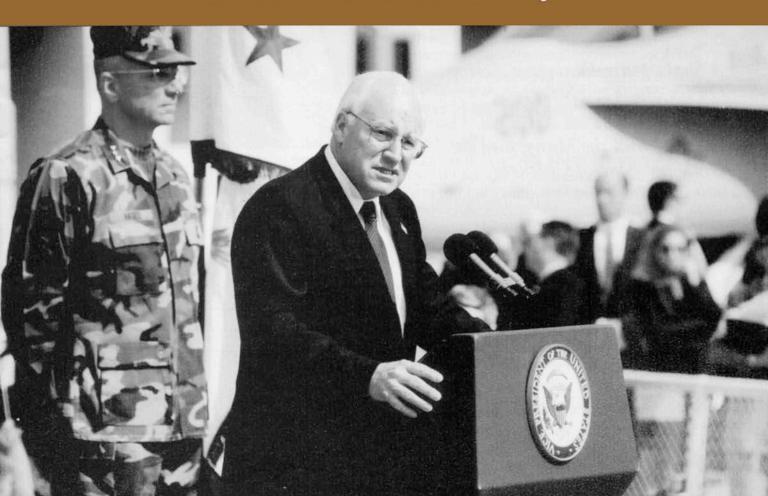


LaRouche Organizes Ohio for FDR-Style Recovery Infectious Disease Threat: It's Not Just the Flu 'End the Occupation!' Say Palestinian Bishops

The Coming Indictment Of Vice President Cheney



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Journal of Poetry, Science, and Statecraft

Publisher of LaRouche's major theoretical writings

Fall 2004

Those Populist Fools Who Would Seek A Contract Even With God

Lyndon H. LaRouche, Jr.

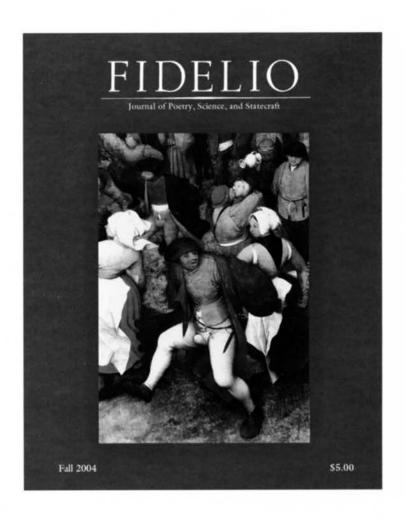
In the works of Erasmus, More, Rabelais, Cervantes, and Shakespeare, the word 'folly' has a profoundly ironical, ambiguous meaning. In their usage, it refers to a time when madness had overtaken a nation and its people, a time of foolishness, like that of the recent decades of our own U.S.A., which prompts the foolish popular opinion of that time to regard as fools their contemporary wise men and women, rather than their own misguided, foolish selves.

A Shakespeare Dialogue: Acting On the Stage of History

Stanley Ezrol, Terry Jones, Gerald Rose

The One and the Many, and the Dialogue Among Cultures

Helga Zepp LaRouche, Ken Kronberg, Richard Welsh



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From the Associate Editor

he intervention by Lyndon LaRouche and his youth movement in Ohio during the last weeks of the election campaign—including the two town meetings featured in our *National* section—has given a very good idea of the effective grassroots fighting force that is emerging, tempered by this year's incredible political battles. The Cleveland town meeting on Oct. 27, with LaRouche's webcast address (available, with graphic animations, at www.larouchepac.com), was attended by some 150 people from all walks of life, including state and city elected officials, youth, trade unionists, minorities, and the unemployed. Observers commented that in this highly polarized, formerly industrialized city—now a case study of "rustbelt" America no other political leader than LaRouche could have brought together such a diverse audience, under one banner. They listened to him explain, quietly yet forcefully, what is needed to restore the industry, health care, and education of this country. Not only do we need an FDR-style economic policy approach, but we need our people the lower 80% of family income-brackets—to become real citizens again. The problem, he said, is that "you have a society in which the upper 20% thinks they run the society; they think the lower 80% are just conveniences. They don't understand what a human being is. And therefore, we've had a problem which has led to this crazy election situation, with Bush."

Elsewhere in this issue, we focus on two strategic priorities. First, in our *Feature*, is the need to eradicate the influence of the neoconservative zealots in Washington, starting with the indictment of Dick Cheney. Jeffrey Steinberg and Edward Spannaus have assembled the case against the Vice President, from *EIR*'s own investigations, plus recent explosive press exposés.

Second is the crisis in Israel-Palestine, which has taken a new, dangerous turn, with the serious illness of Yasser Arafat, and the potential for civil war within Israel itself. Our report on the Conference of the Holy Land Christian Ecumenical Foundation, in Washington, presents the point of view of Arab Palestinian Christian leaders—a view that most Americans are quite unfamiliar with, and which can contribute to the peace effort in that stricken part of the world.

Susan Welsh

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RFeature

The Coming Indictment Of Dick Cheney And the Neo-Cons

by Jeffrey Steinberg

As we go to press, Americans are preparing to vote in the Nov. 2 elections. Regardless of the outcome of the Presidential race, during the immediate days and weeks ahead, Dick Cheney will finally be facing the music. The Vice President has presided over one of the most corrupt Administrations in American history, and the proximity of the Presidential elections has postponed—but not quashed—a string of Federal grand jury and Congressional probes of the Vice President and his neocon allies in the Pentagon and in his own "shadow national security council," housed in the Office of the Vice President, and headed by Cheney's chief of staff and alter ego, I. Lewis "Scooter" Libby.

Among Cheney's most recent election-eve damage-control efforts: the suppression of a Central Intelligence Agency Inspector General's report on intelligence failures, leading up to the Sept. 11, 2001 terrorist attacks. According to recent reports in Newsweek, the New York Times, and the Los Angeles Times, newly installed CIA Director Porter Goss, a partisan Republican Cheney pick, put the kibosh on the release of the IG report to Congress, despite the fact that the document was completed in June. According to Los Angeles Times editorial writer Robert Scheer, the CIA study names the names of top government officials who sat on key intelligence leads prior to the attacks. Scheer quoted one unnamed intelligence official: "It is infuriating that a report which shows that high-level people were not doing their jobs in a satisfactory manner before 9/11 is being suppressed. The report is potentially very embarrassing for the administration, because it makes it look like they weren't interested in terrorism before 9/11, or in holding people in the government responsible afterwards."

The top Bush Administration official who ignored pre-9/11 warnings and suppressed legislation aimed at creating a Homeland Security Department prior to the Pentagon and World Trade Center attacks was none other than Vice President Cheney, who was appointed by President Bush in May 2001 to head up a White House task force on terrorism. According to former National Security Council



On the very eve of the Presidential election, Vice President Dick Cheney sought to suppress a CIA report on how the Administration ignored warnings from the Intelligence Community of a terrorist threat, prior to 9/11. The bill of indictment against Cheney is growing longer and longer.

counter-terrorism czar Richard Clarke, that task force never held a single meeting, prior to the 9/11 attacks.

The suppression of the IG report has provoked bipartisan anger from the ranking members of the House Select Committee on Intelligence, Rep. Peter Hoekstra (R-Mich.) and Rep. Jane Harman (D-Calif.), who wrote a letter of protest to Goss over the delay until after Nov. 2. More recently, Sen. Jay Rockefeller (D-W.Va.), the ranking Democrat on the Senate Select Committee on Intelligence, also wrote to Goss, protesting the stall.

The IG report was the result of a 17-month probe by an 11-person CIA team. Another CIA official told the *Los Angeles Times*, "No previous director of CIA has ever tried to stop the inspector general from releasing a report to the Congress, in this case a report requested by Congress." Indeed, *Newsweek* reported that, following the publication of the Scheer article, Goss's top aides ordered the Office of Security to launch a probe into the leak. Senior U.S. intelligence sources have told *EIR* that Cheney hand-picked Goss to take the CIA post with one over-riding mandate: *Block any pre-election leaks from within the CIA bureaucracy*.

'Minister of Disinformation'

Adding to the pattern of exposés of Cheney interference in the national security intelligence process, Sen. Carl Levin (D-Mich.), the ranking Democrat on the Senate Armed Services Committee, released a 46-page report on Oct. 21, documenting the fabrication of intelligence prior to the U.S. invasion of Iraq. While the Levin report's findings centered on the

office of Undersecretary of Defense for Policy Douglas Feith, which created an illegal parallel intelligence unit, outside the purview of the Intelligence Community (IC), to peddle a stream of disinformation on Iraq's non-existent ties to al-Qaeda, the report highlighted the personal role of Cheney. Sen. John Kerry recently aptly called Cheney "the Chief Minister of Disinformation" in the Bush Administration.

Senator Kerry knows, all too well, the personal role that the Vice President played in marching America into the Iraq quagmire. As the Senator has confided to several colleagues, it was a personal visit by the Vice President to Senator Kerry that convinced the latter to vote in favor of the Iraq war resolution in October 2002, which gave President Bush an unconstitutional Congressional green light to launch a needless and disastrous "preventive war." Vice President Cheney lied to Senator Kerry, and, presumably, to scores of other hesitant legislators, that the Administration had hard evidence that Saddam Hussein had an advanced nuclear weapons program, and that it was the threat of a nuclear-armed Iraq that justified the preventive war to unseat Saddam Hussein and capture his supposed "vast arsenal" of weapons of mass destruction, before the "proof" emerged in the form of a nuclear mushroom cloud.

'You Can Run, But You Can't Hide'

On Oct. 28, just five days before the Presidential election, the FBI announced a criminal investigation, to determine whether Halliburton Co., which was chaired for five years by Dick Cheney (1995-2000), illegally got billions of dollars in

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no-bid contracts from the Bush Administration, to run Iraq's oil sector, following the U.S. invasion and occupation. The criminal probe, touching on Cheney, was launched in response to allegations by Army Corps of Engineers senior contracting officer Bunnatine Greenhouse, who charged that she came under pressure from her superiors to drop opposition to Halliburton's five-year no-bid contract. The Greenhouse charges were featured in *Time* magazine, on Oct. 24.

In a letter to the acting Secretary of the Army, Greenhouse's attorney, Michael Kohn, charged that Gen. Robert Griffin and other top Army Corps of Engineers officials admonished her for questioning the Halliburton contract, which was approved on the eve of the March 2003 U.S. invasion of Iraq. The letter detailed a February 2003 meeting at the Pentagon, attended by top Halliburton executives and Army officials, at which the \$7 billion no-bid contract was discussed. Greenhouse objected to the presence of the Halliburton executives, and to the terms of the contract itself, arguing that the no-bid deal should be restricted to one year, and then opened to competitive bidding. The next day, she received a copy of the five-year contract, unchanged, and was ordered by superiors to sign it. According to Kohn's letter, which was also provided to Congressional offices, Greenhouse was threatened with demotion, for raising a stink about the Halliburton deal.

Rep. Henry Waxman (D-Calif.), the ranking Democrat on the House Government Reform Committee—which is now investigating billions of dollars in other Halliburton no-bid contracts under the United Nations-administered Oil for Food Program, and its successor Coalition Provisional Authority-administered Development Fund for Iraq—issued a statement on the Greenhouse case: "These charges," he told *Time*, "undercut months of assertions by Administration officials that the Halliburton contract was on the level."

Now FBI agents are set to interview Greenhouse and other Pentagon officials about the deal. They are also gathering documents from Army offices in Texas and other locations, all related to the Halliburton no-bid contracts. Associated Press reported on Oct. 28 that "The line of inquiry expands an earlier FBI investigation into whether Halliburton overcharged tax-payers for fuel in Iraq, and it elevates to a criminal matter the election-year question of whether the Bush Administration showed favoritism to Vice President Dick Cheney's former company."

Indeed, documents already released by the Army Corps of Engineers confirm that Cheney Chief of Staff Libby was kept abreast of the Halliburton contract status on an ongoing basis.

The Halliburton Axis of Evil

Iraq is not the only case of Cheney-Halliburton corruption, currently under criminal investigation. Two other potential Halliburton crimes, both carried out while Dick Cheney was the company's CEO, are the subjects of Justice Department inquiries, U.S. Federal grand juries, and foreign criminal probes.

The first case involves \$180 million in bribes, allegedly paid to Nigerian government officials by a consortium headed by Halliburton, which was seeking a monopoly on natural gas development in that oil- and gas-rich West African country. The case is being investigated by the U.S. Department of Justice, the Securities and Exchange Commission, French public prosecutor Renaud Van Ruymbeke, and the Nigerian Economic and Financial Crime Commission.

The French probe not only is targetting the bribes to Nigerian government officials; it also is focussing on \$132 million, passed by the Halliburton-led consortium to British attorney Jeffrey Tesler, some of which, French investigators believe, may have been laundered back into the United States through offshore accounts, for use by the Republican Party in the 2000 elections. According to a report prepared by Sen. Frank Lautenberg (D-N.J.), titled "Ten Halliburton Scandals: Ten Billion in U.S. Contracts, Zero Senate Hearings": French magistrate Van Ruymbeke "has said that embezzlement charges could ultimately be filed against Cheney himself in a French court. In 2000, France joined the United States and more than 30 other countries in outlawing bribery of foreign public officials under the auspices of a convention negotiated through the Paris-based Organization for Economic Cooperation and Development."

Another explosive probe of Halliburton deals with the company's creation of a fictitious offshore subsidiary, to do business in Iran, in violation of a number of Federal statutes, including the Trading with the Enemy Act. In July 2004, after three years of investigation by the Treasury Department's Office of Foreign Assets Control, the case was referred to the Justice Department, which opened a criminal grand jury investigation in Houston, Texas.

At the center of the controversy is Halliburton Products and Services Ltd., a company founded in the Cayman Islands—outside the reach of U.S. laws, banning certain economic cooperation with Iran, a country on the State Department's list of state sponsors of terrorism, and one of three "rogue states" identified by President George W. Bush in his January 2002 State of the Union address as part of the "Axis of Evil."

A January 2004 investigation by CBS "60 Minutes" producer Leslie Stahl confirmed that the Halliburton Cayman Islands subsidiary, in fact, doesn't exist. It has no employees and no office on the island—merely a letter drop which forwards all mail back to Halliburton headquarters in Houston. Its only operations are run out of the Dubai offices of Kellogg Brown & Root, the wholly owned unit of the American Halliburton Co.

Senator Lautenberg has spearheaded the Senate probe into Cheney and Halliburton, and he dubbed the Iran dealings, which today are up to over \$40 million a year in sales and services to the Islamic Republic, "serious and willful viola-

tions" of U.S. sanctions laws. "It's unconscionable that an American company would skirt the law to help Iran generate revenues."

Not to be forgotten is the fact that Cheney's "golden parachute" from Halliburton yielded him tens of millions of dollars, that he still receives annual deferred payments from Halliburton, and he holds 440,000 stock options in the firm—while claiming that he has been divested of any Halliburton interests since becoming Vice President.

The Valerie Plame Case

Beyond his Halliburton corruption, the Vice President is also in the eye of another storm—with serious potential criminal consequences. In July 2003, syndicated columnist Robert Novak exposed the identity of an undercover CIA officer, Valerie Plame, who happened to also be the wife of Ambassador Joseph Wilson. In February 2002, at the behest of the CIA, Ambassador Wilson, who served in both Iraq and Niger during a distinguished career as a foreign service officer, travelled to the African state, to probe reports that Iraq was seeking a large quantity of "yellowcake," a uranium precursor used in nuclear bombs. The Wilson trip came directly as the result of a query by Vice President Cheney, about alleged Niger government documents obtained by the Italian secret service, SISMI, pointing to the Iraq-Niger yellowcake deals

Wilson concluded that the reports were false, and his findings were passed by the CIA to senior White House officials. Ultimately, in early March 2003, International Atomic Energy Agency (IAEA) head Dr. Mohammed ElBaradei revealed that the Niger documents, which had been subsequently obtained by the CIA and shared with IAEA analysts, were shoddy forgeries.

Several days after Dr. ElBaradei made these revelations at a United Nations Security Council session, Joe Wilson appeared on CNN TV, and reminded Administration officials that they had some knowledge about the Niger yellowcake affair.

According to *EIR*'s most well-informed government sources, the Wilson TV appearance triggered a meeting in the Vice President's Office, to "get Joe Wilson." When Wilson penned an op-ed for the *New York Times* in early July 2003, detailing his Niger mission, the Novak leak appeared targeting his wife, a career CIA "non-official cover" officer, involved in sensitive overseas work, tracking weapons of mass destruction.

Senior CIA officers were incensed that Novak openly boasted that he had been given Plame's name by two senior White House officials. It is one thing when an enemy spy, like Aldrich Ames or Robert Hanssen, provides the names of undercover U.S. intelligence officers. It is another thing entirely, when top White House officials reveal such information, in an act of political revenge.

After months of stalling by Attorney General John Ash-

croft, evidence surfaced of Ashcroft's long-standing ties to one of the White House leak suspects, Karl Rove. Ashcroft was forced to recuse himself from the case, and the Deputy Attorney General, Robert Comey, immediately appointed an independent counsel, Chicago U.S. Attorney Patrick Fitzgerald, to find and prosecute the leakers.

Sources have informed *EIR* that the Plame leak probe has zeroed in on Cheney's office. They indicate that a top aide to the Vice President, John Hannah, has already confessed to leaking the name to reporters—at the behest of Cheney Chief of Staff Libby. One remaining question is whether Libby acted on his own, or on the orders of Cheney or some other White House higher-up.

The Fitzpatrick grand jury has been reportedly stalled, in the run-up to the Presidential elections, but one well-placed intelligence source reported that, if Bush-Cheney are reelected, "You will see the Administration swamped by Watergate-like scandals, including the Plame affair."

Beyond Dick Cheney's own looming day in court, many of the Administration's leading neo-con officials and fellow-travellers, are facing an array of scandals, some involving espionage. Sources report that several top officials in the office of Undersecretary of Defense Feith are under investigation for leaking national security secrets to Israel and Iran. Among the reported targets of these probes are: Harold Rhode, David Wurmser, Michael Maloof, and Col. William Brunner. Feith underling Larry Franklin is the subject of an ongoing spy probe, centered around classified documents he allegedly passed to Israeli Embassy officials, via the American-Israel Public Affairs Committee (AIPAC), the semi-official Israeli lobby in the U.S.A.

These investigations are deadly serious, and they must be completed—regardless of the outcome on Nov. 2. Cheney and his neo-con allies have caused near-irreversible damage to America's standing in the world. If they are guilty of criminal acts, including passing classified material to foreign governments, trading with the enemy, violating the Foreign Corrupt Practices Act, and leaking the identities of undercover U.S. intelligence officers, they must be prosecuted to the full extent of the law. Such actions would go a long way toward repairing America's standing around the globe—and would go a long way towards assuring that the neo-con menace does not crawl out of its hole anytime in the near future.

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Documentation: The Levin Report

Cheney, Feith Are Hit On Iraq Exaggerations

A 46-page report issued by Sen. Carl Levin (D-Mich.), in his capacity as Ranking Member of the Senate Armed Services Committee, shows how a small group in the Defense Department (DOD) abused rules concerning Congressional oversight and classified information, to insert "dubious" intelligence reports about the "relationship" between Iraq and al-Qaeda, to further the Bush Administration's predisposition for war against Iraq. The report, entitled "Report of an Inquiry Into the Alternative Analysis of the Issue of an Iraq-al-Qaeda Relationship," documents that this group was led by neo-conservative Doug Feith, Under Secretary of Defense, and that the main "consumer" of Feith's hoked-up intelligence is Vice President Dick Cheney.

Levin's report calls for "corrective legislation" to prevent the creation of an "alternative" intelligence agency, such as the one that Feith created with the blessing of Deputy Secretary of Defense Paul Wolfowitz and Defense Secretary Donald Rumsfeld.

The report states: "Life-and-death decisions are based on the accuracy of intelligence. When intelligence is distorted or exaggerated to support the policies of an administration, it jeopardizes our nation's security and the lives of the men and women of our armed forces. This report... demonstrates how intelligence relating to the Iraq-al-Qaeda relationship was manipulated by high-ranking officials in the DOD to support the administration's decision to invade Iraq when the intelligence assessments of the professional analysts of the Intelligence Community did not provide the desired compelling case."

The report also finds Cheney culpable for both "implicitly" condoning the leak of the "highly classified" alternative Feith report on al-Qaeda to the neo-con Weekly Standard, and for "explicitly" praising this Feith pack of lies as "the best possible source of information" on al-Qaeda.

A press release from Senator Levin issued on Oct. 21 said, "The report demonstrates how intelligence relating to the Iraq-al-Qaeda relationship was exaggerated by high-ranking officials in the Department of Defense to support the Administration's decision to invade Iraq when the intelligence assessments of the Intelligence Community did not make a sufficiently compelling case [emphasis added]. The Intelligence Community's analysis of the Iraq-al-Qaeda relationship as a relatively weak one was as definitive as reliable reporting would permit, and their conclusions were subsequently supported by the 9/11 Commission and the Report of the Senate

Select Committee on Intelligence."

The following excerpts are taken from Levin's Senate Armed Services Committee report. Subheads have been added.

Feith's Manipulations of Intelligence

Within weeks of September 11, Under Secretary of Defense Doug Feith had tasked two consultants to start sifting through all of the intelligence, both finished products and raw reports, relating to terrorist groups and their state sponsors. . . . The 150-plus page briefing they developed . . . was completed in early 2002. . . .

In the spring of 2002, another analyst... in Feith's Policy office went back to look at earlier intelligence reports, including raw reports involving Iraq and al-Qaeda that the IC [Intelligence Community] had previously considered but deemed not suitable to reflect in finished intelligence reports. This information was passed to Secretary Rumsfeld and Deputy Secretary Wolfowitz....

Feith has stated that his tasking of policy staff to review intelligence was "routine," and . . . "the purpose of the review was development of strategy and policy." Yet the products of the review were not strategy or policy recommendations. . . they were selective reinterpretations of intelligence [emphasis added].

... The fact that a Policy office undertook such an intelligence review, rather than relying on the IC, suggests a determination to reach a particular conclusion. . . .

Wolfowitz is reported as describing "a phenomenon in intelligence work, that people who are pursuing a certain hypothesis will see certain facts that others won't. . . ." He added, "The lens through which you're looking for facts affects what you are looking for." That approach proved to be precisely the problem with the Feith analysis.

His office was pre-disposed in favor of finding evidence that supported the hypothesis that al-Qaeda had a collaborative relationship with the Iraqi regime. That was the lens through which he was looking. . . . The SSCI [Senate Select Committee on Intelligence] report on pre-war intelligence on Iraq found evidence of a similar analytic failure of bias (in that case regarding Iraqi weapons of mass destruction) and described it as "a hypothesis in search of evidence." That was the approach taken by the Feith office. . . . [pp. 12-13]

Feith et al. Push Dubious Information

Feith's staff also pressed dubious information, including criticizing the draft IC report for omitting reference to the key issue of Atta. . . .

The Feith staff also had a harsh critique of the CTC report [called] Iraq and al-Qaida: Interpreting a Murky Relationship. One of his staff wrote in its interpretation of this information. . . . "Therefore, the CIA report should be read for content only—and CIA's interpretation ought to be ignored". . . . This critique was sent by . . . Feith to Deputy Secretary Wolfowitz



Sen. Carl Levin (D-Mich.), ranking Democrat on the Senate Armed Services Committee, released a report documenting the fabrication of intelligence prior to the U.S. invasion of Iraq. It highlights the role of Cheney and Undersecretary of Defense for Policy Douglas Feith.

and Secretary Rumsfeld. . . .

However, documents provided to the SASC indicate that Feith's staff requested, both verbally and in written form, at least 32 changes to the draft, including inserting raw intelligence reports that had previously been omitted, deleting others, and altering the characterization of certain issues and raw reporting. . . .

Thus, even though IC analysts refused to incorporate information which they believed was dubious into their *judgments* about the Iraq-al-Qaeda relationship, and the IC *analysis* remained skeptical of that relationship, nonetheless raw, questionable intelligence reports were incorporated in the IC document because of advocacy by Under Secretary Feith and his staff.

Administration officials relied on or cited these reports in their public statements about the Iraq-al-Qaeda relationship and selectively used or cited questionable reports that went beyond the IC's judgments [emphasis in the original; pp. 14-16].

Skewing the Story on Iraq and al-Qaeda

In February, 2004, DOD provided the SASC with a copy of a classified briefing from the Feith office entitled "Assessing the Relationship between Iraq and al-Qaeda."

Senator Levin subsequently learned that there were differences between the version of the briefing presented to the IC and that provided to the DOD. In May, 2004 DOD provided three versions of the briefing, stating that differences among them primarily reflected ongoing work, and that one specific slide that was critical of the IC was omitted from the briefing to DCI Tenet. . . .

[A] comparison of the three versions reveals more than 35 differences. . . . While some of the changes may well reflect analysis that was evolving, this explanation is insufficient. For example, one slide, omitted from the version presented to the CIA but included in the version presented to the White House, discussed the alleged meeting between 9/11 hijacker Mohammed Atta and an Iraqi intelligence officer in Prague in April, 2001. It described the alleged meeting as one of the known Iraq-al-Qaeda contacts. The report of the meeting was referred to by senior Administration officials, especially Vice President Cheney, as evidence of a possible Saddam Hussein link to the 9/11 attacks. However, not only has the alleged meeting never been known, either at the time this briefing was presented to the White House, or ever, the Intelligence Community was skeptical in late spring 2002 that such a meeting took place....

[This] meant that unbeknownst to the IC, policymakers were getting information that was inconsistent with, and thus undermined, the professional judgments of the IC experts. . . . [pp. 16-18, 22]

Preventing Intelligence Corrections

In fact, DCI Tenet had been unaware of the Feith staff September 2002 briefing to the White House until February 2004, when Senator Levin raised the issue at an SSCI hearing. Thus the nation's foremost intelligence experts, and the President's chief intelligence officer, were deprived of the opportunity first to correct inaccuracies about IC analysis of the Iraqal-Qaeda relationship, and, more importantly, deprived of the opportunity to inform the White House of significant concerns about the reliability of some of the reporting upon which

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Under Secretary Feith's White House briefing was based. [p. 24]

More Feith Manipulations of Intelligence

On July 10, 2003, Under Secretary Feith appeared before the SSCI in a classified hearing. Senators Roberts and Rockefeller posed some additional questions to be answered for the hearing record, one of which addressed relations between Iraq and al-Qaeda. Under Secretary Feith responded to that question on October 27, 2003, and attached to his answer a classified annex entitled Summary of Body of Intelligence on Iraq-al-Qaeda Contacts (1990-2003).

Much of the information included in the Summary had been collected by the CIA, and was, as a result, originator controlled, or ORCON. When disseminated by anyone other than the originator, ORCON material must be cleared by the originating agency to ensure it is being used properly. Therefore, Under Secretary Feith should have cleared his Summary with the CIA before submitting it to the SSCI. He did not do so.

On November 15, 2003, the *Weekly Standard* published an article written by Stephen Hayes entitled "Case Closed: The U.S. Government's Secret Memo Detailing Cooperation Between Saddam Hussein and Osama bin Laden." The article said it was based on a top secret document "dated October 27, 2003," and "sent from Undersecretary of Defense for Policy

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Douglas J. Feith to . . . the Senate Intelligence Committee." The article, which purported to quote extensively from the top secret DOD document, asserts that "Osama bin Laden and Saddam Hussein had an operational relationship from the early 1990s to 2003," and concludes that "there can no longer be any serious argument about whether Saddam Hussein's Iraq worked with Osama bin Laden and al-Qaeda. . . . " [pp. 24-25]

Cheney Proliferates Lie on Hussein-Osama Link

March 16, 2003. "[W]e know that he has a long-standing relationship with various terrorist groups, including the al-Qaeda organization." Vice President Cheney, "Meet the Press."

The SSCI report concluded that the CIA had reasonably assessed that likely contacts between Iraq and al-Qaeda during the 1990s *did not add up to an established, formal relationship* [emphasis added].

January 9, 2004. "With respect to the . . . general relationship . . . [o]ne place you ought to go look is an article that Stephen Hayes did in the *Weekly Standard* here a few weeks ago, that goes through and lays out in some detail, based on an assessment that was done by the Department of Defense and forwarded to the Senate Intelligence Committee some weeks ago. That's your best source of information." Vice President Cheney, *Rocky Mountain News*.

The Weekly Standard article to which Vice President Cheney referred starts with the conclusion that Osama Bin Laden and Saddam Hussein had an operational relationship from the early 1990s to 2003 that involved training in explosives and weapons of mass destruction, logistical support for terrorist attacks, al-Qaeda training camps and safe haven in Iraq according to a top secret U.S. government memorandum. . . . The article ends with the conclusion that "there can no longer be any serious argument about whether Saddam Hussein's Iraq worked with Osama bin Laden and al-Qaeda to plot against Americans."

The article to which the Vice President referred represented that it was based on a leaked, Top Secret Defense Department document prepared by Under Secretary Feith and sent to the SSCI. By referring to the article in the way he did (including his comment that the article was based on an assessment that was done by the Department of Defense and forwarded to the Senate Intelligence Committee), the Vice President not only implicitly condoned the unauthorized release of highly classified material; he explicitly endorsed the article's contents.

Vice President Cheney's view that the Feith document was the best source of information of the Iraq-al-Qaeda relationship was not shared by the IC. Director Tenet, in testimony before the SASC on March 9, 2004, said that the CIA did not agree with the way the data was characterized . . . and that he would speak to Vice President Cheney to inform him of the IC's disagreements. . . . " [p. 34]

Cheney and Addington Are at Front And Center in Torture Scandal

by Edward Spannaus

Whether Dick Cheney is in, or out, of the Office of the Vice President after Nov. 2, the prisoner-torture scandal that emerged around Abu Ghraib, and which now also encompasses Afghanistan and Guantanamo Bay, is not going to disappear as a national and international issue. To restore America's moral standing in the world, it is urgent that those Administration officials responsible for this infamous policy be prosecuted under the U.S. Federal War Crimes Act and other laws. At the top of the list of those to be indicted, should be the name of Dick Cheney.

In December 2001, *EIR* was the first to report that aides in Vice President Cheney's office were involved in drafting the scheme to establish military tribunals. More recently, *EIR* has highlighted the central role of David Addington, the Counsel to the Vice President, in the drafting the "torture" memos, particularly those advocating abandonment of the Geneva Conventions, and urging unlimited, imperial powers for the Presidency.

As we have previously reported, the two most crucial of these known documents that were either written or strongly influenced by Addington, were:

- The Jan. 25, 2002, memorandum for the President, submitted over the name of White House Counsel Alberto Gonzales. This memo warned that Administration officials could be prosecuted under the U.S. War Crimes Act for their actions in the war on terrorism. It urged the President to reject the position being argued by Secretary of State Colin Powell, and instead to declare that the Geneva Convention on the Treatment of Prisoners of War did not apply in the conflict with Taliban and al-Qaeda in Afghanistan. This, Addington wrote, "would provide a solid defense to any future prosecution."
- The infamous Aug. 1, 2002, Justice Department memo drafted by its Office of Legal Counsel (OLC), which argued that "moderate" torture, as long as it doesn't cause organ failure or death, is permissible under their perverted interpretation of the law. The DOJ/OLC memo contended that the President, under his war-time powers as Commander-in-Chief, could even authorize severe torture under certain conditions, and neither the Courts nor Congress could interfere with this exercise of Executive power.

The section of the OLC memo on Executive power was reportedly the product of heavy pressure put on the OLC by Addington. That section was later incorporated almost verbatim into the April 2003 report produced by the Pentagon Working Group on Detainee Interrogations.

Now, in the past few weeks, a couple of major exposés have been belatedly published, confirming in detail what *EIR* has long reported, and adding some important new information to the Cheney/Addington dossier.

'In the Shadows'

On Oct. 11, the *Washington Post*'s Dana Milbank wrote a profile of Addington, titled "In Cheney's Shadows."

"Where there has been controversy over the past four years, there has often been Addington," Milbank wrote, noting that Addington's views are "so audacious that even conservatives on the Supreme Court sympathetic to Cheney's views have rejected them as overreaching."

In fact, Milbank observed, there has been a backlash within the Administration against Addington, with some Administration officials believing that his aggressive legal arguments have caused the courts to become more suspicious of Executive Branch authority. This came up particularly around the Supreme Court's surprise rulings in the "enemy combatant" cases in June.

Milbank pointed out that in addition to his role in the torture memos, and his advocacy of holding terrorism suspects without access to the courts, Addington also led the campaign for secrecy around Cheney's Energy Task Force, and he was a main backer of the nomination of Department of Defense General Counsel William Haynes for a seat on the 4th Circuit Court of Appeals.

Milbank writes, "Even in a White House known for its dedication to conservative philosophy, Addington is known as an ideologue, an adherent of an obscure philosophy called the unitary executive theory that favors an extraordinarily powerful President." This arugument, following that of the Nazis' jurist Carl Schmitt, as *EIR* early identified it, is used in Addington's contention that neither Congress nor international treaties can impinge upon the President's virtually unlimited exercise of Executive authority.

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Milbank notes that Addington had raised the same arguments when he was a staffer for the Congressional Iran-Contra Committee (on which Cheney sat in the 1980s), when he argued that Congress could not tie the President's hands by preventing him from assisting the Nicaraguan Contras. Later, when Cheney was Secretary of Defense in the Bush 41 Administration, Addington was known as his "gatekeeper."

'Driving Force'

Then, in a bombshell published on Sunday, Oct. 24—obviously based on massive leaks from within the Bush Administration—the *New York Times* portrayed Cheney as a central "driving force" behind the campaign to circumvent the U.S. Constitution and the Geneva Conventions after the 9/11 attacks. The article documented Cheney's specific role in crafting a scheme to bypass both the traditional military justice system, and the Federal courts, in order to create a system under which prisoners could be held indefinitely as "enemy combatants," and eventually be tried by military tribunals.

Cheney, as is characteristic, operated in secrecy, the *Times* reported, excluding uniformed military lawyers from the planning. Then, when a draft Executive Order was prepared, Cheney ordered it to be withheld from National Security Advisor Condoleezza Rice and Secretary of State Colin Powell.

While the 9/11 attacks were the pretext, the *Times* notes (as has *EIR* and others) that the strategy was shaped by long-standing agendas—of expanding Presidential power and downgrading international treaty commitments—that had little to do with fighting terrorism.

The key planners, as identified in the *Times* article, were Cheney (at the top of their chart), then Cheney's Counsel, Addington; Bush's Counsel, Alberto Gonzales; Gonzales's deputy Timothy Flanigan; and the Justice Department's Office of Legal Counsel. Excluded were most of the government's experts in international law and military law.

The *Times* says that the idea of using military tribunals to try suspected terrorists came in a phone call from former Attorney General William P. Barr to Flanigan, who had worked under Barr in the Bush 41 Administration. Tribunals would give the government wide latitude to hold, interrogate, and prosecute suspected terrorists—with control of the entire process totally in the hands of the Executive, not the Judiciary Branch. "The same ideas were taking hold in the office of Vice President Cheney," the *Times* notes, adding that these were being championed by Addington.

The Justice Department worked up a plan to establish tribunals, ostensibly modelled on the one used by FDR to try Nazi saboteurs in 1942—despite dramatic changes that had taken place since, in both military and international law, including the adoption of the Geneva Conventions. Addington seized upon the 1942 precedent, and was the most influential in pushing it through, because of the clout he had by virtue of representing Dick Cheney. Top military

lawyers offered proposals to shift the scheme closer to the existing military justice system; their suggestions were completely ignored.

On Nov. 10, 2001, Cheney chaired a meeting in the White House, attended by Ashcroft, Pentagon General Counsel William Haynes, and White House lawyers. Senior State Department and National Security Council officials were excluded, and Cheney advocated withholding the final draft from Rice and Powell. Cheney discussed the order with President Bush over lunch, and the President then signed it on Nov. 13.

As *EIR* was told, and reported, at the time, military lawyers were extremely angry at the President's order and at the bypassing of the court-martial system, fearing that the entire system of military justice would be tainted. The *Times* quoted Adm. Donald Guter, who has since retired as the Navy's Judge Advocate General: "The military lawyers would from time to time remind the civilians that there was a Constitution that we had to pay attention to."

Rumsfeld's Power Base

The *Times* also disclosed some new details about Addington's activities around the time of the Jan. 25, 2002, "Gonzales" memo cited above, when there was a fierce debate raging within the Administration over the applicability of the Geneva Conventions.

On approximately Jan. 21, while returning from a "field trip" to Guantanamo, Addington urged Gonzales to seek a blanket designation declaring all prisoners at Guantanamo to be covered by the President's order on military tribunals. Gonzales agreed, and within a day, the Pentagon set into motion the procedures intended to prepare for military tribunals to try the Guantanamo prisoners.

A follow-up piece in the *New York Times*, published Oct. 25, describes how the Cheney-Addington policy on detentions encountered rising opposition within the Administration, so that even before last Summer's adverse Supreme Court rulings, the DOD was compelled to begin releasing prisoners—many of them harmless—from Guantanamo.

Within weeks of the decision to include all Guantanamo prisoners under President Bush's order for military tribunals, Military Intelligence officers were reporting to the Pentagon that they didn't have enough evidence on most prisoners even to establish a basis for putting them on trial. But Cheney continued to declare publicly that the Guantanamo prisoners were extremely dangerous, and that they might have information about planned terrorist attacks against the United States.

Resistance to the policy grew in the State Department (which was fielding complaints from other governments, including allies in the Afghan war), and among FBI and DOJ officials (who realized how weak the cases against the prisoners were), and CIA officers (who feared that Guantanamo could become America's *madrasa*, a school for radicalizing prisoners). NSC staffers, even neo-con Elliott Abrams, kept pressing the Pentagon as to whether all of the

prisoners actually belonged there.

But Defense Secretary Rumsfeld made it clear that he wanted to remain in charge, says former Army Secretary Thomas White. "He reigned supreme within the government. The Vice President backed him up, and that was his power base."

Against opposition from almost every other agency, including the Justice Department, Addington continued to push the most aggressive stance possible, according to the *Times* account. A critical element in blocking the Cheney-Rumsfeld plan for kangaroo-court trials was the feisty approach taken by the military lawyers assigned to defend those detainees scheduled for trial. As a result, a number of changes have been made in the structure of the tribunals, and no trials have yet commenced, almost three years after the President's order.

Torture at Guantanamo

Although there has been no action for many weeks on either the Congressional or Administration investigations of the torture scandal, new revelations have continued to come out, in leaks from military and other officials, which document the damaging consequences of the detention and interrogation policies championed by Cheney and Addington. In the aftermath of the release of some Guantanamo prisoners, disclosures about widespread abuse and torture at Guantanamo have been published in the British and Australian press, but the U.S. press has been largely silent on the matter.

However, the Oct. 17 New York Times featured new information obtained from military and intelligence personnel who worked at Guantanamo, documenting that abuse and torture of prisoners there was much more widespread than has so far been admitted by Administration officials, or in the report compiled the Rumfeld-appointed panel headed by former Defense Secretary James Schlesinger.

The personnel, many of whom were angry about what they had seen, agreed to be interviewed on the condition that their names not be revealed, for fear of endangering their careers. They described a range of "highly abusive" interrogation procedures, which came to an abrupt halt after the disclosures about Abu Ghraib became public.

One regular procedure reported by people who had worked at Camp Delta, is described as "making uncooperative prisoners strip to their underwear, having them sit in a chair while shackled hand and foot to a bolt in the floor, and forcing them to endure strobe lights and screamingly loud rock and rap music played through two close loudspeakers, while the air-conditioning was turned up to maximum levels." These sessions could last up to 14 hours, "It fried them," said a military official. Another source described it as follows: "They were very wobbly. They came back to their cells and were just completely out of it."

David Sheffer, a former senior State Department human rights official in the Clinton Administration, who is now teaching law at George Washington University, said that this procedure clearly constitutes torture. "I don't think there's any question that treatment of that character satisfies the severe pain and suffering requirement, be it physical or mental, that is provided for in the Convention Against Torture," Sheffer said.

On Oct. 27, attorneys for four British detainees who were released from Guantanamo earlier this year, filed suit in Washington against Rumsfeld, former Guantanamo Commander Maj. Gen. Geoffrey Miller, and others, charging that the Pentagon chain of command authorized and condoned torture and other mistreatment. The 50-page complaint describes inhuman physical and mental torture carried out at Guantanamo, in violation of the U.S. Constitution, the Geneva Conventions, and U.S. statutory law.

Miller in Iraq

As is well known, Gen. Geoffrey Miller was sent to Iraq in the late Summer of 2003 to "Gitmo-ize" the interrogation procedures at Abu Ghraib prison, with the results memorialized in the infamous photos circulated and published worldwide. Less well known, is what else Miller did on that trip.

According to Miller's own report on the trip (which was included as an annex to the Army's Taguba Report, recently leaked to a news organization), the purpose of Miller's visit was to assess interrogation operations at the military prisons, but also to assess the operations of the CIA's Iraq Survey Group and Task Force 20.

Miller's report is focussed on methods of obtaining what he calls the "rapid exploitation of detainees" at all these sites, and he complained that the detention system as he found it, "does not yet set conditions for successful interrogations." One of Miller's overall recommendations was for the establishment of "Tiger Teams"—integrated interrogation teams consisting of interrogators and analysts with above-top-secret security clearances, such as were used in Guantanamo. Miller said that Task Force 20 "lacks adequate number of trained interrogator-analyst Tiger Teams for mission requirements," and he recommended that these be provided.

Task Force 20, whose very existence is hardly ever acknowledged, is a team made up of Army and Navy special forces, CIA paramilitaries, and, some say, also British and Israeli commandos. It is one of the "hunter-killer" teams created by Defense Secretary Rumsfeld to hunt down, and capture or kill, "high-level targets" in the war on terrorism (see EIR, Sept. 24, 2004). In Iraq, Task Force 20 (which is now re-formed as Task Force 121) was the lead organization in the search for Saddam Hussein and his sons and other leading regime officials. It is most likely the case, that the secret detention centers which have come under attention in recent months, are also run by Rumsfeld's "hunter-killer" task forces.

We thus see what Rumsfeld has wrought, using, in the terms of former Army Secretary White, the Office of the Vice President as his "power base."

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ERNational

LaRouche Organizers in Ohio For FDR-Style Recovery

Here is Lyndon LaRouche's keynote, via video teleconference, to a LaRouche PAC town meeting in Cleveland, Ohio on Oct. 27, 2004. The event was also broadcast over the Internet, and linked to a satellite event in Washington, D.C.

Just to set the stage, I am asking our people to put on a short video, which I think you will find stimulating, and enlightening. [Video begins with a picture of Bush and Cheney, captioned: "Would You Buy a Used Car from These Men?," and moves through the political and economic failures of their Administration to the overture of Rossini's "Barber of Seville."]

The subject tonight is to deal with something that most people don't understand, and to begin to let the American population and politicians understand this thing, they must understand now: We are in the worst financial collapse in world history, that is, in modern, known history. Very soon, a matter of weeks or, at most, a couple of months, this entire system will collapse. For example, the U.S. dollar will probably fall to about \$1.50 cost per euro.

We're going to the bottom. We're facing a general collapse of the housing market, which means that the so-called nominal value of housing will drop to a fraction of what it is presently. The tendency is to lose jobs more rapidly than ever before. This is happening.

Now, how do we deal with this? In general, the rule is, as Kerry said in a Wilkes-Barre, Penna., address some time ago, we have to go back to Franklin Roosevelt's approach to deal with a depression. That means that the U.S. government will have to step in, as Franklin Roosevelt did, and put the banking system—which now. the U.S. banking system, and most of the rest of the world—is hopelessly bankrupt. Don't kid yourself. But the President of the United States, implicitly, following the principle of the Constitution, which Roosevelt used—the President of the United States, with the support of Congress, can put through emergency provisions to take the Fed-

eral Reserve system into receivership, under control, and organize it to make sure that bank doors don't close; to make sure that things that have to be funded, with credit, are still funded; to keep the economy going.

But that's only for the immediate term. Of course, the first question is, as we see in Europe today, as the European economies are collapsing, we're seeing in Germany, and France, and elsewhere, the spread of what are actually the measures used first by the predecessors of the fascists, and the fascists. The same kinds of methods which were used by Herbert Hoover. You know, Roosevelt was not elected because of Herbert Hoover's 1929 crash. Roosevelt was elected because of popular reaction to the disastrous effects of Hoover's austerity policies, which sank the U.S. economy and the incomes of people in the United States by about one-half.

So, the problem is, how do we reorganize, having taken those measures? First, the United States government takes responsibility, for putting a sick, bankrupt, international financial-monetary system into bankruptcy. And believe me, if the U.S. government does it, if the President of the United States does it, the rest of the world will just have to go along—some willingly, some not willingly. But they will go along. We are not going to kill people in order to pay usurious debts.

The FDR Recovery Program

Now, beyond that, how do we recover? Roosevelt had a program which worked. The program was basic economic infrastructure: Things that are within the public domain, the public responsibility, as opposed to private responsibility. This includes schools, of course, which is usually a municipal responsibility. This includes hospitals, and related health-care institutions, which is partly private, but is regulated by city, state, and Federal law. It involves large-scale transportation systems, including mass transportation for cities. It includes water systems, which are breaking down. It includes power

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Lyndon LaRouche addresses a Cleveland town meeting by videoconference on Oct. 27: "The function of government is to ensure the promotion of the general welfare of all of the people."

generation and distribution, these kinds of things.

It includes, say, from here in the city of Cleveland, you go down to the Ohio River, and you take all that coal that is moved down the Ohio River, on which much of the nation's energy depends; and this coal delivery depends upon a system of locks and dams, which was set up last, about 40 years ago. If those locks and dams start to collapse, or go out of maintenance, then the coal barges on the Ohio River stop flowing. And then, we have a crisis. So, we have to fix those kinds of water systems.

We have to take care of municipal water systems, and county water systems, for drinking water and so forth, for people; public sanitation, these measures.

What Roosevelt did, is, he took the obvious needs of the nation, and put people to work doing things that were obviously needed, within the government purview; that is, Federal, state, and local purview. He also did big projects, like completing the Hoover Dam, which is a great power project and water project for a whole region of the United States. He built the TVA. The TVA transformed an area of dead life, Tennessee, the Tennessee Valley, transformed it into a wealthy area, a productive area, through power and water management, things like that. We couldn't have developed the nuclear weapons for World War II, without the TVA: It was the power of the TVA that made that possible, at Oak Ridge. If you go down to Tennessee today, or go down into northern Alabama, for example, you see the large works that were done, essentially then, and improved on, which [led to] the well-being of what was once a good industrial area of the nation, industrial and agricultural, until we began to shut it down about 40 years ago. This was a rich area of prosperity, and Roosevelt created it.

The other thing that he did, of course, was to stimulate the private sector, by credit for loans through banks, under government sponsorship and supervision, to ensure that worthy investors had the credit available to employ people and do things. The employment of a lot of people in infrastructure, created the market in which these private firms could prosper. And we have to do the same thing today. But it's not quite enough. And that comes to this.

The Industrial Job Collapse Today

Now, let's take a picture, briefly, from a few of these animations, as to what our problem is. Let's take first, this industrial job collapse in the so-called Rust Belt today. You know all about it. You're living in it. [Figure 1]: That is

what you're experiencing in the Cleveland area, and adjoining parts of the United States right now. That's the immediate source of suffering. That's what happened to Cleveland.

Now, take another case: Look at the industrial job collapse in the state of Ohio, alone. [Figure 2] Do you see Cleveland on that map? Do you remember what happened to Cleveland, in terms of places of employment and opportunities, as a result of this? That's part of the job.

Just to get a more general thing, let's go out of the industrial area, and look at the other area in hotel and restaurant jobs in the state of Ohio. [Figure 3] So, therefore, cheap-labor jobs have tended to increase, and people have been absorbed in cheap-labor jobs, while they've lost the more productive, higher-paying jobs.

And this has been called "progress" by Alan Greenspan and by the Bush Administration.

Now, what's the problem? About 40 years ago, the United States began the process of going to Hell. We had been, up until the middle of the 1960s, we had been the world's leading producer society. But then, we underwent a change, a change coinciding with the launching of the Indo-China War. It also coincided with the launching of people who would come from fairly well-to-do families, went to leading universities, were trained to become the leaders of future society. And, what did they do, at the universities? They took off their clothes, had sex with trees, and so forth, and took LSD—and many of them succeeded in rising to high positions in our government, and you see the result of that operation. But, more and more, we became a post-industrial society.

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Now, what we actually did, is, we relied upon looting poorer countries: for example, Mexico. We looted Mexico: In 1982, the United States government ran an operation to virtually break the back of the Mexican economy. And the Mexican economy has been broken, step by step, ever since then. But what did we do? What we did, is, we said to Mexico, sooner, as we had a lot of poor down there, we said, "You come to work for the United States—cheap."

Now, look at the conditions of life. The conditions of life in Mexico, today, are far worse than they were then. Mexican industries, which existed then, are gone! We have ruined Mexico.

All right, now we have the largest so-called minority in the United States, people of Hispanic-language origin, a lot of them Mexicans, a lot of them from other parts of Central America and South America and so forth. But, what's happened? We've brought these people in; we've brought them in as cheap labor. We've encouraged them to come in as illegal immigrant labor, because employers wanted cheap labor, and people who are running around as immigrants, without legal status in the United States, work much cheaper than people who have legal status.

You find recently, that the increase in employment, in the largest minority group in the United States, people of

Hispanic-language origin—they're getting poorer all the time! The increase in employment, is only among those who come into the country in the past four years, which means they're the cheapest labor. Look then, at Mexico: We are destroying Mexico economically, with these policies!

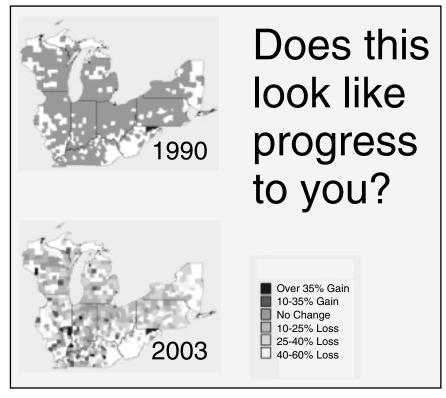
People say we have a border problem. We have a *border-line mentality* in terms of our present President. That's what our problem is.

So, obviously, our interest is to increase the productive powers of labor, not only in our own country, but in neighboring countries, such as Mexico. That if Mexico develops, that's good for us. And we should have programs of our government, which cooperate with Mexico to that effect: We help them; they help us.

The Secret of European Civilization

Now, the secret of all this, is what? How did we become this great nation? How did European civilization arise to such power, after the Middle Ages? Because a principle was understood and adopted, with a lot of resistance. The principle was

FIGURE 1
Midwest Counties: Rate of Gain or Loss of Industrial Jobs, 1990-2003



Source: EIRNS.

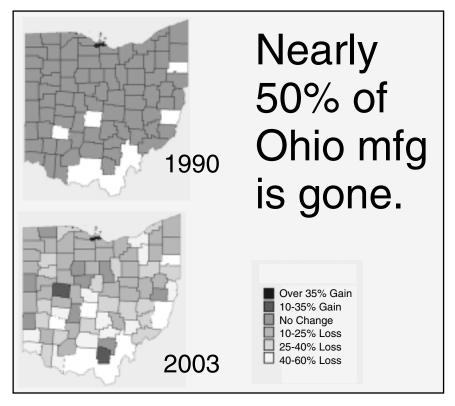
LaRouche showed an animation of the destruction of industrial employment in the Midwest. Go to www.larouchepac.com to see the animation.

appreciated most greatly in the United States. The development of science, technology, and Classical culture, in European civilization, over the period of the 15th Century on despite religious wars and all the other things that happened produced an individual who is more capable of sustaining himself on this planet, than ever before. For example: Before that time, the total population of the planet was about 700 million people. Now, we have over 6 billion. How did we get 6 billion people? In all the times that mankind lived before then, life-expectancy was low, on the average. Conditions of life were poor. How did we improve? We improved by understanding a principle: In ancient times, before our time, most people lived as human cattle; they were subjected to the conditions of either herded cattle, like cows, or hunted cattle, like wild beasts. They had no rights. They were not expected to do much thinking. They were not allowed to do much thinking—they were not educated. They were exploited.

The emergence of modern European civilization, introduced, for the first time, a principle—it was not a new principle to humanity; the principle had existed before, but it had

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FIGURE 2
Ohio Counties: Rate of Gain or Loss of Industrial Jobs, 1990-2003



Source: EIRNS.

The rate of loss of manufacturing jobs has been most acute in Ohio; to see the animation, go to www.larouchepac.com.

not had official status. And the principle was, that the function of government is to ensure the promotion of the general welfare of *all* of the people in the country, and of their posterity. And therefore, the obligation of government is to serve *all* of the people. How do we do that? Well, we did it partly by education. We did it partly by promoting new industries, new technologies.

What does this mean? How is mankind, a creature which, if man were an animal, like a monkey or a baboon, the total population of human beings on this planet could never be more than several million individuals at any one time, under the conditions of the past 2 million years. How do we have 6 billion people today, when, if man were an animal, we'd only have a few million miserable creatures? It's because the human being is not an animal.

The human being has a mind, which no animal has. The human being is capable of discovering principles, including universal physical principles. The human being is capable of cooperating, in developing and using these principles. The human being, by applying these principles, increases man's

power over nature. We're able to transform nature, from a brutal form, into an organized form—like our irrigation systems in agriculture; the development of agriculture; the improvement of forestation; the improvement of the conditions of life; the development of cities, which are decent places in which people can live. These are all essential parts of this process of encouraging people to develop, to be educated, to increase their powers of labor, and to go on to create a better society.

For many of us, this is the side of immortality: That we inherit ideas, ideas of principle, which are given to us by previous generations, by great discoverers of the past. We learn these principles. They become part of us. We pass these principles on to others, and hopefully we increase the discovery of such principles, and make the world better for us.

An Excursion Through 'Ecology'

Now, let me just take you into an excursion through a subject of what you might call "ecology," but higher than ecology. In the universe, in science, we know three kinds of phenomena: One, are phenomena which we call "abiotic"; that is, they are non-living processes. Why do we call them non-living? Because we can explain and master these

processes without assuming there's such a thing as a principle of life involved.

Secondly, you have processes, which are called "living processes," which can do things that non-living processes can not do. For example, take the planet Earth. The oceans of the planet, are creations of living processes. The atmosphere of the Earth, was created by living processes. The Earth is more and more affected, by a growing percentile of the total *weight* of the Earth, [being] a product of fossils of living processes—more and more. Water is such a fossil; air is such a fossil.

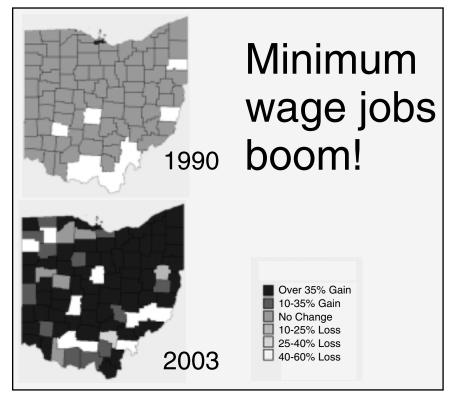
But there is a third category, beyond mere life: the category of human beings. And human beings, through discoveries of principle which no animal can make, now transform the planet, at a higher level than simply living processes. We create a new dimension of environment, which a great Russian scientist called "the Noösphere," the effects of the creative mind of man, producing things that nature by itself can not produce.

And that's what we are. How are we able to have a higher standard of living, *physically?* By making discoveries; learn-

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FIGURE 3

Ohio Counties: Rate of Gain or Loss of Hotel and Restaurant Jobs, 1990-2003



Source: EIRNS.

The inverse: lower-paying jobs in the food and retail trades spread across Ohio. Go to www.larouchepac.com to see the animation.

ing discoveries that others have made; applying those discoveries in cooperation, to our environment, to our circumstances; increasing our productive powers, and creating conditions under which people can live longer, live healthier, live better, in the future. That should be the purpose of society.

That was the intention of the founding of this republic, the United States. And we, obviously, are far away from that, right now.

We Are Losing Basic Infrastructure

Now, there's another aspect to this, when it comes to economy, which is the thing we're talking about today. We're now losing our basic economic infrastructure. For example, I mentioned already the locks and dams along the Ohio River, which are now about running out of steam. They're about to collapse. Why? Because they were designed to last about 40 years, and they were built about 40 years ago. We're losing power systems all over the country. Most of them were developed about 60 years ago, 50 to 60 years ago, and intended to

last about 50 or 60 years. In the past 40 years, we have *decreased* our replacement of these essential sources of economy, just as we've destroyed industry. And you saw this in the result: We have lost industry.

Ohio, for example, was a very productive area for a long time. It was one of the first great states, which emerged once we crossed the Alleghenies, and began to develop a continental nation. The farms of Ohio, which became the breeding places of the small industries and the larger industries, produced a population of a high standard of culture, very productive. We are now destroying that! What you see in the city of Cleveland, which was once a wealthy city, is being destroyed. What you see throughout Ohio, is the destruction of a section of this country. You see the misery, to which we are subjecting people. It's like we're going back to the Stone Age! The rights of people are being taken away: There's no right to health care, any more—less and less. There's no right to education any more. Why should we educate you? There are no jobs for you; why educate you? Health care? You're not going to live that long, anyway! You're not that useful.

So, this attitude creeps in as a matter of policy.

So therefore, the issue here is, we have to realize that a society must invest

over 50% of its total product in creating and maintaining basic economic infrastructure, such as power generation and distribution; such as water systems; such as ecological systems, such as forests and things of that sort which are necessary to maintain our environment; to maintain health systems, educational systems, without which our economy doesn't function.

These are investments that would take time. For example: Today, if we're going to do what we must do, that is, what role the United States is going to play, in a world in which China and India and other countries are coming up: What do they need from us? What are we going to produce for them, that they need from us? Well, they have technology. China has a high-technology industry; India does. But they have a lot of poor people. They don't have enough technology. Therefore, our job should be, to take our population, which has a base in high technology—as Western Europe does—we should educate our people, up to the limit, our young people. We should provide high-technology jobs, not low-

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technology jobs. We should supply the education and the health care that goes with that.

Now, to do this, if we're going to produce a nation, which is qualified as a labor force, to produce what people need around the world, for all these parts of the world—if we're going to do this, we're going to have to spend 25 years, the first 25 years of the life of most of our newborn people, in developing in education. That is, in developing the skills that go with this kind of role in the United States, in the world at large.

Therefore, we have to *invest*, as you know, if you're parents: You have to *invest*, without much compensation (certainly not financial compensation), you have to invest in that child, that adolescent, that young adult, over a period of 25 years, between the time the child is born and the time he has become a qualified, professional person, emerging from an education program. That's a capital investment of 25 years, an investment in one generation. An investment, for example again, as compared to an investment in a power system, again, 50 years, 60 years; an investment in water systems, 40 years to 50 years; investment in mass-transportation systems, again, 50 to 60 years. These kinds of things.

The ABCs of Physical Economy

So therefore, what we must do, is this: I must do what I do best, which is to undertake a program of educating the U.S. population, at large, in the ABCs of a science which I call "physical economy." Physical economy was actually the concept on which the American Constitution was based, the so-called Hamiltonian system.

We have to realize that we must educate and develop the creative mental powers of the individual person, so he is a creative personality. The attitude today, is more and more, we don't want to educate people to make discoveries. We want to educate them to "repeat after me." What is called education today, is not education for people: It's education for animals. It's animal-training! That's George Bush's "No Animal Left Behind."

What we need is a different emphasis on education. The emphasis has to be, the development of the child. That means, for example, a class size of not more than 25, and probably 15 to 25: Because, if you're going to educate people on *ideas*, you're going to educate on having the class engaged in a *discussion of ideas*. That means the students are not going to read something, hear something, and then pass an examination. They're going to go through the process of participating in making the discovery, which the teacher is leading at that time. That way, we're going to generate people who think in terms of ideas; who think in terms of generating ideas; who think in terms of making discoveries. These are the people who could be geniuses.

We've done this with the Youth Movement, for example. That's a whole story in itself, but I've demonstrated, to my satisfaction: You take a bunch of people off the streets, be-

tween 18 and 25, and you put them through that kind of an educational program—groups of 15 to 25 at a time, working together; taking assignments on discovery of original ideas, or rediscovery; showing that they don't really know how to pass the examination: They know how to discover the principle which solves the question posed by the examination. I've found that these young people are way ahead of many people in universities, because instead of having to learn to "repeat after me," they have gone through the experience of making a discovery.

So therefore, my emphasis is on the *mind of the human individual*. We must provide the human individual, development of *their mind*. The creative powers of the mind; not the powers of imitation; not the powers of being foolish; but the powers of their mind. We have to give them the opportunity to live that kind of life, by making them productive, by providing them forms of work, which are basic economic infrastructure, forms of work which are productive work, particularly with more and more skills in it.

For example, what are we going to do with all the young kids in the United States, who really have no skills whatsoever? We've got a mass army of unemployed. What're we going to do with them? They have no jobs, they have no training for jobs, they have no culture for jobs. Are we going to let them rot on the beach? Or, are we going to do what Roosevelt did, with the CCCs [Civilian Conservation Corps], for example? Are you going to create programs, in which young people can get into a work-and-study program, where they can become qualified, and work their way up.

For example, take the state of Michigan, a nearby state. You had a famous division in World War II—the division came out of the CCCs. It's a famous division there. So, here were people who were *dumped into* the CCCs for this kind of training, and they became upgraded, not merely as soldiers; but, when they came back from the war, they were part of the industrial development of this area, from that kind of training. That must be our objective at this time.

So, thus, before we get to this discussion as such, my basic program is this: We have to simply start by doing what Roosevelt did. We have to put a bankrupt financial-monetary system into receivership, for bankruptcy reorganization, to ensure the continuity of functioning of our economy. We have to expand the economy, to absorb the unemployed, to create more employment. We have to start with an emphasis on basic economic infrastructure, which includes education facilities, health care, mass transportation, urban renewal, power generation and distribution, water management, and those kinds of things.

We then, also, have to use that as a basis for stimulating small employers, who generally are high-skilled employers—you know what I mean: The guy who ran the machine-tool shop. And get more and more of those kinds of jobs working, using the public employment in infrastructure as a stimulant for the private contractors who work with these kinds of projects.

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We have to have a target of upgrading our youth in schools. We have to massively upgrade the educational program. We have to aim at a target for secondary schools and higher, of not more than 25 in a class, and generally 15 to 25 as an optimal group for a real learning process in school. We have to restore a scientific education, and a Classical education, in the school system, so we qualify people not only to improve themselves, and to develop, and enjoy that experience, but to go on to professional careers of various kinds in life.

We have to spend about 25 years, from now on, in rebuilding the United States. But, we have to do one thing above all: We have to eliminate the idea that some of you are the bright guys, who are going to run the country, and the others are dummies, who do as they're told. That's pretty much what you have now. You're going to have to have a sense that we are trying to get the maximum creativity out of every person. We don't want stagnation. We want scientific and technological progress. Not merely because it has benefits for us in society, but because you want the individual person, to have the opportunity to participate in scientific and technological progress, as a part of their working life, as a part of their experience, as a part of their identity. We must eliminate the idea, that some people in this society are condemned to be on the lower level, are condemned to be ignorant, are condemned to be uneducated, are condemned to do as they're told. We've got to get the idea of taking a child, who may come from the poorest circumstances, who can rise to being a great leader of a nation. You want that objective. You look at every child, and you say, "What can that child become? Well, let's see what that child can do. Let's give that child the stimulus and opportunity to do so."

Let's do the same thing with people at work: Give them jobs at which they have a chance to progress. And do that with the aid of technological and scientific progress. Give them a sense of being meaningful in their community. Give them a sense of participating, not as people who learn how to "get along" with the society, but people who are citizens of a society, who actually, collectively *make* the decisions, are part of the deliberation process, which settles the policy of the nation.

A Flight from Reality

You know, in the past period, over 40 years, especially since 1977, we've had a degeneration in the United States, where the income levels of the lower 80% of family-income groups, has been dropping, progressively, more and more. You see it! You know it! This was a deliberate policy! A post-industrial utopia!

What we've done, is, these people who are in the lower 80%, more and more flee from reality, because they don't think they really have any power. When they vote, they don't think they have any power. They think they have the power to beg—the power to beg and threaten: "I'll give you my vote;

you give me something." So, they're not thinking about their taking responsibility for saying how the country should be run, how their city should be run. They're thinking about how they can get by, by intimidating or begging from authority.

And you have a society in which the upper 20% thinks they *run* the society; they think the lower 80% are just conveniences. They don't understand what a human being is. And therefore, we've had a problem which has led to this crazy election situation, with Bush.

If we'd been a sane society, Bush could never have been elected, or even appointed. The man is mentality ill, and stupid. How could any—how could honest citizens *think* of voting for such an idiot? But, you find, in the lower 80% of family-income brackets, among people who are not in the worst income brackets, who are between the ages of 30 and 50—and you find among these, religious fanatics, who admire Bush, because he doesn't ask them to look at reality. He gives them fantasy. He says, "I don't have to have a brain. I got my orders from God." And you have people who believe that!

What we have done, is, not only have we oppressed people in the lower 80%, physically and otherwise: What we have done is destroyed their minds, and souls, by taking away from them the sense of a rational responsibility, as citizens, for what happens to our society. We've put them outside society. And if they behave like crazy people, let's not be surprised: We asked them to behave that way! We took away meaningful employment; we shut down the farms, the private farms; we shut down the industries; we ruined the communities. And they're sitting out there, in churches and so forth, and they're going crazy! They're outside the real world, living in a fantasy-life, hoping the Battle of Armageddon will come so they won't have to pay their rent next month. That kind of thing. We did that to our people!

And, we have to ensure, if we want to maintain a republic, that we have citizens—where *every* citizen, including *all* of the lower 80%, see themselves *as citizens*, as someone who is actively involved in deciding, what the nation will do. They don't have to decide *exactly* what the nation will do, but they have to have a *voice in the process of debate*, which determines what the decision will be.

We have to change ourselves back to becoming a true republic. And therefore, we have to put the emphasis on the notion that *man is not an animal*. He's not a doggie; he's not a cat; he's not a monkey. Man is a thinking creature, the only thinking creature apart from God, in the universe. Every individual contains that divine quality, of the power of creativity, which no animal has. Every person is sacred.

And our job in life, and our job in politics, is to provide for every individual, the opportunity to *express* that divine quality in themselves, in some manner of their choice, to give them the access to the education, to the opportunity, to do that. To be a society of ideas, not a society of blind passions.

Thank you.

LaRouche PAC Role in Winning Back Our Country After the Nov. 2 Election

Here is Lyndon LaRouche's opening statement by videoconference at a town meeting in Columbus, Ohio, Oct. 26, 2004.

At the time that a new currency was established in Europe, called the euro, the general tendency at that time was for the value of the U.S. dollar to be equal to the value of the euro, and vice versa. Today, the value of the euro is \$1.29, And it is about to go much higher.

We are facing a financial crash beyond belief. Exactly when this thing will run out of control, in terms of months, is uncertain. But after the election, the lid will be off. And by January and February, we'll be in a terrible situation worldwide, in terms of monetary-financial, and economic conditions.

At the present time, the world is dominated—and the financial markets are dominated—by a kind of cartel among four powers: one, the United States itself; secondly, Western Europe and Central Europe, including the United Kingdom with its Commonwealth appendages; third, Russia; and fourth, China. At present, Russia and Western Europe are in a kind of alliance, or cooperation, resisting the United States, that is resisting the Bush Administration's insanity. But, at the same time, Russia, which is afraid of certain forces in the Democratic Party, such as Richard Holbrooke and Madeleine Albright, fears that the Democratic Party might bring Holbrooke into power, or people like Madeleine Albright. In that case, Russia so far, under Putin, has thought that Bush was less unfavorable for the future of the planet, than the Democratic Party. So therefore, we have to make sure that the Democratic Party does not bring in the Madeleine Albright or the Holbrooke crowd into power, because then we're going to have a problem.

Now the relationship is this: Among the United States, Western Europe, Central Europe, and Russia, we have control of the majority of the world's mineral resources, including petroleum. This is controlled, directly or indirectly, through marketing and financial arrangements. China's role is not that of a repository of vast mineral resources, but, on the contrary, is the biggest bidder on the international market, for raw materials.

Now, you know the price of petroleum is rising. Right now, it's about \$55 per barrel. It will rise higher. It will probably rise to \$75, and could rise to \$100 a barrel. After about two months, this price will come down the line, and you'll

see it at the gas pump, and over the Winter, you'll see it, also, in the cost of heating oil and things like that.

This is about to hit.

What has happened is that the majority of the world's financial speculation has moved into betting on this cartel. They're moving into bets on oil price per barrel. They're using the profits they make on betting on the oil price, like sidebets, and they're pouring that back into covering up the losses of other parts of the U.S.-European economy. The reason that the United States system has not collapsed right now, financial system, is because of this speculation. *But*, come later this year, or the first of the year, the United States is going to be hit by a collapse of the housing market, and many other things. We are looking at a very dangerous period, with cruel effects for most Americans.

Obviously, those of us who are better-informed in these matters, will be hopeful that a Kerry election, a Kerry-Edwards ticket success, will mean that a new combination on economic policy and foreign policy will come into Washington. And not only, as Kerry proposes, to establish closer collaboration with European nations, and others, but that we will collaborate in facing a reality, which very few people, including economists, including advisors to the Kerry Administration presently, are willing to face.

U.S. Needs a New Franklin Roosevelt

We are at a point, as Kerry himself said, in a Wilkes-Barre address [see *EIR*, Oct. 29], we're at a point, where we need a new Franklin Roosevelt. At that time, remember, the world was going fascist. Germany was about to go fascist, and had gone fascist by the time that Roosevelt was inaugurated. And the rise of fascism in Europe was posing a long-term threat to the world. World War II was inevitable, probably during February of 1933, and certainly by August of 1934, when Hitler succeeded Hindenburg and became an absolute dictator.

The whole world would have gone into Hell—except for one thing: that Franklin Roosevelt acted, in order to defeat the threat of fascism. Roosevelt rebuilt the U.S. economy, which was bankrupt. He built it over the objection of bankers—like wealthy bankers today—who were sympathetic to Hitler at that time, bankers who planned a coup against his government, his elected government, in 1934; bankers who went over to the war against Hitler, only because they thought

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"We need a Presidency which is prepared to act Immediately.... Is Kerry prepared yet, or is he sufficiently well informed, to understand that we face an immediate collapse of the world monetary-financial system?" Here, President Franklin D. Roosevelt, in 1933, signs the bill empowering him to reform the nation's banking system—his first important act as President.

their interest lay, and greater advantage, in sticking with the Anglo-American alliance, rather than trying to make a deal with Hitler.

We have a similar situation today. We have the rise of a fascist movement in Europe: in Spain, in Italy, in France, and now, in Germany. We have the same kind of threat we had back in the 1930s, with the same people, or the descendants of the same people. The organization behind this fascist movement, in Europe, in the United States, in Mexico, in Argentina, in Brazil, and so forth, this fascist movement, is the same crowd, the descendants of the same crowd, which were behind the fascist movement which the Nazi Party developed in Mexico in 1935, whom they intended to use for an invasion of the United States in cooperation with Japan; which they developed in Argentina at the end of the war, with the so-called "rat line," where a lot of the Nazis ran through certain Church circles and were stuck down in Argentina.

These people are still around, their descendants. They're still organized. And they're ready to move in, as they were ready to move in years ago.

So, we again, not that we're the best nation on the planet right now—not under George Bush and Cheney—but we still have a tradition. A tradition of the founding of our Republic, a tradition of defense of the General Welfare, a tradition of sovereignty, a tradition of commitment to posterity: that, whenever we have a President who is supported, who follows those policies in a crisis, as President Roosevelt did, we come out, not only alive, but we come out as a leader among nations, to bring other nations to their senses, or to act as a rallying point for other nations to save the world from catastrophe. That is the challenge before us. That is implicitly what Kerry

said, in his Wilkes-Barre address. We need to go back to the Franklin Roosevelt approach to the present world crisis, to the way we deal with other nations around the world.

Is Kerry Ready to Deal With the Financial Crisis?

That's good, so far. The question is, is Kerry prepared yet, or is he sufficiently well informed, to understand that we face an immediate collapse of the world monetary-financial system? That we have to protect, not only the people of the United States against the worst depression imaginable, but we have to also cooperate with other nations, to save the world from that kind of catastrophe? Do we have a President, who is willing to bite the bullet, as Franklin Roosevelt did on the day he walked into office, when there was not even a pencil left on his desk by the departing Herbert Hoover, to start to govern the country? And he acted, with measures like the bank holiday and others, to bring bankrupt banks-of

which we have an abundance in the United States—to bring them under government protection, to reorganize them, and to get the economy moving again.

The challenge, the chief challenge, before the President of the United States now, presuming that Kerry's going to be the President, is to take the same kind of action that Franklin Roosevelt took, in dealing with the banking crisis.

The financiers of the world shall not control the destiny, the lives of people, the life of our nation. The nation comes first; the people come first; the financier interests come second, or third.

It's perfectly possible for us, with what I know, to reorganize this system, as Franklin Roosevelt did—the same principles, but there's new complexities to be dealt with, but the same Constitutional principles—to get the United States safely out of the crisis into which the Bush Administration has currently plunged us. We're at the end of our rope. Maybe there's a couple of inches left on the rope—but two more inches or three more inches down, and we drop off, and that's it.

So, we need a Presidency which is prepared to act immediately.

Now, my function in this process, because of my position as the most successful long-range forecaster, in the past 40-odd years, is to provide the advice, for the Democratic Party and for others, on how to deal with this crisis. It's very good, when people say they're going "the Roosevelt way." But, do they understand what that means? Particularly after the past 40 years of degeneration of the U.S. economy? We have to show them what the answer is.

So, my job now is to do everything I can to get Kerry



The function of LaRouche PAC will be to provide "guidelines for rebuilding the U.S. economy." On the Ohio River there are lock systems which are "in danger of breaking up." McAlpine Lock, on the Ohio River near Louisville, Kentucky, shown here, was closed this Summer for emergency repairs, which closed the Ohio River to barge traffic for two weeks. The outdated lock is in the process of being replaced by the U.S. Army Corps of Engineers.

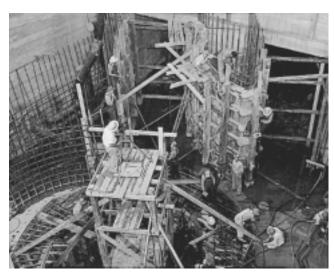
elected. My job, at that point, is also to make sure that the Kerry Administration, then, has the kind of economic advice it needs *desperately*, to deal with the crisis for which it is not, intellectually, yet prepared.

Rebuilding the U.S. Economy

Now, during the coming period, the coming weeks, our function in this PAC, will be to provide you, and provide others, with guidelines for rebuilding the U.S. economy. First, as you will see tomorrow in the webcast, which we're doing between Washington and Cleveland, Ohio: You will see a beginning of some of the kinds of illustrations we're using to educate American people in the ABCs of how an economy works.

Let me give you an example: If you go down from Columbus to the Ohio River, and you go down toward Louisville, you will find a lock system, which is now in danger of breaking up. The reason for that is that the major water systems of the United States, like the river systems of the Ohio, Mississippi, Missouri, and so forth, these water systems have about a 40-year capital life. That is, we make improvements which build these things up to functioning, like locks and dams and things like that. And remember, you can't move coal from the mines down the Mississippi River, without these locks and dams. Once these locks and dams shut down because they're not maintained, you're going to have a crisis for that account alone. And you're going to have a *power* crisis, because you can't get the coal shipped to where it's needed.

So therefore, we have to rebuild the locks and dams of the United States, and other water systems, such as local and municipal water systems, which are part of our environment: We have to rebuild them.



The immediate thrust of putting 10 million people back to work "will be in things like . . . locks and dams. . . . My intention is that the Corps of Engineers shall take over these jobs, and rebuild these dams and locks." Here, the generating unit of the Wilson Dam in Alabama is shown under construction, as part of the TVA project during the Franklin Roosevelt Administration.

We have to, in effect, put 10 million people, who are really unemployed now and should have jobs, we have to put them back to work. The immediate thrust of that will be in things like that—for example, locks and dams. This is an area, which, in the Federal area, is largely a responsibility of the Corps of Engineers. My intention is, that the Corps of Engineers shall take over these jobs, and rebuild these dams and locks, which it is qualified technologically, in terms of leadership and tradition, to do. But, they're going to need labor to help them in the program. Therefore, that's one place we're going to create jobs.

We have power stations. Now, power systems that generate and distribute power, have a physical capital life of about 40 to 50 years. They're breaking down, because about 40 years ago, we stopped the process of building up infrastructure, and also maintaining it. So, now we have various kinds of capital systems, which are disintegrating.

We had, years ago, especially since 1977, a destruction of American agriculture, what we used to think was American agriculture. We have ruined whole parts of the country—including the state of Ohio, to say nothing of the Western states. We have people in their 70s, who are still farming. And when they go out of business and retire, there is no longer farming in those areas. Those farms fold up entirely!

We have industries we've lost, especially the high-tech industries, the closely held ones, the machine-tool shops and things like that, which are the rock bottom of the economy.

We need to have the power to be able to deal with this, as well as infrastructure development. We need to rebuild our school system—it's a joke! I mean this "No Child Left Behind" is a joke! George Bush was left far behind, and then

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The major water systems of the United States have about a 40-year capital life. "Once these locks and dams shut down, because they're not maintained, you're going to have a crisis for that account alone. And you're going to have a power crisis, because you can't get the coal shipped to where it's needed. So therefore, we have to rebuild the locks and dams of the United States."

became President! This is not a good program. We need a real school program, like we used to have, in which the class size is 15 to 25 at most, between 15 and 25, in which teachers are actually teaching concepts, not memory courses or rehearsals for passing examinations, in which teachers have time to do preparation, do advisory work for students. We need to produce students who graduate from secondary school and universities who are qualified for the kinds of high-technology jobs on which the future of the United States depends.

For example: Look around the world. You have China, India, other countries in Asia. These countries are very populous. India has a section which is rather high technology; China, too. But most of the population of 1.3 billion in China is poor. Much of the population of India, is similarly very poor. In Southeast Asia, other parts of the world, they're very poor. Therefore, they can not develop, effectively, to meet their needs without high technology.

Much of that is going to have to come from Europe and the United States in particular. Therefore, if we are going to compete, to exist in the world, we have to go back to becoming a high-tech export nation. This means we have to educate and develop our population; develop our communities; develop our schools in ways which lead to that kind of result.

So therefore, we must change a lot of things. We must use basic economic infrastructure as a place of employment, to repair things that need repairing in basic economic infrastructure, and as a key part of putting 10 million Americans back

to work, or to work where they should have had an opportunity before.

We will then use the market created in each state, by infrastructure employment, to generate employment opportunities and expansion of private businesses; partly as contractors to Federal, state and local governmental projects, for which government credit will be supplied, over the medium to long term, at 1 to 2% credit.

The LaRouche's PAC's Job

So, what we need now, with this kind of picture I've just indicated in outline: We need a government which understands this, is prepared to act as Franklin Roosevelt was prepared to act in the same direction; use the lessons of Franklin Roosevelt's frustrations and experience to help guide us, and rebuild this nation. We can defend the dollar. We can defend our economic position internationally. We can secure the cooperation we need from other nations for this purpose. These things can be done. But we have to understand: It has to be done.

We have to put *content*, into the excellent statement made by Kerry, in his Wilkes-Barre address in particular. We have to go back to the model of Franklin Roosevelt's leadership in getting us out of the last Great Depression.

So therefore, during the coming period, what my PAC will be doing is providing educational materials of the kind which are not available from any other source in the world, on dealing with the technicalities of this, and educating people to understand what these technicalities are.

So that's my job. And we're going to be around, after the election. We're going to be doing that job.

Suppose that, by some mischance, this poor fellow, this lame-brain Bush were re-elected: Well, we can only hope that the Democratic Party will find enough Republicans in the House and the Senate, who will defend the country against the neo-cons, and will put checks and balances on this lunatic Bush-Cheney Administration. That's our only option.

The best option: Elect Kerry. Inform him, advise him, strengthen him, along these lines. The worst option—but we've got to take whatever we can get—if the fraud being run by the musclemen of the Republican Party in Ohio and elsewhere works, we're going to have to rely on the conscience of many elected Republican officials—on the Federal level in particular—to cooperate with us, to say, "We're not going to sell the nation down the river, just because two idiots, one thug and an idiot, were re-elected."

Okay, that's what I have to say for the moment.

The Bush Presidency: An Article of Faith

by Dr. Justin Frank

Dr. Justin Frank, M.D. authored Bush on the Couch: Inside the Mind of the President, published by HarperCollins. On Oct. 25, he responded to a New York Times Magazine feature on President Bush, by Ronald Suskind, with the article we reprint in full below.

Suskind's Oct. 17 article, "Without a Doubt," was an exposé of the President's fanatical fundamentalism. Even before 9/11, Suskind says, Bush's inner circle was tightening; he displayed a "bullying impatience with doubters and even friendly questioners." By the Summer of 2001, Bush was telling his followers: "Have faith in me and my decisions, and you'll be rewarded." After 9/11, it got worse.

Suskind cites the following incident:

"In the summer of 2002, after I had written an article in Esquire that the White House didn't like about Bush's former communications director, Karen Hughes, I had a meeting with a senior adviser to Bush. He expressed the White House's displeasure, and then he told me something that at the time I didn't fully comprehend—but which I now believe gets to the very heart of the Bush presidency.

"The aide said that guys like me were 'in what we call the reality-based community,' which he defined as people who 'believe that solutions emerge from your judicious study of discernible reality.' I nodded and murmured something about enlightenment principles and empiricism. He cut me off. 'That's not the way the world really works anymore,' he continued. 'We're an empire now, and when we act, we create our own reality. And while you're studying that reality—judiciously, as you will—we'll act again, creating other new realities, which you can study too, and that's how things will sort out. We're history's actors . . . and you, all of you, will be left to just study what we do.' "

As the nation's effort to comprehend its often-contradictory President reaches a fever pitch in the closing days of the campaign, members of the press have come up with one theory after another to understand Bush's strength as everything from his common touch, to his Oedipal need to succeed where his father failed, the appeal of his apparent decisiveness, and on and on. Yet, he remains opaque.

The most recent theory about Bush comes from Ron Suskind, put forth in a *New York Times Magazine* essay about Bush's faith-based Presidency that portrays the President as a man who makes decisions according to his closeness to God.

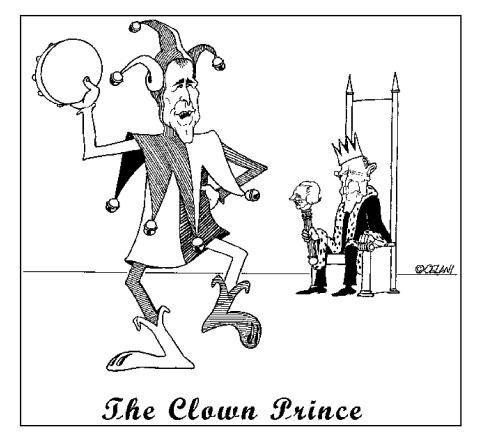
Suskind says that Bush is supremely confident, and that he demands that his staff have complete faith in him as well, meaning that his staff must remain loyal to whatever Bush wants or decides to do.

As a psychoanalyst, I explore the fantasy lives of my patients, examining with them their internal tendencies to distort reality, based on their own personal life-history and their relationships to important people from their past. We look at how they superimpose past experiences on current ones. I have also studied, using the lens of applied psychoanalysis, how President Bush makes decisions based on his own past as well as his own feelings and anxieties about those events. In my book-length study of the president, Bush on the Couch, I came to the conclusion that Bush's major goal, both as a human being and as President, is to win the war against the terror provoked by his own inner fears. And as the events of recent weeks have forced the President to confront the possibility that the central tenet of his deeply-engrained world-view—that he will be elected to a second, divinelyordained term—may be in jeopardy, the inner chaos that Bush seeks to regulate through certainty has been more clearly on display than ever before in his brief public life.

Even a cursory study of the familiar elements of Bush's biography confirms that his is not a life-long journey searching for truth or even for God. Rather, it is a lifelong pursuit of relief. In his childhood and early youth, that relief was comic: he was the jester, trying to comfort his grieving mother (who golfed on the day after his young sister's death) and distract others from recognizing the disabilities that his preoccupied parents never recognized or treated. In other efforts to reduce his anxiety, Bush as a child blew up frogs with firecrackers and ten years later branded Yale fraternity pledges on the buttocks. He developed a sarcastic and mocking style as yet another method to hide his personal shame through shaming others. The anxieties these behaviors masked were soon narcotized by alcohol, and as, as we all know, Bush reached a turning point around his 40th birthday when he exchanged one form of relief for another, replacing alcohol (which was starting to create as much need for further relief as it was offering) for a born-again Christian, fundamentalist faith. Mr. Suskind accurately notes that faith has become central to the President's conduct of his office.

What Mr. Suskind and others overlook, however, is the psychological function of Bush's faith. As he openly stated in the third presidential debate, Bush's faith is driven by a need for calm. I think, however, that he can only reach that calm state if he leaves behind all curiosity and inquiry, and then uses faith to justify his incuriosity—which he then uses to make himself think and act certain about his courses of action. His faith is based on an almost desperate need, as is the certainty that he affects in its name. Certainty is not an expression of faith, but a defense against anxiety. People who have non-defensive faith are open to new ideas, not closed. But Bush uses faith and certainty as a way to block thought,

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as a way to protect a mental apparatus compromised by years of massive anxiety, inability to pay attention, heavy substance abuse, disregard for rules, and a lifetime of having been rescued from potential disasters by family or family surrogates.

That Bush is brimming with anxiety was obvious to anyone watching his debates against Kerry. While in each debate Kerry was relatively consistent, slightly detached, and thoughtfully presenting his arguments against Bush, the President was remarkably inconsistent in his response; trapped behind a podium, unable to physically discharge his anxieties, he was hesitant and testy in the first debate; the following week, he could scarcely stand still, impatiently jumping from his stool to interrupt; and finally last week pasting an unconvincing smile on his face when he wasn't slipping into a mocking yet nervous cackle.

In that last debate, the massive amount of effort that went into Bush's attempt to look confident was as obvious as the bit of spittle on the corner of his mouth (which has engendered the new term spittlegate, but which some professional colleagues told me they thought might indicate use of amphetamines to help control his impulsive behavior of the previous debate).

In all three debates he fell back on his childhood's preferred approach to anxiety management, either by playing the role of the class-clown interrupting serious discussion of important issues by attempting to tell jokes (which usually fell on deaf ears), or by attempting to mock Senator Kerry any chance he got.

In the White House, Bush's preferred mode of anxiety management could be described as "message management," the almost mantric repetition of familiar phrases that are clearly used to control communication rather than instill it with meaning, and in all three debates he retreated to fixed mantras, from "hard work" in Debate I to "no child left behind" in Debate III. And in all three debates he displayed his uncanny ability to avoid answering direct questions, stock in trade for most politicians, perhaps, but evidence of the desperate anxiety inspired by having to face questions he needed to evade. Suskind creates a vivid portrait, chilling to some, inspiring to others, of a faith-driven President who looks to prayer for solutions, who feels certain about the world because of his link to what he calls a "higher authority."

But there is a difference between having faith and using faith. Bush uses

faith as a weapon against doubt, against anxiety, against having to do the work of thinking about reality. When he mocks others, whether it be Kerry or the entire state of Massachusetts, Bush openly turns his back on faith, revealing to all that his faith is not only a shield but also a weapon. His arrogance is defensive: certainty is not a sign of strength, or even of resolve. By accusing Kerry of being willing to say anything, Bush expresses his own fears, his own need to cling to disproved ideas and even to lies to protect himself from his own anxious impulsivity, seen to best advantage in Debate II. To take Bush's faith at face value, as so much of the media is apparently willing to do, fails to recognize it as a defense; to leave so much of Bush's psyche and motivation unexplored beyond the descriptive level engages in analysis as based in faith as Bush's own.

To have faith in Bush's faith, if you will, is to ignore that Bush's peculiar affect of certainty does not imply strength, despite heavy-handed appearances to the contrary when Bush swaggers around his faithful minions. This kind of certainty reveals fragility. Bush is too fragile to entertain different perspectives. By mis-defining it as strength, one misses the central element in Bush's struggle to superimpose belief onto reality. It is an attempt to fend off and eradicate his fears of reality, fears which ultimately reveal immense fragility. For those of us who live in reality, as Suskind makes clear, the threat could unfortunately not be more dire.

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National News

Bush Wants \$70 Billion More For Iraq War

The Washington Post on Oct. 26 reported that the Bush Administration will seek \$70 billion more to fund the wars in Iraq and Afghanistan. According to a number of Congressional, Pentagon, and White House officials interviewed by the newspaper, by early next year, President Bush will seek \$70 billion in additional war funding from Congress, if he is re-elected.

Already, Pentagon officials are scrambling to come up with the supplemental request, which is to be finalized shortly after the Nov. 2 elections. This \$70 billion supplement to the \$25 billion and \$87 billion that Congress approved in the past year, brings the "official" cost of the Iraq and Afghan military operations to date to \$225 billion. However, this figure represents only a portion of the total military cost, as it does not include the replacement costs of ammunition and other materiel, and other huge budget components.

GOP's DeLay, Cantor Lash Out at LaRouche

The National Republican Campaign Committee on Oct. 21 sent out a press release, headlined "Congressman Eric Cantor Calls on Texas Democrats to Apologize for Connection with Anti-Semitic Lyndon LaRouche; Calls on Morrison, Frost, and Pelosi To Disavow LaRouche Involvement in House Campaigns."

Cantor (R-Va.) demanded an apology from Texas Democrats, including candidate Richard Morrison, who is running against the embattled ultra-conservative House Majority Leader Tom DeLay; Martin Frost (D-Tex.); and House Minority Leader Nancy Pelosi (D-Calif.).

Cantor offered no evidence to support his libelous and absurd charge that LaRouche is an "anti-Semite." He went on to say that "Richard Morrison's choice to host events coordinated and apparently sponsored by Lyndon LaRouche indicates that Texas democrats are either comfortable with LaRouche's anti-Semitic ideas, or are so incompetent that they should not be trusted to lead our nation."

Up until this communiqué, DeLay had refused to even acknowledge that he had an opponent. His voter support has been slipping in the polls.

Then, on Oct. 27, the *Pasadena Citizen*, a Texas newspaper, published an article headlined "DeLay, Morrison Swap Charges." DeLay is quoted saying, "LaRouche is a con felon and all I can tell you is that Mr. Morrison has supported and campaigned with LaRouche followers." Morrison is quoted replying that DeLay is using his connections in Washington to fight his own battles. Morrison attacked DeLay for not addressing the issues facing voters in the district, and challenged him to come forward and address his recent legal and ethical problems openly, "instead of using his Washington friends to lodge attacks."

Lyndon LaRouche characterized De-Lay's response as "a big mistake," adding that he is "obviously in a lot of trouble."

Conservative Theologian Nails Bush Economics

Glen Harold Stassen of Fuller Theological Seminary, a conservative theologian, attacked the Bush Administration for economic policies that promote abortion, in a commentary in the *Houston Chronicle* on Oct. 17, titled "Why Abortion Rate Is Up in Bush Years."

Abortions were at a 24-year low when Bush came to the Presidency. Federal abortion statistics only go to 2000, and some states do not report, but Stassen and co-author Gary Krane got data for 16 states from Minnesota Citizens for Life, which uses the Guttmacher Institute's studies. Extrapolated to the nation, they project, for example (in an Internet exchange after publication of the commentary), an increase in abortions for 2002 of 21,500, instead of a decrease of 28,000 expected from the steady downward

trend of the preceding years.

But the core argument is not statistical: "Two-thirds of women who have abortions cite 'inability to afford a child' as their primary reason. In the Bush presidency, unemployment rates increased half again. Not since Herbert Hoover had there been a net loss of jobs during a presidency. . . . Average real incomes decreased, and for seven years the minimum wage has not been raised to match inflation. . . . Half of all women who abort say they do not have a reliable mate. And men who are jobless usually do not marry. . . . As male unemployment increases, marriages fall and abortion rises.

"Economic policy and abortion... form one moral imperative. Rhetoric is hollow, mere tinkling brass, without health care, insurance, jobs, child care, and a living wage."

Stassen is an initiator of the theologians' attack on Bush's "theology of war."

Ohio Judge Rips Voter Disenfranchisement

The Federal judge who, during the week of Oct. 11, issued an injunction against Ohio Secretary of State Ken Blackwell for ordering election officials to unlawfully restrict provisional balloting on Nov. 2, chastised Blackwell for issuing confusing instructions to local officials which would disenfranchise many voters, the *Toledo Blade* reported on Oct. 21.

After Judge James Carr had enjoined Republican Blackwell from enforcing his previous order to local officials, Blackwell then submitted a revised order for the court's approval on Oct. 20. The judge was no happier with Blackwell's new order, charging that "Blackwell apparently seeks to accomplish the same result in Ohio in 2004 that occurred in Florida in 2000."

"By [failing] to inform election officials that they must permit persons to vote provisionally even when they believe such persons are not eligible to vote, Blackwell's proposed directive would disenfranchise all such individuals," the judge said.

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IT'S NOT JUST FLU

Weakening U.S. 'Herd Immunity' Means More Infectious Threat

by Marcia Merry Baker

For several years running, health experts internationally have warned that the world is overdue for another influenza pandemic; that is, we should be expecting a new mutant strain of flu to come along, that will hit on the scale of one of the three 20th-Century global flu pandemics—1918, 1957, and 1968. Ignoring these warnings, the U.S. government has not only allowed the takedown of medical care delivery infrastructure as such—hospitals, public health staff, reserves of vaccines, etc.—but in the course of that policy, has contributed to the declining "herd immunity" of the U.S. population at large.

For example, there is now resurgent tuberculosis—much of it drug-resistant—West Nile virus morbidity in all 48 continental states, extensive hepatitis of various kinds, and AIDS/HIV. All of these microbial disease patterns exist in addition to the categories of known vulnerabilities to annual "normal" influenza; namely, among the very young, very old, and those with chronic illnesses and impaired immune systems (cancer, diabetes, asthma, surgery patients, etc). These account for a large number of the 60,000 or more pneumonia deaths annually, in particular among the elderly.

From place to place, the varying presence of persistent and new infectious diseases means that even if the United States sees only a "mild" flu strain this season, and even if this year's trivalent flu vaccine shot hits the right strains, America is guaranteed thousands of needless deaths and widespread illness from the shortage of flu vaccinations, and the refusal to re-direct scarce supplies by the pre-election Bush-Cheney "Go Flu Yourself" attitude.

In the latest manifestation of the Bush/Cheney do-nothing policy, the Centers for Disease Control and Prevention announced, in the last week in October, the formation of a new,

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permanent panel of ethicists to help decide who will get the flu vaccine. This is another Bushism, another mockery à la his favorite sound-bite pledge to "put none of our people in harm's way."

Map of Vulnerabilities

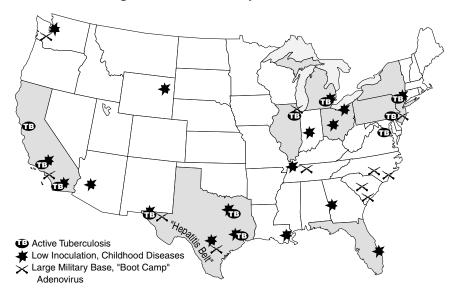
The map shown here illustrates the principle involved in the decline of American "herd immunity"; namely, that more sub-groups and locations of the overall population are needlessly subject to an increasing number of infectious diseases.

In fact, the death rate in the United States from infectious diseases of all kinds has been rising over the past 20 years, after falling for the previous eight decades. Even excluding deaths from the "new" viral disease of AIDS/HIV, the United States' crude death rate from infectious diseases reached 57 per 100,000 people in 1999, way up from 41 in 1980. Add to that, deaths from AIDS/HIV, and the crude death rate reached 61 per 100,000 in 2002. These figures are from the 2003 report, *Microbial Threats to Health: Emergency, Detection and Response*, published by the Institute of Medicine of the National Academies of Science.

In **Figure 1**, the base map shows the nine states with the largest absolute numbers of people over 65. (Other states may have a higher ratio of over-65 population, but smaller absolute numbers.) The United States had 38 million people 65 or over as of 2003. The nine states shown have just under 10% of these citizens; over 17% of Florida's residents are 65 or older.

Superimposed on the pattern of where many older citizens live, are three selected features of infectious disease outbreak threats, among many of those present in the United States

FIGURE 1
Infectious Disease Clusters of Outbreaks and Potentials;
States with Large 65-and-Over Populations



Source: Centers for Disease Control and Prevention; EIR.

today. Mapped are: 1) clusters of current tuberculosis cases; 2) locations of low inoculation rates of children for childhood diseases; and 3) sites of large military bases, potentially subject to various "barracks bugs," that pose a threat to the population at large. (It was from and through the domestic military barracks that the devasting killer flu of 1918, known as Spanish Flu, first spread.)

The Hepatitis Belt: In addition, the Mexico-United States border region is denoted as the "Hepatitis Belt," a term used by health workers since the first Bush Administration, to sound the alarm about the lack of safe water and sanitation in this zone. There are high rates of *E. coli*, fecal coliform contamination, hepatitis, and even Vibrio cholera (as of 1992).

Tuberculosis: The *TB* symbol on the map locates the cities and counties with the highest number of current tuberculosis cases, including the metropolitan regions of Los Angeles and San Francisco, New York City, Washington, D.C., Detroit, and others. The Center for Disease Control's (CDC's) 2003 TB Surveillance System data show that in certain regions of the United States, rather than a decline in number of new TB cases per 100,000 people, the numbers have increased over the past three years, after falling since a Federal anti-TB intervention was launched in 1992 to combat what was then a dangerous resurgence of the disease.

California, New York, and Texas, which have 29% of the nation's population, have 42.4% of the nation's TB cases, and their numbers are rising. Whereas the national average rate

per 100,000 people for TB in the United States is at 5.1, in California it is 9.1; in New York, 7.7; in Texas, 7.2; and above the national average in Florida, Georgia, Louisiana, and New Jersey.

The CDC data also show that the rate per 100,000 for African Americans was 9.1, well above the national average; and with 3,041 of the 14,871 new cases in 2003, they constitued 20% of the cases nationally.

Low inoculation rate for child-hood diseases: The Bush Administration boasts of a rising national "average" vaccination rate for childhood diseases (diphtheria-tetanus-pertussis, measles, mumps, rubella; also smallpox); but it is the singularity of regions where vaccination rates are perilously low, that is the jumping-off point for disease outbreaks.

The map locates many of the counties with the lowest rates, as reported by the CDC in 2003. The pattern reflects the influx of immigrants, and poverty areas, with Texas in the lead, and

including California, Florida, New York, and Louisiana. Chicago, Atlanta, Detroit, and other cities are in this category; now Cleveland and other points in Ohio have fallen into it.

'Boot-Camp Bug'

For reference, Connecticut represents a decent vaccination rate of 89.1% for the most comprehensive (and essential) vaccination regime, for children 19-35 months of age, according to the CDC. The worst state is Dick Cheney's Wyoming, where only 56.8% of children are vaccinated with the full regimen. A childhood vaccination rate below 70% is considered seriously low.

The following are the low rates shown at some of the sites on the map: Texas—Houston County (63.3%), Dallas County (67%); Arizona—Maricopa County (69.3%); Louisiana—Orleans Parish (68.4%); Michigan—Detroit (64.1%); Ohio—Cuyahoga County/Cleveland (65.9%); Indiana—Marion County (65.9%); Tennessee—Shelby County (68.9%).

"Boot Camp Bug"/Adenovirus: The adenovirus, a respiratory illness presenting flu-like symptoms, has many mild forms, but to ward off certain deadly strains, an oral vaccine was developed 35 years ago. Starting in 1971, the Department of Defense used the vaccine routinely among recruits. The illness is called "Boot Camp Virus," because of easy contagion under the confined conditions of the barracks, the stress among new recruits, etc. But beginning in 1996, the vaccine

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was phased out in the military, only for cost-cutting reasons.

According to an analysis of military health-care records by investigative reporter, Michael J. Berens, in the *Seattle Times* on Oct. 14, "The respiratory virus now infects up to 2,500 service members monthly—a staggering 1 in 10 recruits—in the nation's eight basic-training centers."

The military symbol on the map locates several basic training centers, and other large bases. Internal military reports obtained by the *Seattle Times* record that at least six recruits have died from illness associated with the virus—four within the last year. A Defense Department decision had been made to resume the vaccine, but efforts to ramp up production are going so haltingly that its first use may be in 2007 to 2009. Berens reports, "Military foot-dragging

and high turnover of procurement officers have caused the replacement vaccine to fall behind schedule."

Boot camp virus spreading beyond military personnel, and is a general threat. Physicians at the Madigan Army Medical Center, Tacoma, Washington, reported six children of military staff diagnosed with the virus last Winter.

'Still Unprepared'

The U.S. map of clusters of incidence or potential, for just these four disease-types, underlines the general point about the entire spectrum of much-increased microbial threats to health today. In the face of this—and the annual lack of sufficient supplies of the common vaccines in recent years—the Administration's refusal to take required Federal

LaRouche on Health Policy: 'Enron-Type Dereliction'

Lyndon LaRouche was interviewed on Oct. 22 on Cincinnati radio, by talk show host Mike McConnell; the topic of preparedness to handle disease came up in the discussion of national security.

McConnell: Subject here will revolve largely around the lack of flu vaccine and who might be responsible for this. . . . Now, you make a point that you believe, this is according to the *Executive Intelligence Review*, that the lack of flu vaccine here falls—that the responsibility falls into the lap of President Bush.

LaRouche: It does, in many respects. First of all, he was very defiant in excusing himself in the third debate, which is hurting him badly, especially with people over 50 or 60 years of age, right now. But the problem goes more deeply on this, on the problem itself. But it goes to his philosophy of government, that the proper way to handle this problem is to put the responsibility on this program of—to the National Institutes of Health, and to have the government take the responsibility for the research and then, under government contracts, contract the production of the supply of vaccines as needed. There are other areas of health care which are in the same category of research, division between research and pioneering, and actually the follow-up by other agencies.

And what's happened in health care in schools—that is, immunization in schools—what's happened in the takedown of all of our Federal and related capabilities under Bush, is really a tragedy. And that's where the problem lies with Bush. The hard issue is, of course, the immediate flu vaccine shortage, an Enron-type case,

but the longer-term-

McConnell: Now, just step back. How do you compare this to Enron?

LaRouche: Well, the Chiron case. This is a case in which we should have had—we probably have 30% of the capacity to produce what we need for flu vaccine this year. We have also an incalculable situation, which is partly increased by the lack of vaccination in schools. Therefore, we have a "herd immunity" factor which gives us an incalculable risk on this kind of thing. Nobody knows what the risk is on this thing, but the point is—

McConnell: But, I mean, we haven't had successful flu vaccines for that long. We didn't even get good at this till about 1995. . . . Somehow our ancestors made it to this point in time, putting up with the flu on a regular basis.

LaRouche: Well, we remember 1918, and Ohio in particular. My mother was an Ohio resident at the time, and she was knocked in the hospital and near death in 1918, along with many others. The vaccine—there's a myth about vaccination, which is dangerous. People believe that a vaccination protects you against the infection. It does not. It helps you build up your immunity against the infection, and many people take risks, assuming they're protected by vaccination. Therefore, vaccines get a bad name because people have an unrealistic expectation of their benefit. They are simply ways of trying to moderate and control the spread of, the intensity and spread of, dangerous infections.

McConnell: Even in the best of times, those who produce vaccines don't believe they can get it 100% accurate. They believe that they can hit it about 85-90% of the time.

LaRouche: Absolutely, but that's the point. And the effect, the benefit to the population of those kinds of numbers, is great. We actually have the potential ability to

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emergency measures is criminal.

In the past two issues of *EIR* (Oct. 22 and Oct. 29), we have presented the parameters of the decades-long takedown of America's public health system, and the record of nonfeasance by the Bush-Cheney Administration to allow this season's flu vaccine production to depend on only two suppliers, one known to be using an offshore facility with a risky history of contamination problems.

A new summary picture of the lack of readiness to handle bio-threats was issued in October, by the Democratic Staff of the House Select Committee on Homeland Security. The 30page report, titled, "Bioterrorism: America Still Unprepared," surveyed officials from 100 state and local health departments (including such major locations as New York City, New Orleans, and St. Louis, as well as rural areas). Reductions in Federal funding assistance have undermined preparedness, according to the majority of state and local health officials contacted. The report notes that Federal funding for public health preparedness has declined by 18% since Fiscal Year 2003, with another 11% cut proposed by President Bush for Fiscal Year 2005.

The report notes that the Department of Health and Human Services would *not* release preparedness information to the Committee, leading the staff to conduct its own survey. "We must do all we can, as fast as we can, to protect the United States from . . . the outbreak of a pandemic influenza," declared Rep. Jim Turner (D-Tex.), Ranking Member of the House Homeland Security Committee.

prevent the kind of effect we had in the 1918 flu epidemic. We can't stop the infection, but we can moderate the effect within the population, so the spread is not as intense and the levels reached are not generally as high.

McConnell: Well, I'm sure if we expected to have something along the lines of the Spanish flu—which is what circled the globe in 1918, killing more people than died in World War I, which had recently ended—if we knew it was something of that intensity, we certainly would've geared up to make sure *every American* was immunized against the flu. . . . There's every reason to believe this is a mild flu season, so what's the problem?

LaRouche: No, it is not a mild flu season. The expectations are of a much more severe case, because the herdimmunity factor in the United States is down, because of economic factors, because of the loss of vaccination and so forth, in schools—because children are one of the key vectors in this process. Many other factors. So there was a totally irresponsible behavior on the part of the present Administration in dealing with this problem—or, we say, irresponsible, but maybe they didn't know what was going on, maybe they weren't capable of knowing what was going on, but they goofed. . . .

McConnell: What immunizations are we not giving in schools?

LaRouche: For all kinds of things, childhood diseases, things of that sort.

McConnell: We never got those at school. My daughter never got those at school. You went to the doctor for that.

LaRouche: Well, the same thing. This was in the school, period. You had a relationship between the private physician and the school, that the children coming into the school were vaccinated. And that program has been

downsized. . . . We're very negligent these days. . . . It's like national defense. It's a different kind of national defense. We are supposed to have an institution, various institutions—of the Surgeon General, for example, such as the NIH [National Institutes of Health]—or institutions which are responsible for Federal overview of these things, and to report to the Congress and others, as well as through the Administration, on what these problems are, and what we should do about them.

McConnell: Yeah, but when it comes to a kid not being vaccinated for school, that's a local School Board issue, not a Pennsylvania Avenue issue.

LaRouche: It is implicitly—ultimately, the buck stops at the top. And the Federal government, all the way down. All our good systems work that way. If the Federal government took its responsibility, whether at the executive level or at the level of Congress. . . . We made enabling legislation which provided means for cooperation with states and local communities and private facilities to handle problems. We had an intelligence responsibility—that is, the Federal government has an intelligence responsibility for advising various aspects of the institutions on what the problems are, because no local institution has that ability, that power.

Therefore, the Federal government has a defense responsibility for defense of the General Welfare, which it can not solve entirely by itself, but it can not abandon that responsibility.

McConnell: Does this Administration have a policy of saying kids do not have to be vaccinated to go to school anymore?

LaRouche: Their policy is much different. The policy is like the Enron policy. The policy is, we want our friends to make a lot of money. And we will overlook a few things which may stand in the way of what's called free trade.

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Bush/Cheney Cut Health Budget in Vaccine Crisis

by Paul Gallagher

While deploying Health Secretary Tommy Thompson across the country in the last pre-election week to reassure governors and state health officials that "there is no flu vaccine crisis," President George W. Bush was angrily contradicted by a growing chorus of health experts, and by events on the ground. Bush and Vice President Dick Cheney claimed that their government's health agencies were doing everything possible to solve the flu vaccine crisis, which their negligence had brought on, in the face of three years' expert warnings of disappearing vaccine production capabilities. But astonishingly, even as they spoke, the White House was proposing to cut the ongoing year's budget of the Centers for Disease Control and Prevention, the agency in charge of the flu response. The White House is doing this while preparing to ask for another \$70 billion in funding for the military occupation of Iraq.

The same President Bush who ignored official warnings since 2001 about a collapse of vaccine production, and who then gloated in the last debate with Sen. John Kerry that he, personally, didn't need a flu shot, is now acting knowingly to perpetuate this vaccine crisis into next year. Vice President Cheney's home state has the lowest child-vaccination rates in America. Bush and Cheney are handling the public health crisis as they've handling Iraq—with gloating smugness and a refusal to admit mistakes or their consequences for human lives.

Experts Want Emergency Declaration

These were the leading developments in the crisis:

• The doctors who head the infectious diseases units at the University of Florida, the University of Miami, and the University of South Florida, on Oct. 27 called on the President to declare a national emergency. They voiced their "grave concern" over the shortage of the influenza vaccine in Florida. "Although it is claimed there is no crisis, we disagree," they wrote in a letter to the editor of the *St. Petersburg Times*. "We have received less than the 50% allotment expected. As experts in the field of infectious diseases, we know that if our high-risk patients are not vaccinated, the consequences could be grave. We ask the Administration to declare a national state of emergency and recall all available supplies of vaccine so that they can be redistributed immediately to those most in need of protection. . . . We recommend recall from all commercial vendors not affiliated with established health care

delivery systems."

- As these experts spoke out, health officials in Jefferson County, Alabama, including the large city of Birmingham, announced that they had no flu shots remaining from a supply of 9,900, and did not expect to have any more for 4-6 weeks, deep into the flu season, which has now hit only about a dozen states. The governors of Illinois and Oregon were in daily confrontation with Health and Human Services Secretary Thompson over more than 200,000 flu shots they wanted to import from Canada and Germany, which the Food and Drug Administration (FDA) of HHS would not license.
- On Oct. 27, a U.S. District Court judge barred the Pentagon from continuing to compel all troops to receive the "investigatory" or experimental anthrax vaccine, because the FDA has been approving this mass vaccination of soldiers for two years without ever licensing the drug. This decision threw into bold relief the FDA's holdup of importation of flu vaccines, approved and in use in Canada or Europe, on grounds that it had not licensed them for use in the United States. The Bush-Cheney Administration fears importing flu vaccines would open the door to re-importation of other pharmaceuticals from Canada, which it—and the pharmaceutical lobby—opposes.
- Rep. Henry Waxman (D-Calif.) released a damning letter to FDA Commissioner Dr. Lester Crawford on Oct. 26, in which Waxman said he had evidence that Crawford was deliberately withholding from Congress—until after Election Day—documents on the Chiron Corp.'s flu vaccine production debacle, which had been gathered within FDA and sent to Crawford's office to fulfill a direct request of the House Committee on Government Reform. Waxman told Crawford that "a confidential communication from inside your agency" informed the Committee that Crawford had the documents—which the Committee had asked him for on Oct. 8—in his office before Oct. 22. On that date, Crawford claimed to the Committee that FDA was so busy looking for more flu vaccine, they could not collect the documents.

"These are serious allegations," Waxman wrote, and asked Crawford either to show that the incriminating internal FDA e-mails Waxman received were mistaken, or produce the documents immediately. Government Reform Committee Chairman Thomas Davis of Virginia, a Republican who had been trying to give the FDA maximum leeway, admitted when met by LaRouche organizers in his district on Oct. 26, "The FDA is stiff-arming us."

• In an act of criminal negligence during a full-blown national vaccine shortage crisis, the Bush-Cheney White House is trying to cut \$262 million from the budget of the Centers for Disease Control and Prevention (CDC) in the budget for Fiscal 2005, which began on Oct. 1. That includes a \$105 million cut from CDC's aid to state and local governments for public health preparedness—public health centers, hospitals, and testing laboratories.

And incredibly, in the tax bill Bush just signed, Bush,

Rep. Tom DeLay (R-Tex.), and the Republican leadership have just put a 75ϕ tax on every dose of vaccine administered in America!

Remedial Legislation Stopped

Additional damning facts deal with legislation which could ameliorate this year's crisis and revive the vaccine production industry for future years.

• Bush/Cheney and the Congressional Republican leadership squelched a bill ten months ago which would have avoided the foreseeable vaccine shortage. The shortage had been forecast by Government Accountability Office and Congressional Budget Office reports since 2001, as the last pharmaceutical companies-Pfizer, Wyeth, King, and Monarch—pulled out of making flu vaccine. Sen. Evan Bayh (D-Ind.) and Rep. Rahm Emanuel (D-Ill.) introduced the Flu Prevention Act of 2004 in January, to stop the disappearance of vaccine manufacture in the United States and create new makers, with a small intervention of Federal funds. The legislation, based on proposals from medical experts, would have created a Federal buy-back program for unused vaccine, like a price-support for farmers. It would have regulated an area of vaccine production which is vital to public health, but which involves six months' production, is unpredictable in sales, and inexpensive in price. And it would have set aside funds to help get new producers into the market.

Bush, Cheney, and the Republican Congressional leadership didn't want it. It was re-introduced in early October, aimed at next year's season— and it appears nearly certain that California-based Chiron will again not be able to produce any flu vaccine in 2005—and they still don't want it.

• The Reed-Kennedy Flu Response Act of 2004 was introduced to mandate immediate licensing of vaccines approved for use in Europe, Canada, or Japan, so that state officials, like Governor Blagojevich of Illinois and Governor Junkoworski of Oregon, can import them. It would also give the government power to find out where all the scarce vaccine has been shipped, and direct its redistribution to the people who need it most. This would enable state and local governments to know what's now "proprietary information" of manufacturer Aventis Pasteur—exactly where that scarce vaccine has been delivered. It would overcome the present chaos and confusion, which led states like Michigan and New York, on Oct. 24-25, to suspend flu shots entirely because they did not know what their available supply was.

Bush and Cheney did not want this legislation either: it interferes with the "market" in flu vaccines—which is disappearing. Cheney's only comment was made in West Virginia on Oct. 18: "The problem is that producing flu vaccine is just not a very profitable business."

• As of Oct. 28, seven days after the CDC had first publicly promised the states an inventory estimation and redirection plan for the scarce vaccine supplies, none had been forthcoming. The CDC was simply continuing to list the priority

groups for immunization—which total about 105 million, against perhaps 60 million shots available from now until January—and call on those people to remain calm and not wait in lines for shots. Michigan officials, for example, have repeatedly stressed that they do not know where the vaccine supplies in their state are, and they asked CDC to find out from the manufacturer.

• The American College of Emergency Physicians, since Oct. 19, has repeatedly asked the Bush White House to use Federal emergency public health funds to reopen as many emergency rooms or other closed sections of hospitals as possible, immediately, to prevent deaths from pneumonia, especially among older or sick citizens who get the flu. The White House has not responded.

Ten percent of all the emergency rooms in America have closed since 1993—from 4,998 down to 4,510 open and functioning ERs—while the number of ER visits has gone up from 92 million to more than 111 million, a 20% increase, because of such factors as increasing poverty and the rising number of Americans with no health insurance. This means that the patient workload on existing ERs increased by more than 33% from 1993-2003, making them extremely vulnerable to a severe flu outbreak with pneumonia complications among the elderly—especially if the health workers themselves are not vaccinated against flu.

- It's not just flu vaccine disappearing. On George W. Bush's "watch," American soldiers in large numbers at U.S. bases are coming down with adenovirus infection, the "boot camp virus," because the vaccine isn't produced at all any more. Some military leaders wanted this changed several years ago, but nothing was done by the Bush Administration. (The armed forces are short 65% of the flu vaccine they ordered for this year.) And almost *all* the childhood vaccines have been in shortage throughout Bush's term.
- The only increased funding for vaccines was mandated in a ten-year-old law pushed by President Bill Clinton, the Childhood Vaccination Act of 1993. That law is the sole reason Bush puffed up in the final Presidential debate on Oct. 13, and claimed that his Administration had increased funding to fight influenza. Bill Clinton made him do it!

The only actual policy coming from the White House, Thompson's HHS, or the CDC itself, since the crisis was revealed on Oct. 5, has been to forecast a mild flu season and scrape up a few million more doses from the same two manufacturers. At the end of October, influenza had appeared in a dozen states and did not, as yet, appear particularly severe. In the Southern Hemisphere, whose flu season has just ended, it was reported that a surprise strain of flu, A/Wellington, had appeared and predominated as the season went on—its appearance in America would put an even greater stress on general immunization levels, because this year's vaccine is not particularly tailored against it. But, on President Bush's watch, even an ordinary flu season finds the United States public health system unready.

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Germany's Crisis in Employment And Investment Can Be Solved

by Lothar Komp

Mr. Komp is Economics Editor of EIR and the German weekly Neue Solidarität. He gave this speech on Sept. 25 at the Schiller Institute's conference in Idstein, Germany. Before he spoke, EIR Ibero-America Editor Dennis Small had presented an overview of the global economic crisis.

When Dennis Small was showing you all those graphs about the world economic crisis, I guess some people here in this room may have had some secret thoughts: Isn't the world much different if you look at towns like Idstein? Isn't there some prosperity left if you go over to this neat little market-place? I have to tell you the truth: Yes, there is some prosperity left, but all this prosperity was produced by institutions like the industrial *Mittelstand* [small and medium-sized enterprises], under economic policies which are now being abandoned and destroyed. Exactly that is taking place, because something like the industrial *Mittelstand* simply cannot work in a world of globalization, in a world of cutting investments in infrastructure and investments in the corporate sector, and also in a world where the living standards of private households are shrinking rapidly.

And so what is the great problem? Money is not the problem. Money is a technical problem which can be solved, but there are much more important problems which have to be overcome in the current situation. The biggest problems are in the minds of the people, and you could see this very clearly with the program of the BüSo [Civil Rights Movement Solidarity—the LaRouche party in Germany]—"How To Create 8 Million Jobs in Germany." Wherever you presented it to economic experts, people in the government, even trade unionists or leftist parties, you always got the same response: "Oh my God, what are you proposing? Isn't this completely crazy? 8 million jobs, it's impossible and we should not come up with such programs, because that means we make promises we can't live up to."

Even in the PDS [the Party of Democratic Socialism, successor to the ruling party of communist East Germany], you find people these days who tell you, the government is unable to produce any jobs. Perhaps in the past, but not in the present world. The policy of the trade unions today is just to try to prevent or slow down measures like the government's Hartz 4 austerity plan, but without any program. These people are

depressed and they have no solution whatsoever, because their outlook is just to somehow slow down a process which they think is unstoppable, and to which they have no positive alternative.

The first conclusion you can draw from this, is that at least here in Germany we are without any competition in presenting the solution to the economic problem. There is no other party, no trade union, which has an alternative program to overturn mass unemployment in Germany.

And there is a reason for this: Now in Germany we have reached a depression level of unemployment. This simply cannot be overcome by litle tricks here and there. The mass unemployment in Germany today is a result of a systemic crisis hitting the financial, the monetary, and the real economy, and it can only be overcome if you make systemic changes.

The first step to a positive alternative, therefore, is to admit and accept the fact that the present financial, monetary, and economic system, including all the dogmas and the policies



Lothar Komp: "The mass unemployment in Germany today is a result of a systemic crisis hitting the financial, the monetary, and the real economy, and it can only be overcome if you make systemic changes."

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which sustain it, is bankrupt and has to be replaced by new policies. If you have this in mind and study economic history, you will easily find that there have been phases in human history, just a few decades ago, when we didn't have these insane policies and we were doing quite well. So there is a solution, but it requires systemic changes.

Mass Unemployment

So let's take a look at the mass unemployment in Germany—and you can be sure, that in other places in Europe the situation is not much better. If you deal with unemployment, you can take a look at the prevailing economic dogmas and what they tell us about unemployment.

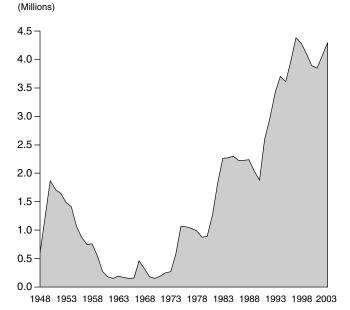
First you have the neo-liberal school, which is alive today and claims that there *is no unemployment problem*, because all unemployment is always *voluntary*. That's by definition, because the job market is the place where employees and employers come together and trade in jobs. The employer offers to hire somebody for a certain wage, and the worker can accept the offer or not, and there is always a wage level—not at 20 euros an hour but perhaps EU 1 an hour—where the employer would say, "Okay, at this wage level I will hire you," and if one person is left unemployed, that can only be because this person said, "Oh no, at this wage level I won't work." So, it is "voluntary unemployment." That is one of the axioms of the liberal school.

Then came the Depression of the 1920 and 1930s, and this theory looked rather strange with millions of unemployed people in America and Europe on the streets. There was obviously something wrong with this theory, so they had to introduce John Maynard Keynes to change one of the axioms, in order to save the rest of the axioms. And since Keynes, economic theory accepts that, yes, there are certain circumstances in which there can be unemployment. This is a real breakthrough, that we now know that unemployment is possible, and it comes in cyclical waves, and what you have to do is anticyclical deficit spending, and then you are able to overcome the problem.

I will show you here that reality is quite different. Unemployment in Germany is *not* voluntary; it is not a cyclical phenomenon, but a systemic crisis. **Figure 1** shows that we have practically two different phases. We started after the Second World War with a quite terrible situation here: A lot of infrastructure, including housing, was destroyed. On top of this, more than 8 million people, refugees, were coming here from the east; these people didn't have apartments and jobs in the beginning, and there was a currency reform which was quite brutal for many people. So we had nearly 2 million unemployed in the 1950s.

But by sound economic policies, by a very dirigist investment approach, we were able to reach full employment in Germany during the 1960s. We reached a quite stable level of 200,000 unemployed over a full decade. Then in 1967-68, there was a big crisis—500,000 unemployed—but we were

FIGURE 1
Official Unemployment in Germany



Source: EIRNA.

able to come back to full employment.

But then a phase-shift started in the early 1970s. What happened? We had a global shift in international financial policy: the breakdown of the Bretton Woods system. Since then we had one speculative bubble worldwide; all prices shot up, inflation of all kinds of materials shot up; and unemployment was shooting up and since then, since the breakdown of the Bretton Woods system, since the breakdown of the other sound economic policies, with all the garbage that was introduced later, the "service-sector society," we have never been able to return to the low level of unemployment we had once reached.

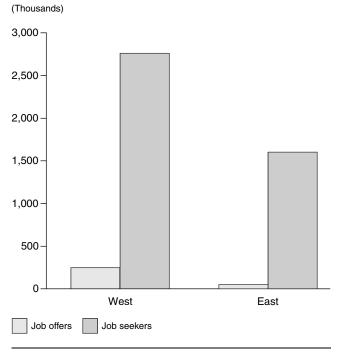
The best we had were the two years of stagnant unemployment, but then unemployment shot up again. The peaks are always doubling: 500,000 in 1967, 1 million then in the '70s, then 2 million in the early '80s, 4 million during the '90s. And we are now in a relatively stable phase again, and you can guess that the next years will bring us to 6 million or 8 million people unemployed.

Now, an additional word about voluntary unemployment. **Figure 2** shows job offers, compared to unemployed people. In western Germany, you have 11 officially unemployed people for every job offered by a company, which is bad enough; but if you then look to the east, we actually have 32 unemployed people for every job that is being offered. Obviously "voluntary unemployment" is not the problem; there are just no jobs available.

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FIGURE 2

Job Offers Versus Unemployment



Source: EIRNA.

When I said we have now a level of 5 million people unemployed, that is the *official* unemployment, and I can tell you a lot of nice stories, about how the U.S. government is faking job data by a variety of funny methods. But we in Germany are doing the same thing! We have also learned some clever tricks, how to manipulate job figures down. **Figure 3** shows the official unemployment of 4.3 million people. But on top of this, we have more than 1 million people who are temporarily put in a work program, but they are actually also unemployed; the government is taking care of them, giving them some money, offering some job training. But the main effect is to take these people out of the official unemployment statistics for awhile, to make the statistics look better.

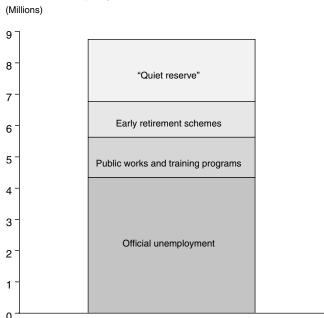
The chart also shows the early retirement, a scheme which was actually invented under the Helmut Kohl Administration. That was another brilliant idea for reducing the official unemployment figures: giving people at the age of 55 the chance to get a little bit of money to retire, so that they are no longer listed as unemployed.

And then, of course, there is the so-called "quiet reserve" of 2 million people, who would like to have a job, but have given up looking for one—especially in east Germany, where there is only one job for 32 unemployed applicants.

This is clearly a depression level, if you add all this up. If

FIGURE 3

Total Unemployment



Source: EIRNA.

you include the early retirement and the quiet reserve, you get estimates ranging from 7.8 million to 8.6 million people; but you can clearly say that we have more than 8 million people unemployed in Germany. This means, to reach full employment we have to create 8 million jobs, and this is now a dimension which has never been reached in Germany before.

The cost of the official unemployment in Germany alone is an incredible EU 83 billion, which the government spends every year to maintain that level of official unemployment. We have the losses in taxes, losses in social security income, and social expenditures of an additional EU 83 billion a year; even three times higher are the losses in economic output and the income of households due to the lack of jobs.

The Need for Productive Investment

Now, at the same time, we have built up a giant backlog in investment in the economy.

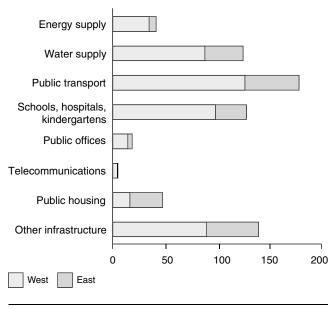
To reduce costs in order to compete with companies based in eastern Europe, Asia, and elsewhere, which can produce for a much cheaper price, we are being told to respect the laws of globalization: that is, to cut costs. Costs are being cut by pushing down living standards. They are also being pushed down by cutting investments into infrastructure and into the corporate sector.

Let's start with infrastructure. **Figure 4** shows one estimate concerning municipal infrastructure, which in Germany

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FIGURE 4
Municipal Infrastructure Requirements 2000-09

(Billions Euros)



Source: EIRNA.

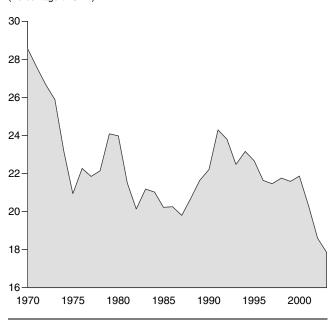
is quite important, because two-thirds of all infrastructure investment here is done, not by the Federal government or the states, but by the municipalities. And in every one of the categories shown, you can see a giant backlog. One of the biggest backlogs is in water supply: Something like EU 130 billion are desperately needed to repair and maintain the canals, some of which were built during a time when there was still an emperor ruling in Berlin, more than 100 years ago. Some canals have been built in the meantime, but they are rotting out; several tens of thousands of kilometers of canals in Germany—you don't see it, you don't smell it yet, but they have been transformed into a paradise for rats, because of no investments. You have leaks, where the water is lost, which make the water prices rise.

The same is true for public transport: buses, subways; but also schools, hospitals, and so on. If you add all these things up, you come up with the sum of EU 650 billion in investments which are urgently required to maintain and save the municipal infrastructure in Germany.

Now you have similar things for the Federal transportation sector—the railway lines, highways: another several hundred billion euros are desperately needed to replace overaged powerplants in Germany and in Europe. For the whole European Union, EU 2 trillion in investments is needed for the energy sector alone, in order to prevent blackouts across Europe, just a few years from now.

FIGURE 5 Gross Capital Investment

(Percentage of GDP)



Source: EIRNA.

Of course, the same is happening in the corporate sector.

Figure 5 shows that systematically, since the 1960s, the share of investments into German industry has been shrinking. The share of investments, as a percentage of overall economic activity, was once 30%, but has now fallen below 20% for the first time since the Second World War. And what is even worse, is that an ever larger part of the investments that are still taking place are limited to the service sector. These investments are in things like building office buildings for banks, so they don't improve the productivity of the German economy.

In the manufacturing sector alone, if you look at investment into factories, machines, and other equipment, you see that we have now arrived at a point where these investments are less than what is necessary even to maintain the existing level of the cycle of reproduction. That is, net investment in the German manufacturing sector is now negative, for the first time ever.

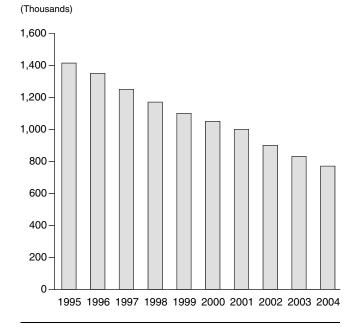
One side effect of this systematic reduction in investments, is the worst crisis in the construction sector since the Second World War (**Figure 6**). Employment there has been cut in half since the mid-1990s.

Deindustrialization: The Case of Coking Coal

One other aspect I have to shed some light on, is the physical destruction of the German economy in recent years

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FIGURE 6 Employment in Construction Sector



Source: EIRNA.

by deindustrialization. A particular part of our reconstruction program has to deal with this problem. We have had deindustrialization in West Germany since the 1970s, which you can see these days in the Ruhr region quite clearly. But in the German East it is much worse.

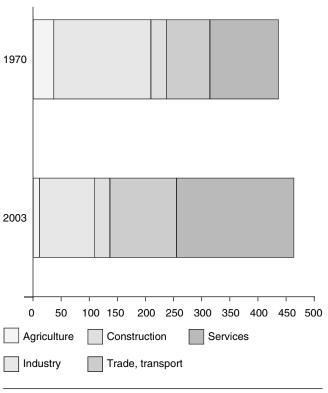
Just compare the employment distribution which we had in West Germany in the 1960s, with the situation today (**Figure 7**). You can see that in the 1960s, for every productive job, there was less than one job in the nonproductive sector. But this has shifted dramatically, to the effect that now every productive job carries the burden of more than three nonproductive jobs.

Let me tell you a little story which shows you the destructive effects of deindustrialization and globalization. Looking at the coal, coking coal, and steel sector in Germany, you find some funny things. Just a few decades ago, Germany was one of the leading steel producers in the world, also in respect to coal, and it was the biggest exporter of coke in the world (and coke doesn't mean Coca Cola; coke is a special coal product which you need for steel production. The German word *Koks* has also some different meanings [such as "cocaine," or simply "money"]).

Coke has become very important in the global economy just in the last 12 months, because it was decided in recent years that, okay, we have this coal in Germany, but isn't it much cheaper to shut down our coal mines, and to import coal from Poland, from Colombia, from China, and other places

FIGURE 7 Employment Distribution

(Jobs per 1,000 Inhabitants)



Source: EIRNA.

which can produce coal much cheaper than we can do? So this was done. We shut down one coal mine after the other. The same was done with the coke needed for steel production. We had 65 cokeries in Germany in the 1970s (**Figure 8**). Here you see how we successfully shut down the German coke industry, from being the best in the world, to something which hardly exists presently. From the 65 cokeries in Germany, only one today is left; it is located somewhere in Bottrop in the Ruhr region. You can visit it, because it is the only one that now exists.

The last cokery in Germany, the Kaiserstuhl in Dortmund, built in the 1990s, was the most productive cokery in the world, in terms of its output in relation to workers and to consumption of material. It was decided to dismantle this cokery into 2 million pieces, which were put in boxes and sold to China. They are now setting up the Kaiserstuhl cokery in China!

But China has now become the largest steel producer in the world. Their steel production is rising by 40% every year. For this steel, they need coke. China in the last two years has been the only exporter of coke in the world, because all other countries said, "Let this job be done by China, since they do

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FIGURE 8 Coke Production

(Million Tons)

45
40
35
30
25
20
15
10
1957 1960 1970 1980 1990 1995 2000 2001 2002 2003

Source: EIRNA.

it in the cheapest way; we'll shut down our own." So China is the only country with excess capacities available for other countries to get some coke. But now China says, our steel production is growing so rapidly, that we have to tell you now we need the coke for ourselves. We are sorry, but we have priorities: We need it for our own production.

So then complete chaos broke out. The coke prices on the world market grew from EU 50 per ton to EU 100, EU 200, EU 300, and EU 400; EU 450 was the peak that was reached just a few weeks ago. Because there is no coke left, the speculators are going wild.

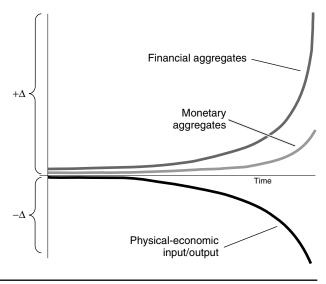
This process led to a global crisis not only in coke production, but also in steel production. There have been emergency meetings in Berlin with the government and the steel-consuming industry, on how to get out of this disaster. One week ago, RAG (Ruhrkohle) offered to build a new cokery in Germany, in a complete shift from the original plan. And, of course, all the prices are shooting up for coal, coke, and steel; the word went out that there was a "coke infarct" of the German economy, as an effect of this insane deindustrialization, globalization process.

Signs of the Times

Another element: Quite strange things happened recently in Poland. In Gdansk, a 200 meter-long steel bridge was stolen overnight! It was there one day, and it was no longer there the

FIGURE 9

A Typical Collapse Function



next. Who would steal a 200 meter-long steel bridge? Isn't this completely insane? You can steal cars, but not steel bridges. When the police caught the robbers, they interrogated them as to why they were doing this. It's because scrap steel prices have increased four- and fivehold in the recent few months. So, these people took apart the bridge into 1,000 parts, and tried to sell it to the steel factories as scrap.

Even the Bundesbank in Germany is scared, because there was a debate a few months ago, about eliminating the one and two cent coins, ostensibly because it requires too much bureaucracy to deal with them. The real story is, that those one and two cent coins contain so much copper and steel, that the production price of the coins is higher than their nominal value. So I can only advise everybody here: Hold on to your one and two cent pieces, because they soon may have a higher value than banknotes. You never know.

All of this exemplifies, of course, Lyndon LaRouche's triple curve very directly (**Figure 9**).

Employ 8 Million People

So, how can we come out of this situation? We have 8 million people who have no work; we have something like a trillion euros in infrastructure backlog, and also a giant backlog in investments in private companies. So, we have to bring these together. We must start a huge investment offensive, which will then create jobs immediately with an infrastructure buildup and by creating new jobs in the private sector.

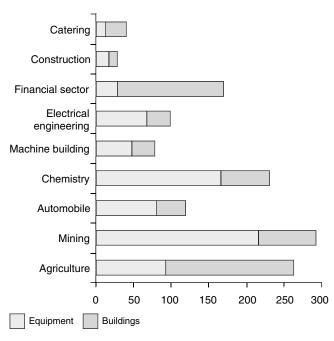
The way to get this started—because this is the thing which you can do immediately—is a big offensive in infrastructure investment. Here you can immediately employ several million people in Germany's construction sector. What we need is roughly EU 100 billion per year in additional infra-

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FIGURE 10

Capital Intensity

(Fixed Capital, Thousand Euros Per Job)



Source: EIRNA

structure investments in Germany. Half of this sum will immediately flow back due to reducing the costs of unemployment. Thus 50% of this infrastructure buildup, so to speak, is for free: The money goes directly back to the fiscal budget.

For the other EU 50 billion, we have to create new mechanisms to make these investments possible by national banking systems. That means we have to change the legislation of the Bundesbank.

Another EU 100 billion investment will be needed in the private sector, which requires some dramatic changes, because in order to enable private companies to invest in their machines and their factories, they need, first, orders; and second, they need credits.

The orders will be taken care of by getting the infrastructure projects started. For this we need EU 100 billion per year inside Germany, plus the Eurasian Land-Bridge program or other vital infrastructure. Wherever this takes place, you need a giant amount of machines and all kinds of investment goods, in the production of which Germany once specialized.

Here in this respect it is necessary to note: Jobs in the corporate sector don't grow on trees. You have to create them by investing in new factories, new machines, and equipment. And if you go through the various sectors of the economy you have a quite differentiated picture of how much capital stock is needed for different sorts of jobs (**Figure 10**). For example,

in some areas like catering, and also in the construction sector, the physical capital required for one job is relatively low. But you have other sectors in the economy—the energy/water sector didn't fit on the scale of this graph—where you need something like EU 1 million of physical capital per job.

This has to be built up, and that means we have to put EU 100 billion into upgrading the private-sector capital stock to make the jobs possible; which means to bring back the investment share in the overall economic activity in Germany from 20% to 30% where it once was in the 1960s. So, it is not something completely wild.

The Crucial Role of the 'Mittelstand'

One more point has to be made about the requirements for this solution: The *Mittelstand*, in particular the industrial *Mittelstand*, has to play a crucial role in this. What is the secret of this *Mittelstand?* Today in Germany, something like 70% of all jobs are still in the small and medium-sized companies with 100 to 200, or maximum 500 employees, which, as one little company, has been able over generations to maintain a position in a very special sector, a special kind of machine tools, for example, to maintain a position worldwide as the leader in the market, producing 40% of the world production in this specialty area. There are hundreds of such companies.

How could they do this? They could do this only by the special set-up which only *Mittelstand* companies can have. First, they have one person as the owner of the company not banks or some big investment fund, but a person, whose interest is not to make a big profit in the next quarter, but who has a long-term outlook of maintaining his company in order to pass it on to the next generation, and to maintain this position in world production not by cutting costs, not by being the cheapest producer, but by always being the best in quality and technology. This requires upgrading the production process again and again, to upgrade the product, and this is only possible if you have workers who are used to this kind of flexibility, which also means education, which requires a health system, which requires a living standard in the broadest sense. And if you now try to destroy this, if you try to reduce the costs by cutting the living standard and by cutting investments, you are right now destroying exactly this kind of industrial Mittelstand, which has been the secret of all the economic successes in the past.

Solving the Problem of Money

Now one area is left, in respect to our investment offensive: the technical problem of money. Everybody knows there *is* no money. The finance ministers have to cut budgets; there are the Maastricht criteria of the European Union—nobody has money. So let's take a brief look at the postwar reconstruction of Germany. And this example shows that we are able to overcome the current mess, and that we were even able to do this at the times of worst economic crisis.

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The Kaiserstuhl coke factory in Dortmund, Germany has being dismantled and shipped to China—a classic example of "globalization."

After the war, 50% of all the apartments in German cities were destroyed or in need of repair. Then you had all the refugees coming over, so housing construction was one of the top priorities; another one was power. Coal mines and much of the infrastructure were destroyed, and all together a giant investment was needed to reconstruct the economy, like today. You also had millions of people unemployed.

Did we have money after 1945 to do this job? Most of the savings of the people had been destroyed, and were wiped out again by the currency reform [in 1948]. Getting money from abroad was completely impossible, because Germany at that time had "junk" status, or even "default" status on the international markets, so it was not possible to issue a bond on the international market to get funds. The German government held negotiations with the International Monetary Fund and World Bank to get some credits for investments, and in the end the World Bank offered the equivalent of EU 20 million for German reconstruction. This was coupled with some conditionalities, and the German government said: No thanks! Twenty million wouldn't have done the job anyway.

The key to success then at that time was an extremely dirigist approach by the Kreditanstalt für Wiederaufbau [KfW, the Reconstruction Finance Agency], which was founded in 1948. Some bankers like Hermann Josef Abs, who was the main person responsible there, went to the Allies and told them: Look, we have a good idea. We want to copy F.D. Roosevelt. We want to do what he did—that is, Roosevelt's Reconstruction Finance Corporation. That is what we want to implement here in Germany, to get reconstruction done.

So it was done. The Kreditanstalt für Wiederaufbau was established, and it was then allowed to collect all the money coming back from the Marshall Fund credits. These were credits from the U.S. government to German companies to buy certain U.S. goods. The credits actually had to be paid

back, but the U.S government was not interested in getting back some deutschemarks from poor German companies. So the KfW took this money and invested it in the reconstruction.

It was not much—4 billion deutschemarks or \$1.4 billion—but it was spent very wisely. The KfW made a list of the most urgent investment priorities in Germany, and then made a map, which singled out those companies whose products would be required for these investments. Then the KfW people would pick up the phone and call up the heads of that company, directly telling him: "Mr. Director, you are very lucky, whether you know it or not: The machines you are producing are important to get the steel production built up in the Ruhr region. Your machines are good, but in order to do this job, your production has to be increased tenfold. This means you have to invest in your company. You need 5 million deutschemarks; so by tomorrow, we want from you a request for 5 million deutschemarks. The money from us is already in the mail."

This was a kind of dirigist approach, completely different from what is done today (also the KfW is not doing that any longer today). But it shows how, once you recognize and state that you are in a systemic crisis, you can implement such policies and turn the situation around. Abs in later years (contradicting the myth that the "German economic miracle" was based on the free-market economy) made very clear again and again, that he used *gezielte Planung* (targetted planning). And he noted, with a smile, that the activity of the Kreditanstalt was not exactly oriented along the ideal image of the free-market economy.

Let's face it, we were doing *Investitionslenkung* (directed investment). All these programmatic steps like public infrastructure spending, dirigist credit policies, regulations against globalization—obviously all of this is incompatible with the prevailing economic dogmas. It also violates a lot of legislation, including the Maastricht Treaty, the Stability Pact, and so on. Therefore, we have to make our choices. If these policies and dogmas and legislation are incompatible with reconstruction, with a sane economic solution, then they have to be changed or replaced.

I think the depression-like unemployment in Germany today is quite clearly an expression of the systemic crisis we are in worldwide, hitting the financial and monetary sphere, and the real economy. This means, a systemic response is needed. There is a solution, it can be done; it just requires that we declare the present system and the present set of dogmas and policies as being bankrupt, and implement those policies that have been proven to be successful in the past.

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Business Briefs

Airlines

ATA Becomes First Bankrupt 'Low-Budget'

ATA Airlines announced bankruptcy on Oct. 27, despite having no unions, relatively new aircraft stock, and the lowest wages in the airline business. ATA is partially merging with AirTran—the rebirth of ValuJet of 1990s infamy—while declaring bankruptcy.

The ATA failure, which will shrink its hub at Chicago's Midway Airport, is the sign of the ongoing collapse of the air carriers, irrespective of size and union-busting, because of fuel costs. Delta's low-budget "Song" airline is also losing money, for example, and is one reason Delta is on the edge of bankruptcy—though on Oct. 26 it announced it had lined up some new financing and debt restructuring to skate for another month or so. Independence Air (Flyi) and other low-budgets are also now deep in red ink.

Labor is no longer the airlines' chief cost, as they have compelled their unions, in bankruptcy court or under threat of it, to cut that cost down so far. But this sin has done the carriers no good; their new number-one cost, fuel, is dragging them down to Hell. United and American, for example, had each lost \$1.2 billion, from the third quarter 2003 to third quarter 2004, simply from the difference between what jet fuel cost a year ago, and what its price has become, nearly \$1.30 per gallon.

Germany

VW Workers Begin A Series of Strikes

Thirty-six thousand German workers at the Volkswagen company staged a two-hour walkout at the plants in Wolfsburg and Baunatal (Kassel) on Oct. 27, in response to announcements by the management that it intends to cut costs by 2 billion euros. Ironically, the austerity drive at Volkswagen is being spearheaded by personnel director Peter Hartz. He is the very same official who

headed the commission which proposed the drastic Federal social austerity plan known as Hartz IV, against which Germans have been demonstrating for months.

Hartz announced, in an interview with the *Frankfurter Allgemeine Zeitung* on Oct. 25, that labor had to help in cutting 2 billion euros by the end of the year, or mass layoffs would be unavoidable. The deadline for agreement was set for Oct. 29.

The autoworkers union announced further protests for Oct. 28, and declared that if the talks fail, they will begin warning strikes and prepare a regular strike vote. This would be the first real strike at Volkswagen in 55 years, and could include all 103,000 workers who are involved in production.

China

Real Estate Soars Despite Govt. Checks

The news agency Xinhua reported on Oct. 27 that real estate prices are "soaring" in China, and there are fears that the government's macro-control measures are failing to "squeeze out the bubbles in the overheated real estate sector." Property prices rose 13% during the first nine months of 2004, year on year, and residential property prices were up 10.9%.

Housing costs are going beyond most people's means, said senior economist Zhang Xueying, despite government clampdowns on credit, and many measures, including control of land-planning, to "cool down" overheated sectors such as property and steel. In Beijing, prices for residential housing are between 7,000 yuan (\$843) and 8,000 yuan (\$964) per square meter, while the average annual income in Beijing is just 10,000 yuan (\$1,205). "If there is no bubble, who will buy this housing?" Zhang said.

Chinese Academy of Social Sciences economist Yi Xianrong said that real estate is the root of China's overheated economy. He warned that the government will face "financial risks" if it does not deal with the real estate bubble. National Bureau of Statistics spokesman Zheng Jingping said, "We cannot rule out speculative factors" in hous-

ing prices, and that the government must act to prevent a speculative bubble.

France

Camdessus Presents Austerity Plans

Former International Monetary Fund managing director Michel Camdessus released his report on the French economy, which had been commissioned by Finance and Economics Minister Nicolas Sarkozy. The report, excerpted in the French press on Oct. 18-19, amounts to an across-the-board demand for budget cuts and wage reductions.

Camdessus pointed out that the working portion of the population has dwindled over the last 30 years—youth unemployment is in the order of of 24%, and the unemployment of those over 50 and prior to the retirement age (60), is 36%! That leaves a quite reduced percentage of the population which works, less than in other countries, due to the 35-hour work week imposed by the Socialists.

But the measures Camdessus proposes will not solve the crisis. They include: stopping all the pre-retirement lay-offs; authorizing the retired to be able to use their pensions and work at the same time; and initiating youth to a job in their last years of education. The other precondition to get everybody back to work is to lower wages. The report states explicitly that small rises in the minimum wage, beyond mere re-evaluations to catch up with inflation, must be suppressed.

Hedge Funds

German Economist Warns: New Black Friday

In an interview with the Oct. 25 issue of the *Kölner Stadtanzeiger* daily, economist Wilhelm Hankel said that a crash had already occurred in the Spring of 2000, when the German stock market index DAX dropped from more than 8,000 points to below 4,000.

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The explosion of this bubble had the same reason as the Black Friday of 1929, namely credit-financed speculation.

As in 1929, the central banks were to blame also in 2000, because they encouraged speculation through loans at low interest and through money-pumping. With that, market gains of several hundred percent could be made in 1929. In the 1990s, the central banks of Japan, the U.S.A., and Germany did the same, creating a bubble that dried out all loans for real investments. "A Black Friday in highly-speculative hedge funds or in real estate is probably yet to come," Hankel said. And again, the central banks would likely react in the wrong way, increasing the interest rates, which would explode the bubble, he warned.

The European Union's Maastricht system is preventing Germany from adopting a low-interest, anti-cyclical policy, which would be the only way out of the problem. But instead of being loyal to the German constitution, which obliges the government to intervene against an "imbalance of the economy," the present finance minister is like a slave to the Maastricht system. What should be done is to exempt state investment expenses from the Maastricht system, Hankel said, and if the private sector is not investing, the state should intervene.

Argentina

Multis Creating 'Soy Republics'

The World Wildlife Fund (WWF), Greenpeace, and the international food cartels have pushed a "sustainable soy" model on Argentina, Brazil, and other nations. Farm and producer activists reported details to *EIR* on Oct. 25, of the synarchist commodity grab which is wiping out real food production in Argentina. The Agriculture Ministry and various scientific institutes have been roped into this monoculture effort which, according to the Rural Reflection Group (GRR), has "produced an agriculture without farmers" in Argentina. Food cartels and NGOs have colluded to "convert us to a soy republic."

The WWF in September issued its report "Two Scenarios of Soy Production Expansion in South America," on the so-called "sustainable soy" model. This justifies the expansion of soy production, while demanding establishment of ecological parks and other pristine areas, to be kept safe from "contamination"—and real agricultural production. Soy milk and other soy-based foods are now staples in food kitchens for the poor.

"The expansion of monocultures has wiped out the green belts of large and small cities, composed of dairy units, poultry farms and family farms," the GRR states. It warns that the food cartels intend to increase production of exportable soy from 60 to 100 million tons per annum.

Infrastructure

Thousands of German Bridges Near Collapse

A study by DEKRA Real Estate Expertise, the German Federal association of construction experts and inspectors, issued early in October, reveals the rotten state of German physical infrastructure. While the 120,000 road bridges in Germany represent a physical capital worth 80 billion euros, public households are no longer keeping up the investments needed just to maintain these infrastructure installations.

According to the latest round of inspections by DEKRA, almost 20,000 German road bridges (16% of the total) urgently require extensive repairs. Of these bridges, 14,000 are actually in such a bad state that they threaten to fall apart and therefore should be closed for traffic immediately, warns the DEKRA report.

Due to the tight squeeze on public budgets, only 60% of the needed investments for bridge maintenance had been spent in recent years. If nothing changes, almost 50% of German road bridges will have to be qualified as in "critical" condition by DEKRA by the year 2006. That is the year when Germany will invite millions of soccer tourists from all over the globe to participate in the World Championship.

Briefly

LUFTHANSA chief manager Wolfgang Mayrhuber threatened on Oct. 25 to shift transport volumes to other airlines, implying layoffs at Lufthansa, if labor continues to reject cost-cutting by 1.2 billion euros by 2006. In his design, employees are to accept cuts of about 100 million euros over the next three years. The Mayrhuber threat would affect an unknown number of jobs among 55,000 employees.

CHINA'S "energy bottleneck" continues, warned People's Daily on Oct. 25. To resolve the power crunch since 2002, China has built many coal-fueled power projects, which will demand an 8-9% increase of coal production in 2004. Conditions in China's coal mines are among the most deadly in the world; over 4,000 miners have died already this year. More coal means more transport. In the first half of 2004, coal transportation increased by 12.2% over last year, "but still failed to meet the demand."

BRITISH manufacturing fell by 1.1% in the third quarter, the government reported on Oct. 23. Manufacturing, mining, and oil refining already account for just one-fifth of the British economy. This was the biggest drop since October 2002, and means more trouble for the New Labour government. Chancellor Gordon Brown is already facing a £6 billion shortfall in tax revenues, said analysts Ernst & Young. It would be a problem for Labour if Brown had to raise taxes before the election, now planned for Spring 2005.

GERMAN industrial jobs will fall by 25% by 2015, forecast a study presented Oct. 21 in Berlin by the Boston Consult Group, which predicts that from 8 million job places in the manufacturing industry, 2 million will disappear in a decade. The study said imports from low-wage countries will increase from 6% to 14%, of which will come from eastern Europe.

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Image International

Peace in Israel-Palestine Depends on U.S. Election

by Dean Andromidas

As this article is being written, Southwest Asia faces three developments that will have radical implications for whether war or peace reigns in the region. First, Palestinian President Yasser Arafat, the symbol of the Palestinian nation for over four decades, lies on what is feared to be his deathbed. Second, the Israeli Knesset's approval of the first draft of Israeli Prime Minister Ariel Sharon's disengagement plan for an Israeli withdrawal from the Gaza Strip, promises to lead to more bloodshed in the Occupied Territories, while perpetuating the ongoing political crisis within Israel itself. Third, and most important, are the United States Presidential elections.

Doctors from Palestine, Jordan, and Egypt have descended on the Mukata, in Ramallah, the besieged headquarters of the Palestinian President, charged with the mission of saving their beloved leader's life. In the event of his death, an unfillable chasm will open within the Palestinian leadership. His role as leader is not only a question of the loyalty and leadership he has been able to command over the Palestinian body politic. He has also been their irreplacable grand strategist, who has been able to keep the very concept of a Palestinian nation alive in the face of the most incredible international odds.

The less said about the doomsday predictions of chaos and civil war which have permeated the media, the better. What must be said is that only a leader whose commitment to a Palestinian nation, coupled with the wisdom to comprehend and act on a path to the establishment of such a nation, will succeed.

Sharon and his generals know this very well, and have systematically killed or imprisoned any individual who could replace Arafat. Historically, the two principal leaders who shared many of the qualities of Arafat were Khalil al-Wazir, also known as Abu Jihad, and Salah Khalaf, also known as Abu Iyad. Abu Jihad, who was Arafat's deputy, was assassi-

nated in Tunis by an Israeli commando team in 1988, the very year the Palestinian Liberation Organization (PLO) officially accepted the United Nations resolution calling for the recognition of Israel. The Israeli commando team that killed him in his office in Tunis included Moshe Ya'alon, who is now a lieutenant general and Israeli Chief of Staff. Former Israeli Prime Minister Ehud Barak, a former Chief of Staff, also took part in the planning of the operation.

Abu Jihad's assassination was a transparent attempt to sabotage any pressure on Israel for opening negotiations with the PLO, which was at the time negotiating with certain circles within the Reagan Administration. The last act of the Reagan Administration was to recognize the PLO.

Abu Iyad was killed on Jan. 14, 1991, just three days before the outbreak of George Bush Senior's Gulf War. His assassins were linked to the notorious Abu Nidal, the Palestinian terrorist-for-hire, who many have claimed did the deed at the behest of the Israeli Mossad. Abu Iyad was Arafat's intelligence and security chief, and in the years prior to his assassination, he had became an advocate for face-to-face negotiations with Israel. He also disagreed with the PLO's support for the Iraqi occupation of Kuwait in 1990. His outlook should not be surprising, however, because Sharon and his faction are known for killing the moderates.

Today, the only Palestinian who approaches Arafat's capacity to lead, is Marwan Barghouti, a member of the Palestinian legislature and leader of the Fatah's Tanzim organization, who now sits in an Israeli jail. Barghouti, a man in his 40s and a veteran Fatah activist, was one of the major Palestinian advocates for peace in the 1990s, and still is committed to a two-state solution. Sharon and his generals illegally arrested Barghouti, and framed him up for murder in an Israeli show trial. He is now serving five life sentences. Nonetheless, if anyone wants real peace in the region, it is Barghouti who

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must be freed and brought back into a leadership position with the Palestinian movement.

Instead, Sharon will seek, at best, a puppet, who will ensure continuation of the conflict. The installment of a leader so weak that he would please even Sharon, would guarantee chaos throughout the West Bank and Gaza. As one source warned, "I am afraid if Arafat were to die, we will see a period of paralysis and shock followed by chaos throughout the territories, as every local 18- to 25-year-old vies to become the local chief by attacking as many Israelis as possible."

Netanyahu's Putsch

Touted as an "historic" decision on the level of that of Menachem Begin's negotiation of peace with Egypt over three decades ago, the Knesset decision to approve Sharon's disengagement plan promises merely to prolong the bloodshed, which has taken more than 3,000 Palestinian lives and 1,000 Israeli lives since the Fall of 2000. Just the day before the Knesset vote, no fewer than 17 Palestinians were killed in an Israeli military strike into the Khan Younis refugee camp in the Gaza Strip.

What has not been widely reported is the fact that the bill for which the "historic" vote was taken does not include the words "settlement evacuation." Even a second bill, dubbed "evacuation-compensation," which will be submitted to the Knesset in a week or two, will not include the words settlement evacuation. Some time in the future, such a bill will include these words, but only at the time when a decision has to be made—if ever—to remove a settlement. This may sound strange, but as most Israelis should know, Sharon has been a master in playing for time; after all, he has done this for the last four years since coming to power.

Sharon won the Knesset support for his plan with a strong majority of 67 to 45, with 7 abstentions, yet he is as politically shaky as he was prior to the vote. Almost half of Sharon's own Likud Party members of the Knesset (MK) voted against the plan, including Likud Ministers Uzi Landau and Michael Ratzon, whom Sharon immediately fired from his Cabinet for voting against their own party.

No sooner did the vote take place, than Likud's Benjamin Netanyahu launched what Sharon is said to have called a "putsch." Although Netanyahu voted in support for the plan, no sooner had the voting finished than he, along with Likud Ministers Limor Livnat, Yisrael Katz, and Dan Naveh, threatened to resign from the government in two weeks' time if Sharon doesn't support the idea of a national referendum on the plan. Sharon has made clear that he will not support a referendum, and if they resign, Sharon could very well see his government collapse.

Netanyahu's intentions are transparent. He voted for the plan despite the fact that he opposes it, because he knows the majority of Likud voters support it. He, like Sharon, knows that within two weeks there could very well be a new President-elect in the United States, so he is positioning himself for the "day after." A Bush victory could be a boost for Sharon.



Palestinian Authority President Yasser Arafat, during a visit to Washington, D.C. in 1998, to meet with President Clinton and Israeli Prime Minister Benjamin Netanyahu. Arafat's illness creates a grave crisis, since the Israelis have killed or imprisoned any Palestinian moderate figure with the potential to replace him as the national leader and rallying point.

A victory by John Kerry potentially could lead to a dramatic shift in policy towards reaching a final settlement to the conflict. Whatever the outcome, early elections could be called and Netanyahu is positioning himself to once again become Prime Minister.

Confirming that Netanyahu is positioning himself for the Likud leadership in party primaries, one source from a leading Israeli think-tank told *EIR* that Sharon would most likely win those primaries and then go on to win the elections. Nonetheless this would most likely not help him, because he does not have the majority support of the 3,000 Likud Central Committee members who decide on the slate of candidates for the Knesset. Thus, Sharon would again be stuck with senior Knesset members who do not support his policy, but who will have to be brought into his Cabinet. The source believes that the Likud would lose some of its current 40 seats to the Labor and Shinui parties, with which Sharon would form a government.

Because Arafat has been used by Sharon as an excuse to say he has no peace partner, the prospect of Arafat's passing

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has led Knesset members from the opposition Labor and Yahud parties to call for opening negotiations with the Palestinians, in order to implement the Israeli withdrawal from Gaza and kick-start peace negotiations. There are even calls from the right to freeze the disengagement plan until the situation settles in the territories.

Bush or Kerry: War or Peace

Faced with this unfolding crisis, only the intervention of the President of the United States could create a new reality. If that new President is a re-elected George W. Bush, then a new war is assured, this time with Israel's participation in attacks on Syria and Iran. With Bush as President, even a new Israeli-Egyptian war cannot be excluded.

A Bush victory, without doubt, will lead to the strengthening of the neo-cons and an even stronger support for the fanatics in Israel, be they of the Sharon or Netanyahu factions. The chaos that would follow the passing of Arafat, could very easily be folded into a war scenario, where Israeli would launch attacks on Syria and the nuclear facilities of Iran—this time, with an open endorsement, if not the open cooperation, of the Bush Administration.

By contrast, a Kerry victory would represent a potential for a dramatic shift in U.S. policy, back to that of the Clinton Administration, which worked closely with both the Israeli government and the Palestinian Authority. Although this is obviously the last thing Sharon or Netanyahu want, there would be strong support for this among the Israeli public. It would be hoped that Kerry would name Clinton, who is tremendously popular within Israel, to lead a drive for peace. The so-called "Clinton peace plan" which the former President revealed shortly before he left office, enjoys strong support both within the Israeli and Palestinian camp. Clinton's plan, in fact, parallels that of the Geneva Peace Initiative, which was drafted by Israeli and Palestinian teams led by Yossi Beilin and Yasser Abed Rabbo.

The desire by Israelis for positive intervention by whoever is in the White House next year was expressed by *Ha'aretz* commentator Gideon Samet, who wrote in an Oct. 27 commentary that, despite the Knesset vote in favor of disengagement, nothing positive will happen until the United States and Europe pressure Israel to open negotiations with the Palestinians. Samet expressed the hope that whoever wins the U.S. elections, that pressure for negotiations will come down.

He wrote: "In those few cases when the U.S. did push, from evacuating Sinai in 1957 to the withdrawal from Hebron, Israel only gained. Ever since Bush junior started playing footsie with us, we've known only stupefying internal confusion. Aside from the limited disengagement, Israel has done nothing with the freedom of action it was granted. Hello, America. Hello Europe: Listen carefully to the distress signals from the shaky Israeli ship. Don't do anyone a favor. The country's surrender to fanaticism will also be bad news for you."

Neo-Cons Threaten The Philippines

by Michael Billington

Dana Dillon, who covers Southeast Asian military and security issues for the neo-con-friendly Heritage Foundation, was provided space in the *Wall Street Journal* on Oct. 7 for a commentary which opened a frontal assault on Philippine President Gloria Macapagal Arroyo. This marks a dramatic shift, since the Arroyo Administration was previously one of the Bush Administration's closest supporters in Asia. In 2002, the Heritage Foundation served as midwife to a deal between Donald Rumsfeld's Department of Defense, and the former Philippine Secretary of Defense, Gen. Angelo Reyes, in forging a U.S./Philippine "Defense Policy Board," aimed at legitimizing U.S. military combat operations in the Philippines—despite explicit restrictions against it in the Philippine Constitution.

However, President Arroyo's decision in July 2004 to remove the small contingent of Philippine troops from Iraq, and her high-profile state visit to China in September, have provoked the formerly doting neo-con crowd in Washington to publicly declare their indignation. Dillon's *Wall Street Journal* commentary accused President Arroyo of "working against American interests on a variety of issues." In particular, he accuses the Philippines of "encouraging a spate of kidnappings in Iraq," and of "weak-kneed appeasement" for her historic agreement with China to peacefully cooperate in oil and gas exploration in the contested Spratly Islands region of the South China Sea. Dillon concludes: "No negotiations with terrorists. No deals with bullies," and suggests that U.S. aid to the Philippines should be eliminated—or worse.

Similar complaints, if more diplomatically expressed, were extended from the U.S. Embassy in Manila, while retribution from Washington came in the form of cuts in promised military and agricultural aid.

Arroyo Stands Firm

The Arroyo Administration has refused to back down to these imperial dictates. Presidential press secretary Ignacio Bunye said that the President's decision on Iraq was "something that our President does not regret doing, and she is not making any apologies." As to the Heritage Foundation diatribe, Bunye added: "I can see where the supposed think tank is coming from. The bias is very obvious." On Dillon's accusation of "appeasing" China, Bunye said that the deal to

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cooperate "is consistent with the declaration of the conduct of parties in the South China Sea."

Opposition Agrees

Sen. Aquilino Pimentel, although he is the opposition leader in the Senate, warned on Oct. 23 that the mounting conflict with the U.S. could result in yet another U.S.-orchestrated "regime change" in the Philippines. His warning followed the revelation by the U.S. Department of Justice that the comptroller of the Armed Forces of the Philipines, Gen. Carlos Garcia, had been purchasing Park Avenue real estate in New York, and other properties around the U.S., with funds apparently pilfered from the Army. General Garcia's son was caught by U.S. Customs with \$100,000 in undeclared funds in California last December, but the story was only leaked to the Philippine press in October. "The hand of America is here," said Senator Pimentel, since the story was kept quiet until after the break over Iraq, "and it is a signal to Gloria that things are not well between the Administration and the Americans. A weakened Presidency is always ripe for the shoving."

Senator Pimentel drew the obvious connection to a previous "regime change" operation in the Philippines, against President Ferdinand Marcos in 1986, which was carried out under the cover of "people power," with a mass of "warm bodies" mobilized to the streets to provide democratic cover for the foreign-sponsored military coup. The process was repeated against President Joseph Estrada in January 2001, which was when Arroyo was placed in the Presidency. Said Senator Pimentel: "President Arroyo is "ripe for another people power, or worse, a coup."

Arroyo's Self-Destruction

Despite her defense of Philippine sovereignty in foreign policy matters, President Arroyo has squandered the good will she gained among her constituants after the pull-out from Iraq, by continuing to demand deadly IMF-style austerity measures, in a desperate and futile effort to deal with the nation's debt crisis. With the oil price spike sparking severe inflation, including in food prices, the impoverished population is now facing hunger and malnutrition at catastrophic rates—despite the fact that there are adequate food supplies in the country. The Food and Nutrition Research Institute reported in October that "although meat, poultry, eggs, milk, and milk products are readily available, many Filipinos do not have the money to buy them." They report that 24% of the population is undernourished, and 53% of children under two are suffering from anemia. In addition, with over onethird of the national budget going to debt service, only 1.6% is allocated to health services, compared to the 5% standard set by the World Health Organization.

President Arroyo has responded to this report by allocating \$100 million to a food stamp program for the poorest regions, but has not retreated from the "pain package" (as it

was described by her spokesman in the Congress, Rep. Jose Salceda) against the population—a \$3 billion tax and budget-cut program which will only make the suffering worse, while not significantly lessening the debt burden. Demonstrations against the "pain package," and demands for the President's resignation, are coming from an expanding coalition of social and political groups, while recurring rumors of possible military coups have created the environment which led to Senator Pimentel's warning about "another people power, or worse, a coup." Former President Gen. Fidel Ramos, the mastermind of both the 1986 and the 2001 "people power" coups, is deploying his networks into the anti-Arroyo coalition, positioning himself, and his cohorts in Washington, to carry out regime change if deemed necessary.

Debt Moratorium

The Arroyo Administration is publicly sticking to the austerity program demanded by the IMF and the rating agencies (Anglo-American enforcer Fitch Ratings recently threatened to dramatically cut the Philippines sovereign rating, already two notches below investment grade, if the "pain package" is not approved by the Congress).

However, there are indications that reality is having some impact. One source close to the government's economic team said that it is recognized that even if the entire "pain package" were implemented, the debt crisis would be just as bad or worse next year.

Secondly, the leading establishment paper, the *Philippines Inquirer*, ran a two-part editorial Oct. 24-5 called "Debt Relief." The editorial acknowledges that, with debt service eating up the budget, "government spending is actually smaller now than it was two administrations ago. The growing public debt, then, may be the root of the problem." While carefully stating that "We do not suggest outright repudiation, [nor a] debt moratorium," the fact that they raised these issues legitimizes the discussion. The editorial even goes so far as to suggest that "some debts, such as the one incurred at grossly disadvantageous terms to fund the Bataan Nuclear Power Plant, qualify for it [repudiation]." This is clearly a trial balloon for the Administration.

Whether there is any solution to the Philippines crisis—and those facing developing nations around the world—depends most immediately on the outcome of the U.S. elections. If the neo-conservatives running the Bush-Cheney regime are removed, then there is at least a good chance that a Kerry Administration will confront the onrushing collapse of the dollar-based financial system with a call for a new global system based on the original pre-1971 Bretton Woods. In that hopeful eventuality, a Philippine government willing to acknowledge the failures of the past, and defend the general welfare over the foreign debt, will be a valuable contributor to forging a new world order.

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Mussolini Rehabilitated By Synarchists in Italy

by Claudio Celani

The neo-con faction in the Italian government and political institutions, which is allied with the Cheney-Bush Administration, has launched an operation to revive Mussolini's Fascism, a move that is consistent with the common synarchist roots of both Fascism, and the current neo-conservative movement. In this effort, as we have reported previously, Mussolini's granddaughter Alessandra has been assigned the role of leading the pro-terrorist faction of right-wing extremism into becoming a factor in Italian national politics.

This strategy scored its first success last May, when Mrs. Mussolini was elected to the European Parliament as candidate for Alternativa Sociale (AS), a bloc of right-wing parties led by Forza Nuova, whose leader Roberto Fiore is a veteran of the terrorist "strategy of tension" activities in the seventies in Italy. Fiore is a leading member of the international coalition of synarchist/falangist parties founded by Spain's Blas Piñar in December 2002.

On Oct. 21, the Mussolini-Fiore party scored another victory in the by-elections, defeating seven members of Parliament, and getting a resounding 9% in Naples and an average increase of 30% overall, compared to vote percentages they won in the European Parliament elections in June. Bolstered by the success, Mrs. Mussolini announced that AS will present candidates for the upcoming regional elections in all regions. The electoral success of Alternativa Sociale is the result of several factors: Mrs. Mussolini's name is scoring points among a constituency formerly belonging to Alleanza Nazionale, in the aftermath of AN leader and current Deputy Premier Gianfranco Fini's 2003 official rejection and condemnation of its old fascist roots; secondly, AS populist calls for "social" policies in opposition to government and European Union policies, are tapping a large potential of protest voters.

In an interview with the daily *Corriere della Sera* on Oct. 26, Mrs. Mussolini explained her policy in these terms: "We represent the social right wing, the one which sometimes can border even with the left wing. Anyway, my grandfather, at the beginning, was a socialist: Let us say that I went back to my genetic origins. I did not betray the family DNA."

That same day Sandro Bondi, the national coordinator of the main government party, Premier Silvio Berlusconi's Forza Italia, offered to make an alliance with Mrs. Mussolini.

Bondi, whose party lost all of the seats it was trying to retain in the seven-seat Oct. 21 by-elections, and won no new seats, stated: "We must find again a relationship of collaboration and alliance also with Alessandra Mussolini's movement, which represents, as we have seen, a political reality which is difficult to be overlooked."

Apparently for opportunistic reasons, i.e., to retain votes necessary to beat the opposition in the future, Bondi's offer to ally with an overtly fascist party, whose members might get government posts as a result, in reality reflects a plan to "fascistize" Italian policis.

Italy's 'Black Nobility'

As *EIR* has already reported, inside sources in Rome have revealed that the very idea for Mrs. Mussolini to found AS came from the "black eminence" of Berlusconi's party, Marcello Dell'Utri. Dell'Utri, a Sicilian connected to oligarchical circles, is a close family friend of Mrs. Mussolini's and her mother, actress Sophia Loren's sister Maria Scicolone. Dell'Utri was the decisive influence, in 1994, to convince Berlusconi to enter politics and found a political party overnight, in order "not to let the Communists govern Italy." A member of Opus Dei, Dell'Utri was manager of Berlusconi's Publitalia firm, the financial backbone of Berlusconi's media empire. Dell'Utri convinced Berlusconi to found a new party by using Publitalia's officials throughout the country as party cadre.

Dell'Utri's liberal-conservative political ideology and anti-modernist philosophy is the closest to that of a Grand Inquisitor. Initially, Dell'Utri's power in the party had to be shared with another faction, leaning towards the idea of a traditional Christian democratic party. But recently, and especially after the ousting of Finance and Economy Minister Giulio Tremonti from the government last July 3, Dell'Utri now dictates the party policy in a neo-con direction, together with his buddies Sandro Bondi, Bondi's deputy Fabrizio Cicchitto (a member of the secret P2 freemasonic lodge disbanded in 1981), and traditionalist priest Gianni Baget Bozzo.

This group is plugged into the right-wing section of the synarchist oligarchy, known also as the "black nobility," which took its name from the black robes they wore after Italian troops took over the last remnants of the Vatican state in 1870, thus terminating the centuries-long secular rule of the Popes. The Black Nobility just lost its historical leader with the Aug. 29 death of Princess Elvina Medici del Vascello Pallavicini in Rospigliosi. As an indication of the importance of such feudal relics in today's politics, Pallavicini's funeral in Rome was attended by State President Carlo Azeglio Ciampi, a former central banker, who had no institutional reason to be there. Princess Pallavicini led the revolt against Pope Paul VI in 1976, by inviting schismatic bishop Marcel Lefebvre to Rome, and had never stopped fighting against the ecumenical current in the Catholic Church. Last

year, she organized a conference in her palace in Rome, in support of the "preventive war" doctrine, which saw the presence of U.S. government representatives flown in from Washington for the occasion. Mrs. Pallavicini also sponsored Mrs. Mussolini's revolt against Fini's "betrayal" of the Fascist idea.

The successor to Princess Pallavicini is Princess Alessandra Romana Borghese, who belongs to the generation that went directly "from the preservative to the conservative," i.e., converted to traditional Catholicism after having spent a good part of her first 30 years in sex, drugs, and rock and roll, together with her bosom friend, the degenerate German princess Gloria von Thurn und Taxis. At one point, it was decided that she should be trained for her current role. So, she converted to traditional Catholicism, including the Latin mass, etc., and started writing articles from the Vatican for a Rome newspaper. Finally, on Oct. 21, she presented a book about her conversion, at a public event which was described as her "crowning" as successor to Elvina Pallavicini.

Remarkably, Alessandra Borghese's book was announced by Vatican spokesman Joacquin Navarro Valls, and by former State President Francesco Cossiga, a central figure in the strategy of tension-Gladio-P2 plots in Italian politics (see *EIR*, March 26, April 2, April 9, and April 30, 2004).

Among the guests, besides the general staff of the black nobility, were traditionalist priests and nuns, and Forza Italia national coordinator Sandro Bondi, the same one who is now proposing an alliance with the Mussolini-Fiore party.

Praise for 'Il Duce'

Another high-ranking Black aristocrat, Prince Sforza "Lillio" Ruspoli, a bizarre figure who campaigns for a deindustrialized, peasant-based European Nation, used the occasion to "leaflet" the audience with an invitation to a conference with the American Enterprise Institute's Michael Ledeen, to take place under Ruspoli's sponsorship on Oct. 25. This conference did take place, attended by a cabinet member, Communications Minister Maurizio Gasparri, and by the Chairman of the Culture Committee of the Italian Chamber of Deputies, Ferdinando Adornato. The conference, in which Adornato endorsed the doctrine of preventive war, was a pretext to celebrate Ledeen's role in opening a revisionist debate on Mussolini in the seventies, through his book *Interview on Fascism* written with Italian historian Renzo de Felice.

A sample of how far such a "revision" has gone had just taken place on Oct. 20, during the most popular television show, Raiuno's "Porta a Porta," whose host Bruno Vespa had invited Benito Mussolini's son and Alessandra's father, Romano, to talk about Romano's new book *My father, Il Duce.* Romano, who is 74 and a jazz musician, was accompanied by his daughter, who is a regular guest of such talk shows. The intention was to show Mussolini's family side, his "human face," and the events going from July 25, 1943 (when he

was ousted), to April 28, 1945 (his death) through his son's eyes. Of course, it is impossible to talk about Mussolini leaving out his political action, so that the host invited four more guests: right-wing historian Arrigo Petacco; Roberto Gervaso, a libertine writer who wrote a book on Mussolini's mistress, Claretta Petacci; actress Alessandra Martinez, who is playing Mrs. Petacci in a TV fiction being produced right now; and, as political cover, an anti-fascist historian, Lucio Villari, who is an admirer of Franklin Roosevelt.

Villari did his best to pull the discussion in the direction of reality, countering the opposite faction which was pushing the line either that Mussolini was the greatest realpolitiker of his time, whose only mistake was to have joined Hitler in the war (Petacco's view), or that he conceived politics and life as a romantic adventure, whose ideals were betrayed by "that dwarf, the king" (Alessandra Mussolini's view). At one point, Villari asserted that Mussolini's policies were inspired neither by cynicism nor by romanticism, but "by precise cultural lines, which are indicated by his association with particular German thinkers, such as Nietzsche, who expressed an anti-Christian philosophy." Villari recalled how, when Mussolini was a captive at Ponza after his arrest, in 1943, he received a gift from Hitler, Nietzsche's opera Omnia. Later on, a few days before the fall of the Salò Republic, Mussolini wrote an article on Klopstock for a German magazine. Other fascist currents, as the one led by Bottai, were more connected to an Anglo-American cultural line, Villari said.

Despite Villari's quasi-heroic efforts, the debate as a whole presented a "more human" Mussolini, by playing up his "lovely" attitude towards his family, his admiration for Churchill and Chamberlain, and hate towards Hitler (!), the vengeful execution and public violation of Mussolini's and Petacci's bodies, and even the celebration of Mussolini as "the founder of the Italian Empire" in 1936—reducing to a minimum the impact of historical realities such as the real meaning of Fascism, colonialism, the dictatorship, and the war. However, Romano Mussolini did make some statements which must not have pleased his showmasters. He was asked whether he could explain why Benito Mussolini, who had many friends and mentors among Jews in Italy, enacted the famous anti-Jewish racial laws in 1938. Admittedly, discrimination under the Italian Fascist regime was mild and there was never anything resembling the Nazi "final solution," but nevertheless, Mussolini's decision is contradictory, and Romano was asked to explain it. He did it to make Hitler happy, Romano answered. "Hitler was head of a superpower, the main ally of Mussolini's. Let us make a comparison: It is like today, when the Italian government, in order to support its main ally America, has sent Italian troops to Iraq."

Mr. Berlusconi, according to some accounts, would not dislike being compared to Mussolini. What about Mr. Bush—or Cheney—being compared to Hitler?

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Call For Action Against U.S.-Financed Neo-Nazis

Former German Assistant Defense Minister Will Wimmer, a Christian Democrat, called for action against American financial supporters of German neo-Nazis, in an interview with the *Leipziger Volkszeitung* on Oct. 27. As *EIR* reported last week, alarm is growing over the electoral gains of the rightwing nationalist German People's Union (DVU), which won 6.1% of the vote in state elections in Brandenburg on Sept. 19, and the openly pro-Nazi National Democratic Party (NPD), which won 9.2% in Saxony. "These metastasic parties (DVU, NPD, and others) receive financial support especially from the U.S.A.," Wimmer said.

"With reference to principles of the U.S. Constitution [the freedom of speech], world-wide and also in our country, anti-Semitic, fascist, and generally radical ambitions are being instigated in a way that makes you feel sick."

Wimmer appealed to Wolfgang Thierse, the chief speaker of the national German Parliament, to get especially active in the defense against this plague. It is most urgent, Wimmer said, that U.S. funds that "are pouring into the right-wing/radical swamp over here, are dried out and blocked, as it is done against financial sources of international terrorism."

The Leipzig daily added that "every year, big sums of money" for German right-wing radicals also come "from Norway, Denmark, the Netherlands, France and Spain."

Avnery Warns of Israel's 'Coming Civil War'

Well-known Israeli peace activist Uri Avnery warned of an imminent outbreak of civil war inside Israel, as the result of the country's failed settlements policy. Avnery's column was posted on the website antiwar.com on Oct. 27. He wrote: "They talk about it at cabinet meetings and in the

Knesset, on TV talk shows, in editorials, and the news pages. The Chief-of-Staff has publicly warned that the Army may fall apart. One of the ministers says that the very existence of the state of Israel is in danger. Another minister prophesies a bloodbath like the Spanish Civil War.

"Quietly and not so quietly, the Shin Beth is taking precautions. The prison service has been ordered to prepare facilities for mass detentions. The Army leadership is planning a call-up of 10,000 reserve soldiers and starting to think about the steps they must take in the case of . . . No, it's a very real threat," Avnery stated.

He reviewed the history of the settlements, and his warnings at the very outset, in the Knesset, that settlements in the Occupied Territories would be a hand grenade, set to blow up Israel. Now, he warned, even "the good Laborites who were implanted by the Labor government on the West Bank and in the Gaza Strip, talk and behave like the worst followers of the late fascist rabbi Meir Kahane."

After reviewing the fundamentalist ideology of the settlers, Avnery warns that "in preparation for the Great Rebellion," the settlers have thoroughly penetrated the military, through "the arrangement," which allowed religious groups to create their own separate Army units, which, he wrote: "has allowed the entry of a huge Trojan horse. In any confrontation between their rabbis and their army commanders, the soldiers of the 'arrangement' [units] will obey the rabbis. Worse: For years now, the settlers have systematically penetrated the ranks of the officers' corps, where they now constitute an even more dangerous Trojan horse."

Avnery warned of a rightist "collective mutiny" within the military, involving tens of thousands of fanatics. Avnery adds that the settlers, combined with their allies inside Israel proper, constitute "something like half a million people—a mighty phalanx for rebellion."

Avnery concluded that, until now, the threat of the Great Rebellion has been used as blackmail to prevent any pull-out of the settlements. Now, with the Sharon plan for "disengagement" from Gaza in play, all bets are off. As he noted, the Biblical promise

cited by the settlers' fanatical rabbis goes beyond the West Bank and Gaza, and includes parts of Syria and Lebanon in the Biblical Israel.

Muslim Scholars Consider Boycott of Iraq Election

The Association of Muslim Scholars is considering a boycott of the Iraqi elections, according to a report in the online Jordan Times, Oct. 25. The Association, established 18 months ago, is the most important group of Sunni scholars, and Sunnis make up about 15-20% of Iraq's population. Sheikh Abdul-Salam al-Kubaisi, a senior association official, said the group would call for a boycott if it determines the vote would prolong the American presence in the war-torn country. As quoted in the Jordan Times, Kubaisi said: "When we do, we will reject the election, issue an edict declaring it illegitimate, and not accept its results. We are capable of doing this, both in the so-called Sunni triangle and beyond."

The elections for a 275-member assembly, which is to draft a constitution, are scheuled for Jan. 31. On Dec. 15, 2005, another election would be held.

One factor fuelling the anger of the Association, is that the United States has arrested many of its leaders. The latest arrest occurred on Oct. 22, when American troops raided the Baghdad home of senior member Sheikh Abdul-Sattar Abdul-Jabbar, taking him and two of his sons into custody. Kubeisi said 72 Association officials are either in U.S. or Iraqi government custody. The Association also has protested the U.S. military attacks against Fallujah and other centers of resistance.

Afghanistan Now Top Producer of Opiates

Antonio Maria Costa, Executive Director of the United Nations Office on Drugs and Crime, said that his office will release a survey in November that will show how Af-

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ghanistan has surpassed Colombia and has become the highest producer of drugs.

Although the new figures have not been made available yet, the 2003 production of opium in Afghanistan was about 3,970 tons. The highest ever was in the year 2000 when it exceeded 4,600 tons. This year's harvest is expected to be close to 5,000 tons—a rise of 25% over last year's figure.

According to available reports, the Afghani drugs were sold last in year in Europe and fetched about \$30 billion. In Afghanistan, the drug crop fetched \$2.5 billion—almost 50% of Afghanistan's GNP.

Is this the "beautiful freedom" President Bush is talking about?

Falangist Bank Aims at Mexican Universities

Spain's Falangist Banco Santander is attempting to "corner the market" on Mexico's future, with a \$43 million investment over the next three years in a variety of Mexican university programs, including providing 3,000 scholarships to students of their choice, the Spanish newspaper *La Razón* reported on Oct. 27. The flagship bank, BSCH, of the infamous Grupo Santander, together with the Banco Bilbao Vizcaya, has already taken over vast portions of Ibero-America's banking systems.

La Razón reported that at a recent meeting with Mexican President Vicente Fox and more than 220 university deans from across Mexico, the Grupo Santander presented its plan, which also includes an initiative to tighten the "business-university" tie through various awards.

Santander has already established 71 bilateral cooperation agreements with Mexican universities, and it intends to sign more over the next three years. Still another Santander initiative, known as "Portal Universaria," involves giving select students greater training and access to the Internet, as part of its "creative business training" approach. Santander has invested more than \$6 million at 234 Mexican institutions of higher education, and the banking group is already sponsor-

ing the same kind of initiative at 781 universities in Argentina, Brazil, Chile, Colombia, Spain, Mexico, Peru, Puerto Rico, Portugual, and Venezuela.

While Grupo Santander is presenting these supposedly philanthropic investments as part of its concept of "corporate social responsibility," a closer look at who is behind this bank reveals a far different agenda at work. According to a June 2004 study by EIR's Dennis Small, Banco Santander is not only "one of Europe's leaders in speculative derivatives trading"—with ties into the private dope-pushing banking network of the British Royal Family-but it also "swaps spit," according to Small, with "a second hard-core Synarchist financial institution, Assicurazioni Generali, the infamous and ultra-powerful Venetian insurance company . . . [which serves as] a clearing house for the operations of numerous fondi. . . ."

Iraqi Shi'ite Parties in Agreement on Candidates

Various Shi'ite parties have reached a "preliminary agreement" on a list of candidates for the planned January elections in Iraq. A committee has been formed, which is to "ensure that all Iraqis—be they parties, movements, currents, or independents—will be represented in one list. This list will be open to all," said Hamid Khaffaf, the respresentative in Lebanon of Iraq's Grand Ayatollah al-Sistani, the leading Shi'ite figure internationally, who is promoting the initiative.

Lebanese TV, which reported the news, said that the committee intended "to prepare a unified national list of candidates who enjoy the confidence of the religious authority," which refers to al-Sistani. Given al-Sistani's clout, such a list would have good chances of being voted in.

Another al-Sistani spokesman was quoted as saying what the criteria for candidacy would be: "We will support all those who seek a way out of the crisis, who want to end the occupation, and who are committed to implementing free elections."

SOUTH AFRICA'S Minister of Public Enterprises, Alec Erwin, outlined a multi-billion rand infrastructure investment program, including funding for the Pebble Bed Modular Reactor, which is planned to come on line by 2012. Beyond this pilot nuclear plant, the plan calls for building 24 commercial PBMR reactors of 165 megawatts each, to boost South Africa's electricity generation. In addition to new nuclear plants, the program calls for upgrading railway lines and equipment and ports. The plan was reported in South Africa's Sunday Times, Oct. 24.

RUSSIA'S PRESIDENT Vladimir Putin signed a decree on Oct. 25, banning sales of weapons to non-government bodies in Sudan. It was designed to implement UN Security Council resolution 1556 of July 30. The news service MosNews comments that Putin was responding to fears that Russian weapons were being used by the Janjaweed rebels to kill civilians.

IRAQI Interim Prime Minister Allawi accused the United States of "negligence" in the massacre of 49 Iraqi National Guard recruits on Oct. 24. "There was an ugly crime in which a large group of National Guards were martyred. We believe this issue was the outcome of major neglect by some parts of the multinational [forces]." His remarks were covered in the Arabic media.

MEXICAN universities are up in arms over cutbacks in President Vicente Fox's budget for universitylevel science and technology. Although during his Presidential campaign, Fox had pledged a minimum of 1% of the GNP for science and technology, he now says that allocation will be "totally impossible" under current conditions. Mexico's El Universal reported Oct. 21 that university dean Juan Ramón de la Fuente responded to Fox that the Mexican government today spends the ludicrous level of 0.35% of the GNP on science and technology.

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EIRConference Report

'End the Occupation!' Say Palestinian Christian Bishops

by Edward Spannaus

At an extraordinary gathering in Washington—which presented a dramatic counterpoint to the ravings of the Christian Zionists which dominate the Bush Administration—four of the leading Christian Bishops in Jerusalem forcefully and repeatedly raised the demand for an end to the illegal Israeli occupation of the Palestinian territories, and for justice for all Palestinians—Muslims and Christians alike. Also set forth, was the demand that the United States stop using its veto in the UN Security Council, particularly in regard to the World Court ruling on the illegality of the Separation Wall now being built by the Israeli government of Ariel Sharon.

One of the Bishops noted that the Palestinian Christian leaders are often criticized for speaking out against the Israeli occupation and against injustice, instead of just sticking to preaching the Gospel. "I am a Palestinian," Bishop Munib Younan declared. "My people and I are experiencing injustice and military occupation, as well as the accompanying problems of hunger, illness, loneliness, imprisonment and being treated as strangers and intruders in our own land!"

But despite the oppression and indignities which they, along with all Palestinians suffer daily, they are also an optimistic group, seeing themselves as the peacemakers, and uniquely as a bridge for reconciliation in the Middle East.

The four Bishops, who were in Washington to participate in the Sixth Annual Conference of the Holy Land Christian Ecumenical Foundation (HCEF) on Oct. 22-23, are: His Beatitude Michel Sabbah, the Latin Patriarch of Jerusalem; Rt. Rev. Riah Abu El-Assal, Bishop of the Episcopal Church; Rt. Rev. Munib Younan, Bishop of the Evangelical Lutheran Church; and Archimandrite Innokentios Exarchos, representative of the Greek Orthodox Patriarch of Jerusalem.

A Holy Land Without Christians

Under the Israeli occupation, Palestinian Christians have gone from being 20% of the population in the West Bank and Gaza, to about one and one-half percent today. The fundamental cause for the emigration of the Palestinian Christians, is the same as for Palestinian Muslims: the Israeli occupation, and the desperate conditions of life which the occupation has engendered.

As the Episcopal Bishop, Riah Abu El-Assal, put it during the conference: There was no problem under Arab rule, during which the Christian population remained stable, but, he pointed out, the driving out of Christian Palestinians began with the land seizures of 1948, and accelerated after the seizure of the West Bank and Gaza in 1967. Bishop Younan reported that, at the current rate of emigration, in 15 years there will be no Christians in Bethlehem, the birthplace of Jesus Christ. "What is the Holy Land, without Palestinian Christians?" he asked.

Bishop Younan also explained that the Christians are emigrating because of the hopeless situation in which they are living under the occupation. "They would like a better life, but they can't: the Wall is preventing them, the checkpoints are preventing them, the indignities are preventing them. This is inhuman." He noted that unemployment among Palestinians under the military occupation is 70%, and that 65% of the Palestinian population is living below the poverty line, which the World Bank calculates at \$2.00 a day.

The Rev. Innokentios Exarchos, of the Greek Orthodox Church, also stressed the urgency of addressing the problem of unemployment, which, he noted, runs 80-90% in some areas.

In response to a question about the situation in Bethlehem,



The Holy Land Christian Ecumenical Foundation opened with a press conference in Washington, D.C. on Oct. 22. Left to right: Father Emil Salayta (representing the Latin Patriarch Michel Sabbah), Archimandrite Innokentios Exarchos, Bishop Riah Abu El-Assal, and Bishop Dr. Munib A. Younan.

Bishop El-Assal reported that the last real Christmas in Bethlehem was at the Millenium, i.e., in 2000. Today, he said, "Bethlehem is dark; there are checkpoints to get in and out, electricity poles have been destroyed by tanks. . . . There is hardly anything for life in that city." Last year, he said, was the first time he could get close to the Church of the Nativity with his car; usually you have to park a mile away. "There were no lights, no people. . . ." El-Assal blamed not only the Israelis for this, but also "the indifference of Christians in the West."

'It Is a Calling for Us To Be Here'

Bishop El-Assal elaborated this, at another point, saying that "it's not just the Israeli occupation, the Israeli Army's destruction of 400 towns and villages from 1948 to 1950," but that the problem is also this: "Many Christians in the West aligned themselves with the others, not with us, as if we are not equal brothers and sisters in Christ. We were left to die on the side of the road. Here in Washington, and certainly in the 'Bible Belt,' Christian Zionism seems to be controlling quite a bit of the minds of many in the Administration. That's why we have been neglected, that's why we have been ignored, that is why we have been left to die. We can't be left without a homeland. Imagine if Israel were left without a homeland, without aid from the United States. That's what's going to happen to our people, the Christians. Is it because we are Arab Palestinians?"

Father Emil Salayta, a Jordanian-born Roman Catholic and a founder of the HCEF, picked up on this theme, saying: "We are not talking about small groups of Christians in the Holy Land. We're talking about one Christian family, preserving a symbol of the continuity of faith of 2000 years, and survival of the Mother Church."

Father Emil said that Palestinian Christians often ask: "Why should we stay here, in the land of Jesus, and pay a high price—forgotten, and isolated, and misunderstood, and sometimes rejected—without being helped or assisted by the global church, the universal church, and by brothers and sisters in faith worldwide?"

"We believe that it's our calling to be Christian in the land of Jesus, in the midst of two different religions, and two different cultures—Islam and Judaism. We believe that, although we are a suffering church, we are still the Church of Golgotha, the Church of the Via Dolorosa . . . the Mother Church of the Holy Sepulchre. . . .

"We believe it is a calling for us to be here. We are suffering, we are crucified every day as Palestinian Christians, as part of our whole nation, but we are waiting for the day of liberation, we are waiting for the day of the Resurrection."

Father Emil said that, as Palestinian Christians, "we hope to play a major peacemaking role and reconciliation, since we have a common ground with both sides," explaining: "We have our Bible as the common ground with Judaism; and we have our roots, our culture, our language, and our destiny, with our brothers and sisters the Palestinians, since we are Arabs."

The Scourge of Christian Zionism

Palestinian Christians—who trace themselves to the first Pentecost—are truly the "forgotten faithful." Ignored by the American press, most American Christians probably don't even know they exist. But the ignorance or the indifference of Western Christians is only part of the problem; far more outrageous, is that the many so-called Evangelical Christians in the U.S.—better described as Christian Zionists—support the efforts of Israeli fanatics to expel the Palestinians from

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their homeland, basing themselves on the theologicallyfraudulent claim that God gave the all the land to the Jews, and that expelling the Palestian Arabs, and rebuilding the Third Temple, will hasten the Second Coming of Jesus Christ.

The treacherous role of the Christian Zionists, exacerbated by their grip over the Bush Administration, was a recurring theme of the conference. Bishop El-Assal noted how the Christian Zionists raised millions of dollars for Israel and for the settlers, and he particularly singled out the Televangelist Pat Robertson, who came to Israel for the Festival of the Tabernacle, with 4,000 people. "They embarrassed us local Christians, as they do everytime," El-Assal said. "He challenged the Israelis; 'God gave this land to you, don't give back an inch of land to those wretched Arabs.'"

Bishop Younan denounced Christian Zionism as heresy and as a "sick ideology," in his address to the conference. (See *Interview*.)

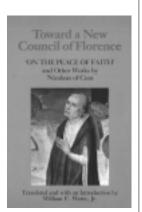
"In some Christian churches," he said, "the whole Bible, or the Old Testament, is used in an eschatological way, using the Apocalyptic books, to justify the destruction of the Dome of the Rock, and the building of the Third Temple, as a way of hastening the Second Coming of Jesus, and the Armageddon War. . . . These sick ideologies—not theology—grounded not in grace, but in fear, masquerade as Christianity. The Catholic Bishops in Illinois called this ideology a 'false teaching.' I call it heresy. The Israeli-Palestinian conflict is a pri-

Toward a New Council of Florence

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marily political problem, not a religious one. Religion should be used positively, for a solution, and not to inflame the situation further.

A New U.S. President?

Although President Bush meets frequently with leaders of the Religious Right in the U.S., he has refused to meet with Palestinian Christian leaders, and in fact he does not even meet with the heads of the so-called "mainstream" churches in the U.S. *EIR* asked about this at the press conference. Bishop El-Assal said that they had attempted to meet with both President Bush and British Prime Minister Tony Blair; they were eventually able to meet with Blair, but "there was no real reaching the President," and they never had a meeting with Bush, "for reasons we've not been told."

Bishop Younan said that after the upcoming U.S. elections, "a new President will hear from us, what we really think." He urged American Christians to take the responsibility, to see that such a meeting takes place. "To meet us is not a luxury," he continued, "it's really to speak about the needs of Palestinian and Arab Christians, and the Palestinian people, at this time."

Although Sen. John Kerry has not distinguished himself with regard to the Middle East conflict, there was still hope among many conference participants, that Kerry might bring a fresh approach to dealing with the region, if for no other reason, than that he is not in the thrall of Christian Zionists and the Religious Right in the United States.

Interview: Patriarch Michel Sabbah

The Christian's Role Is Reconciliation

His Beatitude Michel Sabbah was born in Jerusalem, and has been the Patriarch of Jerusalem since 1987; he is the Bishop of the Roman Catholics in the Middle East, that is, those who follow the Western liturgy. H.B. Sabbah was interviewed by Edward Spannaus during the Holy Land Ecumenical Foundation conference in Washington, on Oct. 23.

EIR: You mentioned that the Holy Places should be a place to pray, and for conversion, not to make war. Are you referring to the fact that some of the Christian Zionists, when they come to the Middle East, have a different purpose?

Sabbah: The reference is to what is going on in the Holy Land. Both the Israelis and Palestinians are making war because of their holy places. Everyone wants their holy places.

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His Beatitude Michel Sabbah, the Latin Patriarch in Jerusalem, visits Jenin, on the West Bank. The war against Iraq, he said, "opened the gates of hell, and who knows who will be able to close these gates now."

. . . Jesus Christ did not call on anyone to make war.

EIR: What about the people such as Pat Robertson, or some of the so-called Evangelicals from the United States?

Sabbah: To these people I say, you have to be Christians. You go back to your main basic commandment: Love your neighbor, love your enemy. It is good to love the Jews, very good. It is also good, very good, to love the Palestinians, so your role is not to make one stronger than the other, that means to make one more able to make war against the other. Your role is to bring both to reconciliation—to make them equally loving each other. This is the role of a Christian. . . .

EIR: How do you see the relationship between what is going on in Iraq, the occupation there, and the occupation in the Palestinian terrorities? Do you see a connection?

Sabbah: Of course. The war of Iraq was meant to demolish a potential enemy to Israel. . . . Iraq was the only country that could present a real threat against Israel, and therefore it had to be demolished. And therefore it was not done for the benefit of the Iraqi people, to free them from their dictator, because after the war they put the Iraqi people between hands harder than the hands of Saddam, conditions harder that those from which they suffered under Saddam. So they opened the gates of hell in Iraq, and who knows who will be able to close these gates now.

EIR: Do you think the threats now being made toward Iran are of the same order, the same thing?

Sabbah: The same thing. Because again, it is a force, a potential force, which is not going in the line of the United States, and the Israel situation. And so that's it. It is an effort to reduce all these forces, to put them get in line; if you're

in line, you can get all the weapons you want, or the money you want. If you are not in line, you are not allowed to have any arms.

EIR: Do you think the United States invasion of Iraq has made the situation worse for the Palestinians?

Sabbah: Much worse, for both the Iraq people and the Palestinians. . . . It was more and more perceived, that the fight and the question in Palestine was only a question of fighting terrorism, not of a people who asked for its freedom. So fighting terrorism, means you can do whatever you want.

Interview: Bishop Munib A. Younan

Palestinian Christians Can Serve as a Bridge

The Right Reverend Munib A. Younan was born in Jerusalem, and has been the Bishop of the Evangelical Lutheran Church in Jerusalem since 1998. Bishop Younan was interviewed by Edward Spannaus during the Holy Land Ecumenical Foundation conference in Washington, on Oct. 23.



EIR: You mentioned yesterday the sharing of water as a necessity, which is something which our organization has been very active in.

Younan: Well, I think that the war in the Middle East in the future will not be a war over land, because we already know what the solution is—the two-state solution—I mean every state is now established in the Middle East. But I think the water resources are really the problem now in the Middle East. We noticed now there are tensions, maybe between Turkey and other neighboring countries, on the water issue. And once you really make a two-state solution, you cannot give one state more resources than the other. You cannot give one state more water resources; otherwise they will flourish [and the other will not]. This country is not so much blessed with water as the United States of America, or other parts of the world. So this is the reason we insist also that in any political solution, there must be a political solution for sharing water resources, among the two states—the Palestinian state and the Israeli state.

EIR: Yesterday you spoke of the significance of the Palestinian Christians, and of the importance of their existence, and

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remaining there. . . .

Younan: If we read about the Muslim writers' analysis right now, in the Arab world, the Arab political analysts, they see that the Middle East needs the Arab Christians, because they are the guarantor of democracy and civil society in the Middle East.

I think you know, at the same time, the Archbishop of Madrid, in Spain, after the March 11 explosion, said in a challenging way, that we have to learn from Arab Christianity, how to live with Islam. And I believe that this is very important, that our living for 1,400 years with Islam, has taught us how to have constructive dialogue with them, or even on conflicting issues, but even at the same time, how to live together as one nation.

What I am really thinking is that we as Palestinian Christians and Arab Christians in the Arab world can be a bridge between East and West, North and South, on these issues. We are asking the world to please use us, because understanding Islam is not easy. And you cannot really put all the eggs of Islam in one basket, as you cannot put all the eggs of Christianity in one basket. We are a multifaceted Christianity, and Islam is multifaceted, like Judaism is multifaceted, you see.

We have to teach the world how to live with Islam, and even with Judaism, because we have good experience in how to live with both religions, and we have the three religions, and as Palestinian Christians, to encourage. to find common values—for justice, or peace, or reconciliation, or family, for tolerance, for moderation, for environment, for ecological awareness, whatever it is. I think, in the Middle East, we can really raise these problems, because we want to teach the world that anti-Semitism is racism and cannot work. Islamophobia is racism, and it cannot work. Xenophobia is racism, it cannot work. Arabophobia is racism, it cannot work. Americanophobia is also racism, and we have to get out of these racist feelings which are sometimes existing, because of stigmatization or demonization of the other.

And we have to see God in the other, and accept the otherness of that person.

Then we can have mutual recognition of our human, civil, poltical, racial, and religious rights. Only then can we really change our globe to be more human, and we Palestinian Christians, and Arab Christians, we are always the initiators of dialogue, with all. And we are ready to teach Europe and the United States of America how to live with others, who are different.

EIR: How are your relations with the Palestinian National Authority?

Younan: Our relations are good with all the governments in the area. Of course, we are in dialogue on various issues, and the constitution issue and civil society, on other things. Of course, we don't intervene in politics, but we always intervene when there are issues pertaining to human rights.

But Christians, I would say, are living well under the

Palestinian Authority; we don't have any kind of persecution, as some people are trying to say. Because what is persecution? Persecution is forbidding you to preach. or to go to church whenever you wish, and that doesn't exist. Because I preach, nobody censors me, my pastors preach, and so on.

So we really have to be careful in using the word persecution, because when you use that word, you are really driving us to a dark area which is not acceptable. We are not persecuted.

EIR: You must have heard some of the statements made by Christian Zionist groups here, who say that the Christians *are* persecuted by the Muslims.

Younan: Don't use Palestinian Christianity and Arab Christianity as a political means for a political agenda. If you use us as a political agenda, that is wrong. You have to see that we are an integral part of Palestinian Arab society, and as such we are accepted.

EIR: You were interviewed by a Danish newspaper, on Christian Zionism, and declared that to be heresy.

Younan: It is not only me. Also the Catholic Bishops in Illinois, in June 2003, said they [the Christian Zionists] are false prophets. Why? Because they are really promoting the destruction of the Dome of the Rock, of the Muslims, building the Third Temple, which is against even the Jewish understanding—the Jews understand the Third Temple comes with the Messiah. And thirdly, by this they think they are hastening the Second Coming, and then they come to the Armageddon War.

The Armageddon War means that Christ will be the warrior, the Christ of this world, not the Christ of the cross. We believe in Christ of the cross, and as such, I believe it is a heresy, because my Lord, my Christ, is always Christ of the cross, who is a servant for all human beings. He is never a Christ of war, he is never a Christ of bloodshed, he is never a Christ of scenarios. He has come to save all the world equally, not only Christians, everybody.

For this reason, from that perspective, I look at them as a heresy, because they are not reading well the New Testament, where Jesus so loved the world that he wanted to save everyone, and at the same time Jesus has never been coercive. *Jesus has never been coercive*. If somebody does believe, he says, just leave it where you are.

But they are bringing in things which are strange to Christianity, and if we don't speak up, if you American Christians don't speak up about these Christian rights, you are leading the nation into difficult things, because they are influencing many naive people. For this reason we have to speak up, and very clearly, without any fear.

EIR: If you had one message for the President Bush, what would you say?

Younan: I would tell him to be an honest broker, and look for justice in one standard, and not in two standards.

Interview: Bishop Riah El-Assal

Christians Under Israeli Occupation

The Right Reverend Bishop Riah Abu El-Assal was born in Nazareth, and has been the Bishop of the Episcopal (Anglican) Church in Jerusalem and the Middle East, Diocese of Jerusalem, since 1997. Bishop El-Assal was interviewed by Edward Spannaus during the Holy Land Ecumenical Foundation conference in Washington, on Oct. 23.



EIR: Bishop El-Assal, can you describe the relations between the Christians and the Muslims in Palestine?

El-Assal: In my opinion the relationship between the Muslims and Christians has been a cordial one. We have lived side by side for 1,400 years. There were some individual cases of clashes. It is unfortunate that we have suffered at the hands of perhaps non-Arab Muslims, as well as when the Crusades came to Jerusalem, we had it bad. Whereas, under or with the Muslims of the Arab nation, we have always had a very good and cordial relationship. . . .

EIR: Why are so many Palestinian Christians now leaving the area?

El-Assal: Palestinian Christians left the country—we made up about 23% of the population some 60 years ago—as a result of the ongoing conflict. First, many of them were either encouraged to leave, or expelled, with the rest of the refugees who are in the majority Muslims, in 1948. Second, those who fell under Israeli rule were discriminated against in different ways, by different means. The question of land expropriation caused many to lose hope. The fact that many wanted to pursue higher education, but did not succeed, either because of the expense, or because they were not admitted to a certain field of study, so they sought to study abroad, and studying abroad caused some of them not to come back. Others left the country seeking better opportunities for work, knowing that they were, in Israel, last hired and first fired.

And the fact that many of the Christians who came over the years, did not relate to Arab Palestinian Christians. They have seen us as guardians of the Holy Places, rather than as a community, caring that there are so many alive in our liturgies, and our worship, and our schools and our hospitals. And so, many got fed up. We are not guardians of Holy Places, so we had better leave the country, [some people decided].

One other factor, the fact that some Arab Palestinian Christians thought that they belonged to the West, not the East, and this came with the rise of the missionary enterprise. See how they name us, as Christians: You will hear of the Greek Orthodox, and what comes to mind is Greece. Then you have the Roman Catholic, and what comes to mind is Rome. We, the Anglicans: What comes to mind is the Church of England. They made us even think we were English, or English-like. The Southern Baptists—the Southern Baptist school in Nazareth—exported hundreds of students to the United States, and those hundreds did not come back. Therefore, they belong to Atlanta, Georgia; they don't belong to Nazareth.

Equally true with the Roman Catholics who went to Italy and France. Our people went to England. The Lutherans went to Germany. It's unfortunate; they made us not only think West, but head West. This explains why the Arab Christians, or the Arab Palestinian Christians, in particular, have emigrated. But the bulk of them, the majority of them, found themselves as refugees in the neighboring countries, in 1948. . . .

EIR: After the 1967 War, and the subsequent occupation, did the emigration accelerate?

El-Assal: The emigration accelerated as a result of Israeli rule. In Jerusalem in 1967, we had 28,000 Christians; today we have about 8-10,000 at the most—in my opinion, 8,000, though some believe there may be 10,000. The Christians in Bethlehem, Beit-Sahour, Beit-Jala, Ramallah, Nablis—the last 30 years caused many to leave, as a result of the inhuman way of dealing with the Palestinians.

The occupation does not distinguish the Arab Palestinian Christian from the Arab Palestinian Muslim. The occupation reaches all of us in the areas occupied by Israel, in their homes, in their workshops, on the streets, at check-points, in their jobs, and as a result they found their way somewhere [else] in the world.

Others, who were Jerusalemites, had their IDs taken from them by Israel, because they happened to reside outside the area, the municipal area of Jerusalem, and they lost their citizenship, their residency, and they had no other choice but to find someplace in the world, were they could settle.

EIR: You said yesterday that you had a meeting with Prime Minister Tony Blair. . . .

El-Assal: Yes, we did. He said they were going to war in Iraq because this will pave the way for peace in the Middle East, that Saddam was afraid, because of the weapons of mass destruction, etc., etc. I turned to him and said: "Mr. Prime Minister, the shortest way to Baghdad was through Jerusalem. Once peace comes to Jerusalem, peace comes to the world."

He kind of smiled, and I said: "I fear also that if you go to

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war, you will bring the end of the Christian presence, of your faith, and my faith, in the Middle East."

EIR: Have you attempted to meet with President Bush? El-Assal: A number of times, but so far, we have not succeeded.... I think he is surrounded by advisors who tell him that these guys are this kind of a group, etc., etc. Or, the message never reached him, perhaps those around him don't share with him, that the heads of churches, or some of us, would appreciate an audience with him. But we would love to have an audience with the President, whoever the President is, so that we can share with him our pain, our suffering, and our hopes and aspirations for a Middle East completely different from the Middle East that will be, if things remain as they are today.

EIR: We have a Presidential election coming up here in about ten days; do you have any hopes that things might change after that?

El-Assal: Well, it is difficult to say. The polls say that it is going to be tight, but if there is a change, at least you will get rid of the Christian Right, and their influence on the President. People like Jerry Falwell and the like, who are influencing his mind and activity. Kerry will lead a completely different foreign policy. Foreign policy, it seems, is dictated to the President, rather than initiated by him.

Clinton could have pressured the Israelis to come to terms with the reality of the Palestinian and his right to a state of his own. But the moment he started talking about putting pressure on Israel—and I happened to be in New York on the very day that President Arafat came to meet with him, and President Clinton spoke of the need to persuade or pressure, and what happened? As Arafat was going down the steps from his private plane, someone pulled a drawer out, and presented the world with a case called Monica Lewinsky. And Clinton didn't meet with Arafat. They told him, we will make it difficult for you, if you pursue that road.

EIR: You referenced yesterday Pat Robertson's recent visit to Israel. Can you describe what the impact of that is on the Palestinian Christians?

El-Assal: Very negative. He came with 4,000 people, they marched the streets of Jerusalem, they hailed the Israeli government and its policy of occupation and building settlements. And warned the Israeli leadership not to give back any of the land, because this land belongs to Almighty God, and Almighty God gave it to you. . . . They challenged Israeli authority not to give back land to the Palestinians, as if this was their sacred right to occupy the land, and build it. They committed themselves to supporting Israel, and the government of Israel, with their lobbying for what Israel is after, and supporting it with funds. I don't know how much they brought with them this time, but I know that Pat Boone once came

with a check for \$15 million, and this was published in the *Jerusalem Post*. Another group came with \$60 million, and said they were committed to raising \$250 million; they handed the \$60 million to the Jewish Agency to help build more settlements in the occupied territories.

EIR: When Pat Robertson, or any of these so-called Evangelicals, the Christian Zionists, come, do they make any attempt to meet with the Palestinians?

El-Assal: No, to the contrary, they distance themselves from us, and they stay in hotels run by Israeli Jews rather than staying with us, the Arab Palestinian Christians. They don't mingle with us, they don't come to our services. They have their own kind of program, which is aimed at bringing hallelujah and praises to Israel, but they have nothing to do with us, the Christians of the Holy Land.

Bishop Dr. Munib A. Younan

Non-Violence and the Struggle for Justice

The following are excerpts from a speech by Bishop Dr. Munib A. Younan, the Lutheran Bishop in Jerusalem, to the Holy Land Ecumenical Foundation conference in Washington on Oct. 23. Subheads have been added.

Dear friends.

It is an honor for me to be attending the Holy Land Ecumenical Conference for the second time. I bring to you the greetings of our Palestinian people and the Lutheran Church, assuring you that our people with the other peoples of the Middle East are yearning for justice and peace.

Oftentimes, the Christian Church is criticized for being prophetic and for promoting struggle, even in a non-violent way. I have heard people criticizing us, church leaders, for speaking out loudly against the Israeli occupation, against spiral violence and injustice. We were asked: "Why do you speak out so frankly? Shouldn't the church just focus on the gospel and leave politics alone!"

I am a Palestinian. My people and I are experiencing injustice and military occupation as well as the accompanying problems of hunger, illness, loneliness, imprisonment and being treated as strangers and intruders in our own land! What is my motivation in speaking out against these evils: Is it my personal or nationalistic feelings, or my political aspirations? No, my motivation is that I feel with my people

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for I am part and parcel of their suffering and their wellbeing. I see and experience their oppression and pain. It is because I walk with God and God walks with me that I speak the truth and the love of God into our difficult and critical situation. And I am not only speaking truth toward those who oppress us but also toward myself and my own nation when I see injustice. How can I sing *Alleluia* or *Kyrie Eleison* or *Gloria* when people are suffering from injustice and the violation of their human rights? It is because Christ walks with God and I walk with Christ that the ultimate goal for God's creation is the liberation of humanity as well as the realization of justice. . . .

Occupation Is a Sin Against God

The prophets of the Old Testament not only condemned the sin of other nations, but condemned the sin of their own people. This cost them a lot, for they were disturbing the power structures of their time in assuming their role of guardianship. Jeremiah, Amos, Micah, and Isaiah did not please their people and nation. Rather they pleased God, knowing they must obey God more than politics and injustice. This is much the same situation in the Palestinian church. We speak out against injustice, spiral violence, and oppression. We consider occupation is a sin against God and humanity. It deprives people of their God-given human rights and dignity. It demoralizes first the occupier and then the occupied. To demand an end to the occupation is to demand liberation for both Israelis and Palestinians from the sin of occupation. What Israel and Palestine need is only justice with peace.

Right now Israel is building a lengthy Separation Wall that is causing an immense human tragedy for Palestinians. When completed, the wall is proposed to be at least 403 miles (750 km), and in many places is made of concrete slabs 25 feet (8 meters) high. In contrast the Berlin Wall was 96 miles (155 km) and the average height was 11.8 feet (3.6 meters). It will have 41 gates for the Palestinians. The claim is that this is a wall of security, but in fact it is a wall of insecurity. It is bound to create more hatred, more anger, more outrage, because of enormous losses and suffering it is creating among the Palestinian people. The wall is being built deeply into the West Bank, taking a large area of Palestinian land. According to the World Bank, a total of 95,000 Palestinians are caught in the "seam zone," which is the area between the Separation Wall and the 1948 armistice line called the Green Line. There people are neither in Israel nor in the West Bank. They will become refugees, some of them for the third or fourth time since 1948. Other Palestinian people are losing their farmland, their olive trees and their citrus and fruit trees because the wall separates their houses from their land and their water resources.

Clemance, a teacher from one of our Lutheran schools, lives next to the newly erected concrete wall in Bethlehem.

She said: "The 8 meter-high concrete slabs are raised outside our garden and replaced with our fence. Now we only see gray wall and a small patch of the blue sky. We are, at least, glad we can stay in our home. When we previously asked about the route of the wall, no one knew and nobody cared. We have prayed and prayed. Why doesn't God hear us?"

Hanan Kandalaft, a Palestinian artist and architect, writes: "It was very interesting and totally unexpected to observe that this new barrier of concrete can give someone even more 'security,' yet it interferes in secure lives and futures. . . The minute this image, the image of vertical concrete 'fence,' took part of our land, it created a new perception in everybody's mind . . . a new reality. It started to develop a new perception of the Open Space, an Open Space enclosed by an 8 meter-high wall. A new generation whose eyes will face a wall when looking at the Open Space and whose dreams can not take off beyond the cruel realities of life.". . .

Our Vision of Justice

We have a vision of justice implemented for the liberation of Palestine from occupation and the creation of the Palestinian state according to international legitimacy. We support:

- a two-state solution, which means having the Israeli state and the Palestinian state side by side, living in peace, justice, equality and reconciliation.
 - having a shared Jerusalem;
- solutions must be found to the illegal Israeli settlements in the West Bank including East Jerusalem and Gaza;
 - the right of return for Palestinian refugees;
 - shared water and other resources.

This vision is the key for justice and peace in the Middle East. The Palestinian Christian Church wants security for Israelis and freedom and justice for Palestinians. The reality is that the security of Israel is dependent on justice and freedom for Palestine, and justice and freedom for Palestine is dependent on the security of Israel. Once we recognize and accept this symbiotic relationship between the two, just peace will become reality. . . .

Religion Is Being Misused

I would honestly say that there is no other conflict in the world where religion is as much misused, misquoted, or misinterpreted as in the Israeli-Palestinian conflict. The Holy Writings of the three religions have often been and are still being used to justify injustices, occupation, and the building of settlements, as well as to support actions to oppose the authorities, to retaliate or to defend one's own interests.

It is wrong that some followers of the three religions have voiced extremist opinions, claiming that these views represent their religion. Often these extremists are much more vocal and get more media coverage than the followers of the mainstreams of their respective religions. At the mo-

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ment, extremists are hijacking the Middle East with their polarized visions. No one religion has a monopoly on extremism. We all have extremists, and it is our prophetic call as faith leaders today, to stand up clearly and persistently to say that any violence done in the name of religion is blasphemy and is against God's loving intention for humanity. Religion is based on the love of God and of all human beings, and should promote the respect of the rights of the other in order to achieve the common good and what is righteous for all people. When religion is twisted to fit a political agenda based on violence, hate and war, it is an abuse of religion.

In some Christian churches, the whole Bible—Old and New Testaments—is used in an eschatological way, using the apocalyptic books to justify the destruction of the Dome of the Rock and building a Third Temple, as a way of hastening the Second Coming of Jesus and the Armageddon War. I emphasize this type of Christian extremism because we Christians must clean our own house before we criticize others. With all modesty, I am afraid and ashamed that these sick ideologies, grounded not in grace but in fear, masquerade as Christianity. The Catholic bishops in Illinois in 2003 called this theology "false teachings." I call it heresy.

Toward a Just Peace

The Israeli-Palestinian conflict is primarily a political problem, not a religious one. Religion can, however, contribute positively to the search for a solution, and not inflame the situation further. For example, I very much respect the *Mea Culpa* prayer which his Holiness, Pope John Paul II, has made in confessing the sins of anti-Semitism of some members in the Roman Catholic Church. When we have the courage to be prophetic within our own religion, we contribute to the healing of the brokenness. This attitude of the Pope should encourage politicians, governments and leaders to recognize and confess the injustice being done to the Palestinians.

The religions have not done enough to bring about a just peace and reconciliation. All three religions have allowed extremism to grow and have a loud, influential voice. The truth is that God calls us to see the divine image not only in our own religion, but also in the others, whose faith is different from our own. When we accept the otherness of the other, we can then mutually recognize each other's human, civil, religious, national and political rights.

Religion is the art of teaching human beings not only to love God but also to love their neighbors. Our Lord Jesus Christ taught us noble principles to love your neighbor as yourself and—to bless your enemy. Each of the three religions has teachings and values to support these principles and teach people to practice them. This is peace education: to renounce hatred and violence that separate us and return to

God's love and peace that bring us together. We as religions are to teach equality, tolerance, justice, reconciliation and forgiveness. We must practice it as the true religion teaches us and as it is written in the Holy Writings....

Dr. Gary M. Burge

America's New Religious And Political Convergence

Dr. Burge, Ph.D., is professor at Wheaton College and Graduate School. He gave this speech to the Holy Land Christian Ecumenical Foundation in Washington, D.C., Oct. 22-24. Subheads have been added.

I am a conservative evangelical. I teach at Wheaton College, named by some as an evangelical flagship. And I fear that sometimes our "house" may no longer be serving the goal of peace. We have become an obstacle, an important obstacle. But let me explain.

Since the tragic events of 9/11, American Christians have gained a new word: jihad. Those of us who are acquainted with Islam, have known this word and its sublime meanings for a long time. But for others. it has come to represent a militancy, a strident and negative force inside a religion that is dangerous.

In this view, here is what jihad sounds like:

There will be a final climactic war in which the forces of Islam are arrayed against the paganism of the Christian West. And in the midst of terrible and heroic fighting, when all seems lost to the enormous Western armies, the Lord returns in order to validate the truth of Muhammad and protect his followers. He will also lead a conquest that will purge the Holy Land of infidels. He descends with a cry and immediately horses and animals alike explode where they stand. Just the words of his mouth superheats their blood and it explodes through their veins and skin. The slain pile up everywhere and the stench is unbearable, but the purging must go on. A cry goes out from his heralds:

"It is a righteous thing with Allah to repay with tribulation those who trouble you, and to give you who are troubled rest. I have taken vengeance on those who do not know Allah and who do not submit. They shall be punished with everlasting destruction."

Horsemen try to evade the onslaught. Their riders leap from their steeds and try to control them with their

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reigns, but they struggle, and quickly the flesh of both men and horse are dissolved, melted away. Their flesh tears, their eyes melt, their tongues dissolve. Skeletons are stacked everywhere in the wake of the Lord's conquest. Millions upon millions die by his judgment and this—while the true servants of God rejoice.

This is a breathtaking scenario. And I imagine that if it were published in Arabic somewhere in the Middle East, many in our ranks would use it as another stunning example of Islamic violence and jihad. Proof again why we must defeat Islamic terrorists wherever we find them.

But there is only one problem. These three paragraphs I have read are evangelical Christian—or more accurately, Christian Zionist. In my paraphrase, I changed only a handful of words, critical words of course, and lifted them from the final 12th volume of Tim LeHaye and Jerry Jenkins's runaway bestseller series, *Left Behind*. Here is another bit of the book, now unaltered:

Jesus merely raised one hand a few inches and a yawning chasm opened in the earth, stretching far and wide enough to swallow all of them. They tumbled in, howling and screeching, but their wailing was soon quashed and all was silent when the earth closed itself again.

This brings the final demise of those who resist Jesus on earth. . . .

Oddly enough, the very caricature Christian Zionists have had for jihadist Islam, now describes their own literature. Jenkins and LeHaye likely do not know it, but they have written a script that mirrors their very nightmare. It is properly called apocalyptic. And it is wonderfully comforting in a time of political upheaval, war, and uncertainty.

A Messianic Course

Permit me to set out my thesis plainly: Today we are witnessing a confluence of religious conservatism with a political outlook that is on a messianic course to purge evil from the world. As I hope to show, preemptive warfare is now a divine agenda pushing us to the End of Time, when God will join our battle and bring his victory. And all of this is focussed on the Middle East. Will such an outlook impede efforts toward understanding and peace? Absolutely....

The first test of righteousness in this dangerous era is to align oneself with God's litmus test, the rebirth of Israel. One conviction is always held aloft: God blesses those who bless Israel and curses those who curse Israel. Hence nations will stand or fall based on this one creed. Thus it is not surprising that hundreds of Christian leaders attend prayer breakfasts at the Israeli Embassy in Washington. At last year's breakfast on May 2, Richard Land, president of the Southern Baptist Ethics and Religious Liberty Commission,

spoke to 800 in attendance. As an American, Land said, he supports Israel because "I know a fellow lover of liberty and freedom and a believer in human dignity when I see one, and I see them in the Jews and in the nation of Israel." Land continued, "And I want God to bless America. America needs to support Israel more than Israel needs our support, because Israel has an ally far stronger than the United States of America. He is called the Lion of Judah." God "blesses those who bless the Jews, and God curses those who curse the Jews," Land said.

Note the connection here: God will measure America by our fidelity to Israel's political survival. It is for this reason that this month thousands of Christians were marching through the Old City of Jerusalem at Tabernacles, waving Israeli flags. This is the ideological imperative of every American Christian. The birth of Israel has now set the stage for the imminent second coming of Jesus Christ. Therefore any national agenda that would jeopardize God's plan, any peace overture that will weaken Israel's hold on the land (such as the promise of a Palestinian state), any decision that stands in the way of this dramatic stage-setting, is not a plan blessed by God. . . .

A Guarantee of Continued Conflict

This is not a formula for peace and reconciliation. It is instead a guarantee of continued conflict that will spill from Jerusalem to Baghdad. But this is acceptable by this view. The entire Middle East is God's stage for his final curtain call. Jerusalem will be the focal point. And as God's armies align themselves, we will seek assurances that our army is his.

Will such a view become an obstacle for peace? Absolutely.

Will such a view have consequences that spill from the U.S. to Ramallah and Beit Jalla? Absolutely.

Does such a view have any room for reconciliation with those who may be different, who may have a different vision for life and faith? No.

Surely there are obstacles on the ground in Israel/Palestine that impede the growth of peace. But these may be minor compared with the tremendous influence American political and religious culture has on the region. John Hagee is a television preacher and pastor of Cornerstone Church in San Antonio, Texas. Imagine a pastor as key speaker at the Israeli Embassy uttering these words: "Palestine has never existed as an autonomous entity." "The Palestinians [have] never owned the land and have no legitimate claim to the land now."

Evangelicalism is not monolithic. There are evangelicals who embrace this type of merger of end times scenarios with politics. And there are many, many evangelicals who reject it completely. But politics and religion are witnessing a dangerous convergence in our time. And those of us in the church—particularly those in the evangelical camp—need to rediscover our voices and alert the church.

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Documentation

Occupied Palestine: Slow Genocide Policy

Since 2002, the Ariel Sharon government in Israel has ignored more than six United Nations Security Council resolutions, including the formal adoption of the "Road Map," the plan drawn up by the United States, Russia, the European Union, and the United Nations Secretary General, and adopted by both the Palestinian National Authority and the Sharon government. These resolutions called on Israel to cease its policy of "closure" of the Palestinian territories, to withdraw military forces, and to cease civilian casualties.

Using the Orwellian phrase shared by George W. Bush, Sharon has dismissed the millions of Palestinian people, saying that Israel "does not have a partner" with whom to discuss peace. Most of the world has stood by, callously, while numerous international organizations have documented the slow genocide that has been conducted against the Palestinian people, especially its children.

This compilation from recent documentary reports was prepared by EIR's Michele Steinberg, as a supplement to our coverage of the Holy Land Christian Ecumenical Foundation conference.

"Disengagement, the Palestinian Economy, and the Settlements," *Report of the World Bank*, June 23, 2004

"The Palestinian Economy Today—Few Prospects

"Between September 2000 and late 2002, the Palestinian economy experienced one of the deepest recessions in modern history. The decline in real per capita GDP reached almost 40% by the end of 2002, exceeding the scale of economic losses suffered by the U.S. in the Great Depression, or Argentina during the recent financial collapse. Unemployment increased from 10% of the workforce to an average of 41% during 2002, and the number of poor rose from 20% to over 50% of the population. In Gaza, unemployment exceeded 46% of the workforce, and the poverty level rose to 68%....

"The precipitator of this economic crisis has been 'closure,' a multi-faceted system of restriction on the movement of goods and people designed to protect Israelis in Israel itself and in the settlements. . . ."

"Poverty & Destruction in the Occupied Palestinian Territories: A Fact Sheet," *Palestine Monitor*, 2003

"Twenty-four months of Israeli military aggression and closure has had severe negative effects on the Palestinian economy and has left Palestinian society in crisis. Due to the unstable situation there is currently no private investment and donor countries are hesitant to invest in the Palestinian economy and community unless there is some progress in the peace process. The most serious damage to the economic situation and the general welfare of the population stems from the military closure and siege.

"Closure and Siege

"In early October 2000, Israel imposed the most severe restrictions on movement in the Occupied Palestinian Territories since the beginning of the occupation in 1967.... The Israeli Army controls all movement of people and goods within the Occupied Territories, between them and East Jerusalem and Israel through a dense network of military checkpoints and roadblocks. The travel and movement restrictions imposed on people and transportation has paralyzed the Palestinian economy....

"Unemployment has risen to 65%. Since September 2000, approximately 80,000 Palestinians have lost their jobs in Israel, while another 60,000 jobs have been lost inside the Occupied Palestinian Territories due to a decrease in demand and businesses forced to dismiss workers:

"Almost half of Palestinian households live on 50% of what their income was before the current Intifada began. . . .

"In the first 15 months of the current Intifada, physical damage from the conflict amounted to \$305 million. Damage caused by closure and siege during the same time is estimated at \$2.4 billion;

"60% of Palestinian exports have been lost and government spending is halved; before the Intifada the PA spent over \$100 million a month, now it puts little more than \$50 million a month into the economy; . . .

"Direct and indirect losses for the entire economy have been estimated at somewhere between \$3.5 and \$10 billion. A loss of \$3.5 billion means that the Palestinians have lost their Gross Domestic Product for an entire year (prior to September 2000, the Palestinian Authority GDP was almost \$4 billion);

"Poverty....

"75% of the Palestinian population living in the Occupied Palestinian Territories lives under the poverty line (\$2 per person); . . .

"Alarming development:

"September 2000: 600,000, or 20%, of about 3 million Palestinians lived in poverty;

"End of 2002: 1.5 million, or 50%, of the population lived in poverty;

"By May 2002, following the Israeli large-scale invasion: 84.6% of households in Gaza and 57.8% of households in the West Bank live below the poverty line. . . .

"Disproportionate effect of poverty on children: Due to the fact that a large proportion of the Palestinian population are children (53% of the Palestinian population is below 18 years) more than two-thirds of Palestinian children live in poverty....

"Malnutrition and Anemia:

"30% of children under five suffer from chronic malnutrition, 21% from acute malnutrition;

"45% of children under five and 48% of women of childbearing age suffer from moderate to mild anemia.

"More than 30% of Palestinians depend upon food handouts from NGOs and 50% of all Palestinians require external food assistance to help meet their minimum daily caloric intake."

"Amnesty International Report for 2003," Palestinian Media Center website, May 27, 2004

"Killings and attacks by the Israeli army:

"Around 600 Palestinians, most of them unarmed and including more than 100 children, were killed by the Israeli army in random and reckless shooting, shelling, and bombings or as a result of excessive use of force. Some 90 Palestinians were killed in extrajudicial executions, including more than 50 uninvolved bystanders, of whom nine were children. Others were killed in armed clashes with Israeli soldiers.

"On 25 June, 19-year-old Nivin Abu Rujaila was killed when an Israeli army helicopter gunship fired a missile that struck the taxi she was travelling in. The taxi driver, Akram 'Ali Farhan, was also killed. The target of the strike was travelling in another car. . . .

"Most Israeli soldiers and security force members continued to enjoy impunity. Investigations, prosecutions and convictions for human right violations were rare. According to the Israeli army, since the beginning of the Intifada (uprising) in September 2000, 61 soldiers had been indicted. Of these, 17 were found guilty of violence, two of improper use of weapons, and 22 of looting or damage to property. In the overwhelming majority of the thousands of cases of unlawful killings and other grave human rights violations committed by Israeli soldiers since the intifada began, no investigations were known to have been carried out."

"Let Them Suffocate," the Arab Association for Human Rights, May 14, 2004

"Executive Summary

"This report examines in detail the behavior of the Israeli police in the enforcement of house demolitions in the Arab village of al-Bea'neh in the Upper Galilee on Feb. 25, 2004. The Arab Association for Human Rights (HRA) based in Nazareth recognizes that house demolitions inside the state of Israel are a government policy directed almost entirely against the country's Palestinian Arab citizens, who are both deprived of land on which to build homes and face grossly unfair obstacles to gaining permits to build on land they do own. . . .

"The HRA harshly criticizes Israel's policy of systematically denying the Palestinian Arab minority citizens, which make up approximately 20% of the whole population, their basic human rights to an adequate standard of housing and living and the right to integrity of the private sphere. In partic-

ular, the HRA condemns the manner in which these demolition operations are carried out.

"The purpose of this report is not to consider the justice of the claims of the five families in al-Bea'neh who lost their homes. Rather it is to focus on the continuing brutal mistreatment of Israeli citizens belonging to the Palestinian Arab minority by the country's security forces. One of the major confrontation lines between the police and the Palestinian Arab minority is over the enforcement of house demolitions. It is clear from the testimonies contained in this report that the police continue to regard the Palestinian Arab population as 'enemies' who can be handled only through the excessive use of violence. . . .

"The testimonies collected by the HRA fieldworkers in the week following the demolitions also show that police besieged a kindergarten, trapping several dozen small children in the building while they fired tear gas indiscriminately in the area. Several of the children had panic attacks and problems breathing because of the large quantities of gas being fired close to the kindergarten. The kindergarten principal, Fatmah Saleh Bakri, who tried to remonstrate with the police and warned them that the children were suffocating inside, was told, 'Let them suffocate.' When she continued to plead with the officers, a policeman pointed his gun directly at her face. . . ."

"Report of the Food Security Assessment West Bank and Gaza Strip," the Food and Agriculture Organization of the Economic and Social Council of the United Nations, 2003

"The assessment concluded that though food is generally available, access is limited due to physical (curfews, closures) and economic reasons (high unemployment, depletion of resources, exhaustion of coping strategies and strained social support networks). . . .

"With rising poverty and unemployment, the food security situation has considerably deteriorated over the past three years, with four out of ten Palestinians' food insecure. Food insecurity is a reality for 1.4 million people (40 percent of the population) and a near constant worry for an additional 1.1 million people (30 percent) who are under threat of becoming food insecure should current conditions persist. People's physical access to food and farmers' physical access to the inputs and assets to produce food have been severely affected by restrictions on the movement of people and goods and the damages to personal property. The massive loss of jobs, earnings, assets, and incomes sharply reduced economic access to food with real per capita income decreasing by half since 1999 and resulting in six out of ten people falling below the US\$2.10 per day poverty line. The exhaustion of coping strategies and the inability of the social safety net to adequately protect have resulted in reductions in the quantity and quality of food consumed. These are all factors that place the Palestinian population at-risk of being food insecure."

EIR November 5, 2004 Conference Report 63

Editorial

It's the Physical Economy, Stupid!

Regardless of who wins the election Nov. 2, or even if the outcome of that election drags out over weeks and months, there is no question but that the crucial issue facing the American and world population will be the economy. Our future will be determined by how we deal with an onrushing collapse that threatens to throw us into the worst breakdown crisis in centuries. The issues to be confronted will be matters of life or death.

Nothing epitomizes this reality better than the flu vaccine crisis. On the one hand, this disaster gives us a clear snapshot of the irresponsible, even murderous state of mind of the Bush Administration. Even when confronted with the fact that tens of millions of health-care providers and members of the most vulnerable portion of the population will not be able to be immunized against the flu, Bush and Cheney and their underlings will not give up the mantra of free enterprise and the market. They won't declare an emergency, and re-allocate supplies: They would rather let people die. (It'll be after the election, right?)

On the other hand, this crisis is the result of a longstanding commitment to the insanity of the post-industrial consumer society, under which we have taken down our capabilities to provide for the health and welfare of our population. We concentrated on our "money" economy, not the physical economic prerequisites for providing medical care, and, in fact, we let our management of the money economy *loot* and shut down the physical infrastructure required for public health.

Thus, today, it doesn't matter if you have all the money in the world: *There is not enough flu vaccine to go around.* There are not enough hospital beds to handle the surge of illness which can be expected as the flu season deepens. There are not enough public health workers, not enough researchers for new vaccines, not enough nurses.

Hence, we have a concrete lesson in the fundamentals of physical economy. If you don't invest in the long and medium term in educating your workforce, building necessary public infrastructure, and establishing insti-

tutions to provide for the general welfare—when the crisis comes, you die! And in the case of the flu crisis, those otherwise avoidable deaths may add up into the tens of thousands.

The flu vaccine crisis is only the most dramatic example of this lesson that must be learned. We face a similar potential disaster in the areas of transportation infrastructure, water and sewer treatment, and power production and transmission. Breakdowns in any one of these areas of vital hard infrastructure can also lead to the deaths of individuals—or of whole areas of the economy upon which they depend for a livelihood. All the money in the world won't prevent such crises, once they have been permitted to develop.

Thus, the agenda must be set for the post-election period: Put our physical economy in order! To those who say that we can't afford it, we have to be blunt. The financial system is bankrupt anyway, and will only get worse in the immediate months ahead, with the rise in the price of oil and the like. We must put it into bankruptcy reorganization, with measures similar to those FDR took, and simply go ahead and create the Federal credit that will put people to work building what must be built for our physical and human survival.

EIR will be devoting a substantial amount of its publication efforts over the coming months to precisely this issue, and our EIR Online will provide the kind of animated graphics which are required for conveying the process of construction, and destruction, which brought us to the point we're at now. The key will be to shift the mindset of the population away from money, and the idea of what we can consume, to the prerequisites for feeding, housing, transporting, employing, educating, and otherwise uplifting the population of the United States, and the world.

The crises are inevitable, no matter who is elected. The only question is whether the American population demands a solution that rebuilds our physical economy, or whether it submits to those bankers who want to save their power, at the expense of our physical survival.

Either way, the focus is clear: It's the physical economy, stupid!

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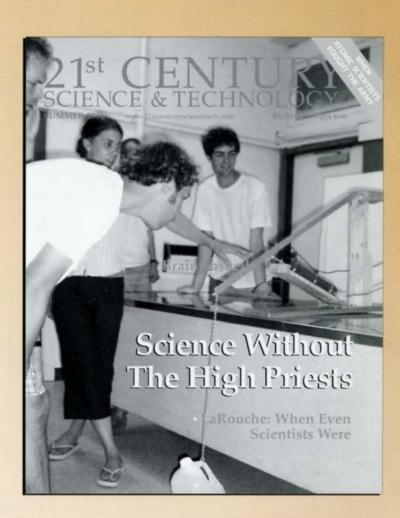
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