When anyone or anything challenged his implementation of oligarchical policy, they were brutally repressed.

Throughout his 20-plus-year reign, Mussolini’s economic policy was *always* made by direct agents of the Venetian oligarchy that had arranged the installation of *Il Duce*. In the initial period of Mussolini’s rule, this was, by Alberto di Stefani, and later by Count Volpi himself, serving as both Finance Minister and President of the Fascist Confederation of Industrialists.

Hjalmar Schacht, Hitler’s George Shultz, had played a similar policy-controlling role for the London financial oligarchy in Nazi Germany. But as Schacht, who served as Nazi economics minister, until 1937, wrote in his self-serving autobiography, the problem with the Hitler state was that it vested too much power in *Der Führer*, which made Nazi



*The futurist poet, Gabrielle d’Annunzio, a protégé of Venetian Count Piero Foscari, established the first Fascist city-state in Fiume, that was to become the prototype for Mussolini’s Italy.*

Germany difficult to control. In Mussolini’s Italy, there was no such problem; *Il Duce* was content to let the “experts” make his policy, and become its manager and implementer, the man credited with “making the trains run on time.”

Venice’s marionette Mussolini did whatever he was asked, including implementing policies that openly favored his backers at the expense of the Italian people. In the first five years of Mussolini’s rule, taxes on the wealthy were slashed, banking deregulated, taxes on banking activity abolished, taxes on corporate directors slashed and later eliminated, and all luxury taxes repealed. In addition, all inheritance taxes were repealed, as well as taxes on stock and bond transactions, and on movement of capital in and out of the country. Meanwhile, all government run utilities were privatized and deregulated.

### **The ‘Battle for the Lira’**

Not surprisingly, this produced a great speculative bubble which led to the collapse of the currency, the lira. When this threatened to bring down various banks and *fondi*<sup>1</sup>-run industrial concerns, the government moved to bail them out. The lira, which first inflated, was then forced into a massive deflation by central bank action. To check this, Mussolini was given a script in 1926 by his “expert” Volpi, that called for an extended deflation, included raising interests rates and

1. *Fondi*, literally, “funds,” refers to the “slime-mold” of oligarchical family holdings, which squat on top of, and control major financial and other institutions on behalf of the oligarchy.



A Venetian oligarchical group led by Count Piero Foscari (no photos can be found of this leading Venetian!), of an ancient family of Venetian doges, and including Count Vittorio Cini (above) and Count Giuseppe Volpi di Misurata (right), and many of the families that composed the former Venetian council, sponsored and ran the Mussolini project.



reducing the money supply, in what was called the “Battle for the Lira.” Volpi was able to secure a refinancing of Italian war debt from the Morgan banking interests in the U.S., on the basis of these brutal austerity measures.

When the physical economy fell into an even deeper collapse, Mussolini blamed it on speculators and the trade unions. While doing little to attack the former, the Mussolini Fascist state turned with a vengeance against the latter, outlawing strikes and eliminating, through a series of laws and decrees rubber-stamped by the parliament, all independent trade unions, creating in their stead, “Fascist” unions, which represented not their workers, but the interests of newly “regimented” economic sectors.

For the agricultural sector, Mussolini was handed a program for large subsidies to wealthy landowners masquerading, first as the 1925 “Battle of the Grain” (to make the country grain self-sufficient), and later, an “infrastructure” program, known as the “Battle for the Land,” which saw the draining of swampland, and which also provided employment at slave-labor wages for large numbers of newly unemployed. In the end, the majority of the benefits—and money—went to those wealthy oligarchs who continued to control Italian agriculture as they had for centuries.

In attempting to define Mussolini’s Fascist corporatism, economists and historians have made much of its alleged goal of “harmony” among labor, industry, finance, and government for a grand national purpose. But as we have indi-

cated, such harmony is an illusion; in all cases, the desires of the financial oligarchy trump everything else. In 1930, Mussolini created the much heralded National Council of the Corporations, where representatives of 22 sectors of the national economy were to meet to work out programs and resolve problems. In reality, the Council, like all of the Fascist structures, was a facade; it made no policy and decided little, other than seating arrangements at its meetings; what was important was left to the “experts”—the financial oligarchs and their retinue—to be done in private, in the absence even of *Il Duce*.

For example, when large *fondi*-run Italian banks went into bankruptcy following the collapse of the Austrian Kreditanstalt bank in May 1931, the Bank of Italy and the Finance Ministry concocted schemes to bail them out through the creation of three massive debt-recycling and funding operations funded by the Italian Treasury—the Soffidit, which bought industrial shares owned by banks; the Industrial Finance Institute (IMI), which issued loans backed by collateral of shares of troubled banks and companies; and finally, in 1933, the Industrial Reconstruction Institute (IRI), which took financial control of bank-owned companies, without nationalizing them. In none of these cases was Mussolini consulted or even told about what was being done, until the time came for his “rubber-stamp” approval. In each case, *Il Duce* became an enthusiastic salesman and cheerleader for the policies.



Mussolini's "Battle for the Lira" on behalf of the fondi, the financiers who ran his government, followed a huge speculative bubble, which threatened to bring down the banks and fondi-run industrial concerns. Here, 30-year bonds issued by the regime to bail out the bankers.

### Mussolini's 'Public Works' Programs

We have in other locations reported on the massive Mussolini public works programs.<sup>2</sup> While they did build infrastructure, they were organized first and foremost as a means to use the government to transfer wealth to private financial oligarchs.

For our purposes here, let us describe the characteristics of those programs. They used, for the most part, a corporatist model, which today is called the "public private partnership," to carry them out. It meant that private banking interests were given the virtually unlimited right to extract fees and interest on relatively short-term borrowing, to be paid for by the "public" through taxes and fees. In addition, the government ceded the control and ownership of this public infrastructure to these private interests, controlled by the same Venetian oligarchy that had installed Mussolini as their *Duce*, giving those interests future loot rights.

2. See Claudio Celani, "Mussolini Program Was Model for Today's PPPs," *EIR*, Feb. 1, 2008.

Ignorant or outright lying economists and others have tried to claim that such programs were the model for FDR's New Deal public works. In fact, the only thing they have in common is that they employed large numbers of people and they built public works, including roads and electrification. The FDR program was designed to use long-term public credit, to build publicly controlled infrastructure, with deliberate efforts to limit financing costs paid to banks to appropriate low levels.

Seen from this standpoint, FDR's program, by limiting costs to as close as possible to the actual costs of the infrastructure in labor, materials, etc., maximized its net physical positive impact on the economy. In the case of Mussolini's—or, more appropriately, the Venetian financial oligarchy's—program, the additional financing costs, and fees, and the inability pay these over the short term, placed an enormous burden on the economy, which could not be met, even under increasing levels of austerity; this in turn forced, even more costly refinancing.

New York Mayor Mike Bloomberg's loudly announced scheme for national infrastructure development, which he has borrowed from his "Volpi," Felix Rohatyn, resembles in all essential characteristics, the Mussolini plan, not FDRs—a state-subsidized program, for the primary benefit of Wall Street and London's bankrupt financial interests (see John Hoefle, "Bailouts and Corporatism, or Franklin D. Roosevelt," *EIR*, Feb. 15, 2008).

### Praise from the Oligarchy

No wonder, then, that Mussolini became the darling of the international oligarchy and its dupes, including in the United States, who sought to export the fascist "experiment" to other countries, creating an effective global fascism to serve their interests. It is with that goal in mind, that we hear and understand their gushing praise for *Il Duce*.

The American ambassador to Italy, Richard Washburn Child, wrote in a laudatory preface to Mussolini's 1928 autobiography, that "it may be shrewdly forecast that no man will exhibit dimensions of permanent greatness equal to Mussolini.... The Duce is now the greatest figure of his sphere and time."

"If I had been an Italian, I am sure that I would have been entirely with you ... [and would] don the black shirt," wrote Winston Churchill in a fawning letter to the Italian dictator in 1927. As late as 1940, Churchill still praised Mussolini as "a great man."

The chairman of the U.S. House Foreign Relations Committee, Rep. Sol Bloom, said in 1926, that Mussolini "will be a great thing, not only for Italy, but for all of us, if he succeeds. It is his inspiration, his determination, his con-

stant toil that has rejuvenated Italy. . . .”

The pro-fascist publisher Henry Luce put Mussolini on the cover of his *Time* magazine several times, beginning in 1923. In 1934, Luce devoted an entire issue of his *Fortune* magazine to Italy’s social and economic “miracle,” urging that the corporatist model be adopted as U.S. policy.

### **Bloomberg’s Corporatist Paradise for Wall Street**

Today, it is Bloomberg who has been anointed by the financial oligarchy as their prospective Mussolini for the United States, as part of a renewed drive for global fascism. He has already been carrying out a “qualifying run” of fascist policy and corporatist structures in New York, where the government of the city has become an extension of Wall Street’s financial oligarchy.

Two decades ago, in the midst of the city’s insolvency crisis in which Felix Rohatyn’s “Big MAC” fascist austerity policies were imposed on New York by Wall Street, Roger Starr, the former New York City Housing Commissioner, and longtime editorial board member of the *New York Times*, put out a proposal for planned shrinkage of the city. The Starr proposal called for the reduction or shutting off of services to the city’s poorer areas, closing schools, fire and police stations, and reducing bus and subway services, while protecting the areas of Manhattan and adjacent boroughs occupied by Wall Street and its upper-crust hangers-on.

Rohatyn’s “Big MAC” apparatus effectively imposed this program on the city, while ripping apart the social, political, and institutional opposition to his fascist plans in the trade unions and political parties. Over the recent six years, it has fallen on Bloomberg to carry out the endgame of this scheme.

Bloomberg, like Mussolini, doesn’t make policy. He is handed it by people he calls “experts,” who effectively run the city. In the case of financial policy, these are people from Wall Street, most notably Felix Rohatyn, who has advised on budget policy as well as “infrastructure.” Among the many things that have been discussed and implemented, are plans for privatization of social and fiscal infrastructure, including the outsourcing of public schooling and related services.

Bloomberg has used the city’s fiscal problems to go after the trade unions, ripping up contracts and benefit plans for municipal workers and teachers, offering them co-responsibility for implementing austerity.

He has made it his goal to maintain New York as the world’s center of global finance. To do this, he has all but eliminated taxation of Wall Street’s financial transactions, lowering many taxes on corporations and banks doing business in New York, while providing additional tax breaks and incentives for the financial sector. As Starr had recommended,



*The pro-fascist publisher Henry Luce put Mussolini on the cover of his Time magazine several times, beginning in 1923. In 1934, Luce devoted an entire issue of his Fortune magazine to Italy’s social and economic “miracle,” urging that the corporatist model be adopted as U.S. policy.*

he has beefed up services for Wall Street and the Upper East and West Side of Manhattan, at the expense of other parts of the city.

According to a recent interview with National Public Radio, Bloomberg said his passion is “efficiency.” His only ideology is “competent management.”

What this translates to is: Do whatever the bankers want and let them do whatever they want.

So, in Bloomberg’s New York, you can’t smoke in public, you can’t eat any food cooked with transfat in restaurants, and you can get thrown in jail for defacing walls of construction sites in lower Manhattan, but you can steal billions in stock and money-lending scams with impunity.

In April 1945, Mussolini and his mistress had their carcasses hung outside a butcher shop, after his policies and the war they helped bring about, had totally destroyed Italy. Can Americans learn from history and avoid a Bloomberg-led corporatist dictatorship that will most assuredly destroy this great nation?

# Britain's Cooper Promotes Imperial EU

by Mark Burdman

*This article is reprinted from EIR, July 2, 2004.*

One of the mortal threats facing the continent of Europe, is the fact that the leading British propagandist for “liberal imperialism,” Robert Cooper, now occupies a strategically crucial position in the European Union structure. Since May 2002, Cooper, one of Britain’s most senior diplomats, has been director-general of External and Politico-Military Affairs for the Council of the European Union (EU), and is a chief advisor to EU foreign policy spokesman Javier Solana.

Cooper’s assumption of this post is key to the British move to steer continental European policies in an imperial direction. It also indicates the powerful influence on the continent, of synarchist syndicates, supranational financial interests, operating through former Nazi SS officer Dutch Prince Bernhard’s Bilderberg Group and related entities, equally committed to imperial policies.

Cooper has been hyperactive on the European scene, featured at conferences at Britain’s exclusive Wilton Park center, at the Aspen Institute-Berlin headed by leading American neoconservative propagandist Jeffrey Gedmin, and elsewhere.

Cooper’s writings expose him as a bestialist promoter of the ideas of 17th-Century British philosopher Thomas Hobbes. He is opposed to the core humanist ideas of European civilization, as developed for the modern era in the 15th-Century Golden Renaissance. His ideas for the EU ensure the collapse of areas inside the EU structure, as well as in the areas contiguous to the EU, to the status of “failed states”—i.e., into the general chaos against which Cooper supposedly polemicizes. This paves the way for fascism in Europe.

Similarly, on the global scale, with his division of the world into “zones of order” and “zones of chaos,” he sets the stage for a generalized descent into a new dark age.

Cooper generates strong negative reactions from saner elements in Britain and continental Europe. A leading foreign policy expert in Britain, opposed to the Blair entourage, denounced Cooper as a “fool and idiot,” and insisted that “his ideas for a new imperialism must be resisted at all costs. His division into chaos and disorder is simply a new way of ex-

pressing Rudyard Kipling’s attack on ‘lesser breeds,’ in a new way.” A usually mild-mannered Rome political strategist described Cooper as “completely crazy.”

## Imperialism, the IMF, and Globalization

The May 2002 date of Cooper’s assuming the EU position is notable, as a few months before, in October 2001, in the immediate aftermath of 9/11, he had catalyzed an intense discussion in Britain and elsewhere about moving toward a “new imperialism.” The catalyst was his article, in the October 2001 edition of the trend-setting British Establishment monthly *Prospect*, entitled “The Next Empire,” in which Cooper wrote that “all the conditions seem to be there for a new imperialism.” As *EIR* featured at the time, this article provoked numerous articles in British publications, jumping on the “new imperialism” bandwagon (*EIR*, Nov. 9, 2001).

Precisely at the moment Cooper was thus being propelled into the limelight, he was seconded, on Oct. 22, 2001, from the post of Prime Minister Tony Blair’s special foreign policy advisor to the Foreign and Commonwealth Office, to be Britain’s special envoy to Afghanistan and neighboring regions of Eurasia. In his Cabinet Office position, working out of the public view, he had been an inspiration for Blair’s notorious Spring 1999 “liberal imperialist” speech in Chicago, delivered in the time frame of the Kosovo War, where Blair espoused a new era of global interventionism, supposedly on “humanitarian” grounds.

According to several British sources, Cooper has developed close relations to Baroness Liz Symons—the Foreign Office, Fabian Society-linked British figure at the center of dirty tricks activity against Lyndon LaRouche internationally (see “The Bizarre Case of Baroness Symons,” *EIR*, June 25, 2004). One senior British source, a staunch Atlanticist, asserted that Symons and Cooper “work together as a team; they are both intimates of Tony Blair.” A second British insider said that “they are in regular touch with each other, and, from my understanding, meet regularly. They are both central figures in the ‘Blair project.’”

In his *Prospect* article, Cooper enumerated the various empires that have existed since ancient times, and wrote that “all of this suggests that the history of the world is the history of empire. . . . Compared with empire, the nation-state is a new concept; the small state began to emerge with the Renaissance, and the nation became a major political factor only in the 19th century. . . . The non-existence of empire . . . is historically without precedent. The question is whether this can last. There are both theoretical and practical reasons for thinking that it won’t. . . .”

He went on to cite three phenomena that were emblematic of the current trend toward the “new imperialism”: the International Monetary Fund (IMF), globalization, and the European Union. He lauded IMF “interference in domestic af-

fairs,” as similar to Anglo-French colonial control of Egyptian finances in the 1870s. The IMF-focussed system, he wrote, would be the core of what he called “the imperialism of globalization.”

Of course, by so writing, he avoided the obvious point, that IMF austerity/“conditionality” policies foster the descent of states into chaos and barbarism, as can most graphically be seen, now, in the case of Argentina.

He concluded by recommending that the EU evolve into a new “cooperative empire” that would be “like Rome.”

### ‘Imperial Expansion’

Soon thereafter, Cooper was given scope to realize his recommendation, when he assumed his EU posting. In his 2003 book, *The Breaking of Nations: Order and Chaos in the 21st Century* (New York: Atlantic Monthly Press), he wrote: “The most far-reaching form of imperial expansion is that of the European Union. . . . The post-modern European answer to threats is to extend the system of co-operative empire ever wider.”

By “post-modern,” Cooper means two things. One, on the economic-cultural side, a “post-modern state” is characterized by, in his words, “the post-industrial service economy” and “consumerism.” In the real world, outside the fantasies nurtured by Cooper, states ruled by such values are economically and culturally unsustainable, and must devolve into chaos, under conditions of a generalized economic and financial crisis, of the type that is now unfolding. Expanding such a system “ever wider” is a key-and-code expression for looting outlying regions, as sources of raw materials and cheap labor. It is no wonder that the Russian leadership is viewing the process of EU expansion with horror.

The Schachtian-fascistic content of what he is espousing, is contained in the following astonishing assertion: “It is striking that monetary integration [in the EU] has been achieved precisely by removing monetary policy from the hands of politicians and handing it over to the technocrats.” This gets to the core of Lyndon LaRouche’s warnings about the danger of the “independent central banking system” in Europe, whereby sovereign governments completely lose control over the issuance of money and credit, and the general direction of financial and economic policy. This makes it impossible for governments to respond to economic crises, by mobilizing nations behind anti-Depression policies, along the lines of what President Franklin D. Roosevelt launched for the United States, in the 1930s. Indeed, what Cooper is espousing, has been codified in western, and more recently, central Europe, with the Maastricht and “Stability Pact” agreements of the early- to mid-1990s.

### ‘The Laws of the Jungle’

By “post-modern,” Cooper also means “post-nation-state,” or “post-Westphalian,” a reference to the great 1648

Treaty of Westphalia that brought a close to Europe’s Thirty Years War and longer-standing religious wars. To this end, he makes the ludicrous claim that the Treaty of Westphalia brought about the “balance of power” in Europe, which itself was the cause of post-1648 wars in Europe, since the balance of power “is a system where wars are waiting to happen.” He perpetuates the mythology, that it is the existence of sovereign nation-states that is the driving force for wars. In reality, the “balance of power” has been a constant *British imperial* policy, to keep the European continent disunited, and in a constant state of conflict.

Cooper sees the balance of power operating in Asia, in the relations between India and China, and foresees future conflicts resulting from this. At one point, he puts forward the idea that the EU should emerge as a balance to the United States and China. The biggest danger posed by Cooper, is his axiomatic claim that the world today is divided into “zones of order” and “zones of chaos,” the latter encompassing “failed states” like Liberia, Somalia, Afghanistan, and so on. At one point, referring favorably to Harvard’s Prof. Samuel P. Huntington, author of *Clash of Civilizations*, he wrote that the world is divided into “Them and Us.”

Cooper wrote: “When dealing with old-fashioned kinds of state outside the postmodern limits [!], Europeans need to revert to the rougher methods of an earlier era—force, preemptive attack, deception, whatever is necessary for those who still live in the nineteenth-century world of every state for itself. In the jungle, one must use the laws of the jungle. . . . It was not the well-organized Persian Empire that brought about the fall of Rome, but the barbarians.”

He continued: “The difficulty, however, is in knowing what form intervention should take: the most logical way to deal with chaos is by colonization. If the nation-state has failed, why not go back to an older form—empire?” I.e., “post-modern” equals “imperial.”

One vehicle for this imperial policy (as in his *Prospect* article) is the IMF-World Bank system, the “programmes of assistance” which he calls “a limited form of voluntary empire,” similar to what was done in 1875, during the Egyptian financial crisis, when the British-French oversight over Egypt’s finances resulted in the Egyptian government’s overthrow, “as sometimes happens with IMF programmes too”; 31,000 British troops were sent in, “to restore order and good government.” Today, the IMF would “renegotiate.”

### Preventive War and British Geopolitics

It is not surprising, in this context, that Cooper fully backs the Iraq War, using sophisticated-Cheneyesque argumentation, to claim that Iraq represented a threat in potentially having nuclear weapons, with the only “proof” presented, being that Gulf War I—more than a decade earlier, and before Iraq underwent crippling sanctions and close

international monitoring of its policies and economy—revealed that Iraq had detailed programs and plans for weapons of mass destruction. Nothing is more important, according to Cooper, than preventing the emergence of new nuclear weapons powers, and preventing terrorists from getting WMD. Hence, he gives full backing to “the doctrine of preventative action in the U.S. National Security Strategy,” the main theme of which is “enduring strategic superiority.” He wrote: “In practice, this is not so different from the longstanding British doctrine that no single power should be allowed to dominate the continent of Europe. . . .”

The time since Cooper wrote his book has shown something that was predictable when his *The Breaking of Nations* went to print in 2003: Iraq has plummeted into chaos, in a process that threatens to drown all of Southwest Asia and contiguous areas. Happily, the core Bush Administration group, centered around Vice President Cheney, that planned this war, is now in deep political trouble in the United States. May a similar fate await Robert Cooper!

Beyond this, Cooper counts on a dumbed-down American population to approve of such a British-authored direction of American foreign policy. “For Americans history is pure bunk,” he writes, and proceeds to simply ignore the entire matter of the American Revolution, and the historical tensions between the American System and the British Empire. But with the growing impact of the LaRouche political movement in the United States and internationally, we are seeing what might be called “history’s revenge,” a reawakening of the great ideas of 1776, typified by the Declaration of Independence from the British Empire.

## Hobbesian Wars

Cooper sees, today, the seed-crystal of conflict coming from the continued existence of nation-states, the potential “success” of which could upset the global “balance.” China and India are reviewed in this context. He raises the possibility that both of these states could collapse into “pre-modern” states of unrest and chaos. But the highest potential for conflict comes from “failed states” in Africa, such as Sierra Leone, Rwanda, and Congo. He wrote that “pre-modern states are usually the scene of a series of conflicts—initially civil wars, later the wars of all against all (as Hobbes so aptly named them)—for the control of resources.” What a travesty! In fact, as *EIR* has documented, these conflicts in Africa are initiated and orchestrated by powerful British, American, and Israeli interests, primarily centered in Anglo-American supranational mining conglomerates.

Once again, this proves that it is imperialism which creates and foments wars, and that it is the final defeat of Hobbesian-imperial policies of the type espoused by Cooper that, alone, can bring peace to our troubled world.

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## Sir Oswald Mosley

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# The Fascist Roots of The Lisbon Treaty

by Scott Thompson

The idea of a unified European dictatorial state, which is embedded in the current Treaty of Lisbon, was, from the outset, a fascist idea, launched in the hours immediately following the defeat of Hitler and the Nazis. One of the first and most vocal champions of a united European single oligarchical state was the British Fascist, Sir Oswald Mosley. Mosley was the founder and leader of the British Union of Fascists, and was jailed during much of World War II for his pro-Nazi activities. In 1944, Mosley and his wife were released from prison and placed under house arrest until the end of the war, through the intervention of their good friend Winston Churchill, then the Prime Minister of Britain.

On Feb. 8, 1948, a collection of 51 organizations, many of them the remnants of Mosley’s British Union of Fascists, convened a conference to launch the Union Movement, to promote a single European state, to, among other things, better fight communism, and challenge the United States as the leader of the post-war world.

Mosley spoke of the Union Movement, otherwise known as Europe a Nation, which he would head for the next 14 years, in his autobiography, *My Life*: “As soon as I was free to speak after the war, I returned to the theme of the union of Europe and linked it with the startling development of science during the war, which reinforced my longstanding belief that it should be the main preoccupation of statesmanship. . . . It is in the interest of America to have a partner rather than a pensioner. It is in the interest of the world for a power to arise, which can render hopeless the Russian design for the subjection of Europe to communism.” In his original scheme, Mosley called for the creation of a single European currency, to free Europe from dollar “domination.”

Two events decisive for Europe a Nation were the publication in 1947 of *The Alternative*, which was Mosley’s own dialectic of 3,000 years of Greco-Roman thought, and his declaration of being in favor of the same in a 1948 speech in East London. Between 1953 and 1959, he published *The European*, and his second wife, Diana, was the editor.

In March 1962, Mosley succeeded in calling a conference in Venice after winning agreement among various European parties, and he claims only a “small minority. . . had previously been fascists or national socialists.” Mosley had been asked to write a draft program to be circulated in advance of the con-



*Sir Oswald Mosley, the founder and leader of the British Union of Fascists, was jailed during much of World War II for his pro-Nazi activities. The ideas behind his post-war scheme for a single European oligarchical state, are embedded in the current Treaty of Lisbon.*

ference, and he wrote it, defining his full program of Europe a Nation, that he had advocated since 1948. After a long discussion at the conference, the draft proposal was adopted with only a few amendments. There was no chairman at the conference, and discussion was held in the fashion of an Arthurian round table, only without King Arthur.

The following is the European Declaration agreed and signed at the Venice conference on March 1, 1962:

We being Europeans conscious of the tradition which derives from classic Greece and Rome, and of a civilization which during three thousand years has given ample thought, beauty, science and leadership to mankind; and feeling for each other the close relationship of a great family, whose quarrels in the past have proved the heroism of our people but whose division in the future would threaten the life of our continent with the same destruction which extinguished the genius of Hellas and led to the triumph of alien values, now declare with pride our European communion of blood and spirit in the following urgent and practical proposals of our new generation which challenge present policies of division, delay and subservience to the destructive materialism of external powers before which the splendour of our history, the power of our economy, the nobility of our traditions and the inspiration of our ideals must never be surrendered:

1. That Europe a Nation shall forthwith be made a fact. This means that Europe shall have a common

government for purposes of foreign policy, defense, economic policy, finance and scientific development. It does not mean Americanisation by a complete mixture of European peoples, which is neither desirable or possible.

2. That European government shall be elected by a free vote of the whole people of Europe every four years at elections which all parties may enter. This vote shall be expressed in the election of a parliament which will have the power to elect a government and at any time to dismiss it by vote of censure carried by two-thirds majority. Subject to the power of dismissal, government shall have full authority to act during its period of office in order to meet the fast-moving events of the new age of science and to carry out the will of the people as expressed by their majority vote.

3. That national parliaments in each member country of Europe a Nation shall have full power over all social and cultural problems, subject only to the overriding power of European Government in finance and its other defined spheres, in particular the duty of economic leadership.

4. That economic leadership of government shall be exercised by means of a wage-price mechanism, first to secure similar conditions of competition in similar industries by payment of the same wages, salaries, pensions and fair profits as science increases the means of production for an assured market, thus securing continual equilibrium between production and consumption, eliminating slump and unemployment, and progressively raising the standard of life. Capital and credit shall be made available to the underdeveloped regions of Europe from the surplus at present expatriated from our continent.

5. That intervention by government at the three key points of wages, prices, where monopoly conditions prevail, and the long-term purchase of agricultural and other primary products alone is necessary to create the third system of a producers' state in conditions of a free society which will be superior both to rule by finance under American capitalism and to rule by bureaucracy under communist tyranny...."

### **No One Here But Us Fascisti**

No list of the groups present at the Venice conference exists in the public record, and the claim that only a minority of the participants were fascist or national socialist is moot. Mosley's post-war efforts took him on the familiar neo-fascist trail to Franco's Spain and Verwoerd's South

Africa, as well as to Italy where a neo-fascist movement was established soon after the war. He met with Serrano Súñer, Franco's brother-in-law and former foreign minister; Filippo Anfuso, Mussolini's last ambassador to Berlin; and he got to know Italian MSI leaders like Giorgio Almirante and Alvisio Loredan. He came in contact with Hitler's favorite killer, the son-in-law of Hjalmar Schacht, Otto "Scarface" Skorzeny, the German air ace Ulrich Rudel (whose memoirs, with an introduction by Douglas Bader, were published by Mosley's publishing house), the Italian Prince Junio Valerio Borghese, and the Wehrmacht's *Panzerkrieg* (tank warfare) expert Arthur Ehrhardt, later publisher of *Nation Europa*. He met SS survivors who were "passion-

ately European and entirely supported my advanced European ideas."

As for the success of the conference, Mosley says the prospect was wide open for a National Party to which men of all opinions could adhere, provided they were agreed on the one decisive point of making Europe a Nation, but finance was lacking. Writes Mosley: "Hopes of an early making of Europe receded for several reasons. The British Government not only missed every opportunity to take the initiative in Europe after the war, but still maintained an attitude which impeded any early hope of effective union. All existing European governments were certainly opposed to any union so complete as we advocated. Meantime, German hopes in par-

## Churchill Boosted Oligarchical 'Pan-Europe'

Even before Sir Oswald Mosley, leader of the British Union of Fascists, put forth his scheme for a single European oligarchical state, his protector and friend, Winston Churchill, was promoting the same idea. Just six months after his Fulton, Mo. "Iron Curtain" speech, Sir Winston delivered an address in Zurich, Switzerland, on Sept. 19, 1946, promoting a single European state to curb the "Teutonic" menace and battle communism.

Churchill lied about Britain's pivotal role in launching two world wars on the European continent, instead asserting, "We all know that the two world wars through which we have passed arose out of the vain passion of a newly united Germany to play the dominating part in the world. In this last struggle crimes and massacres have been committed for which there is no parallel since the invasion of the Mongols in the 14th Century and no equal at any time in human history."

Churchill's solution? "We must build a kind of United States of Europe." Invoking a leading European Synarchist, Churchill continued, "Much work, Ladies and Gentlemen, has been done upon this task by the exertions of the Pan-European Union which owes so much to Count Coudenhove-Kalergi and which commanded the services of the famous French patriot and statesman Aristede Briand. . . . If Europe is to be saved from infinite misery, and indeed from final doom, there must be this act of faith in the European Family and this act of oblivion against all the crimes and follies of the past."

Churchill concluded, in summary: "Under and within



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*Prime Minister Winston Churchill at the Potsdam Conference, July 17, 1945.*

that world concept we must re-create the European Family in a regional structure called, it may be, the United States of Europe. And the first practical step would be to form a Council of Europe. If at first all the States of Europe are not willing or able to join the Union, we must nevertheless proceed to assemble and combine those who will and those who can."

particular of their grievances through the union of Europe became more and more bitterly frustrated.” As Mosley points out: “At an earlier stage young Germans fresh from the army, and particularly from SS regiments, were passionately European. . . . I had heard from many of them long before I was free to travel, and had an insight into what they were thinking which is perhaps unique.” But, with the collapse of the Venice conference, “the failure of this European policy reduced to the vanishing point all hope of a natural and pacific reunion of Germany within Europe,” and the former SS officers returned to nationalism.

Mosley had no adherence to the British Commonwealth, and in the atomic age, viewed European participation in most of the world an endless trail of trouble. The sole exception for Europe a Nation was Africa. Until Europe a Nation gained parity of strength with America, there could be no independence for any of Europe’s colonies. As Mosley wrote about “spheres of influence,” “I have long suggested a division of the world into three main spheres of influence to replace the make-believe of a world force in the present United Nations, which by reason of its inherent divisions can never function. . . . The realities in terms of action are the great powers, and it is humbug to pretend anything else; the facts survive either illusion or deceit. Two powers exist in the world, America and Russia, and this result of the last war will prevail until the emergence of a third power in united Europe and possibly of a fourth in China. The danger of a new war will also continue until the strength as well as the wisdom of Europe can hold the balance of the world. That is why, since the war, as before it, I have stood for the strong armament of Britain and as soon as possible of a United Europe . . . because in an armed world European strength is the only alternative to servitude under America or death under communism.”

Mosley opposed the 1956 invasion of Suez: “I contended that in modern terms support for the French position in Algeria was far more important than pursuit of our own past through the irrelevance of Suez. A reasonable settlement backed by the strength of united Europe in northern Africa could have secured us a safe bridgehead to Africa, where lay enormous possibilities for the whole European future.”

For Africa, Mosley advocated the Mosley-Pirow proposals, that were jointly named after the former South African Minister of Defense Oswald Pirow. As Mosley writes about it:

These proposals in broad principle divided the whole of Africa in white and black governments. . . . Black government in this policy received roughly two-thirds of Africa, south of the Sahara, and the rest was to be held clearly and firmly by white governments where substantial and deeply rooted European populations existed. Rhodesia was naturally included in the definition of territory under white government,

and the danger of a clash with British people would have been eliminated by a comprehensive plan which gave a fair deal to all. The basis of this policy was that Africa is an empty continent with a population of twenty to the square mile as compared with two hundred in Europe—and we should therefore legislate for the future rather than the *status quo* which could not endure.

If the claim of Europeans to any part of Africa be disputed, we should inform those whose passions blind them to history, that Europeans arrived in Southern Africa three centuries ago in 1652, long before the present black tribes drove down from the north to encounter the whites six hundred miles north of Cape Town at the decisive battle of the Great Fish River in 1770. . . . Separate development or apartheid on a big scale could then have been secured by a decisive initiative from Britain, and would have averted many past tragedies and many present difficulties. . . . I have stood throughout for a ‘genuine apartheid,’ a real separation of the two peoples into two nations which enjoy equal opportunity and status: not the bogus apartheid seeking to keep the Negro within white territory but segregated into black ghettos, which are reserves of sweated labour living in wretched conditions.

On the question of a single currency, Mosley writes:

The entry of Britain into the Common Market will not solve our balance of payments problem, and the same problem in other countries will not be solved until Europe is a community as the component countries are today. It will not then be a question of Britain having an adverse balance of payments and France and Germany having a surplus, or vice versa, but only a question of whether a firm in Manchester can or cannot compete successfully with a similar firm in Lyons or Hamburg. We shall no more have balance of payments problems within Europe than we have balance of payments problems between Yorkshire and Lancashire today. A common currency will follow naturally from any such arrangement. Until Europe is integrated it will be found that these problems are insoluble and will cause increasing friction until we end in a major crisis.

Sir Oswald Mosley’s fascist vision of Europe a Nation, was to unfold over a period of decades, to the point that all of the essential features of his post-war scheme are now embedded in the Treaty of Lisbon, presently being shoved down the throats of European parliaments, and behind the backs of the European population who have already, once rejected this horror.

# How the 14th-Century Lombard Banks Created the Dark Age

by Paul Gallagher

*This article is an excerpt from fuller treatment of the subject, under the title “How Venice Rigged the First, and Worst, Global Financial Collapse,” published in the Winter 1995 issue of Fidelio magazine. The article can be found at [www.schillerinstitute.org](http://www.schillerinstitute.org)*

The Bardi, Peruzzi, and Acciaiuoli family banks, along with other large banks in Florence and Siena in particular, were all founded in the years around 1250. In the 1290s, they grew dramatically in size and rapaciousness, and were reorganized, by the influx of new partners. These were “Black Guelph” noble families, of the faction of northern Italian landed aristocracy always bitterly hostile to the government of the Holy Roman Empire. Charlemagne, 500 years earlier, had already recognized Venice as a threat equal to the marauding Vikings, and had organized a boycott to try to bring Venice to terms with his Empire. Venice in 1300 was the center of the Black Guelph faction which drove Dante and his co-thinkers from Florence. In opposition to Dante’s work *De Monarchia*, a whole series of political theorists of “Venice, the ideal model of government” were promoted in north Italy: Bartolomeo of Lucca, Marsiglio of Padua, Enrico Paolino of Venice, et al., all of whom based themselves on Aristotle’s *Politics*, which was translated into Latin for the purpose. The same “coup” made the Bardi, Peruzzi, et al. Black Guelph banking “supercompanies,” suddenly two or three times their previous size and branch structure. Machiavelli describes how, by 1308, the Black Guelph ruled everywhere in northern Italy except in Milan, which remained allied with the Holy Roman Empire—and was the most economically developed and powerful city-state in Fourteenth-century Italy. . . .

A century earlier, in the 1180s, Doge (Duke) Ziani of Venice had provoked hostilities between the two leaders of Christendom, the Pope and the Holy Roman Emperor, Frederick Barbarossa, the grandfather of Frederick II. Doge Ziani, in time-worn Venetian style, then personally mediated the “Peace of Constance” between the Pope and the Emperor. The Doge got his enemy, Emperor Frederick, to agree to withdraw his standard silver coinage from Italy, and allow the Italian cities to mint their own coins. Over the century from that 1183 Peace of Constance to the 1290s, Venice established the extraordinary, near-total dominance of trading in gold and silver

coin and bullion throughout Europe and Asia. . . . Venice broke and replaced the European silver coinage of the Holy Roman Emperors, the Byzantine Empire’s silver coinage, and eventually broke the famous Florentine “gold florin” in the decades immediately leading into the 1340s financial blowout—which blew out all the financiers *except* the Venetians.

The Black Guelph bankers of Florence did not simply loan money to monarchs, and then expect repayment with interest. In fact, interest was often “officially” not charged on the loans, since usury was considered a sin and a crime among Christians. Rather, like the International Monetary Fund today, the banks imposed “conditionalities” on the loans. The primary conditionality was the pledging of royal revenues directly to the bankers—the clearest sign that the monarchs lacked national sovereignty against the Black Guelph “privateers.” Since in 14th-Century Europe, important commodities like food, wool, clothing, salt, iron, etc., were produced only under royal license and taxation, bank control of royal revenue led to, first, private monopolization of production of these commodities, and second, the banks’ “privatization” and control of the functions of royal government itself.

By 1325, for example, the Peruzzi bank owned all of the revenues of the Kingdom of Naples (the southern half of Italy, the most productive grain belt of the entire Mediterranean area); they recruited and ran King Robert of Naples’ army, collected his duties and taxes, appointed the officials of his government, and above all, sold all the grain from his kingdom. They egged Robert on to continual wars to conquer Sicily, because through Spain, Sicily was allied with the Holy Roman Empire. Thus, Sicily’s grain production, which the Peruzzi did not control, was reduced by war.

King Robert’s Anjou relatives, the monarchs of Hungary, had their realm similarly “privatized” by the Florentine banks in the same period. In France, the Peruzzi were the cooperating bank (creditor) of the bankers to King Philip IV, the infamous Franzezi bankers “Biche and Mouche” (Albizzo and Mosciatto Guidi). The Bardi and Peruzzi banks, always in a ratio of 3:2 for investments and returns, “privatized” the revenues of Edward II and Edward III of England, paid the King’s budget, and monopolized the sales of English wool. Rather than paying interest (usury) on his loans, Edward III gave the Bardi and Peruzzi large “gifts” called “compensations” for the hardships they were supposedly suffering in paying his budget; this was in addition to assigning them his revenues. When Edward tried forbidding Italian merchants and bankers to expatriate their profits from England, they converted their profits into wool and stored huge amounts of wool at the “monasteries” of the Order of Knights Hospitalers, who were their debtors, political allies, and partners in the monopolization of the wool trade. It was the Bardi’s representatives who proposed to Edward III the wool boycott which destroyed the textile industry of Flanders—because by 1340, it was the only way to continue to raise wool prices in a desperate attempt to increase Edward’s income flow, which was all assigned to the

Bardi and Peruzzi for his debts! By 1325, Genoese bankers largely controlled the royal revenues of the Kingdom of Castille in Spain, Europe's other supplier of wool.

In the first few years of the Hundred Years War, which began in 1339, the Florentine financiers imposed on England a rate of exchange which overvalued their currency, the gold florin, by 15% relative to English coin. Edward III, in effect, now got 15% less for his monopolized wool. Edward tried to counterattack by minting an English florin; the merchants, organized by the Florentines, refused it, and he was defeated. By this action, the Bardi and Peruzzi themselves, in effect, provoked Edward's famous default, and demonstrated his complete lack of sovereignty at the same time. . . .

In Italy itself, these bankers loaned aggressively to farmers and to merchants and other owners of land, often with the ultimate purpose of owning that land. This led, by the 1330s, to the wildfire spread of the infamous practice of "perpetual rents," whereby farmers calculated the lifetime rent-value of their land and sold that value to a bank for cash for expenses, virtually guaranteeing that they would lose the land to that bank. As the historian Raymond de Roover demonstrated, the practices by which the 14th-Century banks avoided the open crime of usury, were worse than usury.

In the Italian city-states themselves, the early years of the 14th Century saw the assignment of more and more of the revenues of the primary taxes (*gabelle*, or sales and excise taxes) to the bankers and other Guelph Party bondholders. From about 1315, the Guelph abolished the income taxes (*estimi*) in the city, but increased them on the surrounding rural areas, into which they had expanded their authority. Thus, the bankers, merchants, and wealthy Guelph aristocrats did not pay taxes—instead, they made loans (*prestanze*) to the city and commune governments. In Florence, for example, the effective interest rate on this *monte* ("mountain" of debt) had reached 15% by 1342; the city debt was 1.8 million gold florins, and no clerical complaints against this usury were being raised. The *gabelle* taxes were pledged for six years in advance to the bondholders. At that point, Duke Walter of Brienne, who had briefly become dictator of Florence, cancelled all revenue assignments to the bankers (i.e., defaulted, exactly like Edward III).

Thus were the rural, food-producing areas of Italy depopulated and ruined in the first half of the 14th Century. The fertile *contado* (farmland) of Pistoia around Florence, for exam-



Above: "Survey of Venice," by James Howell, 1651; Inset: "Dance of Death," by Hans Holbein, 1538. The Black Death, and its consequences, brought on by the collapse of the Lombard bankers, led to a new dark age, in which one-third to one-half of the population of Europe perished.

ple, which reached a population density of 60-65 persons per square kilometer in 1250, had fallen to 50 persons per square kilometer in 1340; in 1400, after 50 years of Black Plague, its population density was 25 persons per square kilometer. Thus, the famines of 1314-17, 1328-9, and 1338-9, were not "natural disasters."

Some of the famous banks of Tuscany had failed already in the 1320s: the Asti di Siena, the Franzezi, and the Scali company of Florence. In the 1330s, the biggest banks, with the exception of the Bardi—the Peruzzi, Acciaiuoli, and Buonacorsi—were losing money and plunging toward bankruptcy with the fall in production of the vital commodities which they had monopolized, and which their cancer of speculation was devouring. The Acciaiuoli and the Buonacorsi, who had been bankers of the Papacy before it left Rome, went bankrupt in 1342, with the default of the city of Florence and the first defaults of Edward III. The Peruzzi and Bardi, the world's two largest banks, went under in 1345, leaving the entire financial market of Europe and the Mediterranean shattered, with the exception of the much smaller Hanseatic League bankers of Germany, who had never allowed the Italian banks and merchant companies to enter their cities.

Already in 1340, a deadly epidemic, unidentified but *not* bubonic plague, had killed up to 10% of many urban populations in northern France, and 15,000 of Florence's 90-100,000 people had died that year. In 1347, the Black Death (bubonic and pneumonic plague), which had already killed 10 million in China, began to sweep over Europe.

## Fascism and the Project For a World Company

by John Hoefle

With virtually every passing week, new reports of financial disaster surface, with previously obscure financial instruments becoming front-page news, new multi-billion-dollar losses at leading financial institutions—including those that were said to be sheltered from such events—and more calls for emergency actions to stave off a spreading crisis we were assured was under control.

We have moved with impressive swiftness from what have been reported as individual crises—subprime mortgages, subprime-backed securities, CDOs, SIVs, monoline bond insurers, etc., to the latest, auction-rate securities—as if the financial system were a series of dominoes in a row, each problem triggering the next one. The regulators have treated the problems in the same way, trying to prevent particular dominoes from falling as a way of stopping the chain reaction. Obviously, this has not worked, and can not work, because it does not address the real problem, which is that the global financial system itself has collapsed. One could say that the dominoes are themselves disintegrating even as they topple in chain reaction, but even that understates the case.

This article will not cover the ins and outs of the financial disaster now unfolding, because, frankly, the details are not that important. *EIR* is not “CSI Finance,” and the process by which the carcass of the dead financial system decomposes is far less important than the fight over what type of system will replace it.

Few, if any, among the financial elites seem to understand that their precious financial system, which provided them with huge sums of money and elevated them to great power, was based upon a simple fraud, namely treating a growing garbage-pile of unpayable debt as if it were a great mountain of wealth. Now, even as their delusion lifts like a

fog, revealing the garbage, they are in denial. It is cyclical, they maintain, the fundamentals are sound, and all we have to do is hang on until things return to normal. One can almost imagine the dinosaurs saying the same thing, as they went extinct.

Far from being in control, the financiers are reacting to events beyond their comprehension. They are acting on impulse, and their impulse is to try to save themselves no matter what the cost to the people of the United States, and the world. One can see this in the proliferation of bailout schemes being proposed on Wall Street and in Washington, all based on the premise that this is a temporary crisis, that the fundamentals are sound, that their delusions are real, and that the reality of the collapse is the illusion. That, is a serviceable definition of insanity.

### Cartels, and Fascism

What is left unsaid in all these bailout schemes is that they have the common aim of saving the speculators by passing the losses on to the public. Ultimately, it is the public which would pick up the tab, be it in the form of increased government debt and taxes, cuts in services, or the Rohatyn/Bloomberg plans to loot the public through the privatization of infrastructure.

As we have indicated in numerous locations, what is being proposed is a form of Mussolini-style corporatism, in which government becomes the agent for rule by financier-run corporate cartels. Since corporatism has a bad name, this variant of fascism has been re-branded as “globalism,” a new and improved way of managing the world. Within the new packaging, however, lies the ancient evil of imperialism.

Lyndon LaRouche has observed that the cultural and political changes that burst forth in 1968 lay at the heart of

the Baby-Boomer generation's susceptibility to imperial manipulation. In addition to the cultural and political attacks upon the population in that period, an assault on the structure of the U.S. economy was also launched by the imperial gamemasters. The name of the project was the "World Company," and it was introduced by senior Lehman Brothers banker and top Establishment figure George Wildman Ball at the Bilderberg Group meeting at Mont Tremblant, Canada, in April 1968.

The aim of this world company project, as explained by Ball, was to eliminate "the archaic political structure of the nation state" in favor of a more "modern" corporate structure. "The world company has a great potential for good as an instrument for efficiently utilizing resources," Ball said, revealing the Malthusian nature of the project. Ball made explicit that what he was outlining was a return to the imperial form, by citing "the overlapping sovereignties of the governments of Europe and the House of Rothschild," thus putting the financiers on the same level as governments. Ball also called for further political integration in Europe, as a precondition for expanding the power of the world company apparatus in Europe, a process he assisted by working with Jean Monnet and Robert Marjolin in laying the framework for what became the European Union.

After his Bilderberger speech, Ball and his co-imperialists gave a series of presentations designed to advance the project. One event, a 1974 seminar at the American Assembly, a Columbia University-affiliated operation housed at the old Harriman estate outside New York City, was turned into a book, *Global Companies: The Political Economy of World Business*. Edited by Ball, it consists of transcripts of speeches attacking the very concept of national sovereignty, and asserting the need for corporations to run the world.

In one of these speeches, a top IBM official, Jacques Maisonrouge, used language similar to the claims made by globalists today. "Pandemic inflation, skyrocketing oil prices, scarcities of raw materials, disequilibrium in international payments, poor harvests, rising unemployment, high interest rates, growing fear of a global depression—these are only some of the problems bedeviling the human race," he said. "The seminal problem appears to be the lopsided distribution of the world's resources, both material and human. What is needed are mechanisms whereby those resources can be identified, managed, and more equitably distributed. One such mechanism—the international company—already exists. It is my contention that no better tool has yet been devised for realizing these goals than the international company."

Presaging the claims made by Felix Rohatyn, Michael Bloomberg, and the Rockefeller Foundation's Judith Rodin today, Maisonrouge claimed that, "it is all too clear that purely political solutions do not work in the long run" as governments "place national interests, or their views of them, ahead of long-term international cooperation."

## Felix the Fascist

While Ball was pushing this concept, his Lehman Brothers firm was working closely with the Synarchist investment bank Lazard Frères to implement it. Together, these two firms were at the forefront of the assembling of the conglomerates, the predecessors to today's supranational giants. Cartelization, under the euphemism of mergers and acquisitions (M&A), has been the life's work of Felix Rohatyn, the long-time Lazard banker who, after a stint with Rothschild, joined Lehman in 2006. Rohatyn headed the New York Stock Exchange's Crisis Committee in the early 1970s, helping to restructure Wall Street to pave the way for this cartelization, and then became the most prominent of the M&A bankers. His sleazy role in orchestrating the machinations of one of his clients, ITT, involving deeds ranging from illegal stock parking, to the installation of the fascist Pinochet government in Chile, earned him the insulting sobriquet "Felix the Fixer," a name which, while true, was far too kind. Lazard, as U.S. and French intelligence reports have shown, was a controller of the Synarchy, the French variant of fascism, and Rohatyn was their man in the United States.

Over the years, Rohatyn has played a major role in building the globalist cartels that increasingly dominate the world economy. Now we have Rohatyn, a major power behind the scenes in the Democratic Party, moving to complete the world company project by using the current financial crisis to defeat the nation-state. The intention is to use the financial crisis and the political paralysis in Washington to "prove" that the "archaic" nation-state is unable to deal with the complex problems facing the modern world, and that it is therefore necessary to move "beyond politics" into a more efficient, corporatist structure. This is what lies behind the "public-private partnership" privatization schemes and the plans to install a technocrat like New York Mayor Michael Bloomberg in the White House. Politics has failed, and it is now time for change, they say, offering as the model the very British imperial system against which we fought the American Revolution.

Should we allow this project to come to fruition, the world will rapidly descend into even greater austerity and chaos, as the financier imperialists consolidate their grip over the planet. Their intention is to restore the predatory system represented by the British East India Company and the Venetian Levant Company, using the modern technology of Big Brother. This means consolidating their control over raw materials, using their control over the restructured financial markets to rig prices on the necessities of life (and making what Enron did to California look like a walk in the park), and dramatically reducing global population. Much of this has already been completed, but we still have the opportunity to stop it, restore national sovereignty, and put these evils back in their Pandora's Box. Forget the financial system, which is already dead. What is on the line is civilization itself.

# The Aesthetical Education of America

by Sky Shields and Peter Martinson, LaRouche Youth Movement

The operation to install New York Mayor Michael Bloomberg as the fascist dictator of the United States, has been identified and described, prominently and, so far, uniquely, by that nation's most talented economist, Lyndon LaRouche.<sup>1</sup> In short, were Hillary Clinton to be defeated by Barack Obama as the Democratic Party Presidential nominee, Obama would be swiftly destroyed politically by a press scandal firestorm, leaving the population to vote for either Independent candidate Michael "Sleazy" Bloomberg, or perhaps for an unhealthy Sen. John McCain—with Bloomberg as the Republican Vice Presidential candidate. Either choice would be a disaster for the United States, and indeed, the world.

Michael Bloomberg has been "not-campaigning" for President over the past few months, on the platform that the United States is facing a crisis.<sup>2</sup> The nation's infrastructure is crumbling, and the Federal government is doing little or nothing about it. A vast construction program must be launched soon to deal with this crisis, and Bloomberg has found a way to pay for it. Instead of asking the Federal government to initiate construction of infrastructure, Bloomberg advises that the cities themselves bypass the Federal government, and beg private corporations to build infrastructure with their own capital, to be financed by the population directly.

The nation does, indeed, need infrastructure. In fact, only



*The LaRouche Youth Movement intends its 80-minute documentary DVD to provide a new generation of pedagogical material, capable of educating a population, faced with the threat of global fascism.*

a sudden shift of the nation's economic policy back towards the type of thinking typified by Franklin Delano Roosevelt's response to the economic depression, can save our country and the world from a quick descent into a deep Dark Age. Infrastructure is the skeleton and circulatory system of an integrated national economy. From the perspective of commuter traffic jams, millions of Americans have the gut reaction, that maintenance and quality of specific forms of infrastructure are necessary for the

promotion of productive forms of human labor, and also human happiness. Lack of investment in maintenance and new building of infrastructure appears, first, as a slowdown in production and increasing loss of jobs, and second, as rolling catastrophic collapses in its human life-support functions, providing fertile ground for such famines and diseases recognizable from the 14th-Century New Dark Age.

Investment in basic economic infrastructure is, thus, absolutely necessary for a productive and happy nation. Bloomberg's plan, however, which is actually the plan of that New York fascist, André Meyer protégé Felix Rohatyn,<sup>3</sup> calls for

1. See LaRouche's mass-distributed broadside, "Mitt Romney Walks Out," available on <http://www.larouchepac.com>.

2. Bloomberg appeared at a Jan. 19, 2008 press event in California, along with Gov. Arnold Schwarzenegger, Rockefeller Foundation head Judith Rodin, and duped Pennsylvania Gov. Ed Rendell, to promote his Presidential platform.

3. At a press conference in Washington, D.C., March 27, 2006, Rohatyn responded to a question from LaRouche, delivered by *EIR*'s Paul Gallagher, on whether Rohatyn would support an FDR's method of large-scale public credits and modern infrastructure. Rohatyn erupted: "No! We have a lot of new financing mechanisms since the days of the New Deal. And Roosevelt did marvelous things because he had nothing—no alternatives with respect to financing these projects. We do! We have the private sector; we have state and local governments; we have union pension funds; we can create special-

infrastructure to be financed by private companies. Looking at some recent examples such as the breakdown of the overpriced Bechtel Big Dig in Boston, and the skyrocketing tolls on the foreign-owned, 14-mile-long Greenway parking lot between Leesburg, Va. and Dulles International Airport, privately built and maintained infrastructure is very expensive, and dangerous. Furthermore, the price of the infrastructure, and also, the profit overhead demanded by the private corporations, would ultimately be paid for by a more and more impoverished population.

## A More Ominous Design

This Rohatyn-Bloomberg plan has a much more ominous design, though. The world is now witnessing the complete breakdown of its financial system, which had been used, since the death of Franklin Roosevelt, as a tactic by London and its Wall Street lackey financiers to exert more and more control over national economies. In this final phase of breakdown, these same oligarchic financiers are demanding direct ownership of the infrastructure necessary to keep people alive. Like the Mussolini option in Italy, or the similar Hitler program in Germany, in order to push true national government out of the way for private domination of key national programs, the financial oligarchy needs a strongman with the stomach to cut right to the bone.

On the other hand, LaRouche has proposed that the U.S. government take its banking system into bankruptcy receivership, and proceed much further into deficit spending, in order to fund productive construction of basic economic infrastructure. If the Federal government attempted to finance the construction of new high-speed railroads and nuclear power grids, it would necessitate spending whose scale is only comparable to the waging of total war.

The initial financing will take the form laid out in the widely supported Homeowners and Bank Protection Act (HBPA).<sup>4</sup> A national moratorium on housing foreclosures would allow homeowners to negotiate low, fixed rental payments with local chartered banks, for a period of several years. These rental payments, combined with fresh infusions of money from a nationalized Federal Reserve system, would then be earmarked for low-interest investments in things like basic economic infrastructure. Interest on loans from our new National Bank to entities outside the country, however, would be kept quite high, not only to dry out the speculators now attacking our U.S. dollar, but also to effectively fix the value of the dollar for secure, long-term investment.

Organizing the population for this solution, against the “Bloomberg operation,” faces the challenge of a population

purpose bonds. *Some of it* may come directly from the budget.... But we are far away from the days and methods of the RFC [Reconstruction Finance Corporation].”

4. Available at <http://www.larouchepac.com>.



Time magazine, June 25, 2007: Unholy “Twins” Michael Bloomberg and Arnold Schwarzenegger have teamed up to impose Felix Rohatyn’s fascist “infrastructure” program.

whose culture has been immensely degraded since the death of Franklin Roosevelt. The rock-drug-sex counterculture, as an offspring of the Congress of Cultural Freedom, created a generation which, by and large, was conditioned to fall for fascist policies, over and over again, while the current youth generation, whose concentration span has been reduced to 30 second clips, has had no referent to a productive American economy presented to them in their education. How does a revolutionary body stop the outbreak of true fascism, and organize a true economic recovery, if the population is virtually blind to the principles involved?

## Beauty: The Organizing Principle

With the completion of an 80-minute documentary video, entitled “Firewall: In Defense of the Nation-State,” the LaRouche Youth Movement (LYM) is positioned to expand its political-educational outreach along lines specified by LaRouche as far back as 20 years ago. A new generation of pedagogical material is being produced which is capable of educating the American population and the world, not only with regard to content, but also with regard to form. We are faced with the same paradox today as that presented by Friedrich Schiller near the beginning of his “Aesthetical Letters”: It is



*The nation's infrastructure is crumbling, and the Federal government is doing little or nothing about it, leaving the way for Bloomberg's corporatist "solutions." Here: I-35 at Minneapolis in 2007.*

only through the constant pursuit of wisdom that an individual can become wise. However, wisdom requires work to attain, and so, at first glance, it is always less attractive to the uneducated mind. Therefore, we would seem to encounter the paradox that, in order for an individual to become wise—to enjoy the pursuit of wisdom—he would have to already be wise to begin with.

This paradox, says Schiller, is resolved by his principle of Beauty in Classical culture. That is, the possibility of bringing the world of sense into conformity with truthful, yet invisible, principles. Or, better said, it is the organization of the objects of sense, such that the inherent paradoxes of sense perception become unavoidable, and the observing mind is driven to search for higher causes. This intentional wielding of paradox, with the intention of releasing the human mind from its dependence on the testimony of sense perception, is known alternately by the names of irony, and metaphor. This principle, properly understood, is the basis for the approach taken to the LYM's guided study of the works of Johannes Kepler, and now Carl Friedrich Gauss and Bernhard Riemann.<sup>5</sup> Originally called "animations," this pedagogical approach represents

5. See the pedagogical websites, designed by special science teams called, collectively, "the Basement," available at <http://www.wlym.com/~animations>.

just the beginning of an expanded educational capability now deployable by the LYM.

The fact that the LaRouche Movement exists as a political movement worldwide gives us a unique advantage in the production of this material, if our resources are adequately utilized. There is potentially a vast store of photographic and video raw material at our disposal, generated in every region of the world where the LaRouche Movement is active.

There are already numerous creative ideas emerging for deployment of the video, from regular showings by campus clubs, to a looping presentation at the California Democratic Party State Convention. This comes on top of the deployment, directly into the organizing field, by means of various portable media devices, which was already shown to be a success with the earlier, four-minute video ("Fed Copies Weimar Hyperinflation"; see [www.larouchepac.com](http://www.larouchepac.com)).

Additionally, to complement the centralized work of the LYM "Basement" team on generating this type of pedagogical content, an efficient structure

has been established to disseminate this work throughout the movement, and to assist in the education of new recruits. Because of this, the entire educational structure developed for working on Kepler's *New Astronomy* and *Harmony of the World* is already organized to absorb and utilize this pedagogical material, in whole and in part. That is, either to organize showings of the entire video in the various youth locals, or to take various portions of the video (most likely animations) for use in more specialized discussion of specific topics.

Ideally, as our movement is more and more thoroughly steeped in the methodological approach of Gauss, Riemann, and LaRouche, this Monge Brigade apparatus will be deployable also in the production of new material in the form of animations and video product.

This type of educational program, combined with advanced Classical choral work, underway throughout the LaRouche Youth Movement, along with an extensive outreach program of on-the-ground organizing, should put us in position to reestablish the United States as a functioning sovereign nation-state. As Schiller describes in his "Aesthetical Letters," we can create the necessary moral and intellectual foundation to create true citizens, immune to the type of fascist subversion of our constitutional republic now being implemented.

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# Business Briefs

## Cities

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### Vallejo, California May Declare Bankruptcy

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The city of Vallejo, California, home of 120,000 people, is considering the possibility of declaring bankruptcy. The City Council held a hearing on the implications of such a move on the evening of Feb. 21.

Vallejo projects a \$6 million budget deficit by June 30, the end of its fiscal year, and the inability to pay city employees by mid-April. Some city officials are attributing the financial crisis to increasing police and firefighter salaries, along with plummeting tax revenue from the collapsing housing market.

According to the *San Francisco Chronicle*, the Vallejo City Council is considering cutbacks at the library, public swimming pool, and history museum, as well as rescinding a 15% pay raise for police and firefighters, layoffs of city employees, rotating closures of fire engine companies, and cutting funding to all community groups.

The most recent major bankruptcy by an urban locality was that of Orange County, California, in 1994. Without Federal protection, the result was devastation of living conditions.

## Firewall

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### New Calls To Protect Homeowners, Banks

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The Indiana state legislature became the 15th in the United States to have the LaRouche-authored Homeowners and Bank Protection Act introduced, during the week of Feb. 21. State Sen. Samuel Smith sponsored Concurrent Resolution 33, which urges the U.S. Congress to declare a moratorium on home foreclosures and to establish a homeowners and bank protection act (HBPA).

The HBPA, as drafted by Lyndon LaRouche in August 2007, calls for Congress to put the Federal and state chartered banks under protection, to freeze all existing home

mortgages for as long as it takes to adjust them and work out a reorganization of the banking system, and to declare a moratorium on home foreclosures during this same transitional period. While restructuring is taking place, the bill empowers state governors to assume the administrative responsibility for implementation, including establishing "rental" payments from homeowners to designated banks.

Calls for the HBPA have been introduced in nearly 75 cities around the United States. The latest to pass such a resolution, on Feb. 20, was the Melvindale City Council in Wayne County, Mich. (population 10,700). It is a blue-collar suburban area that is being decimated by layoffs, outsourcing, and the home foreclosure tsunami.

## Energy

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### Brazil and Argentina Put Nuclear on Agenda

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The Presidents of Brazil and Argentina met in Buenos Aires on Feb. 22 and signed 17 bilateral agreements viewed as crucial to the process of regional integration. These include cooperation in aerospace, defense, transportation, and energy, but key among them are the plans to build a binational uranium enrichment plant, and set up a binational commission for the purpose of designing a nuclear reactor able "to meet the needs of both countries' electrical systems." The agreement occurred after a period relative silence, following the Dec. 9, 2007 founding of the Bank of the South.

Malthusian financiers in London and New York must be sweating. Scientific and technological cooperation between Argentina and Brazil, especially in the area of nuclear energy, is one of their worst nightmares. But Brazilian Foreign Minister Celso Amorim was grinning, according to the daily *O Globo*, when he told reporters in Buenos Aires on Feb. 21, "We're taking a step toward nuclear, and even industrial, strategic cooperation, with projects for the use of nuclear energy and building of reactors." He promised that when the announcements were made the following day, they would

have a "huge impact inside and outside the two countries."

Both Brazil's President Lula da Silva and Argentina's President Cristina Fernandez de Kirchner addressed the importance of the strategic alliance between their two countries. Lula described it as "indispensable for us to achieve our national goals, which only make sense if they are seen as part of a broad project of South American integration." In that connection, he also emphasized the importance of the Bank of the South.

## Natural Gas

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### Algeria and Russia Discuss Cartel Idea

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Russian President Vladimir Putin and Algerian President Abdel-Aziz Bouteflika met in Moscow Feb. 20 to discuss economic cooperation. Both countries are major natural gas suppliers to Europe, and the Presidents discussed energy ties amid speculation concerning the creation of a gas producers cartel similar to OPEC.

"It's extremely important that we keep in touch on energy issues, particularly since Algeria this year is chairing OPEC," Russian President Vladimir Putin is quoted by AFP as telling Bouteflika.

Bouteflika, for his part, told Russia's ITAR-TASS news agency that major gas exporters should "coordinate" their energy policies. Asked about plans for a cartel, Bouteflika said: "It's clear that countries such as Russia, Qatar, and Algeria already play a major role on international gas markets, and they should coordinate their activities even more." He also said that the Gas Exporting Countries Forum (GECF), set up in Tehran in 2001, should "play a more active role," and that gas suppliers to the European Union should team up against "restrictive laws" on energy imports.

This is the Algerian President's first official visit to Moscow, and follows a trip by Putin to Algiers in 2006, in which Russia wrote off Algeria's Soviet-era debt, in exchange for arms purchases by Algeria of around \$7 billion.

# Pakistan's Elections: Prospects for the Future

by Ramtanu Maitra

Defying most of the doomsayers' gloomy predictions, Pakistan's elections took place on Feb. 18, in a relatively orderly fashion, and the results indicate that no mass-scale vote rigging was done. Although less than 40% of the electorate exercised their franchise, the poll results can still be considered as a reflection of national opinion.

As was expected, the ruling parties PML (Q) and the ensemble of six Islamic parties, MMA, suffered a crushing defeat, winning only 43 of the 268 National Assembly seats. By contrast, the Pakistan People's Party (PPP), led by Asif Ali Zardari, following the assassination of his wife, Benazir Bhutto, on Dec. 27, 2007, and the PML (N), under the leadership of Mian Nawaz Sharif, together won 154 seats. While talks are in progress on the formation of a government, it is certain that these two largest parties will form an alliance, bringing under their fold some smaller parties and independents. In all likelihood, the post-electoral alliance will have a significant majority in the National Assembly, but will not have the two-thirds majority which would allow the government to impeach the President, or change the Constitution.

While the general pre-election reading on how the major political parties would fare, if there were no widespread rigging of votes, came out close to the mark, it must be noted that the PPP (the parliamentary version of this party is PPPP) did not secure the so-called sympathy votes expected because of the assassination of Bhutto only eight weeks before the elections were held. As a result, the PPP's tally, though the highest among the parties, was a modest 88 out of 268. The PPP did very well in Sindh, the ancestral land and home of the Bhutto family, but not so well in Punjab, where the PML (N) rules the roost, particularly in the urban areas. In Rawalpindi, where Benazir Bhutto was assassinated, the PPP lost to a PML (N) candidate.

If the PPP "sweep," as some Pakistani analysts had pre-

dicted, did not occur, what surprised Pakistanis is the virtual political demolition of the MMA in the North West Frontier Province (NWFP), bordering Afghanistan. In 2002, the MMA had 60 National Assembly seats, most of them from the NWFP, and the alliance also ruled the province. But this time around, its haul is only five seats. The MMA was swept aside by the Awami National Party (ANP), an old NWFP powerhouse that was accused by Washington, during the Cold War days, of being pro-Soviet. ANP has no religious pretensions and is considered a liberal party that opposes the U.S. invasion of Afghanistan, the rise of Islamic militancy in Pakistan, and President Musharraf's close ties with the United States. In other words, the small percentage of ethnic Pushtuns who came out to vote on Feb. 18 sent a strong message to both Washington and Islamabad.

## Referendum Against Musharraf

There is no question that the major opposition parties ran this election as a referendum against President Pervez Musharraf. His support has declined, particularly since the sacking of Pakistan's Supreme Court Chief Justice, Iftikhar Muhammad Chaudhry, in May, which coalesced the educated, urban and pro-West Pakistanis against Musharraf. These were the ones who were earlier a strong support base for Musharraf, a secular leader, and were opponents of Islamic militant groups. The July raid on the Islamabad-based Lal Masjid, which allegedly killed more than a thousand madrassa students—boys and girls—along with other Islamic zealots who had assembled there, propelled the anti-West Islamic militants openly against President Musharraf and the Army.

The failure of the PML (Q) and the MMA in the 2008 elections can be directly attributed to Musharraf's failure to maintain the alliance base which he had had since he seized power from the PML (N) in a bloodless coup on Aug. 12, 1999, which



he lost some months ago. Musharraf’s failure, and his subsequent weakening, in turn, could be attributed to the United States and the West—the “mother of all problems” today in Pakistan. The invasion of Afghanistan by the United States in the Winter of 2001; President Musharraf’s active participation in the war on terror, which was directed against some Pakistani citizens as well; killing and more killing of Pushtuns in Afghanistan and Pakistan’s Federally Administered Tribal Areas (FATA), bordering eastern and southeastern Afghanistan, by Musharraf’s allies in the West; and the violence that was unleashed in Pakistan by the Islamic militants changed Musharraf from a leader to a survivor. It was evident that in the Feb. 18 elections, even if Musharraf had organized massive vote rigging to bring home his old allies—the PML (Q) and MMA—and defeat the PPP and PML (N), the Pakistani Army under Gen. Ashraf Kayani would have ignored Musharraf’s request and, possibly, would have removed him.

It is also evident from the statements issued by such powerful former Inter-Services Intelligence (ISI) and Army chiefs as Lt. Gen. Hamid Gul and Gen. Mirza Aslam Beg, particularly since the Lal Masjid raid, that the Army was getting increasingly uncomfortable with the law-and-order situation that has developed within Pakistan due to the Washington-directed policy adopted by President Musharraf. Nobody could have confidence in the Pakistan government, when the most secured places of the Pakistani Army and Special Forces HQ became

accessible to suicide bombers, causing the deaths of many soldiers and officers since last July. The Pakistani Army, the only institution on which the majority of Pakistanis depend in times of crises, has been weakened by Musharraf and his Western allies, and it is up to General Kayani to rebuild it.

### What To Expect in the Coming Days

The situation remains so volatile that the most horrendous things can happen at any time. To begin with, the victory of the ANP, a liberal democratic party, in the NWFP, may quickly consolidate the militants, many of whom are working toward separating the NWFP, FATA, and Baluchistan from Pakistan. The only way they can assert their presence is through raw violence. It would be unwise for Islamabad, and Rawalpindi (Pakistan’s Army, that is), to assume that the plan for breaking up Pakistan, which is very much on London’s and “Londonistan’s” (London-harbored Islamic militants) agenda, will be given a respite, because of what happened in the 2008 elections.

According to a well-known Indian analyst, the Islamic militants hate the ANP with a vengeance. There are a number of reasons for this, besides the fact that the ANP is secular and smells of leftist politics. One reason is that the ANP allegedly cooperated with the Soviet Union’s puppet Afghan dictator, Mohammad Najibullah, during the early 1990s, after the Red Army had hightailed it out of Afghanistan in the Summer of 1989. On record, ANP has on its agenda changing the name of the province from NWFP to Pukhtoonkhwa, and yet-to-be-defined provincial autonomy. ANP may choose to push these policies because it could thus garner support of the local Pushtuns, and could prevent vicious attacks from the Islamic militants. The ANP gambit may not materialize, since it will be a very minor partner in the government, with fewer than ten elected members.

What may cause a serious problem within the government is the matter of Pakistan’s role in Afghanistan and against al-Qaeda. Both the PML (N) and the ANP are against allowing U.S. troops to operate on Pakistani territory, or allowing U.S. planes to bomb suspected terrorist camps in Pakistan. The PML (N) has already sought clarification of the implications of the U.S. declaring Pakistan a non-NATO ally. According to at least one analyst, this could mean that the PML (N) is seeking a review of the present policy, under which supplies for NATO troops in Afghanistan are allowed to be unloaded at the port of Karachi, and moved to Afghanistan by road through Pakistani territory. In addition, the PML (N) and the ANP want the economic and social development of the FATA to be done according to a plan to be drawn up by Pakistan, and not by the U.S. State Department or the Pentagon.

On the other hand, the PPP’s position on these issues is in

sync with both President Musharraf and Washington. Benazir Bhutto was on record saying she would allow the Americans to go into the FATA to eliminate the Islamic militants. The PPP also has a very strong anti-madrassa position, more or less opposite to the views of the PML (N) on the issue.

The coming coalition government in Islamabad will also have other contradictions—some of them consequential in the short term, while others may become aggravated over time. For instance, Afghan President Hamid Karzai is already in touch with PPP leader Asif Zardari. Since the PPP calls for allowing American troops to get into the FATA to eliminate al-Qaeda and other militants, helping Kabul in the process, Kar-

zai would like to build a strong bridge with the PPP. This may not go over well with PML (N) supremo, Nawaz Sharif, who strongly opposes any American intervention in the FATA.

Another question is, what will be the role of the Saudi royal household in the coming days, to restrain Nawaz Sharif in his campaign to remove President Musharraf? This issue is expected to linger as a festering wound. The Saudis are aware that Washington has not abandoned Musharraf yet, although the Saudi-backed Sharif has. How the Saudis will resolve this contradiction, time will tell.

## The Real Problem

The real issue that would continue to weaken and drain Pakistan, and its Army, however, is the presence of U.S. and NATO troops in Afghanistan. As long as foreign occupying forces stay there, the Afghans will fight back, and foreign troops will get no respite. To believe for even a single moment that the foreign troops will be able to “subdue” the Afghans for good, is ignorance and naivety rolled into one. Afghans, as well as foreign Islamic militants who have assembled along the Afghanistan-Pakistan border to bleed the foreign troops through nicks and cuts, as well as suicide bombs, perceive that the United States has limited staying power. It could be 2008, or 2009, when the foreign troops would be able to justify their departure from Afghanistan. Till such time, the Afghan-Push-tuns would carry on.

What could possibly be Islamabad’s role in the future in this conflict? President Musharraf stuck Pakistan’s neck out on behalf of the foreign occupying troops, and got his own country into serious law-and-order trouble. This trouble is growing, and there is every reason to believe that a full-fledged secessionist movement, which was only simmering before, may have begun to boil, or is about to.

Pakistan has a new government and a new Chief of Armed Services (COAS). Neither the government to be formed, nor the COAS is party to the Bush-Musharraf deal. It would be unlikely that the new power centers of Pakistan, with Musharraf virtually out of the loop, believe that they will have to make a similar commitment to America’s woes—i.e., Afghanistan—as Musharraf made. If they manage to stave off Washington’s pressure on that, Pakistan’s law-and-order situation may improve.

There is a positive note on that issue. Even before the government has been formed, the two major parties, PPP and the PML (N), following their leaders’ discussions, said on Feb. 19 that they would take a new approach to fighting Islamic militants, by pursuing more dialogue than military confrontation. There is no question that this decision will be strongly endorsed by the Army. However, the key will be to keep the foreign occupying forces, and their demands, off the agenda during this discussion.

But what would change the situation significantly is telling the Americans, and the Europeans, to leave Afghanistan, or, at least to make arrangements to leave.

## Pakistan’s Major Parties

**Awami National Party (ANP):** Led by Asfandiyar Wali Khan. A secular, leftist party based in the North West Frontier Province (NWFP); has strong support among ethnic Pushtuns. Won 10 seats in the 2008 National Assembly (NA). Had no seat in the previous NA.

**Muttahida Majlis-e-Amal (MMA):** A coalition of six Islamic parties headed by Qazi Hussain Ahmed. Wants to make Pakistan an Islamic state. Was a ruling party, with the PML (Q), prior to the recent election, in which it won only five seats.

**Muttahida Qaumi Movement (MQM):** A party of Indian Muslims settled in the large cities of Sindh, Pakistan after the 1947 partition of India. A political rival of PPP, MQM is led by Altaf Hussain, from his self-imposed exile in the U.K. Has been supportive of all governments opposed to the PPP. Won 19 seats.

**Pakistan Muslim League (PML-N):** The largest faction of the PML. Led by Nawaz Sharif, who returned a few months ago from Saudi Arabia, where he was exiled after being ousted in a 1999 coup led by Gen. Pervez Musharraf. Opposes operation of U.S. troops in Pakistan. PML (N), created by the Pakistani Army in 1989 to oppose Benazir Bhutto’s PPP, has strong links to the Army. Won 66 seats.

**Pakistan Muslim League (PML-Q):** Formed under guidance from Musharraf in 2001, and ruled with the MMA until the recent election. Won 38 seats.

**Pakistan People’s Party (PPP):** Bilawal Bhutto Zardari, chairman; Asif Ali Zardani, co-chairman. The party of the late Zulfikar Ali Bhutto and late Benazir Bhutto, was founded in Sindh in the late-1960s. Won 88 seats.

**Pakistan Tehrik-e-Insaf (PTI):** Headed by the cricketer-turned-politician Imran Khan. Boycotted the 2008 election.

# Shultz's Boys Are Running Yet Another Coup in the Philippines

by Michael Billington

Precisely the same scoundrels who served as the flunkies for George Shultz in 1986 and 2001, in carrying out military-imposed regime-change in the Philippines, under the cover of "People's Power," are now preparing to oust President Gloria Macapagal Arroyo, who apparently no longer serves her masters' purposes. It was Shultz, then the U.S. Secretary of State, and his Deputy Paul Wolfowitz, who recruited Gen. Fidel Ramos, the appropriately named Cardinal Sin, and the Makati Business Club (the Philippines business elite) to orchestrate the overthrow of President Ferdinand Marcos in 1986. The first act of the new President, Cory Aquino, was to scrap the completed nuclear power plant, as demanded by Shultz and Wolfowitz, thus ending the Philippines' leadership in technological and scientific progress, in Southeast Asia. The Philippines has been subservient to the neo-colonial globalization process ever since, and is now an economic basket case, completely unprepared to face the financial crash unfolding internationally.

The same Shultz-directed crew, in 2001, overthrew Joseph Estrada, a popularly elected President who was not fully under their control, placing a more submissive Gloria Arroyo in his place. Like Cory Aquino before her, Arroyo's first act was to follow Shultz's orders on energy policy—this time, privatizing the national power company. Since that time, the nation has been run by a triumvirate of Arroyo, Shultz's boy General Ramos, and the Speaker of the House of Representatives, Jose de Venecia. De Venecia has served as the primary asset of the right-wing Heritage Foundation circles in Washington, offering up the Philippines for sale cheap, to the London-New York speculators, with debt-for-equity schemes and constitutional changes to allow the foreign takeover of mining and other industries.

However, de Venecia and Ramos have now turned against Arroyo, and are moving to recruit the deposed Estrada, who is still widely popular, to their own plan to oust her (although it is highly unlikely they will allow Estrada back into power), while the followers of the deceased Cardinal Sin within the Church are calling for a popular revolt against the government, and the Makati business honchos are throwing their weight behind the operation, as before. An added, and sinister aspect to this new attempted U.S.-run military coup, is that the population is being riled up against China, in keeping with the

binge of China-bashing recently unleashed in the U.S. by the Heritage Foundation circles.

The spark for the crisis was the deal signed by the Arroyo government with China's state-run telecommunications giant ZTE, to build an extensive broadband network across the Philippines. De Venecia's son Joey, however, made an bid for a cheaper, and far less extensive network. When the deal went to the Chinese, Joey and Papa de Venecia went ballistic, accusing the government (and Arroyo's husband, in particular) of huge kickbacks and corruption in the China deal. This smelled for many reasons, not the least of which being that de Venecia's friends at Heritage have repeatedly denounced Gloria Arroyo for her ties to China, as part of their anti-China crusade.

Right in step, the *left-wing* front group Bayan, as part of their many demonstrations calling for Arroyo to step down, also began calling for the suspension of all ongoing infrastructure projects in which the Chinese government is involved. In fact, China is essentially the only nation on Earth funding infrastructure projects in the Philippines, in particular a large-scale program to rebuild the decrepit and largely collapsed rail lines connecting Manila with areas north and south of the city.

Under intense pressure, President Arroyo cancelled the deal with Chinas ZTE, while denying any corruption. ZTE issued a statement saying it would not "allow itself to be dragged into any political circus," denying any bribe offer in the deal.

## The Political Soap Opera

In early February, after turning against President Arroyo over the ZTE broadband deal, de Venecia was unceremoniously dumped as Speaker of the House, by his own ruling party (clearly with President Arroyo's backing), and is likely to be thrown out of the party altogether. He then held a high-profile dinner with the deposed President Estrada, and is threatening to "tell all" about the corruption and election theft in the Arroyo Administration. Also, Rodolfo Lozada, an engineer who was involved in the ZTE deal, is accusing the head of the elections commission (who was also in on the deal) of getting a multi-million-dollar kickback, in payment for having fixed elections for Arroyo! The President and her



OPS-NIB Photo/Michael Rey Baniquet

*The triumvirate of (left to right) Jose de Venecia, Gloria Macapagal-Arroyo, and Fidel Ramos is breaking down, as the foreign coup-makers aim to destroy any remnants of national sovereignty in the Philippines.*

husband are also accused of organizing a cut of the deal for themselves.

Cory Aquino, the token leader of the People's Power charade against Marcos in 1986, has thrown her weight behind whistle-blower Lozada, as has the Catholic Bishops' Conference, which called for "non-violent communal actions" (i.e., people's power) against the government's corruption, even while admitting that the whistle-blowers were equally corrupt.

The primary difference between the current manipulated coup and those of 1986 and 2001, is that President Arroyo has virtually no support within the population, while Marcos and Estrada did. Her administration has been forced to use increasingly dictatorial means to maintain power, including decrees that her government officials should ignore Congressional inquiries; blatant cheating in her 2004 reelection; and the illegal imposition of emergency rule to crush the opposition to the vote fraud, while she has allowed U.S. military operations against Islamic radicals in the South which openly breached constitutional restrictions against foreign troops operating on Philippine soil. Factions of the military are essentially out of her control, carrying out death-squad killings of anti-government political activists with impunity, despite the President's efforts to crack down.

On the other hand, the population no longer swallows the myth that the earlier coups liberated them from tyranny—they now have the historical record before them, that the Philippines lost its sovereignty, lost its potential Southeast Asia leadership in science, medicine, culture, and technolo-

gy, and is facing catastrophic economic and social disintegration, as the fruits of their "people's power." Even many who were leaders of the coup against Marcos are now working to reverse the disaster which followed (see "LaRouche, FDR, and Nuclear Power in Southeast Asia," *EIR*, Dec. 14, 2007).

Nonetheless, Shultz's boys could pull it off. To see that those calling for a new coup are again simply looking for warm bodies on the streets to cover for a new and likely more brutal comprador leadership, read the words of the editorial in the leading establishment newspaper, the *Philippines Daily Inquirer* of Feb. 16: "The options are in the hands of every Filipino, even though there may be individual disagreements as to the means, methods, and objectives we, as a people, should collectively pursue. 'Bring it on!' This, to our mind, is the option in the hands of a public confronted with the hubris of any administration that thinks it

can fool all the people all the time. The individual citizen, unsure of what collective action to pursue, can find his or her bearings by means of resolving individual action. That action can take many forms, but it should take the form of a single message: 'Bring it on!'"

This is indeed a call to anarchy, which can serve only the Anglo-Dutch financial oligarchy, whose current policy is one of rendering chaos on every front, with the objective of finishing off the idea of the sovereign nation-state itself. With a hyperinflationary explosion ripping through Asia and the world, the already destitute Philippine economy is being thrown to the wolves while the ruling families are turned against each other. It is particularly foolish to sabotage relations with China at this dramatic crisis point in history.

The Philippine LaRouche Society has focused on the urgency for Filipino statesmen and citizens alike to orient not towards policy-less power plays, such as "Bring it on," but rather, towards the new financial architecture proposed by LaRouche, which is now at the center of the monumental battle raging within the United States, as the financial collapse coincides with the U.S. Presidential elections (see "Mitt Romney Walks Out" by Lyndon LaRouche, <http://www.larouhepac.com/node/9977/print>), while building a fight in the Philippines to revive the great nuclear and related projects, and the necessary educational policies, of the Marcos era. There are some within the Arroyo government and in the private sector who are taking up this effort. They must be supported.

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# International Intelligence

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## *Israeli Commentator Urges Talks with Syria*

Writing in the Feb. 22 issue of the daily *Ha'aretz*, Israeli commentator Ari Shavit called for Israel to open peace talks with Syria. He wrote: "For the past eight years, Israel has not taken a genuine diplomatic step regarding Syria. Emissaries have come and gone, trial balloons have been floated, but a firm decision to extend a hand to Damascus has not been made. Why? Because an unwise U.S. administration encouraged irresponsible Israeli governments to turn their back on the Syrians. Because the local peace lobby preferred virtual negotiations with a virtual Palestinian Authority instead of a concrete attempt to find out whether we can reach a true settlement with our northern neighbor."

"Peace with Syria is not an enthusiastic prospect... But peace with Syria will divorce [Lebanese Hezbollah leader Hassan] Nasrallah from Iranian President Mahmoud Ahmadinejad, isolate Iran, and surround Israel with a ring of cold but stable peace arrangements. In a gradually darkening Middle East, peace with Syria might light a torch of hope and create a meaningful strategic turning point... It is not certain that an attempt to arrive at peace with [Syrian President Bashar] Assad will be successful. But the diplomatic paralysis is dangerous, and locking the gates is a serious mistake. Those who choose to live in the Middle East must always balance power with generosity. The time for generosity has arrived."

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## *Russia Wants More Talks on Kosovo*

Voicing concern over the increasing tensions in Serbia in reaction to Kosovo's declaration of independence on Feb. 17, and the endorsement of that declaration by many leading nations, Russian Foreign Minister Sergei Lavrov told reporters in Moscow on Feb. 22 that "talks on Kosovo's status should be restarted," and warned that the unilateral dec-

laration could have consequences which "could harm Russia's relations with the EU and the U.S.A." He said the Kosovo issue has prevented the international community from dealing with other outstanding problems.

Another senior politician of Russia, Sergei Mironov, the speaker of the Russian Federation Council, dismissed accusations by some Western politicians that Russia has tacitly encouraged the ongoing riots in Serbia, and denounced the violence. "Russia has never instigated and is not going to instigate anyone. Moreover, I believe that there is no need to set anything on fire. Generally, when people start pogroms with good intentions, that is not what is needed. What is needed is a balanced, clear and very calm position," Mironov told reporters in Barnaul, Russia.

"When the administration of Serbia says it will never recognize Kosovo's independence and will never recognize the jurisdiction of Kosovo as an independent state, it is one thing, and they have state leverage to realize this decision. And when such protests and riots begin, they just let themselves down. The whole world will look at that and say, 'Look what they have done.' They are doing everything wrong. Russia, of course, has nothing to do with it," said Mironov.

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## *Turkish Troops Invade Northern Iraq*

After eight hours of air and artillery strikes on camps of the outlawed Kurdistan Workers' Party (PKK) in the mountainous, snow-bound region of northern Iraq the night of Feb. 21, about 10,000 Turkish troops entered northern Iraq and penetrated 10 km on Feb. 22. The PKK is a separatist group which has carried out terrorism within Turkey and elsewhere. It now finds refuge in the Kurdish region of Iraq.

"The target, purpose, size, and parameters of this operation are limited," Turkish Prime Minister Recep Tayyip Erdogan said. "Our armed forces will come back in the shortest time possible as soon as they achieve their objectives." Iraqi Foreign Minister

Hoshyar Zebari told the AFP that the Turkish troops destroyed five bridges across a remote mountain river on the Iraqi border during the incursion on Feb. 22. He added that "we don't expect that a large incursion is taking place, as it's a remote and inhospitable region." He estimated that "hundreds, rather than thousands" of Turkish troops were involved in the operation.

In Brussels, the European Commission asked Turkey to "refrain from any disproportionate military action," and European Union foreign policy chief Javier Solana said that Turkey's action was "not the best response." Britain urged Turkey to withdraw its forces "as early as possible" and avoid harming civilians, while Germany warned Ankara of the "risk of destabilization."

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## *Uproar over French 'Coup' on Lisbon Treaty*

Protests over the virtual "coup d'état" methods used by the French government to pass the dictatorial Lisbon Treaty, are growing, and even statements by President Nicolas Sarkozy are feeding the outrage.

A citizens' group started by a French lawyer is collecting signatures in support of a case before the European Court of Human Rights, which would seek to cancel the just-completed process of having only parliaments ratify the "treaty," and instead force the holding of referenda. So far, over 1,100 Frenchmen have signed the petition.

President Sarkozy is admitting that the government was forced to take extraordinary measures, in order to ensure that the treaty passes. Sarkozy avowed in a Feb. 10 speech that he was forced to comply with the desire of "our partners" in the European Union to see France enforcing a parliamentary-only vote. "Had that condition not been fulfilled, no agreement would have been possible," he said.

In 2005, along with the Dutch, French citizens rejected the so-called European Constitution, which has now been retooled as the Lisbon Treaty. It was fully expected that they would have rejected the treaty as well.

# Arnie Demands Budget Blood: 'This Is Only the Beginning'

by Harley Schlanger

George Shultz's American Pinochet, Gov. Arnold Schwarzenegger of California, issued a warning to citizens of the state on Feb. 15, after the state legislature enacted the first round of budget cuts he demanded. "There is much more to come," he growled, while signing the bills. "This is only the beginning."

These bills are the first phase of a plan he is pursuing, under a declared state of fiscal emergency, to cover a budget shortfall of more than \$3.3 billion in the remaining four months of fiscal year 2007-08, and a \$14.5 billion-and-growing shortfall for fiscal year 2008-09. What he signed is less a solution, than a manipulation of figures, with the really brutal cuts yet to come. The ink from his signature had barely dried when, on Feb. 20, the state's nonpartisan Legislative Analyst announced that the deficit is continuing to balloon—it has now hit \$16 billion, and revenues continue to shrink.

The cuts/manipulations in this first round include: 1) \$1 billion slashed from the current fiscal year, and \$1.2 billion more from 2008-09; 2) selling another \$3.3 billion in previously approved bonds, even though Schwarzenegger had promised, when he asked voters to support these bonds as part of adding \$15 billion in "new" debt to cover previous debt, that he would not borrow again to pay debt; 3) rescinding a planned early debt payment of \$1.5 billion, which was included in next year's budget; 4) shifting more than \$400 million in transportation funds to the general fund.

Ryan Ratchliffe, an economist at UCLA's Anderson Forecast, told the *Los Angeles Times* that these first cuts are "shell games," which will "not really change the reality of the deficit."

## Cuts That Kill

The cuts already approved include \$507 million from the state education budget for the current fiscal year, and a 10% cut in spending after July 1 for Medi-Cal reimbursements.

This money will be withheld from doctors who treat Medi-Cal patients, making it likely that many doctors will no longer accept such patients. California already has the lowest Medicaid reimbursement rates in the nation. Health-care officials are warning that further cuts will lead to much unnecessary suffering and preventable deaths.

In addition to even more murderous health-care cuts coming in the state budget, the *Los Angeles Times* has been reporting on plans by the Los Angeles County Board of Supervisors to shut down all but one of the county's dozen clinics, and reduce services at its six comprehensive outpatient health-care centers, to deal with the \$195 million deficit of the county. These cuts will have disastrous effects on those without insurance, magnifying the devastating impact of the cuts in the state budget demanded by Schwarzenegger.

Other cuts will hit the elderly, poor, and disabled. The Governor's plan includes postponing modest cost-of-living increases to the aged, blind, and disabled. Dental and eye care programs for impoverished youth are threatened, as well as state insurance programs for children from poor families with chronic disease.

As for education, the \$507 million in cuts for the remaining months of the 2007-08 fiscal year is only the first salvo. The Governor's budget could cut as much as \$4.8 billion in education funding over the next two years. School districts are preparing to take drastic measures, including closing down schools, and mass layoffs of administrators, custodial workers, counselors, and teachers. One school district, the Rialto Unified District, has already sent notices to 305 employees, including teachers, informing them they may not have jobs next fall. The Long Beach school board voted this week to close an elementary school, while the Los Angeles Unified School District faces minimally a \$560 million deficit.

Commenting at a recent school board meeting, Los Ange-



LPAC

*George Shultz (left), who, with Felix Rohatyn, imposed the fascist Augusto Pinochet regime on Chile in the 1970s, looks fondly on one of his current projects, the American Pinochet, Gov. Arnold Schwarzenegger, beaming, with his paw on the shoulder of Milton Friedman. The LaRouche PAC pamphlet was published in February 2005.*

les Superintendent David Brewer said, “When I first saw the Governor’s proposed budget, quite frankly, I was in a state of shock.”

There are many more horror stories which can be added to the list of cuts proposed by the former steroid-popping body builder and bad actor, who has acknowledged, on several occasions, that he knows these cuts have murderous implications. For example, before his State of the State address, in which he presented his budget reduction scenario, he said, “I can see every single person hurt by those cuts, and I understand how difficult they will be for many, many people.” However, he added, there is no alternative.

He repeated this formulation in the Jan. 8 State of the State address, speaking of “painful choices,” and “facing our budget demons.” He added, that he sees that “the consequences of cuts are not just dollars, but people.... I mean talking about fiscal responsibility sounds so cold when you have a representative for AIDS patients or poor children or the elderly sitting across from you. Yet fiscal responsibility, like compassion, is a virtue because it allows the necessary programs in the first place.”

And where, a sane observer might ask, is the virtue in consigning the most helpless in society to a human scrap heap?

## The Schwarzenegger Project

The Democrats in California—even the best of them—have failed miserably in grasping what Arnold Schwarzenegger is. For the last four-and-a-half years, they have been unwilling to face the obvious: that Schwarzenegger has gleefully taken up a role offered to him, to play a dime-store Mussolini, acting on behalf of the London-centered financial interests associated with the Stanford University-based fascist George Shultz, and Shultz’s Democratic partner, fascist Wall Street financier, Felix Rohatyn.

Shultz and Rohatyn have a long, dirty, public history behind them, one well known to readers of *EIR*. Their most important collaboration, prior to the Schwarzenegger project, was in the imposition of the military dictatorship of Gen. Augusto Pinochet in Chile, through a brutal 1973 coup pulled off under the direction of real live Nazis, who had been placed in South America after World War II, to be deployed for precisely this purpose, in Operation Condor. The Pinochet regime was placed in power to establish the legitimacy of privatizing an economy, to benefit corporate cartels, through the aggressive looting of a beaten down, terrorized population.

The economic hit man given responsibility, by Shultz, to coordinate the imposition of this fascist economic model, enforced at gunpoint by Pinochet’s forces, was Milton Friedman of the University of Chicago, the same Milton Friedman who Arnold Schwarzenegger has claimed as his mentor in economics!

This “Chilean model” was promoted during 2005, in the failed effort by another Shultz product, President George W. Bush, to privatize Social Security. This same team is the driving force behind the effort today to pull off a fascist coup, to place New York City Mayor—and Schwarzenegger “soulmate”—Michael Bloomberg, in the White House. Behind the recent public proclamations by Schwarzenegger and Bloomberg in favor of “public-private partnerships” for infrastructure, is the Shultz-Rohatyn team, committed to deploying slave laborers to build privately owned toll roads, bridges, prisons, etc., modeled on the corporatist/fascist infrastructure policies of Mussolini and Hitler.

Yet, despite the obvious role Shultz has played for more than four decades, as the leading architect in the dismantling of the U.S. economy, in favor of a broken down, post-industrial junkheap; and despite his continuing visibility as a controller of Schwarzenegger, Democrats persist in treating the “Governor” as if he were a real person, offering legitimate alternatives, who should be taken seriously as a credible governor!

## Sabotage From Within

The surrender of Democrats in California to the Shultz-Rohatyn Golem Schwarzenegger is not just a matter of being star-struck, of being awed by the bigger-than-life persona, which made Arnie a box office hotshot in Hollywood—though it has undeniably played a part in their inability to protect Californians from his drive for fascist austerity.

Nor can it be blamed on the media, which has been fawn-

ing over Arnie's every move, doing the work usually assigned to a governor's public relations' staff. (A shameless example of this is the recent book, "Party of One," by political columnist Daniel Weintraub of the *Sacramento Bee*, who admits to being fascinated by Schwarzenegger; in pushing Arnie as an example for an incipient "post-partisan/independent" Presidential run by Bloomberg, he demonstrates his incompetence as a journalist by gushing that Schwarzenegger "has done a terrific job on the biggest issue that prompted his election as governor: managing the state's budget"!)

The Democratic Party opposition to Schwarzenegger has been sabotaged from within, by Shultz's Democratic submarine, Rohatyn, and his minions. One of the key lies the saboteurs tell, is that the only alternative to Schwarzenegger's cuts is to raise taxes, which would not only be politically unpopular, but counterproductive in the depressed economy. Yet every California legislator knows, from the interventions of the LaRouche Youth Movement (LYM), if not otherwise, that a real solution requires Federal action, and that of the nature already laid out by LaRouche's Homeowners and Bank Protection Act, and Emergency Recovery Act. Mobilization of California's powerful Congressional delegation behind those measures would give them a major boost.

Instead, the state's leading Democrats have done just the opposite. When Schwarzenegger was reeling from a significant defeat in November 2005, when his four ballot initiatives were beaten decisively by the voters, mobilized against them by a relentless campaign run by members of the LYM, he bounced back, with a major "infrastructure" package, a Mussolini-style "public-private partnership" venture, crafted by Shultz and Rohatyn. Instead of exposing it as a Pinochet-style transfer of public investments to private corporatist interests, the Democrats stood by, flat-footed, outflanked, eventually adopting a misguided, and impotent "me-too" posture.

Rohatyn's sabotage has been aided by two other elements inside the Democratic Party. One is a section of the Kennedy family, whose funds have been managed by Rohatyn, which has backed Schwarzenegger's political ambitions. He is, through his marriage into the Kennedy family, as some astute observers have quipped, the Austrian fascist grandson which Joseph P. Kennedy—a notorious, open backer of fascism in the 1930s and early 1940s—always wished for!

Rohatyn's other operative in disarming the Democratic Party is U.S. House Speaker Nancy Pelosi, from San Francisco. Pelosi has served Rohatyn well, both in Washington, D.C., and in California, in stifling opposition to the fascist agenda of Shultz and Rohatyn, and suppressing motion to bring the Party back to the anti-fascist policies of Franklin D. Roosevelt.

The Shultz-Rohatyn duo are now moving to take their Schwarzenegger Project to the White House, using Arnie's pal and collaborator Bloomberg, to impose Mussolini-style fascism on the nation. Americans should heed the words spoken by the Governor, as he has initiated killer cuts in California: "This is just the beginning."

# Austerity Threatens Veterans, Too

by Carl Osgood

When the austerity mongers among Republicans and the "post-partisan" Bloomberg crowd talk about "entitlement reform," they usually mean slashing Social Security, Medicare, and Medicaid benefits. Hardly anybody talks about veterans' benefits in the same vein, saying openly that they must come under the budget act as well. However, veterans have been under attack, in fact, just as much as the elderly, the sick, and the poor have been. In its first budget submission after winning re-election in 2004, the Bush Administration proposed that those in the Veterans Administration (VA) health-care system should pay higher enrollment fees and prescription drug co-pays than they were already being charged, a move the Department of Veterans Affairs calculated would result in 213,000 fewer veterans in the system than otherwise would be the case. At about the same time, Undersecretary of Defense David Chu was quoted by the *Wall Street Journal* complaining that veterans' benefits had grown so much, that "they are taking away from the nation's ability to defend itself." While his comments caused a stir at the time, Chu was only echoing the argument that is made about Social Security, Medicare, and other entitlement programs: that if their growth is not "restrained," they will crowd out all other spending in the Federal budget.

While no one dares to openly advocate slashing veterans programs—the budget cuts couldn't get through Congress—nonetheless, the administration has gone forward with measures to reduce the number of veterans receiving benefits, including health care, and generally provide them poorer service. Evidence presented in a class action lawsuit against the VA, and in a Feb. 14 hearing of the Subcommittee on Disability Assistance and Memorial Affairs of the House Veterans Affairs Committee, suggests a pattern of entrenchment by the Bush Administration against meeting the needs of veterans. The pattern includes the inability to process disability claims in a timely manner, a disability ratings process that rewards worker productivity at the expense of accuracy, and the denial of due process rights to veterans when they appeal disability ratings decisions. While some of these problems stem from the structure of veterans' benefits law, veterans' service organizations are reporting an increased pattern of abuse from the Bush Administration itself.

## VA: Medical Care Is 'Discretionary'

Perhaps the most extraordinary piece of evidence was provided by the government, in response to the class action



Department of Defense

*Veterans for Common Sense director Paul Sullivan lays much of the blame for the problems in the VA's benefits system on poor leadership by undersecretary for benefits, Daniel Cooper (shown here). Cooper has told Congress repeatedly that the VA had sufficient resources. "Not only was he wrong," Sullivan said, "he was catastrophically wrong."*

lawsuit, filed in U.S. District Court in San Francisco last July, by Veterans for Common Sense (VCS) and Veterans United for Truth (VCFT). The suit alleges a pattern of abuse in the denial of medical care and disability claims, charging that veterans have "been exposed to a system-wide pattern of abusive and illegal administrative practices" which have been enabled by "Various impingements on the Constitutional rights of veterans" without remedy under existing law. The government replied to the suit, in a filing dated Jan. 30, that veterans' medical care is "discretionary." The government argued that "The scope of VA's mandate reaches only 'to the extent and in the amount provided in advance in appropriations acts' for these purposes and *creates no such expectation that veterans are entitled to care*" (emphasis in original).

Gordon Erspamer, the lead attorney for the plaintiffs in the suit, calls this argument "just plain wrong," telling *EIR* on Feb. 14, that "if that is true, Congress needs to fix that, because I can't think of anything more basic to a veteran than the right to health care that he's been promised," especially if they're veterans with service-connected disabilities. "For God's sake, people are dying," Erspamer said. "They're disabled for life, and we say that this is a gratuity? We can do whatever we want? That is a very dangerous principle..." The message the government is sending, he said, "denigrates" and "belittles" the veteran. "It's treating the veteran as one of the little people who don't count."

Paul Sullivan, the executive director of Veterans for Com-

mon Sense, added that there is a surge of veterans returning from Iraq and Afghanistan, "and not only are they being denied medical care but their requests for help are being delayed unnecessarily." There are cases of veterans committing suicide, turning up homeless, turning to drug and alcohol abuse (euphemistically called "self-medicating") as a result of the long delays, "and the Department of Veterans Affairs is doing little or nothing, and in some cases, violating the law." Sullivan said that the only option left to address this situation was to file a lawsuit.

Interestingly, the VA did not contest any of the material issues raised by the VCS/VUFT lawsuit, instead offering a series of technical arguments based on the claim that veterans' benefits are not an entitlement and, in an argument typical of the Bush Administration's legal philosophy, that the court has no jurisdiction to direct the VA to make the corrections that the plaintiffs are demanding. The VA is not challenging any of the claims of harm that the suit is making, that result from the VA's negligence in the processing of claims and failure to provide timely health care to those veterans who need it. That harm includes veterans dying while their claims are still pending, and the high rate of suicides among them, some of which are known to occur after they were turned away from VA medical facilities without an appointment. In a Feb. 11 response to the VA's Jan. 30 filing, the plaintiffs note that therefore, the court can, in fact, direct the VA to abide by its statutory requirements to provide veterans with five years of health care upon return from combat, to instruct the VA that veterans are entitled to due process, and that it can no longer turn away veterans who are at risk of taking their own lives. "These will be significant and effective steps," the filing concludes.

### **Dysfunctional Claims-Processing System**

Sullivan and Erspamer were among the witnesses at the Feb. 14 hearing who testified to the delays in the claims-processing system and the denial of medical care, and offered proposed reforms to solve those problems. Richard Paul Cohen, executive director of the National Organization of Veterans Advocates, told the hearing that the VA only gives claims raters about ten hours of training per year, that raters consistently demonstrate a lack of knowledge, adding that they "still don't know how to apply VA law regarding presumption and regarding benefit of the doubt." While the VA proudly brags about an 88% accuracy rate for claims ratings, Cohen said that the number of reversals and remands because cases were not adequately developed or were decided wrongly, means that the actual accuracy rate is below 20%. Such a low rate "directly leads to more appeals, which leads to more backlogs," he said. "If the VA could decide cases correctly the first time, then we wouldn't have cases coming back and we wouldn't have the hamster wheel justice that everybody is talking about."

J. David Cox, national secretary-treasurer of the Ameri-



US Air Force/Airman 1st Class Kenny Holston

*A class action lawsuit, filed by veterans organizations, alleges that veterans have “been exposed to a system-wide pattern of abusive and illegal administrative practices.” The government replied that veterans’ medical care is “discretionary.” Shown, a wounded soldier, at Landstuhl Regional Medical Center in Germany, last July.*

can Federation of Government Employees (AFGE), noted that claims processing is learned entirely on the job, but that the top management of the Veterans Benefits Administration has failed to recognize what these employees have to offer. In fact, AFGE has been increasingly excluded from national-level efforts to improve the claims process, and the training and certification of raters. “These days,” Cox testified, “management wants one thing, and only one thing from the VBA workforce: Process claims as fast as possible.” Cox also reported that managers often cut short the training of experienced workers who rely on continuing education to keep up with the steady stream of new laws, court cases, and benefits programs that directly impact claims determinations. These and other measures that managers take leave gaps in training which contribute to the backlog, Cox said.

### **It’s a Political Problem**

While it appears that the lawsuit will be very useful in documenting the poor treatment of veterans by the Bush Administration, it remains to be seen whether the court, even if it rules completely in favor of the veterans organizations, can solve what is essentially a political problem. One of those political problems is current undersecretary for benefits Daniel Cooper. Veterans for Common Sense lays much of the blame for the problems in the VA’s benefits system on poor leadership by Cooper, who has been in his current position since 2002. In 2001, Cooper headed a task force that studied the VA’s claims disability process and made several recommendations to improve it, but since then, according to Sullivan, Cooper has told Congress repeatedly that the VA had sufficient resources to deal with it. “Not only was he wrong,” Sullivan said, “he was catastrophically wrong.”

Beyond that, Cooper also has engaged in questionable extracurricular activities. Last September, VCS joined with the Military Religious Freedom Foundation (MRFF) in an ethics complaint against Cooper, filed with the Department of Justice, because of his appearance in a 2004 fundraising video produced by the evangelical group Christian Embassy, which is tied to Bill Bright’s Campus Crusade for Christ. In the film, Cooper can clearly be heard saying that proselytizing for the Christian Embassy is “what is important. . . . The job’s always going to be there, whether I’m there or not.” According to the VCS/MRFF complaint, Cooper’s comments “make it clear . . . that he believes proselytizing and fundraising for his religion among government employees and on government time is more important than his job” of overseeing the processing of hundreds of thousands of disability claims, each year, for injured and ill veterans. The Pentagon Inspector General, in a July 2007 report, recommended that seven military officers who also appeared in the video be reprimanded for appearing while in uniform, in violation of Department of Defense regulations, yet no action has been taken against Cooper.

The other component of the political problem is the White House itself, especially the Office of Management and Budget, which dictates to all of the departments and agencies of government the parameters within which they construct their budget submissions. Sullivan called the OMB “the elephant in the room,” which is “sucking all the oxygen out of veterans’ health care and benefits.” He said that the OMB’s behind-the-scenes slashing of the VA’s hiring and construction budgets is “almost to the point of criminal negligence.” “This administration, without a doubt, has betrayed the trust of veterans,” Sullivan said.

# FDR Addresses ‘A Stricken Nation In the Midst of a Stricken World’

*It is 75 years this week, since President Franklin Roosevelt gave his First Inaugural Address on March 4, 1933, as the Great Depression gripped the nation. In honor of the anniversary of that auspicious occasion, we present a transcript of that speech.*

President Hoover, Mr. Chief Justice, my Friends:

This is a day of national consecration. And I am certain that on this day my fellow Americans expect that on my induction into the Presidency, I will address them with a candor and a decision which the present situation of our people impels.

This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure, as it has endured, will revive and will prosper.

So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life, a leadership of frankness and of vigor has met with that understanding and support of the people themselves which is essential to victory. And I am convinced that you will again give that support to leadership in these critical days.

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunk to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; and the savings of many years in thousands of families are gone. More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

And yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the



*President Franklin D. Roosevelt delivers his First Inaugural Address on March 4, 1933, in which he famously asserted his “firm belief, that the only thing we have to fear is fear itself...”*

perils which our forefathers conquered, because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply.

Primarily, this is because the rulers of the exchange of mankind’s goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and



*FDR campaigned throughout the country in 1932, meeting Americans who had been devastated by the Hoover Depression, promising to “act quickly” to bring about an economic recovery. Here, he meets with coal miners in West Virginia.*

have abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True, they have tried. But their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They only know the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.

Yes, the money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of that restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy, the moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits. These dark days, my friends, will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves, to our fellow men.

Recognition of that falsity of material wealth as the standard of success goes hand in hand with the abandonment of the false belief that public office and high political position are to be valued only by the standards of pride of place and personal profit; and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing. Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, and on unselfish performance; without them it cannot live.

Restoration calls, however, not for changes in ethics alone. This Nation is asking for action, and action now.

Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our great natural resources.

Hand in hand with that we must frankly recognize the overbalance of population in our industrial centers and, by engag-

ing on a national scale in a redistribution, endeavor to provide a better use of the land for those best fitted for the land.

Yes, the task can be helped by definite efforts to raise the values of agricultural products, and with this the power to purchase the output of our cities. It can be helped by preventing realistically the tragedy of the growing loss through foreclosure of our small homes and our farms. It can be helped by insistence that the Federal, the State, and the local governments act forthwith on the demand that their cost be drastically reduced. It can be helped by the unifying of relief activities which today are often scattered, uneconomical, unequal. It can be helped by national planning for and supervision of all forms of transportation and of communications and other utilities that have a definitely public character. There are many ways in which it can be helped, but it can never be helped by merely talking about it.

We must act. We must act quickly.

And finally, in our progress towards a resumption of work, we require two safeguards against a return of the evils of the old order. There must be a strict supervision of all banking and credits and investments. There must be an end to speculation with other people’s money. And there must be provision for an adequate but sound currency.

These, my friends, are the lines of attack. I shall presently urge upon a new Congress in special session detailed measures for their fulfillment, and I shall seek the immediate assistance of the 48 States.

Through this program of action we address ourselves to putting our own national house in order and making income balance outgo. Our international trade relations, though vastly important, are in point of time, and necessity, secondary to the establishment of a sound national economy. I favor, as a practical policy, the putting of first things first. I shall spare no ef-

fort to restore world trade by international economic readjustment; but the emergency at home cannot wait on that accomplishment.

The basic thought that guides these specific means of national recovery is not narrowly nationalistic. It is the insistence, as a first consideration, upon the interdependence of the various elements in and parts of the United States of America—a recognition of the old and permanently important manifestation of the American spirit of the pioneer. It is the way to recovery. It is the immediate way. It is the strongest assurance that recovery will endure.

In the field of world policy, I would dedicate this Nation to the policy of the good neighbor: the neighbor who resolutely respects himself and, because he does so, respects the rights of others; the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors.

If I read the temper of our people correctly, we now realize, as we have never realized before, our interdependence on each other; that we can not merely take, but we must give as well; that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress can be made, no leadership becomes effective.

We are, I know, ready and willing to submit our lives and our property to such discipline, because it makes possible a leadership which aims at the larger good. This, I propose to offer, pledging that the larger purposes will bind upon us, bind upon us all as a sacred obligation with a unity of duty hitherto evoked only in times of armed strife.

With this pledge taken, I assume unhesitatingly the leadership of this great army of our people dedicated to a disciplined attack upon our common problems.

Action in this image, action to this end is feasible under the form of government which we have inherited from our ancestors. Our Constitution is so simple, so practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has ever seen.

It has met every stress of vast expansion of territory, of foreign wars, of bitter internal strife, of world relations. And it is to be hoped that the normal balance of executive and legislative authority may be wholly equal, wholly adequate to meet the unprecedented task before us. But it may be that an unprecedented demand and need for undelayed action may call for temporary departure from that normal balance of public procedure.

I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But, in the event that the Congress shall fail to take one of these two courses, in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

For the trust reposed in me, I will return the courage and the devotion that befit the time. I can do no less.

We face the arduous days that lie before us in the warm courage of national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded, a permanent national life.

We do not distrust the future of essential democracy. The people of the United States have not failed. In their need they have registered a mandate that they want direct, vigorous action. They have asked for discipline and direction under leadership. They have made me the present instrument of their wishes. In the spirit of the gift I take it.

In this dedication of a Nation, we humbly ask the blessing of God.

May He protect each and every one of us.

May He guide me in the days to come.

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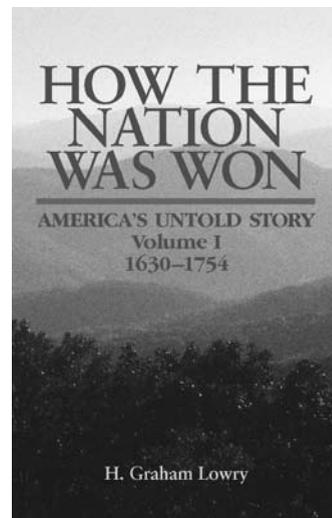
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## Global Warming Scare Rests On Hot Air—Literally

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*The poor location and condition of temperature monitoring stations worldwide make their data unreliable for climate modelling. Yet, the data are used. Gregory Murphy reports.*

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The national and international network of temperature-monitoring stations has been in such a bad physical state, that as far back as 1997, the United Nations group that reviewed the situation stated, “Without action to reverse this decline and develop the Global Climate Observation System, the ability to characterize climate change and variations over the next 25 years will be even less than during the past quarter century.”

Ten years later, the situation has gotten far worse. Not only are temperature-monitoring stations located in places that produce higher temperature readings (for example, on rooftops of buildings, on airport runways, or near air conditioner exhausts), but most stations are old and in disrepair. It is on this patently faulty network that the myth of “global warming” is based.

Why, if climate change is supposedly such an urgent issue, has nothing been done to improve the data-monitoring stations? Paradoxically, it is not just Al Gore and his genocidal greenie following that are to blame. The conservatives and neoconservatives of the Reagan and Bush Sr. administrations are the ones who cut the funding of NASA and NOAA (National Oceanographic and Atmospheric Administration) programs, including funds for temperature-monitoring stations. And so, while the neocons attack Al Gore and the greens for the global warming hoax, it is their budget-cutting policies that must bear responsibility for creating the conditions under which the hoax has been perpetrated.

### Getting to the Bottom of Temperature

Phil Jones of the Climate Research Unit in the United Kingdom, in 1996, came up with the “fact” that global tem-

peratures have risen 0.6° C in the past 100 years. This claim is accepted by the global warmers, members of Congress, and even the so-called skeptics, who view this degree of global warming as being reasonable. But Dr. Jones has refused to release the temperature data and station locations that he used to produce the data base that showed the 0.6° C of warming. This refusal raised questions about the conditions of the stations and where the stations were located.

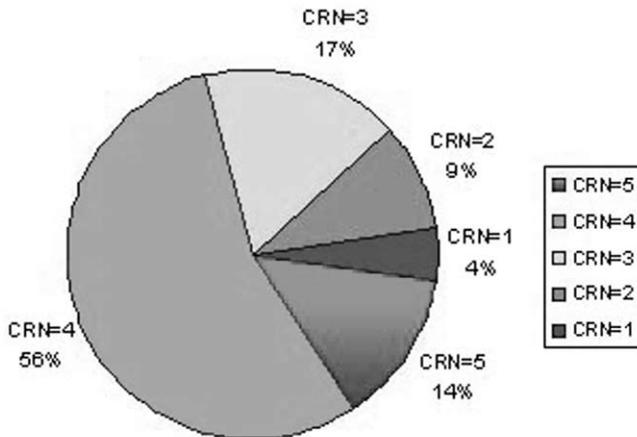
Although Jones’s initial work was funded by the U.S. Department of Energy, he has called his data and sources “proprietary,” and other scientists have been unable to obtain it, so that they cannot check his calculations. Jones actually told one inquiring scientist: “We have 25 or so years invested in the work. Why should I make the data available to you, when your aim is to try and find something wrong with it?”

In investigating Jones’s work, and looking at the problem of temperature measurement, I became aware of a group of volunteers working with Anthony Watts, an electrical engineer and meteorologist who designs weather-monitoring equipment.<sup>1</sup> Watts manages the website [www.surfacestations.org](http://www.surfacestations.org), whose mission is to create a visual database of the entire 1,221 temperature monitoring stations which make up the United States Historical Climatology Network.

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1. Anthony Watts notes that most of the stations surveyed so far have been from the East and West Coasts of the United States. He and his volunteers are currently working to complete the survey of the stations in the Midwest, and have asked that people living there go to the website and join in the fun of survey, as this could lead to more interesting results.

FIGURE 1  
**Site Quality Rating Based on 482 of 1,221  
 Stations Surveyed**



Source: Courtesy of Anthony Watts, [www.surfacestations.org](http://www.surfacestations.org)

*Of 482 U.S. temperature-monitoring stations surveyed, the Climate Reference Network found that only 13% met the criteria for use in a climate study! Only Climate Reference Network (CRN) Class 1 and Class 2 stations, which are those that do not have a heat source within 100 meters, can be used for climate studies.*



Courtesy of Warren Meyer, [www.surfacestations.org](http://www.surfacestations.org)

*This temperature station, located at the University of Arizona in Tucson, is the poster child of all badly sited stations so far surveyed. Located in a parking lot, this station has the highest temperature readings of all the 1,221 stations in the survey. Nevertheless, the station's location has been defended by the head of the Atmospheric Research Department at the University of Arizona, warmaholic Malcolm Hughes. Hughes is part of the research team, with Michael Mann and Raymond Bradley, that created the discredited IPCC "hockeystick" graph, which fraudulently purported to show that world temperatures were relatively flat for nearly 2,000 years, before amazingly shooting up in the 1990s.*

So far, the Watts group has inspected about 500 of the stations, and the results of this survey are a real eye opener. The volunteers in the Watts network have found stations that are located on rooftops, next to buildings, in parking lots, and even next to airport runways—all of which produce higher temperature results than stations located in open fields.

Watts started the survey to check the condition of the monitoring stations and equipment in what NOAA, and global warmers such as Al Gore and NASA's James Hansen, call a "high-quality temperature data set." The Watts project will create for the first time a *visual* record of the temperature-monitoring stations, with the aim of helping to improve the quality of the data in the future.

Watts is using the station-siting guidelines that have been approved by NOAA, and are currently being used to set up the new Climate Reference Network of temperature data stations in fields, and not in parking lots. The guidelines rank the stations on a scale of one to five, with Class 1 and Class 2 stations being stations that are 100 meters from a heat source and not located in shaded areas. Classes 3 and 4 are stations that have a heat source within 10 to 25 meters. Class 5 stations are those set up near a heat source, such as the U.S. Historical Climatology Network (USHCN) station at the University of Arizona in Tucson, which is in the middle of a parking lot.

Not unexpectedly, this Tucson station has the highest temperature readings of the 1,221 stations in the United States. According to Watts, only Class 1 and 2 stations are acceptable for climate temperature studies. Watts has graded the stations surveyed so far, and has found that only 13% of the 500 stations monitored to date would be acceptable for climate studies!

In a telephone interview, I asked Watts how this situation developed, noting that some of the stations have been providing data since 1880, which is when the USHCN network was first set up. Watts said that in 1983, during the Reagan Administration, the budget was cut. This happened, he said, at the same time that NOAA had decided to upgrade the temperature stations from the old thermometer in the "Stevenson Screen" (the little white box that holds the thermometer), to the new Max-Min Temperature stations, which look like a beehive on a pole. The benefit of the new type of stations would be that they could be placed according to the NOAA siting guidelines, and their automatic display

would allow remote readings from up to a quarter-mile away.

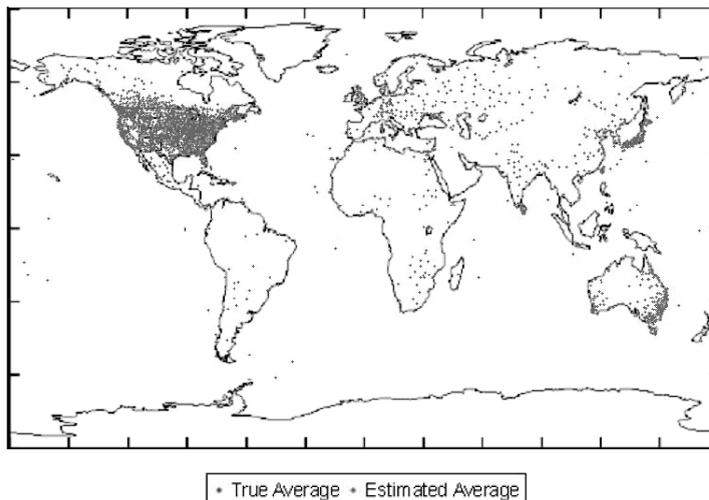
In the past, the temperature-monitoring stations were placed within a short walking distance from the National Weather Service Co-op managers', or volunteers' homes or work.

Watts said that NOAA's upgrading plan was hit by Reagan's budget cuts, and the Co-op managers were not given the funds or the cable-laying equipment needed to install the new stations. Because the Co-op managers had only a shovel to dig the cables for the new stations, most of those Watts has surveyed are right next to buildings. Watts also noted that in 1990, NOAA's budget was cut again, and at that time, NOAA was forced to close several weather service offices, and cut back on the number of Co-op managers to install and maintain the temperature network. Since 1983, Watts said, only 71% of the stations have been upgraded to the new equipment.

That is the story for the United States, but a similar story applies to temperature-monitoring stations worldwide. Ross McKittrick, an economist from the University of Guelph in Ontario, Canada, and Patrick Michaels, the former state climatologist for the Commonwealth of Virginia, coauthored a paper on the subject, published in December 2007 by *The Journal of Geophysical Research* ("Quantifying the influence of anthropogenic surface processes and inhomogeneities on gridded global climate data"). They wrote:

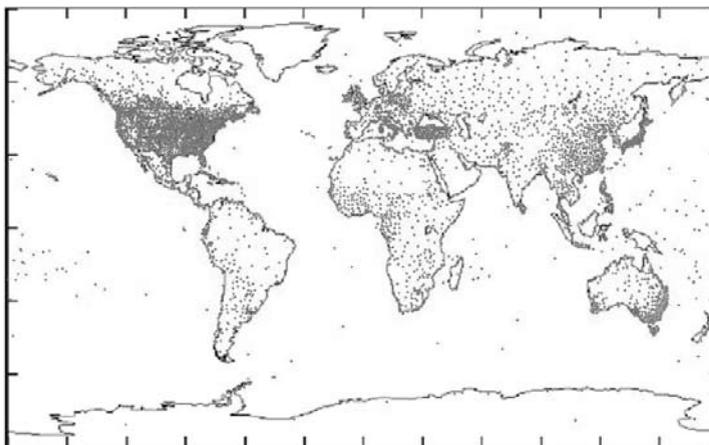
"The Global Historical Climatology Network reached a peak of 6,000 unique contributing sites in the late 1960s, but the number fell to fewer than 3,000 as of the late 1990s, with the most dramatic drop in the early 1990s when the number of stations fell by nearly half in 4 years." Michaels and McKittrick write that those 3,000 temperature-monitoring stations were shut down because of changes of government, budget cuts, or, in some cases, a lack of trained

FIGURE 2  
Temperature Station Coverage, 1925



Source: Courtesy of John Goetz, [www.climateaudit.org](http://www.climateaudit.org).

FIGURE 3  
Temperature Station Coverage, 1965



*The first in a time series showing number of temperature stations in the Global Historical Climatology Network, color coded for those where real data were used, and those where estimated data were used in climate models. This shows the stations reporting temperature in 1925, with a large percentage of the stations in the United States.*

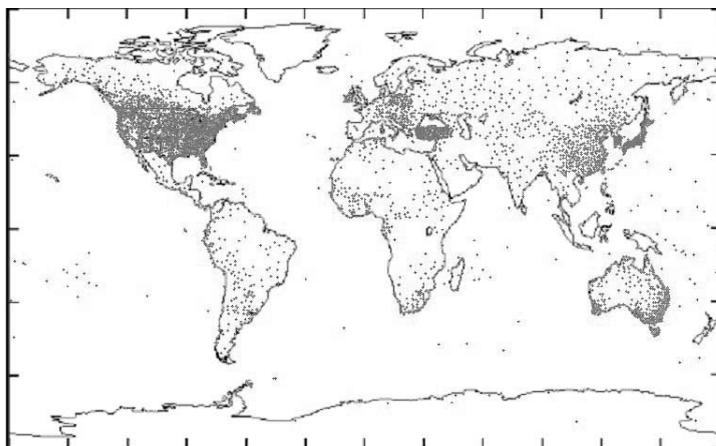
*Here are the stations reporting temperatures in 1965. There is a large increase in the number of stations added in Asia and Africa, and again the United States represents a large portion of the reporting stations. The increase in the number of stations goes hand-in-hand with the pro-science and pro-development environment of the post World War II era.*

people to maintain the stations and gather the needed data, and little or no government will to train people.

### The Urban Heat Island Effect

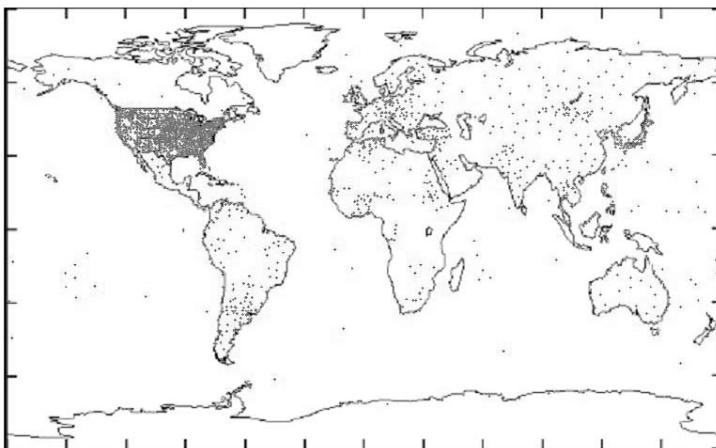
Several cases illustrated by McKittrick and Michaels highlight the fact that the Intergovernmental Panel on Climate Change (IPCC) temperature record is highly contaminated, with a large number of stations located in urban settings and heavily influenced by the "urban heat island effect." This refers to the fact that (as any city dweller can tell you) city streets and buildings retain the heat of the sunlight, and do not cool down at night as much as non-urban areas do. They also note that both James Hansen and Phil Jones define a rural station as one which includes cities up to 50,000 in population, which is

FIGURE 4  
**Temperature Station Coverage, 1985**



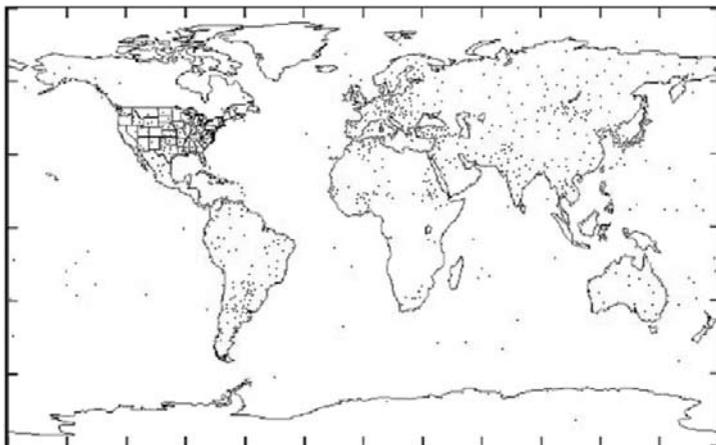
*These are the Global Historical Climatology Network stations reporting temperatures in 1985. One sees a decline in the number of stations in use, especially in Africa and parts of the Soviet Union and Asia.*

FIGURE 5  
**Temperature Station Coverage, 2005**



*There is a huge drop in the stations reporting temperatures in 2005, notably in Russia, China, Canada, and Australia. Yet, the year 2005 was called by the global warmers, “the warmest year in over a century.” But the Earth hadn’t had such sparse station coverage since the last century. Looking at this map, can you guess what the problem is, and where all those warm readings came from?*

FIGURE 6  
**Temperature Station Coverage, 2006**

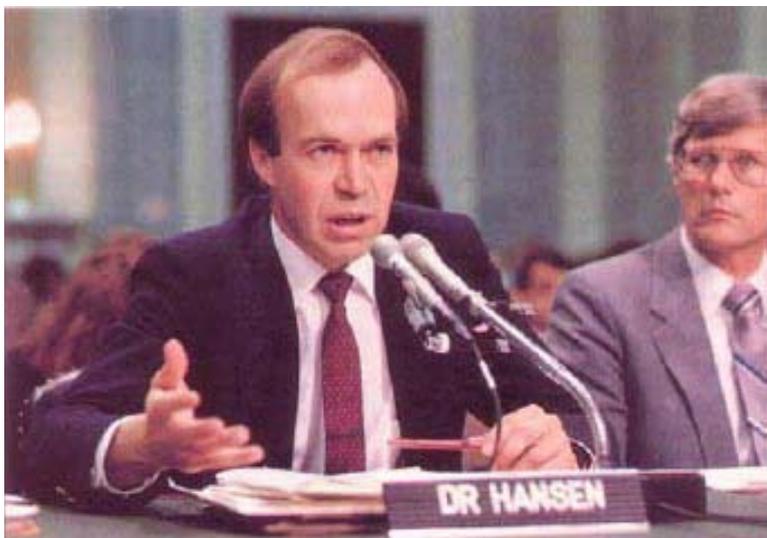


*These are the Global Historical Climatology Network stations in 2006, which produced the verdict that 2006 was the Earth’s “fifth warmest year.” This claim was pronounced from on high, by the high priest of global warming himself, Al Gore, and his science advisor, warmaholic James Hansen. As can be seen, most of the temperature data came from the United States, with most of the world barely represented.*

large enough to exhibit an urban heat island effect.

Contrary to physical observations, the IPCC believes that the urban heat island effect is only “mild,” and does not affect the overall temperature. In 2004, Michaels and McKittrick wrote a paper titled, “A test of corrections for extraneous signals in gridded surface temperature data,” in which they showed that it was not the case, as claimed, that Jones of the Climate Research Unit at the University of East Anglia, and Hansen, NASA’s chief warmaholic, had removed the effect of urban heat island from their models. Michaels and McKittrick wrote:

“It is well-established that the basic land-based weather station temperature data have been affected by local factors related to economic growth and land-use changes, but claims have been made that these effects have been removed in gridded records. This study provides evidence that the contamination has not been removed, and that it adds up to a net warming bias at the global averaged level. Consequently surface temperature data, including the IPCC gridded cell series, should not be interpreted as if they only measure climate. This study provides evidence that after controlling for land-use and other economic factors, the observed rate of temperature change is noticeably lower and could be as much as half of the current claimed warming. Hence, attempts to identify the magnitude of global ‘greenhouse’ climate signal on surface data without properly removing the extraneous biases risks exaggerating the perceived influence of atmo-



GISS

*Gore's global warming hoax was launched in earnest in 1988 with the Senate testimony of NASA's James Hansen, the nation's leading global warmer.*

spheric CO<sub>2</sub> levels” (emphasis added).

Former California State Climatologist Jim Goodridge came to a similar conclusion after he did a study that compared the data from all of the California temperature stations to changes in land use of the past 100 years. He then extended his study to the land use changes across the United States. His conclusion: “All of the long-term temperature rise in the United States is caused by the urban heat island effect, and not CO<sub>2</sub>.”

The global warmers have gone to great lengths to try to vaporize the known urban heat island effect.

David Parker of the Met Office in the United Kingdom, for example, went one step further than the IPCC, in a paper

entitled, “A demonstration that large-scale warming is not urban.” Parker argued the case that not only was the urban heat island effect small, but that it disappears on highly windy days. Parker’s paper is one of the sadder attempts at covering for the political agenda of the IPCC. As most meteorologists know, on windy days the heat island effect is simply relocated downwind. It doesn’t disappear, as Parker says.

NOAA apparently does not agree with the IPCC on the urban heat island effect, because its instruction manual specifically addresses the siting of temperature stations in respect to minimizing the influence of heat island effect.

### Some Troubling History

These problems in the temperature monitoring stations have been known since at least 1997, when the Conference on the World Climate Research Programme report to the Third Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) concluded that the global capacity to observe the Earth’s climate system was inadequate and deteriorating worldwide, as quoted at the beginning of this article. In answer to this UNFCCC report, the U.S. National Research Council (NRC) set up a panel in 1998 to investigate the condition of U.S. temperature stations. This panel was headed by Thomas Karl of the National Climate Data Center in Ashville, N.C., and one of the lead authors of the panel’s 1999 report was NASA’s James Hansen.

The NRC report strongly warned that the temperature stations in the United States were in decay: “Without immediate action to prevent the deterioration of some essential ob-



*This is what a Class 1 station looks like. This one is in Orland, Calif., and has been in continuous service in the same location for 100 years.*

Courtesy of Anthony Watts, [www.surfacestations.org](http://www.surfacestations.org)



Courtesy of Anthony Watts, [www.surfacestations.org](http://www.surfacestations.org)

*This temperature station, at Marysville, Calif., is an example of what happens when budget cuts shut down science in the 1980s. NOAA told its National Weather Service Co-op managers to upgrade to the new Min-Max Temperature Station, which looks like a beehive on a pole. These stations could have been placed a quarter-mile away from the temperature display, which was intended to correct several of the badly sited stations. Because of NOAA's budget cuts, the Co-op managers were not given the proper equipment to install the new stations away from heat sources. Therefore many, like this one, were installed (with a shovel) next to buildings and parking lots, which make the temperature readings warmer.*

servicing systems, the ability of the climate research community to provide over the next decade the objective scientific information required for informed decision making will be seriously compromised.”

The NRC panel also found that deterioration of the temperature stations was caused by budget cuts and the varying priorities among the agencies that are charged with maintenance of the observing stations. The report noted: “Climate Researchers have used existing, operational networks because they have been the best, and sometimes only, source of data available. Deficiencies in the accuracy, quality, and continuity of the records, however, still place serious limitations on the confidence that can be placed in research results.”

Thomas Karl, to his credit, acted on the recommendations of the panel and is working to set up a new Climate Reference Network to replace the decaying USHCN network. James Hansen, however, has not acted on the recommendations and still is using the old USHCN network for his models, with decreasing amounts and quality of data as stations further deteriorate. Apparently Hansen believes statistical tricks can be used to gloss over bad data.

Despite these two major reports on the decay of tem-

perature stations, no one—Republican, Democrat, or even warmaholic witnesses—brought up the issue of the temperature stations in any of the hearings in the Senate and the House of Representatives on global warming in the past year; not even any of the witnesses skeptical of global warming mentioned this in their testimony. Members of the Senate and the House of Representatives are about to vote on a wide array of climate change bills, but none of them ever thought to ask where the temperature data that show the warming came from, or what the condition is of the temperature-monitoring stations from which the data are gathered.

Given the results from the survey of the condition of the temperature monitoring stations, and the papers by Patrick Michaels and Ross McKittrick showing the fraud in the temperature, Congress should realize that Al Gore's global warming hoax is nothing but hot air, and it would do well to heed the words of Lord Christopher Monckton: “Politicians and policymakers should have the courage to do nothing about global warming, since it is not a crisis, and it would be another case of how failed policy will kill tens of millions

in the developing world.”<sup>2</sup>

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- Jim Goodridge (retired California State Climatologist), unpublished manuscript (2007), “Persistence in California Weather Patterns.”

2. This is from Lord Monckton's new video called “Apolcalypse? NO!” which is being distributed by the Science and Public Policy Institute on their website, [www.demanddebate.com](http://www.demanddebate.com). The video was produced to be included in a package with the British Channel-4 video “The Great Global Warming Swindle,” to be sent to schools in the U.K. and soon in the United States.

# *The Real Issue Is the Peace of Westphalia*

*The following remarks by Lyndon LaRouche on Kosovo's Feb. 17 declaration of independence, made in reply to an e-mail question, have urgent, global relevance.*

Since the Roman Emperor divided the Roman Empire, putting the Slavs who had migrated southwards into the Balkans between those of them dwelling on the opposite bank of a common river, Croat versus Serb, the region now called "the Balkans" has retained that perpetually simmering condition of fraternal homicide which that region has inherited, to the present day. What began as the imperial management of the Balkans, through methods of crazy-quilt forms of religious warfare by the Byzantine emperors, has been adopted as a method of statecraft by the respective great oligarchical empires of west Asia and continental Europe, and their successors, up to the present instant.

Since the time of that imperial division of the crisis-stricken Roman Empire, many wars have been fought under the flags of religious sects: that by credulous neighbors, neighbors who kill one another for the spectators' amusement and profiting of the imperial powers which use the Balkans as a gladiatorial chessboard of fraternal homicide. This was the trick used by imperial London to impel a foolish Kaiser Wilhelm II of Germany, and an even more foolish Czar Nicholas II of Russia, at one another's throats, not only for the sake of a senile Habsburg Kaiser, but the intended imperial profit of the British imperial uncle (Edward VII) of both German Kaiser and Russian Czar.

So, once again, in the aftermath of the 1989-1990 crisis of the Soviet and Comecon systems, the British Empire rose to the occasion, to ignite what became a new wave of Balkan fratricide among both the former members and neighbors of Tito's Yugoslavia. So, at this instant, imperial London has unleashed a fresh, intended slaughter over the destiny of Kosovo; so, the fools of the Balkans are prepared to hurl themselves afresh onto the same sacrificial altar, once again, as a century earlier, as a fresh wave of Balkan war.

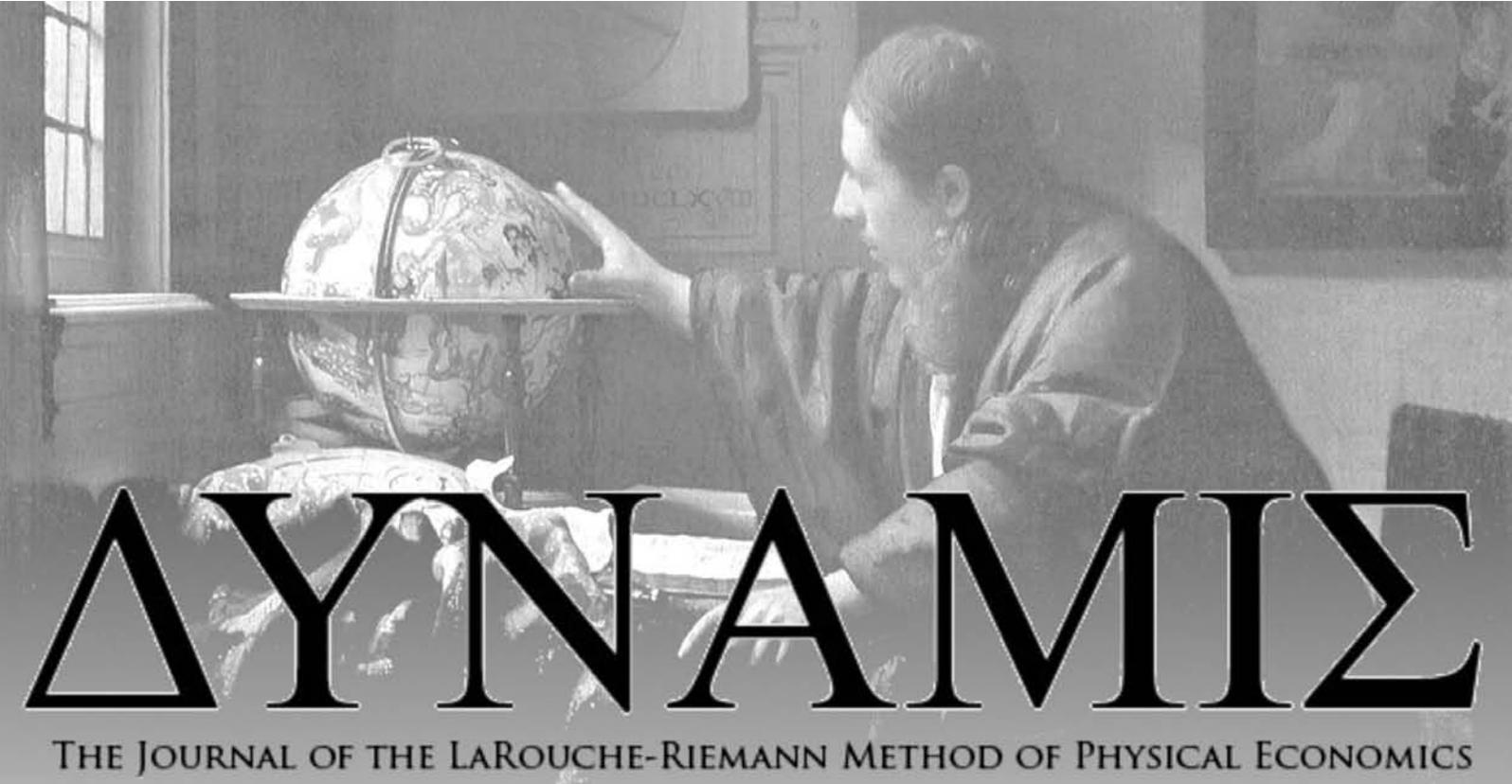
You must not avoid the reality that religious warfare was the imperial method deployed by the Byzantine Empire into Bulgaria and other parts of the Balkans, and that the Ottoman Empire inherited a franchise for the

same practice. . . .

You must not forget, that it was London which used Venice's Volpi di Misurata in the same operation involving London's Fabian Society agent Alexander Helphand (foolishly considered a German agent by credulous Russians and Ukrainians, still today), as part of what was known as the London- and Paris-steered "Young Turk" operation, the operation which was the pilot form of what became the Franco-British Sykes-Picot treaty-network which controls much of the destiny of west Asia still today.

You must not overlook the pattern defined by three London-steered operations of the 1989-2008 interval to date: 1) the Thatcher-Mitterrand Maastricht Treaty against Germany and all Eastern Europe; 2) the originally intended modality underlying the present successors of Maastricht, the Tony Blair-prompted, London-crafted Lisbon I globalization scheme, and its successor, the proposed Lisbon II treaty dictatorship over all of western and central continental Europe. The current Kosovo operation is entirely a British imperial operation, which employs nominally U.S. assets Richard Holbrooke and the legacy of Holbrooke's former boss, a British agent (of the H.G. Wells Society) and former Secretary of State Madeleine Albright, whose father was the Ph.D. advisor of current U.S. Secretary of State Condoleezza Rice.

You must think: How is it that people associated with the Balkans region are induced, again and again, to slaughter their closest neighbors (and also themselves) for the amusement and advantage of empires such as the Byzantine, Ottoman, and British imperiums? Why have the people of the Balkan region failed, again, and again, and again, to recognize the heritage of that 1648 Peace of Westphalia which ended the great religious warfare of the 1492-1648 interval, the Peace of Westphalia which London's singularly un-Christian Tony Blair did the most he could to destroy? Some peoples of the Balkans have learned this lesson from history. Why not the Kosovars, in particular? Why should the people of Kosovo destroy themselves in such a madly foolish way? Of course, those supporting the Kosovo push have their various, imagined reasons; but what advantage is there in jumping into the fires of extinction for the geopolitical amusement of London?



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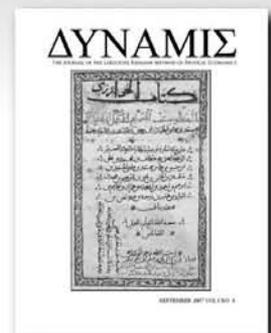
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- JEFFERSON COUNTY IN Ch.98: Fri 2-2:30 pm

## LOUISIANA

- ORLEANS PARISH CX Ch.78: Tue 4 am & 4 pm

## MAINE

- PORTLAND TW Ch.2: Mon 1 & 11 am; 5 pm

## MARYLAND

- ANN ARUNDEL Annapolis Ch.76 & Milleneum Ch.99: Sat/Sun 12:30 am; Tue 6:30 pm
- P.G. COUNTY CC Ch.76 & FIOS Ch.38: Tue/Thu 11:30 am
- MONTGOMERY COUNTY CC Ch.21: Tue 2 pm & Fri 11 pm

## MASSACHUSETTS

- BRAINTREE CC Ch.31 & BD Ch.16: Tue 8 pm
- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- WALPOLE CC Ch.8: Tue 1 pm

## MICHIGAN

- BYRON CENTER CC Ch.25: Mon 2 & 7 pm
- DETROIT CC Ch.68: Irregular
- GRAND RAPIDS CC Ch.25: Irreg.
- KALAMAZOO CH Ch.20: Tue 11 pm; Sat 10 am
- KENT COUNTY (North) CH Ch.22: Wed 3:30 & 11 pm
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Mon/Tue 2 & 9 pm
- LANSING CC Ch.16: Fri Noon.
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- PORTAGE CH Ch.20 Tue/Wed 8:30 am; Thu 1:30 pm
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

## MINNESOTA

- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Wed 8 pm
- DULUTH CH Ch.20: Mon 9 pm; Wed 12 pm, Fri 1 pm
- MINNEAPOLIS TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm
- NEW ULM TW Ch. 14: Fri 5 pm
- PROCTOR MC Ch. 12: Tue 5 pm to 1 am

- ST. CLOUD AREA CH Ch.12: Mon 9:30 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun/M/T Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Mon 10 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

## MISSOURI

- ST. LOUIS CH Ch.22: Wed 5 pm; Thu 12 Noon

## NEVADA

- WASHOE COUNTY CH Ch.16: Thu 2 pm

## NEW HAMPSHIRE

- MANCHESTER CC Ch.23: Thu 4:30 pm

## NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- HADDON TWP CC Ch.9: Sun 10 am
- MERCER COUNTY CC Trenton Ch.26: 3<sup>rd</sup> & 4<sup>th</sup> Fri 6 pm
- WINDSOR Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.22: Thu 11:30 pm
- UNION CC Ch.26: Irregular

## NEW MEXICO

- ALBUQUERQUE CC Ch.27: Thu 4 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.8: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm

## NEW YORK

- ALBANY TW Ch.18: Wed 5 pm. TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- BETHLEHEM TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN CV Ch.68: Mon 10 am TW Ch.35: Mon 10 am TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- CHEMUNG TW Ch.1/99: Tue 7:30 pm
- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Mon/Thu 7 pm
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.35: Tue 10:30 am; TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm
- ROCKLAND CV Ch.76: Mon 5 pm

- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am. Ch 572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- TOMPKINS COUNTY TW Ch.13: Sun 12:30 pm; Sat 6 pm
- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

## NORTH CAROLINA

- HICKORY CH Ch.3: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

## OHIO

- AMHERST TW Ch.95: Daily 12 Noon & 10 pm
- CUYAHOGA COUNTY TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

## OKLAHOMA

- NORMAN CX Ch.20: Wed 9 pm

## OREGON

- LINN/BENTON COUNTIES CC Ch.29: Tue 1 pm; Thu 9 pm
- PORTLAND CC Ch.22: Tue 6 pm. Ch.23: Thu 3 pm

## RHODE ISLAND

- E. PROVIDENCE CX Ch.18: Tue 6:30 pm
- STATEWIDE RI I CX Ch.13 Tue 10 pm

## TEXAS

- HOUSTON CC Ch.17 & TV Max Ch.95: Wed 5:30 pm; Sat 9 am
- KINGWOOD CB Ch.98: Wed 5:30 pm; Sat 9 am

## VERMONT

- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 9 pm; Wed 3 pm

## VIRGINIA

- ALBEMARLE COUNTY CC Ch.13: Sun 4 am; Fri 3 pm
- ARLINGTON CC Ch.33 & FIOS Ch.38: Mon 1 pm; Tue 9 am
- CHESTERFIELD COUNTY CC Ch.6: Tue 5 pm
- FAIRFAX CX Ch.10 & FIOS Ch.10: 1<sup>st</sup> & 2<sup>nd</sup> Wed 1 pm; Sun 4 am. FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

## WASHINGTON

- KING COUNTY CC Ch.29/77: Tue 10 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 pm
- WENATCHEE CH Ch.98: Thu 1 pm

## WISCONSIN

- MARATHON CH Ch.10: Thu 9:30 pm; Fri 12 Noon
- MUSKEGO TW Ch.14: Sat 4 pm; Sun 7 am

## WYOMING

- GILLETTE BR Ch.31: Tue 7

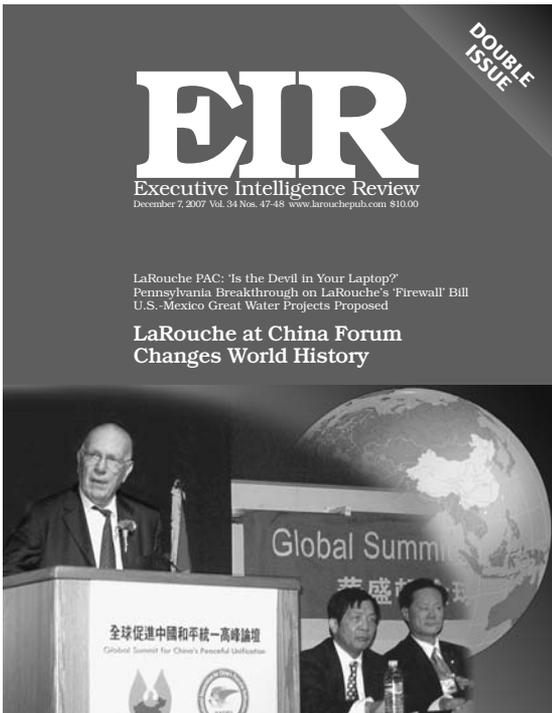
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