

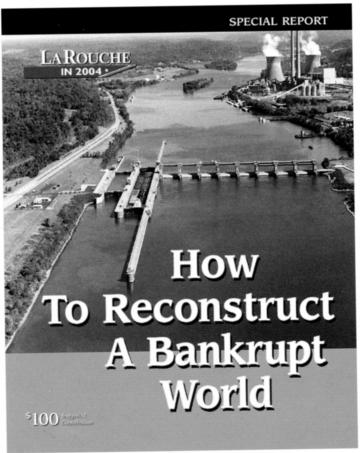
How Abraham Lincoln Organized the Union Victory 'British Watergate' Can Topple Blair and Cheney Cheney-acs Scheme for Nuclear War at Stratcom HQ

## How Harry Truman Defeated Himself



## This Financial System Is Doomed!

# LaRouche's Presidential Campaign:



Leadership For a New **Bretton** Woods

"The IMF in its present form, can not survive. ... There are forces in Europe, as well as in Asia, who know they need a recovery program. They recognize the importance of closer ties of cooperation, especially economically based, on technology-transfer relations in the long term, between Western Europe and Asia. These things must occur now."

-Lyndon H. LaRouche, Jr

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#### From the Associate Editor

Our *Strategic Studies* feature, by Lyndon H. LaRouche, Jr., was originally prepared as the introduction to a more extensive documentary package on *Synarchism*—the bankers' fascism which put Hitler into power, but outlived him and has re-emerged today, operating through Vice President Dick Cheney and allied coup-plotters. That documentation is being assembled for early publication, but in view of the rapid pace of events—the exposure of British Prime Minister Tony Blair's lying; the bombing of UN headquarters in Baghdad; and the devolution of the Israel-Palestine crisis (see *International*)—we decided to go ahead with immediate publication of LaRouche's piece, as a strategic priority.

This is a groundbreaking document in many respects. First, if you've been at all confused about what Synarchism is, this article develops the matter with such historical depth, that the fundamental issues become clear as never before. Second, LaRouche makes starkly apparent what the stakes are in this fight: The Cheney gang really is insane enough to bring about World War III. How could this happen, when the United States is "the only superpower," which no other nation could challenge militarily? Read on! Third, is LaRouche's hilarious treatment of the Democratic National Committee and its crop of Presidential contenders. Does Terry McAuliffe really want to prevent any Democrat who could win the next Presidential election, from campaigning for office?

Complementing LaRouche's piece is our *Feature* on Abraham Lincoln's fight to organize the Union Army for victory. Today, when Attorney General Ashcroft is lying his head off, invoking Lincoln's Gettysburg Address to try to build support for the "Patriot Act" (see *National*), and when young people are taught that Lincoln was "a racist," this wonderful article by historian H. Graham Lowry is a timely contribution to our fight. It is a fight that Graham waged for three decades, as a member of the LaRouche movement, until his death on July 28. Special thanks to his wife, Pamela, for her help in editing his notes and transcripts of his classes, on a tough deadline. The Labor Day conference of the Schiller Institute and International Caucus of Labor Committees will be dedicated to his memory, and copies of this issue will be available there.

Susan Welsh

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President Truman was the first to unleash the doctrine of "preventive nuclear war," devised by the evil Bertrand Russell and reincarnated today in Vice President Cheney's office and the Rumsfeld Defense Department.



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By Lyndon H. LaRouche, Jr. "Now, as Truman did in 1949-50, the Leo-Straussian neo-conservative bloc which is still running its virtual puppet-Presidency of George W. Bush, is successfully forcing the deployment of operations which impel nations, including important powers from around the world, to perceive an intent to destroy both China and Russia; that, as the end-game phase of a process of piecemeal dividing and destroying of the nations of Europe and Asia generally." Why is the bleating flock of selected, eminently cullable "official" Democratic candidates for President not speaking out against this madness? Ask the sheep-herder, Democratic National Committee Chairman Terry McAuliffe.

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## **EXECONOMICS**

## Parasitical U.S. Economy Reaching End of Bailout Road

by John Hoefle

You almost have to feel sorry for poor Federal Reserve Chairman Alan Greenspan, the man who was knighted by the Queen of England for service to the British Empire, and who was declared by no less an authority than the blowhard former Senator from Enron Phil Gramm, to be the greatest central banker in the history of the world. Greenspan is indeed one of the great bubble-blowers in history, but bubble-blowing is a dangerous occupation, because bubbles inevitably pop. It is a rare celebrity indeed who does not begin to believe his own press releases, and stay on long after the fans begin to tire of his act.

While the bubble was growing, Sir Alan was treated as a god by Wall Street, one who allowed The Street's aristocracy to loot and pillage the peasants at will, cook the books to a fine crisp, and treat the world as their casino. But Greenspan's system is now breaking apart, and there is very little left in his threadbare bag of tricks.

#### Bankrupt and Unstable

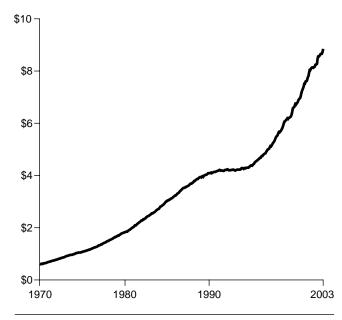
The reality behind the curtain is that virtually every sector of the economy is bankrupt, and robbing Peter to bail out Paul doesn't work when both are bankrupt and desperate for cash. Greenspan's dilemma is that the low interest rates which are necessary to keep debt service somewhere near manageable levels, undercut the usurious gouging upon which oligarchic finance is based. The Fed's policy of a steadily increasing money supply (**Figure 1**) and ever-lower interest rates has done wonders for the bond and real estate markets, allowing them to grow to levels well beyond economic reality, but the low interest rates also drain the profits from the system.

To make their money, the speculators have resorted to

making large, highly leveraged derivatives bets. When they guess right, they make big profits; when they guess wrong, they lose big, and often disappear—unless they are a big bank,

## FIGURE 1 Fed Pumps Up Money Supply M3, Monthly, 1970-July, 2003

(\$ Trillions)



Source: Federal Reserve.

in which case they are merged with a less insolvent peer, so they can live to go bankrupt yet again.

Making large bets on narrow shifts in the markets, and doing it with borrowed cash, is a dangerous practice, and often introduces tremendous volatility into the system, triggering sharp movements in interest and currency rates. This is not necessarily a bad thing from the standpoint of the speculators, since they depend on the instability to make money, but it can easily get out of their control.

To make the casino less dangerous and more lucrative, the central banks, and their favored banks, have taken to rigging the system, placing large bets and then manipulating the market to make those bets win. As long as there is wealth out there to steal, and lots of public money available to fund the central banks' manipulations, this is a good racket. Some have called it criminal, but as Sir Alan has said more than once, it's the price we must pay to have vibrant derivatives markets.

Sooner or later, however, all pyramid schemes must come to an end, and this one has. The Fed can't drop interest rates much lower, and lower rates are necessary to keep the illusion going that the debt can be serviced. Lower rates mean increasing the total debt outstanding, and will ultimately lead to a hyperinflationary collapse of the financial system. Higher rates would dry up some of this speculation and bolster pension funds, but would also increase debtservice costs, bankruptcies, and defaults, and ultimately trigger a deflationary collapse of the bubble. Standing pat and citing the nonexistent recovery, as the Fed did the week of Aug. 11, solves nothing.

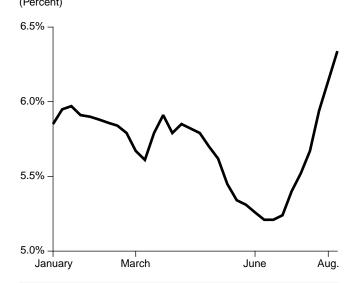
#### **Housing Bubble Ready To Pop**

One of the mainstays of asset inflation in recent years has been the residential real-estate market, where increases in prices have created trillions of dollars of fictitious capital in the form of new and expanded mortgages. Those overpriced mortgages were then used by Fannie Mae, Freddie Mac, and others to create mortgage-backed securities. To make this happen, the Fed artificially depressed long-term interest rates, creating a bubble in the bond markets. The Fed did this in part by buying long-term Treasuries, to which mortgage rates are pegged, effectively lowering rates on both.

As mortgage interest rates dropped, not only were households able to buy ever more expensive homes, but existing homeowners were able to refinance at the lower rates, often taking out cash as part of the refinancing. That cash was, in turn, used to pay down credit-card and other debt, or for increased consumer spending.

Homeowners took \$83 billion in cash out of refinancings in 2001, \$96 billion in 2002, and \$50 billion in the first half of 2003, according to Freddie Mac, while Greenspan testified in March that, counting all forms of borrowing against residential mortgages, some \$700 billion was extracted in 2002,

Long-Term Mortgage Rates Soar 30-Year Conventional Mortage Rates, 2003



Source: Federal Reserve.

nearly the equivalent of the gross domestic product of Spain.

The re-fi party ended in June, when Greenspan helped blow up the bond market and the Fed halted Treasury debt purchases, sending mortgage rates soaring (**Figure 2**). Refinancing activity fell 60% over nine weeks. If current trends continue, mortgage rates, at historic lows as recently as eight weeks ago, could be well over 7-8% by next quarter.

It is only a matter of time now before residential realestate prices start to fall off the table, even in formerly "hot" markets, like Colorado and Northern Virginia. As prices go into decline, homeowners who bought or refinanced in recent years will find themselves with mortgages which exceed the market values of their homes, resulting in a wave of defaults and even further declines in prices, wiping out banks, mortgage companies, and mortgage-backed securities.

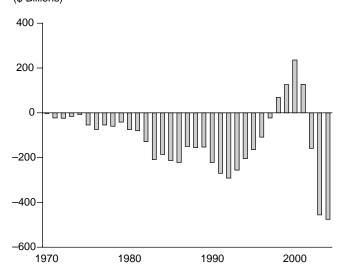
The Federal government, with its record quarterly deficits, is also facing a funding crisis. Through July, the Federal government reported a fiscal year-to-date deficit of \$324 billion, with the Office of Management and Budget (OMB) projecting a \$455 billion deficit for Fiscal 2003, and a \$475 billion deficit for Fiscal 2004 (**Figure 3**). These deficits, though records, significantly understate the government's income shortfall by counting payments to the Social Security and other trust funds as general revenue. Without such Enronstyle accounting tricks, the OMB's figure would likely top \$600 billion.

Finding that money, and the funds needed to prop up U.S. financial markets, will not be easy. During the bubble

years, when the U.S. stock market and the dollar were strong, money poured in from around the world to buy U.S. stocks and bonds, including large quantities of Treasury bonds. That party is also over, as both the dollar and the stock market have depreciated significantly, and foreign nations

FIGURE 3

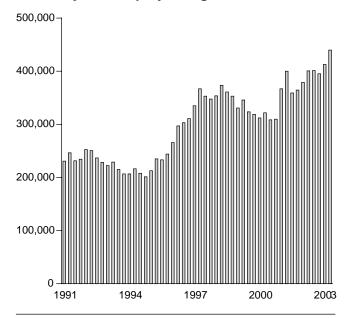
Federal Deficit Spirals Out of Control
(\$ Billions)



Source: White House Office of Management and Budget

FIGURE 4

Quarterly Bankruptcy Filings



Source: Administrative Office of the U.S. Courts

now have serious problems of their own. Japan, one of the largest purchasers of U.S. Treasuries in recent years, may even have to begin liquidating its holdings, to deal with its own financial crisis.

We also have the aforementioned problems in the bond markets, where bond prices have fallen sharply, with a rise in bond interest rates. When interest rates fall, the value of existing bonds rises, because the spread between the interest rates they pay and the prevailing rate increases; conversely, when rates rise, the value of existing bonds fall. However, as rates fall, it becomes harder to sell new bonds, because they pay such low rates. That difficulty is compounded as the economy declines, casting further doubts upon the viability of the bond issuers. The interest rates the issuers have to offer to attract buyers rise, increasing their debt-service burden.

On top of all of this, we have the global derivatives market, where the sharp rise in long-term interest rates has undoubtedly already generated huge losses in some portfolios. Derivatives losses, especially at big financial institutions, are rarely announced, but are often dealt with by changes in leadership. In this regard, the recent shakeup at Merrill Lynch, and the addition of former Bank for International Settlements General Manager Sir Andrew Crockett to the top management level of J.P. Morgan Chase, bear close scrutiny.

#### **Breakdown**

While the financial markets are choking on their own bailout needs, the physical economy upon which the bubble feeds, and on which humanity depends, is rapidly falling apart. Manufacturing production employment, a reasonable proxy for the overall manufacturing sector, has fallen sharply back to the levels of the 1950s in terms of numbers of jobs, and bankruptcies are setting new records in practically every quarter (**Figure 4**). In the 12-month period ending June 30, 2003, a record 1.65 million bankruptcies were filed, including a record 440,257 in the April-June period. Bankruptcies have now topped 400,000 four of the last five quarters.

The dynamic these problems describe is what Lyndon LaRouche has termed a breakdown crisis, in which the same old bailout techniques only hasten the breakdown. The failure of these techniques is manifesting itself in a growing rage at Greenspan by the bond markets, where the players consider it their right to continue to make money, no matter what happens to the economy. Sir Alan certainly deserves criticism, but these bubbleheads have no room to talk. The real question is: Where do we go from here? Do we listen to the financiers who have brought us to this point, or do we listen to LaRouche, who has warned us repeatedly that we would come to this point, if we listened to the financiers? The financiers will try to keep their power, no matter how much of your money they have to throw down the rathole. With LaRouche, we tell the bankers they are bankrupt, and begin rebuilding the economy. The choice is clear.

## Blackout Means: Rebuild The Transmission Grid

#### by Marsha Freeman

The Great Blackout of 2003 has finally made many millions aware of what had been known by the electric utility industry, regulators, and other professionals for more than a decade: That underinvestment in the nation's transmission infrastructure, while stress on the system was rising, due to "electricity deregulation" policies, has dramatically increased the risk of catastrophic failures. Just as the California energy crisis three years ago was characterized as the result of a "perfect storm"—where deregulation on top of inadequate capacity, plus manipulation and stealing, led to blackouts and bankruptcy—the Great Blackout of 2003 was also the result of decades of failed "free-market" policies.

For nearly 20 years, the construction of new high-voltage electricity transmission wires has been sabotaged, along with the modernization of the interconnected grid with the most advanced technologies. The London *Financial Times* of Aug. 18 made an interesting comparison: Over the past year, that Great Britain and the United States each invested roughly \$800 million electricity transmission; but the American grid is 15 times larger than the British one.

David Cook, General Counsel for the North American Reliability Council (NERC), testifying before Congress in May 2001, remarked that "In North America ten years ago, we had a little less than 200,000 circuit-miles of high-voltage transmission lines. Right now, we have about 200,000 circuit-miles of those lines." In other words, zero progress. Short-distance wires have been added, to connect new power plants to the local grid, but no investment has been vectored toward expanding the capacity, or toward increasing the reliability or efficiency of the interconnected grid system as a whole.

Electricity is the life-blood of a modern economy. Transmission is the system of arteries delivering the power. It was only a matter of time before the clogged and damaged transmission arteries would give the patient a major heart attack.

While Congress and the White House are engaged in a competition to see who can convince the American people that they are doing the most to solve the problem, the prescriptions they are proposing—more deregulation—will kill the patient. It is only the "Super-TVA" massive public infrastructure policy of Lyndon LaRouche that will rebuild the electric power system.

#### When the System Worked

The electrical industry is divided into three necessary parts. First, a company generates electricity, in fossil fuel, hydroelectric, or nuclear power plants. Then, the power, in bulk amounts, is shipped to where the load is, a city or town, via high-voltage transmission lines. Finally, the high-voltage electricity is stepped down to low voltages through transformers at substations near where it is needed, and is distributed to individual homes and places of business.

Until the 1960s, it was rare for a utility to transport power any farther than from its generating plant to the nearby city or town. But during the 1960s, due to the increasing rate of growth of the economy—spurred by the Kennedy lunar landing effort, investment tax credits, and other dirigist economic measures—electricity consumption was growing at 7% per year—a ten-year doubling time. The transmission system grew rapidly through the 1980s to keep pace.

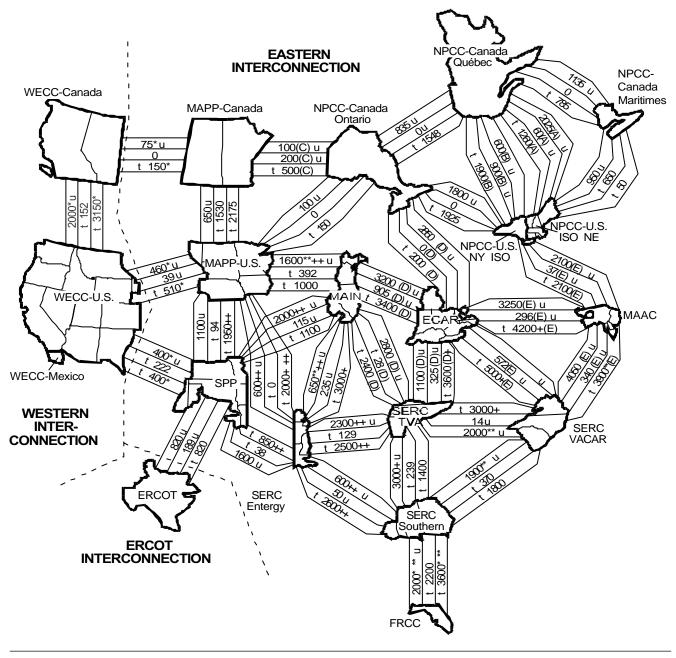
To accommodate this rapidly changing network, neighboring utility companies entered into arrangements, whereby they could buy power from each other when there was a shortage in one area, increasing the reliability of the entire system by preventing local outages, and also increasing operating efficiencies.

The overall management of the electric utility industry also saw changes in the 1960s, after 30 million people on the East Coast suffered a crippling blackout in 1965. In 1968, the industry—private and public—formed the National (now, North American) Electric Reliability Council. Its job, through ten regional reliability councils that span the United States, Canada, and northern Mexico, is to ensure reliability through the coordination of electricity producers, and to set "rules of the road" to keep the lights on. NERC collects and houses all of the data from the industry on their plans for adding capacity for generating and transmission, makes projections on decadal, as well as seasonal demand and capacity, and publishes annual reports which include the potential threats to reliable operation of the grid.

Electricity, unlike other commodities in the economy, can not be stored, but must be produced in real-time to meet demand. The transmission system must, at all times, carry just the amount of power for which there is a demand—no more and no less. In addition, from the standpoint of physics, electricity does not move in a straight path from where it is produced to where it is consumed. It flows over the path of least resistance. So the flow over every company's transmission line affects the flow over lines with which it is interconnected. Therefore, the careful and continuous monitoring of a regional grid is necessary, to either solve or isolate problems.

NERC developed the "rules of the road" for operations which all of its members adhered to. It was in their interest to preserve and enhance the integrity of the transmission grid, to the benefit of all—even if, at times, it was necessary for a member company to keep generation ready to use, or contrib-

FIGURE 1
Electricity Transfers Through the Transmission Grid



Source: "2003 Summer Assessment," North American Electric Reliability Council.

The nation's electricity transmission grid is organized into three regional Interconnections: the Eastern, from the Atlantic Ocean to the Rocky Mountains; the Western, west of the Rockies; and Texas. This intricate 200,000 miles of high-voltage lines operates under the coordination of the North American Electric Reliability Council.

ute other resources, at an additional cost. The private utilities functioned under a regulatory "compact," in which they were given exclusive rights to serve local customers, and were assured a set return on their investment. In return, they cooper-

ated with state regulatory agencies to build the generating and transmission capacity to meet demand.

But in the mid-1980s, transmission additions began to lag badly behind new generation. Environmentalists invented

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scare stories that children near power lines were at a higher risk for cancer. The countercultural "not-in-my-backyard" mentality, where personal "feelings" replaced concern for the general welfare, stymied transmission projects. Some companies fought legal battles for 15 years to site new transmission lines, but most gave up. This increasingly untenable situation opened the door for all manner of snake oil salesman, like Enron and their ilk, to propose that the bottlenecks would be relieved if the "magic of the marketplace" were allowed to introduce "competition."

#### How the System Was Wrecked

The first part of the electricity triad—generation, transmission, and distribution—that was targetted for deregulation, was transmission. The justification for Federal meddling in what was historically a state responsibility, was that all transmission is interstate, because even if the wires are within state boundaries, the electricity from the local generators is commingled with power carried on out-of-state transmission lines—due to the path-of-least-resistance principle—with which it is interconnected. This gave the Federal Energy Regulatory Commission (FERC) the authority to start tearing down state regulation of transmission.

Deregulation has destabilized the transmission system in four ways.

First, in the 1990s, FERC, often acting to carry out the foolhardy requirements legislated by the Congress, began the destruction of state regulation, by making it mandatory that utilities that built and own their transmission wires, open them for use by other producers, and that they can charge only the same price for the use of their wires as they charge their own customers. No longer could state planners and grid operators project what the demands on the transmission system would be—adding uncertainty to the delicate grid. No higher charges to out-of-state users of the grid were allowed, even though this put strain on the existing system.

Second, under deregulation, the grid has been turned into a superhighway of quick-buck energy trades and transactions. When Federal protections against monopolizing of power by large financial holding companies were waived by FERC, huge mega-corporations, such as Duke Power, Southern Company, Mirant, etc., were formed. As states deregulated and forced their local utilities to sell their generating capacity, these power pirates bought up generating capacity in states all around the country. The result became painfully clear in California, when people realized that most of the generating plants in the state were owned by out-of-state megalopolies, most based in Texas.

Owning generating plants from coast to coast, these unregulated companies were out to sell the cheapest power possible to any customers anywhere, which often meant shipping it hundreds or even thousands of miles, in a process called "wheeling." These so-called "economy transfers" involve the transport of power between two utilities that are not contigu-

ous, with power flowing through the transmission wires of all of the utilities in between. Unlike the early days of transferring power, which allowed sharing to increase the reliability of the grid, these economy transfers have congested power lines, to the point that local utilities may not be able to deliver power in an emergency, because transmission wires are clogged to capacity thanks to the wheeling (and dealing).

NERC has been warning for years that the increase in these "economy transfers" was adding to the overload of the transmission system. In its Reliability Assessment for the Summer of 1998, for example, NERC's staff wrote, "Throughout the regions, parallel path flows from increased electricity transfers are stressing the transmission systems. These flows are at magnitudes and in directions not anticipated at the time the systems were designed."

Third, while these "economy transfers" have been clogging the lines, removing the margin of safety and flexibility in the system, deregulation has militated against new investments to expand and modernize the grid. When companies realized that they could make a financial killing by manipulating the deregulated California and other markets, that is where the "investment" money went. The price of electricity in the West finally settled at the Federal cap of \$100 per megawatt-hour (MWh), which was a very lucrative threefold increase from the pre-dereg price of \$30 MWh. Companies stampeded to build more power plants, to get in on the rip-off. Comparatively, private companies have invested nothing in transmission, because the rates that can be charged are still regulated by states, and no one can get rich quick on regulated rates.

Fourth, with the stampede into building new power plants, companies are throwing up new capacity, but only building enough wires needed to connect them to the *local* distribution grid. This is like adding more and more on-ramps to a highway, to carry thousands of additional commuters from new suburbs to the cities, without ever widening the highway itself.

NERC projects that, over the next ten years, about 10,000 new circuit-miles of high-voltage lines (230 kilovolt and higher) are planned for construction throughout North America. This represents a mere 5% increase in total installed capacity over a decade; meanwhile, consumption, even in this depression-wracked economy, will continue to grow at a minimal 2% per year. NERC explains in its "Reliability Assessment 2002-2011" report that "most of these additions are intended to address local transmission concerns or to connect proposed new generators to the transmission grid, and will not have a significant impact on its capability to transfer electricity over long distances."

So, now the nation faces a projected need of \$50-100 billion over the next decade to expand, upgrade, and modernize the high-voltage electricity transmission system. How are Congress and the White House proposing to deal with this national emergency?

20 18 16 14 12 10 8 6 4

FIGURE 2 'Transmission Overloading Relief' Measures Required

Source: "Reliability Assess 2002-2011," North American Electric Reliability Council.

1998

The increase in deregulated "economy transfers" on the transmission grid, and the lack of investment in new capacity, has required that an increasing number of "transmission overloading relief" procedures be taken by system operators to avoid major outages. Such procedures were nil in 1997, rising to more than 20 in 2002.

Year

2000

2001

1999

#### Medicine To Kill the Patient

1997

Soon after George W. Bush entered the White House, it was made public that Vice President and energy magnate Dick Cheney would head an executive task force to "solve" the energy crisis. Interviewed on "Fox News Sunday" on Jan. 28, 2001, Cheney was asked by interviewer Tony Snow what his solution would be in California. Cheney replied, "I'm a believer in markets, and I think the notion of deregulation is basically sound."

The next day, President Bush convened a meeting in the White House and established the Energy Policy Development Group chaired by Cheney, to come up with a short-term plan for the energy crisis, and produce a report recommending a national energy policy. Over the next two years, the "Cheney Group" held secret meetings with Enron and other "energy" executives, which would become the subject of a lawsuit. The *New York Times* reported on May 16, 2001, that on the day the National Energy Plan was released, questions were being

raised about the group's "mysterious ways," amid accusations that it had met in secret mainly with energy industry moguls who would benefit from its recommendations.

2002

Cheney's energy plan centered on controversial proposals such as oil and gas drilling in the Alaska National Wildlife Reserve (ANWR) and offshore, which garnered most of the headlines. These have been vigorously opposed by many, including Democrats, environmentalists, and the President's brother, Gov. Jeb Bush of Florida. Few really thought the drilling was necessary, or that there would be an "oil crisis." Of course, few knew then we would be going to war with Iraq, and potentially with other oil-producing states.

The first Cheney Group proposal concerning electricity, contained in both the House and Senate energy bills that finally passed just this Spring, is to repeal the Public Utility Holding Company Act. FERC has already weakened the 1935 Act, by granting waivers of its anti-trust provisions, so new mega-corporations to control energy supplies could be cre-

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ated. With repeal, all protections against financial manipulation, pyramiding, and speculation would be gone.

Second, Cheney proposes that to "increase reliability" of the transmission grid, FERC should take control from the existing state and regional regulatory bodies, and create one big nationally integrated transmission grid. The report describes the transmission system, not as the lifeline for delivering power, but as the "interstate highway for commerce in electricity"! The drafters of the policy were certainly aware of the need for investments in the transmission system, demonstrated by the California blackouts due to congestion on transmission Path 15. Within the FERC-controlled national grid, they proposed "incentives" for investments, which FERC can implement through "innovative transmission pricing proposals." "The market" replaces government's responsibility for investment.

Since 1999, FERC has proposed that the next phase of deregulation (actually, transfer from state oversight to Federal control) of the power grid is to get the utilities and statewide grid operators to form Regional Transmission Organizations (RTOs). The ostensible reason is to improve efficiency, by integrating the three regional transmission systems (see map), and introducing "competition" to lower prices. (Remember Enron's promise that California's deregulation would lower prices by 50%?)

RTOs would be responsible for operational control of this super-grid; would administer their own transmission tariffs, or charges for use; develop market mechanisms to manage congestion; etc. What gives teeth to this proposed structure is FERC's so-called Standard Market Design (SMD). This would allow national transmission assets to be doled out by "competitive bidding." So, if a local community does not bid high enough to use *its own transmission lines* during a period of congestion, it will not be able to bring power to its own local customers, while national power marketers use its lines to wheel electricity around the country.

The RTOs would run the market for electricity transmission, which would not only reflect the production and transmission cost, but the "cost of congestion" on the grid. Retail wheeling, from utilities to far-away customers, would be the mechanism to supposedly "lower prices." It has been described by the Edison Electric Institute as "wheeling money." This gameplan would raise electric rates in parts of the nation, such as the Northwest and Southeast, where rates are low; and, therefore, it is opposed by Congressional delegations from those regions—Democrat and Republican.

Instead of providing emergency large-scale funding to expand capacity, this set-up will, no doubt, spawn a derivatives market to take bets on when and where the grid would be congested. Enron had made an art out of manipulating the congested transmission grid in California: It faked electricity transaction sales that would have increased congestion if placed on the grid, thus allowing it to get paid by the Indepen-

dent System Operator to *withhold* the (imaginary) power, in order to avoid the congestion. The possibilities for looting are limitless.

The House and Senate have passed different versions of the energy bill. When Congress returns from its Summer recess, they will have to go to conference and produce a negotiated compromise. But Democrats are opposed to the ANWR proposal; Republicans are opposed to more conservation measures; and there is a bipartisan battle over RTOs and other measures. President Bush has said that he hopes to have a conference energy bill on his desk 20 days after Congress reconvenes.

It would be best if the entire energy bill be tossed in the trash, and LaRouche's Super-TVA implemented, before the next blackout.

#### Ingersoll Bankruptcy

# Are U.S. Machine Tools Becoming Extinct?

by Richard Freeman

With the decline of the U.S. machine-tool design sector, which is gathering force, the United States economy does not stand a chance of survival.

The truth of this was brought home by the April 22 bankruptcy filing by Ingersoll Milling Machine Co., of Rockford, Illinois, the machine-tool design company which has a highly developed capability possessed by only a few others in the world. The bankruptcy delivered a near crippling blow to the U.S. aerospace-defense industry. Ingersoll made a custommade, technologically-advanced machine tool critical to the production of parts for the F-35 Joint Strike stealth fighter program, a multinational program in which the United States is the lead producer. Lockheed Martin Aerospace, one of the world's largest aerospace-defense companies, had, in 2002, won the \$18.9 billion contract for the U.S. side of production of the F-35; it immediately contracted in the Summer of 2002, for Ingersoll to produce the custom-made machine tools needed to produce the parts for the F-35. The Ingersoll bankruptcy pulled the rug out from under Lockheed Martin Aerospace: Ingersoll is only one of two U.S. machine-tool design companies that can produce this custom-made machine tool, and by law, Lockheed Martin Aerospace must buy this machine tool from a domestic U.S. manufacturer.

But beyond the problem it has created for the defense

industry, the U.S. machine-tool sector has plunged for nearly a quarter-century, to depths not seen in nearly seven decades, punctuated by a very steep decline since 1997.

The machine-tool design principle drives forward economic growth, and for that reason, it goes to the heart of what differentiates man from the beasts. Economics starts with man in the image of God: the capacity of the sovereign individual mind to make revolutionary, validatable discoveries in science, as well as in Classical art and music. In the scientific realm, these ideas are incorporated as designs for machine tools and other advanced machinery. At the same time, the cognitive powers of mankind are developed through rigorous Classical education, in which the student relives in his mind fundamental discoveries. The advanced machine tools are conjoined to the workforce whose cognitive powers have been awakened. Through this process, revolutionary scientific discoveries are transmitted into the physical economy, permitting man to transform and master nature.

But during the past 25 years, an opposite process has been under way in the United States: the extinguishing of the machine-tool design principle, which, in turn, has eliminated that force that generates progress. Unless reversed, this seals America's doom.

#### The Ingersoll Story

The Ingersoll Milling Machine Company represents the positive thrust of the machine-tool design principle—though it has its flaws, too. The Ingersoll Company was founded by Winthrop Ingersoll in 1891, who had bought a tiny machine-tool company in Cleveland, Ohio and moved it to Rockford, Illinois. The company prospered, and in 1953, Ingersoll built the world's largest milling machine for use in its own plant. Unfortunately, Ingersoll had an anti-union policy.

By the early 1990s, Ingersoll employed 2,200 workers in Rockford: 1,700 at its Milling Machine division, which made huge machines for aircraft customers such as Boeing and Airbus Industries, and an additional 500 workers at its cuttingtool division. It also employed 70 workers in Midland, Michigan, and it has a German subsidiary, Ingersoll Maschinen und Werkzeuge, which will remain open.

Ingersoll was a pioneer in high-velocity profiler (HVP) machines. During the 19th Century, machine-tool spindle speeds of 100-750 revolutions per minute (rpm) were common. Ingersoll built machines capable of rotating at 20-40,000 rpm. The HVP machines have fluid-bearing spindles that run on an externally pressurized fluid (oil) film. Unlike conventional mechanical ball-bearings, it does not wear under normal operating conditions, resulting in a long bearing life. It could also make deep cuts on extra-strength aluminum alloys, which are usually tough to machine, but which are commonly used in the aircraft industry. In one operation carried out on an aluminum alloy, the Ingersoll second-generation HVP machine reduced machining time from 10 hours to 70 minutes.

Ingersoll counted among its biggest customers Boeing,

Airbus, Lockheed Martin, Northrop Grumman, John Deere, and Caterpillar. But these manufacturers of aircraft, farm equipment, and other heavy equipment have taken a steep tumble over the past three years, and have cut back their purchases of machine tools.

Ingersoll took fierce cost-cutting measures, which included ill-advised asset sales. In 2000, in an effort to raise cash, Ingersoll sold its metal-cutting division to an Israeli company, and also instituted a 10% wage cut. It reduced the workforce at its Milling Machine division, from a high of 1,700, down to 300. But none of these measures could, or did work, because the fundamental problem was that the collapse of the U.S. physical economy caused industries to cut back on machine-tool purchases, which slashed business for Ingersoll.

Ingersoll did have one specialty: It was capable of manufacturing sophisticated machinery used in the production of both metal and composite parts for an aircraft's airframes and engines. Only five companies in the world possessed this capability, and only two in the United States: Ingersoll and Cincinnati Machine. In Summer 2002, Ingersoll received an order for three such custom-designed machines from Lockheed Martin Aerospace, and was in the process of building two of them. These two custom-designed machines, when completed, would stand more than two stories high and extend 70 feet by 20 feet.

The Ingersoll bankruptcy left these two machines incomplete, but Lockheed Martin Aerospace desperately needs them: Lockheed Martin Aerospace is scheduled to produce the first 22 F-35 Joint Strike Fighters in Spring 2005, and can't do so without the Ingersoll machines. Lockheed Martin Aerospace has reached a tentative agreement for Cincinnati Machine, Ingersoll's competitor, to complete the two Ingersoll machines.

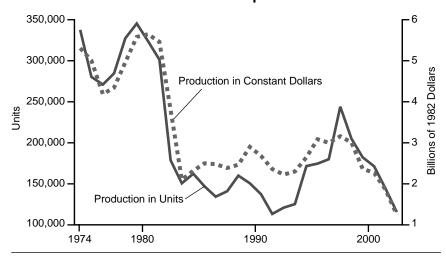
Further, on Aug. 20, Federal Bankruptcy Judge Manuel Barbosa approved a deal by which an Italian company, Camozzi Holding SpA, would buy Ingersoll for \$15.7 million, which is fraction of what Ingersoll is really worth. The intent is to run Ingersoll on a "mean and lean" basis, which means austerity and cost cutting. Tino Oldani, a representative for the Camozzi group, said he will try to get Ingersoll's annual sales up to \$100 million within four years, which would be only a quarter of the level of Ingersoll's sales during the 1990s. If rescued from bankruptcy, Ingersoll's capability will only be a fraction of what it once was.

#### **A Picture of Destruction**

One can hardly pick up a newspaper, without regularly reading of a machine-tool company that has met the same fate as Ingersoll. During the past 18 months alone, 30 U.S. machine-tool companies were sold—usually to forestall bankruptcy; filed for Chapter 11 bankruptcy protection; or were outright liquidated. According to the Association for Manufacturing Technology, the U.S. machine-tool industry trade association, there are now a mere 320 functioning

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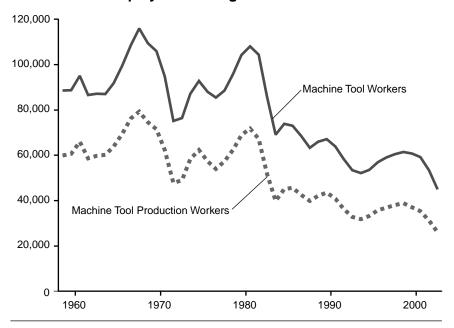
FIGURE 1
U.S. Machine Tool Production Collapses



Source: Association for Manufacturing Technology; U.S. Department of Commerce; EIR.

FIGURE 2

Machine Tool Employment Plunges



Source: U.S. Department of Labor, Bureau of Labor Statistics; EIR.

companies that build machine tools in the United States—down from 400 in 1998—and a few hundred more companies in closely related fields.

The machine-tool-building company is usually small, having between 15 and 200 workers; only a few companies in the United States have more than 1,000 workers. These

companies represent genuine entrepreneurs, in which new ideas are developed, tested in the machine-tool process, and then incorporated in the design of new advanced machine tools.

The process of destruction of this vital national capability traces from the imposition, by the financier oligarchy of London and Wall Street, of a postindustrial society policy upon the United States in the mid-1960s, which withered production and built up a gigantic speculative financial bubble. In this downward process, there are two principal nodal points: First, President Richard Nixon's insane move to take the dollar off the gold-reserve standard on Aug. 15, 1971, which introduced floating exchange rates and opened the speculative floodgates. Second, Federal Reserve Board Chairman Paul Volcker's October 1979 decision to dictate a policy of "controlled disintegration of the economy" as a virulent form of the post-industrial society. Volcker started forcing up the prime interest rate, so that it reached 21.5% by December 1980, which destroyed industry in general, and wiped out two-fifths of the machine-tool industry within five years.

**Figure 1** shows U.S. machine-tool production, both in units and in constant 1982 dollars. In 1979, the machine-tool industry produced 345,218 machine tools. Last year, it produced 115,573, one-third of the 1979 level. Note that since 1997, there was a further steep decline.

**Figure 2** shows that in 1967, the U.S. machine-tool industry had 79,000 production workers. In 2002, it had 22,000 such workers, only one-third of the 1967 level.

The U.S policy decision to be a consumer, rather than a producer nation, has meant that U.S. manufacturing and infrastructure contract, and cut back

machine-tool use. Machine tools are only used when an economy is expanding. But the carnage in the machine-tool industry means that when industry needs critical machine tools—as Lockheed Martin Aerospace needed machines from Ingersoll—such indispensable machine-tool design capability will no longer be there.

## Demand To 'Float' China's Yuan Could Crash Dollar

#### by Mary Burdman

The second-biggest question in all the recent months' hoopla, over the United States' demand that China drastically revalue its currency upward against the bankrupt dollar, is whether U.S. Federal Reserve Chairman Alan Greenspan and Treasury Secretary John Snow, are really such fools as to think that all their bloviations before the U.S. Congress will have any effect where it matters, in Beijing. The biggest question is: Do they realize, that were China to do as they demand and succumb to another "Plaza Accord," the biggest victim would be—the U.S. dollar.

The "issue" is, that China is one of the few nations which still maintains a government-fixed exchange rate and capital controls. Along with India, it is the only significant economy to do so. Internally, China's currency is the "yuan"; calculations for international trade and exchange are made in "renminbi" (RMB). In 1994, the Chinese government took emphatic steps to curb growing internal speculation and external black-market operations, and set a fixed dollar-exchange rate at 8.28 yuan to the dollar, which it has effectively maintained ever since. The rate was held throughout the upheavals of the 1997-98 Asian financial crisis, although the costs to China, especially in its trade with other Asian nations, were great.

#### 'Plaza Accord' for China Demanded

The hoopla is hardly new—in Spring 2002, the U.S. Senate Banking Committee was demanding China submit to a "Plaza Accord" (referring to the 1985 agreement by which Japan let the yen rise sharply against the dollar, and which sank Japan's economy, which has not risen since).

The dollar has been falling for the past 18 months. As a result, the yuan has also declined in exchange value in relation to other currencies, during that time. In addition, the U.S. trade deficit balloons by the month, as the U.S. economy vanishes before the world's eyes. Treasury Secretary Snow and company are demanding a 40% revaluation of the yuan—as if that would save the dollar or eliminate the \$500 trillion U.S. trade deficit. This would hardly be the case: The Chinese currency's value has remained *fixed* to the dollar, so the cost of Chinese imports for the United States has not changed greatly.

Since June, Greenspan, Snow—who will be going to China early in September—and the usual crew of U.S.

"China-bashers," with Japanese Prime Minister Junichiro Koizumi's government chiming in, have been demanding that China end the fixed exchange rate and, as they put it, "allow the yuan to float." So stupid a measure would be as "free" an action as those of the Californians who handed their state energy-supply system over to the rapacious pirates of Enron; the 1.3 billion Chinese are not quite so naive.

As one well-informed Asian financial expert, who understands China, recently told *EIR*, the Chinese leadership has a *fundamental* belief in the importance of the stability of their nation's currency; the Beijing government considers it essential to maintain the population's confidence in the currency. There is good reason for this: Uncontrolled hyperinflation and mass speculation dealt the death blow to Chiang Kai-Shek's government in 1949. Secondly, Beijing saw one East Asian nation after another devastated by the 1997-98 Asian financial crisis. Third, in August 1998, Hong Kong—backed, in effect, by the financial power of China itself—fought and defeated the international speculators head-on. China is not about to surrender almost 55 years of strenuous economic construction to the demands of the George W. Bush Administration.

On Aug. 5, Chinese Prime Minister Wen Jiabao told two guests—former Clinton Treasury Secretary and current Citigroup Chairman Robert Rubin, and new Citigroup CEO Charles Prince—that China will definitely maintain its fixed exchange rate, for the sake of its own economic health and that of the world at large.

Already in mid-July, People's Bank of China Governor Zhou Xiaochuan had stated that China would maintain a stable yuan, and warned that "an unstable currency value, inflation, and particularly runaway inflation, will seriously erode the interests of the masses."

Wen Jiabao's statement was the first by China's highest-level government leaders. A *China Daily* commentary on Aug. 7 said that Wen Jiabao's remarks have "put an end to the ongoing revaluation debate for the time being." Wen asserted that the stable RMB exchange rate helps promote the economic development of China, its Asian neighbors, and the rest of the world economy. He said that China had certainly taken notice of the concern of the international community on the RMB exchange rate. "The Chinese government has always held a serious and responsible attitude towards the issue," said Wen, including during the 1997-98 Asian financial crisis.

Wen told Rubin—who was in office during that debacle—that a nation's exchange rate system and policy should be determined by the nation's domestic economic situation and international income and expenses. "A regulated, floating-exchange-rate system based on market supply and demand—as implemented by China—complies with the country's current situation," Wen said. His remarks were backed up by Tang Xu, head of the Graduate School of the People's Bank of China, who told Xinhua news agency in an interview Aug. 8, that China would not accept "shock therapy" for its ex-

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change rate reform, and that any drastic changes would have adverse effects on China's national economy. The existing stable currency policy is appropriate for China's economy, Tang Xu said. "To a profound extent," the stability of the exchange rate safeguarded the country's daily financial operations. Were China to "free" its exchange rate, speculative "hot money" would move into its foreign-exchange market, and the RMB would "fluctuate severely," Tang added. This "would be a disaster, since China's financial capability to withstand the exchange-rate upheaval is so weak."

#### The Demise of the Dollar?

Snow, Greenspan, and Co. should try to think: What would happen were China to float the yuan in current conditions? As many economists in Europe and Asia recognize, if China were ever to revalue the yuan, other Asian nations would follow suit, blowing up the U.S. trade deficit even more. Worse—for the United States—all these nations would stop making big purchases of U.S. currency and low-yield U.S. Treasuries to keep their own currencies low. China alone has bought over \$60 billion in the last year, giving itself (or burdening itself!) with an enormous sum of \$346.5 billion in foreign-exchange reserves by June, a 42.7% increase over last year. Only Japan, with well over \$500 billion in foreign-exchange reserves, has more. With Taiwan and Hong Kong, these nations hold by far the biggest dollar reserves in the world.

Given the extreme volatility of the U.S. Treasury bond market, what would happen to the dollar, were these nations to diversify significant amounts into gold, or even the euro? Already in November 2001, Guo Shuqing, then head of the State Administration of Foreign Exchange, told European Union officials that China had begun serious purchases of euros. "Over the past two months we have bought a lot of euros. In the coming months, we'll buy more."

A highly interesting commentary published in the *People's Daily* already a full year ago showed that some, at least, in Beijing have a very sober understanding of the risks of holding so many dollars. China, the Aug. 9, 2002 commentary stated, as the second-largest holder of U.S. Treasury bonds, is a "great supporter" of U.S. economic and financial stability. But given the United States' huge fiscal deficit and unsteady dollar, China has to think of the risks involved. With the fall of the dollar and subsequent increased growth rate of China's foreign exchange, "the resultant question is that the inevitably larger scale of U.S. T-bonds held by China, means the involvement of higher political and sovereign risks. . . . . It is the inflow [to the United States] of China's foreign exchange that contributes to U.S. exchange-rate stability."

However, noted the *People's Daily*, "from an economic point of view, there is 'no permanent friend but eternal benefit'.... It is an eternal principle to strengthen caution against political and sovereign risks involved in international financial investments." Greenspan and Snow should think twice.

## Iran, Russia, and India Build N-S Rail Corridor

by Muriel Mirak-Weissbach

While the attention of the world press has been rivetted on accusations that Iran is developing nuclear weapons, the Islamic Republic has actually been busily developing capabilities of a more important sort, contributing to establishing regional peace. Continuing its policy introduced in 1991, Iran has been concentrating on expanding its railway connections to the newly opened, former Soviet territories of Central Asia and the Caucasus, and thence, to Asia, along the new Silk Road

One leading link in this grand transcontinental network, is the North-South corridor, which connects India, Iran, and Russia. The participating countries are speeding up their work on it, in the interests of enhancing trade, economic cooperation, and peaceful relations.

#### 'Transport Corridors From India'

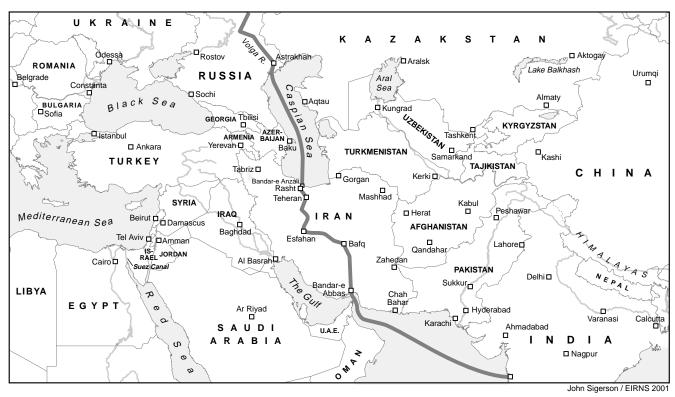
On July 22, the India-Iran Joint Business Council (IIJBC) met in New Delhi. As reported in the Iranian paper *Ettela'at* the following day, A.K. Srivastana, chairman of the Indian section, stressed the importance India places on transport links to the Islamic Republic. In his welcome address to the group, which included Iranian Deputy Foreign Minister for Asia and Pacific Affairs Mohsen Aminzadeh, Srivastana said that Iran has emerged as India's potential gateway to Afghanistan, Central Asia, and Europe. He added, "India and Iran are working together to develop transport corridors from India . . . through Iranian territory."

Srivastava said complementarity of interests between the two countries in the energy sector should be developed also as a strategic area of their future relationship. He said that investment in upstream and downstream activities in the oil sector, LNG/natural gas hook-ups and secure modes of transport are the areas to further strengthen the relations.

Aminzadeh, in a meeting with Indian businessmen and exporters, said, "The issue of the North-South transport corridor between India, Iran, and Russia is one of the most important fields for development of regional cooperation, which will further link Europe and Asia with the adjoining countries of Central Asia and the Caucasus, Syria, and all other countries of the region." According to *Ettela'at*, he said that Iranian-Indian strategic cooperation in transit and transport "would enter an infrastructural phase with the development of Chah Bahar port and the construction of the 600 kilometer-

FIGURE 11

The New Russia-Iran-India Transport Corridor



long Chah Bahar-Fahraj railway line that will link this port to the nationwide railway and road network of Iran, that will also establish a link between the countries of Central Asia and Caucasus, the Caspian Sea, Russia, and Turkey."

Talks between Russia and Iran focussed on the same project. On July 24, Iranian Ambassador to Moscow Gholam Reza Shafei met with Russian officials, and stated that Iran is adamant about construction of the North-South corridor. Significantly, Shafei called on Armenia and Azerbaijan and their neighbors to resolve the Karabakh issue, "hence removing the hurdles in the way of railroad transportation and agreement by Russian officials to let the Iranian-registered trucks travel on the northern Caucasus." At the same meeting, Russian Transportation Minister Sergei Frank, stressing the importance of the corridor, outlined Russian plans for expansion of facilities in the Russian ports.

#### **Build Corridor in Two to Three Years?**

The agreement on the North-South international transportation corridor which connects India, Iran, and Russia to Europe has been signed by Iran, India, Russia, Belarus, and Kazakstan. Oman and Tajikistan are expected to join the treaty in the near future. On Aug. 12, Russian and Central Asian news wires announced that the transport ministers of Pakistan and Afghanistan had signed an intergovernmental

protocol along with Tajikistan, Turkmenistan, and Uzbekistan on various aspects of the project, including providing security for the operation of the corridor. The joining of Afghanistan and Pakistan opens perspectives for establishing shorter land transit routes between the eastern Baltic and the Indian Sea.

As for the financing of the project, the Farsi paper *Qods* reported on Aug. 5 that Germany, Russia, and Iran are discussing the establishment of a consortium to build the corridor within two to three years. The consortium would build the rail and road corridors linking India, Iran, and Russia; lines going through Astrakhan; and transport lines from Russia to Europe and northern Europe.

Iran, which is the pivotal nation in the transportation grid, is also expanding its own internal lines, to maximize the advantages of its geographical position. IRNA reported on Aug. 12 that Iran plans to build 5,000 kilometers of tracks over 20-25 years. At present, 3,300 kilometers are being built, including the 1,000 kilometer stretch between Bafq and Mashhad (into Central Asia). Managing Director of the Islamic Republic Railways Mohammed Saeednejad announced Aug. 11 that 500 kilometers have been laid annually since 2000. He said the Iranian network should grow six-fold, from 15 million passengers and 26 million tons cargo per year, currently, to 80 million passengers and 56 million tons.

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## Mexico's Fox Sends College Grads Out To Sell Tacos on the Street

#### by Ronald Moncayo Paz

On the evening of July 2, 2003, the night of Vicente Fox's Presidential victory in Mexico, the youth who were said to have been the deciding factor in the vote, shouted excitedly to the President-elect, "Don't fail us! Don't fail us!" Theirs were false hopes, however, as the Fox government's economic policies proved to be an aggressive continuation of the anti-national, and even fascist, policies of the three previous administrations, which *EIR* has been warning against ever since the signing of the North American Free Trade Agreement in 1994.

Already in 1991—and contrary to established popular opinion at the time—*EIR* explained that NAFTA would not only destroy the Mexican workforce, but that the kind of economic thinking which spawned NAFTA had already managed to shrink the absolute number of jobs year after year, and that NAFTA would therefore cause a vast flood of unemployment.

This forecast has now become reality. Hopelessness, frustration, unemployment, and starvation wages have led to 224 suicides in the first half of 2003, and in the second week of August, three more suicides took place, by unemployed youth who could find no entrance to the universities.

During July, the critical unemployment situation became even more dramatic for Mexicans, when it was announced that 2,100 new layoffs had been occurring on a daily basis during the previous four months. In July, official jobless figures, according to the National Institute of Statistics, Geography, and Information (INEGI), indicated that unemployment had reached its high point under the Fox Administration. The Fox government broke its own 2002 record of more than 350,000 newly unemployed in one year, by achieving that absolute number in just the first six months of 2003. In June alone, there were 200,000 new unemployed!

However, the official figures of *open unemployment* in Mexico (see box) are the laughingstock of the entire world. *EIR* has documented that whereas *official* unemployment runs in the 3-4% range, *real unemployment* surpasses 50% of the Economically Active Population. In the face of the shocking level of unemployment in Mexico and denying that the real cause is the anti-growth economic model he promotes, Fox himself, together with some of his ministers, cynically an-

nounced that the solution to the problem is a series of measures which offer no solution at all. They can be summarized as follows:

- 1. Urgently approve the looting of national assets and of the national workforce, through "structural reforms," among these the "labor reform" which would put an end to all labor benefits and security, along with the unions, and application of "labor flexibility" to generalize miserable "hourly wages" instead of salaries.
- 2. "Mr. University Grad, set up your taco stand and be happy," is the best way to translate the government's promotion of informal labor. This involves getting unemployed university graduates and professionals to promote their own "self-employment." To facilitate this program, the World Bank is offering to each taker a \$50 loan to buy his or her own *changarro*, or street vending license. If the Fox government has its way, Mexico will soon see doctors specializing in *quesadillas* and other Mexican street-stand culinary delights.
- 3. "Go to the bank, go to the slaughterhouse"; this involves sending small and medium-sized companies to private or development banks, where they "gain access to the 370 billion peso credit market" (about \$37 billion) of high-interest loans, to place their products in a highly recessive market, where the only thing they are guaranteed is to *not* recover their costs of production, and to be trapped by "bankers' arithmetic," whereby the more they pay, the more they'll owe. The fact is, these businesses do not want this kind of credit, nor are the banks interested in lending to those who have no secure means of repaying the loans. The banks prefer government bonds, which are more "secure."
- 4. Application of a "special labor fund," which boils down to a government fund of 100 million pesos for "training and helping the unemployed." This hundred million represents crumbs, providing a mere three months of assistance.

#### **Looting the Labor Force**

The Mexican Constitution, in Article 123, guarantees that "every person has the right to dignified and socially useful work; to this effect, the creation of jobs and the social organization of labor, in conformity with the law, will be promoted."

According to this, and the increase in the Economically

### INEGI's Absurd Definition Of Official Unemployment

Here is how the National Institute of Statistics, Geography, and Information (INEGI) paints its picture of official unemployment.

- 1. Economically Active Population (EAP): "All persons 12 years of age or older who carry out some kind of economic activity (employed population), or who are actively seeking to do so (openly unemployed population) in the two months prior to the week in question."
- 2. **Economically Inactive Population (EIP):** "All persons 12 years of age or older who during the week in question did not participate in economic activities, nor were part of the openly unemployed population."

	(Millions)		
	EAP	EIP	Total Population
1995	35.6	28.4	92.0
1996	36.6	28.4	93.6
1997	38.3	29.4	95.1
1998	39.5	29.9	96.6
1999	39.8	31.2	98.1
2000	39.6	31.6	99.6
2001	40.4	33.3	101.0
2002	40.8		

Sources: National Job Census, StyPS, and INEGI.

3. The EAP, in turn, is divided between the "employed" and the "openly unemployed."

	(Millions)		
	EAP	Employed	Openly Unemployed
1995	35.6	33.4	1.7
1996	36.6	35.2	1.4
1997	38.3	37.4	1.0
1998	39.5	38.6	0.9
1999	39.8	39.1	0.7
2000	39.6	39.0	0.7
2001	40.4	39.6	0.8
2002	40.8		

Sources: National Job Census, StyPS, and INEGI.

- 3.1. The "employed" are: "all persons of 12 years of age or more who during the week in question participated in economic activities at least one hour or one day in the week, in exchange for a monetary or specie income, or who did so without receiving payment; those who did not work, but have a job; and those who began some job at the end of a month. This also includes workers in the United States of America whose form of economic activity is unknown."
- 3.2. The "openly unemployed" are: "all persons of 12 years of age or more who, without being employed during the week in question, sought to enter into some economic activity during the previous month to the week in question, or from between one to two months, even if they haven't been seeking during the past month due to causes linked to the labor market, but who are prepared to begin work immediately."

Active Population (EAP) in Mexico, the Fox government should have created at least 3.6 million new jobs, since the year 2000, to provide work to the 1.2 million Mexicans who entered the labor force in each of those years. In reality, the government has not created these new posts, but has caused more than 2 million more unemployed. And that is why the situation has become explosive. By aggressively following the labor policy of the past three Revolutionary Institutional Party (PRI) governments, the current National Action Party (PAN) government of President Fox has been dismantling the economic institutions of the nation, systematically destroying jobs and wages.

Mexico currently has 102 million people, while its Economically Active Population is 42 million; but of these, only 14 million are registered as officially and formally employed. If we take these 14 million from the 42 million in the EAP, we are left with 28 million, who find themselves in every aspect of so-called "informality," ranging from street-vend-

ing, semi-employment, crime, and the officially dubbed "open unemployment."

It is also officially calculated that nearly 400,000 nationals go annually to the United States (where 20 million people who can find no place for themselves in the Mexican economy now live; 8 million are of Mexican birth and another 12 million are their children, born in the United States).

But being "employed" no longer means having a dignified life-style, since according to the INEGI itself, 9% of the employed population labor under "critical conditions"—starvation wages of less than \$4 a day, while 26% have worked without any labor benefits since 1997. In the *maquiladoras*, the assembly-for-export factories near the border with the United States, the labor situation is worse, since these have become virtual "concentration camps," where benefits do not exist and working conditions are tantamount to slavery.

The Fox government has dedicated itself to administering an economic depression, but even that is now careening out

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of control, given the massacre the productive sectors of the national economy have suffered since NAFTA went into effect in 1994.

To offer a recent example, the rubber industry had 10,000 employees in 2000, but today it employs only 2,700 people. During the same period, the toy, clothing, and textile industries have become virtually extinct, due to both the arrival of Asian products costing at least five times less than those produced nationally, and to contraband. These industries have suffered at least 100,000 layoffs, as a result. Processing industries have lost 169,000 jobs, and manufacturing has lost another 127,000. On top of this, poverty in the countryside has forced 400,000 rural unemployed annually into the cities, causing a vast growth in the army of urban unemployed.

#### Youth: Unemployed and Without a Future

There can be little doubt that the disillusioned Mexican youth, who in 2000 had shouted "Don't fail us!" to Fox, are now asking themselves, what kind of government is this, which is neither producing jobs and nor fostering educational aspirations? Elena Zuñiga, general secretary of the National Population Commission (Conapo), reviewed the situation on Aug. 5, when she declared that "the future is desolate for 21 million youth in our country, and calls for the efforts of the authorities." She stressed that official open unemployment among the youth is greater than 4.5% (as per the ridiculous definitions indicated in the box), while their educational alternatives are few. Migration, marginalization, and racial segregation are growing among youth, as well. Of all youth between 12 and 14 years of age, 45% are laboring in the "informal market," or are underemployed, while within the 25- to 44-year-old stratum, 33% are in the informal sector.

To this hopelessness of joblessness, must be added the sad reality that thousands upon thousands of youths are unable to enter state universities, while the few who do enter are receiving a deficient education. Upon graduation, the lack of employment opportunities is turning these youth into taco vendors.

During July, for example, 233,000 contenders for entrance into Mexico City's three leading universities, the UNAM, IPN, and UAM, flocked to the capital city. Of these, only 45,000 were allowed in, leaving 188,000 out on the street, plus another 56,000 who could find no space in high schools. These figures are a clear reflection of the government's disinterest and abandonment of the country's own future, as represented by these youth. To give opportunities to just these aspirants, the government last year would have had to *at least* double the university infrastructure, while increasing infrastructure for high schools by 70%.

Fox promised to create 1.2 million new jobs a year, but, like Presidents Carlos Salinas de Gortari and Ernesto Zedillo before him, he is not interested in the future of these youth.

On Aug. 6, speaking before President Fox himself, during an awards ceremony for academic excellence at the Presidential residence of Los Piños, a young professional from the National Polytechnic Institute, María Isabel Wong Baeza, charged, "Each time we learn that a professional is working at something other than their specialty, at something for which they that did not even have to study, we feel that the entire system has failed; that the link between education, training, and employment has been broken."

The truth is that, since the very beginning of his government, and as part of a plan to subvert the institutions of the nation-state, the Fox administration has radicalized deregulation—that is, the state's withdrawal from vital national functions, which are then transferred to a group of multinational pirates. This operation has been called "structural reforms," which is nothing but the deregulation of education, energy, telecommunications, federalism, and finances, as well as in taxation, the budget, the judiciary, labor, and social security.

In all these areas, the federal government has caused chaos and abandonment, for the purpose of "demonstrating" that government participation in these sectors is counterproductive and inefficient. It similarly seeks to create the pretext needed for beginning the deregulation, and eventual destruction of these sectors, demanding that the Congress approve the necessary constitutional amendments to facilitate its ten "structural reforms." In the areas of education, labor, and energy, in particular, the Fox government has already unleashed total chaos with its proposals.

Fox has insisted that the solution to the unemployment problem is to encourage a "new labor culture that will favor productivity and remuneration," and the usual myopic business circles has voiced its approval in chorus. The banker president of the Business Coordinating Council, Héctor Rangel, has said that "if the economic model changes, it will be a disaster. The country is not submerged in a crisis," and for that reason, new investments will depend on the approval of structural reforms. Others, like Leon Halkin, president of the important business entity Concamin, while recognizing that the crisis does in fact exist, nonetheless insist that structural reforms are the answer: "The companies are disappearing, others are becoming smaller, and the bigger ones are becoming more competitive, but with less direct labor employed. That is why structural reforms are necessary."

What really is required is a total change, from the neofeudal economic model of NAFTA, to one based on the principles proposed by U.S. statesman and economist Lyndon H. LaRouche, in his New Bretton Woods proposal. That is, an intensive program of infrastructural development and great projects, one of which should be development of the so-called Great American Desert, as detailed in *EIR* (May 9, 2003). That is what the people of Mexico require to solve the problems of economic depression and unemployment, and to put the country back on the path of development and hope for the future.

## **ERFeature**

#### RE-CREATING THE REPUBLIC

## How Abraham Lincoln Organized Victory For the Union

by H. Graham Lowry

Historian Graham Lowry, a longtime associate of Lyndon LaRouche, and author of How the Nation Was Won: America's Untold Story, Volume I, 1630-1754, died on July 28. During the past year, despite worsening illness, he gave several classes to regional offices of the LaRouche movement, on his ongoing research on Abraham Lincoln. He was particularly eager to impart to the burgeoning LaRouche Youth Movement, the real history of their nation—the history that they are not taught in schools, where they learn that the Founding Fathers were slaveholders, and Lincoln was a racist who only wanted to save the Union and didn't really care about abolishing slavery. The following article, which was edited by his wife, Pamela, draws from classes he gave in Arlington, Virginia; New York City; and Baltimore, Maryland, as well as from notes for an article he had intended to write.

The United States in 1860 was on the brink of total destruction. Abraham Lincoln knew it; a handful of other patriots knew it on one level or another; and the plotters seeking to overthrow the government were becoming bolder every day. What was the threat to the constitutional republic in 1860? Secession? The spread of slavery? Civil war? These dangers by then had been broadly recognized—even openly promoted by leading Southerners. But these were secondary aspects of a planned coup d'état to bring the constitutional republic of the United States to an end. Abraham Lincoln dared to shoulder the unique responsibility for simultaneously defending the republic from its enemies and creating the conditions for a lasting peace. As he said in his Cooper Union address in 1860: "Neither let us be slandered from our duty by false accusations against us, nor frightened from it by menaces of destruction to the Government, nor of dungeons to ourselves. Let us have faith that right makes might, and in that faith let us, to the end, dare to do our duty as we



When President Lincoln learned that the Union Army had taken possession of the Confederate capital, he exclaimed, "Thank God, that I have lived to see this!" Although the area was still dangerous, Lincoln insisted on visiting Richmond—not as a conqueror, but to heal the wounds of war and reunite the nation. Shown here is a model of the statue in Richmond, commemorating Lincoln's visit to the city in April 1865, with his son Tad. The statue was unveiled in April 2003.

understand it." Who was this Lincoln, this ugly duckling who told rollicking frontier tales and wrote in the beautiful language of the English Renaissance?

#### The Mind of Abraham Lincoln

Now, what I am going to try to do, is to enable you to actually exist within the mind of Abraham Lincoln, for awhile, and, of course, if you keep working on it, you can keep doing it for a long time. Not merely is Lincoln one of the most significant examples of the leadership principle in the American historical tradition; but he is that, anywhere in world history. In a crisis such as this nation and the world face today, the advantage that you have, is that you can turn to a model of the leadership principle, in the sense that I'm going to demonstrate with Lincoln. And you will find that all kinds of, say, lieutenants; and rank and file, good citizens, and so forth, whose efforts on behalf of keeping something called "human," something worthwhile about human life going forward, do it through their grandchildren, either literally or figuratively. We have the responsibility now to ensure the future of those children two generations into the future. You don't wait around and see if they can work it out when they're 20 years old, because by that time there may not be a future.

And that's what makes you human: that you take the responsibility to extend the efforts that people made before you, and you start projecting them forward, and working to ensure

them for another good span of time to come. And then, you find that these historical people are with you, not in some mumbo-jumbo sense, but in the sense that they will be resources that you can bring back into the war, that will live again through you, and that you'll be stronger because of them. And then people will recognize: "Wait a minute, there's something different about this person. This person represents something I can trust, and something that I will follow."

And that is what people did see in Lincoln; it took awhile for him to develop it, but when he did, it was unmistakable. It's why we defeated the British-inspired slave empire called the Confederacy, and kept it from destroying the only republic in the history of the world, a Constitutional Republic, that had as its principle, the sacred creative potential of each individual citizen. I'm sure you've read something about the principle of the general welfare, the good of the whole society, and that the only purpose of government is to ensure that for the present and the future as well. If you have a government that starts saying, "Who can we go kill tomorrow? Let's find someplace where we don't like the way the people look, or the color of their skin, and then we'll bomb 'em! Torch 'em! Imprison 'em! Create dictatorships, create an empire." That's not the United States of America; that is not our mission in history.

And the people who've known what the mission was, have been the people who have come to the fore, when it was

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"Washington Crossing the Delaware," by Emanuel Leutze. From boyhood, Lincoln was inspired by Washington, as he told citizens at Trenton, New Jersey in 1861. "I recollect thinking, boy even though I was, that there must have been something more than common that those men struggled for."

threatened. Lincoln had to do it. Franklin Delano Roosevelt had to do it, and Lyndon LaRouche has had to do it his whole life. And now, the enemies of the republic are at the end of their strength, and if we act in the right way now, they're going to lose. The question is, do we all go down with them, or do we save something we would call a human future, in contrast to this barbaric dark age that will be the only thing to follow, without us?

#### The Wellsprings of Inspiration

So, I want to give you a sense of three things about Lincoln: the sources of his own inspiration, in this American Intellectual Tradition, as we call it; and his personal sense of mission; and then one of the best kept secrets, which is that he personally organized the Union Army to win the Civil War.

First, to find out about what inspired him, we must travel back to the year 1838. It was then that he made an address to the Young Men's Lyceum of Springfield, Illinois on the subject of "the perpetuation of our political institutions." Much had happened since those political institutions were founded in the wake of the American Revolution. Our inveterate enemy, the British Empire, hadn't waited long to try to reconquer the United States. In the course of the War of 1812 they burned the White House and the Capitol, hurled their Indian allies against the American frontiers, and tried to conquer New Orleans as a way of controlling the Mississippi and stopping any further westward settlement by Americans. Without the Americans setting up agriculture and industry in the western lands, the British would be free to expand the basis for a slave empire that would include the American South and Southwest, Mexico, and on down through Central America and beyond. This scheme would remain British policy through the Civil War, and furnished much of the motivating force behind the development of the Confederacy. It had also been a factor in the Nullification crisis in the early 1830s, when arch-slave-state South Carolina attempted to nullify the Constitution of the United States.

Despite early and very successful efforts, such as the Erie Canal, to develop American infrastructure, the Presidents after John Quincy Adams, such as Andrew Jackson and Martin van Buren, traitorously blocked internal improvements. In 1837, America suffered a manipulated financial panic, which led to a serious depression and, in some cities and towns, mob violence.

Lincoln was worried that the living memory of the American Revolution, which had sustained so many Americans, was almost gone, and that the new generation was unprepared to face the mounting threats. In his 1838 speech, he asked: "At what point shall we expect the approach of danger? By what means shall we fortify against it? Shall we expect some transatlantic military giant to step the ocean and crush us at a blow? Never! All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth (our own excepted) in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years. At what point then is the approach of danger to be expected? I answer, If it ever reach us it must spring up amongst us; it cannot come from abroad. If destruction be our lot we must ourselves be its author and finisher. As a nation of freemen we must live through all time, or die by suicide."

The danger is, he says, that the Revolutionary War generation is almost gone, and the memories of that struggle "can't be so universally known, and so vividly felt, as they were heretofore. At the close of that struggle, nearly every adult male had been a participator in some of its scenes. The consequence was that of those scenes—in the form of a husband, a father, a son, or a brother—a living history was to be found

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President James
Buchanan,
Lincoln's
predecessor, had
fallen in with
British plans for
extending slavery
throughout the
Americas. A coup
d'état was under
way in Washington,
even as Lincoln
arrived for his
inauguration in

in every family. . . . But those histories are gone. They can be read no more, forever. They were a fortress of strength, but what invading foemen could not do, the silent artillery of time has done, the leveling of its walls—they're gone." The challenge he then puts forth to this audience is that they have to re-create, themselves, the props to sustain these institutions and these higher principles for which so many gave their lives. He says, "Let those materials be moulded into general intelligence, sound morality, and in particular, a reverence for the Constitution and laws. . . . Upon these let the proud fabric of freedom rest, as the rock of its basis; and as truly as has been said of the only greater institution, 'the gates of hell shall not prevail against it.'"

Years later, on his way to his inauguration as President in 1861, Lincoln stopped to address the New Jersey Legislature at Trenton, a city which held special meaning for him. He told them that in "the earliest days of my being able to read, I got hold of a small book, such a one as few of the younger members have ever seen, Weem's Life of Washington. I remember all the accounts there given of the battlefields and struggles for the liberties of the country, and none fixed themselves upon my imagination so deeply as the struggle here at Trenton, New Jersey. The crossing of the river; the contest with the Hessians; the great hardships endured at that time, all fixed themselves on my memory more than any single revolutionary event. . . . I recollect thinking then, boy even though I was, that there must have been something more than common that those men struggled for. I am exceedingly anxious that that thing which they struggled for; that something even more than National Independence; that something that held out a great promise to all the people of the world to all time to come: I am exceedingly anxious that this Union, the Constitution, and the liberties of the people shall be perpetuated in accordance with the original idea for which that struggle was made, and I shall be most happy indeed if I shall be an humble instrument in the hands of the Almighty, and of this, his almost chosen people, for perpetuating the object of that great struggle."

What Lincoln liked most about George Washington was that Washington would do the impossible. When it looked like the Continental Army was totally lost, had no chance at all, he said, "What don't they think we can do? We'll go do it." And that was how we attacked Trenton on Christmas Day, coming across the icy Delaware in shallow-draft boats, and surprising the whole drunken Hessian mercenary encampment. Then, Washington withdrew silently at night from right in front of a large British Army come to trap him, and captured

### Lincoln on Slavery: The Dred Scott Decision

In 1857, the U.S. Supreme Court passed its infamous Dred Scott decision, allowing a slaveholder to cross state lines, into a free state, to reclaim his "property"—a former slave who had gained his freedom. Chief Justice Roger Taney wrote in his opinion on the case, that the Declaration of Independence did not apply to the Negroes, who "had no rights that the white man was bound to respect."

Lincoln, in a speech in Springfield, Illinois, on June 26, 1857, had this to say on the matter:

In those days [of the American Revolution], our Declaration of Independence was held sacred by all, and thought to include all; but now, to aid in making the bondage of the Negro universal and eternal, it is assailed, and sneered at, and construed, and hawked at, and torn till, if its framers could rise from their graves, they could not at all recognize it. All the powers of earth seem rapidly combining against him. Mammon is after him; ambition follows, and philosophy follows, and the Theology of the day is fast joining the cry. They have him in his prison house; they have searched his person, and left no prying instrument with him. One after another they have closed the heavy iron doors upon him, and now they have him, as it were, bolted in with a lock of a hundred keys, which can never be unlocked without the concurrence of every key; the keys in the hands of a hundred different men, and they scattered to a hundred different and distant places; and they stand musing as to what invention, in all the dominions of mind and matter, can be produced to make the impossibility of his escape more complete than it is.

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Lincoln with his Army at Antietam on Oct. 3, 1862 (Gen. George B. McClellan is the young braggart facing off against him). The battle was one of the bloodiest of the war, in which General Lee's advance into Maryland was thrown back, but McClellan allowed the Confederates to escape across the Potomac into Virginia, ignoring Lincoln's explicit orders. The battered soldiers were heartened by the personal concern shown them by the President; they said he looked "serious and careworn," and their hearts went out to him. For the first time, they began to refer to him as "Father Abraham."

Princeton. At the beginning of the campaign, the British held all of New Jersey, but after two such battles, they withdrew from the entire state into the "safety" of disease-infested New York City! Lincoln knew that Washington was someone to emulate and trust.

#### Lincoln's Sense of Mission

"I now leave, not knowing when, or whether ever, I may return, with a task before me greater than that which rested upon Washington," said Lincoln in his farewell address to his friends and neighbors in Springfield as he left for his inauguration. "Without the assistance of that Divine Being, who ever attended him, I cannot succeed. With that assistance I cannot fail. Trusting in Him, who can go with me, and remain with

you, and be everywhere for good, let us confidently hope that all will yet be well."

Yet even as he boarded the train, American intelligence agents were discovering a wide-ranging plot to assassinate him and take over the government. Since Lincoln's 1838 speech, an even more outrageous group of traitors had occupied the Presidential office, culminating in James Buchanan. Buchanan had been a very limp-wristed minister to the Court of St. James, and had fallen right in with the British plans for a slave empire by signing the Ostend Manifesto, which called for the occupation of Cuba and the extension of slavery. Once the slave-holding states saw that Lincoln had been elected, they started to secede, but President Buchanan made no attempt to keep them from seizing all the Federal property they



In May 1864, some 4,300 supply wagons followed the Union Army as it moved south to The Wilderness battlefield in Virginia. Creating the massive infrastructure required to sustain the troops, who were fighting deep in enemy country, was one of the colossal achievements that made victory possible.

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could get their hands on, including arsenals, forts, Navy yards and ships, and Federal buildings of all descriptions. Not content with that, Buchanan's Cabinet members openly spoke of how to keep Lincoln from being inaugurated, while the official government newspaper, subsidized by the Administration, called for the "insulted" slave owners to secede!

Buchanan's message to Congress on Dec. 4, 1860, presented a government in willful paralysis. Secession, he said, was unconstitutional, but there was no power in Congress or the Executive to compel a state to remain in the Union. It was the duty of the President to enforce the laws, but in the existing situation in South Carolina it was utterly impossible for him to do so. "The fact is," Buchanan wrote, "that our Union rests upon public opinion, and can never be cemented by the blood of its citizens shed in civil war."

Even worse, Buchanan had just finished hosting an "unofficial" visit by the British Prince of Wales, the future Edward VII, and his large party of lordly advisors. These British peers met with secessionist leaders as Edward made a triumphal tour of the South, and stayed not only for the American Presidential Election, but tarried on and on, supposedly while their ship underwent repairs, in order to monitor the various plans for a coup d'état. Buchanan added insult to injury by taking the British nest of vipers to visit George Washington's tomb at Mount Vernon.

When Lincoln's inaugural train reached Philadelphia, he was told of the assassination plot against him in Baltimore, where European Mazzinians had combined with Secessionists to plan an attack as he rode through the city. Yet in his speech at Independence Hall the next day, Lincoln did not waver: "I have often inquired of myself, what great principle or idea it was that kept this confederacy [union of states—ed.] so long together. It was not the mere matter of the separation of the colonies from the mother land; but something in that Declaration giving liberty, not alone to the people of this country, but hope to the world for all future time. It was that which gave promise that in due time the weights should be lifted from the shoulders of all men, and that all should have an equal chance. This is the sentiment embodied in that Declaration of Independence.

"Now, my friends, can this country be saved upon that basis? If it can, I will consider myself one of the happiest men in the world if I can help to save it. If it can't be saved upon that principle, it will be truly awful. But, if this country cannot be saved without giving up that principle—I was about to say I would rather be assassinated on this spot than to surrender it."

Now, this is someone you can look at and say, "I think this man means what he says. I think we'd better follow him, because nobody else has a clue about what we are going to do."

The situation was indeed dire—almost the entire South was seceding in open declaration of war against the United States, armed to the teeth, bankrolled to the maximum that the coffers would bear, by Britain. If you ever get a chance to tour West Point, go to what they call Trophy Point, overlook-

# On the Declaration of Independence

Lincoln's speech in Springfield, Illinois, on June 26, 1856, addressed the intent of the Founding Fathers, in including in the Declaration of Independence the phrase, "all men are created equal":

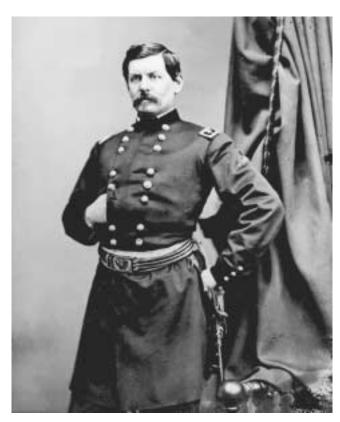
They meant to set up a standard maxim for free society, which should be familiar to all, and revered by all; constantly looked to, constantly labored for, and even though never perfectly attained, constantly approximated, and thereby constantly spreading and deepening its influence, and augmenting the happiness and value of life to all peoples of all colors everywhere. The assertion that "all men are created equal" was of no practical use in effecting our separation from Great Britain; and it was placed in the Declaration, not for that, but for future use. Its authors meant it to be-thank God, it is now proving itself—a stumbling block to those who in after times might seek to turn a free people back into the hateful paths of despotism. They knew the proneness of prosperity to breed tyrants, and they meant when such should re-appear in this fair land and commence their vocation, they should find left for them at least one hard nut to crack.

ing that wide expanse of the Hudson, and there you may see a row of gleaming cannons from the Civil War, and on every single one of them is stamped "Made in Birmingham" or "Made in Manchester." They're all British-made cannons, that were captured from the Confederates during Union victories.

Lincoln talked about his mission, and the mission of the nation, in his address to Congress on Dec. 1, 1862. He said, "Fellow citizens, we cannot escape history. We of this Congress and this Administration, will be remembered in spite of ourselves. No personal significance, or insignificance, can spare one or another of us. The fiery trial through which we pass, will light us down, in honor or dishonor, to the latest generation. We say we are for the Union. The world will not forget that we say this. We know how to save the Union. The world knows we do know how to save it. We—even we here—hold the power, and bear the responsibility.

"In giving freedom to the slave, we assure freedom to the free—honorable alike in what we give, and what we preserve. We shall nobly save, or meanly lose, the last best hope of earth. Other means may succeed; this could not fail. The way is plain, peaceful, generous, just—a way which, if followed, the world will forever applaud, and God must forever bless."

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Gen. George McClellan, the "Little Napoleon."

#### Lincoln and the Army

Lincoln has some problems to solve in dealing with the American population. He has to establish an understanding in the people, that when you are fighting to preserve the union, you are fighting for yourself; you're fighting so that you may have a future. Secondly, Lincoln has to somehow, personally, organize the Union Army. And he has to organize the people and the Army in such a way, that they are able to understand that he is the personal, living embodiment of everything that they cherish, or should cherish, and could come to cherish, about this country, about this human purpose. Now, as long as he is travelling through the country on his way to the inauguration, he is able to speak to thousands of people about what they must do. At Indianapolis, he says that "to the salvation of this Union there needs but one single thing—the hearts of a people like yours. When the people rise in masses in behalf of the Union and the liberties of their country, truly may it be said, 'The gates of hell shall not prevail against them.'

"In all the trying positions in which I shall be placed—and doubtless I shall be placed in many trying ones—my reliance will be placed upon you and the people of the United States—and I wish you to remember now and forever, that it is your business, and not mine; that if the union of these States, and the liberties of this people, shall be lost, it is but little to any one man of 52 years of age, but a great deal to the 30 millions of people who inhabit these United States, and to their posterity in all coming time. . . . I, as already intimated,

am but an accidental instrument, temporary, and to serve but for a limited time, but I appeal to you again to constantly bear in mind that with you, and not with politicians, not with Presidents, not with office-seekers, but with you, is the question, 'Shall the Union and shall the liberties of this country be preserved to the latest generation?' "

But once in Washington, and under war conditions, Lincoln rarely spoke to large audiences. But there was a way to organize the Army, and, through them, the civilians as well. How? Well, every Army unit that was not meant for the western theater of operations reported to Washington, D.C. to be trained. Lincoln made sure that he greeted every unit as it paraded by the White House, and sometimes he was able to speak at length with them. The White House itself was open to all, and many a soldier sat himself down in a chair or at a desk and wrote a letter home. Civilians, too, flocked to talk to the President, whether asking for a job or a pardon for a deserter. Often, Lincoln would delay talking to his Cabinet in order to speak to the citizens who flooded his office.

Sometimes, the President would become impatient when a new unit was scheduled to arrive by boat up the Potomac, and he would commandeer a vessel to go and meet them before they would even land. By the end of June in 1861, Lincoln had already been seen by tens of thousands of arriving soldiers in the Union Army. Many of them were young born in the 1840s—and had had precious little to value about their government leaders. The enlisted soldiers called themselves "the boys," and their officers were "the men." Lincoln did more than just talk about the Union cause: He promoted the hospitals and medical care they would need, visited them in their encampments, and came to see them after their battles. He also went out of his way to include [in the Army] as many elements of society as possible, including the foreign-born and men from the slave states. He also stretched or cut red tape in order to form an army as soon as possible; perhaps even to convince the Confederates to turn from their course. "We are in no condition to waste time on technicalities. The enthusiastic uprising of the people in our cause, is our great reliance; and we cannot safely give it any check, even though it overflows and runs in channels not laid down in any chart."

After the terrible Union defeat at Bull Run on July 21, 1861, when the picnicking Congressmen who had come to watch the battle turned tail and fled back to Washington, Lincoln got in a carriage and went from camp to camp, making short speeches of gratitude and hope. A Wisconsin soldier, Robert Beecham, wrote home that, "There was stamped on his face a fresh, vigorous, healthy and courageous look that inspired confidence. We certainly needed some encouragement. It was good to be impressed with the fact that the President on whose shoulders rested this mighty burden of war, with its vast train of results, either for weal or for woe to the people of a hemisphere, was not discouraged with the outlook." Beecham dubbed Secretary Seward's platitudinous speech as "Taffy," but when Lincoln spoke, "he only said in a mild, gentle way, that he had confidence in the ability and

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patriotism of the American people and their volunteer army to meet and overcome every enemy of the republic."

When Lincoln stopped speaking, the soldiers rushed his carriage, each one wanting to shake his hand. Beecham tried to reach him, but finally gave up. "I felt like shaking hands with Mr. Lincoln myself," he wrote, "but on second thought it seemed best not to assist in wearing the poor man's life out."

## The Commander-in-Chief Takes Norfolk

Gen. George McClellan, the commander of the Union forces at the beginning of the war, was an excellent drillmaster for the troops, but he seemed almost completely incapable of moving those troops in the direction of the enemy. He finally floated the Army of the Potomac down to the Peninsula of Virginia, but there he sat, immoveable, while he demanded 100,000 more men, and then another 100,000. His dispatches to Lincoln complained constantly about the weather, the mud, the overpowering numbers of the Confederate Army, and his manpower weakness. At first, Lincoln tried humor. He said that McClellan was an admirable engineer, "but he seems to have a special talent for the stationary engine." One day, someone called on Lincoln and stated that he had a family problem. His sick relative lived in Richmond, and he asked for a pass that would take him behind the enemy lines. Lincoln asked, "Are you going to really use the pass?" "Of course, Mr. President." "Because I gave George McClellan 125,000 'passes' to Richmond and he still hasn't used

them." Finally, Lincoln sent General McClellan a note saying, "My dear McClellan, If you don't want to use the Army, I should like to borrow it for awhile."

At this time, Lincoln had no replacement for McClellan, so he didn't want to fire him. One day in 1862, Senator Wade from Ohio came to the White House and demanded that Lincoln immediately fire General McClellan. Lincoln answered, "Senator, who would you put in McClellan's place?" "Anybody," snorted Wade. "Wade," replied Lincoln, "anybody will do for you, but I must have somebody." It was at this time that Lincoln started to borrow books on military theory from the Library of Congress. He also began an almost daily inspection of new weapons systems, and he was especially interested in the design and construction of the Union ironclad, the *Monitor*.

In May 1862, with McClellan still sitting on the Peninsula and making no move toward Richmond, Lincoln took Secretary of War Stanton and Secretary of the Treasury Chase with



Lincoln and McClellan at Antietam on Oct. 3, 1862. McClellan was relieved of command shortly thereafter, and became, in 1864, the Democratic Party candidate for President, running on a platform of "peace": Let the South go, let slavery continue.

him down to Hampton Roads, Virginia. McClellan sent word that he was "too busy" to see his Commander-in-Chief, so Lincoln inspected the *Monitor* and decided to embark on a campaign of his own—to the delight of the soldiers and sailors. Although Fort Monroe had been successfully held for the Union by Gen. John Wool, and the Union Navy filled Hampton Roads with ships, the Confederates still held the town and Navy yard of Norfolk.

Since the famous battle two months before between the *Monitor* and the Confederate ironclad *Merrimac*, the *Merrimac* had been lurking at Norfolk, threatening the Union ships. Lincoln proposed that the Navy ferry a contingent of Union troops over to Norfolk in order to capture the town. Naval officers protested, however, that the shallow water would not allow them to get within a mile of the shore.

Lincoln, who in his youth had twice helped steer a flatboat down the treacherous Mississippi from Illinois to New Orleans, carefully studied a map of Hampton Roads. He con-

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sulted with General Wool, a 78-year-old veteran of the War of 1812 who was still full of fight, and he approved the plan. So on the night of May 10, Lincoln and two Cabinet secretaries pulled away for Norfolk in a small boat to the spot that Lincoln had chosen. The water, indeed, was deep enough, and Lincoln jumped ashore and took a walk on enemy territory. Lincoln reported his findings, and General Wool's troops went ashore the next day only to find that the Confederates had gotten wind of Lincoln's maneuver and had abandoned the city! All they saw was the Mayor of Norfolk walking toward them holding out the keys to the city. Left without a base, the crew of the dreaded *Merrimac* blew her up and fled.

"So ended a brilliant week's campaign by the President," recorded Chase, "for I think it quite certain that if he had not gone down, Norfolk would still have been in the possession of the enemy, and the *Merrimac* as grim and defiant as ever." The headlines in the New York newspapers hailed "President Lincoln's First Military and Naval Operation—Its Great Success."

The episode was not a major victory, but it made a considerable impression on the men at Fort Monroe. A soldier wrote of seeing "Mr. Lincoln driving past to take possession of Norfolk." "It is extremely fortunate that the President came down as he did," wrote an officer of the *Monitor* that day; "he seems to have infused new life into everything." In what had been a scene of inactivity, he saw Lincoln "stirring up the dry bones."

Still unable to see the incredibly busy General McClellan, Private Lincoln boarded a steamer up the Chesapeake, standing on the deck with his hat off, bowing to the cheering sailors on the *Monitor* and the other Navy vessels that he passed.

Nine days later, Lincoln quietly signed the Homestead Act into law. Vetoed by President Buchanan in 1860, the law provided for the transfer of 160 acres of unoccupied public land to each homesteader for a nominal fee if he and his family lived there and worked the land for five years. Even while the Civil War continued to rage, thousands of pioneers were flooding west across the Mississippi, fulfilling Lincoln's vision for the peace which was to come.

#### 'We're Coming, Father Abraham'

General McClellan eventually moved the Army to Maryland, where one of the bloodiest battles of the war was fought at Antietam Creek, on Sept. 17, 1862. Confederate commander Gen. Robert E. Lee had moved his Army into Maryland, and McClellan had fortuitously captured his plans, but McClellan threw away his advantage by poor planning, and turned the battle into a bloodbath by insisting on sending wave after wave of Union troops over a narrow bridge, with Confederate cannons before them and Confederate sharpshooters above them. Lee and his men escaped across the Potomac, because McClellan ignored Lincoln's orders to pursue and cut off the Potomac crossings. If this had been done, Lee's Army could well have surrendered en masse. Lincoln was bitter about the unnecessary bloodshed, and he was furi-

ous when he received information about a court martial being conducted of a certain Maj. John Key. Asked why McClellan did not go after Lee and crush him, Key had replied, "That is not the game." Instead, he said, the intent in the Army was merely "that neither army shall get much advantage of the other; that both shall be kept in the field till they are exhausted, when we will make a compromise and save slavery."

Lincoln insisted on questioning the man himself, and the officer repeated the same viewpoint to the President. "If there was a 'game' ever among Union men, to have our Army not take an advantage of the enemy when it could," Lincoln said, then he was going "to break up that game." He determined to go once more to the Army in person. Lincoln counted those present for duty at over 88,000, even after the recent losses, but there they sat on the fields around McClellan's tent. That night he climbed a ridge with his friend Ozias Hatch, and asked Hatch what he saw. "The Army of the Potomac," he replied; but Lincoln retorted, "So it is called, but that is a mistake; it is only McClellan's bodyguard."

McClellan scheduled a review of the troops for Oct. 3. "Mr. Lincoln was manifestly touched," observed an officer in the 6th Wisconsin, "and he, himself, looked serious and careworn." Lincoln kept bowing low in response to the salutes from the ragged banners, but some of the soldiers felt their hearts going out to him, instead. "How the smile from a careworn and anxious face touched the hearts of those bronzed, rough-looking men," wrote another. Almost every soldier who kept a diary or wrote a letter home after the review made some mention of his own sight of the President. One soldier of the newly dubbed Iron Brigade of Wisconsin said, "Altogether he is the man to suit the soldiers." And now, for the first time, the soldiers begin to refer to Lincoln as "Father Abraham."

When Lincoln arrived in Gettysburg the night before he delivered his immortal address, throngs of soldiers and citizens filled the streets singing, "We Are Coming, Father Abraham" until one in the morning. In 1864, General McClellan, now relieved of command, was to be the Democratic candidate for the Presidency against Lincoln. Lincoln was, as the soldiers had written, very "care-worn," but he had to run again. Henry Wing was a young reporter for the *New York Tribune* who covered the war at the front, and whenever he returned to Washington, Lincoln wanted him to come see him and "tell me all you hear and see." On one of these visits before the 1864 election, Lincoln said, "There's many a night, Henry, that I plan to resign. I wouldn't run again now if I didn't know these other fellows couldn't save the Union on their platforms, whatever they say. I can't quit, Henry. I have to stay "

In August of that election year, Lincoln addressed the 166th Ohio Infantry Regiment when it returned from the front. "It is not merely for today, but for all time to come that we should perpetuate for our children's children this great and free government, which we have enjoyed all our lives. I beg you to remember this, not merely for my sake, but for yours.

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I happen temporarily to occupy this big White House. I am a living witness that any one of your children may look to come here as my father's child has. It is in order that each of you may have, through this free government which we have enjoyed, an open field and a fair chance for your industry, enterprise and intelligence; that you may all have equal privileges in the race of life, with all its desirable human aspirations. It is for this the struggle should be maintained, that we may not lose our birthright—not only for one, but for two or three years. The nation is worth fighting for, to secure such an inestimable jewel."

There was jubilation over Lincoln's defeat of McClellan in the 1864 election. The Army had voted for Lincoln by an overwhelming margin of better than two to one. Now, among the soldiers, he was almost universally referred to as "Father Abraham." But, there was also another note. The men saw in the President's victory what a Pennsylvania artilleryman regarded as an assurance that "the sacrifices that the soldier has made, have not been in vain, and that the war will continue until the parties who brought our present National troubles upon us, will be compelled to submit to the law and the cause of our troubles removed forever." And not for the first time, the soldiers compared Lincoln to another President. "Future history will place Mr. Lincoln's name next to Washington," a Pennsylvania volunteer said two weeks after the election. "The first the founder, the second the preserver of our country."

#### Richmond, At Last

In late March 1865, Lincoln steamed down to Fort Monroe and then up the James River to his Army's headquarters at City Point. He wanted to spend all of the final days of the war with the Army. Then news came that Lee had marched out of Richmond, and Union General Weitzel was marching in to take possession of the Confederate capital. "Thank God," said Lincoln, fervently, "that I have lived to see this! It seems to me that I have been dreaming a horrid dream for four years, and now the nightmare is gone. I want to see Richmond." Adm. David Porter, a supporter of General McClellan and not a warm friend of the President, wrote an account of Lincoln's journey. Lincoln was warned that there might still be Confederate troops or sharpshooters in the area; there were fires still burning, and no one knew exactly what the situation in the city was. But he was adamant, and after the channel was cleared of torpedoes, a flotilla of boats set off up the James River. All were jockeying in order to be the first one into the city, but all were grounded one after the other. Admiral Porter took Lincoln and his young son Tad onto his barge and, with a small number of marines, they beat everyone to the city.

As Lincoln stepped onto land, holding the hand of his son, a small group of Negroes digging with spades recognized him from a picture which they had kept for four years. They fell on their knees before him, but Lincoln, embarrassed, said, "Don't kneel to me. That is not right, You must kneel to God only, and thank him for the liberty you will hereafter enjoy. I



Lincoln entering Richmond, April 4, 1865. He was surrounded by huge, jubilant crowds of freed slaves. "My poor friends," he told them, "you are free—free as air. You can cast off the name of slave and trample upon it; it will come to you no more."

am but God's humble instrument; but you may rest assured that as long as I live no one shall put a shackle to your limbs and you shall have all the rights which God has given to every other free citizen of this Republic." Porter said that as Lincoln said this, although he was not a handsome man, and ungainly in his person, "yet in his enthusiasm he seemed the personification of manly beauty." Porter realized they had to move on, and asked the patriarch of the group to withdraw and let them pass. The now ex-slaves joined hands in a circle and sang a hymn, and as they did so, the formerly deserted streets were now filled with ex-slaves, all joyously trying to get a glimpse of Lincoln.

Porter reported that the crowd could not be made to understand that they were detaining the President, for "they looked upon him as belonging to them, and that he had come to put the crowning act to the great work he had commenced. They would not feel that they were free in reality until they heard it from his own lips." Lincoln spoke again: "My poor friends, you are free—free as air. You can cast off the name of slave

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and trample upon it; it will come to you no more. Liberty is your birthright. God gave it to you as he gave it to others, and it is a sin that you have been deprived of it for so many years. But you must try to deserve this priceless boon." (This was the same thing he had told those young men in Springfield, 27 years before.) "Let the world see that you merit it, and are able to maintain it by your good works. Don't let your joy carry you into excesses. Learn the laws and obey them; obey God's commandments and thank him for giving you liberty, for to him you owe all things. There, now, let me pass on; I have but little time to spare. I want to see the capital, and must return at once to Washington to secure to you that liberty which you seem to prize so highly. . . ."

#### Winning the Political Fight Today

If you think of the way that Lincoln set out, you see that he defined the problem in the only way you can define it: We're not trying to defeat the enemy because they're evil. I have to do this because the posterity of all time to come depends on it. Everyone who has gotten us this far-the Founding Fathers, the Nathaniel Greenes, the Robert Fultons, you name them, the Daniel Boones, the Benjamin Franklins, every one of them, if we do not win, we will effectively deny their existence; we take away their posterity. Whether you know it or not, you are already part of a mission to do the greatest good, perpetuate the greatest good that's ever been done in the history of the human race. And if that statement is too big for you, then you do have to study more American history, and you'll see that it's true. That is an ironclad truth. And the way you get at it is not to find out the whos and whats and the years, and the these and the those and the thems. You have to start to say, "Wait a minute, I can get inside the mind of this person; I can re-experience how they solved a problem." What makes you human is the ability to re-create in your own mind, the greatest creative output of the greatest minds in any period of history. What you find is happening, is that these people become so familiar to you that they are your friends! You've got 'em. They're there to rely on.

Then when you read something by Lincoln, you don't just say, "Those are nice words. What a great idea. Nice poetry!" No, you start to look at his mind and say, "Look what this man pulled in, in terms of the significance of his life, and carried it to the limit of anything you could imagine." But to him, that is what he was; that was who he was; normal; that was human. That was his mission; his mission was to become a true human being.

So Lincoln typifies, at the highest level, somebody who could get this through to other people; so that he created, or he improved, a lot of really wonderful people. There are a lot of other friends out there, waiting. You've got to bring them back into the war. And if we get them back into the war, the way Lincoln did—and we won the Civil War because Lincoln did that—then we will win this war too. There's no other way to do it.

## Graham Lowry, A Life in History

by Pamela Lowry

One of the things that most delighted Graham in his youth, was to stretch himself back into history to see how far he could reach. As a child, he had met his great-aunt Iowa Lowry, who, when she herself was a child, had stumped for Abraham Lincoln's election as President. Whom might she have known, he wondered, some superannuated relative perhaps, whose memory went back to the American Revolution, or at least to George Washington's Presidency? It was a wonderful thought.

Then, after Graham joined the LaRouche organization in 1972, a new element lengthened Graham's reach. He didn't have to personally know someone, who had known someone, who might have known George Washington. It was now possible to take giant steps through history by getting to know a historical individual through his or her crucial discoveries in science, music, or what-



have-you; and when you could understand how that person's mind worked, then you really knew them, whether you were physically able to meet them or not.

And the prospect became even more delightful, because as Graham worked during the 1980s on his book, *How the Nation Was Won*, many people who had been only abstractions or pale shadows emerged into the sunlight as members of the republican tradition, a "band of brothers" of which Graham was serving as an active member. From that time, when Graham referred to accomplishments and victories by the republican faction in history, it was always "we" did this, and "we" solved that problem. Many people became convinced that he had stretched so far back that he had actually been there.

Physically, however, he only went back as far as Aug. 31, 1943, when he was born to Elsa Koch Lowry and Wilson McNeil ("Mac") Lowry in the Washington, D.C. of Franklin Roosevelt and World War II. At the age of eight, he lived with his parents in Zurich, Switzerland for a year, part of that time spent in an apartment formerly occupied by Johann Wolfgang

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Goethe. One day Graham scratched at a window frame and found two folded-up IOU's signed by the poet.

Back in America, Graham grew up in North Tarrytown in New York's Hudson Valley, ranging the hills above the river with his dog, Smoggy. In high school he loved Classical music, American history, and the Brooklyn Dodgers. He then started a record collection of Classical music which was to eventually reach epic proportions. He also began to build stereo components, touching off a life-long fascination with reproducing just the right sound from each recording.

About this time, in the 1950s, Graham's father told him, "Whatever you do, work for the truth. It doesn't matter if it's popular, or what people think about it." Mac had had experience with this matter; he had gotten special permission to write about a living author for his Ph.D. dissertation at the University of Illinois. The thesis which he proved was that Aldous Huxley was a fascist.

Graham graduated from Harvard College in 1965, where he also was Director of News, Sports, and Public Affairs for radio station WHRB. We were married in 1966, and we embarked on a series of historical adventures. We were joined in 1969 by twin sons Colin and Malcolm, who couldn't wait for the fun to begin. Graham taught American History at the University of Wisconsin, where he did his graduate work, and at Rutgers University (Newark) and Boston University. His method of teaching from primary sources, and his recent membership in the LaRouche movement, so alarmed the BU administration that they paid him *not* to teach, by refusing to assign him any classes for the last two years of his contract.

Graham was in his element when he ran for public office. In 1976 he challenged Sen. Edward Kennedy in a widely viewed television debate, and in 1978, running for the Congressional seat once occupied by John Quincy Adams, he became a legend in the Boston area when he called Rep. Brian Donnelly a "sub-creature" of the Boston banking oligarchy, known as "The Vault." Then in 1979-80, Graham led the LaRouche campaign in the New Hampshire Presidential primary. Despite conditions reminiscent of Valley Forge, LaRouche got on the ballot, a critical precondition for his later work with the Reagan Administration on the Strategic Defense Initiative.

For many years before his death on July 28, Graham was a member of the LaRouche movement's leadership body, the National Committee. His wonderful wit, ironic sense of humor, and great story-telling proclivities were enjoyed not only by his family and friends, but by the students in his classes and the participants in his tours of historic sites. Although his focus for most of his life had been the colonial and early national periods of America, Graham had been more and more drawn to studying Lincoln in recent years, and felt he had to teach and write about him because Lincoln was an extraordinary leader who internalized all of human history and used it to defend our republic in its most perilous hour.

# Graham Won Our Hearts For All Our Nations

Victor Foloyan, of the LaRouche Youth Movement in Baltimore, wrote this eulogy for a memorial service for Graham Lowry, held on July 31 in Purcellville, Virginia, where Lowry lived.

As the LaRouche Youth Movement, we come from far and wide. From all nations, creeds, and tongues. Africans, Asians, Australians, Europeans, North, Central, and South Americans, all united around one common cause. Graham, for us—and I speak for many—you provided Lyn the glue that has bound, and will bind us together, diverse as we are, as this present, and future battles are fought and won, in defense of our common humanity.

As we heard your voice, as we read your words, we sat transfigured into Leibnizes and Swifts. You transformed Winthrop and Mather, Spotswood and Franklin, Washington and Hamilton, from mere names in a boring History class, into Living Spirits, stirring our souls, driving our passions, determined to win through us, this war which they started long before our time.

In the East Coast LaRouche Youth Movement, your image lives on, standing, arm outstretched, on that great battle-field at Gettysburg. Your voice was filled with pride as you reminded us, again and again, "We crushed the enemy right here!" We cast glances at one another, at once amazed and reassured, he's no "objectivist" we thought, not this Graham; he's taken sides with the best of immortal men.

In Baltimore, we remember you as you sat before us, very ill, but yet undaunted. You conjured Lincoln from his grave to speak to our hearts. You mimicked so well those quaint British accents, as we laughed and laughed and laughed. Who would have imagined that history class could be so much fun?

Our stories may differ as much as we number, but for each one of us, Graham, you demonstrated that there is nothing fearsome or shameful in standing on history's stage, as Schiller would say, playing our parts as citizens, not only of our different nations, but also as citizens of our common world.

As the LaRouche Youth Movement, we come from far and wide, arrayed to do battle, as in the first American Revolution. We look ahead in time, when we shall trade those stories of *How Our Nations Were Won*. Even then will Graham's beautiful memorial, in honor of the undying human spirit, continue to "win hearts" to this great human cause for which we all would have fought.

We say therefore, to our departed teacher, fellow soldier, and dearest comrade, farewell Graham Lowry. Farewell, for now.

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## **ERStrategic Studies**

#### WORLD NUCLEAR WAR WHEN?

## McAuliffe's Deadly Delusions: or, How Harry Truman Defeated Himself

by Lyndon H. LaRouche, Jr.

A Democratic campaign policy paper released on Aug. 17, 2003 by the LaRouche in 2004 Presidential campaign committee.

#### On Today's Failed Candidates:

At this moment of history, a virtually bankrupt U.S. government is challenged by a deadly complex of economic and other crises which neither the Bush Administration nor the Democratic National Committee is willing, so far, to acknowledge. The pivotal feature of this situation, is the reality, that the world has reached the terminal phase of existence of the International Monetary Fund (IMF)'s 1972-2003 "floating exchange-rate" monetary-financial system. Official Bush Administration Snow-jobs aside, the economic collapse in progress now, is, as a matter of fact, neither a recession, nor a mere cyclical depression, but the terminal phase of a general breakdown crisis of that financial-monetary system. It is the failure to face the present reality of that economic breakdown crisis, which, as during 1928-1933, generates the explosive potential for spreading of wars and terrorist attacks around the world.

As I emphasize in the following pages, Vice President Cheney and his company of neo-conservative rascals have been committed, for more than a decade, to the use of nuclear weapons for so-called "preventive wars," against even minor-power targets. The impulse to begin using such weapons "early and often," is coming toward a boil with that crew, even while we are speaking. That is already bad enough. The additional danger, which I shall address here, is that the U.S. government's current tolerance for Cheney's virtual criminal-

ity, is producing a qualitative reaction around the world. His antics are provoking other nations to craft the near-to-medium-term potential for a new quality of nuclear-armed warfare beyond the implications of such elements of the current strategic nuclear Triad as carriers and today's nuclear-powered submarines. Unless we stop Cheney's antics soon, this development, which is now in progress, would confront the President of the U.S.A. elected in 2004 with problems beyond the present comprehension of most of our political leaders today.

It happens that I was engaged in studies of such new capabilities back during the early through middle 1980s, when I ran across them while I was in the middle of work with some relevant professional military and scientific circles. I must point out in that connection, that, sometimes, as in the past, when the brush is too wide, small things which could change history, such as atoms and nuclei, were not painted into the picture of what passes for conventional strategic assessments. Such changes, to a state of affairs beyond today's operating military doctrines, are already haunting the future, at least among those who know how to look for small anomalies which have a featured potential for production of strategic surprise.

However, once their existence is acknowledged, the technical nuts and bolts of this matter become of relatively secondary significance when compared with the economic and cultural strategic factors which will decide whether the threatened type of warfare is used, or not. Those economic and cultural factors are the principal object of this report; the rest is a matter of taking into account unavoidable related technical details.

From where I sit as a Presidential candidate, today, I begin

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Harry S Truman's "utopian" war decisions, from the Hiroshima and Nagasaki atomic bombings, were opposed by his most competent military commanders such as Eisenhower and MacArthur; they brought reactions from Russia and China which Truman couldn't comprehend. "That... was the beginning of the official status of that same utopian tradition of strategic lunacy which has seized the office of the President of the U.S.A., under 'Svengali' Cheney's poor 'Trilby,' Bush, today.... The impulse to begin using such weapons 'early and often' is coming to a boil with Cheney's crew."

this report by situating the way those strategic considerations intersect the current shaping of U.S. policy, as follows.

Under these conditions, at a time when the Democratic Party's presently sitting political opponent, President Bush, lacks the intellectual and emotional capacities to see either that world economic crisis, or rational solutions for even much lesser challenges, my putative rivals for the 2004 Democratic Presidential nomination have responded to Bush's blunders, by producing a statistical miracle of political folly as bad, or worse than his own.

When 2004 victory over an economic-crisis wracked, Bush re-election campaign should be almost a walk-in, these Democratic pre-candidates have, so far, flunked each and all of even the most elementary of those test-questions of today which would measure those Democrats' qualifications as candidates for their party's nomination. Statistically speaking, their collective, consistent failure to get right any question involving an actually needed policy-change, even by accident, must be seen as virtually miraculous, unless you knew what is going on in the party's backroom, behind the scenes.

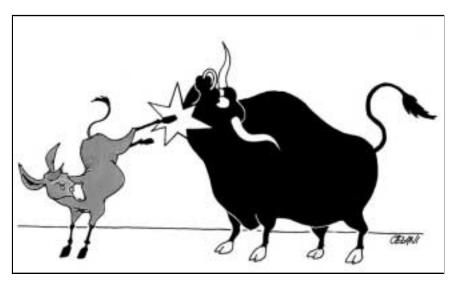
If this trend continues, the slaughter of the Democratic Party in the next election could be not only certain, but awesome. Already, that slaughter might seem to be virtually inevitable, unless my candidacy reaches the floor of nominating convention next Summer. Even so, today's threatened virtual disintegration of the Democratic Party under its present leadership, is, unfortunately, not the worst part of our nation's situation.

I take a few moments here to preface the body of this report with some relevant observations on the effects of that failure of leadership currently rampant in the back rooms of the Democratic Party organization. Start with the following sketched images of some of those candidacies whose existence has been approved by the National Committee so far.

At first blink, the failure of each and all of those nine candidates—certainly eight of them (that is, excepting the worst, Lieberman)—might appear to have been the result of a set of coincidences. A closer look at all of the evidence says, "This was no coincidence."

To visualize the collective problem of the party now, compare the instinctive expertise with which a real-life, professional jackass herds cows or sheep (see the Figure). Compare that image with the way in which the Democratic National Committee sheep-herder, Chairman McAuliffe, supervises his bleating flock of selected, eminently cullable Presidential contenders. No policy which the National Committee would presently allow those candidates to utter, nor any debate which that Committee would even permit them to enter, has any beneficial relevance for the grave problems actually menacing our republic and its people today. The appearance is: These candidates are to be seen behaving less as men or women, than as McAuliffe's flock of dutifully doomed political sheep lining up for business at the slaughter-house gate! Some might even wonder, if that line-up was not, at bottom, a Karl Rove trick; it certainly appears to be the bottom of something.

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A professional jackass herds the cattle.

For example, so far, at any meeting called for discussion of those points on which any candidates for U.S. President should show himself as one fit to assume leadership of this nation, those party-certified candidates now rival one another, chiefly, in their intellectual distance from the crucial issues of today's real world. As I have just said, these candidates not only lack the answers; so far, except for some isolated occasions, such as a particular action by Dennis Kucinich, they have failed, so far, as candidates, even to recognize any of the leading dangers.

Kucinich, for example, was functioning on that relatively exceptional, exculpatory occasion, as a member of Congress, rather than in his other capacity as a candidate. There is a growing show of spunk and sense among some members of the Congress, some of this truly admirable, but not when the members are acting as part of the approved list of candidates allowed under the present control of party boss McAuliffe's National Committee machine. It is as if McAuliffe refuses to permit any Democrat who could win the next Presidential election, to campaign for that office.

Take, for example, the case of one of the candidates with a convincing record of conservative predilections, banker-bred Howard Dean. At a time when increasing rations of entire categories of our people are threatened with increased death-rates through the impact of the HMO law, Dean shows his liberal enthusiasm for the practice of a law which must be urgently repealed and its murderous underlying "triage" policies expunged. Maybe, the voters sensitive to health-care problems would wish to put the "shareholder value" candidacy of Howard "toothpaste" Dean back into his tube, while they are still able to do so.

Don't be fooled by Dean's supposed anti-war position. On the matter of Cheney's wars, Dean has been the sincerely duplicitous self to which his record at-

Ask Dean, "Hey, Howard, where's the beef?" Confidence-man Dean pretends to bake for the edification and nourishment of the young anti-war suckers, but, even as those suckers drool admiration at Howard's figurative bakein, his figurative hot oven is scrupulously empty. He has slithered around the practical challenge of working to actually pull the lead nuclear warrior, the President's current controller Cheney, out of government, now, when new Cheney wars could have been actually prevented, but for lack of a little more help from the Democratic Party's National Committee.

In the smoking ruin of a post-nuclear-war Hell, Dean would doubtless

insist, throughout eternity (wherever he might spend it), "Look at my record. I am on the record as having been a critic of that war." However the wind might spin weathercock Dean, that born-and-bred sly banker implies promises which he does not oblige himself to fulfill. Before you pay his penny, read the fine print. What seems to some people to be his anti-war rhetoric, is only the rustle of the political wrapping-paper inside an empty box, a box whose contents had therefore, prudently, cost him nothing. In HMO booster Dean's political kitchen, love for humanity is all sizzle, no steak.

I have referenced the cases of Kucinich and Dean, and implicitly Senator Graham, in terms which make mere passing reference to that fading candidate, rabid war-monger, and the ipecac of the current slate, Joe Lieberman. Senator Kerry, from whom I had hoped for better things, has, meanwhile, apparently sold his political soul to Stephen Vincent Benet's "Scratch," when he moved from evasive to awful, with his reach toward an arrangement to replace Joe Lieberman's role in the alliance with Lieberman's emotionally unstable Republican twin, Arizona Senator John McCain. McCain and Lieberman, notably, were leading among the earliest cosponsors of the current war policies of Vice President Cheney at Europe's Wehrkunde conference, and both have been the choice of candidates for a 2004 Presidential ticket of British warhawk publisher Conrad Black's American Charenton, the Hudson Institute. Meanwhile, Representative Gephardt is

As for candidate Senator Edwards, he is a man former President Clinton could safely endorse, because the Senator is in no presently visible danger of winning anything but a position as a just-in-case Vice Presidential nominee. Under some conceivable circumstances, he might be proffered to balance the ticket with a Southerner. Edwards' current sig-

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nificance, is that the former President's endorsement might tend, for the moment, to free Clinton from pressures to endorse any other candidate.

As for the others, including Carol Moseley-Braun and Al Sharpton: Had they wished to be serious contenders, their only chance to gain national significance of substance, was my invitation to them to participate as rivals in my July 2 campaign event. They ducked the opportunity, and more or less dropped from sight for the time being.

So far, the snarling Democratic dog continues to herd its cullable sheep. That National Committee, like the dog in the story of "The Bone in the Brook," has organized what is, in effect, political protection for the impeachable "yellowcake" war-hawk Cheney's re-election chances, arguing that beating the irresponsible Bush in 2004, were a bigger bone than preventing the already culpable Cheney from unleashing more wars in 2003. The Committee argues against stopping impeachable war-maker Cheney now, in the Summer of 2003, on the pathetic pretext of pretending to save their ammunition for damaging the November 2004 re-election prospects of President Bush. As former President Nixon might have said it, that National Committee makes it "perfectly clear" that the only thing it has actually been doing recently, is running interference on behalf of Cheney's, or, perhaps, McCain's 2004 candidacy.

So, while our nation sits on the edge of Cheney's threatened new wars for the immediate future, including nuclear wars, wars aimed against targets such as Syria, Iran, and North Korea; and, while the United States' current policies are pushing it toward early national bankruptcy, McAuliffe's National Committee and its package of pre-selected candidates is aimed at the prospect of a miraculous defeat of its own party, that by a President Bush whose record on matters of the national interest is already, objectively, far worse than Herbert Hoover's, and failing fast.

Thus, each and all of these nine would-be rivals of mine, are already failed candidates from the start. Despite the actual differences among them, they have continued, in fact, to share one fatal flaw in common. That fact is, that the existential quality of our present national crisis, reflects the fateful outcome of certain changes in habits of national political behavior which had come to dominate our nation's policy-shaping practice, increasingly, since the fearful aftermath the 1962 Missiles Crisis and the assassination of President Kennedy. Those habits are the anchor to which these candidates cling, the anchor of a ship which is now rapidly sinking.

Those changes in habits since the early 1960s, are the cause of our nation's degeneration from the house that Franklin Roosevelt built, the world's leading producer society, into a mass of self-inflicted, post-industrial, "consumer society" wreckage today. Those accumulated habits of more than three recent decades, have become the choice of fantasy which each of these candidates regards today as that body of traditionally

accepted popular opinion to which he or she is appealing. Kissing the backside of that recent forty years of U.S. cultural history, since the 1962 Missiles Crisis, in this way, had blocked their view of the future.

Future historians will probably write: "Refusing to see real world, those candidates acted like confused fish flopping on the beach, left behind by the outgoing tide of recent history."

That present show of indifference to reality by the Democratic National Committee brings our attention back to a relevant focus upon the practical political implications of that deadly topic announced at the beginning of this report: the danger of some general outbreak of a new dimension in nuclear warfare, now coming up as the relevant threat somewhere not too far down the line. Put the matter of the Democratic National Committee's diversionary defense of Cheney into the setting of that larger, nuclear-warfare perspective.

To see those issues of warfare more clearly, begin the following report with a review of the story which you must know in the context of today's nuclear-war dangers: of how the President Truman who was first to unleash the monster of nuclear war, was replaced by Dwight Eisenhower, and why both Truman and an anguished post-war U.S.A. so richly deserved that change to Eisenhower then.

#### 1. Cheney and Rumsfeld: 'The Unpopular Mechanics'

In August 1945, the U.S. air and sea blockade had successfully cut off the island nation of Japan from efficient access to the imported materials on which the continued existence of its economy, and its war-making capability depended. General MacArthur's leadership had brought the Japan military to its knees, doing to the military forces on the main island what MacArthur's strategy had done to Japan forces on many bypassed islands earlier. Great commanders are sometimes forced to order ferocious battles—as MacArthur had commanded in some during that war—but the object of modern strategic defense is not the slaughter. The object of the policy of strategic defense followed by all competent modern commanders since Lazare Carnot and Gerhard Scharnhorst, must be, as MacArthur chose, to win that peace which we must build upon the surviving foundations of victory, without any avoidable destruction of the enemy nation and its people, or our own.

In mid-1945, there was never any rational military need, under a policy of strategic defense, for our making a forced entry into the main island of Japan. The Emperor had already sought peace through the channel of Monsignor Montini's Vatican office; it was a matter of waiting out the Japan military's willingness to submit to the Emperor's will. In

August, the sweating-out time would be in the order of weeks, perhaps between then and October. Unfortunately, the fire-bombing of Tokyo had already prolonged Japan's desire to fight, or peace might have already come. All the relevant available reports indicate that former Captain Truman did not consult General MacArthur, the relevant commander, on the matter of using nuclear weapons; but, the military implications of the reports from MacArthur's staff were clear. General Eisenhower, in Europe, was consulted, and did warn against such a use of nuclear weapons; but Truman went ahead, anyway.

That Truman decision was the beginning of the official status of that same utopian tradition of strategic lunacy which has seized the office of the President of the U.S.A., under "Svengali" Cheney's poor "Trilby," Bush, today.

The wind-up for that 1945 nuclear bombing of explicitly civilian targets, had been test-run during the last months of the war in Europe. Planned bombing of civilian populations of targetted cities, under so-called Lindemann/"Bomber Harris" doctrine, had, like Montgomery's "Market Garden" hoax, actually prolonged the war—and, thus, also killed more U.S. soldiers—by resuscitating what been Germany's fading willingness to continue to fight. The fire-bombing of Tokyo had been a similar piece of strategic folly. The needless use of the only existing nuclear weapons in the U.S. arsenal, was not the beginning of what became known as the Rand Corporation's post-war "utopian" revolution in military affairs. That evil uncle Bertrand Russell whom confused children have adored as a fighter for peace, was the actual inventor of that United States' doctrine of "preventive nuclear war" which was the actual motivation for the bombing of Hiroshima and Nagasaki. What that bombing accomplished, for the long run, was to set the precedent needed to institutionalize that utopian dogma of a U.S. nuclear revolution in military affairs, which is Cheney's doctrine today.

Apart from his exculpatory act of defeating Tom Dewey in the 1948 general election, Truman's actions, and support for utopian policies, created what became known as McCarthyism and led into the Korean War. The nation reacted to Truman's record by electing his successor, the military traditionalist Eisenhower, for two terms, rather than trying another Democrat, and breathed a deep sigh of relief when that was done.

That bombing of Hiroshima and Nagasaki thus divided the military and related factions of the U.S. chiefly, between the supporters of the U.S. traditional doctrine of strategic defense—as represented by those such as post-war Generals of the Armies MacArthur and Eisenhower—and, their opponents, the utopian followers of "preventive nuclear warrior" Bertrand Russell. Rumsfeld and his crew typify the "military-industrial complex" utopians at their worst, and most stupid today. A misguided President Truman had leaned toward the side of the same utopians who gave us, later, the 1964-72 Indo-China War, and have also pushed that so-called revolu-

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tion in military affairs, which dumped us, by means of fraudulent pretexts, into both the 1964-72 Indo-China War and the presently suppurating folly of rising bloody, irregular warfare attrition in Iraq.

That fact focuses attention on the cases of rabid utopians Dick Cheney and his Bobbsey Twin, Donald Rumsfeld. This pair represents a type known in the trade as what organized-crime studies term "mechanics." Both of these not-so-merry pranksters, a kind of contemporary Burke and Hare of the intelligence craft, have been known for their coup-cooking specialty since the mid-1970s, back during Ford Administration days. Either or both could be dumped, the sooner the better, but as long as they and their pack of "Chicken-hawk" neo-conservatives remain on the loose in key positions in government, neither the United States nor the world at large is a safe place in which to live.

I explain.

#### The Case of Cheney

As the Washington legend has it, in public, that taciturn parody of straight-man Bud Abbot, Dick Cheney, is usually not a runaway babbler like his clownish, motor-mouthed sidekick, "Lou" Rumsfeld. Contrasting that pair to Abbot and Costello, is like emphasizing the difference between Hollywood's "Three Stooges" and the Marx Brothers.

Cheney, for all his pure meanness, is no mental giant, and Rumsfeld certainly is not a "lovable Lou." Usually, it only by exception, especially when he is panicked, or ordered to do so, that Cheney chooses to risk exposing his intrinsically hateful self to lengthy public speaking appearances. Typical such imprudent exceptions were his recent appearances at locations such as the friendly family setting of that neo-conservative rats' nest known as the American Enterprise Institute. At other times, when he has the choice, he has had the strength of nerve to keep his mouth shut in public; then, his public appearances tend to be limited more to a Dickens image of him sitting and scowling at the cameras, seeming to knit ominously, while waiting for heads, even of entire nations, fall from the knife of his Terror's guillotine into the waiting basket. He is, in a word, essentially a "mechanic."

As I have said, Cheney is not one we could describe as "excessively bright"; the twisted kind of substitute for genius he harbors, definitely does not lie in the domain of science or artistic cultivation, but in his Dracula-like predilection for nasty actions which moral folks would have tended to abhor as unspeakable. Adolf Hitler was of that Wagnerian type, although he did talk a lot. When you say "Cheney," think "Freddie" Cheney, as like a monster from the political zoo of Synarchist Alexandre Kojève. He is, as Kojève described such would-be tyrants, the type ruled by unstoppable surges of Nietzschean-like rage, who would rather kill than speak, and, like a succession of Liberia's post-1980 tyrants, will not shrink from deeds so monstrous that they would astonish and disgust the imagination of merely wicked men.



"The failure of each and all of those nine candidates" to oppose Cheney's strategic madness and help force him out of office "was no coincidence." The "snarling Democratic dog" herding them into line, the Democratic National Committee of Chairman Terry McAuliffe (inset), "has organized what is, in effect, political protection for the impeachable "yellowcake" war-hawk Chenev."

Although Dick is "no genius," one does not have to be a genius to share Cheney's record for pushing "preventive nuclear warfare." That is the danger. However, being no genius, he is also, at the same time, like his co-thinkers, a pathetic fool in precisely the area of his greatest desire, strategic planning. It is important to understand this Cheney. Therefore, compare "Bugsy" Cheney with Murder, Incorporated's Abe "Kid Twist" Rellis, but a "Kid Twist" using nuclear weapons instead of ice-picks. Always remind yourself: the fact that he is vicious, does not mean that he is also intelligent. In short, he is ultimately as much a major security risk to the U.S.A. as to any of his choices of targets abroad.

As the continuing aftermath of Cheney's war in Iraq shows, the fact that the Vice President is evil, does not mean that his desperado's schemes will actually work out as he proposes. At bottom, he neither knows, nor cares whether his war plans are competent or not; like a brutish professional killer who enjoys his trade, it is doing the dirty deed which fascinates him. If one of his crimes is a strategic failure, like the aftermath of the Iraq war, what does he care? The failure of one of his crimes merely impels him, as we have seen, to distract attention from that, by going ahead with a second military atrocity, perhaps more ambitious than the first. Those of us who are serious and responsible, must study the manifest stupidity of Cheney's long-standing, since 1990-91, design for the now escalating, ongoing phase of continuing war in Iraq. We are not looking for signs of genius, or even competence. We are determined not to underestimate his predilection for fatal miscalculations of even vast strategic implica-

For that reason, we must recognize that what he describes his intentions to be, are not exactly the same intentions which motivate his behavior. His actions are chosen as a means to an end. What end? Not what many of our citizens are misled to believe, so far.

This and other evidence warns us, that Cheney, Rumsfeld, and their neo-conservative crew are essentially fantasists, playing with deadly toys. They are madmen like one holding a sawed-off shotgun he has aimed against a captive family of hostages, desperadoes far removed from competence in the axiomatic features of strategic assessment and planning. Do not, do not, make the potentially fatal blunder of assuming that their stated motives, or those of any other follower of Nazi Carl Schmitt's protégé Leo Strauss, are their true ones. That pack of perverts should remind us of some immature, emotionally off-balance boys shooting down fellow-students, for the sheer sport of real-life acting out of point-and-shoot video games. They are true utopians; it is the recipe, not the meal, which is their passion for cooking foul dishes. They are of the same type of menace to public welfare as deadly homicidal lunatics, whose primary motive is their existentialists' pleasure in their choice of act, not their often almost accidental choice of target.

In the course of *EIR*'s report on Synarchism, the reader will come to recognize the apparently psychopathic behavior-pattern of these so-called neo-conservatives, as typical of the

participants in an international association known since the early Twentieth Century as the Synarchist International. That is the association which produced dictators Benito Mussolini, Adolf Hitler, Francisco Franco, the Laval and Vichy governments of France, Belgium's Degrelle, Romania's Iron Guard, and the German Nazi Party-directed organizations of Mexico and South America during the course of the 1930s and World War II. This is the same Synarchist International which U.S. military intelligence and OSS classified as "Synarchist: Nazi/Communist," operating in Europe and throughout South and Central America during the 1930s and 1940s.

The reader will learn, that that same Synarchist International, which figured in the terrorist waves of the 1970s and 1980s in Europe, is one of the principal sources of actual terrorist threats against the U.S.A. today. Go back to the 1780s, when that occult freemasonic association of Cagliostro, Joseph de Maistre, and others, which created Napoleon Bonaparte's career, was organized: You find precisely that pro-terrorist mentality, sometimes recognized as Nietzschean, which produced the Jacobin Terror, the bandit-Emperor Napoleon Bonaparte, Mussolini, Hitler, Franco, and others. This was the association which become known, approximately a century later, as the Synarchists.

It is that mentality which is now known as Synarchism not any ostensibly practical form of criminal objective which prompted Hitler's Nietzschean holocaust against the Jews of Europe. (Richard Wagner, Hitler's forerunner, did not say "the Jews"; he wrote, repeatedly, "The Jew," designating not persons, but, instead, a depersonalized collective object.) It was a crime typical of the Synarchists since July 1789, and of the Jacobin Terror in general. It was a crime, as described by Alexandre Kojève, the Synarchist collaborator of Chicago Professor Leo Strauss, whose governing intent is to perpetrate a crime of such unbelievable horror as to reduce all who knew of it to terrified submission. What happened on Sept. 11, 2001 expresses that same quality of intent, the pleasure of committing a horrible crime, which we recognize as typical of Torquemada's Inquisition in the past, or of the contemporary Synarchist.

Only when you recognize that Nazi holocaust as specifically Nietzschean in motive and character, do you understand the danger to humanity in general, which it typifies, now as then. It is that same method which is to be recognized as the thermonuclear madness expressed by Synarchist accomplices Cheney, Rumsfeld, and their neo-conservative accomplices today.

That Cheney and his pack are currently impelling President Bush, a man of remarkably limited intellectual qualities, toward a build-up to a situation of medium- to long-term nuclear-warfare risks of a qualitatively new kind, risks of which neither they, nor that President, have the slightest comprehension. Nor, apparently, do any among those nine sheep being herded by the jackass-like kicks of McAuliffe's

Democratic National Committee.

The question so posed is: How should we diagnose and cure the danger which that specific political form of madness poses to the world at large? To define the answer, there are several distinct elements which must now be considered, in succession. First, a crucial lesson from the referenced case of President Harry Truman.

#### The Trouble With Harry

To put these issues into a relevant historical perspective, I point our attention to a set of extended remarks by a relevant British military historian Correlli Barnett, as to be found beginning page 13 of the fourth volume of his series, his 2001 *The Verdict of Peace*. My purpose in referencing his work, is to emphasize a relevant comparison between the present logic of today's medium-term threat of major nuclear conflict, and the strategic situation which existed in 1949-1950 East Asia. I identify the character of the situation then, by reference to a quote which Barnett excerpted from President Truman's Undersecretary of State George Kennan:

...the U.S. [Truman] Administration did not consider that the Russians were preparing to enter the war. There were signs that they intended to leave themselves a way out and it was a reasonable assumption therefore that the Russians were merely making an important probing. There was no evidence that this adventure contained the seeds of a major war and it was important to cope with it in such a manner as to restrict it to minor proportions.

Thereafter, Barnett continues to develop the case in that location; you should read and study his argument, for its own sake, for yourselves. What I summarize is my own view of the matter, keeping Barnett's argument in view as I am doing now. With that reference in mind, look at those circumstances referenced by him from a slightly different vantage-point than his, from my already referenced view, above, of the situation inside the U.S. government at that time. After that, return to the relevance, to the Democratic Party's way of choosing leading candidates, of Barnett's thesis, as it might be applied to the circumstances implied by Cheney's policies today.

Cheney and his Synarchist accomplices are fatally blinded by their bi-polar, brutishly egoistical, orgasmic faith in the imagined cleverness of their pathological impulses. They are also self-blinded, that to a most crucial strategic effect, by that kind of self-inflicted utopian folly which Barnett identifies with the Truman Administration's plunge into the setting of the war in Korea. The Bush Administration's lunatic policy toward Korea today, shows that Cheney's role in that administration is also an historical irony, a policy impelling the current Bush Administration toward

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an awful caricature of Truman's own earlier blunders.

Worse than the danger in their Korea policy itself, Cheney and his crew are impelling the United States toward a spread of the kind of nuclear warfare which no one, including the United States, could actually win by standards acceptable to the U.S. population. Nonetheless, such a new variety of doomsday war is, most unfortunately, possible under appropriate circumstances; but, for reasons I shall identify below, no side would win it in terms any sane member of modern European culture would consider acceptable. Cheney's continued presence in the Bush Administration now, could lead to such awful results, because he cares not about the outcome, but cares only for the evil satisfaction he derives from doing the deed.

As Barnett's account might imply to you, the trouble we face with Cheney began for us with Harry: President Harry Truman. Barnett's insights into those earlier British and Anglo-American predicaments in economy and military affairs, has a certain exceptional usefulness as background for studying the economic-policy aspects of the present strategic situation of the Americas and Europe today.

President Franklin Roosevelt had rescued the U.S. economy from the wreckage which the disastrous policies of the successive administrations of Presidents Calvin Coolidge and Herbert Hoover had produced. Hoover had been technically competent on numerous detailed accounts, but, as my associate Richard Freeman has documented, was on the wrong side—the Morgan-Mellon-Dupont side—in his choice of all turns in the forks of the economic road. What Hoover did to the U.S. economy paralleled the destruction which ministerial Chancellors Brüning and von Papen were doing to ruin Germany during most of that same period.

The chief external enemy which a recovering U.S. economy faced during the entire sweep of 1932-1945, was a legacy of the French Revolution and Napoleon Bonaparte which became notorious, during the period following the First World War, as the Synarchist International. This was the same Synarchist International, controlling important private banking houses on both sides of the Atlantic, which had put Adolf Hitler into power in 1933.

Consequently, by the time of the British flight from Dunkirk, in 1940, Roosevelt was faced with the following global threat to the U.S.A. itself. That global threat came from a organization known then as that same Synarchist International which, as I have already indicated above, had not only created and installed Hitler in Germany, but had put Mussolini in power in Italy earlier, had created the fascist Franco regime in Spain, and had created a network of smaller, but nonetheless incredibly nasty similar tyrannies elsewhere. In 1940, these Synarchists were about to establish fascist regimes in Laval's and Vichy France. This included a network, run from Nazi Party headquarters in Berlin, through fascist channels in Spain, directing the anti-U.S.A. Synarchist organizations of

Mexico and South America, the ones impatient to be rid of Pope John Paul II today.

On the occasion of the Dunkirk incident, British minister Winston Churchill appealed to President Franklin Roosevelt. He emphasized that the Nazi leadership in Germany was at work with the Nazi sympathizers among the leading aristocratic circles of Britain, to the purpose of bringing Britain into an alliance with the fascists of Italy, Spain, and France. The Laval and Vichy governments which emerged during that period, were products of the Nazi coalition known as the Synarchist International. Such a development would create a combined power in Europe exceeding any other, and including the combined navies of Britain, France, Germany, Italy, and Japan. The conquest of the targetted Soviet Union would thus be the final step toward consolidating a power capable of, and intent upon crushing Franklin Roosevelt's U.S.A.

Roosevelt and Churchill acted in time. As a typical, included immediate result, Germany's Admiral Canaris—who represented one of the most significant, if usually discreet elements of German military opposition to Hitler's rampage—warned Spain's Franco of what were in store for him if he did not refrain from the grab for Gibraltar which Hitler had demanded. The Hitler admirers in Britain's high-ranking circles were herded into line, or shot. Roosevelt and Churchill acted in concert, creating the extraordinarily difficult military alliance, later incorporating the Soviet Union and China, which won World War II. The unlikely allies, Roosevelt and Churchill, thus turned the tide against the Synarchist dreams of Hitler's world conquest. The war would continue, brutally, but what had seemed for a moment the assured victory of the Nazi-led drive for world empire, had already been snatched from the paws of Hitler and his Synarchist controllers.

But, the Synarchists had not been rooted out.

Unfortunately, the included effect of the successful Anglo-American Normandy breakthrough, was to assure those pro-Synarchist right-wing circles in the United States which had played a crucial role in putting Hitler into power, that the defeat of Hitler was now virtually inevitable. These pro-Synarchist circles of the U.S.A. and British Empire, which, for national-interest reasons, had reluctantly tolerated, and even sometimes cooperated with Roosevelt, especially during the early phases of that worldwide war, now turned to bring the Roosevelt era to an end. The successful push by them, to replace Wallace with Truman at the Summer 1944 Democratic Party nominating convention, set the stage for both Hiroshima and for the General Draper-led, post-war coverup of that Synarchist financier cartel, pivoted on institutions such as Banque Worms, which had been part of the financing of Nazi Germany's war machine.

Truman's dropping the bombs on Hiroshima and Nagasaki was an effect, of the terrorist, Nietzschean type prescribed by Professor Leo Strauss's crony, Synarchist Alexandre Kojève. It typified the right-wing, pro-Synarchist turn of

the post-Roosevelt U.S.A. That expresses the essence of the trouble with Harry.

A dear friend's eyewitness account of OSS chief General Donovan's emerging, deeply saddened, from a visit at the failing President Roosevelt's office, reports Donovan sadly murmuring to the effect: "It's over." Many among the accomplishments of the U.S.A. under FDR's leadership could not be rooted out by the Truman Presidency, but Truman cleared the way for those who would ruin the FDR legacy as early and often as possible, the right-wing which had used the victory in Normandy as the signal to dump, as much as possible, the policies of a Roosevelt they had always disliked, and whom they no longer considered indispensable. Truman cleared the way for an attempted, top-down takeover of U.S. strategic domestic and foreign policy by those utopians President Eisenhower later identified as a "military-industrial complex," the followers of the "preventive nuclear war" doctrines of Bertrand Russell. The other name for that crew of utopians was, and is "The Synarchist International."

It is that Synarchist International, again, which is behind what Cheney and his neo-conservative rascals represent inside the Bush Administration today. So, to understand the nature of the impetus driving the world toward a new kind of nuclear warfare under the post-2004 U.S. Presidency, we must first understand the present-day form of that Synarchist International as its specific kinds of war-aims. In the course of supplying that needed clarification, the story behind the story told by Correlli Barnett's series of four books will be brought into focus. The bombing of Hiroshima and the story of Truman's Korean war, then becomes transparent.

Now, consider the following summary of the essential relevancies of the Synarchist International. After that, I shall clarify the political-strategic developments, already under way, which define the probability for a new quality of warfare breaking out as early as under the next U.S. administration.

#### 2. Economy and World-Wide Wars

"The Synarchist International" became rather widely known by that name about the time of the Versailles Treaty negotiations at the close of World War I. However, its existence dates, most notably, from the 1789-1815 interval of the successive rises of the "left-wing" Jacobin Terror and the "right-wing" tyranny of veteran Jacobin Napoleon Bonaparte. The right-left characteristics of the Synarchists, as illustrated by the case of Synarchist Jacques Soustelle, date from no later than that interval of France's history, to the present day. At first glance, the following picture might tend to appear arcane to all but qualified historians and intelligence specialists; but without this knowledge, no competent understanding of the present and continuing threat to civilization could be competently understood.

Both of those successive developments were orchestrated

by a concert of private merchant-banking interests typified at that time by the like of the Schlumberger, de Neuflize, and Mallet banking interests, as also Mallet du Pan, and also Jacques Necker, the crony and asset of Britain's Lord Shelburne. These private family bankers used a passionately occult freemasonic association, known as the Martinists, as their adopted political mechanism. The ideology of that continuing cult is typified, symptomatically, to the present day, by the influence of extremely eccentric Joseph de Maistre.

During the late Nineteenth Century, this continued association adopted the term "synarchism" as ostensibly a reaction to the British Foreign Office's launching of the late Lord Palmerston's asset Bakunin as the founder of anarchism. It was during the period following Versailles, that the term Synarchist International came in its presently continuing use. The Synarchists of Mexico and South America, still today, are an example of the present-day continuation of the Nazi-directed, Martinist-style freemasonic forces, with typical right-left characteristics, classified as "Synarchism: Nazi/Communist" by U.S. intelligence services during the period of the 1930s and beyond.

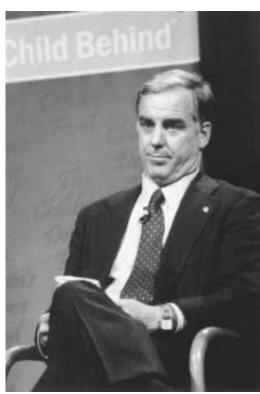
The U.S. neo-conservatives associated with Cheney and the legacy of the late, Nazi-like Professor Leo Strauss today, are an active product of that Synarchist International. Carl Schmitt, the so-called "Crown Jurist" of the Nazi legal system and the original sponsor of Leo Strauss's career in Britain and the U.S.A., was a key figure of the Synarchist operations in Europe prior to and during World War II. Cheney, his neo-conservative gang, and their policies of practice can be understood competently only as an expression of the U.S. Straussians' adherence to that Synarchist tradition and its ideology.

Recently—over a period from late 2002 until recent months—the Synarchist International held a series of meetings, coordinated by veteran Franco fascist Blas Piñar, bringing together fascists from Italy, France, Spain, and South and Central America, for a campaign against the U.S.A. For those who know their history, the creation of the U.S.A. as a Federal Constitutional Republic, has been the chief target of Synarchism's enmity since July 14, 1789 France, to the present day. The two conflicting systems, our constitutional form of republic and Synarchism, can not continue to inhabit this planet together for much longer. The Synarchists are once again on the march toward the goal of world empire, as they were, earlier, in Hitler's time, in 1940. Cheney's crew are part of that Synarchists' utopian package.

The key to that conflict is expressed by that feudal relic of Venice's former status as a financier-oligarchical form of imperial maritime power. That relic is expressed today by what is known as the independent central banking system. This kind of central banking system is key to understanding the dynamic of the relationship between a more or less global form of Anglo-Dutch form of general monetary-financial system and so-called world wars such as those two of the Twentieth Century.

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"The worst, Lieberman" and Dean epitomize the protection racket for Cheney's crimes. They share the Democratic Leadership Committee's commitment to bankers' favorite issues like NAFTA free trade and HMO control of medical care, and a view of the Democrats as virtually a second Republican Party.

Under certain conditions, the modern sovereign nationstate and modern echoes of Venice's imperial system of usury tend toward a relatively stable, if uneasy peace. This state of affairs has prevailed during some periods of globally extended European civilization since the first emergence of the modern sovereign nation-states, Louis XI's France and Henry VII's England, during the period of Classical Greek revival, the Fifteenth-Century Renaissance. This Renaissance became possible under the circumstances of Europe's struggle to recover from that Fourteenth-Century "New Dark Age" which had been detonated by the general collapse of Venice's bankrupt Lombard banking system, a "Dark Age" in which one-third or more of Europe's population had been wiped away by the consequences of Venetian-orchestrated usury. Out of that chaos, the Augustinian tradition in Christianity mustered what became the pro-Greek Classical Renaissance, superseding the burdensome, ultramontane legacy of the Emperors Diocletian, Constantine, and that "Julian the Apostate" who figures as a model for British imperial utopia in Shelburne lackey Gibbon's account of the history of the Roman Empire.

The Fifteenth-Century emergence of modern European civilization was met by a resurgence of Venice's power. Since approximately 1511, what is presently globally extended modern European civilization, has been locked in recurring mortal conflicts between the emerging modern nation-states of Europe and the Americas, on the one side, and, on the other, the relics of that Venetian-Norman tyranny which had

formerly dominated the Mediterranean region, and beyond, since the times of Malthilde of Tuscany and the Norman conquest of England. The leading reactionary role of Hapsburg Spain in the religious and related wars of 1511-1648, is typical of that conflict.

During the course of the Eighteenth Century, many of those leading minds of Europe dedicated to the cause of development of modern nation-states, came to view the development of the English-speaking colonies in North America as the best opportunity for establishing a new kind of true republic which could become a model for similar reforms in Europe itself. As the U.S. Declaration of Independence's principle of "the pursuit of happiness" attests, it was the influence of the ideas expressed by Gottfried Leibniz's condemnation of John Locke, as in Leibniz's New Essays on Human Understanding, which typified that European republicans' initiative toward North American intellectual leaders such as Cotton Mather and his most notable successor, Benjamin Franklin. As early as the 1750s, but emphatically the mid-1760s, the best minds of Europe—as only typified by England's Priestley, France's Lavoisier, and Germany's Abraham Kästner worked to assist Franklin in developing that youth movement, in North America, which emerged as the intellectual political leadership of the young republic.

At the time the 1787 draft of the U.S. Federal Constitution was in the final stage of adoption, in 1789, France's monarchy was plunged into the bankruptcy brought on as a consequence of France's 1783, pro-free-trade Peace Treaty with Britain.





Among the utopian followers of "preventive nuclear warrior" Bertrand Russell, "Rumsfeld and his crew typify the 'military-industrial complex' utopians at their worst, and most stupid today. A misguided President Truman had leaned toward the side of the same utopians." Russell first publicly threatened Russia with "preventive nuclear war" in a September 1946 Bulletin of the Atomic Scientists article.

Two leading patriots of France, Bailly and Lafayette, led in the drafting of a constitution for the monarchy of France based on the precedent of the U.S. design. It might appear that the American model of republic already so popular among the national patriots of Europe, was to fulfill its destiny, with a wave of true republics erupting there.

The intervention of the British Foreign Office, through assets in France such as Philippe "Égalité" and Swiss banker Jacques Necker, organized the July 14 Bastille incident, which began France's descent, aided by British Foreign Office agents Danton and Marat, into the Jacobin Terror. Much of the core of those influential French figures who had been associated with American cause, including Lavoisier, died in that Terror.

Then came the rise of the so-called turn to the right, Napoleon Bonaparte. By close of the Congress of Vienna, our republic was isolated, endangered, caught between the guile and threats from London, and the pure evil of the Habsburg-orchestrated Holy Alliance. The "left-right" syndrome typified by the succession of Jacobin Terror and ex-Jacobin Emperor Napoleon Bonaparte, became the model of reference for not only blocking the influence of the U.S. republican model in Europe, but seeking to crush it in the Americas, as by the Anglo-French orchestration of the Confederacy and the installation of the Habsburg butcher Maximilian in Mexico. Since those developments of 1789-1815, the special, occult freemasonic association known today as Synarchism, has been a leading factor in globally extended European history in general.

That role of that Synarchist pollution of modern society, has been fostered by the existence of a crucial difference between today's typical, Anglo-Dutch Liberal model of parliamentary democracy, and the Constitution of the U.S. republic. That difference is key for understanding the connection between the past hundred years economic crises and world wars.

Our constitutional system of government is defined, as to principle, within the Preamble of our Federal Constitution. This Preamble consists of three multiply-connected, universal physical principles to which every other feature of that Constitution, and all Federal law are properly subject for their interpretation. These three principles are: 1) The perfect sovereignty of the nation and its people over all their territory, in all their internal and foreign affairs; 2) The general welfare of all of its people; and, 3) Accountability for efficient care for our posterity.

This notion of "general welfare," which rejects John Locke's and the Confederacy's notion of "property," or "shareholder value," is derived from the concept of  $agap\bar{e}$  which Plato's Republic presents through Socrates, and the same concept as presented by the Christian Apostle Paul in *I Corinthians* 13. This notion of general welfare is sometimes stated as "the common good," and is associated with the English usage of "commonwealth."

Another synonym for "general welfare," is Leibniz's "pursuit of happiness," a concept taken by the circles of Benjamin Franklin from Leibniz's denunciation of John Locke, in their reading of the belated publication of Leibniz's *New* 

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Essays on Human Undertaking. "Pursuit of happiness" is a more sophisticated, more scientifically precise way of expressing the concept of  $agap\bar{e}$  or general welfare. It connotes the absolute distinction of man from beast; that the essential human need is to be human, to express that creativity, such as that of Classical science and art, which exists only in the human individual, and not in the beast. The efficient expression of that quality to the advantage of society, is that righteous state of happiness which the 1776 Declaration of Independence commits our newborn republic to foster for each and all of our people.

Take the case of slavery as an example of the application of a constitutional form of natural law.

The recurring compromise expressed in connection with the original 1776-1789 approach to the intended process of eradicating slavery, was not a matter of principle, but of a compromise dictated by global strategic considerations. The restriction on elimination of slavery, was the need to defend the nation against our adversary's, the British monarchy's intent to destroy us, and to promote slavery, by playing among the heteronomic follies of the slaveholder interest within certain of the Federal states.

In principle, slavery was always an evil for us, from which our national economy never benefitted, although the British monarchy, the slave-owners, Spanish slave-traffickers, and the cotton manufacturers did. Indeed, the principal slave-taking nation of the Nineteenth Century was the Spanish monarchy. The British East India Company had abandoned its African slave-trade as unprofitable, leaving the continuation of the trade to Spain. Similarly, during the 1890s, our republic's principal treasonous faction of that time, the Essex Junto, had abandoned the slave-trade, to free their shipping for the role of partners in the more lucrative British drug trade. Slavery was, however, increased within the U.S.A., for the profit of British interests and allies, including Essex Junto textile manufacturers and the Spanish monarchy.

Our inability to make war on our enemies in Europe, held us hostage to that legacy of Portuguese, Spanish, Dutch, and British slave-trading interests, until President Lincoln led the United States to defeat Britain's Confederacy asset, to become the power which the combined pro-oligarchical powers of Britain, the Napoleonic tradition, and the Habsburgs could no longer crush.

Under this Constitution, whose principles are so defined, the sovereign, our government, has an absolute monopoly, and exclusive will, to utter money and national credit, or debt of the republic as a whole. Thus, as our first Treasury Secretary, Alexander Hamilton, clarified this intent for practice, our required system is based on national banking, not so-called "independent central banking." This signifies that our form of government must be what is called "protectionist," to the included leading purpose of preventing the increase of the price of money from exceeding the increase of the price of physical wealth produced.

Under our republic's Constitution, we awarded to our Executive Branch those great powers which were needed to defend us against the weaknesses and follies customary among parliamentary government; but, we also created powerful checks against abuses by that Executive, especially in the matter of powers to make war.

Under the Anglo-Dutch Liberal model of parliamentary government no efficient sovereignty is assured. The permanent apparatus of government is not effectively controlled, and the parliamentary institutions are vulnerable. The worst feature is the existence of the so-called "independent central banking system," which is a kind of franchise, donated to private banking interest, to control the monetary and credit system of the nation. The interest embodied thus in such "independent central banking systems" or their functional equivalent, is the key to understanding the causes for two "world wars" in the last century, and a new one, or its like, threatened as early as sometime during the present decade.

#### The Factor of Financial Crisis

In the immediate post-war period, the protectionist features of the original Bretton Woods system, and the included provision of a gold-reserve—not gold standard—system of fixed exchange-rates, provided a check against the abuses typical of "independent central banking systems." The changes, in the Americas, in Western Europe, and Japan, from a producer-oriented set of economies disciplined by a fixedexchange-rate system, which were already under way, in fact, even prior to the 1971-72 wrecking of the original Bretton Woods design, was the origin of the "floating-exchange-rate" monetary-financial system which is crashing down upon us now, as the Versailles system had done earlier. The anti-constitutional corruption of the United States by the establishment of the Federal Reserve System, and the post-World War II monetarist lunacies introduced by Arthur Burns and others, undermined those constitutional provisions which made possible the self-destruction of our economy over the recent several decades.

The soaring of the nominal prices of financial assets, relative to investment in technological progressive development of basic economic infrastructure and capital-intensive investment in technological progress of production of goods, produced an accelerating general trend in financial and monetary inflation. This, continued long enough, reaches the point of becoming a systemic crisis, even a threatened breakdown crisis, of the system as a whole. The question then posed is: "Who is going to eat the debt, the nation, or the financier interest?"

To the degree that existing governments are accountable for the welfare of the population as a whole, it is the duty and natural impulse of those governments to defend the sovereignty, general welfare, and posterity of the nation and its people, to such a degree that a corresponding portion of the responsibility for eliminating debt falls upon the class of financier creditors. That is the juncture at which a mobilized

financier interest is impelled to crush governments which do not put financier interest above even the lives of their populations.

The establishment of the first true sovereign republic, the 1789 United States under its Federal Constitution, represented a deadly threat to the combined feudalistic and Liberal-financier interest of Europe. The risk that the U.S. model might become the basis for a constitutional reform of France's monarchy, was therefore a development which the leading private financier interests were determined to crush at all costs. A leading circle of such financier interests, composed of the rival but connected interests of Lord Shelburne's British East India Company and a circle of chiefly Protestant French-speaking Swiss private bankers, such as Jacques Necker and Mallet du Pan, created in France then, what has become known as the Synarchist International of the Twentieth Century and today.

This concoction, composed of a process of "left-right" transition of Napoleon Bonaparte, from Jacobin leftist to imperial fascist, is the model of left-right encirclement which has become the world's principal organized, financier-deployed force, used to crush republican forms of government, whenever a general, systemic monetary-financial crisis threatens to compel them to eat their share of that new general bankruptcy which their own practices had, chiefly, produced.

No one could produce immediate prosperity. Roosevelt could not; I could not. Roosevelt offered recovery from a depression which had halved the U.S. standard of living, or worse, just as the standard of living of the lower 80% of our family-income brackets has been approximately halved since 1977 (post-1962, hedonistic Federal Reserve "quality adjustment" statistical swindles taken into account). I could lead an early entry into a recovery process which would bring back prosperity within about a generation. There is no magic involved; all that its needed is the competence in economics which my unique success as a long-range economic forecaster expresses.

The issue is, therefore, essentially political, a political conflict inside the United States between those who share the constitutional general welfare commitment of a Franklin Roosevelt, and those who share today the commitments of Coolidge and Hoover. There is also a more deeply rooted institutional resistance to such recovery measures in Europe.

To any informed American patriot, who knows the actual history of both our national economy and modern economy in general, the lesson of the economic recovery led by President Franklin Roosevelt points toward a clear type of solution for the general monetary-financial collapse ongoing today. From that standpoint, the crucial question is: "Who is going to eat the bad paper?" Will it be the financiers whose speculation has wrecked our economy? Or will payment of those financier's highly inflated claims come out of the living bodies of our own, and other people? We know where our fascist U.S. Supreme Court Associate Justice Antonin Scalia stands on this

controversy; we strongly suspect, on the premise of weighty evidence, where Howard Dean stands. We remember where Franklin Roosevelt stood; but so do the political heirs of Roosevelt's adversaries.

As a President, with the precedent of Franklin Roosevelt's and other U.S. economic recoveries in mind, I could lead our nation quickly into a long-term recovery phase today. No other visible candidate for that office could; they might learn, but, presently, left to their own devices, "they haven't a clue." They never learned the lesson of past recoveries from follies such as those of Coolidge, Hoover, Arthur Burns, Nixon, Brzezinski, and Volcker, the follies carried to an extreme by "Greenspin" today.

In Europe and elsewhere, the immediate source of resistance to any competent recovery program, is the strongly embedded prejudice of Anglo-Dutch Liberal traditions of parliamentary government, against any measures which violate the imagined sanctity of "independent central banking systems." That prejudice played into the hands of the Synarchists (fascists) in post-Versailles Europe; it is a crucial lever in the hands of the European and other Synarchist schemers today. It is desperate bankers, such as those behind the Martinists of 1789-1815, and the Synarchist International of the post-Versailles decades, or again today, who exploit the pro-monetarist mental weaknesses of governments and others today to bring dictatorships and wars upon the nations of modern European civilization, as Venice's bankers orchestrated the horrors of the medieval period from the launching of the Norman chivalry on.

These varieties of indicated resistance to the urgently needed approaches to general monetary-financial reform, are, therefore the principal factor pushing the world to general wars and dictatorships today, as prior to World War II.

#### 3. If the Next World War Comes

Suppose you were, for example, Russia, China, or India. Suppose you knew that your nation was pre-designated for a medium-term nuclear-warfare attack, or for destruction by other means, if you failed to resist the attacker. Suppose that other nations of Asia shared that concern. How might you react?

How did Russia, China, and North Korea react, during the Korean War, to their conviction that they faced similar threats from the U.S. Truman Administration? How did they read a pattern of certain provocative moves from the Truman Administration. What did these nations, which believed themselves targets, read into the publication of the threat from the most evil living person of the world at that time, Bertrand Russell, in Russell's September 1946 publication of his argument for his doctrine of "preventive nuclear warfare" against the Soviet Union?

Compare that with Cheney's repeated threats, since he

was Secretary of Defense in the 1989-1993 Bush Administration, of nuclear warfare against, implicitly, post-Soviet Russia and other targets? Compare that with the impact of Cheney's escalating threats since the evening of Sept. 11, 2001. If you knew that powerful enemy was intent upon crushing your nation, and also others, out existence, and if you were such a targetted nation, which had the potential means to wreak a terrible penalty upon that foe, would you seek to define a defense, even at the risk of losing half of your population? The history of land wars in Asia on this account, including China's role in the Korean War, and the case of U.S. experience with its war in Indo-China, should give the wary a hint of something to think about.

If, for example, you, from a targetted nation, knew of ways to slip deadly devices into places where their detection were very difficult, and their effect, if activated, could be monumental, would you, as the military command of such a threatened nation, be inclined to do it? Do you recall the ration of the

death tolls of German forces and the Soviet population, respectively, during World War II? Or, do you recall a slightly different, but relevant case, Lazare Carnot's successful defense of France up to the victory he achieved in 1794? Under certain circumstances, people will fight in a way which expresses a willingness to put the future existence of their nation and its culture above their own lives. This is a quality of human nature which inhuman tyrants like Hitler and the Synarchists are prone to overlook. It is a feature of real-life strategy absent from a Rand Corporation sand-box, or from gametheory calculations.

The solutions for all questions of national strategy, will never be found on a sand-box, in a computer, or even the human brain. They exist only in the creative potential of an appropriately developed human mind.

The matter of the specific combat systems is not our subject here. Our subject is preventing such warfare from occurring. If we do not end what Cheney typifies, such warfare will probably occur; and, probably, the next President of the United States elected, will have to fight it. The principle is the same which led into utopian Truman's Korea war, from which military traditionalist, and Presidential candidate Eisenhower extracted us. With Cheney allowed to run loose, the U.S.A. may not get off so cheaply, next time.

Take one relatively obvious example of the kind of systems and their measures presently in the making. Take rela-



LaRouche's view of British historian Correlli Barnett's evidence: The Korean War was the unforeseen and uncomprehended reaction to "the Trouble with Harry"—Truman's ignorant policy of making nuclear threats to the very existence of Russia and China as nations and as powers.

tively very small, very quiet submarines, much quieter than today's nuclear-powered military submarines, smaller submarines loaded with small objects to deposit in places relatively most difficult for defenses to detect. Or, consider very, very deep-diving submarines which can do special tricks. Meanwhile, nuclear and thermonuclear devices can be produced in a wide range of effects, many of these relatively small. Also, there are possibilities for producing global effects, which we, then involved in the proposed SDI, had considered, back during the mid-1980s, in our defining of the requirements to alter the environment for short, but significant intervals of time; that, on a relatively large scale.

The point being illustrated by the references made, is that there are many ways in which the U.S.A. nuclear Triad can be made relatively, asymmetrically obsolete; as by, in effect, bypassing it with warfare in a different technological space than it is designed to fight. This is not a matter of a particular weapons-system, but it could be a matter of a threatened adversary's dreaming up a feasible technological dimension which you, perhaps, had simply not thought about.

When a group of scientists is faced with what appear to be insuperable, technologically defined barriers, the ordinary scientist sees a boundary, within which all proposed solutions must be found; the other, true scientist, sees the vast universe of opportunity beyond that boundary, where he, or she knows all successful solutions to seemingly impossible barriers lie.

The great military scientist, told that the adversary has a perfect, invincible weapons-system, smiles, and asks quietly: "Does he believe that?"

If the answer from the military experts is, "Yes," the scientist will smile, nodding: "Then, that is the way we shall defeat him."

The rampant incompetence in military and related matters shown by Bush Administration economists generally, and by Cheney's and Rumsfeld's pack of neo-conservatives—and, in that context, in events such as the recent, not really very secret meeting in Nebraska—demonstrates that any notion of an assumed invincible strategic doctrine in the intentions of these characters, is such that any capable, otherwise weaker nation, is intrinsically capable of discovering how to defeat, if they have not already defined such solutions.

The same stupidity on which the Bush Administration and others premise their absurd doctrines respecting the principles of economics, expresses precisely the kind of malady of their minds which would make an incumbent government like their own go down to self-inflicted defeat by its own blind faith in what it prizes as its super-weapons. The military incompetence shown by Cheney, Rumsfeld and their Chicken-hawks in Afghanistan and Iraq, is an illustration of this factor of general scientific-technological incompetence permeating the Bush Administration, but not only that administration.

In some of the preceding paragraphs, I have listed a sampling of the directions in which some technological approaches to outflanking the current thinking of the U.S. utopians are already in progress. I know of the existence of others, but think it both unnecessary and counterproductive, for several reasons, to promote a spread of such possibilities in print on this present occasion. On this matter of development and deployment of existing and new strategic technologies, I return to the reference to Correlli Barnett's treatment of the manner and effects of the systemic ruin of the United Kingdom's once formidable capabilities, a process like that the United States underwent since approximately the same time as the official beginning of its Indo-China War.

The folly of Cheney and other Bush Administration Synarchists today, should turn our attention to the analogous kind of error, to be recognized in the way the pro-utopian U.S. Truman Administration was taken by surprise in Korea, twice, first by North Korea's forces, and then by China's. Truman refused to understand, that by adopting the bullying policy of making an existential quality of threat against both the Soviet Union and China, Truman was walking the United States into a kind of war which it was not prepared to expect.

The essential folly of the Truman Administration was, that it did not understand the implications of the fact that its threats were forcing both the Soviet Union and China to choose to fight war against the forces of both the U.S.A. and NATO, or be dismembered. The cited excerpt from

Kennan points in that direction. The same kind of fateful error of assumption prevails among the neo-conservatives today.

The combination of Truman's order for the nuclear bombing of Hiroshima and Nagasaki, Bertrand Russell's publication of his September 1946 declaration of a policy of preventive nuclear warfare targetting the Soviet Union in particular, and President Harry Truman's endorsement of Winston Churchill's widely celebrated "Iron Curtain" address, had defined a situation in which both Stalin's Soviet Union and Mao Zedong's China shared the belief that the U.S.A. and Britain were determined to use nuclear weaponry to threaten them with virtual extinction as states. Against that background, the type of U.S. provocations conducted by the Truman Administration in Asia, as identified in the chapter of Barnett which I have referenced, brought matters to a threshold, in a way broadly analogous to the kind of "pre-World War" tension which the continuing antics of Svengali Cheney and the Trilbys of both the Bush Administration and Democratic Party have combined to create today.

Now, as Truman did in 1949-50, the Leo-Straussian neoconservative bloc which still running its virtual puppet-Presidency of George W. Bush, is successfully forcing the deployment of operations which impel nations, including important powers from around the world, to perceive an intent to destroy both China and Russia; that, as the end-game phase of a process of piecemeal dividing and destroying of the nations of Europe and Asia generally.

Since the circles around Cheney are clinically insane and also strategic blunderers in the manner and degree I have described up to this point in this report, their obsession with their own schemes tends to blind them, as it might psychotic terrorists, to any reality which might raise grave strategic doubts about the characteristic features of their scheme itself. As happened with Truman during a relatively saner time, in the cases of the Soviet Union and China, these fools are driving an increasing number of the targetted powers of Eurasia to think and pre-deploy in anticipation of making the kinds of close-encounter and other end-game responses to U.S. attacks which we must expect from among Asian cultures—Asian cultures of today, with weighty modern scientific-technological capabilities.

So, in summary of that point: what Cheney et al. are doing today, with the resonating and repeatedly reenforced echo of President Bush's January 2002 "Axis of Evil" slogan, has generated a mounting reaction around much of the world, a reaction which poses the threat of more war than the Bush government dreams possible; war which must be anticipated, under a continuation of present trends, to confront the President elected in 2004. It appears that this administration remembers everything it has learned about history, all of which is conveniently minimal, and that mostly false.

What is the world's political alternative?

#### The Synarchist Drive to Nuclear War

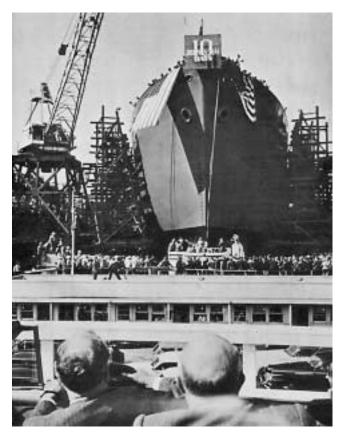
Presumably, the war-crimes procedures at the close of World War II, and the formation of the United Nations Organization, had outlawed "aggressive war." Since that time, we have had reason to regret that we had not also discovered a means to prevent actions, by means of which a stronger power might force a weaker, such as the Soviet client North Korea, to attack, perhaps "aggressively," in defense of plausible threats to the existence of its nation, such as the threats of the Truman Administration to the Soviet Union and China. On the latter account, since 1945, there are two prominent challenges facing the power which seeks to avoid a war with some foreign power. The first is to avoid threatening a war against that nation. The other, is to avoid provoking that nation into a sense, as Cheney et al. are doing, that the preservation of its existential interests require it to attack. In August 1946, World War II had not yet ended, when, for the sake of his utopian delusions, President Truman began to violate both of those latter rules of prudence.

Today, the lessons of that experience should compel us to redefine the policy to be accepted among sovereign nation-states, a policy shaped to uproot the very real, immediate threat of early wars whose ricocheting effects would be beyond the imagination of most leaders of the world's governments today.

In presenting a case for the alternative to such warfare here, we must begin by considering, at least briefly, the present-day practice of relics of ancient and medieval forms of imperialism. This must include some crucial highlights of that history since the exemplary imperial follies of Athens in launching the Peloponnesian war.

Today, Cheney et al. are violating every such and related lesson of the principal experience of ancient through modern European civilization. Duped President George Bush, for his part, is contributing to that folly with his frequent and foolish, schoolyard-bullying style in threatening "consequences." These cases are worse than those mighty fools who perpetuated the 1618-1648 Thirty Years' War, a war which was done by leaders for the sake of supposedly sacred, but evil oaths which had magically transformed the leaders of the contending forces, from men into the kinds of beasts which such as Cheney and his Chicken-hawks have shown themselves to be today. What Cheney represents is the worst imaginable form of that record of imperialism, one which, unless checked and uprooted, could soon destroy any form of civilization on this planet for generations to come.

From the onset of the Peloponnesian War until the Fifteenth-Century European Renaissance, the prevalent tradition of all Middle Eastern and European culture had been the kind of imperialism which had corrupted Pericles of Athens, had dominated the Roman and Byzantine culture, and, also, ruled Europe for nearly a thousand years since the Norman conquest of England, the latter under the imperial hegemony of the



President Franklin Roosevelt launches a ship at the height of his war-production mobilization. "No one could produce immediate prosperity. Roosevelt could not; I could not. Roosevelt offered recovery from a depression which had halved the U.S. standard of living, or worse, just as the standard of living of the lower 80% of our family-income brackets has been approximately halved since 1977. I could lead an early entry into a recovery process which would bring back prosperity within about a generation."

Venetian financier oligarchy and Venice's Norman partners. Today, the most poorly understood, but presently most influential form of imperialism in European history, is that inherited from a Europe under the boot of the Norman-enforced, ultramontane law associated with the so-called Crusades.

It is the power to impose some ultramontane form of law-making authority, which, as the experience of feudalism proves, is the essential feature of imperialism. The example of that Roman imperial doctrine of Pontifex Maximus traced from the Caesars, is the relevant model of imperialism, since Augustus and Tiberius, down to the present day. Today, ultramontane imperialism, akin to that of feudalism, is expressed chiefly in the specific interest of a specific, radically monetarist type of global financier-oligarchical monetary-financial system, the presently bankrupt IMF system.

Today, the general principle of civilized modern military and related strategy is, as I have emphasized above, a doctrine of strategic defense consistent with the definitions and prac-

tice of two great commanders, France's Lazare Carnot and Germany's Gerhard Scharnhorst.

Unfortunately, the Martinist (e.g., Synarchist) dictatorship of Napoleon Bonaparte revived the institution and methods of empire in a new form. This was a radically new form, later known as fascism, of an institution as imperial as the British and Habsburg empires, an institution of imperialism which had been the principal internal affliction of European civilization, since the Peloponnesian War in which Greece virtually destroyed itself. This was the affliction which modern Europe had momentarily banned with Cardinal Mazarin's leading role in bringing about that stroke of genius known as the 1648 Treaty of Westphalia. Today, since Hitler, that new form of imperialism introduced under Napoleon Bonaparte has often been identified by its pro-Synarchist proponents, such as Michael Ledeen, as "universal fascism."

As I have emphasized, earlier in this report, the birth of modern fascism in 1789-1815 France, was chiefly the ricocheted response of the combined forces of the both the emerging British Empire and its rival, the Habsburg tradition, to the mortal threat to those types of political systems which the American Revolution of 1776-1789 represented.

The immediate focus of this effort to crush the influence of U.S. Independence, was the 1781-1783 pre-orchestration of the French Revolution by the most powerful figure of the emerging British world empire, Lord Shelburne. Shelburne, who was the leading figure of both Barings bank and the British East India Company, was the chief original sponsor of this process of intervention leading into the French developments of 1789-1815. The most relevant developments which are to be attributed directly and explicitly to Shelburne, date from 1763. It was a network of private bankers and others, allied to Shelburne, a network built up and directed by that Shelburne, which operated through the Netherlands and down into the area of French-speaking Switzerland, which orchestrated the crucial features of the build-up toward and initiation of the French Revolution. This was most emphatically the case from the period of Shelburne's 1782-1783 role as British Prime Minister.

During the 1780s, Shelburne and, chiefly, his French and Swiss collaborators, had built up a lurid sort of occult freemasonic association, known as the Martinists, a cult including such notable figures as Mesmer and Cagliostro, which were among the key inside figures of both the Jacobin Terror and the rise to power of Napoleon Bonaparte. The case of the Queen's Necklace typifies the Martinists' role in preparing France for events including the decapitation of the same Queen later. This Martinist cult, together with Shelburne assets such as Philippe Égalité and Jacques Necker, set what became the Jacobin Terror of the Martinists into motion with the incident of the July 14, 1789 affair of the Bastille.

The historical point of reference for this Shelburne-directed scheme, is that elaborated by one of his numerous lackeys, Gibbon of *The Decline and Fall of the Roman Em-*



"British minister Winston Churchill appealed to President Franklin Roosevelt. He emphasized that the Nazi leadership in Germany was at work with the Nazi sympathizers among the leading aristocratic circles of Britain, to the purpose of bringing Britain into an alliance with the fascists of Italy, Spain, and France. . . . The unlikely allies, Roosevelt and Churchill, thus turned the tide against the Synarchist dreams of Hitler's world conquest."

pire notoriety. Not coincidentally, Gibbon was an associate of the circles of another Shelburne asset, Jacques Necker. The pivotal feature of Gibbon's proposal in that mammoth work, was a clearly implied apology for the notorious Emperor "Julian the Apostate." Gibbon's conclusion was that it was Christianity which had destroyed the Roman Empire from within, an empire which could be successfully restored by Shelburne's British East India Company as the British Empire, if only Christianity could be removed. The Martinist freemasonic cult was the chosen French-speaking instrument for the operations against France. The Martinists were wellsuited to play that game assigned to them. Their handiwork appeared first as the left-wing Jacobin Terror, and then, as if by the hand of the Martinist Cagliostro, that Terror appeared in the "right-wing" uniform of the ex-Jacobin bandit-Emperor Napoleon.

It was not the Martinist freemasonic cult, with its Bavarian and other absorbed elements, which produced the left-right sequence of both the Jacobin Terror and Bonaparte's imperialism. The Martinists were selected by a network of European

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private bankers expressing the Venetian tradition, a network then led by Shelburne et al., and chosen, largely, by him personally, as the kind of ideological instruments selected by the British East India Company's intention to eradicate the influence of the American Revolution. The Martinists, as their ideology is represented by such authors as Joseph de Maistre, had the specific quality of being the kind of instrument described by the obsessed admirer of Napoleon Bonaparte, G.W.F. Hegel, and as the tyranny of the beast-man described by Friedrich Nietzsche as his "Superman" assigned to destroy Christianity. The terrorist controller Jeremy Bentham was the working head of Shelburne's British East India Company "Secret Committee," which directed the Jacobin Terror. Bentham, personally, reflects the same mentality as the Martinists, as shown by his relevant published writings still rather widely extant today.

The procession from the stormed Bastille—bearing the bust of its hero, Shelburne's Jacques Necker, at its head, babbling poor lunatics from the Bastille on the mob's shoulders, and the heads of the victims on the procession's pikes—typified the Martinist spirit of the event from which the Jacobin Terror, and Napoleon's tyranny subsequently ensued. This was surfacing of what was eventually to become what is known by the precise technical term of Synarchism, in Hitler's time, and today.

Was that horror really France? Lafayette who witnessed it, would say, "No." The French Revolution is a complex of contradictions, featuring such virtues as the military and scientific genius of Lazare Carnot as its "Organizer of Victory," and the sublime Bailly martyred by the Jacobins. As to France itself, the conclusion to be reached is, that human beings are naturally endowed with goodness. This is shown in that time not only by the magnificent Bailly, or Benjamin Franklin's collaborator, the great Lavoisier butchered by the Terror, but also the scientific work of the circles of Carnot and Monge. The proof is repeatedly delivered by that and other history, that human evil, while commonplace, shows itself, in the end, to be unnatural.

Which from that period, or any period, was man, and which was the disease which afflicted him?

To sort out more thoroughly than this summary of the evil done in that time; to separate more nicely what was done to France by Shelburne and the Martinists in this way, from what France accomplished; may be assigned to those, especially France's patriots, who make a fresh assessment of its history; writers who proceed in the light of crucial evidence which has been forced to broader attention by our fresh scrutiny of the combined evil represented by both Adolf Hitler's accomplices, and by Cheney and his accomplices today. In that same spirit, let U.S. patriots today look at the evil which Truman did after the death of President Franklin Roosevelt.

Apart from Hiroshima and Nagasaki, the most significantly tell-tale single piece of evidence against Truman, is that Roosevelt had intended to conclude the war with the liberation of the planet from colonialism and related practices. Truman acted to support the British policy of restoration of colonialism by military force, in places where it had been overthrown in the course of the war. Truman's action thus tipped the balance, to restore the institution of imperialism as a established feature of the United Nations Organization.

Not long after Truman's retirement, and the death of Josef Stalin, the most evil man of the world at that time, Bertrand Russell, negotiated an accommodation with the new Soviet leader Khrushchev, through the facility of a London Conference of World Parliamentarians for World Government. Russell's intention was, as usual for him, world government, and his own burning hatred against the existence of, above all, the United States. His often restated intent was to establish the kind of world government which he and H.G. Wells had prescribed in Wells' 1928 *The Open Conspiracy*. It was on behalf of world government, explicitly, that Russell had explicitly proposed preventive nuclear warfare as the road to utopia and peace, publicly and repeatedly, from 1946 on.

Thus, after the succession of the Russell-negotiations around the 1962 Missiles Crisis, and the assassination of President Kennedy, the United Nations hosted an approximation of imperial world government in the emerging "détente" arrangements between the Anglo-American and Soviet nuclear superpowers. Wars among the superpower blocs were permitted, such as the U.S. Indo-China War, as long as they were "managed" according to the current vogue in Rand Corporation-type sand-box notions of "rules of the game." This arrangement continued until 1989, with the collapse of the Warsaw Pact, and, soon after that, the Soviet Union itself.

The collapse of Soviet power lured Anglo-American utopian madmen into the lust for immediate consolidation of a single world superpower, an Anglo-American world empire to rule the world forever, thus bringing history to an "end." Cheney represented the most fanatical of the dumb jocks pushing that policy within the 1989-1993 U.S. Bush Administration. In 1991-92, that Bush, the father of the presently incumbent President, had turned Cheney down; Cheney was more successful on and following Sept. 11, 2001. His intention is to use preventive nuclear warfare, as either threat or actual war, to bring about the imperial conquest of the world, including Russia and China, within his own lifetime. He pushes new wars now; some relatively cooler heads around that administration have proposed to postpone new wars until after the 2004 election.

If such a utopian military outlook as dumb jock Cheney's is not uprooted from the U.S. government now, the world as a whole is perched at the brink of an unfolding general state of warfare which will, rather soon, leave very little resembling civilized life on this planet, for a rather long time to come. That is, the prospect of a condition under which the elimination of as much as half or more of the population of a nation is a precalculated assumption of the kind of warfare which Cheney's impulses imply under those present real circum-



Bush and Greenspan grope. "The collapse in progress now, is, as a matter of fact, neither a recession, nor a mere cyclical depression, but the terminal phase of a general breakdown crisis of that financialmonetary system. It is the failure to face the present reality of that economic breakdown crisis, which, as during 1928-1933, generates the explosive potential for spreading of wars and terrorist attacks around the world."

stances which the present Bush Administration stupidly refuses to take into account.

It is therefore urgent that the alternative should be made clear.

#### The Resort to Strategic Defense

Presuming that Cheney's plans for both wars and U.S. dictatorship are prevented, the principal option available to leading nations of the world, is a concerted decision to take the hopelessly bankrupt present world monetary-financial system into receivership. That is, the "floating-exchange-rate" IMF system. The general intent must be to re-establish a new, fixed-exchange-rate, protectionist form of monetary system, modelled upon the most successful features of the original Bretton Woods system.

Provided that new long-term, low-priced credit is generated, both by the combined means of government right to utter currency and by long-term international treaty agreements, the potential presently exists to expand productive employment substantially, somewhat as President Franklin Roosevelt combatted the Coolidge-Hoover-created U.S. economic depression, through an included heavy emphasis on public forms of development of basic economic infrastructure. Under those conditions, under the indicated reform of the world's monetary-financial system, the preconditions presently exist for a massive expansion of hard-commodity trade among the nations of Eurasia.

Under a world affected by those beneficial reforms, the common feature of interest among nations is the fostering and preservation of such institutions of long-term economic-development cooperation. Such a state of affairs is conducive to the kind of order among peoples which was stipulated by the 1648 Treaty of Westphalia, an order subsumed by the

treaty-principle of "the advantage of the other." Under those conditions, the military relations among nations assume the form of institutions and policies of strategic defense.

Reflection on such excellent long-term remedies for our planet's chief present peril, requires attention chiefly to two distinct but interdependent problems: The need to settle accounts with the systemic defects of any method of superseding control over government by organized private financier interest, and to affirm the principle of sovereignty of nation-state republics. I conclude this report with my address to those two matters in that order. The present circumstance of terminal bankruptcy of the existing form of world monetary-financial system, should be used as the health-giving opportunity to rid the planet, at last, of the vestiges of that same Venetian system of banking practices which produced the so-called New Dark Age of Europe's Fourteenth Century, and fostered the launching of that monster known variously as Synarchism or fascism today.

The error so dramatically demonstrated by the long-term, now hyperinflationary degeneration of the world's monetary-financial systems since the change of 1971-72, is that the security of and among nations requires that sovereign governments administer the issue of and circulation of currency, taxation, and conditions of investment and trade, to such effect that the price of money does not increase more rapidly than the intrinsic value of produced goods and the socially most essential services. This requires a fixed-exchange-rate monetary system, under which necessary forms of well-considered changes in prices of currencies may occur, but under which free-floating fluctuations, especially financial speculation, are forcefully prevented.

The experience of the recent three decades should have warned us, that the system of independent central banking

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should be abhorred and terminated, and replaced by notions of national banking already implicit in the U.S. Federal Constitution of 1789. The nation-state must be fully sovereign, and the management of its vital national interests therefore made efficiently transparent to its government and citizenry.

In such an arrangement, a gold-reserve system, as absolutely opposed to a gold-standard system, is unrivalled in its utility, at least for the duration of the visible future. This is to be conceived by a concert of nations as President Franklin Roosevelt, then, applied the relatively extraordinary power of the U.S.A. to such effect at that time. There is no natural price of gold other than its range of prices of production. For the case of the monetary gold of a gold-reserve system, the price of such reserve gold is determined by consideration of the amount of such gold required for the pool, as compared with the price of current production, on that scale, for investment and trade.

The proper function of banking in general, is the administration of a secure and regulated system of saving, directed toward investments in promotion of trade, production, and accumulation of useful physical capital of government, production, and households. The function of national banking is to coordinate the functioning of that combined system as a whole, with emphasis on both the monopoly of credit-creation authority exercised by government through national banking, and the relationship of this function to relevant matters of both the fostering of scientific and technological progress, and foreign relations.

This action removes the abuses, as by private banking in the Venice tradition, which have plagued civilization for centuries, and checks that power to do evil which is typified by the role of such banking in the Synarchist phenomenon.

The concluding topic to be addressed here, the matter of national sovereignty, is a matter in which law and other policy-shaping must be ruled by consideration of that higher authority represented by the ecumenical principle—as defined, for example, by biogeochemistry's V.I. Vernadsky—of the absolute physical distinction of man from beast.

There are chiefly two distinct, but interdependent principles at issue on this point. One, the need to eradicate the long-traditional practice of societies, to hunt down the relatively greater number of human beings as if they were wild or domesticated cattle, as the wicked neo-Cathar dogma of France's François Quesnay prescribes. The second, related consideration, is the essential role of the ironies peculiar to a culture in enabling the members of that society to participate in the conceptualization of such matters of principle as discovery and application of discoverable principles of physical science. The function of the sovereign nation in fostering the continuing, upward evolutionary development of such a process of national culture, is the prerequisite of the elevation of the individual from both the formal and virtual status, as human cattle, which the Physiocrats, and

John Locke, projected for the families laboring on behalf of the desires of the shareholders.

The function of government which must be recognized as the purpose of the choice of the modern sovereign nation-state republic, is to free the individual person from subjection to those imposed conditions of life in which he, or she thinks of the individual as a variety of existentialist beast. This benefit is too be accomplished through fostering all persons' sense of themselves as contributing willfully to the progress of successive generations to increased degrees of mankind's mastery of the universe in which we live. This role of the citizen within that republic must become recognized as an essential, functional role of the republic, in furthering the corresponding common aims of past, present, and future mankind in general, each to the intended advantage of the other.

When we witness the resurgent horrors of Synarchism today, we must be inspired to resolve, not only to rid the world of policies such as those of Cheney and his Chicken-hawk warriors; but to establish a durable order of cooperation among sovereign nation-states, an order which not merely eradicates the present crop of the evil which the Martinists reflect, but uproots that evil by removing the preconditions under which such pestilences as those might recur in the future. We shall maintain the capabilities for strategic defense, but hope to employ this to prevent wars, rather than be obliged to fight them.

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### **E**IRInternational

### The 'British Watergate' Can Bring Down Blair and Cheney

by Mark Burdman

Very damaging inside testimony by British Prime Minister Tony Blair's own chief of staff on Aug. 18, signalled that Britain's establishment has made the decision to axe Blair, precisely over the corrupt efforts he made to falsify intelligence to justify U.S. Vice President Dick Cheney's "preventive war" doctrine being applied to Iraq.

On Aug. 11, Lord Hutton, former Lord Chief Justice of Northern Ireland and a very senior figure in the British Establishment, began his inquiry into the circumstances of the July 17 death of Dr. David Kelly, an expert on Iraqi weapons. Kelly died, an apparent suicide, after being hounded by Blair's defense minister and other of his minions; Kelly had called into question the Blair government's justification for going to war against Iraq.

Within ten days in August, Hutton's inquiry knocked the props out from Blair, making his departure from power almost certain in the coming weeks. More than that, the revelations emerging from the inquiry could have devastating consequences for U.S. Vice President Dick Cheney and his gang of neo-imperial war-mongers in Washington.

#### Blair Fully Implicated in Kelly's Death

When Blair himself first announced that Hutton would be conducting the inquiry, he petulantly insisted that its brief be restricted to nothing more than the specifics of what happened to Dr. Kelly on July 17. Lord Hutton replied publicly that he, and he alone, would decide the scope of his inquiry. Blair, at that time cavorting through Asia, responded angrily, but to no avail. Now, as a result of the inquiry, his credibility lies in tatters, and London insiders are talking of a "British variant of Watergate" to describe what Hutton and his investigating counsels are uncovering.

First, by the end of that the inquest's first week, it emerged

that Blair had been involved personally in efforts to force Dr. David Kelly's name to be made public, as part of an intensive attempt by 10 Downing Street to discredit and undermine the senior defense weapons expert. Blair's government knew, though the British public then did not, that Kelly had been the source for the report by BBC Defense correspondent Andrew Gilligan, that 10 Downing Street had "sexed up" the September 2002 Blair "dossier on Iraqi weapons of mass destruction" (WMDs), to make the "Iraqi threat" seem far greater and more imminent than it actually was.

The Aug. 15 London *Times*, owned by the usually pro-Blair Rupert Murdoch, ran a banner headline, "Prime Minister Is Implicated in Kelly Case." The *Times* wrote that the new evidence regarding Blair "gave fresh insight into the extraordinary pressure Dr. Kelly came under in the weeks before his death."

But the inquiry's major bombshell did not explode until Aug. 18. Blair's chief of staff Jonathan Powell was the witness on that day. During his appearance, it was revealed that he had written e-mails during September 2002, *counterposing reality to the alleged Iraqi threat*, in direct opposition to the propaganda then emanating out of Blair's office, and more specifically, out of the Prime Minister's mouth.

Powell revealed he had written on Sept. 17, 2002 to John Scarlett, Chairman of the Joint Intelligence Committee coordinating body for the British intelligence services, about the forthcoming "dossier on Iraqi weapons of mass destruction": that "The dossier is good and convincing for those who are prepared to be convinced. . . . We will need to make it clear, in launching the document, that we do not claim that we have evidence that [Saddam] is an imminent threat." The dossier, Powell stressed, "does nothing to demonstrate a threat, let alone an imminent threat from Saddam. . . . In other words, it



The British establishment's apparent move to dump Prime Minister Tony Blair (left) in the near future, is effectively a call for Vice President Cheney (right) to resign. Blair's "WMD dossier" frauds were concocted to justify Cheney's "preventive war" doctrine—against Iraq.

shows he has the means but it does not demonstrate he has the motive to attack his neighbors, let alone the West." Powell added that "If I was Saddam, I would take a party of Western journalists to the Ibn Sina factory . . . to demonstrate there is nothing there." He asked, ironically, "How do we close off that avenue to him in advance?"

On its front page, the Aug. 19 *Guardian*—under the headline, "Blair Was Told: Iraq No Threat"—called the Powell e-mail "explosive." It counterposed Powell's words of Sept. 17 to those of Blair, when launching the Iraqi WMD dossier on Sept. 24: "I am in no doubt that the threat is serious and current, that [Saddam] has made progress on WMD, and that he has to be stopped. . . . He has existing and active military plans for the use of chemical and biological weapons, which could be activated within 45 minutes."

The *Independent* lead editorial on Aug. 19 bore a headline that sounded like a criminal indictment: "Now We Know That No. 10 Did Order a Rewrite of the Dossier To Justify War."

In other words, the Blair argument for war against Iraq was a gigantic fraud. The Jonathan Powell revelation represents a kiss of death for Blair, especially as he is a central figure in the British Establishment policy structure. As Lyndon LaRouche put it on Aug. 19, "The British Establishment has made the decision to axe Blair."

#### **The Danger for Cheney**

Blair's appearance before the Hutton inquiry, in the coming days, will undoubtedly speed up his political unravelling. His situation has been made yet more difficult by ensuing testimony, after Powell's, reinforcing the case that it was Blair, and only Blair, who ultimately intervened to "sex up" the dossier. The actual content of the dossier, before it was changed, undermined the argument for a war against Iraq, a war that Blair and his trans-Atlantic friends among Cheney's backers, wanted too desperately.

The Aug. 18 Hutton inquiry testimony has the most immediate implications for the American Vice President. What has drawn little attention outside *EIR*, is that that Sept. 24, 2002 dossier of Blair's 10 Downing Street, was absolutely instrumental in boosting the doctrine of preventive war which had just been publicly codified by Cheney and his gang, in the "National Security Strategy of the United States" released in September. President Bush's June 1, 2002 West Point announcement that preventive war was henceforth U.S. policy, adopted what had been Cheney's policy for a decade, known as the "Wolfowitz Doctrine" in the early-1990s Pentagon Guidance Document. That preventive war policy was aborted during the administration of Bush's father, by the opposition of administration officials like Brent Scowcroft and Lawrence Eagleburger.

The Bush Administration National Security Strategy was made public on Sept. 17, 2002. Blair's dossier came out a week later, and not by coincidence.

The implications of all this make even the much-discussed controversy over the Niger uranium "yellowcake" fraud, pale by comparison. By making the Iraqi threat seem to be a clear and present danger, Blair gave the pretext for activating the Cheney doctrine. It was all the more convenient for Cheney and cohorts, since they could neatly cite the "British evidence" to build their case for war against Iraq.

This also explains what has become both a controversy and a mystery in Britain: namely, why Blair, in building the case for war against Iraq, concentrated solely on "weapons of mass destruction." Even many pro-Iraq war advocates in Britain have wondered why he didn't focus more on "Saddam the monster," or "the humanitarian disaster," to justify launching war. Once it is seen that he was acting in cahoots with the Cheney faction to activate a new era of preventive wars, using Saddam Hussein's Iraq as a convenient pretext, all the pieces fit into place.

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#### 'Blair Is Not Going To Survive'

Jonathan Powell is no average civil servant, but rather a top figure of the British Establishment. He is the brother of Sir Charles Powell, the top foreign policy adviser to Margaret Thatcher when she was Prime Minister. More than that, Sir Charles' wife Carla (née Bonardi), of an Italian oligarchical family, runs one of the most important salons in London, where elites from many countries, usually of a more conservative bent, are brought together for dinner and political conspiring.

The brothers' division of labor goes so far, as to include a different pronunciation of their surnames! As one London insider put it on Aug. 19, "Jonathan pronounces his name with the long 'ow,' because that is more appealing to a left-wing Labour base, while Charles pronounces it 'pole,' because that is more in line with old English usage."

According to this insider, the Jonathan Powell testimony will do enormous damage to Blair: "He is a leading Establishment figure. He's a highest-level operative of the powersthat-be. He was probably deployed into 10 Downing Street, originally, to keep an eye on Blair. His loyalty is really not to Blair. Now, he has spilled the beans. The revelations at the Hutton inquiry yesterday raise the question: 'Does the Establishment want to keep Blair as Prime Minister?' I think not. The situation we are now witnessing, reminds me of the moves to get rid of Margaret Thatcher in 1990. A new Labour regime, probably headed by [Chancellor of the Exchequer] Gordon Brown, is waiting in the wings. Blair's position is becoming indefensible, and my reading is, he's not going to survive. . . . That explosive e-mail of Jonathan Powell, blowing apart Blair's argument for going to war, makes the original David Kelly accusation, about the government 'sexing up' the dossier, small potatoes by comparison. The whole issue, of the BBC vs. Alastair Campbell, now recedes into the background. Blair is now directly implicated, and profoundly, in something very serious. It will be most difficult for him to wriggle out of this, and he can't do what he always does in such situations, jettison by getting rid of scapegoats."

The source went on: "This has the smell, of a British variant of Nixon's Watergate. We now see the direct involvement of the top man, in this case a Prime Minister, in dirty machinations, followed by attempts to cover up and lie." Noting that, while all this is going on, Blair is still on vacation in Barbados, he quipped, "Maybe, with a bit of luck, he won't come back to Britain! I think Barbados is not the best place for his ultimate destination, given what I know of the laws there. But I'm sure he can find another West Indian island, where the laws on extradition are not enforceable."

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### Bombings Pave Sharon's Way To Another War

by Dean Andromidas

Hours after a Palestinian suicide bomber with over 100 kilos of explosives blew apart a Jerusalem bus filled with ultra-Orthodox Jewish families on Aug. 19, killing 20 people and wounding scores, Israeli Prime Minister Ariel Sharon and his generals launched "Operation Defensive Shield 2." Israeli troops were sent into Nablus, Jenin, and other West Bank cities and towns, with orders to "resume" targetted assassinations, which had never really ceased.

The renewal of massive bloodshed between Israelis and Palestinians signals much more than the imminent collapse of the Road Map for a Middle East peace. It is the latest round in Sharon and his generals' drive to start a new Middle East war. This threat of war will never be alleviated, as long as Sharon is in power; and he is merely a hand grenade in the hands of U.S. Vice President Dick Cheney and the Straussian chicken-hawks in the Bush Administration who back him. As long as they remain, the United States cannot do what has to be done to stop the bloodshed inflicted on Israelis and Palestinians alike.

The Jersualem bomber was an Islamic Jihad imam named Raed Mesk, whose suicide bombing was revenge for the Israeli targetted assassination of an Islamic Jihad operative, Mohammed Sadr, a few days before.

Nonetheless, a senior Israeli Intellgence source warned that the particular chain of events which led to this Jerusalem bombing, did not begin there, but in Beirut on Aug. 2, when a powerful car-bomb killed Hezbollah operative Ali Hussein Salah. That hit was clearly the work of Israel's foreign intelligence agency, the Mossad, said the source, who pointed to the intention of Sharon and his generals to create a regional war. "They think they can launch a short and brutal war directed not only at the Palestinians, but the Lebanese, Syrians, and Iranians as well," said the source.

EIR has warned that regional war plans directed at Iran and Syria were at the center of secret discussions between Cheney and Sharon during the latter's official visit to Washington on July 29-30 (see EIR, Aug. 1, "Will Sharon be Cheney's Hand Grenade vs.Iran?"). The collapse of the Road Map, and renewed large-scale violence, will set the stage for spreading the violence into Lebanon and Syria, and will contribute to a pretext for attacking Iran.

Days before the Jerusalem bombing, Washington Post columnist Jim Hoagland confirmed that Sharon had told President George Bush in their July 29 meeting, that Israel would

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attack Iran's nuclear facility at Bushehr, if Iran's nuclear program were not terminated. Hoagland wrote that Sharon's military secretary, Gen. Yoav Galant, presented evidence that Iran's nuclear program was well advanced. Sharon told Bush, that Israel would not stand aside while Iran prepares a "nuclear holocaust" against Israel.

Writing in the Israeli daily *Ha'aretz* on Aug. 19, commentator and Air Force reservist Reuven Pedatzur cited the Hoagland report, warning, "If the Air Force attacks the nuclear facility at Bushehr, it will not only be a strategic mistake; it could also be an operation that does not achieve its goal." Pedatzur advises that Israel would do well to allow the Europeans and the United States to continue pressuring Iran without Israel talking about "existential threats" that don't exist. "Even if Iran has nuclear weapons, Israel's own deterrent capabilities are enough to prevent any Iranian ruler from even considering launching a nuclear weapon at Israel."

#### **Sharon Sabotaging Road Map for Peace**

The Jerusalem bus bombing was not only predictable, but also fit Sharon's calculated campaign to destroy the Road Map. Since agreeing to implement it, Sharon has not removed one "outpost" in the Palestinian territories, and has even allowed new ones to proliferate. His government approved no less than 2,000 new housing units for the West Bank, and even in the Gaza Strip, where vast settler neigborhoods stand empty. Of the 157 roadblocks that Israel has thrown up throughout the West Bank, Sharon has removed three—only to close those very roads to Palestinian traffic. He has turned over two cities to Palestinian control, but left the roadblocks and barriers which have turned these cities into Warsaw Ghettoes.

At the same time, assassinations and arbitrary arrests continued. Just before the bombing, Sharon had approved reopening Jerusalem's Al Haram Al Sharif/Temple Mount to non-Muslims—a brazen provocation. The site of the Dome of the Rock and Al Aqsa Mosque, it has been closed to non-Muslims since Sept. 28, 2000, when Sharon, accompanied by thousands of police, marched onto it, thereby sparking the "Al Aqsa Intifada." And then there is the "security wall"—the Berlin Wall of the Middle East—by which Israel is grabbing 40% of the West Bank. Its construction continues.

Furthermore, militants involved in attacks during the *hudna*, or cease-fire—including the Jerusalem bomber—staged their attacks from cities under the control of the Israeli military, not the Palestinian National Authority.

Once Mohammed Sadr was assassinated, everyone in Israel was simply waiting for the inevitable revenge attack, which everyone, especially Sharon, had no doubt would occur. In fact, one day earlier, representatives of Shin Bet, the Israeli domestic security services, were in court arguing against the release of Palestinian prisoners, because, they argued, the *hudna* would collapse in a few days.

Sharon's targetted killings always kill the peacemakers,

so it should be no surprise that the first victim following the Jerusalem bombing, was Abu Shanab, an official spokesman of Hamas who had helped negotiate the *hudna*. The assassination accomplished its task, publicly marking the end of the *hudna*. Within minutes, a Hamas spokesman declared, "The assassination of Abu Shanab... means that the Zionist enemy has assassinated the truce."

The assassination came within minutes of the announcement by Palestinian Prime Minister Abu Mazen that his government, along with Palestinian President Yasser Arafat, would now take moves to dismantle Hamas and Islamic Jihad. After the Israeli assassination of Hamas's Abu Shanab, Abu Mazen was compelled to denounce it, declaring, "There is no doubt that what the Israeli troops carried out today is an ugly crime. We condemn such acts. This is against peace and the peace process."

#### Who Is Backing Sharon?

Adopting Sharon's line, the Bush Administration demanded repeatedly on Aug. 20, that Abu Mazen dismantle Hamas and Islamic Jihad immediately, before any further Road Map steps take place. The policy reflects the extremely limited intestinal fortitude of President Bush to confront Sharon. A large political apparatus in the United States openly supports Sharon against the Road Map—the same apparatus that supports Cheney, and includes the Christian Zionists, and the gutless Democrats who coddle Sharon, while refusing to attack Cheney.

On Aug. 15, only days before the bombing, Sen. John McCain (R-Ariz.) gave a joint press conference in Israel with Foreign Minister Silvan Shalom. Speaking of Sharon's new Berlin Wall, McCain claimed, "Many of us in Congress feel it is an important contributor to the reduction of acts of terrorism." Also in Israel, was Rep. Eliot Engel (D-N.Y.), after a 90-minute meeting with Sharon, announced he has received strong support for legislation he is sponsoring, which calls for sanctions against Syria, if it does not end its support for Hezbollah and Palestinian militant groups. The legislation is being co-sponsored by Rep. Ileana Ros-Lehtinen (R-Fla.). The same week, Tourism Minister Binyamin Elon was in the U.S. "Bible Belt," pumping the Christian Zionists to apply electoral and financial pressure against President George W. Bush so as to sabotage the Road Map. Elon represents the fascist National Union party, whose program calls for the "transfer" of the Palestinian population to Jordan and Egypt better known as "ethnic cleansing." Elon also met with Gary Bauer, former head of the Christian Coalition, who had gone to Israel in July and promised to mobilize 30 million Christan Zionists against the Road Map.

Two other top anti-Road Map operatives whom Elon met, were Ed MacAteer and Herb Zweibon. The former worked with top neo-conservative Paul Weyrich to co-found Moral Majority and the Religious Roundtable; the latter is another leader of a coalition known as Americans for a Safe Israel.

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### Bombing of UN, Shows The U.S. Must Withdraw

by Muriel Mirak-Weissbach

If there is any clear message in the bombing of the United Nations headquarters in Baghdad on Aug. 19, it is that the United States occupying power has lost all control over the situation, and must get out as soon as possible. The United States and its pro-consul Paul Bremer must leave, and the UN must be authorized fully to take charge of rebuilding the nation, in order to attempt to prevent the worst from happening. This is what Democratic Presidential hopeful Lyndon LaRouche has reiterated since President Bush declared the "official" conclusion of the war, and the guerrilla resistance began. LaRouche was the first leading political figure to make this demand, and has remained the only American leader, although on the international scale, his view is gaining major support.

The urgency of a U.S. withdrawal is dictated by both military and legal considerations.

Whether Secretary of Defense Donald Rumsfeld wants to admit it or not, he and his cohorts totally miscalculated the nature of the Iraqi military and people. Following the U.S. takeover of Baghdad on April 9, which came after the Iraqi military had disappeared into the woodwork—either by agreement at some level of command, or by strategic calculation—Rumsfeld believed that the Iraqi people would support a Quisling government (the "Governing Council") handpicked by Bremer, and join hands with the occupiers to rebuild the country. This betrays a mindboggling ignorance of Iraqi history, which, stretching back for millennia, has been characterized by repeated rejection of foreign domination. This was true as recently as after World War I, when the Iraqis fought the British, and continued to the time when they overthrew the British-installed Hashemite monarchy, in a military coup led by Abdul Karim Kassem in July 1958. British puppet King Faisal II and other members of the ruling family were shot, and a republic was established.

#### **A Liberation Army**

Although the regime of Saddam Hussein was ousted from power on April 9, the massive military apparatus remained, until Bremer stupidly declared it disbanded, thus throwing an estimated 400,000 officers and soldiers into unemployment, and condemning their families, numbering over 1 million citizens, to misery. Had they had no other reason to oppose the occupation, this one act would have sufficed to turn the military into a resistance army. In addition, there are more than 400,000 former security and intelligence operatives on the





"Mistakes have been made on all sides" said UN Secretary General Kofi Annan (left) for the first time, about the occupation of Iraq, at a press conference on Aug. 20. The UN had allowed itself to become a mere facilitator of U.S.-British occupation run by proconsul Paul Bremer (right), with its increasingly blatant actions in violation of international law.

ground, say regional sources. In total, Iraq disposes of a significant force of trained, armed, motivated fighters who now constitute a partisan guerrilla resistance force. They may not be working under a unified command, as previously, but they do function as an effective force, much like that led by Marshal Josip Broz Tito in Yugoslavia during and after World War II.

This guerrilla resistance force enjoys the support of the Iraqi population, which has been subjected to U.S.-led war twice since 1991, starved through the U.S. and U.K.-imposed sanctions regime since that time, and recently invaded. The rage and sense of humiliation, felt by a people who are proud heirs to a continuous language culture going back thousands of years, cannot be underestimated. Since the occupation began, that rage has been stoked by intrusive search operations into private homes, where Muslim women are subjected to treatment banned by their religion; wanton killings of Iraqis by unprepared, trigger-happy U.S. troops; and worsening conditions of life, including lack of fuel, fresh water and electricity.

Thus, the resistance. In classic guerrilla warfare style, the fighting began with single U.S. troops being targetted, one or two per day (officially); then increased to 10-12 attacks in various parts of the country per day, with no reliable casualty counts. Soon came the first acts of sabotage of the oil pipeline through Turkey, on which the United States depends to export Iraqi crude, and reap revenues to finance the occupation. This was followed by the explosion, by sabotage, of a water main in the capital, which left 300,000 without water. Bigger targets were hit, with the bomb attack against the Jordanian embassy on Aug. 4 and the suicide attack against the United Nations building Aug. 19.

As noted in a UPI commentary Aug. 20, by senior news analyst Martin Sieff, "The most alarming thing about the terror bombing of the United Nations compound in Baghdad is not that it happened, but that it happened so soon." According

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#### How Many U.S. Casualties?

A Palestinian journalist working for Reuters, Mazen Dana, was killed on Aug. 17 by American soldiers firing from two tanks. His own camera recorded the brutal onslaught. Although U.S. officials claimed the soldiers mistook his camera for a weapon, the Internet publication *islamonline* on Aug. 20 interviewed the victim's brother, who charged that "The U.S. occupation troops shot my brother dead on purpose, although he was wearing his press badge, which was also emblazoned on the car he was driving." Other sources confirm that Mazen Dana had a permit from the American forces to film at the site, which was the Abu Gharib prison in Baghdad.

Dana's brother told *islamonline* that the photographer had informed him, a few days before his death, that he had found—and filmed for a TV program—evidence that American casualties in Iraqi resistance attacks have been higher than acknowledged. "The American forces had killed Mazen knowingly to prevent him from airing his finding," he said. The Palestinian information ministry and press syndicate condemned the murder and the continued targetting of journalists in Iraq. They urged a probe by international press groups into the killing.

The report of Dana's filmed evidence comes only from his brother, but the manner of his killing also raises the question, "Did the American military have a reason to murder him, in order to shut him up?" And the further question, "How many American dead?"

to what Sieff calls the "learning curve of guerrilla terror," violence characteristically does escalate, but not rapidly as in Iraq. The analyst compares this "strikingly fast" learning curve of the Iraqi resistance, with other examples, concluding that the Iraqis, in "little over four months after the U.S. occupation of Baghdad... have carried off a far more devastating attack than anything like the Irish Republican Army ever managed against British forces... or the Basque ETA organization." Sieff even notes that it took years for Menachem Begin's Irgun, or Hamas's and Islamic Jihad's fighting, "to reach that level of boldness, competence and ruthlessness simultaneously." In conclusion, the stark reality of the situation is laid bare: "Not only does the United States have a wolf by the ears in Iraq, but the muzzle is off and the wolf has learned to bite. Fast."

#### Why Target the UN?

Although many expressed amazement that the UN should be targetted, since it was performing a "humanitarian" role, the plain truth is that the UN went into "post-war" Iraq, effectively as an appendage to the occupying forces. The UN made itself a target, officially, on Aug. 14, when the Security Council voted 14-0 (with Syria abstaining) a resolution which de facto recognized ("welcomed") the formation of the Quisling government, as a step towards sovereign rule.

Even prior to that capitulation, the Iraqis had an ambivalent view of the UN. As reported in a background piece in the *Frankfurter Allgemeine Zeitung* on Aug. 19, the people had distinguished between the "good" UN and the "bad" UN; to the former belonged the UN Development Program and UNICEF, which tried to provide humanitarian aid; to the latter, the weapons inspectors and those coordinating distribution under the hated oil-for-food program. Moreover, the UN has been identified, since 1990, with the sanctions regime pushed through by the United States, and the misery it has

produced. Finally, there is justified anger at the fact that Iraq's own oil resources have been looted, to finance not only reparations to Kuwait, but also the costs of the UN operations.

Just how much the UN over the last decade had allowed itself to become the errand-boy and espionage agency for the Americans and British, was made manifest in the series of resignations of high-ranking UN personnel—such as Hans von Sponeck and Scott Ritter—in protest against the U.S. sabotage of humanitarian aid and the utilization of weapons inspectors, as in UNSCOM, as spies.

Despite the Security Council's Aug. 14 day of infamy, the United Nations remains the only organization which has the mandate under international law, to assist in the process of forming a legitimate, independent, sovereign government in Iraq. Any attempt by any occupying power, to set up a government, is a blatant violation of international law, as many experts have testified. Dr. Hans Köchler, President of the International Progress Organization (IPO) based in Vienna, issued a memorandum on Aug. 12, detailing the legal implications of the war and subsequent occupation. Köchler, whose organization is linked to the UN, is an expert in international law, active over the last 12 years in campaigning to reestablish legality and justice for the Iraqi people.

Dr. Köchler noted that the war and invasion were unauthorized by the UN Security Council, and thus constituted "an act of aggression and a violation of Article 2 (4) of the United Nations Charter. . . . The continued occupation of Iraq . . . constitutes a serious threat to international peace and security in the meaning of Article 39 of the Charter." Köchler argued that the UNSC resolution of May 22, 2003 "acknowledges the occupation as *fait accompli*" and defines the duties of the occupiers; but this "can in no way be construed as justifying, *post factum*, the war of aggression and the subsequent occupation of the entire territory of Iraq."

According to international law regarding occupying pow-

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ers, "specifically the Geneva Conventions" the "Governing Council . . . cannot be seen as a source of legitimate new constitutional order in Iraq," its members having been appointed by Bremer, wrote Köchler. Furthermore, "Although hailing from various sectors of Iraqi society (in terms of religion, ethnicity, etc.) they do not in any way represent the *people* of Iraq in the true meaning of constitutional representation." Köchler criticized statements made by UN Secretary General Kofi Annan as "mistaken," when Annan called the Governing Council "an important first step towards the full restoration of Iraqi sovereignty." (Clearly, the same judgment applies to the UN vote of Aug. 14.) Instead, the IPO president stressed, "In real terms, the formation of this 'Council' was a decisive step in a strategy to legitimize the occupation of Iraq by 'coalition forces.'

What should be done is the following: "The basis for *legitimate* authority on the territory of Iraq can only be created through a general referendum on the future constitution of Iraq and through general elections to be held on the basis of such a new constitution." This cannot be done by the occupying powers, but "must be organized under the auspices of the United Nations Organization. This will require a new Security Council resolution to be adopted on the basis of Chapter VII, formulating the authority for (a) the setting up of an advisory committee, representative of all sectors of Iraqi society, for the drafting of a constitution; (b) the organization of a general referendum on the proposed new constitution for Iraq; and (c) the organization of general, free and fair elections." Among the precedents Köchler cites is Cambodia.

At present, the Governing Council has no right to represent Iraq in any international forum; if the Security Council were to recognize it as "legitimate authority," this "would undermine the international rule of law," Köchler wrote.

#### A Perfect License To Loot

In light of Köchler's IPO memorandum, it is also clear, that the Executive Order issued by President Bush on May 22 is in blatant violation of international law. Executive Order (EO) 13303, entitled, "Protecting the Development Fund for Iraq and Certain Other Property in Which Iraq Has an Interest," allows U.S. companies active in Iraq blanket immunity. The order was passed just hours after the UN Security Council had okayed the U.S. occupation, de facto, by its resolution for protecting oil revenues for Iraqi reconstruction. The Iraqi Development Fund had been set up for this purpose. That UN resolution removed obstacles to trade with occupied Iraq.

According to a report in the Indian daily *The Hindu* on Aug. 18, "The Security Council ended the sanctions on Iraq and asked member-states to provide immunity to petroleum, petroleum products, and natural gas originating in Iraq from legal actions resulting in attachments or other similar judicial processes. Although this protection was to continue till Dec. 31, 2007, it was limited in scope." The UNSC did this with the idea that the oil would be protected "only as long as the oil was in Iraq's possession. The Security Council did not

envisage, or ask member-states to ensure, that any subsequent purchaser of Iraqi crude would enjoy the same immunity."

Bush's Executive Order extended the scope of the immunity far beyond what the UN prescribed, to protect U.S. companies holding and trading Iraq's crude oil. It does not prevent any party from initiating legal proceedings, but effectively guarantees they will fail, since "it prohibits, and declares 'null and void,' any attachments or other court decrees or a similar nature."

In addition, the EO is not limited to crude oil, but includes "petroleum products," thus providing immunity for various "downstream hydrocarbon-based commodity producers." These would include, for example, producers of plastic toys, if it could be shown that the petroleum used, came from Iraq. *The Hindu* notes: "Since petroleum from different sources is blended at the refining stage, a liberal interpretation of the order could extend its immunities to the whole of the petroleum sector in the U.S."

Bush's rationale for the immunity, is in the preamble to the order, which states that the threat of obstacles to Iraqi oil trade, "obstructs the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and development of political, administrative, and economic institutions in Iraq." This was considered as constituting "an unusual and extraordinary threat to the national security and foreign policy of the United States," such that Bush even felt bound to declare, in the order, a national emergency.

It appears that, although relatively little has been reported in the press about this order, there are some NGOs ready to fight it. The Government Accountability Project (GAP) assessed the legality of the EO as follows: "In terms of legal liability, the Executive Order cancels the concept of corporate accountability and abandons the rule of law." It "is a license for corporations to loot Iraq and its citizens."

#### The Lawful Way Out

There are no ambiguities as to what should be done. The United States should admit its folly, and hand over the entire Iraq matter to the UN, which must annul EO 13303 and move to re-establish legality. The current stance of the Bush Administration, even in the wake of the UN bombing—though it is deeply divided—has been to demand international help, more troops, and funds, but without ceding an inch of power. Rumsfeld, Cheney, et al. clearly harbor the illusion, that they can maintain the military occupation with the complicity of the international community. In short, they seek to establish their empire, and expect other nations to be willing satraps. Not only will this not work politically, as the French, Russian, and Chinese governments have indicated in their repeated calls for the UN to move in. It will not work militarily. If the U.S. does not get out, renouncing its status as occupying power, then the brutal reality of the Iraqi resistance will force them out, to the tune of hand grenades, snipers' bullets, and suicide bombings.

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### International Intelligence

### Russia: No Threat From Pacific Naval Exercises

The huge naval exercises begun on Aug. 18 by the Russian Pacific Fleet are intended to help safeguard regional stability and do not pose any threat to neighboring nations, according to the Russian military press, reported the Chinese news service Xinhua on Aug. 19.

The Pacific Fleet's press service issued a statement saying that the Fleet pledges to serve as a safeguard of both Russia's economic and political interests in the Far East, and the whole region's security and stability. It said that the exercises aim to improve cooperation in fighting against international terrorism and illegal exploitation of marine biological resources, and in ensuring ecological and navigation safety.

A total of 60 ships and boats, 35 support ships, 70 planes and helicopters, and 70,000 servicemen and civilians are involved in the ten-day exercises, which are taking place in the Sea of Okhotsk, Bering Sea, and Sea of Japan.

South Korean and Japanese surface ships and helicopters, and a U.S. Coast Guard ship will participate, and there are military observers from Canada and China.

In related news, the Russian agency Novosti reported that Russia's Far Eastern Primorye territory is prepared to receive 100,000 "forced migrants" in case of any "emergency in the Northeast Asian nations bordering Russia"—a clear reference to North Korea—according to Oleg Melnikov, chairman of the emergency commission of Primorye territory.

He said that one task of the large-scale exercises in the Russian Far East, is to build centers for receiving refugees.

### China Builds Ties With Zimbabwe

A Chinese delegation was in Zimbabwe in mid-August to explore opportunities in mining and the iron and steel industries, the *Herald* of Harare reported on Aug. 16. The delegation held a meeting with officials from the Zimbabwe Mining and Smelting Company, Zimbabwe Iron and Steel Company (Zisco),

ZimAlloys, and others. The delegation said that China could provide the finance, technology and market to exploit Zimbabwe's resources; that feasibility studies had already been done, and developments should be expected "as soon as possible," starting with the mining of chrome (Zimbabwe already has an annual production of 250,000 tons).

Other Chinese initiatives toward the African country, which has been isolated by an Anglo-American campaign against President Robert Mugabe, were reported by the African Church Information Service on Aug. 18. The Chinese quietly arrived in Zimbabwe in May and began work on Zimbabwe's great Nuanetsi irrigation project. The Zimbabwe government in Harare contracted with Chinese Water and Electrical International, to clear 100,000 hectares of land in Masvingo province, in the south, and build on it the infrastructure needed for irrigation farming to grow maize and sorghum. Zimbabweans would farm the land. Harare had declared irrigation to be of strategic national importance.

As the Chinese began work in May, Zimbabwe announced an increase in the project's size to 150,000 hectares (375,000 acres). A key feature of the plan is to use the irrigation to make possible a third (Winter) crop each year. Zimbabwe successfully grew its first-ever Winter maize crop in 2002.

When complete, the project is expected to produce an average annual yield of 3 million tons of maize. Zimbabwe's domestic requirement is only 2.1 million tons or less.

#### Vajpayee Looks To Great Projects for the Future

Indian Prime Minister Atal Behari Vajpayee exuded optimism on India's Independence Day, the Indian media reported. Speaking from the ramparts of the historic Red Fort in New Delhi on Aug. 15, India's 57th independence day, Vajpayee announced that India is ready to send an unmanned mission to the Moon in 2008. "India is ready to take a big leap in science. It will be called *Chandrayan Pratham* (First Journey to the Moon)," he said. The mission is expected to cost \$80

million and the Indian Space Research Organization (ISRO) began working on it in 2001, Vajpayee said.

Vajapyee also announced that by the end of this year, his government will begin a 50 billion rupees infrastructure-building project called The Linking of Rivers. Its task force has already identified two areas for implementation of the project: linking of the Ken and Betua Rivers in Uttar Pradesh and Madhya Pradesh states, and the Parvati, Kalisindh, and Chambal Rivers in Madhya Pradesh and Rajasthan states. The entire project involves 30 rivers in the country and envisages diverting water from surplus river basins to water-deficient areas.

Speaking in the same vein, India's President A.P.J. Abdul Kalam appealed for "a moratorium on all issues which are impediment to the development of nation" and urged the people to focus on networking of rivers, quality power generation, providing urban amenities to rural areas, information and communication technology, tourism, and enriching village life. President Kalam said that "within the next two decades, we will encounter a totally new situation of acute shortages of water, power and minerals." These shortages would be on a global scale and "no single nation will be able to handle this situation by itself," he pointed out, urging the nations of the world to find new ways of cooperating to overcome this crisis.

#### Moscow, Jakarta Reach Nuclear Power Accord

The Russian government has approved a draft agreement with Indonesia on cooperation in the nuclear energy industry, Interfax news agency reported on Aug. 20. The draft calls for the two countries to exchange nuclear materials, equipment, and technology while fulfilling their obligations under the Nuclear Non-Proliferation Treaty and other international export control agreements.

The report said that Indonesia would be forbidden to use materials and technologies it receives from Russia to create explosive nuclear devices. Russia and Indonesia will work together on developing nuclear power plants and research reactors, as well as other projects.

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### **INNAtional**

### Ashcroft Terror Links Expose 'Patriot Act' Hoax

by Michele Steinberg

Attorney General John Ashcroft was "visibly angered," reported Reuters on Aug. 21, when a supporter of Democratic Party Presidential pre-candidate Lyndon LaRouche in Detroit, Michigan exposed Ashcroft's collusion with Vice President Dick Cheney in orchestrating a "new 9/11" terrorist atrocity to justify ramming through further police state measures known as the the "Patriot II" and "VICTORY" Acts. The Detroit Free Press reported that the LaRouche's associate likened Cheney's and Ashcroft's use of terrorism to the way that "Hitler used the fire of the Reichstag—the German Parliament building—to seize power in Germany in the 1930s."

Outside the Ashcroft meeting in Detroit, a high-spirited LaRouche Youth Movement rally distributed thousands of copies of an Aug. 9 statement by LaRouche called, "When Cheney Spoke of Terrorists, Which Terrorists, Dick?" LaRouche warned, "Cheney has promised an early terrorist attack on the U.S.A., comparable in political effect to that of Sept. 11, 2001. He does so at a time when his own failing political position requires some lucky such event to put him firmly back in the position he had prior to the recent developments in the Iraq war. He claims to be the expert in such matters. Is he bluffing, or do his advisers know something relevant?"

Cheney's speech promising a new terrorist act in the United States was given on July 24 at the American Enterprise Institute (AEI). It is no accident that on Aug. 19, Ashcroft spoke at the same AEI to launch phase two of Cheney's terror tour—a 10-day, 20-city Ashcroft road-show promoting new police state laws.

There's one thing wrong about this picture of the antiterrorism crusade by John Ashcroft—he is on record as supporting, protecting and promoting one of the largest terrorist groups operating inside the United States—the Mujahideene-Khalq (MEK), also known as the National Council of Resistance in Iran (NCRI) and the National Liberation Army (NLA). Ashcroft's game of support for the MEK ended abruptly on Aug. 15, when the State Department and Treasury Department closed down the offices of the MEK/NCRI and froze its bank accounts. A State Department release said that the MEK/NCRI "function as part of the MEK and have supported the MEK's acts of terrorism."

According to a well-informed Washington source, who spent many years on Capitol Hill, Ashcroft can—and should—be dumped, held accountable for supporting the MEK, a terrorist group that assassinated U.S. military personnel and defense contractors in the early 1970s in Iran; fought for Saddam Hussein against Iran in the Iran-Iraq war; carried out simultaneous bombings of Iranian embassies and offices in 13 cities in 1992; fought against U.S. troops in Iraq during the March 2003 invasion; and whose members and leader, Miryam Rajavi, were arrested in France in June 2003 for plotting terrorist attacks against a series of embassies in Western Europe. More than \$1.3 million was seized in the French raids.

#### **Bush Named MEK in National Emergency**

The official record of U.S. law enforcement and intelligence agencies shows that John Ashcroft had no excuse to protect the MEK/NCRI—it was a coverup. And the "Big Lie" spread by the disinformation specialists of the Cheney cabal—that the MEK was only deemed a terrorist organization "in 1997" by the Clinton Administration in order to kiss up to the Iranian leadership—is a hoax! Investigations by *EIR* into official U.S. records show repeated references to the MEK and all its front groups in the State Department's *Patterns of Global Terrorism* going back to the early 1990s. After the Sept. 11, 2001 irregular warfare attacks, which resulted in the Cheney cabal's coup d'état over the U.S. government,

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the reports about the MEK's terrorism were even more explicit.

On Sept. 23, 2001, President George W. Bush signed Executive Order 13224, which found a "continuing and immediate threat of further attacks on the United States" and declared "a national emergency to deal with that threat." Hundreds of organizations and individuals were named in an annex to 13224, which called for "Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism." EO 13224's "national emergency" served as the basis for Ashcroft to round up thousands of Arab and Muslim targets in the United States, both citizens and non-citizens, holding many of them incommunicado and without charges. On Oct. 31, 2001, the MEK/NCRI/NLA were added to the list of terrorist groups annexed to EO 13224, along with the other names under which the group operates: the Mujahideen-e-Khalq Organization (MKO), and Peoples Mujahideen of Iran (PMOI).

Yet, for the last 21 months, from Oct. 31, 2001 until Aug, 15, 2003, when the State Dept. and Treasury closed down the MEK/NCRI, Ashcroft *did nothing* against the MEK's operations in the United States, despite the fact that the group operated openly in Washington.

Indeed, the special treatment afforded the MEK by Ashcroft, Cheney, and the neo-conservative cabal in the Pentagon around Paul Wolfowitz and Doug Feith, could yet become another scandal of the magnitude of the "yellowcake uranium" hoax.

As the Cheney cabal and Ashcroft often repeat, invading Iraq was necessary to protect Americans from terrorism. In fact, with no "weapons of mass destruction" found in Iraq, the only fall-back the Bush Administration has to defend its illegal and unjust war, is Iraq's links to terrorism. But on Sept. 12, 2002, when the Bush Administration released its "White Paper" on Iraq, to back up Bush's anti-Iraq speech to the UN General Assembly, the *only major* concrete charge about a terrorist organization was against the MEK. The White Paper, called "A Decade of Deception and Defiance," says, "Iraq shelters terrorist groups including the Mujahideen-e-Khalq Organization, which has used terrorist violence against Iran and in the 1970s was responsible for killing several U.S. military personnel and U.S. civilians."

That snippet hardly does justice to the MEK's bloody record. According to the Federation of American Scientists report of Aug. 18, 2003, "During the 1970s, the MEK killed U.S. military personnel and U.S. civilians working on defense projects in Tehran. . . . In 1981, the MEK detonated bombs in the head office of the Islamic Republic Party and the Premier's office . . . killing some 70 high ranking officials. . . . In 1991, it assisted the Government of Iraq in suppressing the Shia and Kurdish uprisings." According to a 1994 State Department report, "In April 1992, the MEK carried out nearly simultaneous attacks on Iranian Embassies in 13 different countries in North America, Europe, and the Pacific Rim."

Not only does the group have a long record of stone-

cold terrorism, but both the *Washington Post* and *Le Figaro* described the MEK—run by Massoud Rajavi, its founder and supreme commander, and his wife Miryam, as a cult. Gruesome evidence of this cult allegation was amply provided in June, when several members of the MEK in Europe set themselves on fire in protest—one of them died—until Miryam Rajavi was freed.

#### Ashcroft's 'Passionate' Support

With this record, it is incredible but true that in mid-April, the MEK again landed on its feet when its weapons, including artillery and tanks, were returned to its forces in Iraq by the U.S. Occupation authority. The move reportedly came from the Defense Department's neo-conservative cabal—Rumsfeld, Wolfowitz, and Doug Feith—which wanted the MEK to be its "mercenary" team, a secret army organization for war against Iran, without the knowledge of Congress, or perhaps even the President.

This adventure, to allow the MEK to keep its arms, was rapidly ended by Bush's National Security Advisor Condoleezza Rice. But, Washington-based investigators have told *EIR* that there is much more to the MEK's relationship to the Pentagon's Office of Special Plans.

The Pentagon neo-cons were just continuing Ashcroft's "passionate" support, which, as described by Slate magazine, goes back to at least the late 1990's. Ashcroft's activism for the MEK reached new heights in 2000, after MEK leader Mahnaz Samadi was arrested for belonging to a terrorist group, as she tried to enter the United States from Canada in December 1999, during a "high alert" for terrorism around the Y2K New Year's Day. In May and June 2000, Ashcroft and former New Jersey Senator Robert Torricelli led the Congressional effort to pressure Janet Reno to release Samadi. Ironically, totalitarian Ashcroft lambasted Reno, according to the Washington Times, for detaining Samadi, whom Ashcroft praised as a "human rights" defender. It went further. Newsweek reports that in September 2000, Ashcroft sent a "statement of solidarity" that was "read aloud to the cheering crowd" at an MEK/NCRI rally at the UN protesting the visit by Iranian President Khatami. The NCRI's spokesman in Washington, Alireza Jafarzadeh, is quoted by Newsweek saying "he had 'several' meetings with Ashcroft aides" about Samadi, and he considers Ashcroft to be "a supporter of his group."

Another major MEK defender is Islam-basher Daniel Pipes, who says the MEK is a valuable ally which stopped its anti-American terrorism "decades ago," and whose "only violent actions have been directed against the Iranian regime" for the last 15 years. As of Aug. 22, reports were that Pipes is to be awarded a "recess appointment" by Bush to the U.S. Institute for Peace, in order to bypass the Senate's blocking his appointment.

Such an appointment would be another danger to the country, given Pipes' support for John Ashcroft's terrorist gang.

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### Cheney-acs Scheme for Nuclear War In Secret Gathering at Stratcom HQ

by Jeffrey Steinberg

Approximately 150 White House, Defense and Energy Department officials, weapons laboratory scientists, and private contractors met behind closed doors at the Offutt Air Force Base headquarters of the U.S. Strategic Command near Omaha, Nebraska on Aug. 7, to accelerate plans for a new generation of American nuclear weapons to be integrated into the U.S. offensive arsenal. Word of plans for the top-secret session (even Members of Congress were barred from attending) had first been heard in February, in a London *Guardian* story, citing a leaked Jan. 10, 2003 memo from Dr. Dale Klein, summarizing a planning session for the Offutt meeting. While the precise details of what took place at the closed "Dr. Strangelove" session are not known, the basic parameters of what went on are hardly a secret.

On the eve of the Offutt meeting, Paul Robinson, the head of the weapons lab at Sandia National Laboratory in Albuquerque, New Mexico, wrote an op-ed in the *Albuquerque Tribune*, arguing that the post-Cold War environment demands that the line separating conventional and nuclear weapons must be blurred, if rogue states are to be deterred from developing and using weapons of mass destruction (WMDs). "Military strategy is evolving," he wrote, "to consider combinations of conventional and/or nuclear attacks for pre-emption or retaliation."

Indeed, from the outset of the Bush Administration, utopians, led by Vice President Dick Cheney, and including Deputy Defense Secretary Paul Wolfowitz, Pentagon "intelligence czar" Stephen Cambone, and State Department lead arms control negotiator John Bolton, have all been tripping over each other in their rush to promote the development, deployment and first use of a new generation of mini-nukes, "bunker busters" and other offensive nuclear weapons—against a publicly advertised list of targets.

In January 2002, already, the Bush Administration had issued its Congressionally mandated Nuclear Posture Review, and, for the first time, openly discussed the possible use of nuclear weapons against Russia, China, Iraq, Iran, North Korea, Libya, and Syria.

The following month, John Bolton gave an interview to the *Washington Times*, in which he declared that the world had changed so drastically, following the Sept. 11, 2001 attacks on Washington and New York, that it was no longer unthinkable to use nuclear weapons against non-nuclear countries. He stated that the continued adherence to a doctrine of "no first

use" was now "an unrealistic view of the international situation. The idea that fine theories of deterrence work against everybody, which is implicit in the negative security assurances [of no U.S. first-use of nuclear weapons] has just been disproven by Sept. 11." Bolton is the former Vice President of the American Enterprise Institute, and a leading neo-con, who was imposed upon Secretary of State Colin Powell, and has been running a wrecking operation against Powell's multi-lateral diplomacy from inside Foggy Bottom since day one.

#### More Than They Bargained For

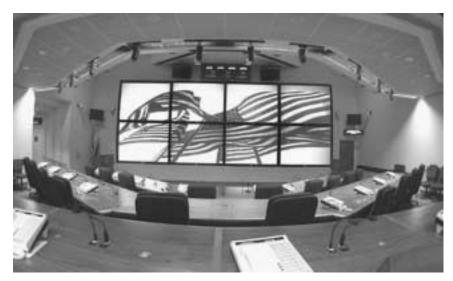
In response to the Cheney-led madness, Lyndon LaRouche issued a dire warning to the Bush Administration: You don't know what you are provoking, if you go forward with the mini-nuke schemes, under the official "National Security Strategy" of preventive war against potential future adversaries.

In an in-depth LaRouche in 2004 policy statement, titled "World Nuclear War, When?" (see *Strategic Studies*, this issue; it is also available on his campaign website: www.larouchein2004.org), LaRouche warned that the combination of the American imperial war drive, and the threat of first use of nuclear weapons, would provoke an incalculable response from Russia, China and India. LaRouche made reference to the former Soviet Union's longstanding scientific pre-eminence in fields of new physical principles research, which would enable Russia to field shockingly effective counters to such U.S. madness. While LaRouche cited some examples of Russian advanced work on nuclear mines, he left much of the detail unstated.

Based on his own late-1970s and 1980s work on ballistic missile defense, including his role as back-channel between the U.S.A. Reagan Administration and the Soviet Andropov regime, on what came to be known as Reagan's Strategic Defense Initiative, LaRouche is one of the world's leading specialists in new physical principles weaponry and the underlying scientific revolutions.

His warnings were buttressed, days after the LaRouche in 2004 strategic study was released, by former Russian Atomic Energy Minister Viktor Mikhailov, who gave an interview to the Aug. 12 issue of *Nezavisimaya Gazeta*, published for the 50th anniversary of Russia's first hydrogen bomb test. Mikhailov declared that Russia still maintained an advantage

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Command center of the U.S. Strategic Command. The closed session on U.S. development and use of "mini-nuclear" weapons in warfare, took place at the Strategic Command's headquarters, at Offutt AFB in Nebraska.

over the United States in nuclear arms technology. "Whereas before 1953 we trailed the United States in the sphere of nuclear weapon technology, after 1953—and to this day—they have been trailing us," he told the paper.

He continued: now, the "philosophy of thermonuclear weapons has changed today, and on the agenda is the development of high-precision and deep-penetration nuclear bombs."

Mikhailov should know. He is now head of research at the Russian Federal Nuclear Center in Sarov, Russia's key research facility for nuclear weapons programs, where all Russian nuclear bombs have been built.

Two weeks earlier, President Vladimir Putin had visited Sarov, where he said that nuclear weapons "have been and remain the basis of Russia's security" and that Russia "must and will remain a great nuclear power." He also said that Russia would maintain its ban on nuclear testing, but only if other nuclear powers do so—a clear reference to the United States.

LaRouche was blunt in his warning that the issue of nuclear war, unless the "Cheney-acs" are stopped, will be a live proposition for the next person to enter the White House as President in January 2005.

#### **Cheney Unleashed the Genie**

As *EIR* revealed on March 7, 2003, the man most responsible for unleashing the nuclear weapons genie is Vice President Dick Cheney. As Secretary of Defense in the "Bush 41" Administration, Cheney had issued a top-secret "Nuclear Weapons Employment Policy (NU-WEP)," right after the 1991 Operation Desert Storm. It tasked military planning for the use of nuclear weapons against Third World countries thought to be developing weapons of mass destruction.

Cheney's promotion of a new generation of mini-nukes, to be incorporated into the active U.S. military arsenal, was rejected, outright, by President George H.W. Bush; but the utopian Secretary of Defense, and his top policy aides, Wolfowitz and Lewis "Scooter" Libby (now the Vice President's chief of staff and top national security assistant) got in the last word—after Bush was defeated by Bill Clinton in the 1992 Presidential race. In January 1993, just before the Clinton inauguration, Cheney released the "Defense Strategy for the 1990s" study, which peddled the idea of using small-scale nuclear weapons against the Third World. Libby was the principal author of the paper.

In 1994, the U.S. Congress, still recoiling from the Cheney lunacy of promoting a doctrine of preventive war with the use of mini-nukes, passed the Spratt-Furce amendment to the defense authorization bill, prohibiting U.S.

weapons laboratories from conducting any research and development on low-yield nuclear weapons (nuclear weapons with yields below 5 kilotons).

Just as the Cheney-Wolfowitz preventive war doctrine was shot down by "Bush 41," but was never abandoned by the neo-con lunatics, so, too, the push for a new generation of mini-nukes was stalled, but not forgotten by the same gang. In January 2001, the "usual suspects" revived the drive for the development and deployment of mini-nukes. That month, the National Institute for Public Policy released a study, "Rationale and Requirements for U.S. Nuclear Forces and Arms Control," once again promoting the idea that the U.S.A. needed to field combat-ready mini-nukes to deal with rogue states.

Among the participants in the task force, who soon took top posts in the George W. Bush Administration:

- Stephen Cambone, currently Under Secretary of Defense for Intelligence, and former staff director of the Rumsfeld Commission to assess the threat of ballistic missiles to the United States. Cambone has been identified as a leading member of the "Blue Team" of Washington China-hawks, peddling the new offensive nuclear weapons doctrine, with an eye toward a full-scale confrontation with Beijing in the not too distant future.
- Dr. Robert Joseph, National Security Council staffer in charge of arms control, and the author of the infamous Jan. 28, 2003 State of the Union disinformation about Iraq seeking uranium in Africa. Dr. Joseph is a Richard Perle protégé, dating back to the 1970s, when both men served on the Senate staff of Henry "Scoop" Jackson (D-Wash.). Sources tell *EIR* that all of Joseph's provocative actions on the NSC staff—including the Africa yellowcake State of the Union insert—are steered by Cheney and Libby.
  - Ambassador Linton Brooks, head of the National Nu-

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Mini-nuclear weapons with "perhaps only a few thousand" casualties, as one planner put it: The Cheney gang are itching to use them against Third World "rogue states." But the threat sets off reactions they don't dream of—and not only from Third World states.

clear Security Administration, which oversees new weapons projects.

- R. James Woolsey, leading chicken-hawk and member of the Defense Policy Board, and reportedly a subcontractor to the Office of Special Plans (OSP), the secret Pentagon intelligence and dirty tricks unit that was instrumental in the "information warfare" leading up to the Iraq War, and which is now promoting wars against Iran and Syria.
- Dr. Fred C. Iklé, Under Secretary of Defense for Policy in the Reagan Administration, and a leading suspect in the Jonathan Jay Pollard "X Committee" probe of high-level Israeli moles inside the upper echelons of the U.S. intelligence community.

#### **Target: China**

According to one former senior Congressional staffer, it is an open secret among the chicken-hawk faction inside the Bush Administration, that the ongoing North Korea crisis is viewed as the most viable pretext for actually using a mininuke. A group of foreign military officials was recently treated to a crash course in the latest "Strangelove" geostrategic thinking, while visiting a leading protégé of neo-con Frank Gaffney, the source reported. They were told that, once the

Iraq confrontation is concluded, the United States or Israel will bomb the Bushehr nuclear reactor site in Iran—using conventional weaponry—and then the United States will use a mini-nuke against North Korea "to send a message to Beijing."

This report was confirmed in spades by John Bolton, who recently gave an interview to the New Statesman's John Pilger. Writing about the Offutt planning session, Pilger reported, "Last month I interviewed Bolton in Washington and asked him: 'If you stop [North Korean] ships, isn't there an echo of what happened in 1962, with the threat of nuclear war? Won't the North Korean regime be moved to defend themselves with the nuclear weapons they have?' He replied that a North Korean ship had already been stopped and 'the regime did nothing in response.' 'But if you take action, then nuclear risk is there, isn't it?' I asked. He replied, 'The risk is there if we don't take action . . . of them blackmailing other countries." Pilger noted that Bolton went on to quote the now thoroughly discredited statement by National Security Advisor Condoleezza Rice, when talking about the bogus claims of Iraq's possession of nuclear weapons: "We don't want to wait for the mushroom cloud."

Willis Stanley, a senior fellow at the National Institute for Public Policy and a participant in the 1999 nuclear forces task force, was even more blunt in a recent interview, in which he argued that North Korea is the perfect case where use of nuclear weapons may be unavoidable. North Korea has "vast conventional force, and chemical weapons, 12,000 artillery tubes and 2,300 multiple rocket launchers that are capable of raining 500,000 shells per hour on U.S. and South Korean troops." Under these circumstances, nuclear weapons are most relevant, he argued. "It remains possible that an American President's only option to avoid catastrophic loss of life might be to authorize nuclear use" for a "prompt, certain kill of a [North Korean] weapon of mass destruction-armed ballistic missile preparing for launch against Tokyo or perhaps even Anchorage," or to "defeat certain target types that currently are only vulnerable to nuclear attack; for example, mobile strategic targets and hard underground facilities." Stanley concluded his pitch for mini-nuclear strikes against North Korea with the warning: "In the post-Cold War world, including Korea, the barrier between tactical and strategic nuclear forces has crumbled. ... U.S. planners can not in good conscience rule out an option that may be the lesser of two very evil choices."

This kind of utopian madness has been a well-known fact of life within the weapons labs, and Armageddon think-tanks in America, throughout the post-World War II period. What makes things so dangerous now, is that the drive for actual use of nuclear weapons is being peddled by high-level Administration policy-makers—starting with the Vice President, Dick Cheney. To allow Cheney and the chicken-hawk gang to stay in office now poses an existential risk to the national security of the United States, and to the world as a whole.

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### California: Davis Comes Out Fighting, Arnie Morphs Into 'Insider' Puppet

#### by Harley Schlanger

With the national political spotlight focused on California, Gov. Gray Davis came out swinging in a speech at the University of California at Los Angeles (UCLA) Aug. 19, fighting to defeat the efforts of neo-conservatives and anti-government fanatics to throw him out, via a recall election. Given up for dead by analysts and activists alike since Arnold "The Terminator" Schwarzenegger tossed his helmet into the ring, Davis offered a strong defense of his nearly five years in office.

Davis made direct hits against the networks which financed and promoted the recall, identifying them as the "deregulation" gang responsible for the national energy crisis—which suddenly became more visible with the blackout which shut down the Northeast Aug. 14-16—and the related deepening national economic crisis which has devastated the budgets of 47 states.

Davis opened by acknowledging that he bears responsibility for the results of his acts in office. "I know many of you feel that I was too slow to act during the energy crisis," he said. "I got your message and I accept that criticism." However, no discussion about the energy crisis, which wrecked the California economy, would be complete, or accurate, without identifying the real culprits, the Houston-centered energy cartels which looted the state through the deregulation legislation signed into law by Davis' Republican predecessor, Pete Wilson (the current co-chair of Schwarzenegger's campaign).

In speaking of these cartels' actions, which led to rolling blackouts and record prices for electricity when deregulation went into effect in 2000-2001, Davis named Dick Cheney: "I inherited the energy deregulation scheme which put us all at the mercy of the big energy producers. We got no help from the Federal government. In fact, when I was fighting Enron and the other energy companies, these same companies were sitting down with Vice President Cheney to draft a national energy strategy." Davis noted that Federal investigations into the energy crisis "have proven that California was victimized by a massive fraud. Energy executives are on their way to jail."

#### **Arnie and Enron**

The Governor could have added that, while he was struggling to keep the lights on in 2001, his would-be replacement, Schwarzenegger, was having his own tête-à-tête with Enron's CEO Ken Lay, together with former Los Angeles Mayor Richard Riordan—who made his fortune through junk bond-financed leveraged buyouts—and with junk bond king and convicted swindler Michael Milken. This meeting occurred on May 24, 2001, at the Peninsula Hotel in Beverly Hills, and was convened for Enron to present its "Comprehensive Solution for California," which called for an end to Federal and state investigations into Enron's role in the California energy crisis!

Schwarzenegger's handlers have yet to reveal what was discussed at the meeting he had with Lay, whose company's thievery was the single most important factor in the state's financial reversal from a budget surplus to a record \$38.2 billion deficit. A tough-guy political persona has been scripted for Arnie in his early campaign appearances—in which he has threatened to terminate "special interests" in state politics. But he was obviously so impressed in 2001 by Lay's ability to swindle businesses and consumers in the state, that he failed to recognize that Enron was a special interest!

At approximately the same time as Arnie's private chat with Lay, the Houston-based con artist with close ties to President Bush and Vice President Cheney was insulting officials of the Los Angeles Department of Water and Power who had gone to Cheney's task force requesting that the Federal government enact price controls to protect consumers from being gouged. Lay sneered back at them, "In the final analysis, it doesn't matter what you crazy people in California do, because I got smart guys who can always figure out how to make money."

And where was the "people's Terminator" when Lay's smart guys were "gaming" the electricity markets under the protection of Cheney, jacking up rates from the historic average of approximately \$35/megawatt hour (MWh) to more than \$350/MWh, with spikes up to nearly \$4,000/MWh? Arnie was making cartoonish action flicks using cheap labor in Mexico.\*

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<sup>\*</sup> In his press conference on Aug. 21, Schwarzenegger tried to answer charges that his vote for Proposition 187 demonstrated racism against Mexican immigrants. He protested that this was untrue: He had made four movies in Mexico! Perhaps the poor fool has been playing cyborgs too often, as this answer undercuts his argument that he would work hard to bring more film projects to California!











The "rogues' gallery from Bohemian Grove" of Arnold Schwarzenegger's backers, pals, and campaign directors, leave no doubt that he's a puppet of the insider-fixers who caused California's crisis: Enron CEO Ken Lay, who pushed deregulation; former Gov. Pete Wilson, who signed it; international financier Warren Buffett; imperialist power-brokers George Shultz and Henry Kissinger.

#### Agenda Is the Neo-Cons'

In his UCLA speech, Davis also pointed out that the budget crisis in California was not unique, as the "American economy has tanked. . . . It has shed 3 million jobs and gone from record surpluses to record deficits; 46 other states are facing similar problems." What the Governor was implying—though he did not say this directly—was that the collapse brought on by deregulation, by the transformation to a speculative, post-industrial economy, was now being felt everywhere, including by the 50 million Americans hit by the massive blackout on Aug. 14. As Democratic Presidential pre-candidate Lyndon LaRouche pointed out long before electricity deregulation brought California to its knees, the radical free-marketeers behind deregulation-such as Arnie's campaign economic co-chair George Shultz—have promoted deregulation as one of the most effective means to cause the "creative destruction" of the modern industrial state.

In the case of California, the damage to the state's economy is exactly what was intended, as it accelerated the deindustrialization launched 25 years ago with the anti-tax, antigovernment initiative known as Proposition 13. The ultimate agenda of the neo-conservatives, for whom Shultz is a leading figure, is the destruction of the commitment of government to defend the General Welfare, replacing our once-productive economy with a consumer society dependent upon cheap goods and cheap labor from other nations.

For the neo-cons, whose support for deregulation opened the state to looting by the energy cartels, the \$38.2 billion deficit which that triggered, provided an excuse to shut down programs backed by Governor Davis to improve health care, education and infrastructure, thus furthering the deconstruction of the state.

The recall is a new example of this neo-con attack on representative government. It appeals to impotent, enraged, know-nothing populists, who want to "throw out the bums," and rant against the special interests which, they claim, are stealing taxpayers' money to give to the "undeserving poor." Such misguided populists backed the overtly racist Proposition 187, which attacked Mexican immigrants as the cause of higher taxes (both Pete Wilson and Austrian immigrant

Schwarzenegger backed 187). The same base which voted for Prop. 187, was activated to sign petitions to put the recall of Davis on the ballot.

Ironically, it is "special interests," and not "outsiders," who have lined up to back Schwarzenegger, even as he pretends to be (or acts out the role of) the "man of the people." After bringing on board insiders such as Wilson, Shultz, and Warren Buffett, the only one missing is Henry Kissinger—whom Arnie can bring in as his diction coach!

In addition to Shultz, whom LaRouche has described as a "nasty fascist," Buffett's role as a creator of this political Frankenstein's monster, deserves some special attention. In September 2002, Buffett took Arnie to Waddeson Manor, the home of Lord Jacob Rothschild, to attend a closed two-day meeting of some of the world's most powerful financiers.

Perhaps Buffett's role was best identified by his friend, Felix "the Fixer" Rohatyn, from the synarchist banking house of Lazard Frères. Rohatyn, whose Big MAC austerity plan looted New York City to the bone on behalf of Wall Street bankers in the mid-1970s and 1980s, told the *Los Angeles Times* that he is "quite certain that Warren Buffett believes this situation [the economic crisis in California] is serious." He added, ominously, "There isn't a single thing I knew how to do [in Big Mac austerity against New York] that Warren Buffett isn't able to do better."

Arnie's role as potential Governator, as a strongman controlled by puppet strings, is reinforced by reports (as in the San Francisco Chronicle on July 23) that Shultz and allies in the Pete Wilson camp used the annual cult festival of financial elites at the Bohemian Grove in late July, to launch Schwarzenegger's candidacy. His announcement, which came several days after the conclusion of the Grove's shenanigans, caught most by surprise, as key political operatives from the Wilson camp previously had been congregating around Riordan.

#### The Recall and Deregulation

Speaking to the Schiller Institute Summer Academy on Aug. 16 in Frankfurt, Germany, Lyndon LaRouche emphasized the importance of the California recall campaign for national and international politics. LaRouche, who has urged

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Governor Davis to go after the financial forces behind deregulation, and indicated that Davis has his complete support in the battle against the recall, pointed to the Aug. 14 historic blackout as driving home the deadly incompetence of the neoconservative agenda. "California," LaRouche said, "is now in a crisis. It has to do with the looting of California by swindles, such as Enron. It has to do with the effect of deregulation. So, the [recall and the blackout] are connected, because the question that's asked . . . is going to be: What caused the 50 million-person blackout? It was caused by deregulation. What caused the crisis in California, which was used, and exploited, to take this dumb Mr. Universe . . . to run for Governor of the state? Deregulation!"

Davis' Aug. 19 speech, and several other recent statements by the Governor, indicate that he understands the problem he faces. By drawing a line against the neo-cons, on deregulation and their plans to use the crisis to tear down the role of government, and by identifying Dick Cheney as a key figure in this process, Davis is now free to promote the economic alternative hated by the neo-cons: the revival of the American System Economics, using the anti-Depression powers of government, as FDR did in the 1930s, and as LaRouche has proposed with his "Super TVA" national infrastructure plan.

Only such an approach can rally the voters to defeat the "Machine" behind the would-be-Governator.

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### Ashcroft Hits the Road To Save Patriot Act

by Edward Spannaus

With the USA/Patriot "anti-terrorist" Act under growing attack from all sides, Attorney General John Ashcroft has begun a nationwide speaking tour to selected audiences ("no questions, please"), as part of a frantic mobilization to save this gestapo-like law, and to lobby for still more police-state powers. Ashcroft is reported to have recently held a conference call and e-mail discussions with all the nation's 94 United States Attorneys, to prod them to rally support for the Patriot Act, by holding town meetings and writing letters and op-eds to local media.

Moreover, Ashcroft has directed U.S. Attorneys to contact members of Congress who voted against a key provision of the Patriot Act, for the purpose of discussing with them "the potentially deleterious effects" (on their careers?) of such a vote. The targetted Congressmen are the 309 who voted in July in favor of an amendment offered by Rep. "Butch" Otter, a Republican from Idaho, to cut off funding for "sneak and peek" search warrants (in which the target is not notified of such a search until after a period of delay).

Rep. John Conyers (D-Mich.), the senior Democrat on the House Judiciary Committee, sent a letter to Ashcroft on Aug. 21, protesting both the speaking tour, and the contacts with members of Congress. Conyers told Ashcroft that he should either "desist from further speaking engagements," or else explain why they do not violate "prohibitions on propaganda efforts by the Executive Branch." Conyers noted that Ashcroft's speaking tour, and contacts between U.S. Attorneys and members of Congress, appear to conflict with Congressional restrictions preventing the use of Justice Department (DOJ) money for "publicity or propaganda purposes not authorized by Congress."

#### **Bipartisan Desire To Cut His Powers**

Ashcroft personally is going to at least 18 cities (including major cities in the key electoral "battleground" states of Pennsylvania, Ohio, and Michigan), giving speeches to audiences largely composed of law-enforcement personnel, and providing interviews to selected press outlets for the purpose of touting the Justice Department's "successes" derived from the Patriot Act. Ashcroft kicked off the drive with a speech at the neo-conservative shrine, the American Enterprise Institute in Washington, on Aug. 19. In that speech, the Confederate-sympathizing Attorney General tried to wrap himself in

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the mantle of Abraham Lincoln, frequently quoting from the Gettysburg Address.

Ashcroft, of course, said nothing about his wholesale roundups and detentions of immigrants, especially Arabs and Muslims, or his holding of many, including American citizens, incommunicado without the ability to exercise basic rights guaranteed by the Constitution and the Bill of Rights.

All that Ashcroft's tour and his desperate defense of the Patriot Act seems to have accomplished so far, is that it has focussed much more media attention on the expanding opposition to that notorious anti-terrorism law, which was rammed through Congress in the aftermath of the Sept. 11, 2001 attacks. It is widely reported that both Democrats and Republicans in Congress are moving to cut back some of Ashcroft's powers, and the vote on the Otter Amendment is drawing much more coverage than it otherwise would have.

"This is the first of a whole group of assaults that we're going to make on the Patriot Act," Representative Otter told the Associated Press. "It was built in one day, but we're going to have to tear it down piece by piece."

Although the Patriot Act has a 2005 "sunset" date on many of its provisions, many in Congress want it sooner. "When the Patriot Act was passed, smoke was still coming out of the rubble of the Pentagon and the Twin Towers," Otter said. "We rushed in order to provide some comfort to the people of the United States. It was a big mistake."

Ashcroft will be appearing in Otter's home district, in Boise, Idaho on Aug. 25, but as usual, the audience is expected to be largely law-enforcement officials. The head of the Idaho American Civil Liberties Union (ACLU) has called on Ashcroft to instead hold a forum on the Patriot Act, and to invite Otter to participate, saying, "Clearly, Congressman Otter has shown more interest in the Patriot Act than anyone else in our Federal delegation."

Among those in Congress who have filed bills to roll back portions of the Patriot Act are Sens. Russ Feingold (D-Wisc.) (the only Senator to vote against it) and Lisa Murkowski (R-Alaska); and Reps. Bernie Sanders (I-Vt.), Jerrold Nadler (D-N.Y.), and Joseph Hoeffel (D-Pa.). Sen. Larry Craig (R-Id.), normally a staunch supporter of Administration policies, said last week that Congress must monitor how the Patriot Act is being used, "and there may come a time, and it may be next year, that we need to pull it back."

#### The 'Victory Act'

Not content with with the police-state powers he already wields, Ashcroft is pursuing his demand for more gestapotype powers, and for more draconian punishments, in a couple of ways.

First, his allies in Congress are readying the introduction of a new law, labelled the "VICTORY Act" (Vital Interdiction of Criminal Terrorist Organizations Act), which would give Ashcroft still further powers to go after alleged terrorists and

narco-terrorists. Sen. Orrin Hatch (R-Utah) is expected to introduce the bill in September; it will face opposition from both Democrats and Republicans. The Justice Department claims that it was not involved in the drafting of the new bill, but observers note that many of its provisions were contained in the secret draft of what was called "Patriot II"—which was met with a loud outcry when it was leaked to the watchdog group, the Center for Public Integrity, last February (see *EIR*, Feb. 28, 2003, p. 66), and then temporarily shelved.

Representative Conyers says the Victory Act "appears to be the same old wine in a new bottle," noting that it "is almost identical to previously discredited ideas floated in the draft 'Patriot II' bill." Conyers added that "this bill has little or nothing to do with anti-terrorism investigations and instead would give Federal agents new and unjustified powers in all criminal law cases."

The VICTORY Act is being presented in some quarters as an anti-drug and anti-money-laundering bill, but many of its provisions would apply much more broadly, to "terrorist" suspects, and in some instances, to anyone targetted by the Justice Department. Leaks of the proposed Victory Act indicate that it includes provisions allowing the DOJ to:

- Obtain financial records without a court order;
- Track wireless communications with a roving search varrant;
- More easily issue "administrative subpoenas" in terrorism investigations, without a court order;
  - Increase sentences and fines for drug kingpins;
- More easily seize or freeze assets of people accused of money laundering, even before they are prosecuted or convicted; and.
- Clamp down on *halawa* money transactions, used widely in the Arab world, and based on an honor system rather than formal banking transactions.

Timothy Edgar, the legislative counsel for the ACLU, says that the bill looks like a prosecutor's wish-list. "It's cleverly packaged as an anti-terrorism package, when really it's just a grab-bag of changes the Justice Department wants," Edgar told *Wired News*.

#### **Blacklisting Judges**

Second, Ashcroft has launched a major campaign against Federal judges whom he considers to be too "soft" in sentencing. Expanding on the "Feeney Amendment," which was written largely by the Justice Department and passed by Congress in April, Ashcroft has ordered U.S. Attorneys and Federal prosecutors to report on judges who give more lenient sentences than provided in Federal sentencing guidelines, and to appeal almost all "downward departures" from the guidelines.

Ashcroft loves draconian sentences, not only as an end in themselves, but because the threat of a decades-long sentence, or even more so, the death penalty, can be used by prosecutors

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as leverage to force defendants to plead guilty to lesser charges and cooperate with prosecutors in targetting others, irrespective of the guilt or innocence of those targetted.

The Feeney Amendment, and Ashcroft's new order, have infuriated Federal judges, including Chief Justice William Rehnquist, who regard this as an attack on the independence of the judiciary. Rehnquist has warned that the Feeney Amendment will "seriously impair the ability of courts to impose just and responsible sentences."

Sen. Edward Kennedy (D-Mass.) accused Ashcroft of carrying out an "ongoing attack on judicial independence," and of requiring prosecutors "to participate in the establishment of a blacklist of judges" who impose lower sentences than recommended by sentencing guidelines.

In June, U.S. District Judge John S. Martin resigned from the bench in New York, in protest against the DOJ-directed Congressional assault on judges' independence, accusing Congress of attempting to "intimidate judges.... For a judge to be deprived of the ability to consider all of the factors that go into formulating a just sentence is completely at odds with the sentencing philosophy that has been the hallmark of the American system of justice," Martin wrote.

A further indication of the revolt against Ashcroft and his beloved sentencing schemes adopted by Congress, came when Associate Justice Anthony Kennedy of the U.S. Supreme Court, told the American Bar Association that they should lobby to end mandatory minimum sentencing.

"Our resources are misspent, our punishments too severe, our sentences too long," Kennedy said. "I can accept neither the necessity nor the wisdom of Federal mandatory minimum sentences. In too many cases, mandatory minimum sentences are unwise or unjust." While saying he agrees with the concept of Federal sentencing guidelines, Kennedy urged that the guidelines "should be revised downward."

Kennedy, a Reagan appointee, noted disapprovingly that 2.1 million people are behind bars, a much higher rate than European countries, and that this includes a disproportionate number of young black men.

### LaRouche Youth vs. Ashcroft

John Ashcroft received an appropriate welcome by the Detroit forces of the LaRouche Youth Movement (LYM) in that city on Aug. 21. From the large LYM picket line outside's Ashcroft's venue, seen above, LaRouche organizer Robert Lucero went in and joined a crowd made up exclusively of regional law enforcement and press. Realizing that Ashcroft, after his speech promoting the "Patriot" and VIC-TORY Acts, had no intention of having a question-and-answer period, Lucero got up and interrupted the Attorney General. "Mr Ashcroft: I am with Lyndon LaRouche and we would like to know which terrorists you and Dick Cheney intend to use to carry out this next 9/11 that you're organizing." Ashcroft was staring, the room was virtually frozen with attention, and all the cameras had swung over to cover the interruption. Lucero continued, "Why don't you tell this audience how



you are a follower of the philosophy of the fascist Leo Strauss; that you, as a Straussian, believe in lying to the public in order to get tyrannical law?" Lucero then rejoined the demonstration outside.

As the media filed out, they descended on the LYM activists, asking, "What exactly were you saying in there?" "Who are you with?" Other

journalists, outraged at the peremptory no-questions appearance by Ashcroft, had also wanted to interrupt, but were "too chicken." Lucero's intervention was broadcast on one of Detroit's top news radio stations within minutes; next morning's Detroit Free Press online (www.freep.com) covered the intervention in a straightforward article on Ashcroft and the threat of fascism.

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### Christian Zionists 'Amen' Forcing Palestinians Out

#### by Edward Spannaus

It ought to be a scandal of major proportions, that an Israeli government official who advocates the forcible transfer to Jordan and Egypt of the Palestinians in the the West Bank and Gaza, has just toured the United States, welcomed by leaders of the Christian Zionists, who mislabel themselves "Evangelicals." The fascist policy of ethnic cleansing promoted by Tourism Minister Benyamin Elon ought to be denounced by all right-thinking Americans, and in fact, it would constitute grounds for denying him a visa to even enter the country. But rather, he is fêted by key figures of the so-called "Christian Right"—even though the Palestinians that Elon would drive from the land of Palestine, include a significant number of indigenous Christians, who are direct descendants of the first followers of Jesus Christ 2,000 years ago.

Elon is the leader of the Moledet Party of Israel, whose official policy is the transfer of the Palestinians out of "Greater Israel." His party totally rejects the Bush Administration-backed "Road Map" peace plan, and calls for the nullification of the 1993 Oslo Accords and the dismantling of the Palestinian National Authority. It calls for naming Jordan as the Palestinian State, and Israel as the Jewish State.

Elon's latest tour began on Aug. 12 in Memphis, where he met with over 300 representatives of Christian Zionist organizations, organized by Ed McAteer, a founder of the Immoral Majority, who now heads the Religious Roundtable. During his seven-day visit, Elon was also scheduled to meet with Gary Bauer, former chairman of the Family Research Council; Roberta Coombs, president of the Christian Coalition; Mike Evans, chairman of the Jerusalem Prayer Team; and talk-show host Janet Parshall. He also stopped in Atlanta, and in Columbia, South Carolina.

"Our Christian evangelical friends understand quite clearly the importance of Israel fighting terror and not giving in to the whims of Palestinian Arab terrorists," Elon said before leaving for the United States. "We will not remove settlements or make concessions as our stay in Judea and Samaria [the West Bank] is not temporary, and we will not permit the creation of a terrorist state in our Biblical heartland."

Last October, Elon appeared in Washington with House Republican Leader Tom DeLay—a rabid Christian Zionist at the Christian Coalition's convention. The crowd cheered wildly as Elon openly called for the expulsion of all Palestinians from the Palestinian territories and also from Israel. (The confused, if not deranged, audience also cheered, as DeLay called for Christian activists to back candidates who support Israel and who "stand unashamedly for Jesus Christ"—as if standing for Christ means hastening the day when the Jews go to their eternal perdition, according to their Armageddonist worldview).

#### **Crackpot Theology**

The genocidal Christian Zionists with whom Elon was meeting, needed no convincing to oppose the Road Map and its plan for the creation of a Palestinian state side-by-side with Israel. The *Washington Times* recently quoted some of them, in connection with Elon's visit.

Mike Evans, a founder of the Jerusalem Prayer Team, stated: "We either have to oppose the Road Map or oppose the Bible. . . . Evangelicals have no debate on this issue."

"Bible-believing Christians believe all that land belongs to Israel," said McAteer. "It is a fatal, fatal mistake that George Bush is making," McAteer added, noting that Bush "is probably the most powerful man in the world, but he ain't more powerful than God. And God gave them that land. Every grain of sand on that piece of property belongs to the Jews because God gave it to [them]."

McAteer is a member for Americans for Safe Israel, which has raised \$70,000 to pay for 114 billboards urging Americans to call the White House to tell President Bush not to violate "God's covenant with Israel." AFSI is headed by Herb Zweibon, a right-wing Jew who says that the group "recognized a long time ago that the key to Israel's wellbeing would be with the Zionist Christian Right; those who believe in Scripture."

At the same time, a huge fight is raging within the World Jewish Congress over support for the Road Map and the issue of alliances with the Christian Right. Its President, Edgar Bronfman, accused right-wing Jewish organizations of deliberately creating a crisis by opposing President Bush and the Road Map; he and former U.S. Secretary of State Lawrence Eagleburger also sent a letter to President Bush opposing Israel's construction of the "security fence" in the West Bank. In turn, Bronfman was accused of "perfidy" by Isi Leibler, the WJC's senior vice president.

Leibler's cynical approach to his "Christian" allies was fully on display in an August 15 commentary in the *Jerusalem Post*, in which he wrote about "our new friends, the Evangelical Christians." But, Leibler cautioned, "it is important that we not delude ourselves." He noted that many Orthodox Jews and liberal Jews are uncomfortable about the Christian Zionists' support, since "their support for Israel is based upon the belief that the Jews must be sovereign in their land as a precursor to the Second Coming."

Leibler's solution: Shut up about it. "These and other theological issues should never be explored," he concluded.

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### 'Beltway Snipers' Trained on Video Games

by Don Phau

Evidence now points to the fact that the accused "Washington Beltway snipers," 18-year-old Lee Malvo and 42-year-old Army veteran John Muhammed, were motivated and trained on popular "point-and-shoot" video games. The two are now being held in Virginia, awaiting trial there and in other states, in the murder last year of 13 people. The random sniper shootings, including the wounding of a 13-year-old student at school, kept people in the Greater Washington area in terror for weeks in the Fall of 2002.

During the murder spree, Presidential candidate Lyndon LaRouche called for calm as people were being whipped up by press speculation about "al-Qaeda" terrorists, "Middle Eastern men," etc. Both LaRouche and Army Col. David Grossman (ret.) had exposed the role of the multibillion-dollar video-game business in the conditioning and training of the junior and high school shooters, such as those who gunned down over two dozen schoolchildren in Paducah, Kentucky, Jonesboro, Arkansas, and Littleton, Colorado in 1998-99 see *EIR*, March 17, 2000). Grossman, and Helga Zepp-LaRouche on behalf of the Schiller Institute, had called for the banning of these video games.

#### **Hypothesis Proven True**

On Oct. 21, 2002, three days before Muhammed and Malvo were arrested, Colonel Grossman, who is a trainer of Army marksmen, circulated an Internet analysis on the shootings which turned out to be highly accurate: "He/they might be video-game player(s), possibly very proficient at the arcade video game 'Silent Scope' or one of the popular video games. Most of the 'new breed' of school killers (Columbine, Paducah, Erfurt, Germany) have been basically 'whacked out' video-game players. It is logical that this is a more 'mature' or 'sophisticated' version of what we have seen before. . . . Probably young, teens or early twenties. There are probably two, just like Columbine and Jonesboro, enabling each other. If we think of this as a 'serial drive-by shooting' in which the two individuals act like a 'crew-served weapon' (like a gunner and assistant gunner on a machine gun) then we can tap WWII data that tells us that most of the time the individuals would not fire, but the crew-served weapons almost always fire." Grossman added, "My recommendation to snipers, military or law enforcement, is always operate as a team (sniper and spotter), thus making it a crew-served weapon and greatly increasing the probability that they will fire when needed. . . . They could be using a bench rest from the back of a van firing out of a rear vent window."

Muhammed and Malvo allegedly did act like a "crewserved weapon" only instead of using a "bench rest from a back of a van" they were apparently shooting from an opening in the trunk of Chevrolet. Malvo trained on the popular video game "Halo."

The full story of what was behind the action, including whether it was an intelligence operation to create terror, has not come to light. Also raised is the question: Could a similar operation be undertaken? What is known was that Muhammed taught Malvo to shoot using point-and-shoot video games which the Army now uses to train its own recruits. Lee Malvo apparently became a cold killer by playing on commercially available video games.

In an interview, attorney Jack Thompson gave EIR more details of the immersion of the "Beltway snipers" in video game play. Thompson represented three girls shot in a Paducah, Kentucky middle school by video gamer Michael Carneal. Thompson noted that NBC reporters had been told by Virginia state investigators that Malvo's ability to kill was first developed by Muhammed on the rifle range. But, when Malvo was unwilling to kill as a sniper, Muhammed switched his training to video games, having him play Microsoft's X-Box game, "Halo." Thompson said the game was "switched to sniper mode to suppress [Malvo's] inhibitions, and it worked." Thompson explained that X-Box, which the U.S. military itself uses to suppress the inhibition of new recruits to kill, had that affect on Malvo. Unfortunately, this shows that the games used by the military for this purpose, have the same effect on civilian teams, because "human beings are human beings. If you give them a virtual training that makes killing consequence-free and even fun, and by killing you 'win the game,' then, of course, it will turn your civilians, for lack of a better term, into little Manchurian candidates, that are armed, ready, willing and able to kill."

Thompson said that his suspicions that the sniper was trained on video games grew, when a Tarot card with the words, "I am GOD," was found at the scene of one of the murders. "The 'I am GOD' proclamation is something you find in video-game chat rooms," he said. "A video game switched to sniper mode is also called 'God mode.' It suggested to me that some young person was involved."

The attorney is planning a lawsuit against the Department of Defense for its role in the joint creation of the Institute for Creative Technology (ICT). The ICT was started with a \$45 million DOD contract in 1999 with the University of California, which brings together Hollywood and the Pentagon with computer experts, to design "virtual war games." Thompson said, "The Institute of Creative Technology's sole purpose is to facilitate the relationship between the entertainment/game industry and the DOD. How can the video-game industry say that their games don't create killers, when they are getting money from the DOD for that very reason?"

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#### **Editorial**

### 'Mr. Sharon, You Are in Purdah. . .'

At the Schiller Institute's Summer Academy in Frankfurt on Aug. 17, a Lebanese youth posed this question to *EIR* Founding Editor Lyndon H. LaRouche, Jr., a candidate for the 2004 Democratic Presidential nomination: How would you, as President, achieve peace in the Mideast?

"If I were President of the United States now," LaRouche said, "or can exert the influence I wish to exert now, the President of the United States—even this dummy that we've got in there, now—will *step* on the Sharon problem, and say, 'No more.' And the minute Sharon says, 'No'; 'Okay buddy, your water's shut off. You're shut down. You're on your own. No more U.S. backing. You're in *purdah*.' We can have no peace in the Middle East, unless the President of the United States has the courage to step on Sharon."

Israel was "artificially created into a nuclear power, not for the benefit of Israel, but it was created as part of the process of bringing the right wing to power in Israel, around the Likud," LaRouche explained. "Now, that doesn't mean that Benny Begin, the son of Menachem Begin, is the same thing as Sharon," LaRouche said. "But, within this, people like Sharon, or Benjamin Netanyahu, or Shamir—these people are monsters; they are not real. They are monsters, like Hitler.

"So, you have a hand grenade: It's called Israel, under its right wing, which has a nuclear arsenal, which is used as the excuse for saying, 'If we don't do it ourselves, the Israelis will do it.' That's the way it's worked in the Middle East, so far. So, we have Israeli fascist blackmail, ostensibly on Europe and the United States, to force the United States to do, what some people in the United States want to do anyway. And, the case of the Desert Storm war was an example of that.

"So therefore, because of that, unless the United States *steps* on the Likud, the things that Sharon represents, and says, ... 'If you don't take the Road Map, every penny is shut off. Every privilege you have, is shut down. You are bankrupt already: Enjoy it in Hell.'

"If the United States President had the guts to do

that—and he would get the backing of Europe, however shaky the Europeans would be—we would have the means for bringing about an enforced peace in the Middle East. That does not mean complete justice; it means an enforced peace. It means this horror-show stops. If we do that, that opens the door for things that need to be done.

"If it is not done, not only do we have the danger of Middle East war—which is very grave, right now; the Israelis are threatening Syria. Therefore, maybe Syria will be attacked by the United States, because the Israelis want it done. That's not the real reason, because Israel is a hand grenade. The minute it spends its nuclear weapon, Israel will begin to cease to exist, by chain-reaction effects. So therefore, if Israel spends the hand grenade, it's like a hand grenade going off! And, kills the people against whom it's thrown, but it also kills the hand grenade itself.

"But, if we bring that under control, then it becomes possible to deal with the so-called 'West Asia flank' of Eurasia as a whole. Right now, the West Asia flank is two things: It is preventing us from dealing with the Africa issue, as we could through Egypt. I mean, there are lots of things that could happen in Africa, if we could eliminate this West Asia problem. Secondly, the West Asia instability is a threat to Iran; it's a threat to Turkey; it's a threat to the Caucasus; it's a threat to South Asia. It is also an area of potential development. Presently, the world is dependent upon oil. . . . For the next 80 years, the ability to get petroleum out of the Gulf area, is going to be a determinant of the present technology—unless we use nuclear energy—a determinant of what happens in the world at large.

"So therefore, this being the strategic implication of West Asia, *if we don't shut that hand grenade down*— put the pin back in, and put it in the box—there's no hope for that part of the world. And, given the present situation in the world, that situation tends to be the detonator, of all kinds of hell, which is just waiting to bust loose."

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Campaign for Nation-Building

President Must Act 'In an FDR Fashion'

**Italy Parliament** Breakthrough for LaRouche's New Bretton Woods Drive

The Emergency Rail-Building Program in the 2002 Mid-Term Elections