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# LaRouche Warned: Bush-Cheney Election Means Perpetual War



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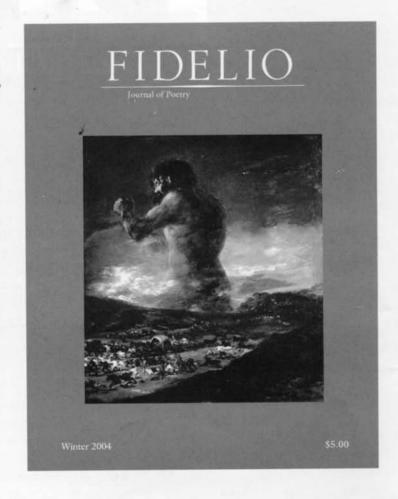
Lyndon H. LaRouche, Jr.

We must think of the abiotic, Biosphere, and Noösphere as physical capital, which we must build up, in the order of those relative priorities, to create the expanded preconditions for not only growing populations, but a higher standard of living, of higher productivity per capita and per square kilometer, of general development, and longevity of those populations. We must qualify ourselves, increasingly, to manage this Riemannian universe, as we were God's gardener.

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# From the Associate Editor

The sparks are really flying now, in the battle against the Cheney-Bush policy of imperial war and fascist economics. The "bookends" of this week's issue give you the overview: Jeffrey Steinberg's report on the Administration's drive for a military strike against Iran, and our *Editorial* on the breakout in the LaRouche-led fight against Social Security privatization. (When ABC News attacks the *New York Times* for "borrowing a page from Lyndon LaRouche," you know something rather interesting is going on!)

These stories are expanded throughout the magazine: historic moves in the **Senate** in opposition to Cabinet nominees Condoleezza Rice and Alberto Gonzales; House Democrat **John Conyers'** blast against Ohio's Attorney General for demanding sanctions against lawyers who documented GOP voter suppression; the **international backlash** against the Bush-Cheney sabre-rattling aimed at Iran; the bankruptcy of the U.S. **private pension** system—just at the point that the free-trade mafia wants to privatize Social Security; the mounting crisis in **Medicaid** assistance to the poor, which has state governors in desperate straits; an explosion of protests in **Russia** by elderly pensioners whose benefits are being slashed; and a profile of Chile's **José Piñera**, the "idea man" for Bush's insane Social Security privatization scheme, whose "model" was imposed on Chile by the Pinochet dictatorship.

Harley Schlanger's *Feature* provides an incisive historical view of the culture of Christian fundamentalism in America—the irrationalist, anti-republican movements intended to keep the population servile to a financier oligarchy. Complementing this is an interview with Dr. Justin Frank, author of a psychoanalytical profile of George W. Bush, who expresses himself pungently on recent manifestations of the President's anxiety-driven "God complex."

Allen Douglas's *Investigation* takes off from a new book on Italy's "Black Prince," Valerio Borghese, to develop the bigger picture of Venetian intelligence warfare against sovereign nations over the centuries.

See p. 40 for a discussion with Rabbi Arthur Hertzberg, an excerpt from a longer interview which we'll publish next week.

Susan Welsh

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The flight deck of the aircraft carrier USS Harry S Truman.



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At a conference in Dubai, neo-con Patrick Clawson, of the Washington Institute for Near East Policy, presented the Bush-Cheney Administration's policy of a military strike against Iran: not "if," but "when." Lyndon LaRouche forecast the scenario last year: that if Bush were re-elected, the Administration would proceed immediately with military attacks on Iran and other nations. "Now people are getting it," he commented on the Dubai report, "and they are saying: 'Is it true?' Of course it's true! They intend to do it." The policy is generating a storm of opposition in Washington, as well as among America's allies abroad.

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Correction: In *EIR* of Jan. 21, 2005, the article "The Plot Against FDR: A Model for Bush's Pinochet Plan Today," on p. 32, mistakenly said that "the Swedish-based ballbearing trust, Swedish Enskilda Bank (SKF), shipped ball bearings needed by the Allied war effort to Ibero-American Nazi-associated firms." The correct name of the SKF is Svenska Kullager Fabriken, or Swedish Ball-Bearing Factory.

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The author of *Bush on the Couch: Inside the Mind of the President,* Dr. Frank is a practicing psychoanalyst in Washington, D.C. He is on the faculty of the George Washington University Medical School.

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Call Him Pinochet; Call It Fascism.

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# LaRouche Warned: Bush-Cheney Re-election Means Perpetual War

by Jeffrey Steinberg

At a conference in Dubai, on Jan. 5-6, Patrick Clawson, speaking on behalf of the Bush-Cheney Administration, announced that Washington is hell-bent on taking out Iran's "nuclear weapons sites." Clawson, the vice president of the Washington Institute for Near East Policy (WINEP), and a leading Beltway neo-con, was part of an American delegation to a conference sponsored by the Gulf Research Center.

One Arab participant in the event told this news service: "It was not a conference. It was a notification by the Bush people, of their intentions to attack Iran." The source continued, "There were several scenarios for the attack, from a military strike to a political destabilization."

While Clawson's claim to be speaking for the Bush Administration may have contained more than a little hubris, the fact is, in a television interview with Don Imus just hours before the Bush-Cheney Inauguration on Jan. 20, Vice President Dick Cheney made similar threats of military action against Iran, going so far as to cite Israel's bombing of the Iraqi nuclear reactor in 1981, with a warning: If Iran's quest for a nuclear weapon is not stopped by Washington and Europe, Israel will strike unilaterally and let the rest of the world sort out the mess.

Washington sources confirm that a battle royal is raging behind the scenes within the intelligence community, over the Bush Administration's zeal to bomb Iran and, as some neo-cons fantasize, trigger a "velvet revolution" by Gap-Jeans-clad, Internet-savvy Iranian youth. Even with Cheney stooge Porter Goss installed as the Director, Central Intelligence Agency analysts insist that the United States does not have the ability to take out Iran's purported nuclear weapons program; and a failed bombing and commando attack would trigger a deep anti-American backlash among all sectors of the Iranian population, strengthen the hand of the hard-line

clerics, and dash any prospects of a diplomatic solution, through Euro-Russian negotiations, which have already led to a six-to-nine-month freeze in reprocessing of nuclear material.

# LaRouche Was Right

Throughout the 2004 election campaign, Lyndon LaRouche, while campaigning for the Democratic Party Presidential nomination, and later, while backing the Kerry-Edwards ticket, warned that, were Bush-Cheney to be reelected, they would unleash perpetual warfare across Eurasia. Now, Bush and Cheney's own words have proven that LaRouche was absolutely right. Every statement coming out of Team Bush since the beginning of the year has been a call to war—just as LaRouche warned.

As LaRouche stated on Jan. 25: "The key on this thing, is the fact that I forecast this entire scenario. That if Bush were reelected, they would proceed immediately with the attacks on Iran and similar targets. And this 'outpost of tyranny' thing is exactly that, it is a restatement, out of the mouth of Condoleezza Rice [at her confirmation hearings], of exactly the policy. . . . The report from Dubai is really the same story Seymour Hersh had. And now people are getting it, and they are saying: 'Is it true?' Of course it's true! They intend to do it."

LaRouche added one more crucial dimension: "But also, the point is, the essential thing is that the President of the United States is a psychotic. And his mental condition is not improving, but quite the contrary. And circumstances help to make things worse, because he has more to pretend. And he's now so far out in the world of pretend, that he has no contact with reality. So therefore he's flailing out there in the world of pretend, where he has, really, no opposing voices."

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#### **Hersh Revelations Confirmed**

Clawson's appearance in Dubai, and Cheney's blustering comments to Imus, add further weight to the expose by Seymour Hersh in *The New Yorker* magazine of Jan. 28, which identified Iran's nuclear program as "target number one" of the Bush-Cheney second term. Hersh warned that the Bush Administration would consider bombing attacks and clandestine commando operations, targetting as many as three dozen nuclear and chemical weapons sites inside Iran—as early as Summer 2005.

Sources on the ground in Southwest Asia have confirmed other details of the evolving war plans against Iran (see *International*). According to one Egyptian source, Israeli commandos are operating extensively in the Kurdish region of northern Iraq, and have been linking up with guerrillas from the Mujahideen el Khalq (MEK), the formerly Iraq-sponsored Iranian exile group, which is on the U.S. State Department's list of International Terrorist Organizations.

Leading neo-cons, including self-professed "universal fascist" Michael Ledeen, have been promoting the idea that the MEK should be removed from that list and used, instead, to destabilize the Iranian government.

#### **New, Damning Revelations**

In the intervening days since the publication of the Seymour Hersh exposé, scores of articles have appeared in newspapers around the United States, exposing other dirty secrets of the Bush-Cheney Administration, particularly the secret Pentagon spy units, which are operating outside the framework of Congressional oversight-under the supervision of Straussian Stephen Cambone, the Undersecretary of Defense for Intelligence, and his bonkers military deputy, Gen. William Boykin, a self-professed fundamentalist Armageddonist, who views the war on terror as a new holy crusade against Islam. One prominent retired military officer warned that U.S. military intelligence teams, under Cambone and Boykin, are operating on U.S. soil and are targetting American citizens. He warned that the United States, under Bush and Cheney, have entered a slippery slope which leads inevitably to the kinds of clandestine assassinations that the British Special Air Services (SAS) carried out against alleged Irish Republican Army "terrorists," which Israel has routinely carried out against Palestinian "militants," and which the French carried out in the 1950s in the "dirty war" in Algeria.

As the result of the flurry of revelations, a number of Congressional committees are planning to hold hearings on the Rumsfeld reorganization, and some of the allegations in the Hersh article.

This, in turn, has produced an hysterical reaction from at least one neo-con voice, former Bush speechwriter David Frum, the man who coined the term "axis of evil."

Writing in the Jan. 17 *National Review Online*, Frum went ballistic over the pattern of leaks from within the U.S. national security establishment, to expose the Bush-Cheney Adminis-

tration's spitting on the Constitution: "Read Seymour Hersh's latest piece in *The New Yorker* with a yellow marker in hand," he fumed. "Can you count how many vital national security secrets—secrets that could potentially get U.S. personnel killed—have been betrayed in just this one article by serving and former agents of the Central Intelligence Agency or by serving or senior and former military officers?" Frum moaned that, "the fact is that considerable elements of the national security apparatus have gone into open mutiny against this war. If the only way to stop it is to drive the country to defeat, then they will welcome—indeed hasten—that defeat. . . . The saboteurs do not believe that the Administration will take serious action against them. It's long past time to correct that misapprehension."

The reality is that Frum is, in part, correct. There are growing legions of patriotic Americans within the institutions of government—the military, the diplomatic corps, the intelligence community, the Congress—who have concluded that LaRouche was right, when he warned of a new Thirty Years' War if Bush and Cheney were reelected, or allowed to get away with stealing the November 2004 election. Now that Bush and Cheney have been inaugurated, and have confirmed their intentions to launch perpetual war, starting in Iran, but extending from Syria to North Korea, to the Caucasus, to the Great Lakes region of Africa, a concert of action is required. Richard Nixon won a far more serious mandate in 1972, but just 18 months later, his Presidency was finished, because his Watergate crimes—minor by comparison to Bush and Cheney—were exposed.

#### The First Scalp

Against the backdrop of accelerating patriotic resistance to the Bush-Cheney madness, one leading Pentagon neo-con bit the dust on Jan. 26. A brief Defense Department press release announced the departure of Undersecretary of Defense for Policy, Douglas Feith. Feith's office has been the epicenter of neo-con subversion, including the Office of Special Plans unit which was a major propaganda/disinformation unit, feeding wild lies directly to the Office of Vice President Cheney in the run-up to the Iraq invasion. At least three Feith aides have been identified as targets of espionage probes by the FBI, including Larry Franklin, the Iran desk officer at the Pentagon's Near East South Asia (NESA) policy shop, who is suspected of feeding classified information to Israel via the official Israeli lobby, the American Israel Public Affairs Committee (AIPAC).

Feith, a second-generation Jabotinskyite, was a co-author, with Richard Perle, David Wurmser, Meyrav Wurmser, and others, of the "Clean Break" study, delivered to Israeli Prime Minister Benjamin Netanyahu in July 1996. That document spelled out, in precise detail, the "regime change" agenda against Iraq, Syria, Iran, Egypt, and Saudi Arabia, which Cheney and company are now accelerating, with their talk of the Iran bombing plans.

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# Senators Assert Constitutional Role Over Rice and Gonzales Nominations

# by Edward Spannaus

The Jan. 6 Joint Session of Congress—in which a handful of fighting Democrats forced suspension of the session to consider a challenge to the Ohio Electors—marked a significant shift in the willingness of Congressional Democrats to stand up to the quiet coup d'état being conducted by the Bush-Cheney gang. And now, to that, must be added the historic events of Jan. 26.

On that day, 13 Senators (12 Democrats and one Independent) voted against the confirmation of Condoleezza Rice as Secretary of State—the most votes against a Secretary of State nominee in 180 years. And in the Senate Judiciary Committee, all eight Democrats voted against the confirmation of Alberto Gonzales to become U.S. Attorney General—a development which seemed inconceivable just a few weeks ago.

The big fight, of course, will be Social Security privatization, and on that score, the White House is already having big problems with Republicans on Capitol Hill, while at this point Congressional Democrats are standing firmly opposed to Bush's looting scheme.

However, a well-place Washington source warned that Democrats should not get over-confident or complacent about the White House's difficulties, pointing out that Karl Rove & Co. are well aware of the stakes involved, and will seek a compromise if necessary to stave off an outright defeat.

# The Revolutionary Opportunity

The necessary perspective for the upcoming battles, taking it far beyond a question of party politics, was laid out by Lyndon LaRouche at an international seminar in Berlin on Jan. 12. LaRouche was responding to an earlier presentation by a military leader from India, who had discussed the notion that the world is passing through a period of discontinuity.

"You're right about the discontinuity," LaRouche said. "We're sitting, as of now, in the weeks before us, we're sitting on the edge of a discontinuity. And the discontinuity will be decided—it could have been decided this past week. But, when people stood up in the Congress, and said, 'We do not support the certification of Bush in the vote for Ohio,' that was a turning-point, in the politics of the United States. Now, the fight will be on two things. The Gonzales issue, the question of Abu Ghraib—that's important; it's not decisive. The Social Security question is decisive. If we lose the Social



Sen. Robert Byrd (D-W.Va.): The Senate "was never intended by the Framers to be used to burnish the image of a President on Inauguration Day."

Security question, if that goes through, then we've lost. And if we've lost, the world's going into a Dark Age.

"If we *win* the Social Security issue, then Bush is a lame duck. And the government will now fall back into the hands of the Congress, through a combination of Republicans and Democrats. Under those conditions, we have a change.

"You're right: There is a discontinuity. But, there's also a revolutionary opportunity."

Underscoring this opportunity, were the dramatic events of Jan. 26 in the U.S. Senate, swirling around Condoleezza Rice and Alberto Gonzales.

#### The Rice Debate

The nine-hour debate on the Senate floor on the Condoleezza Rice nomination, on Jan. 25-26, featured repeated assertions of the Senate's Constitutional responsibility with respect to Presidential nominations, under the Constitution's framework of checks and balances among the three branches of government.

In response to Republican attacks on those speaking against Rice's confirmation for making "petty" attacks on the nominee, and stooping to low-level partisan politics, a number of Senators—most notably Sen. Robert Byrd (D-W.Va.) and Barbara Boxer (D-Calif.)—made it clear that it is the Senate's Constitutional responsibility to "ponder" each nomination, and to use their judgment, and not to simply rubber-stamp the President's choice.

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Sen. Barbara Boxer (D-Calif.): "I will never be deterred from doing a job the Constitution requires of me, or it would be wrong to have taken the oath and raise my right hand to God and swear to uphold the Constitution, if I did not take this role seriously."

Declared Senator Boxer: "I will never be deterred from doing a job the Constitution requires of me, or it would be wrong to have taken the oath and raise my right hand to God and swear to uphold the Constitution, if I did not take this role seriously."

Senator Byrd recalled that he had risen many times "to defend the perogatives of this institution," i.e. the Senate, and the separate-but-equal powers of the three branches of government. He noted that a "unique power" of the Legislative branch is its role in providing advice and consent on Presidential nominations. "It is not a function of pomp and circumstance, and it was never intended by the Framers to be used to burnish the image of a President on Inauguration Day. Yet that is exactly what Senators were being pressured to do last week, to acquiesce mutely to the nomination of one of the most important members on the President's Cabinet without the slightest hiccup of debate or the smallest inconvenience of a rollcall vote."

Democrats also hit the Administration on its pre-emptive war doctrine (Byrd specifically denounced it as unconstitutional); its policy of torture; and its systematic lying on all matters related to the war in Iraq. Rice's role as an architect of the pre-emptive war policy was frequently stressed.

From the lone Senate voice of Barbara Boxer opposing the certification of the Ohio Electors on Jan. 6, there were now 13 Senators willing to stand and fight. The other Democrats who joined the revolt were Edward M. Kennedy and John Kerry of Massachusetts, Carl Levin of Michigan, Jack Reed of Rhode Island, Richard Durbin of Illinois, Daniel Akaka of Hawaii, Evan Bayh of Indiana, Frank Lautenberg of New Jersey, and Tom Harkin of Iowa. Many are well-known senior Senators with important committee positions. Bayh's participation was noteworthy, in that he broke with his former Democratic Leadership Council ally Joe Lieberman (Conn.), who supported the Rice nomination.

As to the charges that Democrats were were only making personal and partisan attacks, and were demonstrating disunity in a time of war, Sen. Harry Reid, the new Democratic Leader of the Senate, who voted for Rice, retorted: "'Shut up and vote,' is not democracy." He noted that the Democrats had four hours to debate on the most important nomination a President can make. Most people take more time to buy a car or a television set, Reid pointed out. That is not a "burden to our country," but, "on the contrary, that is the meaning of the the Advice and Consent Clause of the Constitution," Reid said in the closing statment of the session.

Since World War II, three Secretary of State nominees have faced stiff opposition, but none received so many opposing votes. Henry Kissinger was opposed by 7 votes in 1973, and Al Haig and Dean Acheson by 6 votes each. Rice managed to match Kissinger and Haig combined—not an enviable position to be in.

# **Unified Opposition to Gonzales**

On the same day that the full Senate voted on Condi Rice, the eight Democrats on the Senate Judiciary Committee voted unanimously against confirming White House Counsel Alberto Gonzales as U.S. Attorney General. As recently as the previous afternoon, there were still a couple of Democrats who were regarded as probable votes for Gonzales.

"A dramatic shift" was the way one military figure who has opposed the nomination, described it to *EIR*. Another source, who has worked closely with the military leaders who oppose the nomination, noted that Gonzales's almost-unanimous confirmation was originally regarded as a sure thing, and that Senate Democrats were saying that "he's not as bad as Ashcroft," and "the President deserves to have his nominees approved," only a few weeks ago.

A crucial factor in the unamimous Democratic vote against Gonzales, was the issue of the "imperial Presidency"—a President who asserts he cannot be subject to any restraints from the Legislative or Judicial branches—as well as Gonzales's stonewalling in responding to Senators' questions during his confirmation hearings, which is preventing the Senate from carrying out its advice-and-consent and oversight responsibilities.

A number of Senators also stated that, although they were voting to confirm Rice, they were opposing Gonzales, because a stricter standard must apply to the Attorney General. Sen. Joseph Biden (D-Del.), for example, said that if Gonzales were being nominated for Secretary of State, he might well vote for him. He noted that Condoleezza Rice "did a lot of stupid things," exaggerating the imminence of threats, and so on. "But, her job there was to be the public face to the President. It wasn't to be an independent voice, as well, in interpreting the Constitution."

This was also a factor with two other Senators who were initially leaning toward confirming Gonzales: Russ Feingold of Wisconsin and Charles Schumer of New York.

Senator Schumer said that he was originally inclined to support Gonzales, because Gonzales was "a much less polarizing figure" than John Ashcroft. But this isn't enough. An

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Sen. Richard Durbin (D-Ill.): "If there was unspeakable cruelty in those dimly lit prison cells [in Iraq], there was also a cruel process under way in the brightly lit corridors of power in Washington."

Attorney General "must have the independence necessary to be the nation's chief law enforcement officer." This position requires more independence than the Secretary of State, whose obligation it is to advance the President's interest abroad. "The bottom line is, it's hard to be a straight shooter if you're a blind loyalist," Schumer said.

Senator Feingold pointed out that he normally gives a great deal of deference to the President's Cabinet nominees; he had even voted to confirm Ascroft. But he could not support this one. Feingold pointed to the courage shown by Attorney General Elliot Richardson and his deputy William Ruckleshaus, when they both resigned from their offices in 1973, rather than carry out President Nixon's order to fire special prosecutor Archibald Cox.

Most disturbing, Feingold said, was that Gonzales "refused time after time to repudiate the most far-reaching and significant conclusion of the OLC [the Justice Department's Office of Legal Counsel] memo—that the President has the authority as commander-in-chief to immunize those acting at his direction from the application of U.S. law. . . . We cannot have a person heading the United States Department of Justice who believes that the President is above the law."

# Oversight Needed To Check Executive Power

The senior Democrat on the Judiciary Committee, Patrick Leahy (Vt.), emphasized the theme of the imperial Presidency at the outset, saying: "I cannot in good conscience vote to confirm his nomination. And my reasons for voting against this nomination arise from the need for accountability, and derive from the nominee's involvement in the formulation of a number of policies that tarnished our country's moral leadership in the world, and they put our soldiers and our citizens at greater risk." What disturbs him the most, Leahy said, is Gonzales's view that the President has the power "to override our laws," and "to immunize others to perform what would otherwise be unlawful acts."

"That's about as extreme a view of Executive power as I have ever heard," Leahy said. "I believe it is not only dead

wrong as a Constitutional matter, but it's extremely dangerous."

Leahy pointed out that he had been in Congress for 31 years, and there has been less oversight—an important component of checks and balances—in the past four years, than at any other time in those 31 years. Only "the Federal courts have provided what little check there is, on this President's claim of unfettered Executive power."

Senator Kennedy, who had conducted the most extensive questioning of Gonzales in the committee hearing, went after Gonzales for his refusal to provide documents pertaining to the key torture memos, and his refusal to even search for them. "It's hard to imagine a more arrogant insult to this committee's oversight responsibility," Kennedy said. "If we allow this nominee to proceed to a vote without insisting on answers to our questions, we'll be abdicating our advice and consent responsibility, and weakening our oversight function precisely when it is needed the most."

Senator Durbin addressed the abuses at Abu Ghraib and Guantánamo, noting that some had declared this to be the demented conduct of a few low-level renegades. "But we now know that if there was unspeakable cruelty in those dimly lit prison cells, there was also a cruel process under way in the brightly lit corridors of power in Washington. At the center of this process, at the center of this Administration's effort to redefine the acceptable and legal treatment of prisoners and detainees, was Alberto Gonzales. . . . Gonzales . . . and others found the loopholes, invented the weasel words, and covered the whole process with winks and nods. Over the strenuous objection of Secretary of State Colin Powell and the Joint Chiefs of Staff, Mr. Gonzales recommended to the President that the Geneva Convention should not apply to the war on terrorism. The clarity of the Geneva Conventions crumbled as these people rationalized tortures and inhumane treatment."

Durbin concluded by saying that he will vote against Gonzales, not in the expectation that the Democrats can defeat him in the Republican-controlled Senate, but rather "as a statement that some of us continue to believe that our nation must lead the world by example."

While no Republican Senator has said that he will vote against Gonzales, at least two have expressed strong reservations. As we previously reported (*EIR*, Jan. 14), Sen. Lindsay Graham (R-S.C.), a Judge Advocate in the Air Force Reserve, lashed out at Gonzales's support for ignoring the Geneva Conventions, at the Jan. 6 confirmation hearing.

And Sen. Charles Grassley (R-Iowa), often a fierce critic of the Justice Department and the FBI, stated in his written questions to Gonzales, the importance of Congressional oversight, declaring that "I take those responsibilities very seriously." And he stated that Gonzales had better respond in a timely and complete manner to any questions and document requests, warning: "I also want to be sure that you know that delays, ducking or just plain ignoring my requests are not acceptable."

# From the Congress

# Conyers Rips Sanctions Against Ohio Lawyers

In reply to Ohio Attorney General Jim Petro's attack on those mounting a legal challenge to the last presidential election, John Conyers, Jr. (Mich), ranking Democratic member of the House Judiciary Committee, pointed out to Petro in the letter printed below, that the election was riddled with improprieties and irregularities, including some of the actions of Petro himself.

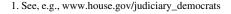
January 20, 2005

#### Dear Attorney General Petro:

I write to express my concern regarding your recent request to sanction those attorneys who brought a legal challenge to last years presidential election in Ohio. In particular, I am concerned that by seeking official censure and fines, you are engaged in a selective and partisan misuse of your legal authority. As eager as many disgruntled voters are to have a court of law finally assess the merits of the challenge actions, I have serious doubts about the validity of the sanctions case your office is pursuing.

As an initial matter, one would be hard pressed to see how the legal challenges brought under the Ohio election challenge statute were frivolous. First off, it is widely known that the Ohio presidential election was literally riddled with irregularities and improprieties, many of which are set forth in the 102 page report issued by the House Judiciary Committee Democratic Staff.<sup>1</sup> As a matter of fact, the problems were so great that Congress was forced to debate the first challenge to an entire state's slate of electors since the federal Electoral Count law was enacted in 1877. In short, there is more than an abundant record raising serious, substantive questions about the Ohio presidential election.

It is also noteworthy that the Ohio Secretary of State intentionally delayed certifying the vote, thereby insuring that the recount could not be completed by the date the electoral college met on December 13. The Ohio Secretary of State also refused to respond to numerous questions regarding the irregularities submitted to him by several members of the House Judiciary Committee, has refused to respond to a single concern set forth in the Judiciary Report, and also sought a protective order to avoid any discovery related to the legal chal-





In response to Ohio Attorney General Jim Petro's efforts to stop the investigation of voter suppression, Rep. John Conyers, Jr., Ranking Democratic member of the House Judiciary Committee, said that election officials in Ohio were acting as if they have "something to hide."

lenges. In short, Ohio election officials have compounded public doubt concerning the election by refusing to provide any sort of accountability and acting in almost every respect as if they have something to hide.

Given this context, and to help assure the public that you are not selectively pursuing sanctions in these cases for partisan reasons, I would respectfully request that you provide the House Judiciary Committee and the public with an itemization of all sanctions cases brought and considered by your office since January 2003. In addition, I would ask that you provide to us and make public an itemization of cases you have considered and pursued under Ohio's campaign and election laws since January 2003. Finally, I would like to receive an estimate of the costs you would expect to expend of Ohio taxpayer funds to pursue the sanction case you are seeking against Mr. Fitrakis, Susan Truitt, Cliff Amebeck, and Peter Peckowsky.

If you believe the election challenge case should not have been brought, I would suggest the more appropriate course of action may be revisiting the law with the Ohio legislature, rather than pursuing far-fetched sanction cases which on their face would appear to be overtly partisan in nature.

I would appreciate it if you would respond to me through my Judiciary Committee staff, Perry Apelbaum and Ted Kalo, 2142 Rayburn House Office Building, Washington, D.C. 20515 (tel. 202-225-6504, fax 202-225-4423) by no later than January 27. Thank you.

Sincerely, John Conyers Ranking Member House Judiciary Committee

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# Congressional Closeup by Carl Osgood

# **D**emocratic Agenda: Economic, Social Issues

The Senate Democratic caucus, now led by Sen. Harry Reid (D-Nev.), introduced its legislative agenda for 2005 on Jan. 24. Reid began by noting the shift that has occurred in the economy over the last couple of decades. "Good paying jobs are giving way to jobs that, no matter how hard you work, it just doesn't seem to add up," he said.

"Why is the promise of America not still alive and well for all of us?" he asked. "In part, it's because we have a government that simply doesn't live up to the values upon which this promise was made... We have leaders whose poor planning and mismanagement are exemplary in the negative sense, and there's no better example of this than what has gone on in Iraq." Furthermore, he said, "We have leaders who love to create crises that don't exist," such as in Social Security.

The Democratic agenda, itself, includes giving tax credits to small businesses so they can better provide health insurance; allowing the reimportation of prescription drugs from Canada; and repealing new rules imposed by the Education Department that have reduced the number of lowincome students eligible for Pell grants while fully funding the "No Child Left Behind Act." On the economic side, the Democrats also intend to push for an increase in the minimum wage, and repeal the Labor Department's new rules that have cut an estimated 6 million workers off from overtime pay.

The Democrats also plan to introduce legislation to set nationwide rules for the conduct of Federal elections; to repeal the tax incentives that encourage companies to move jobs overseas; and to create jobs at home by investments in infrastructure, including highways and water and sewer systems.

"If we take the Republican approach, everybody fends for themselves, then, in fact, we are in this alone; we can't solve the problems of health and education and job creation," said Sen. Richard Durbin (D-Ill.). Sen. Byron Dorgan (D-N.D.) described the agenda as "putting America's security first, but second, it is saying it's time to start taking care of things here at home."

# New Budget Projections Hide Growth of Deficit

The Congressional Budget Office's 2005 budget outlook, released on Jan. 25, forecasts a \$368 billion deficit for the Fiscal 2005 budget, a \$295 billion deficit for 2006, and cumulative deficits of \$855 billion over the next ten years. That projection comes with more than the usual caveats, however, as the report states at the outset. The projections do not include the costs of the wars in Iraq and Afghanistan, or for the rest of the so-called war on terrorism!

"Thus," the report says, "the 2005 deficit is likely to total around \$400 billion and the 2006 deficit well over \$300 billion." It doesn't end there, however, as Sen. Kent Conrad (D-N.D.) and Rep. John Spratt (D-S.C.), the ranking Democrats on the Senate and House Budget Committees, pointed out. In addition to the war costs, the projections also exclude the costs of Bush's Social Security privatization; the defense buildup that is in addition to the war costs; the cost of making Bush's tax cuts permanent;

the reform of the alternative minimum tax; and the debt service for everything but Social Security.

According to Conrad's numbers, these left-out items will add another \$5.4 trillion to Federal spending over the ten years. Making matters even worse is the revenue picture, which, Conrad reported, was, in 2004, at its lowest level as a share of GDP since 1959.

The Congressional Budget Office report came out at virtually the same time that the White House was announcing that the Bush Administration would seek an additional \$80 billion supplemental appropriation to cover the costs of the wars in Iraq and Afghanistan. When added to the \$25 billion for Fiscal 2005 that was appropriated by Congress last Summer, this will bring the total cost of the wars since 9/11 to more than \$300 billion, according to the Congressional Research Service.

To realize how far out of control the cost of Bush's wars has become, one need only remember that former White House economics advisor Larry Lindsay was fired for predicting that the Iraq war could cost as much as \$200 billion.

# Republicans Set Forth An Agenda of Ideology

Only hours after the Democrats put forward their 2005 agenda, Senate Majority Leader Bill Frist (R-Tenn.) appeared with a gaggle of Republican senators to tell reporters what the GOP plans. The list began with the privatization of Social Security, but also includes: simplifying the tax code and making permanent the tax cuts passed in 2001 and 2003; class

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action tort reform; health-care reform to, allegedly, make health care more accessible; an energy policy bill; and making it illegal to transport someone across state lines to avoid parental consent laws relating to abortions.

Conspicuously absent from the GOP agenda is a plan to make homosexual and lesbian marriages unconstitutional. A very conservative group of Republicans, led by Wayne Allard (Colo.), promised, however, to rectify that situation by introducing a Constitutional amendment that would define marriage as between a man and a woman. Allard was hopeful, but not certain, that the GOP leadership would make the amendment a high priority.

The first piece of the official GOP agenda to go to the floor will be the bill on class action tort reform, which is supported by several Democrats.

# **M**eehan Proposes Exit Strategy from Iraq

The U.S. has lost the war in Iraq, President Bush has no endgame in sight, and the insurgency in Iraq is being fuelled by the American presence in Iraq. These were the underlying premises of a proposal for an exit strategy from that folly described by Rep. Marty Meehan (D-Mass.) in a speech at the Brookings Institution Jan. 26.

Meehan proposed that the only way to deal with the situation is to set a timeline for a phased withdrawal over the next 12-18 months: "A withdrawal could be structured in such a way as to create incentives for violent factions within Iraq to come to the negotiating table rather than engaging in armed insurrection."

Meehan envisions the U.S. presence being reduced to 30,000-50,000 troops filling specialty roles, including training of Iraqi forces and "engaging in quick strikes against insurgent or terrorist infrastructure that minimize the risk of civilian casualties." There would be no more street patrols by U.S. troops in Iraqi cities and villages. Meehan also called for a Congressional debate on the U.S. role in Iraq, essentially calling for the Congress to act, since Bush has shown that he won't.

Neo-con William Kristol, participating in the panel discussion that took place after Meehan's speech, asserted that announcing an exit strategy would only tell the insurgents (all of whom are terrorists according to Kristol) that all they have to do is "hang on." Meehan replied that his proposal is not a message that "we're losing our nerve," if we actually have a strategic plan to leave Iraq. "Whatever new government emerges," he said, "they're going to make sure they're on the right side of public opinion," which is 70-80% against the American presence.

# Senators Warn Against Cutting Veteran Benefits

The possibility that the budget for the Department of Veterans Affairs may be subject to a freeze, or even cuts in services, especially health care, dominated the Jan. 26 confirmation hearing of Jim Nicholson as Secretary of Veterans Affairs. Sen. Daniel Akaka (D-Hi.) pointedly told Nicholson that "it's a non-starter to cut back services or cut who is eligible for VA care." He added that because we are at war, "we must do everything we

can to show our military that VA health care will be there for all veterans who serve."

Sen. Jim Jeffords (I-Vt.) noted that many of the hundreds of thousands who have gone to war "have suffered both visible and invisible wounds. They require immediate care today, and many will require extensive care for the rest of their lives. We cannot equivocate in providing that care; nor is it morally acceptable to provide that care at the expense of veterans of previous eras." Jeffords later asked Nicholson if he would fight for additional funding if, as all indications suggest, the Fiscal 2006 budget cuts the VA funding. After citing a "balancing act" between resources and needs. Nicholson said that his commitment in accepting the nomination "is to the veterans and their needs."

Nicholson was largely successful in avoiding answering questions, especially those dealing with the future of the VA's health-care system. He did express agreement with the formulation that the VA's first priority should be its "core constituency" of disabled and indigent veterans, which is a recipe for budget cuts that could impact some 2.5 million veterans who do not fit into that narrow category, but nonetheless depend on the VA's health-care services.

Veterans groups are concerned about Nicholson's agenda precisely because he has no record on veterans issues. Steve Robinson, the executive director of the National Gulf War Resource Center, told *EIR* Jan. 21, "It's clear that he's coming in to promote the ideas and agenda of the Administration in terms of them wanting to streamline the VA, create cost savings within the VA, perhaps even see them restricting access to the VA."

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# **E**IR Feature

# FUNDAMENTALISM IN AMERICA

# 'All Praises Due to Satan, The Ruler of the World'

by Harley Schlanger

The following is adapted from a presentation to a LaRouche Youth Movement cadre school in Seattle, Washington, on Dec. 4, 2004.

**Opening:** A chorus is singing the first verse of "Amazing Grace":

Amazing grace!

How sweet the sound

That saved a wretch like me!

I once was lost,

But now am found:

Was blind, but now I see.

**Reverend Edwards:** Our sermon today will be on a verse from *Deuteronomy* 32:35, "Their foot shall slide in due time."

O brothers and sisters, let me tell you—We are all walking on that slippery slope.

The reason why they have not fallen already, and do not fall now, is only that God's appointed time is not come. For it is said, that when that due time, or appointed time comes, their foot shall slide. Then they shall be left to fall, as they are inclined by their own weight. God will not hold them up in these slippery places any longer, but will let them go; and then at that very instant, they shall fall into destruction; as he that stands on such slippery declining ground, on the edge of a pit, he cannot stand alone, when he is let go he immediately falls and is lost.

Men's hands cannot be strong when God rises up. The strongest have no power to resist him, nor can any deliver out of his hands. He is not only able to cast wicked men into hell, but he can most easily do it.

The use of this awful subject may be for awakening unconverted persons in this congregation. This that you have heard is the case of every one of you that are out of Christ. That world of misery, that lake of burning brimstone, is extended abroad under you. There is the dreadful pit of the glowing flames of the wrath of God; there is hell's wide gaping mouth open; and you have nothing to stand upon, nor anything to take hold of, there is nothing between you and hell but the air; it is only the power and mere pleasure of God that holds you up.

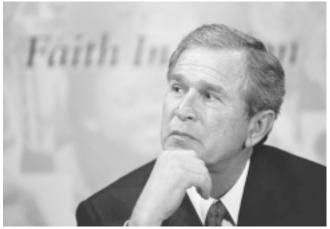
And you, children, who are unconverted, do not you know that you are going down to hell, to bear the dreadful wrath of God, who is now angry with you every day and every night? Will you be content to be the children of the devil, when so many other children in the land are converted, and are become the holy and happy children of the King of kings?

O, verily, you must remember—this is a dreary, miserable world.

Wretches of the world, unite! Help God strike down that latte swillin', brie lovin', cabernet sippin', French speakin', baby killin', gay marryin' John Kerry, or it will be you on that slippery slope, a helpless sinner in the hand of an angry God.

This sermon—with the exception of the references to former Democratic Party Presidential candidate John Kerry—was delivered by Jonathan Edwards, during the revival move-





The flamboyant evangelist Rev. Arthur Blessit (left) started George W. Bush on his conversion to the belief structure of the Christian Right, in 1984. Right: President Bush at the announcement of his Faith-Based Initiative for replacing the government's social safety net with "private charity," Jan. 24, 2001.

ment he spawned in the 1730s. Known as the Great Awakening, it was an operation against the efforts of the network which included Benjamin Franklin, to create a new republic on the American continent.

Edwards' sermon, "Sinners in the Hands of an Angry God," will sound familiar to those who paid close attention during the 2004 Presidential campaign, when manipulating little, frightened people by asserting the power of a vengeful deity, provided the basis for Karl Rove's mobilization of those who are called Christian fundamentalists. Those manipulated, impotent folks who identify themselves as fundamentalists cast the vast majority of their votes to re-elect George W. Bush as President.

This article is addressed to the question of why this could have happened. These movements of fundamentalists calling themselves Christians have swept through America before, always to be defeated before the dire consequences of such irrationalism taking over our nation could be realized. We examine here some of the historical and cultural roots of this phenomenon, which has misused the name of Christianity in order to create an ideology determined to destroy God-given reason, and leave men helpless before a very worldly oligarchy that seeks to control the nation. To this oligarchy, the search for personal salvation has to be cast as a battle of little people against a hostile world, rather than the realization of God's love and justice in the world *He* created for that purpose.

In this story, George Bush is also simply a pathetic pawn. The most dangerous aspect of his Presidency is the possibility that Americans who identify with his delusions, won't abandon them before it's too late.

## **Dubya's 'Spiritual' Journey**

Toward the end of April 1998, George W. Bush was invited by George Shultz, a leading figure among insiders at the

top of the Republican Party, to a meeting with him and his associates at the Hoover Institution at Stanford University. Shultz called the meeting not merely as a senior figure of the synarchists who run the neo-conservative movement, but as a kind of talent scout, to see if the younger Bush "had what it takes" to become President.<sup>1</sup>

At the end of the meeting, according to Shultz's own recollections, he said to Bush, "I think you ought to be President." What did Shultz see in Bush that convinced him that Bush, who was running for re-election as Governor of Texas—a position with limited powers under the state's Constitution—and had no experience in foreign policy, could handle the job as President of the United States?

"He was very relaxed," Shultz said, "with the inner security some people have and some people don't."

What is it that gave Dubya that kind of "inner security"? By his own admission, despite his birth into a prominent family which gave him a privileged childhood, George W. Bush had been a carouser who lacked direction, a failure in business, caught up in an aimless existence. He was the self-acknowledged black sheep of the family, a classic underachiever who preferred juvenile practical jokes to thinking. Raised an Episcopalian, he converted to Methodism when he married Laura, though religion seemed to play a small part in his life.

In April 1984, aware that he was floundering, Bush asked for a private meeting with traveling evangelist Rev. Arthur Blessit at the Holiday Inn in Midland, Texas. When Blessit asked him if he had an assurance that he was going to heaven,

<sup>1.</sup> The story on the Shultz-Bush meeting is reported by James Mann, in *Rise of the Vulcans: The History of Bush's War Cabinet* (New York: Penguin Books, 2004), pp. 248-249. For the full story on Shultz's leading role in destroying our republic for the last three-and-a-half decades, see *EIR*, Dec. 3 and Dec. 10, 2004.

Bush responded that he did not. Though he and Blessit—who was known for carrying a 12-foot cross with him from city to city as part of his ministry—prayed together, he acknowledges that he continued for more than a year on a wayward path.

In the Summer of 1985, Bush spoke with the Rev. Billy Graham at the Bush family compound in Kennebunkport, Maine. Graham asked Bush, "Are you right with God?" Bush replied, "No, but I want to be." Bush said that Graham, in this encounter, "planted a mustard seed" of salvation in his soul.<sup>2</sup>

It took another year, though, for that mustard seed to sprout, as Bush continued to be a heavy drinker until his 40th birthday, when he abruptly quit, in what the *New York Times* described as "a characteristic way: decisively, impulsively, and without much introspection."

The lack of introspection is a characteristic which Bush has acknowledged, when he said, "I don't spend a lot of time trying to figure me out. . . . I'm just not into psychobabble."

The combination of these encounters with religious leaders and what was likely an ultimatum from his wife, to quit drinking, led to what Bush has described as a spiritual transformation, a personal conversion, a "calling." Bush was "born again," though he rarely uses that term to describe himself. From his wild drinking days, he was transformed into a serious Methodist, who believed he would receive strength from God's grace.

# It's Easier Than Thinking

In describing his personal faith, which was strengthened by this transformation, Bush said, "My faith frees me... frees me to make decisions that others might not like."

This new "freedom" that Bush experienced was analyzed by Dr. Justin Frank, a clinical professor of psychiatry at George Washington University Medical Center in Washington, D.C. In his celebrated book, *Bush on the Couch: Inside the Mind of the President,* Dr. Frank describes religion for Bush as a "coping mechanism." He "uses religion to simplify and even replace thought, so that in some ways he doesn't even have to think."

Fortified by this personal transformation, strengthened by his new freedom, Bush entered politics, twice winning the governorship of Texas. By the time of his 1998 meeting with Shultz, he was preparing a run for the Presidency. But was it more than faith which fortified him? Perhaps a deep-seated delusion?

Texas evangelist James Robison, who served as the prime

spokesman for the Religious Roundtable founded by Edward McAteer and is a leading activist in the Christian Right, told Bush biographer Stephen Mansfield that Bush told him: "I've heard the call. I believe God wants me to run for President. . . . I feel like God wants me to run for President. I can't explain it, but I sense my country is going to need me. Something is going to happen, and, at that time, my country is going to need me. I know it won't be easy . . . but God wants me to do it." 5

The events of Sept. 11, 2001 had a further "transforming" effect on Bush, giving him what some call a full-blown "God complex." An evangelist who knew him before 9/11, Jim Wallis, the editor of *Sojourner* magazine, describes the change he saw in Bush, from January 2001 to February 2002, as follows: "When I first saw Bush in Austin, what I saw was a self-help Methodist, very open, seeking. What I started to see at this point [February 2002] was the man that would emerge over the next year—a messianic American Calvinist. He doesn't want to hear from anyone who doubts him."

Since 9/11, Bush speaks often of "God's plan for America," implying that God is watching over the United States and will protect the good from the "evildoers," and that this is what defines his chosen role.

## The 'God Complex'

Justin Frank again offers a useful psychological insight into Bush's state of mind: "Religion doesn't just replace doubt with certainty; it replaces ambiguity with dualism. . . . Banishing ambivalence and nuance from his mind, he envisions himself in a belief system as fixed as his fundamentalist faith. . . .

"He cloaks himself in the certainty of being good, absolving the self of responsibility even for destructive acts, disregarding the possibility that he could make a mistake."

The result of this process is what Americans can see on their television every night: that we have a President with a dangerous mental instability. Typical of this instability was the nearly incoherent answer Bush gave to interviewer Tim Russert, when asked about growing international resentment toward the United States due to his unilateralist destruction of Iraq for its non-existent weapons of mass destruction and equally non-existent links to 9/11.

"Heck, I don't know," a puzzled Bush responded. "I think that people—when you do hard things, when you ask hard things of people, it can create tensions. And I—heck, I don't know why people do it. I'll tell you, though, I'm not going to change, see? I'm not trying to accommodate—I won't change my philosophy or my point of view."

<sup>2.</sup> Quoted in Stephen Mansfield, *The Faith of George W. Bush* (New York: Jeremy P. Tarcher/Penguin, 2003), p. 68.

<sup>3.</sup> George W. Bush, A Charge to Keep (New York: Perennial, 1999), p. 6

<sup>4.</sup> Justin Frank, *Bush on the Couch: Inside the Mind of the President* (New York: Harper Collins Publishers, 2004), p. 54. See also interview with Dr. Frank, in this issue.

<sup>5.</sup> Mansfield, op. cit., pp. 108-9.

<sup>6.</sup> Wallis is quoted in Ron Suskind, "Without a Doubt," New York Times Magazine, Oct. 17, 2004.

<sup>7.</sup> Frank, op. cit., p. 69.



What White House political puppet-master Karl Rove and his Christian Right allies did in the 2004 election, with backing from the financier oligarchy, is only the latest chapter in a long history of such efforts, beginning with the Massachusetts Bay Colony.

# The Roots of Tragedy

The smug reaction of President Bush to the "mandate" proclaimed by Karl Rove and Dick Cheney following the vote in November 2004, and his manic drive to destroy the Social Security system, to deliver retirement funds to his Wall Street backers, demonstrate that Bush has learned nothing from the devastating mistakes of his first term. The potential to defeat the Bush agenda—which includes the likelihood of more wars—is real, given the positive response from prominent Democrats to the leadership of Lyndon LaRouche in the fight against vote suppression, and to defeat the privatization of Social Security.

However, this potential will only be realized by generating an understanding of the nature of the tragedy facing contemporary civilization, which goes beyond the presence of an incompetent buffoon in the White House. This is not the first time that a leading world power has been afflicted with a deluded or insane leader. The deeper tragedy is not that which resides in the manifestly dangerous leader, but that which is endemic within the population which chooses, or tolerates such a leader.

How is it possible that more than 59 million Americans voted for George Bush? Is his obvious lack of touch with reality not so obvious to them? To get at the essence of the tragic moment we face, from the standpoint of Classical tragedy, the question must be asked, How did the United States reach the point, at which a substantial percentage of its citizens cannot recognize the existential danger posed by the present gang of maniacs and thieves, who, with Bush,

are running the nation?

Polls taken during the campaign and afterwards indicate that the most significant support for Bush came from those who identify themselves as Christian fundamentalists, in particular those who say they have been "born again." This factor, which was known going into the election, made the open expression of one's "faith" an issue throughout the campaign.

While John Kerry spoke often of his religious convictions, and how they would affect the decisions he would make as President, Bush sent repeated, almost coded signals of his religiosity to this base. This was reinforced by the outreach of televangelists and the "Christian" Right networks, which have expanded greatly since they first played a leading role in the 1980 election of Ronald Reagan. Over the last four years, the activities of this network have been coordinated with White House political director Karl Rove and Tim Goeglein, the deputy director of public liaison.

In 2004, they used the fears, doubts and frustrations of millions of Americans to manipulate them around so-called "values issues," e.g., abortion and gay marriage. The President and his surrogates diverted the attention of the millions of people facing an unsure future because of the quagmire in Iraq, and the loss of jobs and economic security resulting from the collapse of the U.S. physical economy, by regaling them with tales of how "elite liberals" are out to destroy Christianity and the Christian roots of the United States.<sup>8</sup>

This was supplemented by assurances from charismatic fundamentalist leaders such as James Robison and Pat Robertson, that Bush is being given divine guidance. Further, there is the proliferation of books, such as the "Left Behind" series by long-time Christian Right figure Tim LaHaye, and those of the impending Battle of Armageddon by Rev. John Hagee, which offer comfort to those frightened by global crises and instability, by presenting the scriptural "evidence" that there is nothing to worry about except personal salvation, since the End Times are near, and Jesus will soon return to reign over the Earth.

The 2004 election campaign was not the first time that frightened believers have been manipulated to turn inward, away from facing reality, away from the task of organizing society to address the crises which confront it. What Rove and his "religious" allies did, with generous backing from Wall Street financiers and corporate America, is only the latest chapter in a long history of such efforts, from the time of the first settlements on the American continent, beginning with the Massachusetts Bay Colony.

#### The Battle in Massachusetts

In 1630, in what was called the Great Migration to New England, John Winthrop and the 800 passengers who ac-

<sup>8.</sup> The attempt to divide the nation around this nonsense continued after the election, with windbag Fox TV commentator Bill O'Reilly and Straussian



Rev. John Hagee, author of books on the impending Battle of Armageddon, says there is nothing to worry about except personal salvation, since the End Times are near.

companied him were not merely fleeing religious persecution; they were creating a flank in the New World, to demonstrate the superiority of a republic to the monarchical regimes of Europe, which were allied with dominant and often-corrupt churches. This is the meaning of Winthrop's challenge to his fellow migrants, that "we must consider that we shall be as a city upon a hill. The eyes of all people are upon us."

The Great Migration occurred during a period of intense religious conflict in Europe. The Thirty Years' War was raging, and England was heading into a civil war and revolution. For Winthrop and his followers, particularly Increase Mather and his son Cotton, religious freedom from persecution by the alliance between the oligarchy and the established church in England was essential, as a precondition, to establish a civil government which could act in the interests of the Common

Lynne Cheney, the wife of the Vice President, insisting that there is a conscious effort under way by secular liberals to remove Christ from Christmas!

9. H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: EIR, 1987), p. 10. This book is the best investigation of the ideas underlying the battle for the creation of the American republic against the imperial regime which had emerged in England following the 1763 Treaty of Paris.

Good: thus, the idea of the "city upon a hill."

The Mathers led the battle to achieve independence in New England, as both religious and political leaders. They were opposed not only by forces in England, but by the merchant elite in New England as well, whose fortunes depended on trade with England. The effort of the Mathers to renew the Charter, in 1688, which granted some autonomy to Massachusetts, was opposed by the representative of the Crown, Sir Edmund Andros, who received support from pro-British merchants from the Connecticut River Valley.

These merchants deployed one of their own, Solomon Stoddard, to oppose the Mathers. Stoddard, whose father was one of the wealthiest of the Connecticut merchants, attacked the Congregationalist Church of the Mathers as "undemocratic," run by "elites." In a series of sermons, he attacked the educated clergy, arguing that anyone can be chosen to lead. In 1687, Stoddard published "The Safety of Appearing at the Day of Judgment," in which he dismissed the concept of a rational God acting through "visible saints," e.g., those like the Mathers, who governed by seeking knowledge of what constitutes the Common Good.

Stoddard asserted, "The only reason why God sets his love on one man and not upon another is, because he pleases. . . . The will of God is sufficient to move him to choose one and refuse another." Who achieves salvation is decided by the "free will of God," as an arbitrary choice. Since the choice cannot be known, Stoddard preached that "sheer zeal and piety," rather than reason, or activity derived from reason, was the sole precondition for leadership in the church.

Stoddard's attack on the "elites," especially the Mathers, was an attack on the conception that God has created a knowable universe. In his "Essays to Do Good," published in 1710, Cotton Mather argues that man's mission is to discover God's laws, through reason. The proper role of a clergyman is to aid this mission through the sermon, which evokes the powers of reason in the members of the congregation.

## Using Fear To Manipulate the Fearful

Instead of reason, Stoddard focussed the congregants narrowly on their personal salvation, while organizing a rebellion against the Mathers and their fight for political independence from England. Though he claimed he was promoting democracy against the hierarchical structure of the church defended by the Mathers, historian Perry Miller accurately asserts that this was no "populist uprising," but that Stoddard, "by his explicit declaration," intended "to put dictatorial powers into the hands of the ministers and elders" who would turn the churches over to be governed by the synods from England. <sup>11</sup>

Stoddard's organizing was effective, as many New Englanders, facing increasingly oppressive measures from Brit-

 $<sup>10. \,</sup> Quoted \, in \, Perry \, Miller, \, The \, New \, England \, Mind: \, From \, Colony \, to \, Province \, (Boston: \, Beacon \, Press, \, 1953), \, p. \, 233.$ 

<sup>11.</sup> Ibid., p. 258. See also Lowry, op. cit., p. 53.

ain's imperial oligarchy, retreated from the historical mission of creating a city upon a hill, which had been defined by their predecessors. Instead, under the influence of Stoddard's preaching, which appealed to a "carnal, giddy, rising Generation"—backed by what Mather denounced as the "Presbyterianism that runs down the Connecticut River"<sup>12</sup>—frightened residents of the Colony embraced the goal of personal salvation, at the expense of the well-being of the colony as a whole. They had become little, fearful people, who, in such a state, could be easily controlled by a manipulator like Stoddard.

Cotton Mather polemicized aggressively against this retreat, writing "Things for a Distress'd People to Think Upon" in 1696. He identified this as a regression from "a fervent Inclination to Do Good," which "once ran through New England." This inclination has been replaced, he warned, by "a shameful Shrink . . . from that Greatness and Goodness. . . ." Instead, "We grow Little every way; Little in Our Civil Matters, Little in our Military Matters, Little in our Ecclesiastical Matters; we dwindle away, to Nothing." 13

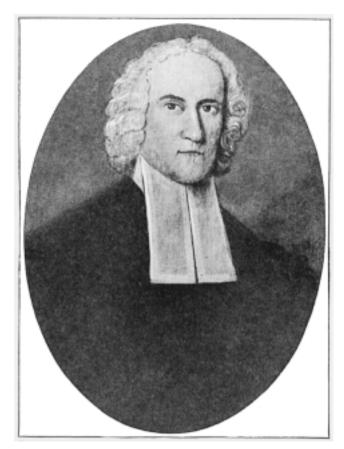
Upon its publication in 1710, Cotton Mather's "Essays to Do Good" became what historian Graham Lowry called a "handbook for organizing a republican movement." It is clear that, for Mather, faith in God does not excuse the faithful from active participation in doing good. He writes: "It is an invaluable honor, to do good; it is an incomparable pleasure. A man must look upon himself as dignified and gratified by God, when an opportunity to do good is put into his hands. He must embrace it with rapture, as enabling him to answer the great End of being."

This includes participation in, and support for, good government. "Government is called, the ordinance of God," he wrote. Thus, "it should vigorously pursue those noble and blessed ends for which it is ordained: the good of mankind." <sup>14</sup>

Among those allied with Mather was Josiah Franklin, whose son Benjamin, was influenced by the "Essays to Do Good." When he left New England for Philadelphia in 1723, Benjamin Franklin was already committed to fighting for a republican government which would act for "the good of mankind."

### The Great Awakening

The revivalism which had been launched by Stoddard against the republican movement of the Mathers was transformed into a much larger sabotage operation by Jonathan Edwards, the grandson of Stoddard. The so-called Great Awakening in the United States in the 1740s was part of a



Jonathan Edwards (1703-58), in his Great Awakening of the 1730s, worked up his congregations into a fever pitch of terror over "the dreadful pit of the glowing flames of the wrath of God."

broader operation which originated in England, to contain the potential for revolt against the Church of England and the monarchy.

Its promoters attacked the rule of reason, arguing that religious belief is primarily based on feeling, not thinking; that one should trust the heart, not the head; and that biblical revelation, not human reason, should guide Christians.

In New England, under Edwards, this movement attacked the "elites," particularly those who were interested in physical science. Edwards was a great admirer of John Locke, whose view that man is merely an animal was at the heart of Edwards' theology. Edwards wrote that he read Locke with more pleasure "than the most greedy miser finds, when gathering up handfuls of silver and gold, from some newly discovered treasure." <sup>15</sup>

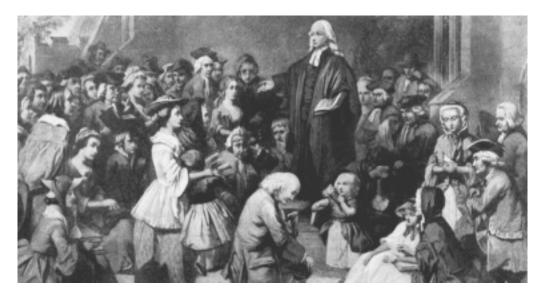
It is entirely lawful that Edwards would adopt the outlook of Locke to combat the republicanism of the Mathers and their networks, as Locke had been the mortal enemy of Gottfried Leibniz, whose scientific approach to statecraft was passed

<sup>12.</sup> Quoted in Lowry, op. cit., pp. 53. This is an obvious reference to the financial support for Stoddard's subversion from the pro-British merchants in the Connecticut Valley.

<sup>13.</sup> Ibid., p 50.

<sup>14.</sup> Quoted in Lowry, op. cit., pp. 112-113. Chapter 5, "The Republican Offensive of 1710," gives a compelling picture of the mobilization by Mather which created the basis for American independence.

<sup>15.</sup> Quoted in Perry Miller, Errand into the Wilderness (New York: Harper Torchbooks, 1964), p. 175



John Wesley (1703-91) founded the Oxford Methodists movement in England. His revivalist tradition was transplanted to America in the 1740s, starting in Kentucky.

on by the Mathers to Franklin. It was thus Leibniz's "life, liberty, and the pursuit of happiness" which were established as the inalienable rights defended by the Founding Fathers in the 1776 Declaration of Independence, and not the degenerate Locke's "life, liberty, and property."

In promoting Locke's view of the nature of man, Edwards evoked horrible images of man degraded to the level of human cattle. His famous sermon "Sinners in the Hands of an Angry God," from which our opening sermon was compiled, gives man no option of redemption, except through complete submission to an unknowable, ferocious, and unloving God, who is happy to cast human wretches into eternal damnation.

The Great Awakening continued to ebb and flow from 1740 until about 1770, but nearly disappeared as a phenomenon during the years of the battle for independence from England, led by Mather-protégé Franklin and his youth movement. The stirring words of the Preamble to the U.S. Constitution, which assert the commitment to "promote the general welfare, and secure the blessings of liberty to ourselves and our *posterity*," represent the triumph of the Leibnizian outlook of the Mathers and Franklin, against that of those shills for the British Empire, Stoddard and his grandson Jonathan Edwards.

## John Wesley and the Great Revival

Unfortunately, the cosmology of Edwards was not laid to rest with him. The "Oxford Methodists" movement of John Wesley, founded at Oxford, England in 1739, was brought to the American continent in the 1740s by one of its cofounders, George Whitfield, and ran a parallel track in the South with what Edwards was doing in New England. While it was likewise eclipsed by the American Independence movement, it was reborn in the late 1790s as the "Great Revival," beginning with a camp revival in Kentucky.

Wesley was soon preaching to large crowds in England,

revivals during which men and women cried out, "as in the agonies of death . . . and before long they were generally able to rejoice in God their Savior." <sup>16</sup>

The waves of revivalism associated with Wesley's movement shared several important characteristics with Edwards' revivalism. First, by centering its doctrine of salvation around Jesus' death, and not his teachings, it encouraged passivity in the face of present injustices, causing people to turn away from the evil outside world and focus, selfishly, on their own salvation, rather than to organize for social change. Faith in a life to come, wrote British historian E.P. Thompson, looking at Wesley's Methodism and parallel religious movements in England, "served not only as a consolation to the poor but also as some emotional compensation for present sufferings and grievances: it was possible not only to imagine the 'reward' of the humble but also to enjoy some revenge upon their oppressors, by imagining their torments to come." <sup>17</sup>

Second, it is not surprising that the Great Revival would spawn a movement that would insist upon adherence to the political status quo in England, while providing support for opposition to the republic in the United States. The Leeds Conference of the Methodists in England in 1793 (shortly after Wesley's death), reaffirmed their "unfeigned loyalty to the King and sincere attachment to the [non-existent English] Constitution." In the United States, two grandsons of Jonathan Edwards played leading roles as saboteurs against the American System: Aaron Burr, whose allegiance was to London, and who organized against the economic nationalism associated with Alexander Hamilton, whom he killed; and Timothy Dwight, who was a leader of the Hartford Conven-

<sup>16.</sup> Quoted in John Telford, *John Wesley: Into All the World* (Greenville, S.C.: Ambassador, 1999 reprint of a book first published in 1902), p. 122.

<sup>17.</sup> E.P. Thompson, *The Making of the English Working Class* (New York: Vintage Books, 1963), p. 34.

tion which backed Britain in the War of 1812, calling for the secession of New England at that time.<sup>18</sup>

Third, the emphasis on feeling and "spiritualism" generated a deep-seated anti-intellectualism and hostility to educated "elites," just as Stoddard and Edwards had promoted such sentiments against the Mathers and their republican allies. The history of revivalism (and fundamentalism, up to the present day) is one of the challenge to the established clergy and other educated "elites," such as doctors and lawyers, by charismatic lay preachers made smug by their confidence in their "inner faith."

Though Wesley's operations were launched in England in the 1740s, it wasn't until the 1790s—after the consolidation of America's victory against the British Empire, with the adoption of the U.S. Constitution—that his movement grew, both in Britain and America. In Britain, it served as a brake against the potential for an anti-oligarchical echo crossing the ocean, by preaching personal salvation rather than political-economic change. From 59,000 members in 1790, the Wesley Methodist church membership in Britain grew to over 600,000 by 1850.

Its growth in the United States, along with the growth of similar "anti-establishment" religions, such as the Baptists and Presbyterians, especially in the South, was even more dramatic. By 1850, three-quarters of all American churches were Methodist, Baptist, or Presbyterian.

# Darby and the Cult of the Rapture

The growth of churches associated with revivalism continued in the United States during the 1850s, as these were troubling times. The nation was divided over slavery, with a civil war looming. As often has occurred in U.S. history during such confusing times of existential crisis, an operation was launched from Britain, taking advantage of the tension associated with the crisis to divert attention away from ef-



John Nelson Darby

fective political action. Once again, many Americans retreated into the search for personal salvation, a search that was given a boost, in 1857, with the arrival of the Plymouth Brethren of John Nelson Darby.

The Brethren was founded in 1830, around the belief that the Second Coming of Christ would occur not as a single event, but in two stages. Darby took the beliefs of one Margaret Macdonald, who was from a family engaged in "healing" and "speaking in tongues," and developed from them a complicated eschatology—a doctrine dealing with the "final judgment" and the "End Times." Darby preached that the "Rapture of the church," when the true Christians would be lifted directly to Heaven, was coming soon, along with the return of Jesus.

His doctrine held that the Rapture would soon be followed by the Tribulation, during which the Antichrist will reign and the sinful are punished. The Tribulation period ends with the Battle of Armageddon and the Second Coming of Christ. This doctrine is called pre-millennial dispensationalism: "pre-millennial," because Christ returns and engages in the Battle of Armageddon, to usher in a millennium of peace.<sup>19</sup>

Darby's teachings were compatible, on the whole, with previous revivalist theologies. He taught that the Bible is the inerrant word of God, and that it is only through Jesus' death and sacrifice that man can be redeemed. In keeping with millennial movements of the past, his doctrine appealed most to those who were frightened and who felt little and impotent, and who saw the world as a mysterious and hostile place. This teaching offers comfort to those paralyzed by their fears and impotence, as it turns their recognition of the decline of civilization into a cause for celebration, as a sign of the impending return of Jesus Christ. If one's faith is strong enough and one has accepted that the sole path to salvation was paved by Jesus?? suffering, his theory goes, then Rapture will be the

The promotion of Darbyism was run through the Niagra Bible Conference, a series of annual events which began in 1875. For the next 22 Summers, these conferences served as the recruitment ground for spreading Darbyism to American church leaders, particularly within the "conservative" denominations. The term "fundamentalist" was first used to describe the "conservatives" attending the Niagra conferences.

But the popularizing of Darby was boosted primarily with the publication of the Scofield Reference Bible, which was first published in 1909, by Oxford University Press. The author was Cyrus I. Scofield, a veteran of the Confederate Army, who was run out of Kansas after the Civil War for his shady dealings. Scofield was recruited to Darby's outlook by Dr. James Brookes, a leader of the Niagra Conferences. When the former ne'er-do-well Scofield was ordained as a minister, the Topeka, Kansas, *Daily Capital* newspaper described him as a "politician and shyster generally . . . this peer among scalawags," who had left Kansas four years earlier "after a series of forgeries and confidence games."

However, after being named the pastor at the First Con-

<sup>18.</sup> For the story of Burr's treachery, see Anton Chaitkin, *Treason in America:* From Aaron Burr to Averell Harriman (New York: New Benjamin Franklin House, 1984).

<sup>19.</sup> Some contemporary theologians break the eschatology down further, speaking of "pre-tribulation rapturists" versus "post-tribulation rapturists." We limit ourselves here to the "pre-millennialists" and the "post-millennialists." For those wishing to pursue this to its full, nitpicking end, John Walvoord, who spent more than 50 years at the fundie training center, Dallas Theological Seminary, promoting the work of Darby and Darby's popularizer, C.I. Scofield, has written a book, *The Rapture Question*, in which he argues that Darby's "pre-tribulationist" viewpoint is the correct one.

gregational Church in Dallas in 1882, Scofield's project of writing a biblical commentary which would prove that Darby was right gained some well-heeled backers, including Lyman Stewart, president of the Union Oil Company of California and a group of real estate brokers and Wall Street investors.

The other prominent promoter of Darby's doctrines was D.L. Moody, whose Moody Bible College was at the center of the next wave of revivalism.

The importance of Darby's work is clear in the depraved fiction of Rapture popularizer Tim LaHaye, whose "Left Behind" series flows from Darby's pre-millennial doctrine. John Walvoord, another promoter of Darby who was the long-serving president of Dallas Theological Seminary, said that "Much of the Truth promulgated by fundamental Christians today had its rebirth in the movement known as the 'Plymouth Brethren.'"

# The Roaring Twenties' Revivals

Before we proceed to the current sideshow of the fundamentalism which produced the Presidency of George W. Bush—with its modern Darbyites and, even more frightening, the post-millennialist "Christian Reconstructionists" or "Dominionists"—it is useful to take a brief look at the renewal of revivalism which occurred during the Roaring Twenties. The Dionysian Age of Excess was a fertile ground for recruitment to fundamentalism (as we see again, today, with fundies proliferating during the present Age of Consumerism).

The period after World War I was one of tumult, with the dismantling of the war-time economy, revolution in Russia and a "Red Scare" in the United States, and the failure of Woodrow Wilson to convince the American people that peace depended on U.S. membership in the League of Nations. With a foolish apostle of free trade, Calvin Coolidge, in the White House adding fuel to an out-of-control speculative boom, many Americans longed for something more than a crack at earthly paradise.

Thus, the post-war period also was a time of Prohibition; of the gang-countergang battle between proponents of Darwinian evolution and the fundamentalists who preached the infallibility of the Bible, which produced the Scopes trial; and of decade-long traveling religious road shows, one featuring an ex-baseball player, Billy Sunday, who promoted a "muscular" Christianity, and another with a religious Goddess, Aimee Semple McPherson, who saved souls while seductively wrapping herself around a cross.

Sunday's pitch was simple: "With Christ, you are saved, without him you are lost. . . . You are going to live forever in heaven or you are going to live forever in hell. It's up to you and you must decide now."

While crowds at these revivals swelled, the corporate sponsors, which included names such as Morgan, Rockefeller, Weyerhauser, Swift, Armour, and Marshall Fields, could barely contain their glee, as the religious snake oil went down with big gulps of preaching about the God-given necessity for laissez-faire/free trade economics, compliant workers, and



Aimee Temple McPherson, a religious fundamentalist of the Roaring Twenties, saved souls by seductively wrapping herself around a cross.

attacks on the devil's own support for the evil of all evils, government regulation.

While Sinclair Lewis's publication of *Elmer Gantry* in 1926, an insightful broadside against the dirty, lascivious side of revivalism, and the hypocrisy of the businessmen who promoted it, had an effect on the literate public, the religious movement of the 1920s came to an end only when the deadly, crushing weight of the Great Depression caused the growing ranks of poor, hungry, and homeless Americans to look to government to find relief. The effects of the New Deal, from job creation to bank regulation, from the flood control and electrification of the Tennessee Valley Authority to the improvements in schools, seemed to be an answer from God to those who had lost hope.<sup>20</sup>

<sup>20.</sup> For a chilling view of what might have occurred had Franklin Roosevelt not succeeded with the New Deal, see Sinclair Lewis's 1935 novel, *It Can't Happen Here* (New York: Signet Classics, 1970), in which he presents the case that fascism could come to America under a "Christian" guise.

Once again, the American System of Leibniz and Franklin, of our Constitutional republic, had demonstrated that man is capable of reversing crises through application of human reason, and acting through government to "promote the general welfare."

#### The Assault on New Deal 'Elites'

Since the mid-1930s, the reforms introduced by Franklin D. Roosevelt with the New Deal have been the target of Wall Street financial interests and their oligarchical allies in the City of London. As in previous periods, these financial elites attacked the American System, in part, by mobilizing religious leaders who manipulated their flocks by convincing them that they held the keys to the Heavenly Kingdom. One of these operations which targeted



Frank Buchman

FDR was founded in the United States in 1938, by Frank Buchman. Called the Moral Re-Armament movement, Buchman's operation allegedly took aim at the moral corruption of the world.

Buchman's movement originated in Oxford—where else?—and was originally known as the "Oxford Group." By 1936, Buchman had become an admirer of Hitler, of whom he said, "I thank heaven for Adolf Hitler."

Though Buchman's movement did not grow significantly while FDR was alive, it grew after World War II ended, as defense against "the Antichrist of Communism" became its leading cause. Buchman's "anti-Communism" provided a religious cover to the beginnings of the Cold War, including backing for Harry Truman's "Red Scare," which was later known as McCarthyism, against "Godless Communism."

The most important aspect of Moral Re-Armament in the growth of fundamentalism after the war, was its involvement with the operations run through another anti-Communist operation, the Korean CIA front and wacky sex cult of Rev. Sun Myung Moon, which later became the Unification Church. In addition to the World Anti-Communist League of Moon, which gave covert backing to the illegally funded drugs-andguns operation known as Iran-Contra in the 1980s, Moon provided funding for Tim LaHaye's American Coalition for Traditional Values. LaHaye also served as chairman for Moon's Coalition for Religious Freedom, which was bankrolled directly by the KCIA's Gen. Bo Hi Pak.<sup>21</sup>

Others among today's prominent fundamentalists who benefitted from Moon's operations include Dr. James Dobson, for his Focus on the Family; and Gary Bauer, for the Family Research Council. Moon also bailed out Jerry Falwell's Liberty College, when Falwell fell behind in loan repayments and faced foreclosure.

Every one of these operations has engaged in attacks on "big government," with President Roosevelt and the New Deal the leading targets of their venomous assaults.

The other post-war figure who opened the way for the new generation of Christian crusaders in the tradition of Jonathan Edward's Great Awakening is the Rev. Billy Graham, who launched his first revivals in the late 1940s. While Graham is considered to be too soft by today's extremists—during his recent revival in Los Angeles, Christian Reconstructionist cult members denounced him for proclaiming that God loves everyone, even homosexuals—his preaching provides a link to earlier revivalists, with their focus on the sinful nature of man and the absolute authority of the Bible.

# 'Family Values' Brainwashing

The current crop of fundamentalist leaders who believe that President Bush has been selected by God to lead the United States, are adherents, for the most part, to the basic beliefs identified thus far as part of the American revivalist tradition. And whether they know it or not, a part of this tradition is that their preaching serves the interests of the true elites of society, namely the bankers and business-corporate networks of London and Wall Street, who want a frightened but docile population, pursuing their personal salvation, oblivious to the fact that they are being used as a battering ram against the real, republican traditions of our nation.

That a significant percentage of those living in the lower 80% of family income-brackets voted for Bush on the basis of his support for so-called family values, demonstrates how effective the deployment of these fundamentalist operations has been. As Thomas Frank develops in his insightful study, What's the Matter With Kansas? those who vote for "Christian conservative" candidates, such as Bush, on the basis of "family values," end up supporting the real agenda of the Wall Street backers of these candidates—i.e., an economic agenda which includes free trade, outsourcing as part of "globalization," tax cuts for the wealthy, deregulation, and privatization (of Social Security, for example). These Wall Street networks may "talk Jesus" to influence voters, Frank writes, but they "walk corporate."

The end product of this agenda—which its Wall Street and corporate backers expect Bush to deliver in full—is lower wages, loss of jobs, cuts in benefits, such as health care, and disinvestment in basic infrastructure. Those who bear the brunt of these cuts are the ones who marched to the polls and voted for Bush, because they believed him to be a Christian!

The present moves by Bush to scrap Social Security, which will consign millions of elderly, disabled, and children

<sup>21.</sup> The relationship between Buchman and Moon is covered in depth by Laurence Hecht, "Moonification of the Sciences: The Russell-Wells 'No-Soul' Gang Behind the Moonie Freak Show," 21st Century Science & Technology, Winter 2002-03. Hecht provides documentation of the central role played by anti-Americans Bertrand Russell and H.G. Wells in creating Moral Re-Armament.



Tim LaHaye, once a paid operative of Rev. Sun Myung Moon, authored the hugely popular "Left Behind" series of books on the End Times, which have sold more than 60 million copies.

to a human scrap heap, in order to steal the Social Security funds for the bankrupt banks, is hardly a Christian policy—it should be called by its proper name, a fascist policy!

It is certainly fair to ask: Where is the evidence that Jesus, in pursuing his mission, promoted tax cuts and other benefits for the upper 20% of income-brackets, policies which create a growing gap between rich and poor, consigning millions to poverty? How is it that voters cast ballots for candidates who speak of their support for "Christian values" when running for office, yet act, once elected, against measures which would benefit those who voted for them? As Thomas Frank notes, "The deafness of the conservative rank and file to the patent insincerity of their leaders is one of the true cultural marvels of the Great Backlash."<sup>22</sup>

How did the modern fundamentalists, working with Wall Street, create this deafness?

## Fear of Being 'Left Behind'

There is a great fear among many who consider themselves Christians today, that they will find themselves in the woeful position of Capt. Rayford Steele, the airline pilot-hero in the series of bestsellers about the return of Jesus Christ, written by Tim LaHaye, who once was a paid operative of Reverend Moon, and his co-author Jerry Jenkins. One evening, while flying overseas, Steele discovers that many of his passengers have mysteriously disappeared, their clothes,

wedding rings, hair clips, etc., remaining on their seats, leaving no trace of their physical bodies.

Steele's orderly life receives a further jolt upon his return home, when he discovers that his wife and young son are among the millions who have disappeared. With the help of a distraught assistant pastor at his wife's church, whose family had also disappeared, leaving him alone with his guilt that he was not a "good Christian," Steele learns that his wife and son were "raptured," taken from the Earth to join Jesus in heaven, sparing them the horrors of the coming seven years of Tribulation, as the Antichrist takes over the world. He concludes that he is in the same situation as his wife's pastor—both have been "left behind," to face the horrors of the Tribulation which, according to the authors, he could have escaped, through Rapture, had he been a good Christian.

LaHaye's Darbyite pre-millennial beliefs are summarized in the preaching of the pastor, who is determined to prepare himself and others so they will not be left behind again. He underlines that salvation comes as a result of a "transaction," a contract with Christ. Since we are all sinners, he says, "we can't save ourselves." No one can "earn their way to God or to heaven by doing good things," an idea which he calls "probably the biggest misconception ever." The reason we should do good and live right, he continues, is "in *response* to salvation."

We are saved only because Jesus "paid the penalty . . . he died in our place because he loved us. When we tell Christ that we acknowledge ourselves as sinners and lost, and receive his gift of salvation, he saves us. A transaction takes place. We go from darkness to light, from lost to found . . . we have what

<sup>22.</sup> Thomas Frank, What's the Matter With Kansas? How Conservatives Won the Heart of America (New York: Henry Holt and Co., 2004). See a review by Harley Schlanger, "Unfortunately, It's Not Just Kansas," in EIR, Oct. 29, 2004.

Jesus has: a relationship with God, eternal life, and because Jesus paid our penalty, we also have forgiveness for our sins" (emphasis added).<sup>23</sup>

Thus, LaHaye offers his readers his recipe for eternal life. Again, there is no mention of the teachings of Jesus, no insistence that man must imitate him in bringing justice to the world, ministering to the poor, offering forgiveness to others. Forgiveness comes only from God, and it is offered only for personal salvation. Jesus?? life is important only because it precedes his death; and the importance of his suffering and death is as a "transaction," to assure the sinner that there will be a reward of eternal life.

By the end of the first volume, Steele has joined with his daughter, his wife's pastor, and a world-renowned journalist to form the "Tribulation Force," beginning a journey through 11 more volumes until the Antichrist is defeated, and the millennium of peace begins, with the "Glorious Appearing" of Jesus.

Of course, in the end, the courageous Steele is reunited with his wife.

At last count, more than 60 million copies of the 12 volumes have been sold. The appeal of these books is not good writing; there is much repetition, the characters are shallow and poorly developed, and there is no suspense, as it is obvious who the Antichrist is, and that he will be defeated, before the reader completes the first 75 pages of the first volume.

But the 12 volumes speak to millions today who feel lost and dirty, helpless and impotent. LaHaye is playing on the guilt of those who drink, or gamble, or engage in sexual excess, those who strive for wealth while ignoring their families. His writing offers hope to those who believe they cannot control their sinfulness, since Satan controls their body and this world. As Lyndon LaRouche has observed, they may go to church on Sunday, but behave like sinners the rest of the week. LaHaye is appealing to those who fear death, but are also afraid they have nothing to live for. They may fall to their knees in prayer, but the question they want answered is, "Can't I make some kind of deal with God, for me?"

It is this psychology, which is characteristic of many of those in the lower 80% family income-brackets who voted for Bush—despite the fact that his policies will worsen the conditions of life for themselves, their families, and the nation—which is the subject of LaRouche's report, "Those Populist Fools Who Would Seek a Contract Even With God."24 LaHaye's heroes, following in the footsteps of those swept up in the revivalist movements in America in the previous three centuries, reject the responsibility of man to act for the general welfare, to make of this Earth a "city on a hill."

By running from this world, as though it were Satan's domain, they are trying to escape the responsibility to act to

improve human society, as this universe, and man within it, were created precisely to allow for the lessening of imperfection. "The principles which predetermine the consequences of our actions," LaRouche writes, "are universal. They are laws of the universe, existing as such natural laws, whether we chose them or not. Therefore, mankind cannot negotiate a business contract with God.

"Man must discover the laws embedded in that universe of which we are a part, and use our discovery of those laws, as powers by means of which we improve the universe according to the intention embedded in those discovered laws."25

Those, like LaHaye, who preach this doctrine of the foolishness of acting to improve present conditions, as the End of Times is near, are rewarded quite generously for the work they do. In addition to the money received from the Moonies, and from the sale of his best-selling novels, LaHaye's activity has been funded by right-wing Republicans and the foundations they run. For example, his Council for National Policy received money from Nelson Bunker Hunt, the Coors family, the Bradley Foundation, Howard Ahmanson, and Richard DeVos of Amway (who also funds the Christian Freedom Foundation, a leading voice for free trade and economic liberalization, including deregulation and privatization of Social Security).

Also contributing to promote policies favoring economic liberalization by right-wing Christian lobbying groups are the Mellon Scaife and Olin Foundations.

#### **Beyond Pre-Millennialism**

Another feature of the "Left Behind" series is that it is replete with symbolism that resonated among many of those terrorized by the attacks of Sept. 11, 2001. Four features, in particular, stand out. First, that the target of the Antichrist is, of course, Christians. This maps easily onto the belief that Christians in the United States today are persecuted by "liberal secular humanists," who are using the power of the Federal government to obliterate Christianity.

Second, it is essential for Christians to support Israel, as the in-gathering of the Jews in the Holy Land is an essential precondition for the Second Coming of Jesus.<sup>26</sup> While they proclaim great love and fellowship toward the Jews, it should not escape notice that ultimately, the Jews must either accept Jesus the second time around, or be condemned to eternal damnation.

Third, the coordinating agency used by the Antichrist to pursue his war against Christianity is the United Nations. During the build-up to the Iraq War, Bush's repeated demon-

<sup>23.</sup> Tim LaHaye, Jerry B. Jenkins, Left Behind: A Novel of the Earth's Last

Days (Wheaton, Ill.: Tyndale House Publishers, Inc., 1995), pp. 143-144. 24. Fidelio, Fall 2004.

<sup>25.</sup> Ibid.

<sup>26.</sup> LaHaye's approach to Israel in the "End Times" is held by most of the contemporary televangelists. See, for example, the writings of Dr. John Hagee of the Cornerstone Church in San Antonio, Texas, Day of Deception (Nashville: Thomas Nelson Publishers, 1997), or The Battle for Jerusalem (Nashville: Thomas Nelson Publishers, 2001).

# LaHaye Fears He May Be 'Left Behind' by New Book

Tim LaHaye, the co-author of the 12-volume "Left Behind" series, has launched an attack on Tyndale House of Wheaton, Illinois, which published his Rapture cult novels, for its decision to publish a new novel which offers a different account of the End Times allegedly prophesied in the *Book of Revelation*, the *Philadelphia Inquirer* reported on Jan. 2.

LaHaye's series is about a small cell which was "left behind" when the real Christians were "raptured." By missing the Rapture, members of the cell remained on the Earth during the seven-year Tribulation, during which the Antichrist ruled the Earth.

The first book of the new Tyndale House series, The

Last Disciple by Hank Hanegraaff and Sigmund Brouwer, rejects LaHaye's interpretation of the Book of Revelation—according to which the End Times are coming any day now—and begins with the premise that Revelation is really a coded story of the persecution of Christians and the destruction of the Temple of Solomon in Jerusalem in the First Century A.D. In the Hanegraaff-Brouwer interpretation, Nero is the Beast, and John was writing in exile, fearing he would soon be martyred. The Tribulation was not a reference to some distant event, but the brutality Christians were facing at that moment.

LaHaye attacked Tyndale House: "They are going to take the money we made for them and promote this non-sense. I don't know what science fiction he is reading. We believe the Rapture is going to come, not his nonsense that Christ came back in 68 A.D."

Perhaps LaHaye could get his good friend and ally Rev. Pat Robertson to clear this up, the next time Pat is on line with God.—*Harley Schlanger* 

strations of contempt for the UN were well received among the audience targetted by LaHaye.

Fourth, the new headquarters for the UN (which became known in the books as "Global Community") was in New Babylon, i.e., Iraq.

Though many of the volumes in LaHaye's series were written before 9/11, these four features fit in well with the outlook of the neo-conservatives, such as Deputy Secretary of Defense Paul Wolfowitz and Dick Cheney's chief aide Lewis Libby, who had mapped out plans for imperial warfare prior to 9/11 and the so-called war on terror. LaHaye and others of the Christian Right worked closely with Bush's master manipulator, Karl Rove, in crafting a message that would assure full support for the war plans pursued by Bush.

Central to the mobilization of this base was the message, put out quite frequently, that Bush is the man chosen by God to lead God's chosen nation in this ultimate battle.

This message resonates even more positively with another, even more frightening tendency among today's fundamentalists, the "post-millennialists," who believe that they must act to destroy the "evildoers" to bring about the millennium; i.e., there is no Rapture or second coming until after the forces of evil have been defeated.

This grouping is sometimes called "Christian Reconstructionists," as they believe that "Christians have a mandate to rebuild, or reconstruct, all of human society, beginning with the United States and moving outward."<sup>27</sup> Also known as

Randall Terry, for example, known for the radical antiabortion organization Operation Rescue, said that "a lot of God-fearing men believe that biblical law must be the foundation for our civil law. And if American does not return to Biblical values, we cannot survive." These would-be American Ayatollahs thus provide biblical justification to those who kill doctors who perform abortions, or physically attack homosexuals. Political candidates who are identified as "liberals" because they are thought to elevate the role of government above the authority of the Bible, must be defeated; thus, the fervor of the Christian Right in 2004 against Democratic Presidential candidate John Kerry, who was vilified over the single issues of abortion and gay rights.

The rhetoric from religious leaders who hold these beliefs can be quite chilling. James Robison, a spiritual advisor to Bush, wrote in his book *The Absolutes*, that there are only two worldviews, that of biblical Christianity, and that of Relativism: "the entertainer, teacher or leader who undermines the relevance of absolute principles [i.e., from the Bible] is no less demonically manipulated than the terrorist."

<sup>&</sup>quot;Dominionists," 28 they argue that the Old Testament scriptures must form the basis of the legal system, and that secular law should be subordinated to biblical, or Mosaic, law.

<sup>27.</sup> William C. Martin, With God on Our Side: The Rise of the Religious Right in America (New York: Broadway Books, 1996), p. 353.

<sup>28. &</sup>quot;Dominionists" believe that Christ will not return until the church has claimed dominion over all governments and institutions in the world. Pat Robertson, whose views correspond with this belief, said in 1984, as the Christian Right gained a foot-in-the-door with the election of Ronald Reagan, "Our aim is to gain dominion over society."

<sup>29.</sup> Quoted in Martin, op. cit., p. 353.

The Dominionists see Bush, with his mission to spread "American democracy" to the world against the "axis of evil," as a leader in this, the final battle in history. Speaking from this perspective, former Republican Presidential pre-candidate Gary Bauer said of Bush, "There is a very strong feeling in the evangelical world that . . . somehow God was working to put into the White House a man whose life had been transformed by accepting Christ. . . . God put George Bush there for a time like this." <sup>30</sup>

Part of the belief structure of the Dominionists is that government, in the hands of "liberal elitists," such as Franklin Roosevelt, is their enemy. Not surprisingly, they oppose government "interference" in the economy, serving as staunch supporters of free trade, tax cuts, deregulation, while opposing unionism and Social Security. Pat Robertson first launched a campaign to privatize Social Security in



Pat Robertson

1986, calling for phasing in "some kind of compulsory private system where [employed workers] can begin to set aside money on their own. . . . "31

Robertson, who rants against the loss of freedom due to "big government," seems to have no problem with a "compulsory" program, as long as it channels the money to Wall Street investment houses and speculators, and not to the elderly retirees for whom it was intended.

#### **Christianity for Dummies**

There is one additional present-day religious phenomenon to note, which might otherwise tend to be overlooked, as it seems, on the surface, to be so insipid as to be harmless. This is the run-away success of *Purpose Driven Life*, whose author, Rick Warren, promises to give the reader the answers to "life's most important question: What on earth am I here for?"

Warren, pastor of the Saddleback Church in Lake Forest, California, writes that if the reader gives him 40 days—the recommended time to read each of his book's 40 chapters—"you will know God's purpose for your life and will under-

stand the big picture—how all the pieces of your life fit together. Having this perspective will reduce your stress, simplify your decisions, increase your satisfaction, and, most important, prepare you for eternity."<sup>32</sup>

What, it offers no cure for the common cold?

More than 16 million copies of his book have been sold, and study groups meet each week throughout the nation to discuss his teachings. They meet to pursue the meaning of the strings of homilies he presents, such as, "You didn't create yourself, so there is no way you can tell yourself what you were created for," or, "all of life is a test."

But these seemingly inoffensive comments lead the reader back to the same dead-end: Man is not capable of knowing God; man's only purpose on the Earth is to live for God. "The ultimate goal of the universe is to show the glory of God," he writes. "It is the reason for everything that exists, including you. God made it all for his glory." The astute reader may perceive a difference in the God of Rick Warren and that of his predecessor, Jonathan Edwards. While Edwards' God is angry and capricious, the God of Warren appears to be more like a selfish Baby Boomer.

He continues: "We are commanded to recognize his glory, honor his glory, declare his glory, praise his glory, reflect his glory, and live for his glory. . . . Why? Because God deserves it. We owe him every honor we can possibly give. Since God made all things, he deserves all the glory.

"All sin, at its root, is failing to give God glory."

There is more to his ministry, however, than childish homilies. He ends his preface with an Edwards-like formulation on the futility of attempting to discover the *principles* which govern this universe which God has created. He writes that there are two means by which one can determine the purpose of life. "Your first option is speculation. This is what most people choose. They conjecture, they guess, they theorize." This is ultimately useless, as "even the wisest philosophers are just guessing."

The other option is "revelation. We can turn to what God has revealed about life in his Word," i.e., the Bible. "To discover your purpose in life, you must turn to God's Word, not the world's wisdom."

It should come as no surprise that Warren sides with the phony "anti-elitism" promoted by Jonathan Edwards, nor that he explicitly rejects the Leibnizian conception behind the Declaration of Independence, proclaiming that "it's easy to forget that the pursuit of happiness is not what life is about."

It is therefore lawful that Warren told a PBS interviewer that he was not surprised by the outcome of the 2004 Presidential election, as it "was not a political election. . . . It was a cultural election." Warren joined with other fundamentalists in opposing Kerry—though not by name—by circulat-

<sup>30.</sup> Outgoing Attorney General John Ashcroft is a member of the Pentecostal Assemblies of God church, which is "Dominionist" in its outlook. Ashcroft, like Bush, dismisses the judgment of posterity on one's actions today. Bush, when asked about how history will judge him, said he didn't know; besides, "I'll be dead then." Ashcroft was more eschatological: "I don't particularly care if I do what's right in the sight of men. The important thing is for me to do right in God's sight. . . . The verdict of history is inconsequential; the verdict of eternity is what counts."

<sup>31.</sup> From transcripts of Robertson's show, "The 700 Club," compiled by Katherine Yurica, in the *Yurica Report*.

<sup>32.</sup> Rick Warren, *Purpose Driven Life* (Grand Rapids, Michigan: Zondervan Press, 2002), p. 9.

ing a letter to 136,000 pastors, identifying "five non-negotiable issues" in instructing parishioners how to vote: abortion, stem cell research, same sex marriage, human cloning, and euthanasia.

## The Coming Age of Reason

It is clear from this review of fundamentalism and revivalism in American history, that there have been two primary and opposite religious pathways that have shaped Christian intervention into politics. The first goes back to the earliest settlers from Europe, to the Mathers of Massachusetts, who brought with them what LaRouche has identified as the heritage of Moses, which "identifies a God whose existence is intelligibly provable by the mind of mortal man." <sup>33</sup>

This is the legacy of Leibniz and his followers, including, most prominently, Benjamin Franklin. The religious-philosophical outlook of this network is embedded in our Declaration of Independence: "life, liberty, and the pursuit of happiness," and our Constitution, in the principles of sovereignty, general welfare, and posterity.

The leaders who did the most to realize these principles were true Christians, from the Founding Fathers to Lincoln, from Franklin Roosevelt to Martin Luther King, Jr. They expressed their love of God by acting to improve the conditions of life for all mankind. They had an implicit faith in the goodness of man, which was reflected in their commitment to building a true republic, in which each individual was given the right to act in the interests of the General Welfare, or Common Good, to the extent they were able to discern which policies served those interests.

This outlook has always been under attack by those who did not wish to see a republic thrive on the American continent. The waves of revivalism, and the retreat into a selfish seeking for personal salvation by sinful men and women, have been used as battering rams against the republic. Repeatedly, these assaults were launched in Great Britain—most frequently from Oxford—and found support among the most wealthy bankers, merchants, and businessmen on these shores. The sponsors of these movements and their American allies used to their advantage the fears and uncertainty that are a part of life, to convince those gripped by such fears that their suffering is known to God, who will reward them—as long as they suffer submissively, quietly, and piously, in his name.

These hypocrites, meanwhile, make their fortunes by convincing the fearful majority that government is their enemy, as it is the province of those who think they can know the intentions of the Creator. God is mysterious, His ways unknowable, they preach. Therefore, the power of government must be weakened, protectionism replaced by free trade, regulations scuttled, social services replaced by private charity.

Each time these apostles of free trade ride the crest of such rhetoric to control of the White House and Congress, there is a speculative boom, followed by an economic depression. Ironically, it is in the depths of depression, when mere survival becomes most difficult, that fundamentalist fervor begins to ebb. Two examples of this are the improbable election of Lincoln, following the crash of 1857, and Franklin Roosevelt's win in 1932. Both occurred after a period of frenzied revivalism led to the election of leaders who were free traders, whose free-trade policies caused an economic collapse, which forced millions of hungry and homeless Americans to turn to the government for help.

It is at such moments that frightened, little people can be uplifted by great leaders, raised from an inward focus on personal salvation to escape the hopeless misery of daily life, to joyfully take on the great tasks confronting mankind. Such a leader acts as a Sublime figure in history, able to inspire others because of the willingness to face the most awesome fears, including death, in pursuit of a better future.

In this, such leaders are engaged in the imitation of Christ, acting to fulfill His mission of justice and mercy. The exclusive emphasis on pursuit of personal salvation is a rejection of the mission of Jesus, who gave the world hope through not just by His example on the cross, but by His words and actions. The narrow-minded focus on the suffering and death of Jesus, as in the Mel Gibson movie *Passion of the Christ*—which was especially popular among those hoping to be blissfully raptured, perhaps, as Lyndon LaRouche has quipped, to avoid paying off the mortgage or credit card debt—is merely an egocentric rejection of the real teachings of Jesus, as presented in the Gospels.<sup>34</sup>

Today, civilization faces an existential crisis. The consistent errors of the last 40 years have reduced the once-powerful U.S. economy to a debt-ridden basket-case, with Americans dependent upon cheap labor of others to survive, and the neocons and the so-called Christian revivalists leading the nation toward more wars, embarking on a crusade to become the new Roman Empire.

While their pious nostrums may still work on George W. Bush, whose "God complex" has convinced him that he is the savior of freedom and democracy, the harsh reality of a new, devastating global depression bearing down upon us may serve to jar many who voted for Bush on the basis of "family values," into recognizing they have been duped by false prophets.

At that late moment, there is still time for them to discover the true mission of the American republic, to serve as citizens in constructing a city upon a hill.

<sup>33.</sup> Lyndon LaRouche, "What Is God, That Man Is Made In His Image?" *Fidelio*, Spring 1995, p. 20.

<sup>34.</sup> For example, Jesus' admonitions to the faithful in his Sermon on the Mount, such as "Judge not, that ye be not judged" (*Matthew* 7:1), seem to have fallen on deaf ears amidst the often-hateful rhetoric one hears from today's right-wing Christians. I am still looking for a comment from Jesus which would justify tax cuts for the wealthy, the death penalty, or anti-union policies.

# Why Did Author of 'Amazing Grace' Attack Handel's 'Messiah'?

by Marcia Merry Baker

One of the most perfect pairings of text and music in the English language, is the oratorio about the life of Christ, *Messiah*, composed by Georg Friedrich Handel (1685-1759), the German-born musician who spent his life in England. Handel's music and activities directly interlinked with those cultural networks creating what was to become the new republic of the United States. Handel first conducted *Messiah* in Dublin in 1741, to raise funds for a foundling home, to care for children given up by parents forced into debtors' prison by London's Irish policy. Handel pursued the same goals in London.

Selections from *Messiah*—e.g., the tenor solo, "Ev'ry Valley Shall Be Exalted," the "Hallelujah" chorus, and many others—are widely treasured, including by non-Christians, for their power to impart a sense of humanity and goodness. This was the reaction to *Messiah* from the very first, and demonstrates Handel's mastery of the Classical principle in art: enabling people to become more human.

Therefore, the intense criticism of Handel's *Messiah* by John Newton (1725-1807), the author of the words to "Amazing Grace," which became the icon pop hymn of the 20th Century, is a useful historical study, as a clinical exhibit of the nature and role of fundamentalism.

In 1785, memorial performances of *Messiah* were held in Britain to mark the 100th anniversary of the composer's birth in Halle, despite Handel's alignment with those supporting what became the independent United States. In opposition to Handel's legacy, John Newton, a Church of England rector, and a firebrand preacher associated with the Clapham Sect in London, denounced *Messiah*. Newton gave a series of 50 sermons, 1785-86, to warn parishoners against the likes of Handel

Preaching on the same Biblical verses used in *Messiah* (mostly, from the Old Testament *Book of Isaiah* and the *Psalms*), selected by Handel and his friend Charles Jennens, Newton stressed that scriptural text is far superior to even the best musical rendering you could ever hear on Earth; only in the heavenly afterlife can you hear great music. Secondly, the arts, sciences, and even mathematics, are not accessible to ordinary folk, who therefore should have no exposure to such useless learning. Also, by definition, concern with public policy is out of the question for common folk. Simple people need hear only the repeated, unadorned, keep-it-simple mes-

sage that the Messiah was bloodily killed for them; only in this way can they seek their personal salvation from an otherwise miserable fate.

Excerpts from Newton's first and last *Messiah* sermons, which filled over 580 pages when first published in 1820, appear below. As for the circumstances of Newton, and how his "Amazing Grace" poem came to be iconized over 100 years later, a few particulars tell the tale.

Newton went to sea at age 11, and became a top operative in the British slave trade. Disavowing this, he then took up dockside work in Liverpool, came into the Methodist circles of John Wesley, George Whitefield, and other dissenters, and in 1764, was ordained curate in the Church of England, becoming known for emotional preaching, intensely focussed on his own past sins and fears.

During the period of the founding of the United States, Newton accommodated to the London powers that be, in particular, Prime Minister William Pitt the Younger (1783-1801), by delimiting his message to strictly personalized fire-and-brimstone. He aligned with the Wilberforce Society, which, while opposing the slave trade, engaged in such actions as petitioning Pitt and King George III, to re-charter and "reform" the British East India Company, by requiring them to convey preachers to India and other parts of the Empire!

In 1779, Newton co-authored *Olney Hymns* (named after Olney, England, his first parish), containing 280 hymn texts by him, and 68 by William Cowper, whose father had been court cleric to George III. Newton's texts—no music was given—typically focussed on the individual's sinful state.

Over the 1800s, several Newton *Olney* poems were set to various tunes in the United States, and used by evangelistic currents promoting simplified—i.e., simple-minded—texts and music through their camp meeting, gospel-hymn movements. One such Newton hymn poem, "Faith's Review and Expectation," was later titled by its first two words, "Amazing Grace." In 1876, for example, it appears grafted onto the tune "Warwick" (not the tune familiar today) in *Gospel Hymns, No.* 2, by Ira Q. Sankey and A.P. Bliss out of Chicago. Multimillions of this booklet, and others containing Newton poems/tunes were printed by the huge printing operations, for example, of the Evangelical Association Publishing House in Cleveland, Ohio and the Moody Bible center in Chicago. Vast funds flowed into these promotion operations, for example, from Mrs. J.P. Morgan, wife of the Wall Street banker.

An 1835 booklet, *Southern Harmony*, printed in Philadelphia, grafted "Amazing Grace" onto an earlier tune known in Virginia—the one familiar today, and circulated it widely through the "shape note" singing circuit, especially in the South. Finally, by early in the 20th Century, the signature-tune status of "Amazing Grace" was clinched, through the combined impact of all these elements, plus British military

<sup>1.</sup> *The Works of John Newton, Vol. 4* (Edinburgh, U.K.; Carlisle, Pennsylvania, The Banner of Truth Trust, reprinted in 1985 and 1988, from the first publishing in 1820 by Hamilton, Adams & Co., London).

and masonic bagpipers, and especially through radio and the "entertainment" industry. To cap it off, falsified "authentications" of the hymn's history were put out by John and Alan Lomax (calling it a "white spiritual"), PBS's Bill Moyers, and others.<sup>2</sup>

Therefore, when today, you hear someone praise the pop hymn as "my favorite," or "my great-grandmother's favorite"—implying that Newton's piece just arose out of the mists of history to "speak to us" now, beware. Common wisdom is a dangerous thing!

## From Newton's 50 Sermons, 1785-86

Sermon I. The Consolation (Isaiah 11:1-2)

"Comfort ye, comfort ye my people, saith your God. . . ."

"... Conversation in almost every company, for some time past, has much turned upon the commemoration of Handel; the grand musical entertainments, and particularly his Oratorio of the Messiah, which have been repeatedly performed on that occasion in Westminster Abbey. . . . But they who love the Redeemer, and therefore delight to join in his praise, if they did not find it convenient, or think it expedient, to hear the *Messiah* at Westminster, may comfort themselves with the thought, that, in a little time, they shall be still more abundantly gratified. Ere long, death shall rend the vail which hides eternal things from their view, and introduce them to that unceasing song and universal chorus, which are even now performing before the throne of God and the Lamb. Till then, I apprehend that true Christians, without the assistance of either vocal or instrumental music, may find greater pleasure in a humble contemplation on the words of the Messiah, than they can derive from the utmost efforts of musical genius. . . . There is no *melody* upon earth to be compared with the voice of the blood of Jesus speaking peace to a guilty conscience, or with the voice of the Holy Spirit applying the promises to the heart. . . . " (emphasis in the 1820s original).

Sermon L. The Universal Chorus (Revelation 5:13)
"[And every creature which is in heaven, and on the Earth
... heard I, saying,] Blessing, and honour, and glory....

... It is probable, that those of my hearers who admire this Oratorio, and are often present when it is performed, may think me harsh and singular in my opinion, that of all our musical compositions, this is the most improper for a public entertainment. . . Though the subject be serious and solemn in the highest sense, yea, for that very reason, and though the music is, in a striking manner, adapted to the subject, yet, if the far greater part of the people who frequent the Oratorio, are evidently unaffected by the Redeemer's love, and uninfluenced by his commands, I am afraid it is no better than a profanation of the name and truths of God, a crucifying the Son of God afresh. . . .

Interview: Dr. Justin Frank

# 'God Complex' Helps Bush Deal With Anxiety

Dr. Frank is the author of Bush on the Couch: Inside the Mind of the President (New York: Harper Collins Publishers, 2004), and a practicing psychoanalyst in Washington, D.C. He is on the faculty of the George Washington University Medical School. EIR's review of his book, and an earlier interview with him, appeared in our issue of Aug. 20, 2004. Jeffrey Steinberg interviewed him on



Jan. 20, 2005, following the President's Inaugural speech.

**EIR:** Could you start off by giving us a summary of your book? Some of the research that you did and some of the major findings that you came up with on President Bush?

**Frank:** My book is essentially a psychoanalytic study of the President, looking at some of the early sources of his behavior and how his character evolved over time. There is a chronological lens that we can look through, which is his mid-life decision to quit drinking, what that's about, and his experience of him being born again. I came to the conclusion that his entire life, from early on, has been dedicated to managing, through evasion—to managing his anxiety. That he was an overwhelmingly anxious person who built up layers and layers of different ways to protect himself from anxiety.

The anxiety, in a child like that, is usually about their own destructiveness and also about being humiliated. His father was a star. His mother was cold and distant. His sister—he was the first born and his sister died; there was no mourning. There was no discussion of her death. And so, he was sort of left on his own.

There are lots of different ways of managing anxiety, and, there are several of them that have come out since he stopped drinking. But, of course, the first way to manage anxiety is through alcohol. But, by being a born-again Christian, he can also manage anxiety by being connected to God, by feeling that he'll be saved in any kind of a rapture, by feeling that he's always on the side of the Good.

Another way to manage anxiety is to make *other* people anxious, so he can project his anxiety into the rest of us. So we can experience the kind of anxiety—and the rest of the world *does*, in lots of ways, experience the kinds of anxiety that he must have felt as a child. Another way of managing

<sup>2.</sup> John A. and Alan Lomax, *American Ballads and Folk Songs* (New York: The MacMillan Co., 1934.

anxiety is to simplify things; to divide the world, his own *inner* world, into good and bad, into black and white. And, we certainly see that in his Second Inaugural address today, where he talks about, the world is divided in half in terms of good and evil. So, it's another way to manage anxiety.

Another way to manage anxiety is to be *cruel* to other people, by making them anxious, and by gratifying your own sense of power to compensate for feeling helpless.

And, finally, there is another way to manage anxiety, which is to become detached from the consequences of your behavior. Something that I call malign indifference, which is a repudiation, really, of the damage that you've done, and not taking responsibility for it.

Of course, here is *another* way of managing anxiety, which is evident in the way Washington, D.C. looks today: It looks like a police state. If this is a free world, you could fool anybody. You certainly could have fooled me. It's surrounded by guns and police. This is not freedom. This is freedom inside of a metal cage, that he has created, because he is so anxious and so frightened. When he has town meetings, he has to screen all the members who participate, because he's afraid of having any question that might disagree with him. This is a frightened man who *insists* on having everybody be absolutely loyal to him.

It's a different kind of leadership than this country has been used to. We have had other Presidents who have been frightened: most famously, Richard Nixon. And, then, we've had other Presidents who have been somewhat grandiose, certainly Lyndon Johnson. But, we have never had anybody like this.

So, that's what my book is about. My book is, essentially, a detailed study of the psychological phenomenon that involves mental splitting, mental function, mental action, and how, ultimately, Bush has decided to play his anxieties out on a global scale.

EIR: In the book, you, towards the beginning, indicate that what you've produced is a study that is representative of the work that's done on many foreign leaders. You discussed the whole field of applied psychoanalysis, and that this has become a rather important tool, used by the U.S. government, the intelligence agencies; and it seems to be a pretty widely known phenomenon around the world. Could you say a bit about that?

**Frank:** Yes, the book is a scientific study. It's based on a long tradition of psychoanalysis called applied psychoanalysis, which is the application of psychoanalytic thinking, and psychoanalytic principles, to the study of historical figures, of foreign leaders, people who never make it into the analyst's consulting room. Freud did this, of course, with Moses, Leonardo. People have done it, certainly on Hitler. Roosevelt commissioned a study on Hitler in 1942, so they could figure out how to deal with him after the war was over, to understand him psychologically. There have been studies: on Gandhi, various other leaders; historical and current.

And, the State Department, right now, is doing a series of profiles, which they do regularly, on all kinds of foreign leaders, from Saddam Hussein to Qaddafi, to Putin, to Castro, to every leader in the world, really. That's been headed by a man named Jerrold Post. Dr. Post and I are colleagues. In fact, he invited me to be a speaker at one of his seminars, and I discussed the book there. Of course, he found it very interesting, and important to have a chance to try and do this with a sitting President.

So, what one does is, you read everything written about them, everything that they've written. In this case, because of the availability of videotapes and things like that, I can actually see all of his press conferences, over and over and over again; his various speeches. Study them, look at his nonverbal behavior, plus his choice of words. Read the memoirs of his parents, written by Barbara Bush—she wrote two; one by George Sr., he wrote one. There's all kinds of interviews with various friends and family members. I did not interview anybody in person. I decided that I would use material that was only available to the general public. I wanted to show a way of thinking, about a way of approaching material, from a detailed study of what's available to all of us.

**EIR:** I guess that also included a careful review of the famous seven-minute reading of *The Pet Goat*, down in Florida [on Sept. 11]?

**Frank:** Yes. A careful review of that. I know the kind of trance state he was in, and, basically, it's a good example of *why* he needs to protect himself from anxiety; because there you saw a case in which he was terrified and unable to think. He didn't know what to do! And I think that the problem is that, when you think that you are protecting yourself by constructing all these mechanisms, you actually are not protecting yourself. And, when you are trying to protect *us*, the American people, we're not being protected. It does not make us less anxious to have Washington, D.C. be a police state, for a day or two. The result is the opposite.

Denying anxiety is not the same as experiencing and *managing* it. If parents never help a baby manage his fears, that baby lacks the means to face them as an adult. You don't just have to be calmed down; you have to actually have developed the ability to manage your *own* fears, involving thinking about them. And, you do that by getting help from parents to manage your fears from early on in life.

Tina Brown, who wrote a column in today's *Washington Post*, washingtonpost.com, called "Mothering the Old Boys," talks about it in a very clever way, which is that, Bush "outsources" his own feelings and his own anxiety. He gets Laura Bush to manage his anxiety. And, I think that is another way he has of managing things. He's very frightened of being attacked, of being humiliated, but he's able to cover it over and compensate for it. The problem is, is that it never works, because you become insatiable. The drive never stops.

**EIR:** The obvious conclusion, from what you just said, is



President Bush gives his Second Inaugural speech on Jan. 20. Dr. Frank considered the speech "quite stunning in terms of the desperate need to manage anxiety."

that many other governments around the world have their own teams of psychiatrists, using this method of applied psychoanalysis, and they've undoubtedly drawn some of the same professional conclusions that you have about the President. **Frank:** I can't imagine them *not* coming to the same conclusions. It's actually impossible not to.

EIR: Now, I wanted to ask you about one particular series of three experiences that Bush had, that we probably all were eyewitness to, in which the protective screens that you describe, the screening of the audiences at all of his town meetings, didn't quite hold true: And that was the three Presidential debates with Sen. John Kerry. I wonder if you could comment on Bush's performance during those debates. I had a lot of people comment, especially people who had read your book, that the clinical evidence was practically jumping through the TV screen at them.

Frank: Well, it's very interesting to track through the three debates. Take the first debate. One of the purposes of Bush's anxiety has to do with his feelings of inadequacy in competition, both with his brother Jeb, and mainly with his father. And, he's very anxious about his own destructiveness, but also his own being defeated. So, what John Kerry did in that first debate, was, he told Bush that Bush was making mistakes that his father never would have made. And Bush became, I felt, completely unwound and unravelled at that moment, and he started deteriorating in front of everybody. And at one moment, he said to Kerry, "Of course, I know the difference between Saddam Hussein and Osama bin Laden." It was quite striking. He became extremely anxious and disorganized.

And, I think that the problem with Kerry at that moment was that he didn't go for the—he didn't pursue it.

EIR: Yes, I agree.

Frank: Because, it is very clear that he broke through all of the defenses, and it happened very suddenly. It was like a sudden punch, that broke through a fighter's well-constructed defenses. And so, he didn't follow through on it, but it was very clear that you could see that Bush was having trouble thinking, that he retreats to what people who are ex-alcoholics all do—untreated alcoholics—they retreat to repeating phrases. And, they repeat certain phases, about "It's hard work. It's hard work being President"—or whatever he kept saying. But, he would repeat certain phrases, because he was like somebody clinging to a life raft. And these phrases become anxiety-managing kind of phrases.

In the second debate, he had an unusual advantage, for him. Namely that it was town hall-style, meaning that he could sit on a stool, and he could move around. And, one of the ways that a child has, of managing anxiety, is to become very active. You dissipate your anxiety through muscular activity: these kids whom you see in school, who can't sit still, and they're jumping up and down, and running around. You get them to run around, it's a way of discharging their tension. So, he actually was hopping up and down from his chair, quite dramatically a couple of times, almost like a child—interrupting Kerry, interrupting the questioners. I felt that it was clear evidence of a not-very-acceptable technique to manage his anxiety. But, he was not pinned down, verbally, particularly, at least as I recall, because he could get rid of his

anxiety by physical behavior.

However, he also talked like he was trying to be cute a few times, when he talked about: "Oh, I own a lumber company? Does anybody want to buy some lumber?" That was quite a dramatic statement. First of all, there's a very common statement in bars about having sex; offering yourself as available for sex. And, clearly he was reverting to his behavior, I think, when he used to be drinking; this behavior that got him a lot of consensual validation. People would applaud, or laugh, and find him cute and a clown. In other words, when he can't fight, directly and intellectually, because he couldn't really compete with Kerry on an intellectual basis, he retreated to becoming kind of a clown. And he was almost mimicking himself. That is another way to manage anxiety. But it was quite disturbing to see this in a President.

And then, the third debate, I just felt that he was much more organized and trying to focus on staying on point. I thought Kerry had another chance, because it was a debate where you couldn't walk around and dissipate your anxiety. But Kerry decided not to go for the jugular this time, at all. He didn't mention Bush's father, which I think would have worked, if he had done it again.

**EIR:** Yes. Of course, that was the debate that sparked so much of the speculation of that box-like thing that was jutting out from—

**Frank:** —from his back, right. Whether he was getting coached. And, it's amazing. There's definitely something there, but the question is, what is it and what's its function? Was he wired? Another possibility people have been writing to me about, is whether he's on some kind of a life-vest system, because he has some cardiac irregularities, and that would account for him fainting a few times and his falling off the bicycle. But, those are all very speculative.

**EIR:** I understand that a paperback edition of the book is coming out shortly, and that you've written an additional chapter, I would assume updating the clinical profile.

**Frank:** Yes, I have written an update. Actually it's not quite finished yet. I'm writing an updated clinical profile of President Bush, because the book stops, really in April. And, this paperback edition, which is going to come out in June, will go through the State of the Union address this year. So, it's got a few more weeks to go. It's essentially an update of the book, in terms of what's been going on since April, through the campaign, through the election, through the Inauguration and the early part of his second term, which has started now.

In terms of his behavior, some of the characteristics that are described in the book are elaborated: Abu Ghraib is a good example.

But, there's also a chapter I'm writing about group function. I decided to add a chapter about groups, because I think that it's very important to understand, that inside the mind of



After being told "America is under attack," when the second plane hit the World Trade Center on 9/11, a visibly stunned George Bush continued to read My Pet Goat in a Florida classroom for nearly seven minutes.

people *like* President Bush—and he's not the only person like this—they have a kind of an internal mafia, or an internal gang constructed that protects them against anxiety inside, and, in his case, he's been able to have that gang *live* in front of him, and not just in his mind. He's been surrounded by members of his Cabinet and his advisors who essentially function the way the parts of his inner world function. And he's able to create a kind of group that protects him from everything bad, and can also express his own aggression and destructiveness, without him having to take responsibility for it. So, he can have other people do it, like Rumsfeld and Cheney; and then he doesn't have to do it. It's a very interesting psychological phenomenon.

The book will come out in the middle of June of this year. It's being endorsed also, on the cover, in addition to the current people, it's going to be endorsed by Seymour Hersh and by Ron Suskind, who wrote the book about [former Treasury Secretary] Paul O'Neill [*The Price of Loyalty*].

**EIR:** That's excellent. Suskind had done his own article. **Frank:** He had done an article on faith. It's very powerful and very good.

**EIR:** That's very exciting. Did you have a chance to observe, or read, the State of the Union?

**Frank:** Well, I read his Inaugural. In fact, if you want to know how I spent his Inauguration Day, I spent it in Canada. I thought it was just too painful. Especially living in Washington, it's really like an armed camp. And I just decided I didn't want to—I figured I could register my protest, by not buying anything American, by leaving, and also by writing and thinking about it.

I've got an article coming out tomorrow in *The American Prospect* about the Inauguration, but I wanted to say that his speech was quite stunning in terms of, again, the desperate need to manage anxiety. You could see it through the fact that he feels embattled by the "reign of hatred and resentment," as he calls it. He wants to expose the pretensions of tyrants. I mean he is really living in a world where we are embattled and surrounded by danger, and we have to be protected by God. It's quite stunning. He says, "America's vital interests and its deepest beliefs, our deepest beliefs are now one. From the day of our Founding we have proclaimed that every man and woman on this Earth has rights and dignity and matchless value, because they bear the image of the Maker of Heaven and Earth." It's pretty scary.

And it's all about freedom, and what he wants is something he's never going to have, because what he wants is freedom from anxiety. That's his deepest, unconscious wish; that's what his entire life is about. But, he's never going to have it this way. First of all, anxiety is not your enemy. Anxiety can be your enemy, especially if you're frightened out of your wits. But, anxiety should be a source of information, something to be managed and thought about. It's a way of your mind and your body letting you know that there is a problem that needs to be dealt with, and that you need to think about it. And, anxiety is part of living.

He is essentially saying that he wants to spread freedom throughout the world, which has to do with getting rid of anxiety. I think that when he's talking about tyranny, he's talking about his own internal experiences, that he is feeling tyrannized by his own anxiety and his own fears. And, he's getting the rest of the world to live out his own inner fantasies. It's amazing that he's come this far. I think part of it is that he's been able to manipulate and sweet-talk lots of people who are far better than he is. I mean, I think that people who are really good people, well-meaning people in middle America, are really seduced by his religiosity, his posturing, and of course, by their own fear, that he has helped create.

**EIR:** I thought it was very important, in the book, that you dedicated a chapter to discussing the people who are inclined, for their own reasons, to support someone like a Bush. And, obviously while there are a lot of questionable aspects of the Nov. 2, 2004 election, he did receive the votes of millions of people.

**Frank:** And, even if he had lost the election—which I still think was stolen, although there's no way to know—he still got a lot of votes. I mean, a *lot* of votes.

**EIR:** Over the course of the term as President, would you characterize his psychological state as having deteriorated? Is it an accelerating deterioration? Because, it is an important preview of what kinds of things we may be in store for in the next couple of years.



The President's "group" protects him from the outside world. Here, Bush is flanked by top officials of his first Administration (left to right): Chairman of the Joint Chief of Staffs Richard B Meyers, Secretary of State Colin Powell, Bush, National Security Advisor Condoleezza Rice.

**Frank:** For somebody who is grandiose, and for somebody who is using everything at their disposal to manage anxiety, those people can never fully rest. So, he's going to get worse and worse, psychologically; although, he may, at times, seem to be very calm. But the increase in his grandiosity and his paranoia are, if unchecked, just going to take over. He already wants to break down the Social Security system that's been working for a long time.

And, he is very interested in doing certain things such that, if he's *driven* to manage anxiety, he will be indifferent to the results of his destructiveness, because, if he *looked* at the results of his destructiveness in a serious way, it would make him anxious! So, this is why he can't really look at Abu Ghraib, or look at the devastation you caused our own troops, and certainly the Iraqi citizens—it's not possible for him to really take those things in. And, of course he doesn't allow much exposure to come into this country. So, I think that the future is that he is going to have to run faster and faster to manage anxiety, and the victims of that race that he is having against his internal tormentors, are going to be the rest of us. So, I'm not very optimistic about the future.

To say that he is psychologically deteriorating—the answer to your question would be, yes. But, it's not in the traditionally easily definable way, because, as long as he can appear calm, he will manage. But, if he is caught off-guard, it's very clear that he's not able to think. I mean, the other day—because, if you try to manage anxiety like that, it really im-

pinges on your ability to think—so, the other day somebody from the *Post* asked him, on Air Force One, "How come we haven't caught bin Laden?" Bush responded really quickly, "Because he's hiding!" It's just unbelievable, it's great. And it was so brilliant. It says it all!

EIR: One of the things that I think is somewhat a cause for optimism in this otherwise, obviously, rather bleak situation, with the re-inauguration of Bush, is that he's taking on such a big issue with this attempt to privatize Social Security, that he's met with a lot of resistance from Republicans in Congress. And I can just indicate two anecdotes that were in my mind, when we started talking. One is that, a number of leading Republicans in Congress, including Rep. Bill Thomas, who is the chairman of the Ways and Means Committee, have basically called Bush's proposal for privatization of Social Security, a "dead horse." Thomas has apparently come under massive pressure, threats, harassment, from the White House for even making that comment. And, I was told today by a member of Congress, that when Sen. Arlen Specter, chairman of the Senate Judiciary Committee, commented that he was not pleased that Alberto Gonzales had not answered many of the questions the Committee provided to him, in order to conclude his confirmation process, that he also received some very menacing calls from the White House, demanding basically that he cease and desist from any criticism. I guess the White House today, also came out with a typical Karl Rove counterattack against Sen. Robert Byrd, who put a one-week hold on the vote and final debate on Condi Rice's appointment as Secretary of State, by essentially accusing him of being an old-line member of the KKK, and basically attributing the whole thing to racism, as if the Iraq War and the cover-up never happened.

**Frank:** Well, there will be an unraveling. All these defensive layers are definitely *frightening* to people who live outside of those layers, because, you are being bullied. You are being intimidated, and that's very frightening. But, if people ever stand up to him—first of all, he's going to show his teeth, and do the kinds of things you've just cited. But, it's also going to show a massive defensiveness and an eventual collapse.

Bullies are basically frightened people, even though they are frightening. And, all of the behaviors that I've talked about, and that you have asked about, are the behaviors of a bully. So, I do think there is some hope, that members of his own party—because it's going to have to come from members of his own party, because Democrats are already—many of them are weak, with the exception of Boxer and Kennedy and a few others. They are too afraid to stand up. It's going to have to come from members of his own party who are going to see him as overstepping his bounds.

Now, one of the things that happens with a megalomaniac person, is that people who are that grandiose and that desperate, have to control more and more things, and take over more

and more things, and challenge more and more traditional sets of values, or traditions, really. And, the last person who did that, in a clear way, was [Sen. Joseph] McCarthy, when he, essentially, was beginning to challenge Eisenhower himself. And, I think that what happens is that, these people *never* stop, unless some outside force stops them. And, Bush *will not* stop of his own choosing. He will only have to *be* stopped. And that would have to be, by people who are willing to stand up and say, "Stop it! You can't do this any more. I don't care if you're President."

And, that's what I think the Republicans might eventually do, when they see how really deeply disturbed he is. And, that's what I'm hoping.

EIR: Well, I think there is, as I say, some cause for optimism that we are going to see that, hopefully sooner than later. And, of course, since Bush is not able to run for re-election, and Cheney is now saying again that he's not interested or physically up to running, the benefits to Republicans of standing 100% with the President are diminishing. So, I'm optimistic. Frank: I'm optimistic, but I really would not underestimate him. He is a formidable person. He's clearly strong. He knows what he wants. I know that a few years ago, you guys were very much thinking that Cheney was running the show. There's just no question that he's running the show. This speech is him, not Cheney.

EIR: Right.

**Frank:** And, his behavior has always been him, and what he's done is, he's allowed people to think that there is optimism, everything will work out, he's not really doing anything, he's not that smart. He is very smart, but in a certain kind of way. He is very tricky, very cagey, and extremely dangerous as a President, and as a person. I think that people don't quite—a lot of people understand that; but, the people who get attacked—like Specter, I'm sure, understands it more today than he did yesterday.

So, I do feel optimistic, but optimistic is only going to go so far. There has to be really a ready, steady, pressure kept, to educate members of Congress about who he is. You can do a lot of damage in the next four years. He's done a lot of damage in the last four years, and even if he's not able to be re-elected, or run again, he can do a tremendous amount of damage to our nation, to the economy, to Social Security, to our security, to the environment. I mean there is a lot of things that are irreversible.

So, I'm not exactly as optimistic as you are, but I'm not going to give up, and I don't think you are either. And, that's the issue, is to keep going.

**EIR:** Exactly, and I think that it's probably a perfect point to leave our readers with.

**Frank:** I'm hopeful that people will keep going. People are speaking out.

# **E**IRInternational

# Euro-Russian Deals With Iran Seek To Derail Attack

by Muriel Mirak-Weissbach

During the U.S. election campaign, Lyndon LaRouche repeatedly warned that, were George W. Bush and Dick Cheney to be reelected, the world would enter a new phase of wars, starting with a military strike against the Islamic Republic of Iran. The truth of this was spelled out at a conference of the Gulf Research Center in Dubai on Jan. 5-6, by Patrick Clawson of the Washington Institute for Near East Policy (see article, p. 4).

Clawson was challenged to provide justification for an attack, given that Iran had been given a clean bill of health by the International Atomic Energy Agency (IAEA) regarding its nuclear program; he was asked by an Egyptian participant, if the United States would fabricate phony intelligence as it had done in the case of Iraq. There was no comment by the speaker.

However, the nuclear issue is clearly the track being pursued. Members of the Israeli government, which has been mooted as a proxy for a U.S. attack, have been championing the same cause, arguing, as Defense Minister Gen. Shaul Mofaz did in London on Jan. 27, that Iran was approaching the "point of no return" in its nuclear program, and would have to be stopped. Mofaz proposed moving to the UN Security Council for sanctions, presumably leading to military action.

The fact that Iran, to date, has complied with IAEA strictures and has submitted to wide-ranging inspections of its nuclear installations, has been cheerfully ignored by those bent on pursuing aggression at any cost. One possibility raised by a continental European strategic analyst, in discussions with *EIR*, is that Iran will indeed come to a comprehensive, final agreement with the European Union, regarding renunciation of its uranium-enrichment program. In exchange, Iran

would demand access to technology for peaceful nuclear energy, extensive trade agreements, and a hands-off policy toward Iran's internal political affairs.

Such a development, which is considered feasible, would present Bush and Cheney with a dilemma: Given that their war drive is fuelled by their need for a dramatic foreign-policy "success," in order to push through their domestic agenda of fascist austerity, a peaceful solution to the nuclear issue would be unacceptable. Their actual strategic aim, which is instituting "regime change" in Tehran, would have to be pursued by other means.

In this light, the question of timing is important. Most analysts concur, that the Washington neo-cons are working on a fast track, with an April-August time frame. June is a key inflection point, because talks between Iran and the EU could come to a happy conclusion by that time. It should be noted that Defense Secretary Donald Rumsfeld has stated that he will resign only after the Iran issue has been dealt with.

# Can a War Against Iran Be Stopped?

Although the planning has been completed, and the machinery is in place, there is nothing inevitable about a military strike against Iran, nor a political destabilization. If this insane assault is to be stopped, it will be stopped from within the United States, through the political mobilization of the opposition led by LaRouche. That largely Democratic opposition has been baring its teeth, in challenging key Bush nominations (like Alberto Gonzales and Condoleezza Rice), continuing the fight against voter suppression, and organizing to defeat Bush's proposed Social Security privatization. It is the combination of forces in the opposition—from the ranks of the

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military, the Congress, intelligence, and intellectual circles—which can defeat the drive to war.

Investigative journalist Seymour Hersh exposed key elements of the Iran operation, in a piece in The New Yorker on Jan. 28. Think-tankers, including the neo-conservatives, have questioned the feasibility of attacks such as those revealed by Hersh. "There are no good military options," was the blunt assessment of James Carafano, a military expert with the conservative Heritage Foundation, on Jan. 21. The United States, he said, could launch pinpoint strikes on targets in Iran from U.S. warships or from the air. But short of an imminent threat from nuclear-armed Iranian missiles, any gain would likely be outweighed by the trouble Iran could cause U.S. forces in Iraq and Afghanistan, he said. "When you're trying to stabilize Iraq and you've got this long border between Iran and Iraq, and you're trying to keep the Iranians from interfering in Iraq so you can get the Iraq government up and running, you shouldn't be picking a war with the Iranians," said Carafano. "It just doesn't make any sense from a geopolitical standpoint."

A ground war with Iran, he said, would be unsustainable. "We couldn't do another large-scale ground operation without a major mobilization that would require mobilizing basically all of the National Guard. Even if we wanted to do that, it would be pretty obvious because it would take us months, if not years, to get the National Guard up and ready to go."

Anthony Cordesman, an Iran expert at the Center for Strategic and International Studies (CSIS) in Washington, said Iran "would see any pre-emptive attack as encirclement." "It would probably react hard to whatever happened, and that would make it more destabilizing than stabilizing," he said in an interview quoted by Agence France Presse on Jan. 22.

Even a high-ranking, active-duty officer of the U.S. military in Afghanistan criticized one option, exposed by Hersh, of using that country as a launching pad for clandestine operations inside Iran. Maj. Gen. Eric Olson, the senior U.S. commander in charge of the campaign against the Taliban and al-Qaeda in Afghanistan, said on Jan. 24, that his task would be hampered by any instability in neighboring Iran. "I think it is in Afghanistan's interest to see stability in Iran, and anything that is destabilizing or causes turmoil in Iran, especially close to the border, would not be good for Afghanistan and would not be good for my mission," he said. Olsen, who was addressing an assembly of diplomats in Kabul, added that if there were spy missions in Afghanistan, as Hersh alleged, they would not come under his control.

### **Europe's Crucial Role**

Due to the increasingly visible and aggressive opposition inside the United States, forces in Europe have mustered the gumption to stand up to the new war threat. German Chancellor Gerhard Schröder, who was the first in Europe to object



Russia is committed to helping Iran complete its Bushehr nuclear plant, and proceeding with construction of six more such plants. Europe and Russia are working diplomatically with Iran to try to defuse the crisis and prevent an insane U.S. military strike.

to any new adventures, has been issuing statements almost daily to this effect. Speaking on Jan. 24 at the traditional New Year's reception of the German Social Democrats, he stated that, "in view of the fact that in Afghanistan, in Iraq, we are still far away from a really satisfying, pacified situation, we do not need new conflicts. And, that is why I think we should support, with clarity and with commitment, that the three European powers—Great Britain, France, and Germany—make use of every means that is available to them, to achieve a political solution of the question posed in Iran. We are opposed to an Iranian capability of atomic weapons. But we want to solve the problem politically. A military intervention must be prevented; that is our view. This will guide the next talks that we have to engage in."

One day later, Schröder briefed the European Affairs Commission of the German Bundestag (parliament) in Berlin, pledging that his government's view on the matter has not changed and will not change: The only way to solve the nuclear problem with Iran, is through diplomacy. This is the German view, and it is the broader European view, as well. Considering the degree of instability that still reigns in Afghanistan, and looking at the latest reports from Iraq, "a war against Iran is really the last thing we would need," Schröder said.

These repeated warnings came as German Foreign Minister Joschka Fischer was meeting with U.S. Secretary of

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State-designee Condi Rice, discussing, among other issues, the Iran situation. Fischer received no commitment from Rice, that the United States would join the European diplomatic effort.

### Russia Backs France, Germany

In parallel to the German interventions, the French mounted a high-level diplomatic initiative in Moscow. Defense Minister Michele Aliot-Marie and Foreign Affairs Minister Michel Barnier visited Moscow on Jan. 21, in the context of the Fourth Cooperation Council on Security Issues. In statements to the press, Alliot-Marie indicated that France intended to be a privileged partner of Russia, to ensure that Russia were not isolated or excluded in the international arena. The "four-way dialogue" was presented by all parties as "unique," a sign of the very close relations between the two countries.

Military cooperation between them, they stated, would be reinforced, as would collaboration on the fight against terrorism and on Iran. Barnier made clear that France would ruthlessly pursue a political solution to the nuclear issue; negotiations with Tehran, he said "are delicate and we are keeping our eyes wide open, but there is no alternative to this policy." He added: "The Russians are on the same line as we are, they want the mediation of the European troika."

This was declared officially by Russian Foreign Minister Sergei Lavrov, who, together with Barnier, "stressed in unison that the only way to reach a reliable agreement with Iran was through the political dialogue that France, Britain, and Germany launched 16 months ago," according to the *International Herald Tribune*. "We are working in parallel to the Europeans, we are backing their efforts," Lavrov told the newspaper, adding that Russian-Iranian contacts were on a continuing basis. Russia has "has held parallel contacts with the European troika and with Iran." This is all about "freezing the uranium-enrichment program and continuing close cooperation between Iran and the IAEA without any secret topics," Lavrov said. "Russia will do everything in order to ensure that the reached accords are put in practice," he said.

The significance of this shared position, which the *Tribune* correctly characterized as an "unprecedented public show of unity on the issue," cannot be understated. Russia's declared support for the EU initiative places tremendous pressure on Washington to follow suit. Barnier was explicit: "The Russians' backing is very important for us," he said in a press interview. "Three large European countries have enough credibility to launch this dialogue, but for it to succeed, we need both Russia *and the United States* to be behind us."

### **Britain Chimes In**

Shortly after these talks took place, even the British—who are part of the EU-3, the group which has been negotiating for the EU with Iran—announced their dissenting position vis-à-

vis Washington. On Jan. 23, the London *Sunday Times* wrote that a 200-page dossier, prepared by Foreign Secretary Jack Straw, had been discreetly issued to the House of Commons just prior to Bush's Inauguration speech of Jan. 20, and was kept quiet, to avoid tensions. The dossier, entitled "Iran's Nuclear Programme," rules out military action, in favor of a "negotiated solution" to ensure that Iran's nuclear program remain non-military. It says the peaceful solution pursued by Britain, France, and Germany is "in the best interests of Iran and the international community," while referring to "safeguarding Iran's right to the peaceful use of nuclear technology."

During his visit to Washington, Prime Minister Tony Blair discussed the issue with Condi Rice, and told the *Financial Times* afterwards that he thought that Bush Administration preparations for an attack were "wild fantasies." He did, however, agree theoretically, that Iran's alleged nuclear ambitions could be stopped by force. Blair conceded that, "if the Iranians keep to the [IAEA] deal, . . . then of course that makes a difference in international attitudes to them.

Several high-level British sources have emphasized to *EIR*, that Blair cannot support a U.S. attack on Iran. One senior British defense establishment source said: "Blair would be out immediately if he tried to do that." There might be some kind of covert intelligence cooperation on Iran, but that would be maximum from the British side. Pointing to the actions of Straw and Blair's rival, Chancellor Gordon Brown, Blair "would absolutely not be able to support Bush on Iran," the source said.

### Russia's 'Assymmetric' Political Response

The decision by the Russian government to officially endorse the EU effort for negotiations with Iran is one thrust of what could be called its politically asymmetric response. It must be seen together with Moscow's recent foreign-policy initiatives toward Syria, as well as Iran itself.

Syrian President Bashar al-Assad paid an official visit to Moscow beginning Jan. 24, the first such visit at that level since 1999. In addition to far-reaching economic cooperation agreements, including in the energy sector, they struck an accord to redefine Syria's debts to Russia, which date back to the Soviet era. The Russians agreed to forgive 73% of the debt, and space out repayment of part of the rest over ten years. The remainder will be in Syrian currency, and will be used for purchases of goods and investments in Syria.

In their joint declaration, President Vladimir Putin and Assad also agreed "to pursue traditional cooperation in the military-technical sphere in keeping with their mutual interests and international obligations." This includes a four-year cooperation agreement whereby Russia will supply Syria with air defenses. In their joint statement, they also repeatedly stressed the "supremacy of international law, on taking into account the interests of all the states, the mechanisms of working out collective approaches to the solution of international

problems, with the United Nations playing the cardinal coordinating role"—a clear jibe against unilateralism. Furthermore, they set up regular consultations "on matters connected with the strengthening of interaction between the Russian Federation and the League of Arab States and the Organization of the Islamic Conference of which Syria is an active member," and in which Russia seeks observor status.

The issue of aggression against Iran constitutes a "red line" for Russia. If it is crossed, the Russian government can be expected to shift its stance in the international arena, diplomatically and otherwise. The Russian-Syrian summit marks another step, by Moscow, toward re-establishing a position of influence in the region, in effect, reviving Sovietera relations.

Regarding Iran directly, Moscow's stance is unequivocal. Government spokesmen have reiterated their commitment to completing the Bushehr nuclear plant, and to proceeding with up to six more such plants. Several hundred Iranian technicians are being trained by the Russians to run the plant.

Just following the string of threats emanating from Washington against Iran, Russian government representatives engaged in two days of strategic discussions with the Iranians. Deputy Foreign Minister Sergei Kislyak visited Tehran on Jan. 24-25, for talks with Iranian Deputy Foreign Minister Gulam Hoshru, Deputy Chairman of the Supreme National Security Council S. Mousavian, and A. Bourujeri, chairman of the Majlis (Parliament) National Security and Foriegn Policy Committee. The discussions centered on international issues (chiefly Iraq), and a "broad range of themes of bilateral cooperation and issues concerning transparency and the peaceful character of the Iranian nuclear program," the Russian ministry official said.

Iran, for its part, knows that relations with the EU and with Russia are the best deterrents for thwarting a military confrontation. Although the leading government representatives of Iran, from President Seyyed Mohammad Khatami, to Foreign Minister Kamal Kharrazi, and Defense Minister Al Shamkhani, have reiterated the country's commitment to defend itself if attacked, Tehran is clearly banking on the political option, through its cooperative relations with Europe and Russia. The Iranians know full well what the military-strategic consequences of a U.S. strike would be. As government spokesman Hamid Reza Asefi put it, in a briefing to the press, "We do not see it [a U.S. attack] as likely, unless someone wants to make a major strategic blunder."

In late February, Europe, Russia, and the United States will come face to face on the issue. Bush will travel to Europe for the NATO summit in Brussels on Feb. 22, then will meet Chancellor Schröder in Mainz on Feb. 24, and President Putin in Bratislava on Feb. 25. As the opposition to the permanent-war madness continues to grow inside the United States, it can be expected that the Russian-European alliance will draw the line.

# Will Sharon Heed God's Warning to Jezebel?

by Dean Andromidas

On the basis of a secret decision, going back to July 2004, Israeli Prime Minister Ariel Sharon has ordered the confiscation of Palestinian property on an unprecedented scale, in yet another gross violation of the Geneva Conventions and the norms of civilized states. Palestinian property worth hundreds of millions of dollars, including thousands of acres of land, residential, and commercial buildings in East Jerusalem, has already been, or is in the process of being confiscated, report several sources in Israel, including the daily newspaper *Ha'aretz*, and Arab member of the Knesset Mohamed Barakeh. The decision remained secret until the week of Jan. 17.

On Jan. 21, an article by Meron Rapaport in *Ha'aretz Magazine*, exposed Sharon's decision—which is illegal even according to rulings by the Israeli Attorney General—to implement the so-called Absentee Property Law of 1950 in East Jersusalem. This is the statutory law that was passed to "legalize" the seizure, without compensation, of all property of Palestinians who have their homes in what is now Israel. Until now, this had only been implemented within the so-called 1967 borders, when East Jerusalem and the West Bank were under the control of the Kingdom of Jordan. Now it is being done in territory seized by Israel during the 1967 war.

The same day as the Rapaport article appeared, an editorial in *Ha'aretz* entitled, "Injustice and Stupidity in Jerusalem," commented that "thousands of Palestinians, including many who live right next to their confiscated lands, are to lose property overnight worth hundred of millions of dollars, and for which no one intends to compensate them." This outrage has been repeatedly applied, "even though the owners live only a short distance away from their confiscated property, their names and addresses are known, and no one doubts their ownership. . . . ." Nonetheless, Sharon's Cabinet "decided to label them 'absentees' "so that the state could take their land.

The unprecedented move is among the bitter fruits of the Bush Administration's endorsement of Sharon's new "Berlin Wall" on the West Bank, and President George W. Bush's notorious letter of April 14, 2004, which gave de facto recognition to Israeli settlements in the West Bank.

Moreover, these seizures fly in the face of international law. On July 9, 2004, the International Court of Justice, in The Hague, ruled that Sharon's Berlin Wall on the West Bank is a violation of international law and must be dismantled as soon as possible. The ruling—"Legal Consequences of the Construction of a Wall in the Occupied Palestinian Terri-

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Israel's new "Berlin Wall" is more than twice as high as the Berlin Wall was in Germany. In the portion near Jerusalem, it cuts deep into the Palestinian West Bank, encompassing a territory double the size of traditional East Jerusalem. Sharon's new land-grab is a violation of the Geneva Conventions.

tory"—was passed almost unanimously, but Israel has refused to recognize it.

### Half of East Jerusalem To Be Confiscated

Sharon's decision was calculated as a slap in the face to the new Palestinian leader, President Abu Mazen. But, the timing of the decision is also related to the fact that Sharon's wall surrounding Jerusalem—including East Jerusalem where almost 250,000 Palestinians reside and are the vast majority of residents—is nearing completion. With the decision on land seizures, the Palestinian challenges to this blatant theft of property can be brushed aside—or so the Sharon government would hope.

This wall, 8.5 meters high, more than twice as high as the Berlin Wall in Germany, cuts deep into the Palestinian West Bank, encompassing a territory double the size of traditional East Jerusalem.

Meron Benvenisti, who served as an advisor on Arab affairs to former Jersualem mayor Teddy Kollek, told *Ha'aretz* on Jan. 20, "It might be as much as half the property in East Jerusalem."

Ha'aretz addded: "In short, thousands, perhaps tens of thousands of Palestinians lost property worth hundreds of millions of dollars. The State of Israel became the official owner of all these vast holdings—without the owners being able to appeal and without being entitled to so much as one

shekel in compensation. Because in the eyes of the government of Israel, these flesh and blood people, who live in Bethlehem or Beit Sahur or Tamallah and have olive groves or houses or land within the municipal boundaries of Jersusalem, do not exist. They are absentees."

These thousands of Palestinians are absentees only because of Sharon's criminal wall. Prior to the construction of the wall, Palestinians living outside of Jerusalem were able to reach their farmland, or collect the rents of commercial and residential property that they owned in East Jerusalem. Before the wall was completed, the Israeli government told the Palestinians that they would be issued permits so that they could reach their land. Israel told the U.S. government, the Europeans, and other governments who expressed concern, the same thing. But as of this writing, not one permit has been issued.

According to an investigative report in *Ha'aretz* Jan. 20, farmers and property owners have now been told not only that they will not get permits, but also that they no longer own their own land. *Ha'aretz* interviewed numerous farmers who showed them how the wall has cut them off from their olive groves and farmland, and in some cases was built through the middle of their homes.

"I have lands and I also have a house in Beit Safafa (which is on the other side of the wall)," Nadr Abu Gatas told *Ha'aretz*. "I pay property tax to the Jerusalem Municipality on the house, and I went to my land all these years without problems. We weren't absentees then. The people are living here, not in America. They are not dead."

In one case, Israel seized a hotel worth \$3 million, despite the fact that it was on the other side of the wall, simply by having the Israeli army confiscate it for "security purposes."

Already the Israelis have begun clearing all the land right up to the wall, in preparation for building residential and commerical buildings on land where only a few months ago, Palestinian farmers were harvesting their olives and fruits. The next step will be the real ethnic cleansing, when they start evicting Palestinians in East Jerusalem who have been renting their homes and apartments from owners who now live on the other side of the wall.

According to the same *Ha'aretz* report, even before the wall was built, Jerusalem's master plan called for building

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thousands of housing units on this same land, with the full knowledge that the land was owned by Palestinians.

#### Not the First Time

This is not the first time Sharon has done this in East Jerusalem. In 1990, when he was Housing Minister, he used the absentee property law to seize control of property in the Old City at the foot of the al-Haram al-Sharif, Islam's third most holy site, where Sharon's legions of religious fanatics want to rebuild the Third Temple. Once these properties were seized, the Palestinian residents were evicted and replaced by members of the Temple Mount Faithful, the organization that wants to destroy the mosques on the al-Haram al-Sharif—and in the process start World War III.

This is not the first time Palestinian land has been stolen. Virtually all the Israeli settlements in the West Bank and Gaza Strip were built on land that was either seized, or purchased fraudulently for a pittance. But never has so much land, including some of the most valuable in the region, been seized simply with the stroke of Sharon's pen on a government directive

It should be investigated whether much of this stolen land will fall into the hands of the same building contractors who have financed Sharon's political career for the past 30 years.

In a related move, the Israeli Defense Forces are now forcing Palestinians who live in Jerusalem and who wish to travel to the West Bank, to acquire special permits. The situation will make life impossible for many Palestinans who live in Jerusalem and work in nearby Ramallah or Bethlehem. Ha'aretz West Bank correspondent Amira Hass, who lives in Ramallah, wrote that this will, in the end, lead to more Palestinians leaving Jerusalem. "Experience shows that the humiliation and difficulties involved in getting a permit reduce the number of those seeking one. Ramallah could gradually empty itself of Jerusalemites. . . . Or alternatively, many Jerusalemites won't be able to give up their ties to Ramallah, and they will do what for decades, Israeli governments have been openly hoping for: They'll give up their residency in Jerusalem completely."

Sharon is about to extend this land grab all along his wall, with plans to extend the wall so it will encompass Gush Etzion, which will become the first large West Bank settlement block to be put fully on the Israeli side of the wall. Gush Etzion is precisely one of the "Israeli population centers" referred to in Bush's notorious letter given to Sharon in April 2004.

Even now, Sharon and Defense Minister Shaul Mofaz, whose ministry is responsible for the occupied territories, have issued thousands of tenders for houses in all the settlements that are already on the western side of the wall (despite the fact that they are on Palestinian land), as well as those in so-called large "Israeli population centers." For example, the government is now in the process of declaring the territory

between the Israeli settlement of Ma'aleh Adumin and Jerusalem as Israeli "state land," even though it extends deeply into the West Bank; connecting Ma'aleh Adumim to Jerusalem will cut the West Bank in two.

### **Opposition Calls Sharon Worse Than Jezebel**

Shortly after Sharon's announcement, Palestinian President Abu Mazen and Prime Minister Abu Ala instructed Palestinian negotiator Saeb Erekat to draw up appropriate documents to present to the Israelis. Erekat told *Ha'aretz* that the application of this law was a violation of agreements with Israel, which pledged in the Oslo Accords not to make any change in East Jerusalem until the final status agreement.

Israeli Arab Knesset Member Ahmed Tibi, who had been an advisor to the late Yasser Arafat, sent a letter to Israeli Attorney General Menachem Mazuz asking for clarification and demanding that Sharon's decision be rescinded.

Citing the Bible, Shulamit Aloni, former Meretz party leader, and fighter for civil liberties and peace between Israel and the Palestinians, likened the decision to "Jezebel's act against Naboth the Jezreelite, if not worse." (Aloni was refering to the story in *I Kings* 21: 1-19, where Jezebel, the wife of King Ahab, conspires to have Naboth falsely accused of a crime and executed, after which King Ahab expropriated the dead Naboth's vineyard.)

Yossi Beilin, the chairman of the Yahad Party, denounced the decision, calling it undemocratic. "Neither from the left nor from the right, no one dared to do this, to take the property rights of Palestinians in East Jerusalem," Beilin said. He also announced he would convene the Yahad faction so as to fight against the decision, and hopes that Justice Minister Tzipi Livni will annul it.

Knesset Member Mohamed Barakeh of the Hadash party called the decision a "war crime." He said it proves that "Sharon's real disengagement is a disengagement from all accepted agreement for a final settlement." Even an official involved in the decision had to admit, "It's not fair that a man becomes an absentee because his tie to his land has been cut without his doing. But morality is one thing, and what is written in our laws is another."

There has yet to be any outcry from outside of Israel and Palestine. Washington obviously supports Sharon, while the European Union remains silent.

It is only a matter of time until these provocations lead to yet another round of bloodletting, as has been the case during Sharon's last five years in power. Nonetheless, Sharon should take seriously Shulamit Aloni's warning that his crime is worse that that of Jezebel, for the law of the Lord is far more powerful than that of the "Absentee Property Law": The Lord warned King Ahab that he and Jezebel would be punished for their iniquity: "And of Jezebel also spake the Lord, saying, the dogs shall eat Jezebel by the wall of Jezreel. Him that dieth of Ahab in the city the dogs shall eat; and him that dieth in the field shall the fowls of the air eat. . . ."

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# A Conversation With Rabbi Arthur Hertzberg

Rabbi Arthur Hertzberg, former president of the American Jewish Congress and former vice president of the World Jewish Congress, made the remarks below in an interview with Michele Steinberg and Marjorie Mazel Hecht of EIR, on the 60th anniversary of the liberation of the Auschwitz concentration camp by the advancing Soviet Army, Jan. 27, 1945. His initial remarks are followed by a story from the Talmud. The full interview will appear in next week's issue.

Rabbi Hertzberg was last interviewed in EIR in our April 23, 2004 issue ("Sharon and Bush 'Will Fry in Hell'"), where we also published a review of his new book, The Fate of Zionism: A Secular Future for Israel & Palestine.

We're having this talk on the very day which is the 60th anniversary of the liberation of Auschwitz.

That means something to me, because my grandfather, and my mother's entire family—aside from herself and her children—were wiped out, in Poland. And when it was all over, a year later, and we had asked every question, from every agency that we could, we had to make peace with the fact that they were all gone. And my mother, on the Yom Kippur of 1946, lit 37 *Yahrzeit* candles, memorial candles, for her father, her sisters, her brothers, and their children.

I am the only one of her children, of those born in Europe, who is still alive—and so, I have this enormous sense of, why did I survive? Why did I get so lucky? And I've come to the conclusion—and this is why I wanted to talk about it—that I am not a survivor in order to remember the Holocaust, to remember what they did to us, to remember the angers. I am a survivor because I owe a responsibility, that what has happened—what once happened to the Jewish people—shall never happen again, not to us, and not to anyone else.

Jewish life is not about remembering the Holocaust. Jewish life is about remembering the traditions and the values that were done to death in Auschwitz and the like, and to try to reconstruct them and re-create them for ourselves, and to help others reconstruct and re-create their traditions.

The 60th anniversary of Auschwitz is a reminder to me that we can, and we must, do better. And, on the 60th anniversary, I have to repeat what I learned from my father—it isn't anger at what happened to us. We can't do anything



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about that. It is fighting very hard that it *simply shouldn't happen*—ever.

### God's Children

I am a rabbi. I was ordained as an Orthodox rabbi at the age of 18, and I am writing a book on the Talmud right now. . . .

May I tell you a story? It's a Talmudic story, and a magnificent one. The Torah reading of this weekend, the weekend past by, is the passage in the *Book of Exodus* which talks about the drowning of the Egyptian army, which chased after the Jews as they were crossing the sea.

The water held up for the Jews, and came down on the Egyptians. And, then the Bible itself has the Song of Triumph and of Gratitude to God that the Jews sang when they saw this miracle. But the *Midrash*, the moralistic part of the Talmud, says that the angels up in Heaven joined in the song, and God said to them—follow this carefully—God said to them, "Shut Up."

And the angels said, "Why?"

And He said, "My children have just drowned in the sea. Never mind that they've done wicked things. They are still my children, and you stand here, and sing songs of triumph?" And so, the very passage in the Bible, of the song that the Jews sang, when they were triumphant over the Egyptians, and saw them drowned, is *denied* in the Talmud, which says that God didn't let the angels sing the song.

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### Synarchists Promote Andean-Wide Violence

by Valerie Rush

Mutual accusations and a threatened break in relations between the neighboring Andean countries of Colombia and Venezuela, are but one of a number of showdown scenarios that have erupted in Ibero-America in the first weeks of 2005. These developments confirm Lyndon LaRouche's assessment that the fascist agenda of the Synarchist International is to orchestrate chaos and warfare across the continent, the better to impose imperial control.

This agenda was outlined at last year's Defense Ministers of the Americas summit in Quito, Ecuador, where U.S. Defense Secretary Donald Rumsfeld insisted that growing areas of "ungovernability" on the continent would necessitate multilateral interventions across national borders, thereby justifying the neo-imperialist concept of "limited sovereignty." The outbreak of classic left-right confrontations in one country after another, and now between countries as well, is designed to invoke the so-called "Rumsfeld Corollary" to the Cheney Doctrine of pre-emptive warfare. Notably, Bush's new Secretary of State, Condoleezza Rice, waded into the Colombia-Venezuela brawl during her confirmation hearings before the U.S. Senate, demanding, in a startling breach of diplomatic protocol, that Venezuela stop being a "negative" influence on the continent and siding with Colombia.

### Chávez, a Pawn in the Game

The crisis was first ignited when Venezuelan President Hugo Chávez charged Colombia's government with "kidnapping" Rodrigo Granda, the so-called "foreign minister" of the narco-terrorist FARC cartel, on Venezuelan soil, by bribing a handful of Venezuelan National Guardsmen to grab the fugitive on the streets of Caracas and spirit him across the border, where Colombian authorities were waiting to arrest him. Granda, bearing Venezuelan citizenship papers that had been inexplicably granted him by the Chávez government, was attending a meeting of pro-terrorist organizations under the sponsorship of Chávez, at the time of his capture. Chávez's reaction to Granda's capture was to scream that Colombia had violated Venezuelan sovereignty, and that the Bush Administration was behind the incident.

Colombia's government responded by charging that Venezuela's providing refuge to a wanted terrorist like Granda constituted a de facto violation of *Colombia's* sovereignty. Furthermore, argued Colombian Defense Minister

Jorge Uribe, the money paid for Granda's capture was neither a bribe nor a bounty, but long-pledged award money for "information leading to the capture" of the suspect.

There is little doubt that the Bush Administration gave the Colombians the green light for the cross-border operation, as reflected in the prompt statements of support for Colombia by the U.S. Ambassador in Bogotá, and by Rice's remarks. Colombia's government is totally dependent on U.S. aid in its life-and-death battle against narco-terrorism, and would hardly venture such a move without a prior nod. But the Bush Administration's motivation is *not* to seriously hurt the FARC cartel—their notorious alliance with Wall Street remains untouched, and undiscussed, in Washington—but rather to set a precedent for the Rumsfeld Corollary.

An enraged Chávez demanded an apology and admission of culpability on the part of the Colombian authorities, and wanted that apology delivered in a face-to-face meeting with Colombian President Uribe. Uribe's answer was to propose to "address the issue" in a multinational setting, which Chávez rejected out of hand.

With charges and countercharges flying thick and fast, and the population on both sides of the border being revved up for a fight, Brazilian President Lula da Silva offered his services to facilitate a diplomatic solution, during a meeting with Colombia's Uribe on Jan. 19. Lula's offer was soon followed by similar offers from Peru, Mexico, Chile, and from Spain's visiting Prime Minister Rodríguez Zapatero. A mediated dialogue between Colombia and Venezuela seemed in the offing as, in response to demands of "proof" from the Chávez government, Colombian authorities presented their Venezuelan counterparts with a list of the names and addresses of some ten FARC terrorists in Venezuela.

And then, Condi Rice stirred the pot, triggering a new fit by the *Chavistas*. At a mass rally of tens of thousands of Chávez followers on Jan. 23, the Venezuelan demagogue accused the United States of being behind Colombia's actions, and once again demanded a Colombian "apology" for violating Venezuela's borders. "I am not going to have open relations with a country incapable of acknowledging such a serious error," he ranted, while threatening a cutoff of economic and diplomatic relations. He has already prohibited the use of Venezuela's highways for trucks carrying Colombian coal, and the Venezuelan port of Maracaibo, through which 6,000 tons of Colombian coal pass daily on the way to the United States and Central America, has been denied to Colombian coal companies.

With insurgency boiling in Bolivia, and the governments of both Peru and Ecuador on the verge of collapse as well, the re-escalation of the crisis between Venezuela and Colombia raises the specter of a region-wide conflagration. This is just what the international synarchist bankers are after, in fact, if the Jan. 23 forecast of leading neo-conservative Mont Pelerinite Carlos Alberto Montaner, that "a Latin American-wide war" is coming, is any indication.

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# The Humala Uprising: A Nazi Putsch Rerun?

by Luis Vásquez Medina

In a typically fascist propaganda move, reminiscent of the 1923 Munich putsch that catapulted Adolf Hitler into the political limelight, Antauro Humala and more than 100 heavily armed Army reservists chose New Year's Day to capture and occupy a police station in the Andean city of Andahuaylas, Peru, for three days. The "ethno-fascists" (as the Lima press has dubbed them) assassinated four policemen, finishing off one of them in front of television cameras, and then surrendered en masse to the Peruvian authorities. The international synarchist bankers behind the Humala "indigenists," whose views are expressed in the pages of the Lima daily La Razón and the Miami El Libertador, intend to turn the now-imprisoned Humala into a folk hero, capitalizing on the widespread discontent of the Peruvian population caused by the economic crisis and the abject failure of the Alejandro Toledo government. The synarchists' goal is the destruction of the nationstate, creating what the Pentagon today calls a zone of "ungovernability."

The results of this maneuver were evident soon enough. On Jan. 12, the Lima daily *El Expreso* editorialized on a recent poll conducted by the University of Lima: "That 34% of those polled in Lima (the most educated and Westernized in the country) say that they are in agreement with the Humala uprising, is enough to send one running for airplane tickets."

### Links to the Drug Trade

It was not only the fascist connections of the Humalas which were exposed in the Andahuaylas uprising (the ethnofascists unfurled banners bearing insignia clearly inspired by the Italian Fascisti). Also exposed was their link with the drug trade. At Andahuaylas, a city which is a necessary steppingstone for the drug trade that flourishes in the Ene and Apurimac valleys in Peru, Antauro Humala's right-hand man was the former Army Captain Marco Vizcarra Alegría, who has a criminal history involving drug trafficking, and who was charged and brought to trial in 1994 for his close ties to the drug traffickers in Uchiza, San Martín. At the time, the prosecutor had asked for a 15-year sentence against Vizcarra, for having collaborated with Demetrio Chávez Peñaherrera, Peru's foremost druglord. For this reason, Vizcarra was kicked out of the Army, and has remained a fugitive until the present time.

The shared interests of the Humalas and the drug traffickers were confirmed by Elsa Malpartida, a leader of the country's coca farmers (*cocaleros*) and a promoter of coca legalization, who said, "Truly, what Humala has done does not displease me."

It is also worth noting that the Andahuaylas insurgency occurred just a few days after the founding of the Peruvian Indigenist Party, in the area of Huancavelica, near Andahuaylas. The founding of the new organization, which for the first time combines all the indigenist and *cocalero* movements with the Humalist Movement, was also attended by indigenist delegations from Ecuador and Bolivia.

The Peruvian Indigenist Party is headed by Congressman Michel Martínez, the self-dubbed "Peruvian Evo Morales" (Morales is the leader of the Bolivian *cocaleros*). Martínez is a fierce defender of coca legalization, and was present in Andahuayalas, where he served as interlocutor between the Humalista insurgents and the authorities. According to Humala himself, Martínez transmitted information on the movement of police and military forces during the period the ethnofascists were still occupying the police station. After the uprising was over, Martínez said that those really responsible for the deaths at Andahuaylas, were not the Humalistas, but were the National Congress and the political parties, for failing to send a high-level commission to Andahuaylas on Humala's bidding.

### **Setting the Continent Aflame**

The Peruvian crisis takes place precisely at the time that the Bush Administration is using the idea of "ungovernable areas" as a pretext for future political—and even military—interventions. These theories were expressed fulsomely by U.S. Defense Secretary Donald Rumsfeld, at the Defense Ministers of the Americas meeting in Quito, Ecuador, last year. For Rumsfeld and company, the "ungovernability" of certain areas of Ibero-America, legitimizes the concept of limited sovereignty, and therefore, of multinational military incursions across national borders, under the pretext of fighting terrorism and drugs. However, the reality of Rumsfeld's "solution" can be seen in the ongoing crisis between Colombia and Venezuela.

It should come as no surprise that the Humala "putsch" occurs within the same time-frame as the chaos that is being launched throughout the Andean region: the Colombia-Venezuela crisis; the dramatic situation in Ecuador, where opposition groups are collecting signatures to end Lucio Gutiérrez's Presidency; the explosive Bolivian situation, where violent protests in Santa Cruz and El Alto, led by the *cocaleros*, have put President Mesa in check.

It is thus significant that immediately following the Andahuaylas uprising, the Federation of Indigenous Nationalities of Ecuador (CONAIE), the leading organization of Ecuadoran Indians, gave their support on Jan. 7 to the Humalas:

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"It is appropriate to applaud the fight for the rights of the Indians. It is necessary for there to be justice in the face of all the inequalities and iniquity that affects the indigenous sectors, who are the most unprotected," said CONAIE's communiqué.

Neither are the connections between Venezuelan President Hugo Chávez and the ethno-fascist Humalas a surprise. Just as we have been reporting since early 2004, the support of the Chávez government for the Humalas is now confirmed. According to the Peruvian newspaper *El Comercio*, the Chávez government gave the Humalas \$100,000 in 2001, to launch their political activities inside Peru. The channel for that "donation" was retired Army Captain Eloy Villacrez Riquelme.

### Final Blow to the Army

Former Gen. Gustavo Bobbio Rosas, the son of Gen. Bobbio Centurion who was a great admirer of former Chilean dictator Augusto Pinochet, and who in 1976 attempted a rightwing coup orchestrated by the U.S. State Department, is considered the strategist of the Humala movement. In statements recently made to the Lima press, Bobbio Rosas said, "50% of middle-range Army officers support the majority of the [Humala] movement's proposals, and in the case of the noncommissioned officers, that support reaches 80%." Although the figures given by this fascist general were rather exaggerated, the infiltration of the Humala movement into the Army's ranks is worrisome, even more so when one realizes that Gen. Bobbio Rosas himself had been an advisor to Peruvian Army Commander Gen. José Graham Ayllon, who was just retired in December 2004.

According to Humala, the New Year's Day uprising was intended as a protest against the "abuses" committed by the Toledo government against the Armed Forces. Among the abuses he listed was the forced retirement from the military of a number of individuals, including Lt. Col. Ollanta Humala Tasso, the brother of Antauro Humala, who had served as Peru's military attaché in South Korea, and who had been under the protection of General Graham until the general's own retirement.

And although former General Bobbio has been unmasked, other *Pinochetista* generals who are collaborating with the Humala ethno-fascists are still veiled, but active. Such is the case, for example, of former Gen. Ludwig Essenwagner Sánchez who, while serving as head of the Army's intelligence network during the Morales Bermúdez dictatorship, was the Peruvian contact for Pinochet's infamous Operation Condor—the death squads.

If there remains any doubt that the objective of the Humala operation is the destruction *from within* of the Peruvian Army, just take a look at the statements made by Humala to *La Razón*, speaking from the Andahuaylas police station he had just occupied: "The final blow was delivered to the

Armed Forces, which were already in the process of moral and material demolition, by reducing their natural standing as the guiding institution of the nation, to that of an auxiliary police force." He added that "the New Peruvian Army is organized and in operation, within the perspective of a new republic."

### The Synarchism Behind the Humalas

Humala's imprisonment notwithstanding, the intellectual authors of the Andahuaylas "putsch" remain free. The true enemy, well financed by the international synarchist banks, continues to act with impunity. This international network extends from Hitler's 1923 Munich putsch to Andahuaylas. Behind the "ethno-fascist" thugs are those Peruvian fascists associated with the neo-fascist International of the Spaniard Blas Piñar. Inside Peru, this network is headed by Fernan Altuve-Febres, who has been making propaganda for the Humalas from the pages of Lima's *La Razón*, and is active in spreading the ideas of world synarchism, as the heirs of Joseph de Maistre, ideologue of both the French Jacobin Terror and the Napoleonic tyranny that followed it.

For more than a week during the Andahuaylas uprising, *La Razón* served as the main propagandistic outlet of the Humalas. On Jan. 2, its front page announced: "They rise up in arms! Ethno-cacerists call for Toledo's resignation as a

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traitor and pro-Chilean." The headlines added, "Protests Spread to Arequipa, and Wall Slogans Appear in Cuzco." On Jan. 3, the newspaper's lead headline announced, "Exclusive: The Confessions of Antauro: I Am Prepared To Die." On Jan. 4, with the surrender of the Humalistas to the authorities, *La Razón* screamed: "Humala Betrayed; Captured While Negotiating."

The paper's Jan. 2 lead editorial on Andahuaylas, asked: "What moral authority, what legitimacy could these subjects [the Peruvian government] have to speak of the principle of authority and to condemn the rupture of the constitutional order, if they themselves feed its collapse?" The editorial added, "Yesterday was Ilave [the Peruvian town where the mayor was hideously lynched in April 2004] and today is Andahuaylas. What will tomorrow bring? Before indulging their thirst for the blood of repression, this same political class should keep in mind that these are the consequences of a long-term tendency toward a political crisis, that threatens to sweep away the foundations of an historically unjust order."

The connections with international fascism are illustrated in particular by the case of Blas Piñar's pet Peruvian, Fernan Altuve-Febres, who has used the pages of *La Razón* to justify the insurgency, writing: "If Toledo does not resign, he will be opening up the doors to violence," and warning that all the political parties will be swept away by "a political tsunami, when the people take their destiny back into their hands, by electoral means or by violence. Antauro Humala is the effect of the political decomposition that exists. He is thus not the cause of the illness, but the effect." Altuve was the only follower of now-exiled President Alberti Fujimori in the Congress to betray his nominal leader. In October 2000, he voted in favor of amnesty for the Humalas, who had just attempted a mutiny against the Fujimori government.

While the Humala thugs do their dirty work in the streets, Altuve and other neo-fascists have taken charge of spreading "neo-conservative" thought from the pages of *La Razón*, and have propagandized the works of such fascist Ibero-American thinkers as Colombian philosopher and reactionary politician Nicolás Gómez Dávila; Spanish traditionalist Alvaro D'Ors; Plinio Correia de Olivera; Donoso Cortes; and above all, their philosophic mentor Joseph de Maistre. On Jan. 2, the day that *La Razón* joyously announced the Humala uprising, Altuve published a cultural article praising the intellectual legacy of de Maistre.

Martín Santibañez Vivanco is another personality who demonstrates the connection between the emergence in Peru of the neo-Nazi Humalas and the rebirth of international fascism. Santibañez, another writer for *La Razón*, is a young Peruvian fascist philosopher, who belongs to the intimate circle of Blas Piñar, and has been a speaker more than once for Piñar's New Force movement in Spain. On Dec. 25, 2004, he wrote a commentary in *La Razón* which went a long way toward clarifying the roots of this new outbreak of world fascism. His editorial is entitled, "Nations Gain Nothing From

Submissiveness, 'Don't Mess With Texas' "—with the latter part of the headline in English. He praised the electoral victory of George Bush over John Kerry, saying that it "is the unequivocal sign of the good winds that the ship of neo-conservativism in U.S. society is encouraging," and that this is the triumph of empire. "The empire wishes to be an Empire; the Roman wants to be a Roman."

Santibañez, an admirer of Harvard "clash of civilizations" zealot Samuel Huntington, predicts that Bush's victory will give the United States a victory over "savage terrorism from a handful of Muslim warriors, fanatic champions of a profane religion, which puts cities in check and causes flags to wave at half mast in the very seat of power. The confrontation between cultures and the axiological conflict thus replaces class struggle and the rebellion of the masses."

Santibañez concludes his editorial by addressing the Peruvian Right (and why not say it, the Fujimorista party that the synarchists are grabbing, with the help of George Bush). He writes: "A small lesson for our indecisive Right: where the neo-conservatives see the people, ours see the rabble. Over there, they see supremacy; ours vote for brotherhood with Chile and signing of the Convention [of the Sea]. This neo-liberal mentality that has seized hold of our Right, should be rejected as parasitical and condemned as cosmopolitan. Nations gain nothing by submissiveness. The road is that of sovereignty, the path is that of pride. The only course possible, the only path for which we fight, is that of supremacy: Caesars or nothing! National power should be our objective, being lords of our own surroundings is our greatest desire, and all our policy-until now, pacifist and therefore shackled-should be directed at achieving one single goal: dominion over the South Pacific. Our Right is very very far from that, too concerned with pleasing lobbies and governments that smile while negotiating with its acolytes. Peru clamors for a popular and patriotic Right, that interprets the sentiment of a majority ripe for hegemony, and ripe for challenge. We will not achieve any of this while we live more dependent upon the demands of the economic city than the imperatives of Peru."

Not the least of those on the list of fascist supporters of the Humala movement is Carlos Bologña, the Mont Pelerin Society's man in Peru. His nationally circulated book *El Men* was another propaganda tract for the Humala uprising. Bologña brought Joséa Piñera to Peru to propagandize for the Chilean model of Social Security privatization, a reform which so far, according to Finance Minister Pedro Pablo Kuczinsky, has already stolen billions of dollars from the pension funds of Peruvian workers. As part of his campaign to promote the Chilean model, Bologña—with financing from the International Republican Institute—has travelled to Russia, together with the father of the Chilean model and trainer of the infamous "Chicago boys," Arnold Harberger, on a visit financed by the U.S. Agency for International Development.

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# Synarchists Activate Neo-Nazis in Europe

by Rainer Apel

When the neo-Nazi National Democratic Party (NPD) of Germany received 9.2% of the vote in the Saxony state elections on Sept. 19, 2004, giving them 12 seats in the state parliament, it came as a shock to the rest of the German electorate. A governmental initiative in 2001 to get the party banned had failed miserably before the Constitutional Court. It was thrown out by the Court in 2003 because a good part of the documentation in the government's lawsuit was based on NPD statements and texts that were written by state police informants themselves. What's more, the Court found that no fewer than 30 of the 210 members of NPD executive were police informants.

Insiders suggested that the Court's ruling was an emergency brake, preventing a broader debate in the public about the murky overlaps between police and neo-Nazis.

A broad debate on that phenomenon would help to lift the veil over one of the best-kept secrets of the post-1945 period: namely, that essential sections of the old Nazi apparatus and its international connections, especially the secret intelligence sections, survived the Nazi regime at the end of the war. They survived because of the protection they received, especially from influential sections of the intelligence agencies of Great Britain and of the United States (from the Truman era on), with substantial support by the intelligence agencies of Spain, Italy, Benelux, and Scandinavia.

During the mid-1960s, for example, the control which the British MI-6 had over the leaders of the German NPD—whose chairman was a direct informant of the agency—accompanied the party's entry into numerous state parliaments. And in 1969, the NPD almost succeeded in getting elected to the national parliament, just missing the mandatory 5% margin of votes. From the early 1970s on, the NPD was in a constant decline, losing its seats in the state parliaments, and losing party members.

But the NPD and other neo-Nazi groups saw a revival in eastern Germany, after the collapse of the East German regime in 1989-90. The neo-Nazi movement in Spain, the Netherlands, Scandinavia, Britain, and the United States pumped millions of hate propaganda pamphlets, audiotapes, compact discs, posters, and the like into eastern Germany, where the police and state-protection agencies were weak in the first weeks after reunification, while the old state apparatus was being dismantled.

An ever-growing pattern of street violence and desecra-

tion of Jewish cemeteries and concentration camp remembrance sites, mostly in eastern Germany, then prompted the 2001 government motion for a ban of the NPD, which was the largest and best-organized of the neo-Nazi groups.

### **New Provocations**

The NPD has interpreted its September 2004 election success in Saxony as a blank for new provocations. For example, it decided to incorporate the extreme militants of the neo-Nazi underground into the party, and one of their leaders was voted onto the national party executive. Another example was the high-profile NPD attendance at the Nov. 19 "Blue Shirts March" of the Spanish Falange, honoring the founder of the Spanish fascist movement, José Antonio Primo de Rivera. Leaders of the Forza Nuova party of Italy, and of other neofascist parties of Europe and Ibero-America, also attended the event.

A day after the March, Udo Voigt, chairman of the German NPD, and José Fernando Cantalapiedra, Falange party chairman, signed a pact for the formation of a European-wide neo-Nazi movement. Termed an "axis Madrid-Berlin," the proponents of the new pact also met at a Madrid cemetery, to honor the dead of the "Blue Division" of Spanish volunteers in the Nazi aggression against the Soviet Union in 1941, and the dead of the "Legion Condor" of German volunteers, who fought on behalf of the Spanish fascists during the 1936-39 Spanish Civil War.

The most recent provocation was the NPD's refusal to take part in a moment of silence for all victims of National Socialism, in the state parliament of Saxony on Jan. 21. The party's 12 parliamentarians first walked out, and then returned for a debate in the parliament, which they tried to use as a platform for their planned Feb. 13 mass rally in protest of the Anglo-American air raids on Dresden, Germany on Feb. 13, 1945. Saxony NPD chairman Holger Apfel voiced solidarity with the victims of American air raids after 1945, from North Korea to Vietnam and Iraq, calling the British and Americans "mass murderers." Jürgen Gansel, another NPD member, then spoke of a "bombing holocaust" against the civilian population of Dresden in 1945, creating a false connection between the Nazi Holocaust against the Jews, and the German civilian deaths from Allied air raids during World War II.

Cornelius Weiss, chairman of the Saxon state parliamentary group of the Social Democrats, responded to the provocation by elaborating on a warning by early-19th-Century German poet Heinrich Heine, who denounced the 1919 Karlsbad Decrees against anti-monarchist intellectuals with the words: "Today they burn the books, tomorrow they'll burn the people!" Weiss said that first the Nazis burned the books in 1933, then they flew air raids against Spanish civilians in 1936. The historical lesson, Weiss said, is to work for a present and a future of conciliation and cooperation which makes a repetition of such cruelties impossible.

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### **EXECONOMICS**

# Private Pensions Crisis Warns, 'Don't Privatize Social Security!'

by Anita Gallagher

With George W. Bush's "top priority" to put Wall Street's hands on Social Security contributions and benefits, America's workforce is looking at the very same threat of destitution in old age, to overcome which Franklin Roosevelt instituted Social Security in 1935. Two of the vaunted "three legs" of retirement security in America—employer pension plans, and personal or household savings—are shrivelling; the third, Social Security, is under attack. In California in January, the private pension collapse and the threat to Social Security coincided. The state's Hitler-admiring Governor, Arnold Schwarzenegger, is moving to try to bust California public employees' guaranteed pensions down to risky 401(k)s, to "set the example" for George W. Bush's unpopular Social Security privatization (see box).

The insanity of converting Social Security into private investment accounts has been demonstrated in the miserable income on pension assets of private corporations in 2000-02, due to Fed Chairman Alan Greenspan's virtual zero-interest rates, and market bond and stock losses. These, together with outright corporate losses, are the major reasons for the private pension underfunding crisis today (see **Figure 1**). Ironically, leading Social Security privatizer and Senate Majority Leader Bill Frist (R-Tenn.), himself notoriously lost \$400,000 of the \$1.1 million campaign surplus from his 2000 campaign committee, in the markets over that same period.

The traditional employer pension system—which once guaranteed tens of millions of American workers about 50% and more of their wages in retirement (while Social Security benefits added another 35%)—"is dying," according to Congressional experts dealing with this crisis. What were once 120,000 such employer plans are now 30,000 and shrinking fast, both in number and employee size. Because bankrupt pension plans are falling into the lap of the Pension Benefit Guaranty Corporation (PBGC)—which "was never set up to absorb the collapse of the U.S. industrial sector"—it has rapidly plunged into deficit.

The PBGC is a Federal Corporation funded through insurance premiums paid by companies, and the interest it earns investing those premiums. It has swung from a \$7.7 billion surplus in 2001 to a \$23 billion deficit in 2004 (**Figure 2**). And the Bush White House's draconian plan to save it, announced on Jan. 10 by Labor Secretary Elaine Chao, is likely to accelerate the erosion and collapse of remaining major private employer pensions.

Today, about 50% of working America has only "their house, and Social Security" to look forward to, to save them from poverty-stricken old age. Of the other 50%, half have, besides Social Security, only a 401(k) plan—a defined-contribution plan on the employee's part, to which some employers add a matching contribution and some don't, and in which the worker assumes all the risk as to what he or she will have by retirement time. For workers aged 55-64, the average balance in their 401(k)s totals only \$42,000, equivalent at retirement to a life annuity payment of \$300/month—virtually nothing. So, by millions, these people must plan to keep working as long as they can. As for under-35 workers, 85% have only a 401(k) and Social Security to look forward to; and their 401(k)s are far smaller even than those of their worried parents.

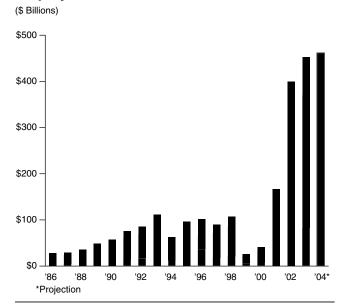
Who then, wants to send Social Security along the Wall Street way the private pension plans went?

Guaranteed, or "defined benefit" employer pension plans covered half the American workforce a generation ago; now they include just 34 million in a labor force of 140 million. They are being abandoned by industries in trouble, and underfunded by others. Corporate losses have led to "contribution holidays," combined with low returns on pension asset investments.

From 1999-2004, as Figure 1 shows, the underfunding of private defined-benefit pension plans exploded, from \$30 billion to a whopping \$450 billion "on a termination basis"—that is, the underfunding that would result if the employer

#### FIGURE 1

### Total Underfunding of Federally Insured Employer Pension Plans



Source: PBGC presentation.

"disappeared" tomorrow by liquidation or by being relieved of its pension obligations by a bankruptcy court. That figure includes gigantic recent bankruptcy liquidations of the pension plans of Bethlehem Steel, LTV, Kaiser Aluminum, National Steel, Northwestern Steel, Weirton Steel, Pillowtex, Polaroid, TWA, and Consolidated Freightways, among others.

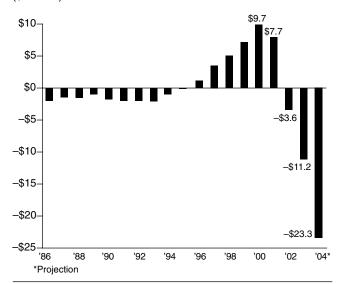
Right now, that wave of liquidations is about to drown the airline industry. On March 31, 2003, the PBGC took over the pension plan of the 7,100 U.S. Airways pilots. At that time, U.S. Airways had \$1.2 billion in assets to cover \$3.7 billion in liabilities in the plan. The PBGC is liable only for \$600 million of the \$2.5 billion underfunding, because it is limited to a maximum annual individual payout of \$45,614 to any employee. In the next few weeks, possibly by the time this issue is printed, the PBGC will announce its takeover of the remaining defined-benefit pensions of U.S. Airways workers—the flight attendants, the Machinists, and administrative workers. The PBGC will be liable to pay out \$2.3 billion of this \$2.5 billion pension bill. The bankruptcy judge ruled, without much PBGC dissent, that U.S. Airways would be liquidated unless it dumped its pensions.

U.S. Airways' imminent relief from its pensions is clearly a precedent for United Airlines, which is the world's second-largest. On Dec. 30, the PBGC asked the court to allow it to take over the United pilots' pension plan—\$800 million in arrears on a "current" basis—immediately, rather than wait and allow the underfunding to get worse. United and its pilots' union had agreed to terminate the pension plan in May 2005; the pilots had agreed on condition that all United Airlines'

#### FIGURE 2

### Net Position of the Pension Benefit Guaranty Corporation

(Assets Minus Liabilities) (\$ Billions)



Source: PBGC presentation.

other union pension plans be terminated. Concerned Capitol Hill sources have told *EIR* that if United terminates all its pensions, every major airline will do likewise, leaving the PBGC with a termination liability of up to \$31 billion in the airline industry alone.

The auto industry may be next to go. A *Baltimore Sun* editorial of Nov. 22, 2004 noted that General Motors' pension plan, the largest in the United States, is underfunded to a degree which could impose a liability of \$9 billion on the PBGC, on a termination basis. Standard and Poor's Jan. 25 announcement that it is studying lowering GM's bond rating, from BBB- to junk, could precipitate a pensions crisis.

The plan Chao announced on Jan. 10 to "rescue" private pensions, called for a 58% increase in the premiums companies pay PBGC, from \$19 to \$30 per enrolled worker; additional "risk premiums" for companies delinquent on payments or below investment-grade bond status; and, a rule forcing corporations to fully fund their pensions on a current basis within seven years. PBGC chief Brad Belt has told the employers that the Bush Administration's top priority is to avoid a taxpayer bailout of the PBGC, like the \$200 billion taxpayer payout for the 1980s Savings & Loan debacle. Bush's plan seems to put no limit on the "risk premiums" to be assessed.

The result would be pressure on industries, including the auto/auto supply sector, to ditch traditional pension plans in three stages: 1) freeze accruals and new entrants (25% of all defined-benefit plans are already frozen, according to a 2003 study of Towers Perrin consultants); 2) shift to the less valu-

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able cash-balance type of plan; and 3) tell employees to make do with voluntary 401(k) savings plans.

The Bush pressure on the most-stressed employers can't work, Congressional sources say. "On the one hand, you do want employers to increase their funding; but more employers will terminate their plans, or recalculate their finances and declare bankruptcy." One concluded, "There is no solution for the collapse of the private pension system except reindustrialization of the United States."

How to do that, was the subject of Lyndon LaRouche PAC's million-circulation campaign pamphlet issued in August 2004, *It's the Physical Economy, Stupid!* LaRouche now insists that beating Bush—badly—on his all-out attempt to steal Social Security, will discredit him and make possible the emergence of such a recovery strategy by a new political combination.

### Arnie Tries To Dismantle CalPERS

by Paul Gallagher

With George W. Bush's scheme to privatize Social Security under nationwide attack, leading "privatizer" ideologues have turned their eyes to the "muscle" of California's populist/fascist Governator Arnold Schwarzenegger. Ahnuld, they hope, will force the replacement of the \$177 billion California Public Employees Retirement System (CalPERS) by private 401(k) accounts, and do it hard and fast enough to put Bush's multi-trillion-dollar Social Security privatization swindle back on the political track, by example. Wall Street, and Schwarnegger's patron George Shultz, need his immediate success.

National right-wing operative Grover Norquist, of Wall Street's American [wealthy] Taxpayers' Union, said on Jan. 25, "It's nice when good policy also has star quality," referring to Schwarzenegger's Hollywood violence-cult celebrity. The head of Wall Street's Club for Growth, Stephen Moore, left the Club on Jan. 10 to become an economic advisor to Schwarzenegger, complaining on Jan. 24 about the President's scheme that "the chance of getting reform done this year is starting to look unlikely."

The strong West Coast LaRouche Youth Movement (LYM) is mobilized to defeat Schwarzenegger in the state, as it defeated him in Los Angeles and Oakland in the 2003 Recall, and as the LYM is mobilized to defeat Bush's privatization nationally. California's labor movement and Democratic legislators will try to stop Arnie's drive to dismantle Cal-PERS. AFSCME union official Richard Ferlauto told the Jan. 22 *New York Times*, "The debate around private accounts will be fought in California before the outcome of the Social Security debate is determined. The attempt in California is the stalking horse for whether private accounts can be sold to

the American public."

Schwarzenegger is ahead of Bush in "creating the crisis" necessary to privatize. He is using the brute-force "Chile model" of drastically cutting and underfunding CalPERS, while giving California public employees an "offer they can't refuse" to opt out of it into private 401(k)s, or face lower pensions and much higher mandatory tax contributions. Margaret Thatcher's first government took the same course with Britain's old-age pension system in the early 1980s, and stampeded nearly 4 million British workers out of it into private stock and bond accounts; they fared so badly that Tony Blair's government had to order them compensated 15 years later, as if they'd been hit by a hurricane.

The last decade's stock and bond collapses have obviously cut CalPERS trust fund's returns. But it is California's own economic meltdown, brought to it in 2000 by Dick Cheney's and Ken Lay's "Enron electricity deregulation," which has hit CalPERS hard; some busted municipalities have been defaulting on their payments to the pension fund, leaving it for the first time slightly underfunded over the long term.

Schwarzenegger directly benefited from that collapse—it was used by George Shultz, Warren Buffett, and Ken Lay to make him governor. He made it far worse in his one year in office, ballooning the state's debt by 50% and opening an \$8-9 billion budget deficit. In early January, he submitted a two-year state budget which cuts the state's contributions to CalPERS (including the state teachers' pension fund CalSTRS) by \$765 million. That cuts nearly 10% of the funds' total employer contributions, from state and municipalities combined, in 2004.

With that blow, Republican assemblyman Keith Richman, backed by the populist Taxpayers' Association, introduced legislation to move all public employees hired after 2006 out of CalPERS' guaranteed-benefit plan, and into a risky 401(k) with a low cap on the state's matching of their contributions. Essentially, they'd be on their own in the falling markets. They'd lose CalPERS' extraordinarily low 0.2% average administration fee, and instead pay mutual fund operators 1-3% or more.

Schwarzenegger's budget goes beyond this, to force *existing* public employees to "opt out" of CalPERS as well. His budget resolution says that public employees who stay in CalPERS will have to double their own tax contributions to it, while the state's contributions—and probably the benefits—are cut. If they "opt out" into a 401(k), they'd get a one-year state "good-bye" payment as a bribe.

This is exactly how Thatcher moved in Britain in 1981-4; and before her, how fascist Gen. Augusto Pinochet and his Labor Minister José Piñera moved in Chile in 1978-81. The result, in both cases, is recognized now as a disaster for the pensioners.

Schwarzenegger says he'll do this by legislation—or by referendum. His move to pre-empt Congress for Bush, is his calling-card as fascist Presidential candidate for 2008. Defeated, it will change the U.S. political map.

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# Leavitt Takes Over HHS; Medicaid in Jeopardy

by Mary Jane Freeman

The potential for deep slashing of the Medicaid program increased with the approval of Mike Leavitt as George W. Bush's new Secretary for Health and Human Services (HHS). As the President threatens the Social Security Trust Fund, so too is he sharpening his budget axe to gouge the state-Federal entitlement program which provides healthcare coverage for 52 million poor and disabled Americans. Desperate for pots of loot to bail out his war and tax cut-driven deficits, Bush has signaled his Fiscal 2006 budget will include major funding cuts in Medicaid. The state government partners, most juggling huge deficits themselves, cannot support these cuts, since they will shift a greater financial burden onto their fragile budgets.

Already in this Fiscal 2005 budget year, to gouge savings for state budgets, nearly 600,000 Tennesseans have been terminated from that state's Medicaid program, called Tenn-Care, while Mississippi is soon to drop 65,000 enrollees from its program. New York's Governor George Pataki plans to slice a billion dollars-plus from his state's program, as Gov. Ed Rendell looks to close a billion dollar budget gap by shaving Pennsylvania's. So, too, has California's terminator Gov. Arnold Schwarzenegger announced he'll slash Medi-Cal.

The Medicaid battle is being falsely shaped as a conflict between reducing state, or Federal budget deficits. At stake are the health, well-being, and lives of 52 million Americans. With the stroke of legislative pens, their lives are threatened. Neither Federal nor state actors, including most Medicaid defenders, are facing the real issue: Either launch a U.S. economic recovery, or hundreds of thousands will die for lack of healthcare. No budget maneuvers will halt the impoverishment of American families, or the collapse of business and industry pushing employers to cut health insurance and leave their employees to Medicaid.

### **Resistance Meets Leavitt**

Mike Leavitt, Environmental Protection Agency head in Bush's first Administration and governor of Utah before that, won unanimous approval from the Senate Finance Committee on Jan. 25, and was confirmed Jan. 26 by the Senate. He is a proponent of "greater flexibility" for states to control Medicaid dollars. The Bush Administration buzz-word "flexibility" is a double-edged sword, once wielded by Leavitt himself in Utah.

As Governor, Leavitt used a Federal Medicaid waiver, today known as a 1115 Waiver, which enabled him to provide health coverage to growing Medicaid rolls. But no additional Federal funds were given Utah, so benefits to recipients were cut to accomplish the expansion. During his confirmation hearings before the Committee, while touting the added coverage, he conceded, "Granted it wasn't the same coverage as Medicaid." In fact, prescriptions were limited and hospital care and mental health coverage cut. Each time he was asked by Republican and Democratic Senators whether he opposed putting caps on Medicaid funding, Leavitt dodged, and repeated a mantra: "Greater flexibility" is required; "mandatory programs must remain mandatory, and optional coverage and groups remain optional." The mandatory/optional issue means keeping some basic Medicaid programs, while expanding waiver usage on others.

But Sen. Max Baucus (D-Mont.) broached the real problem: "It is true that Medicaid costs are growing, but mostly from an increase in enrollment . . . [that] enrollment increased by 7.5 million between 2001 and 2003, in part because of a downturn in the economy." That is, on Bush's watch, people have become more impoverished. Baucus also noted Medicaid expansion has resulted from "losses in employer-sponsored health coverage. . . . If not for Medicaid, the uninsured rate would be even higher."

The President's intention to tamper with the program has met with significant resistence. An array of elected officials and organizations, in December and January, put the President on notice that cuts to Medicaid are *not* supported. The U.S. Senate Democratic Caucus, the National Governors Association, the National Conference of State Legislatures, and several hundred national and state organizations, including the AFL-CIO and March of Dimes, sent letters to Bush and Congress against capping or cutting Medicaid in "any deficit reduction strategy."

On Jan. 19, a dozen Governors met in Washington to formulate a plan to pre-empt any cutting of the program. No plan was finalized, but they agreed on three principles: 1) Federal funding must not be cut; 2) states require more "flexibility" to achieve "cost efficiencies"; and 3) a comprehensive plan to reform the program must be found. Arkansas Gov. Mike Huckabee (R) said of the meeting, "We're giving the message very clearly that whatever the [federal] budget proposal, we would find that simply cutting Medicaid budget is unacceptable."

Various "reform" packages are now surfacing as state and Federal lawmakers are desperate to reign in the \$300 billion program. The slippery slope of "reform" and "flexibility" was shown by Michigan Gov. Jennifer Granholm's comments about the need to keep down costs and seeking relief from Federal restrictions on imposing co-pays on Medicaid beneficiaries: "We would like to be able to offer some populations a more commercial type of package, fewer bells and whistles, fewer benefits, in exchange for the ability to keep them covered."

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# Kremlin Scrambles To Calm Angry Pensioners

by Rachel Douglas

As an avowed believer in market forces, Alexei Kudrin does not usually blame major events on shadowy provocateurs. On Jan. 19, however, Russian Finance Minister Kudrin lashed out against surging street protests by thousands of Russians, most of them elderly. "It's not pensioners who are organizing all this," he charged, but rather the Communist Party and nationalist extremists, who, he said, had posted on the Internet, maps of what highways to blockade—as if most Russian 70-year-olds go online to get their marching orders!

What had hit, was the so-called "cash-for-benefits" laws, rushed through the Federal Assembly last summer, which eliminate many subsidies for social services, as international financial institutions have demanded of Russia for years. There were warnings at the time, that compensating in-kind benefits—free medical care and public transport for pensioners, and 50% subsidies of housing, utilities, and phone bills for retirees and the disabled—with cash payments equivalent to \$25 or \$40 per month, would come as a shock to millions of people who received them. *EIR* reported that this entitlements conversion, and related social-sector reforms in Russia, originated with the same clique of economic hit men, like José Piñera of the U.S.-based Cato Institute and Chile's Pinochet regime, who have targetted pension payments for looting, all over the world (*EIR*, May 14, 2004, July 30, 2004).

The shock hit on Jan. 10, after the holidays, when public transportation fare-collectors began to demand money from pensioners, military personnel, police, and other former entitlement recipients. Thousands of older citizens took to the streets in protest. By Jan. 16, cumulatively 10,000 people had blocked highways or protested on the streets in the Moscow Region, surrounding the capital. Ten to fifteen thousand people jammed central St. Petersburg on Jan. 15. Hundreds or thousands turned out in 80 of Russia's 89 regions. The Patriarch of the Russian Orthodox Church appealed to prevent the reforms from hurting the people. Two leading generals warned that military men are also unhappy about the vanished benefits.

On Jan. 17, President Vladimir Putin publicly criticized how the new policy had been implemented, but did not back off from the policy as such. When Putin spoke to the Cabinet on the 17th, he blamed the government and the heads of regions, for failing to prepare for implementation of the measures. He called for regions to sell a monthly transit pass, costing no more than the amount of cash compensation people

are getting. In addition, he said that a general old-age pension increase of 100 rubles/month, scheduled for April 1, should be moved up to March 1, and doubled (to about \$8).

Leaders of several regions also acted to cool the protests. Governor Boris Gromov of the Moscow Region negotiated with Moscow City to restore free commuter-train travel for previous entitlement-recipients. Tatarstan President Mintimer Shaimiyev promised on Jan. 13, to double the promised cash compensation. In Kemerovo Region, central Siberia, Gov. Aman Tuleyev reinstated free public transportation for pensioners.

### **More To Come**

There will be a second wave of protest in February, predicted *Nezavisimaya Gazeta* on Jan. 17, because pensioners and others will start to receive utilities and rent bills that reflect the elimination of subsidies. *NG* projected that these rates will increase 35-40% in most regions. Owned by exiled tycoon Boris Berezovsky, *Nezavisimaya* often depicts worst-case scenarios for President Putin, including play-up earlier in January of a Morgan Stanley-published prediction of Putin's ouster this year. But in this case, the government daily *Rossiy-skaya Gazeta* concurred with *NG*, printing an estimate on Jan. 16, that the housing and utilities increase will be between 15-35%, leading to protests.

Also warning that harder blows will fall, was State Duma member and economist Sergei Glazyev. In a Jan. 19 speech, he called the entitlement cuts "only the first buds of spring." Glazyev warned, "Greater unpleasantness lies ahead. The reform of health care will lead to a sharp increase in the cost of medical care. Millions of chronically ill people will be unable to obtain life-sustaining medication. Housing code reform lies ahead; it will legalize evictions. . . . A real-estate tax lies ahead, which, coming on top of the utilities rate increases, will strike an even bigger blow against our citizens' pocketbooks. The commercialization of education and health care lie ahead."

Glazyev has called for a national referendum on these policies. He told the meeting that "free competition" is inappropriate for the social sector, "because the goods and services, provided by the social sector, are not for the sake of current profit, but for the development of the nation, the development of society, and the people's welfare." He warned that some people want to exploit the current crisis, "to bring to power a new Russian Pinochet, instead of the current Russian President."

Some Russian commentators accused President Putin of preparing to scapegoat Prime Minister Fradkov and/or Minister of Health and Social Welfare Zurabov for the protests, while retaining neo-liberal cabinet members like Kudrin. Kudrin, however, is on the hot seat, assigned by Putin to come up with financial help for the regions, to cool out the protests. At a Jan. 24 cabinet meeting, Kudrin reported on the many hours he spent convincing regional governors to agree to pro-

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vide equal conditions for "Federal" and "local" benefit-users (last summer's Law No. 122 created a "Federal" category of World War II invalids, victims of political oppression, etc., while leaving the cash disbursements for all others up to the regions). Kudrin did not reveal how much Federal funding he had had to pledge, to get representatives of 72 regions to sign the agreement, but an official in his ministry told the press that the additional compensation could cost 8.5 billion rubles (\$283 million), of which 5 billion rubles would come from Russia's so-called Stabilization Fund. Hitherto, Kudrin was on record as holding that this multi-billion-dollar fund, comprised of revenues from taxation of oil exports, should be spent to pay the foreign debt, and for no other purpose.

Profile: José Piñera

# Architect of Bush's 'Ownership' Society

by Cynthia R. Rush

The following is taken from "Bush's Social Security Privatization: Foot in the Door for Fascism," issued by LaRouche PAC in December 2004.

José Piñera, the architect of Chile's 1981 social security privatization, likes to brag that he is a "freedom fighter" whose only goal is to help the poor improve themselves, teaching them self-reliance and pride of "ownership." In the hundreds of self-promoting articles plastered all over his website, he quotes from the Declaration of Independence and asserts that privatization of the pension system is "truly consistent with the ideas of America's Founding Fathers." In an October, 1998 editorial in his online publication *Economia y Sociedad*, he even had the gall to use Benjamin Franklin's quote that "rebellion against a tyrant is obedience to God," to justify the bloody U.S.-backed 1973 military coup against the government of President Salvador Allende.

"Consistent with the ideas of America's Founding Fathers"? Let's get this straight. Piñera is a fascist whose privatization of social security and several other free-market reforms were imposed by force, when he served first as Labor Minister and then as Mining Minister under the brutal 1973-90 Pinochet dictatorship and its Operation Condor death-squad apparatus. Try as he might to portray himself as merely an economist and academic who opposed torture and what he calls the "excesses" of the Pinochet regime, the truth is that he justified and supported the 1973 coup, and the subsequent

imposition of Schachtian austerity which became the hallmark of the Chilean "economic miracle."

It is this *anti-American* model that Bush's backers want to impose in the United States today. What the braggart Piñera calls "freedom" is really the bestial notion of "property rights" and individual greed espoused by John Locke, whom Piñera fawns over as that "great British political thinker." There is nothing that Piñera has done or proposes to do, that remotely reflects the Leibnizian principles of "pursuit of happiness" and defense of the General Welfare embedded in the Declaration of Independence and the Preamble to the U.S. Constitution.

Everywhere the Chile model has been applied—eight countries in Ibero-America and several in Eastern Europe—it has failed miserably, resulting in great poverty for the workers who are its victims. As one Bolivian trade unionist told LaRouche PAC, "Al Capone couldn't have done a better job" in stealing workers' retirement funds.

### **Rip the Mask Off Fascism**

That's why Piñera has become such a good friend and financial partner of John Train, the political and economic hitman who has for decades worked on behalf of Wall Street and Anglo-American financial interests against the American political system. Backed by such organizations as the Cato Institute and Hoover Institution, Piñera travels around the world to peddle the economic filth endorsed by Train and his partner in crime, George Shultz. That backing is what has given Piñera such international visibility.

Train's personal friendship with Piñera—both are "Harvard men"—is immediate grounds for investigating and exposing the former's role not only in Pinochet's fascist dictatorship and death-squad operation, but in Bush II's plan to impose the Chilean "model" in the U.S. as well.

Piñera has buttered up George Bush both privately and publicly by telling him that privatization of the U.S. Social Security system appeals to the "American experience" and "common sense and values of the people." Lying that the U.S. Social Security system is bankrupt, and sinking like the Titanic, he wrote Bush in a July 4, 2002 "Open Letter to the President of the United States," that privatization of Social Security "would demonstrate true leadership and become your legacy for all time." Piñera had met with Bush as early as August of 1997, when Bush was still Governor of Texas, to lobby for his plan.

But the Chilean is very explicit that pension privatization is part of a package deal. In a 2001 address at Boston University, he underscored that it "was introduced as part of a coherent set of radical free-market reforms, which were applied simultaneously. . . . In Chile, the same rationale that applies to the private pension system has already been extended, although imperfectly, to the areas of health and unemployment . . ."

And what were the results? "A radical redistribution of

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José Piñera, former Labor Minister and Mining Minister of Chile—under Pinochet—and architect of Chile's disastrous social security privatization.

power from the state to civil society [which], by converting workers into individual owners of the country's capital, has created a political and cultural atmosphere more consistent with free markets and a free society."

That is, remove any governmental responsibility for defending the General Welfare, replacing it with a "cultural atmosphere" which gives free rein to the "invisible hand" of the market, and let the fittest survive. It is this "atmosphere" which reduces men to the level of animals.

Piñera also insists that the creation of private retirement accounts has led to a "virtuous cycle of trade liberalization" that has thrived regardless of who ran the government. In his twisted logic, market-invested retirement funds "mean that every worker is a capitalist" and thus "has a visible stake in the internationally-competitive economy."

### 'Long Live the Chilean Model'

The glaring omission in all of Piñera's self-aggrandizing articles and speeches, is that what he incredibly calls the "true revolution" of 1973-89 could only have been imposed by force. Ignoring the overwhelming evidence of coup plotting by Henry Kissinger, the CIA, and other U.S. government agencies that occurred even before Allende took office in November of 1970, Piñera covers for the 1973 coup by claiming the military had "no option" but to remove Allende.

A majority of the Lower House of Chile's Congress voted up a letter on Aug. 22, 1979 charging Allende with violating the Constitution and using "totalitarian" methods. Since Chile's Constitution had no provision for legally removing an elected President, the military had to act, writes Piñera.

"Regrettably," he adds, "a few members of the intelligence services went beyond the law and...committed human

rights violations in the fight against political violence and terrorism." He then excuses himself by listing the newspaper articles he wrote while still in government denouncing human rights violations and torture.

He neglects to add that Pinochet's economic policy, which he applied, was one giant human rights violation, which left the average Chilean worker worse off in 1989 than in 1970. As Labor Minister in 1978-80, he was ripping up the 1931 labor code which provided too many protections for workers to suit his tastes. His 1979 labor reform package abolished the minimum wage and dismantled the once-powerful organized-labor movement. Collective bargaining was eliminated, while most unions ceased to exist because of the restrictions placed on their functioning.

Piñera boasts that the privatized social security system is a huge success, which has reduced poverty and unemployment and made Chileans "owners of the productive assets of the economy through their retirement accounts," known as AFPs (Pension Fund Administrators). In an article entitled "Long Live the Chilean Model," he explains that there will of course always be poor people, just as there will always be rich people. "The accelerated growth which eliminates poverty also rewards those who are more productive with higher wages, thereby creating the 'wealthy,' "Piñera explains.

Although Piñera also helped privatize the health-care system to create something akin to the managed-care system in the United States, and rewrote the country's mining legislation to favor foreign investors, he feels his job isn't finished. In 1990, he set up his own thinktank, Project Chile 2010, for the purpose of defending and perfecting the "model." By 2010, when Chile celebrates the bicentennial of its independence, the goal is to have deepened the reforms, such that the country will have a fully privatized school system—no public schools at all; to partially privatize Codelco, the state-run copper firm; and to consolidate a "new paradigm of the state" which will oversee only "essential functions," while everything else is run by the private sector.

Piñera has also dedicated an enormous amount of time manically travelling around the world to peddle his fascist model, through his International Center for Pension Reform. In his 2001 speech at Boston University, entitled "Toward a World of Worker Capitalists," he boasts about having created a new "G-8" of eight Ibero-American countries that have emulated the Chilean privatized pension system, making the region "a world leader in structural pension reform." If Mexico and El Salvador are successful, he predicts, "pension reform will spread rapidly to the rest of Central America." The biggest "laggard" on the continent is Brazil, he complains.

Piñera also takes credit for the fact that Poland, Hungary, and Kazakhstan began to introduce private retirement accounts in the 1990s, and even Russia and China are planning similar reforms. But the real challenge, he states, will be Western Europe, whose "political elites . . . have so far been unwilling to engage in structural pension reform."

# Argentina Defies Debt Restructuring Vultures

by Cynthia R. Rush

After numerous delays and attempts at outright sabotage by international financial scavengers, the Argentine government finally officially launched its debt restructuring program on Jan. 14, a little over three years after its Dec. 23, 2001 default on \$82 billion—the largest sovereign default in history. Between now and Feb. 25, bondholders may choose to swap the Argentine bonds they currently hold for new ones.

Standing up to the vulture funds that speculated on Argentine debt before the default, and their backers at the International Monetary Fund (IMF) and among the leadership of the Group of Seven industrialized nations, the government of Néstor Kirchner has maintained a write-down of between 50% and 60% on the defaulted debt, such that the new bonds' total value is now \$41.8 billion.

Responding to bondholder hysteria that the offer is too "stingy," Finance Minister Roberto Lavagna underscored on Jan. 14 that Argentina has no interest in repeating "the errors of the past, when the government ignored its own limited ability to pay in order to secure rapid bondholder acceptance." The debt that is not swapped, he warned, "may remain indefinitely in default." He added that with a 50% level of bondholder acceptance, he would consider the operation "concluded," as this would mean that at least two-thirds of the defaulted debt would be restructured.

This contrasts with IMF and bondholder demands that there must be at least a 75% acceptance rate for the restructuring to be considered successful.

As for charges that Argentina had discredited itself by defaulting, Lavagna said that in the 1990s, the country "had become a guinea pig." Argentina "enjoyed very great prestige and it was like a happy little place to do business. .." while "the foreign debt expanded without limit." But you don't earn prestige satisfying economic or ideological powers, he said.

### The Nation Must Survive

As the disintegration of the global financial system accelerates, provoking fiercer pressures on the country to pay up, President Kirchner has taken the stance that Argentina must hold the line and survive as a nation. In this, even with some concessions, he has distinguished himself from all other current Ibero-American heads of state who have succumbed to the IMF to impose free-market "structural reforms" to pay

His insistence that there will be no change in the restruc-

turing offer has driven the financial predators and their allies into a rug-chewing fit. Accusing Argentina of showing disrespect for the "international financial community," and "not playing by the rules," they warn that the South American nation will become a pariah on a par with Cuba, Libya, and Iraq.

Nicola Stock, the Italian banker who simultaneously represents both the Italian bondholder group Task Force Argentina, and the vulture fund front group Global Committee of Argentina Bondholders (GCAB), is frantically organizing to ensure that the restructuring offer fails. Just before Argentine Deputy Finance Minister Guillermo Nielsen began an international tour Jan. 13 to promote the plan, GCAB co-chairman Hans Humes announced that his group would show up in every city visited by the Argentine officials to "point out the reasons that people should not be taken in by [Argentina's] last round of bullying."

Anticipating that the restructuring will fail—to date there is about a 25% acceptance rate—Italy's Deputy Foreign Minister Gianpaolo Bettamio, who belongs to Premier Silvio Berlusconi's Forza Italia party, threatened on Jan. 18 that a rejection of the restructuring offer would cause an "unprecedented international conflict, which will force the Group of Seven, the IMF, the Club of Paris, and the European Union's Council of Ministers to intervene to make Argentina respect international rules." Bettamio didn't rule out that the EU might impose sanctions on Argentina.

With much boisterous flag waving, the Berlusconi government, like the banker Stock, claims to be acting on behalf of 450,000 small Italian bondholders, who invested in Argentine debt paper before 2001 and then lost everything when the country defaulted. Those angry bondholders, many of them middle-class retirees, want their money back.

But what neither Stock nor Berlusconi wants to admit is that it was their own banking allies, not the Argentine government, who cheated the bondholders out of their money. As Nielsen revealed in Rome, Italian banks reneged on their promise never to sell Argentine bonds on the retail market. The result was that when Argentina defaulted, Italian banks were holding only 473 million euros' worth of bonds while 450,000 small investors held 14 billion!

As a result of its intervention into this fight, Lyndon LaRouche's political movement in Italy has discovered that it was Stock himself who lobbied to stall draft legislation introduced last year by Rep. Guido Rossi of Lega Nord, which would have forced Italian banks to reimburse the investors they defrauded when they sold them high-risk Argentine debt paper in the late 1990s.

In a conversation with *EIR*, Rep. Rossi explained that his legislation would force the banks to repurchase Argentine bonds from bondholders, with a limit of up to 70% of their nominal value and a maximum of 50,000 per bondholder. The bill, he said, "would call on the banks to recognize their responsibilities."

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# Italy's Black Prince: Terror War Against the Nation-State

by Allen Douglas

### The Black Prince and the Sea Devils: The Story of Valerio Borghese and the Elite Units of the Decima Mas

by Jack Greene and Alessandro Massignani Cambridge, Mass.: Da Capo Press, 2004 284 pages, hardcover, \$27.50

The career of the Roman "Black Prince," Junio Valerio Borghese, gruesomely illustrates how virtually all modern "international terrorism" and all assassinations of heads of state and government such as President John F. Kennedy, former Italian Prime Minister Aldo Moro, or the numerous attempts on France's President Charles de Gaulle, derive from the postwar Nazi International, sponsored by the Anglo-American-led Synarchy and its intelligence services. To trace all the ramifications of that career, is to open a door onto the centuries-old highest level of the financial oligarchy—the Synarchy: the aristocratic families of the "black nobility," the Sovereign Military Order of the Knights of Malta, and the heirs of what Pope John Paul I called the "ancients" of Venice.

The fascist Borghese founded Mussolini's elite naval warfare squadron, which he turned into a savage irregular warfare unit in northern Italy by the end of World War II. Picked up by Allen Dulles, James Jesus Angleton, and other anti-Franklin Delano Roosevelt operatives of the U.S. Office of Strategic Services (OSS), Borghese and his men would be involved in every major postwar coup attempt or terrorist outbreak in Italy until 1970, when he fled to Spain after the failed coup attempt most closely associated with his name. From Italy, and then while in Spain, he maintained connections all over Europe and with the bloody Operation Condor

torture-and-murder syndicate in Ibero-America. An examination of Borghese's career enables one to peer beneath the surface of terrorism and spectacular assassinations, into the netherworld whence these actions are launched: where international high finance; ancient aristocratic families; pro-fascist elements of the Curia of the Catholic Church; leading fascists of the Hitler-Mussolini era; and the Anglo-American intelligence services, in particular those of NATO, are all unified in a war against the modern nation-state.

The British and U.S. intelligence services' files on Borghese are still classified, as are the Borghese family archives in the Vatican after 1922, when Mussolini seized power. The present book is the first biography of Borghese in English. When correlated with other recent exposés of Gladio, the post-World War II NATO "stay-behind" network in Europe, and when all are situated within the work of Lyndon LaRouche and his associates on the Synarchy, it is a notable contribution to unmasking international terrorism, though the book's authors are perhaps not always aware of the full implications of what they present.<sup>1</sup>

Borghese belonged to a principal family of Rome's ostensibly Catholic "black nobility," many members of which

<sup>1.</sup> The material in this review which directly concerns Borghese is almost entirely drawn from Greene and Massignani. Additional material on Gladio can be found in Daniele Ganser's book, *Nato's Secret Armies* (London, 2005), Arthur E. Rowse's "Gladio: The Secret U.S. War to Subvert Italian Democracy," italy.indymedia.org, and work by LaRouche and his associates. The latter includes "Strategy of Tension: The Case of Italy," an indispensable four-part series by Claudio Celani, first published in *EIR*, and "Terror's Legacy: Schacht, Skorzeny, Allen Dulles" by Michael Liebig. These two articles were republished, together with overviews by LaRouche, and numerous other studies, in the Special Report, *The Synarchist Resurgence Behind the Madrid Train Bombing of March 11*, 2004, issued by the LaRouche in 2004 campaign committee.



Junio Valerio Borghese, the "Black Prince," wears his Gold Medal, Military Order of Savoy, and Germany's *Iron Cross, during* the war. He and his men were implicated in every major postwar coup attempt and terrorist incident in Italy, until he fled to Spain in 1970.

claim descent from the elite of the Roman Empire. Numerous Popes and cardinals came from the Borghese and allied families, such as the Pallavicini, the Colonna, and the Orsini; these families maintained enormous power into the 20th Century, and still today, in the Curia, the administration of the Vatican. Their faction within the Church helped construct the infamous "rat-line"—run, in part, through monasteries and convents—which spirited thousands of Fascists and Nazis out of Europe after the war, into Ibero-America, Asia, and the Middle East.

Whether the Borgheses indeed originated with the Roman Empire, as they claim, or only rose in the early 16th Century, as records suggest, they could boast of one Pope, Paul V (Camillo Borghese, reigned 1605-21), and several cardinals, while a Borghese prince married Napoleon's sister. They lost their fortune in the 19th Century, and thus the 20th Century saw Junio Valerio Borghese going to war.

In the first half of the book, naval warfare specialists Greene and Massignani recount the development of Italian naval irregular warfare on the eve of World War II, which involved light craft, frogmen, and sabotage. Borghese was an innovator in this field, beginning with his sabotage efforts for Franco during the Spanish Civil War of the late 1930s. He founded Mussolini's naval special warfare unit, the Decima MAS, commonly known as the X MAS. (MAS was originally an acronym for *Motoscafi Anti Sommergibili*, anti-submarine motorboats, but soon became the generic term for any light craft.)

The X MAS was a kind of personal squadron of Italy's Venice-centered oligarchy, staffed by officers from leading noble families. One of them was the nephew of Italy's royal House of Savoy, Prince Aimone of Savoy, the Duke of Aosta.

The X MAS thus mirrored the oligarchical coloring of the OSS, where the leadership was so dominated by bluebloods, such as Wall Street's pro-fascist Allen Dulles, that it earned the sobriquet "Oh So Social." The two organizations were destined to collaborate closely.

Its aristocratic pedigree enabled the X MAS to operate as largely independent from Mussolini. As Greene and Massignani note, "Key personnel inside the X MAS were of noble stock, and this enabled them to win the support of top-level officers. It also made it possible for them to be in direct contact with the companies that supplied and developed craft, new weapons, and equipment for the flotilla."

Soon after taking power in mid-1943, the new royalist Italian government signed an armistice with the Allies. The royalists captured Mussolini in July, and held him in a remote prison in the Appenine Mountains. He was freed in a daring raid (so the story goes), led by Hitler's chief commando, Otto Skorzeny, who was later to become, like Borghese, a kingpin of postwar international terrorism. The Nazis disbanded Italy's army and sank most of its navy, so that they could not be used against them, but some diehards, notably Borghese and his X MAS, chose to fight on for fascism. Many other Italians were organized by Italy's political parties, including the Communist Party, into partisan warfare bands, which fought both the Germans and Mussolini's 1943-45 Nazi-run rump Salò Republic in northern Italy. Hitler's henchman for the German occupation of northern Italy, SS Gen. Karl Wolff (formerly Himmler's private secretary), ordered Borghese and his X MAS to move onto land, where they became infamous for anti-partisan warfare, including the systematic use of torture and the summary execution of Italian civilians as a "lesson" to the partisans. Greene and Massignani report that in the 600 days of the Salò Republic, the X MAS raised a force of 50,000 men, and that in the bloody civil war which followed the armistice, probably more Italians died than in the entire war before then.

The X MAS was nominally committed to the Salò Republic; however, it never swore allegiance to Salò, and never flew any flag but its own. Reports flooded back to Mussolini that Borghese was maintaining contact with all sides, so Il Duce had Borghese arrested in early 1944, though he soon released him. Indeed, Borghese had either established contact or worked with: the SS security service (Sicherheitsdienst), with which he worked closely; the Abwehr (German army counterintelligence); the Italian royalist government; British Secret Intelligence Service; James Jesus Angleton, chief of the OSS counter-espionage branch in Italy; and Allen Dulles, OSS Berne, Switzerland station chief. He also met several times with SS General Wolff.

Wolff and Dulles plotted the Anglo-American redeployment of fascist operatives after the war, among them Borghese. Indeed, Wolff declared, "Where the person of Borghese and his Decima Mas is concerned, I have spoken several times . . . with a representative of Mr. Dulles." In late 1944,



Benito Mussolini (left) with SS Gen. Karl Wolff. Under orders from Wolff, Borghese and his X MAS forces waged brutal warfare against the anti-fascist partisans. After the war, Wolff and Allen Dulles secured Borghese's release from Allied custody.

Rome's black aristocracy asked the Allied military governor in Italy, Vice Adm. Ellery Stone, to intervene in favor of the "terrible boy," Junio Valerio. A friend of the Borghese family and lover of a Roman baroness, Stone needed little convincing. As the partisans closed in on Borghese in May 1945, Stone instructed Angleton to warn him, which the latter did personally. On May 19, the Americans formally arrested Borghese, thus saving him from scheduled execution by a partisan firing squad.

#### A Brief Hiatus

The Americans and the British showed a keen interest in the X MAS wartime activities, especially its Vega battalion, which had operated behind enemy lines. As one X MAS leader put it, foreshadowing Borghese's later deployment as part of Gladio, "For the Allies we were important because we had infiltrated the Communist bands, we knew their secrets and tactics and therefore developed the first anti-guerrilla procedures. . . . They wanted to know how we carried out the anti-communist war. . . . They wanted to exploit our knowledge." The Germans had also developed "stay-behind" units to function behind Allied lines in Italy, and the X MAS were

almost certainly part of that operation as well. Several members of the X MAS were taken to the United States for debriefing.

Borghese's friends in high places ensured that the Allies would clear him of war crimes. The Italian government, however, demanded that the Allies hand him over for trial in Milan in late 1945. His friends again intervened, and his trial was transferred to Rome, where Dulles, Angleton, et al. had ensured that many of the old Fascist bureaucrats remained in office, and where the courts were much more conservative. After two years in prison, he was finally found guilty in early 1949 of collaborating with the Nazis (though not in war crimes) and sentenced to 12 years in prison. As one frustrated observer put it, "The crimes of Borghese's band were too obvious, and the verdict had to be life imprisonment. But the court, through a scandalous application of extenuating circumstances, pardons, and remissions, reduced the sentence." The judge then decided he had served enough time, and released him, an action that would have been politically impossible before Britain's Winston Churchill announced the beginning of the Cold War with his 1946 "Iron Curtain" speech in Fulton, Missouri.

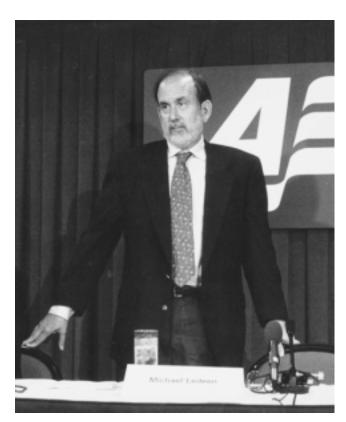
Borghese's new career was about to begin.

### A Universal Fascist

Shortly after his release from prison, Borghese became president of the Italian Social Movement (MSI) party, composed largely of former Fascists. The MSI was a mixture of "national" and "international" ("universal") fascists. Borghese was committed to the latter outlook, which today is openly espoused by neo-con Michael Ledeen, himself a protégé of a Mussolini Cabinet minister, the Venetian oligarch Vittorio Cini. Cini, in turn, was a key collaborator of the real architect of Mussolini's regime, its longtime Finance Minister, the Venetian Count Giuseppe Volpi di Misurata.

Greene and Massignani describe Borghese's universal fascism and its plans for a Europe free of nation-states, but "unified" under NATO: "Fascism in the postwar era was different from its pre-war variety. Although it had splintered into many different factions, it had two powerful drives. One was that it was anti-communist. It was this element that made Borghese acceptable to the mainstream parties and national secret services. He was ultimately pro-NATO, as was the rest of this wing of fascism. The other one was the realization that in the postwar environment no single European nation could stand up to the two superpowers, and hence, that Europe would be a third force. That is, Europe would be 'opposed to the twin imperialisms of international communism and international finance capitalism, both of which were perceived as being materialistic, exploitative, dehumanizing' " (emphasis in original).

Borghese's "united Europe" was the scheme promoted, from the early 1920s on, by his fellow oligarch, the Venetian Count Richard Coudenhove-Kalergi, which became an ex-



Neo-conservative Michael Ledeen is the counterpart of Borghese's circles in the United States today. The two share the ideology of what Ledeen calls "universal fascism" (in his book of that title). Ledeen himself is a protégé of Mussolini Cabinet minister Vittorio Cini, who worked with Fascist Venetian kingpin Count Giuseppe Volpi di Misurata.

plicit goal of the Synarchist International in the 1920s and 1930s. Today, the seed crystal of that "united Europe" has become the Maastricht Treaty-generated European Union and its European Central Bank. The same vision of a united Europe had also inspired Hjalmar Schacht, the financial architect of Hitler's regime, though Schacht viewed Hitler's conquest of Europe as the pathway to achieve it. It was also the vision for which the Synarchy deployed one of its most notorious agents of the 20th Century, Alexander Helphand Parvus. Parvus first financed the Bolshevik Revolution, and then, after it was victorious, became the most ferocious "anti-Bolshevik," proclaiming that only a "united Europe" could stop the communist menace.

Between the wars, this "united Europe" scheme was momentarily eclipsed by the "national fascisms" of Mussolini, Salazar, Franco, and Hitler, though all were installed by the same Europe-based, London-centered Synarchy. But, after the war, write Greene and Massignani, Borghese's universal fascism was the wave of the future, as well as the incubator of international terrorism. "In Italy, it was the Fascist faction that possessed the many international ties that stretched between Franco's Spain, South America, and South Africa. *It* 

was from this faction, too, that many of the acts of terrorism of the 'Black International' sprung' (emphasis added).

### NATO, Gladio, and International Terrorism

Postwar Italian politics may appear to be a wilderness of mirrors, with its rapid changes of government, multiple coup attempts, and spectacular outbreaks of terrorism. Going back to the Nazi occupation of northern Italy during World War II, however, to examine the various British, American, and Nazi actors and their respective ties to different Italian factions, the reality quickly becomes apparent: that the Anglo-American Synarchists merely replaced—and to a great extent subsumed—the Nazis and Mussolini's Fascists as the would-be fascist occupying power, locked in mortal struggle against those Italian patriots, both "conservatives" of the Christian Democracy and "leftists" of the Italian Communist Party, who wished to establish a sovereign Italy.

The battle for a sovereign Italy centered on economic policy. In 1950, forces around wartime partisan leader, later industrialist Enrico Mattei effected a radical shift within the ruling Christian Democracy, away from free-market policies toward a dirigistic program of rapid industrial growth. With an extraordinary series of state-sponsored corporations, and projects such as the Cassa per il Mezzogiorno (Southern Italy Development Fund) based on the model of U.S. President Franklin Roosevelt's Tennessee Valley Authority, Italy experienced an economic miracle, with annual growth of over 7% for almost a decade. A linchpin of this was the newly founded national oil company, ENI, which Mattei headed in a war for energy independence against the synarchists' Seven Sisters.

Enraged at Italy's developing sovereignty, the Anglo-Americans deployed terrorism and assassinations to stop it. Borghese's activities run like a black dye through all of this history, until he fled to Spain in 1970. Let us now examine the scene in which he was to be so prominent an actor.

Already during World War II, Allen Dulles and other Anglo-American Synarchists, who had sponsored both Mussolini and Hitler in the first place, were trying to negotiate a peace with the Nazis which would leave them in power, *sans* Hitler and a handful of others. This Nazi puppet-regime would then ally with the British and the United States to conquer the Soviet Union, establishing a Synarchist world empire. Dulles's negotiating partner SS General Wolff said that he wanted "to build a bridge to the West," which would entail handing northern Italy over to the Allied military forces, *but with German troops remaining in place*, as "part of the proposed police force of the Western powers against Russia."

U.S. President Franklin Delano Roosevelt, by contrast, wanted to crush the fascist regimes, and foresaw a postwar

<sup>2.</sup> Charles Higham, *American Swastika* (New York: Doubleday & Company, 1985), p. 198.

world in which the colonial empires of all the European powers, starting with the British, would be abolished, and the United States and the Soviet Union—wartime allies—would cooperate in a grand program of global economic growth, into which the rest of the world would be drawn as well.

Dulles and his fellow Synarchists did not achieve their full scheme, but they did establish NATO as an occupation authority for Europe, which prepared for war against the Soviet Union. Lord Bertrand Russell's early 1946 call for pre-emptive nuclear warfare against the Soviet Union is typical. In the name of "fighting communism," Europe would be kept under Anglo-American domination through NATO, and any and all means



Allen Dulles

would be authorized toward that goal. Upon FDR's death in April 1945, the Synarchist puppet President Harry S Truman adopted these "anti-communist" schemes, which led immediately to the Cold War.

When the North Atlantic Treaty Organization (NATO) was established in 1949, a secret clause in its treaty specified that each nation that wished to join must first establish a "national security authority" to fight communism, including through the deployment of clandestine citizen cadres. This demand grew out of a secret committee set up by the British and the U.S. within the Atlantic Pact, the forerunner of NATO. Truman's National Security Council issued directives authorizing the Armed Forces to use military force against Communist Parties, which commanded strong popular support in several European countries as a result of the war, even if those parties gained participation in government through elections. For this purpose, NATO and the Anglo-American intelligence services set up "stay-behind" units in all European countries.

According to Italian Gen. Paolo Inzerilli, who commanded Italy's Gladio unit from 1974-86, the Clandestine Planning Committee (CPC) and its Allied Clandestine Committee (ACC) were the "interface between NATO's Supreme Headquarters Allied Powers Europe (SHAPE) and the Secret Services of the member states as far as the problems of nonorthodox warfare were concerned." The CPC, said Inzerilli, was dominated by an inner executive group of the United States, Britain, and France, while the ACC was essentially a technical committee to coordinate expertise in explosives, "repression," or related problems of clandestine warfare. Italian Gen. Gerardo Serravalle testified that the members of the CPC were the officers responsible for the stay-behind apparatus in the various European countries, and that "At the stay-behind meetings representatives of the CIA were always

present," as well as "members of the U.S. Forces Europe Command."

The mid-1970s U.S. Congressional investigative committee under Sen. Frank Church, which examined illicit actions by U.S. intelligence services and the military, found that the Pentagon had requested the CIA's covert branch, the Office of Policy Coordination (OPC), to take the point in establishing stay-behind armies in Europe. The early plans were focussed on the Soviet Union, as the Church report noted: "Until 1950 OPC's paramilitary activities (also referred to as preventive action) were limited to plans and preparations for stay-behind nets in the event of future war. Requested by the Joint Chiefs of Staff, these projected OPC operations focussed on Western Europe and were designed to support NATO forces against Soviet attack." However, the Pentagon soon went much further. A Joint Chiefs of Staff directive of May 14, 1952 set up "Operation Demagnetize," in which the CIA and the military secret services were instructed to reduce the "magnetic attraction" of the large Communist Parties of Italy and France through all means, including "political, paramilitary and psychological operations." The directive stated, "The limitation of the strength of the Communists in Italy and France is a top priority objective. This objective has to be reached by the employment of all means. The Italian and French government may know nothing of the plan 'Demagnetize,' for it is clear that the plan can interfere with their respective national sovereignty" (emphasis added).

Operationally, the stay-behind units were run by the military secret services of each NATO nation, as directed by the CPC/ACC. Some light was shed on Pentagon and NATO thinking of this time in a Pentagon field manual, found along with the lists of members of the elite Propaganda Due (P2) freemasonic lodge in P2 Grand Master Licio Gelli's villa in Arezzo, Tuscany in 1981. Although issued in 1970, Field Manual 30-31B (FM 30-31B) reflected earlier Pentagon and NATO planning. It emphasized that military and other secret service leaders in each country should be recruited as U.S. (or NATO) agents: "The success of internal stabilisation operations, which are promoted in the context of strategies for internal defence by the U.S. military secret service, depends to a large extent on the understanding between the U.S. personnel and the personnel of the host country. The recruitment of senior members of the secret service of the host country as long time agents is thus especially important."

This process began already in 1944-45, when the Anglo-American synarchists re-constructed Italy's military secret service and its military police, the Carabinieri. Some of the key individuals whom they installed or sponsored later turned up as members of P2, from where they oversaw the terrorism and assassinations of the late 1960s and 1970s, as well as the cover-ups. Like Borghese, some of these leaders had been recruited by Angleton himself. One of them was Federico Umberto D'Amato, chief of the UAR, a secret section of the Interior Ministry which coordinated the terrorist actions

under NATO direction, in conjunction with the military secret services.<sup>3</sup>

Furthermore, stated the FM 30-31B, "There may be times when Host Country Governments show passivity or indecision in the face of communist subversion and according to the interpretation of the U.S. secret services do not react with sufficient effectiveness. Most often such situations come about when the revolutionaries temporarily renounce the use of force and thus hope to gain an advantage, as the leaders of the host country wrongly consider the situation to be secure. U.S. army intelligence must have the means of launching special operations which will convince Host Country Governments and public opinion of the reality of the insurgent danger." FM 30-31B was issued in 1970; coup attempts against the Italian government under precisely the circumstances it describes, were launched using Gladio personnel (including Borghese) that year, and three more times through 1974. The manual stressed, "These special operations must remain strictly secret. Only those persons who are acting against the revolutionary uprising shall know of the involvement of the U.S. Army in the internal affairs of an allied country. The fact, that the involvement of forces of the U.S. military goes deeper shall not become known under any circumstances."4

### The British Role

As in virtually everything to do with imperial strategies, the relevant U.S. circles were being carefully guided by their senior partners, the British, under the old rubric, "British brains and American brawn." Gladio was modelled on the actions of the Special Operations Executive (SOE) behind enemy lines during World War II, which had been created by the British Ministry of Defence (MOD) in 1940 under orders from Churchill to "set Europe ablaze." In charge of the SOE was Minister of Economic Warfare Hugh Dalton, who said, "We have to organize movements in enemy-occupied territory comparable to the Sinn Fein movement in Ireland, to the Chinese Guerrillas now operating against Japan, to the

Spanish Irregulars who played a notable part in Wellington's campaign or—one might as well admit it—to the organizations which the Nazis themselves have developed so remarkably in almost every country in the world' (emphasis added).

The SOE was closed down at war's end and replaced by the Special Air Services (SAS), which helped Britain's foreign secret service, MI6, to train the stay-behind armies of Europe. Gladio specialist Daniele Ganser of the Center for Security Studies at Zurich Technical University observed, "Many within the stay-behind community regarded the British to be the best in the field of secret warfare, more experienced than the military officers of the U.S."

The British set up a base for training stay-behind units at Ft. Monckton outside Portsmouth, England, and another in Sardinia. One of the stay-behind operatives trained at Ft. Monckton recalled, "We were made to do exercises, going out in the dead of night and pretending to blow up trains in the railway stations without the stationmaster or the porters seeing you. We crept about and pretended to lay charges on the right part of the railway engine with a view to blowing it up." In the Gladio-coordinated blind terror which ravaged Italy from 1969 through 1980, trains and railway stations were to be a favorite target, notably the 1974 bombing of the Rome-Munich Italicus Express, which killed 12 and injured 48, and the explosion in the Bologna rail station in August 1980, which killed 85 and seriously injured or maimed 200. Lyndon LaRouche first emphasized within hours of the Madrid train bombings of March 11, 2001 which killed 200 and wounded thousands more, that they were not the work of "Islamic terrorists," but followed the pattern of the 1980 Bologna bombing.

Vincenzo Vinciguerra, an Italian neo-fascist terrorist who was jailed for life and who had been bitter about the secret service's "manipulation" of neo-fascist groups ever since 1945, explained how Gladio (and any sister organizations) worked: "You had to attack civilians, the people, women, children, innocent people, unknown people far removed from any political game. The reason was quite simple. They were supposed to force these people, the Italian public, to turn to the State to ask for greater security. This is the political logic that lies behind all the massacres and the bombings which remain unpunished, because the State cannot convict itself or declare itself responsible for what happened."

After Prime Minister Giulio Andreotti exposed the existence of Gladio in 1990, the BBC's "Newsedition" undertook its own examination of Gladio. It reported in April 1991, "Britain's role in setting up stay-behinds throughout Europe was absolutely fundamental."

More crucial than the stay-behinds, were the secretive bodies which coordinated them, such as P2. Here, too, the British led the way. Already in 1944-45, the British set up a proto-P2 masonic lodge composed of House of Savoy monarchists, aristocrats, and Mussolini loyalists. A Jan. 2, 1945 OSS report noted: "The lodge is under British authority and

<sup>3.</sup> Sen. Giovanni Pellegrino, who chaired the 1994-2001 Italian parliamentary committee investigating both the Gladio-orchestrated terrorism, and how Italy's secret services covered them up, said that D'Amato "was an old Anglo-American agent, whose career started soon after the Liberation under James Angleton." Under Angleton's protection, said Pellegrino, "D'Amato became superintendent of the Special Secretary of the Atlantic Pact, the most strategic officer of our apparatus, as it is the connection between NATO and the U.S.A." From its founding at the end of the war, the UAR was filled with hundreds of former officials of Mussolini's Salò Republic. D'Amato headed it from 1968-74, the period of NATO's "Strategy of Tension."

<sup>4.</sup> Since no English original of FM 30-31B was ever found, but only Italian translations of parts of it (during the raid on Gelli's villa), some investigators query whether such a Pentagon manual ever existed. However, the Italian passages are entirely coherent with other Pentagon documents of the same general era, such as the U.S. Joint Chiefs of Staff's infamous Operation Northwoods plan, which called for unleashing terrorism against the domestic United States, among other clandestine provocations.

will request their political and economic aid, things which the members cannot get through their respective parties without exposing themselves to accusations of being paid by the British."

### NATO's Italian Theater

OSS official James Jesus Angleton saved Borghese in 1945, and then set up the clandestine structure in the Italian military and secret services, which produced the Italian section of Gladio. Angleton was a devout Anglophile and a profascist, who had spent much of his boyhood in Italy, where his father, James Hugh Angleton, owned the Italian subsidiary of National Cash Register. The outspokenly pro-Hitler, pro-Mussolini senior Angleton also headed the U.S. Chamber of Commerce in Italy, and had extensive contacts with Mussolini's intelligence services. Some accounts report that he was a business partner of Allen Dulles. Both he and his son were to work for the special counterespionage unit of OSS, X-2, which had been set up at the demand of the British. Though it was nominally an American organization, the headquarters of X-2 for all of Europe, and even most of the globe, was London. X-2 was trained and de facto run throughout the war by the British, as its operatives were dispatched across Europe. From late 1943 through the first half of 1944, Lt. Col. James Hugh Angleton was X-2's liaison to Marshal Pietro Badoglio and other leaders of the Italian army, and to the army's intelligence service, building upon his excellent contacts in pre-war Italy.

The junior Angleton landed in Italy as an X-2 operative in October 1944. Borghese was one of his informants/agents from shortly thereafter, until the Italian government demanded that the OSS turn him over for prosecution. The U.S. mandated that the "operational resources" of the Italian police and all of the military intelligence and secret services be put at the disposal of X-2, which was led by Angleton. This, naturally, set the pattern for decades to come. Bespeaking his patronage by Dulles and the British, young Angleton rose from chief of the X-2 unit in Rome, to chief of all OSS counterespionage in Italy. By age 28, he was chief of all secret activity, intelligence as well as counterintelligence, in Italy for the Strategic Services Unit, the short-lived successor to OSS, and predecessor to the operational section of the CIA, which was established in 1947. In this he was aided immensely by the fact that many patriotic OSS officers, such as Max Corvo, head of OSS operations in Italy from 1943-45 and later a friend of Lyndon LaRouche, had been purged by the Dulles faction the day after FDR's death.

Essential to Angleton's activities, to the establishment of the first stay-behind units in Italy, and to the organization of the Vatican-linked "rat-lines" which smuggled fascists out of Europe at war's end, was the Sovereign Military Order of Malta (SMOM). The Rome-based SMOM was a nominally Catholic organization with membership drawn from the highest ranks of the European oligarchy, in particular Italy's black nobility. The SMOM awarded Angleton one of its highest decorations in 1946. A member of the "Black Prince's" family, S. Giacomo, Prince Borghese, had been a Bailiff Grand Cross of Honor of Devotion in the SMOM since 1932, while P2 founder Licio Gelli and several of his top members, including secret service heads, also belonged.

By 1949 Angleton was a special assistant to CIA chief Adm. Roscoe Hillenkoetter, and by 1955, CIA chief Allen Dulles (1953-61) had appointed him to head the counterintelligence department of the CIA. He held that post until he was fired by CIA chief William Colby in 1974, after having done untold damage to U.S. intelligence capabilities.<sup>5</sup>

As Angleton rose in U.S. intelligence, maintaining his close ties to Italy, NATO was constructing the foundations of Gladio. Under NSC directives issued in 1949 and 1950, the CIA helped the Italian police set up secret units of counterinsurgency specialists, largely drawn from veterans of Mussolini's secret police. A new military intelligence agency, SIFAR, was organized under the direction of a covert American intelligence operative, Carmel Offie, nicknamed "the godfather." Simultaneously, Borghese was organizing paramilitary units for use against the PCI, in coordination with CIA operatives under the purview of Angleton (who was formally assigned to Italy by Allen Dulles when Dulles became CIA chief in 1953). On Dec. 2, 1951, Borghese was named honorary president of the MSI, and in a speech to the party's convention, proclaimed that the MSI could not be "conscientious objectors" if the Cold War turned hot, as he expected. That same month, two MSI members travelled to NATO headquarters in Paris to swear their organization's allegiance to NATO. By 1952, the NATO-directed "Operation Demagnetize" was in place, and SIFAR was directed to adopt political and psychological operations against the PCI, including the covert use of armed force, to diminish the PCI's influence in all fields. The U.S. poured a staggering \$4 billion into "anti-communist" Italy between 1948 and 1953.

Borghese and his old X MAS cadre figured prominently in these plans. Indeed, some people in U.S. intelligence had briefly toyed with the idea of promoting Borghese as a new King of Italy, until an uproar from the House of Savoy and its supporters forced them to drop the idea. The royalists and the

<sup>5.</sup> Angleton and his associates in the OSS/CIA had a lifelong fascination with the Trust, the joint Anglo-American/Soviet intelligence operation which featured the use of double and triple agents. These were actually used by the Synarchists to manipulate *both* the Western powers and the Soviets against the nation-state, toward a kind of global condominium. It is not accidental that the "legendary" CIA counterintelligence chief Angleton somehow missed noticing that his mentor and his decades-long close friend Kim Philby was a "Soviet" (read: Trust) agent. Keeping up his part in the charade, Philby announced from Moscow that he had "enjoyed playing Angleton and Dulles." Angleton and Dulles maintained deep contacts with the "internationalist" wing of the Soviet intelligence establishment, just as they did with the "universal fascists" like Borghese. The shared goal was the destruction of nation-states in favor of world imperial rule. Many of Angleton's "fascist" assets in the postwar era turned out to be Soviet assets, as well.

MSI were often allies, and Borghese's X MAS had sometimes worked with the royalist Osoppo brigade during 1943-45. Greene and Massignani observe that, "Interestingly enough, the core of the future Gladio stay-behind organization started with the Osoppo partisans." Since Borghese's X MAS was also a chief recruiting ground for the early Gladio units, the wartime collaboration clearly continued.

In 1953, Borghese led some 500 MSI volunteers, among others, to launch an uprising in the north Adriatic city of Trieste, a city which was claimed by both Italy and Yugoslavia. Under the slogan "To Trieste with Valerio Borghese," Borghese re-enacted the 1919 march on Fiume by the fascist (and Martinist freemason) Gabriele D'Annunzio, a precursor to Mussolini's 1922 march on Rome. The neo-fascists acted on behalf of the "Committee for the Defense of Italians of Trieste and Istria," whose weapons were delivered by the Italian secret services. The following year, Trieste was returned to Italy.

In 1955, Borghese became president of the union of former soldiers of the Salò Republic, a key recruiting ground for Gladio. He was later to become one of the leaders of the "Tricolor Committee for the Italianity of the Alto Adige." The Alto Adige, or South Tyrol, in Italy saw one of the earliest known uses of stay-behind units. Though Italian territory, the area was German-speaking, and a fruitful area for promoting ethnic conflict.

In 1956, NATO formally established Gladio. According to documents discovered in Italy in 1990, Gladio's forces there were divided into 40 main groups, 10 specialized in sabotage, 6 each in espionage, propaganda, evasion and escape tactics, and 12 in guerrilla activities. A special Gladio training camp was set up on Sardinia, off Italy's western coast, run by the Americans and the British.

That same year, 1956, U.S. Ambassador to Italy Clare Booth Luce—a Dame of Malta and the wife of *Time* and *Life* magazine publisher Henry Luce, a key sponsor of the fascist Congress for Cultural Freedom—"recommended" a fellow SMOM member, Gen. Giovanni De Lorenzo, as the new head of SIFAR. In 1962, the CIA helped install De Lorenzo as head of the Carabinieri, while he still maintained control over SIFAR. He began purging officers deemed not sufficiently "anti-communist," in either his eyes or or those of U.S. military attaché Vernon Walters.

CIA Rome station chief William Harvey, meanwhile, was recruiting "action teams" to throw bombs and attack leftists. These teams launched an attack on a peaceful demonstration in Rome in 1963, leaving 200 people injured and heavy damage to part of the city. The action was later linked to Gladio, in testimony by a general of the secret service.

In 1963, Borghese became president of the Banco di Credito Commerciale e Industriale, a very high-paying "ceremonial post" which was designed to build up his capabilities. The bank had been the very first one owned by the Sicilian financier Michele Sindona, a Fascist during World War II,

who later laundered heroin funds for the Sicilian mafia, and then became a power in P2. Borghese's bank was involved with a "vast sector" of conservative economic interests, including the son of Dominican Republic dictator Rafael Trujillo, Franco's Spain, and reactionary circles in the Vatican and the Christian Democratic Party. Ultimately the bank collapsed, but Borghese got off almost scot-free. "What is significant," write Greene and Massignani, "is that Borghese clearly had many contacts on a national as well as an international scale. These connections extended to very high levels. It also appears that the financial wherewithal that he needed to survive may have come from such sources after the end of the war." The authors also note that his career closely parallels that of former SS commando Otto Skorzeny in Spain.

### **Series of Coups**

From 1962 to 1964, the Synarchy initiated a phase change in international affairs with the Cuban Missiles Crisis, the assassination of President John F. Kennedy (and Enrico Mattei), the attempts on France's President Charles de Gaulle, and the launching of the war in Vietnam and the youth rockdrug-sex counterculture, among other things. Italy was not exempt.

As Prime Minister Aldo Moro in 1964 was negotiating his first government with Socialist participation, the synarchists unleashed a coup threat under the name "Plan Solo." Its chief public figure was State President Antonio Segni, and Borghese was a protagonist.

The usual accounts of Gladio-related coup threats invariably emphasize Moro's "opening to the left" as the reason for them. However, there is another reason, internal to Italy itself (in addition to the global ramifications of a coup in Italy), but one which is entirely coherent with the Synarchy's attempt to stop Italy's economic development. This other dimension emerges clearly in the account of Plan Solo by EIR counterterrorism and Italian affairs expert Claudio Celani: "Segni, a right-wing Christian Democrat, was manipulated by an intelligence officer, Col. Renzo Rocca, head of the economic division of SIFAR, the military secret service. Rocca (who, after his stint at SIFAR went to work at the automaker FIAT in Turin [of the oligarchical Agnelli family—ed.]) reported to Segni that the financial and economic establishment predicted a catastrophic economic crisis, if the Socialists joined the government. In reality, a few large monopolies (in the hands of the same families who had supported Mussolini's regime) feared that the new government would introduce reforms to break their power in real estate, energy, finance, and economic planning."

Advised by Rocca, Segni called the head of SIFAR, Gen. Giovanni de Lorenzo, and asked him to prepare a list of political leaders to be rounded up in case of an insurgency. De Lorenzo prepared "Plan Solo," which included a list of 731 individuals to be interned at the Gladio camp in Sardinia. Greene and Massignani observe, "Supporting the Carabinieri

were politically sanitized civilians largely made up of former Decima Mas, paratroopers, and soldiers and sailors of the RSI [Salò Republic]." "Borghese was De Lorenzo's friend" and was scheduled to personally participate in the coup, according to Remo Orlandini, a top Borghese collaborator and heir to a shipbuilding empire. The coup did not eventuate, leaving a very "angry Borghese."

In early May 1965, a meeting took place at the Parco Dei Principi Hotel in Rome, which Italian prosecutors consider the planning meeting for the 1969-74 "Strategy of Tension." It was sponsored by an institute run by the chief of the general staff of Italy's armed forces, on the theme of "Revolutionary Warfare." Participants plotted how the alleged threat by the PCI must be forestalled by "counterrevolutionary war." (The PCI's vote totals were generally rising through the second half of the 1960s.) Present were leaders of the fascist terror groups, Avanguardia Nazionale (AN) and Ordine Nuovo (ON), pro-fascist journalists, the military, and various secret services. One of the fascist journalists present was Guido Giannettini, also an operative of the Italian secret services, who four years earlier had taught a seminar at the U.S. Naval Academy on "The Techniques and Prospects of a Coup." Though Borghese himself was not present, his lieutenant Stefano Delle Chiaie, the nominal chief of AN, was. Delle Chiaie had probably been recruited by the UAR secret unit of Italy's Interior Ministry as early as 1960, and was to be Borghese's chief lieutenant in the 1970 coup plot.

During the 1960s through his coup attempt in 1970, Borghese either founded or was intimately involved in at least three fascist terror organizations: Delle Chiaie's AN; the ON; and the Fronte Nazionale (FN), which Borghese founded in 1968 for the sole purpose, according to a document of SID (as SIFAR was renamed after 1965), "to subvert the institutions of the state by means of a coup." Two of these were represented at the Parco Dei Principi meeting. All three were run by operatives of NATO or Italy's clandestine services, notably the UAR and SIFAR/SID. Borghese lieutenant Delle Chiaie was almost certainly a UAR agent, and "AN itself was suspected of being the creation of UAR." Greene and Massignani report that "many members of the FN, ON, and AN had been trained in disinformation and guerrilla warfare at the special [NATO] camp in Sardinia," while ON bomber Vincenzo Vinciguerra charged that the "right-wing movements such as AN or ON were not only connected with Italian and NATO secret services, but manned by them."

NATO interventions were not limited to Italy. In Greece in 1967, despite a wave of terror, the left-of-center Center Union under former Prime Minister George Papandreou was expected to return to power. On the night of April 20-21, 1967, the Greek military pulled a coup. It involved the Greek stay-behind army, LOK, and was based on the Prometheus plan, a NATO contingency plan for combatting a "communist insurgency." The coup was partially financed by P2's Michele Sindona, and, before long, Italians were being sent to Greece

for paramilitary training.

By 1968, Gladio had stepped up its training at the NATO base in Sardinia. "Within a few years, 4,000 graduates had been placed in strategic posts. At least 139 arms caches, including some at Carabinieri barracks, were at their disposal," reported Arthur E. Rowse, who has examined Gladio's Italian operations in depth. Terrorism exploded in Italy, with 147 attacks in 1968, another 398 in 1969, and peaked at 2,498 in 1978. Borghese's efforts were a key part of this.

One of the first members of the FN, Borghese's project for a state "beyond the center, right and left," was P2 boss and Knight of Malta Licio Gelli. Like Borghese, Gelli had fought for Franco and Mussolini, and was recruited by SIFAR in the 1950s. Gelli was the "main intermediary" between the CIA and De Lorenzo.

In the FN, Borghese was known as "the Commander," and he established "action groups" all over the country. The FN (like the AN) had a two-part structure: "A" groups, which were the public side of FN, and clandestine "B" groups, whose existence was usually unknown even to the members of their respective A groups. The B groups were to be used in terrorism, in the "Strategy of Tension" aimed at producing a change in the Italian government, which exploded with the Piazza Fontana massacre on Dec. 12, 1969, in which 16 were killed and 58 wounded. Members of the Borghese-connected ON were arrested on suspicion of the crime, but cover-ups run by P2 and the secret services ensured their release.

The terror and coup attempts escalated after U.S. President Nixon took office in 1969. His National Security Advisor Henry Kissinger issued orders to Licio Gelli through Kissinger's deputy, Gen. Alexander Haig, and Gelli maintained many high-level contacts in the U.S. Republican Party. The synarchist Kissinger was bitterly opposed to a sovereign Italy. With the Socialist Party in the government at the time, the United States opened the financial spigots to "anti-communist" forces—including the neo-Fascist MSI—and poured in \$10 million in 1970 alone. "The money funneled to [U.S. Ambassador Graham] Martin came through the Vatican banker and Borghese's friend and patron, Sindona," observe Greene and Massignani.

On June 1, 1970, Borghese appointed Delle Chiaie to head the "B" groups, and moved forward with plans for a coup. U.S. Ambassador Martin handled some of the funding, through his chief contact, Gen. Vito Miceli, who took over as head of the SID in October 1970. Before he became head of the SID, Miceli had met with Borghese several times at the home of Remo Orlandini, Borghese lieutenant and shipbuilding heir. Martin was no ordinary diplomatic appointee: The fiercely right-wing Colonel Martin had just come from the Embassy in Thailand, where he had strong-armed the Thai government into joining the United States in Vietnam, and he would leave Italy in 1973 to take up the post in Saigon. During 1970, Martin maintained multiple liaisons with Borghese, including through FN operative Pier Talenti, who owned a bus company



The Italian Communist Party's newspaper reports the Piazza Fontana massacre of 1969, the opening shot of the Gladio-run "Strategy of Tension."

that would be utilized in the coup attempt, and through probable CIA operative Hugh Fenwich, who was meeting with Orlandini.

Borghese set up the political and military headquarters for the coup in Rome, the military one at one of Orlandini's shipyards. On the night of Dec. 7, 1970, a group of 50 AN paramilitaries led by Delle Chiaie was let into the Interior Ministry's armory at the instruction of Angleton's old recruit, UAR head Federico D'Amato. According to newspaper accounts, Angleton himself arrived in Rome just before the coup attempt, and left just afterwards. Other troops moved into place in Rome, Milan, and elsewhere, and the mafia in Calabria was scheduled to don Carabinieri uniforms and play a role. Borghese prepared a statement to be read on TV to justify the coup, and he intended for Italian troops to be sent to Vietnam. At the last minute, he received a phone call and called off the coup.

Borghese fled to Franco's Spain, where his activities until his death in 1974 remain mysterious. It is known that he and Delle Chiaie met dictator Gen. Augusto Pinochet in Chile on April 29, 1974. Also present was the head of Chilean police intelligence, Col. Jorge Carrasco, a protagonist in Operation Condor's tortures and murder. Borghese died in Spain in 1974. Delle Chiaie said that he was poisoned, apparently because investigations into the 1970 coup were under way in Italy. After Franco's death the following year, Delle Chiaie left for Chile, to play a key role in Operation Condor, then continued that work in Bolivia, in conjunction with the infamous Gestapo chief Klaus Barbie.

### **NATO's Assassination Bureau**

The extent of terrorism, assassinations, and the re-shaping of Europe's political landscape through Gladio and related, NATO-directed units is stunning.

However, a vital caveat must be added here. The apparatus behind the "strategy of tension" terror that destabilized Europe over much of the Cold War era, was first and foremost a private synarchist apparatus *embedded* in the NATO and national secret service organizations, including "official" clandestine agencies like Gladio. These "parallel" networks, populated by veterans of the wartime Fascist and Nazi apparatus, and associated with secret societies like P-2, and fronts like Rosa dei Venti and Nuclei di Difesa dello Stato, at times had their agents posted in top positions in the "official" structures, creating the dangerously tempting but false appearance that the official agencies per se—including NATO—were directing the terror/destabilization programs.

Confusion on this point is both dangerous and understandable. When the P-2 membership list was revealed in the early 1980s, following the death of banker Roberto Calvi, it became clear that the secret lodge had penetrated virtually the entire security apparatus and political party structures of Italy and several other countries of Europe and Ibero-America.

The carnage carried out by this "parallel" apparatus was stunning. In Italy alone, the chief theater of Gladio warfare, there were 14,591 "acts of violence with a political motivation," according to Italian Sen. Giovanni Pellegrino, head of the Parliamentary Committee on the Failed Identification of the Authors of Terrorist Massacres ("Terrorism Committee," in operation 1994-2001, which looked into both Gladio and the P2 lodge). "It may be worth remembering that these 'acts' have left behind 491 dead and 1,181 injured and maimed, figures of a war, with no parallel in any other European country."

Besides NATO's Gladio base in Sardinia, logistical support for Gladio in Italy and France was run out of a NATO front in dictator Antonio de Oliveira Salazar's Portugal, Aginter Press, which also ran the stay-behind units there. It was headed by a former member of the anti-de Gaulle, profascist Secret Army Organization (OAS), Yves Guerin Serac, who moved to Portugal after de Gaulle surrendered Algeria. Said Guerin Serac, belying the goals of his synarchist masters, "After the OAS I fled to Portugal to carry on the fight and expand it to its proper dimensions—which is to say, a planetary dimension." He outlined his plan to "defeat commu-

nism," using NATO-organized "communist terrorism" as the excuse:

"In the first phase of our political activity we must create chaos in all structures of the regime. Two forms of terrorism can provoke such a situation: The blind terrorism (committing massacres indiscriminately which cause a large number of victims), and the selective terrorism (eliminate chosen persons). This destruction of the state must be carried out as much as possible under the cover of 'communist activities.' After that, we must intervene at the heart of the military, the juridical power and the church, in order to influence popular opinion, suggest a solution, and clearly demonstrate the weakness of the present legal apparatus. . . . Popular opinion must be polarized in such a way, that we are being represented as the only instrument capable of saving the nation. It is obvious that we will need considerable financial resources to carry out such operations."

Aginter Press's representative in Italy, according to the ON's Vincenzo Vinciguerra, was Stefano Delle Chiaie. Delle Chiaie "allegedly carried out well over a thousand bloodthirsty attacks, including an estimated 50 murders in Spain," according to Daniele Ganser.

In assassinations within Portugal or its colonies, Aginter Press worked with the Portuguese secret service, PIDE. According to Portuguese journalists, it was involved in the assassination of Eduardo Mondlane, president of the Mozambican Liberation Front (Frelimo) in 1969, and of Amilcar Cabral, national liberation leader in Guinea-Bissau in 1973. And, according to the most recent revelations from former Italian Sen. Sergio Flamigni, the "parallel" apparatus coordinated the kidnap and assassination of former Prime Minister Aldo Moro through its Red Brigades unit on March 16, 1978, the day on which a PCI-supported DC government under Giulio Andreotti was finally going to be sworn in.

Were the Synarchist networks infiltrated into the NATO and Gladio structures involved in other assassinations of heads of state or government, as well?

The Nov. 22, 1963 assassination of President John F. Kennedy was coordinated by the Rome and New Orleans-head-quartered Permindex corporation, which French intelligence, SDECE, discovered had also put up \$200,000 for an attempt on de Gaulle. Even a cursory examination of the hard-core fascist outlook and connections of most of the Permindex/CMC personnel, their numerous ties to high-level Anglo-American intelligence, along with their financial connections, leaves no doubt that Permindex and its Rome-based arm, Centro Mondiale Commerciale (CMC), were part of the parallel NATO/Gladio structure.

Permindex was registered in Berne, Switzerland, Dulles's old stomping grounds. It was chaired by a high-ranking veteran of the Special Operations Executive (SOE) and the OSS, the Canada-based lawyer and financier, Louis Mortimer Bloomfield, the majority shareholder in Permindex (who also owned 50% of CMC). Its board was a mélange of devout

"anti-communists," aristocrats, and fascists of various intelligence pedigrees. These included Count Guitierez di Spadafora, former undersecretary of agriculture to Mussolini, secretary of a British-sponsored Sicilian separatist movement, and in-law of Hjalmar Schacht, the master financier of the postwar Nazi International; Carlo d'Amelio, a Rome attorney who oversaw the financial holdings of the House of Savoy, and, according to some accounts, also of the Pallavicini family, and was the founding president of the CMC; Giuseppe Zigiotti, head of the Fascist National Association for Militia Arms; several other wartime fascists; and former OSS London and SOE veteran Col. Clay Shaw, the operations officer for the assassination.

Permindex was chaired by Canada's Bloomfield, while its international arm, CMC, was based in Rome, and Clay Shaw's firm in New Orleans, International Trade Mart, was a subsidiary of Permindex/CMC. According to documents released through the Freedom of Information Act (FOIA), OSS veteran Shaw worked for the CIA, as well. There was ample evidence of Shaw's involvement in the assassination, for which he was indicted by New Orleans District Attorney Jim Garrison. Notably, one of the names found in Shaw's personal phone book was that of Princess Marcella Borghese, a member of the Black Prince's family. And one of the lowerlevel figures in the ambit of the plot, Dallas nightclub owner Jack Ruby (who assassinated patsy Lee Harvey Oswald), charged repeatedly in letters from jail, that "the Nazis and the Fascists were behind the Kennedy murder." According to the highly credible Torbitt manuscript, "Ruby was much more knowledgeable about the conspiracy than most."

Huge financial resources flowed through Permindex/CMC for no commercial purpose. Some of these funds, at least, were provided through banks which had earlier financed the Nazis, including one intimately associated with Allen Dulles from the time of his 1930s work with Nazi cartels, through to his 1953-61 stint as CIA chief. Some hints of where the money was going could be found in French and Italian press reports that CMC official Ferenc Nagy, the fiercely anti-communist former Prime Minister of Hungary, was financing Jacques Soustelle and the OAS, along with other European fascist movements; or in New Orleans District Attorney Garrison's observation about "Shaw's secret life as an Agency [CIA] man trying to bring Fascism back to Italy."

<sup>6.</sup> When the CMC first started up in Rome, its chief public figure, the profascist former Prime Minister of Hungary, Ferenc Nagy, announced that it had major financial backing, including from J. Henry Schroder Bank and the Seligman Bank in Basel. The Seligman Bank was a large stockholder of the CMC, and its principal, Hans Seligman, sat on the boards of both the CMC and Permindex. With J. Henry Schroder, Nagy had spilled the beans on a most sensitive institution, and the bank was quick to deny his claim. J. Henry Schroder Bank had been intimately involved in the Dulles/Nazi financial deals from the 1930s, and, as CIA chief, Dulles maintained \$50 million in "contingency funds" at Schroder under his sole control. See William F. Wertz, Jr., "The Plot Against FDR: A Model for Bush's Pinochet Plan Today," EIR, Jan. 21, 2005.

NATO units were also involved in at least some of the numerous assassination attempts on France's President Charles de Gaulle in 1962-63, which was no doubt a factor in de Gaulle's withdrawing France from NATO's military command in 1966. France, after all, had been a key target of NATO's "Operation Demagnetize" in the 1950s, and the "anti-communist," bitterly anti-de Gaulle OAS operatives like Guerin Serac, were natural partners of NATO. Adm. Pierre Lacoste, director of the France's military secret service DGSE (1982-85), admitted after Andreotti had exposed Gladio's existence in 1990, that some "terrorist actions" against de Gaulle and his plans to liberate Algeria were carried out by groups involving "a limited number of people" from the French Gladio organization!

A five-year investigation by France's SDECE intelligence agency of a 1962 assassination plot against de Gaulle found that the assassination had been planned in the Brussels head-quarters of NATO by a specific group of British and French generals, who employed former fascists for the planned wetwork.

And then, there is the case of Swedish Prime Minister Olof Palme, who was assassinated on Feb. 28, 1986 in Stockholm. While there is no hard proof that parallel Gladio networks were involved, it has been suspected by Swedish investigative journalists. On April 28, 1992, Sweden's top daily, *Dagens Nyheter*, carried the headline: "A Top-Secret Intelligence Network Within NATO Is Behind the Death of Olof Palme." Journalist Goran Beckerus charged that the operative branch of NATO's Allied Clandestine Committee, known by its initials SOPS, oversaw the assassination under the code name "Operation Tree."

### The Aristocracy and the Knights of Malta

In order to discover the real authors of international terrorism, we must move into territory at which Greene and Massignani only hint.

Time and again, Italian investigators of Gladio and P2 have suggested that the evidence before them was only the superficial tracings of a far-reaching, well-established power structure's activity. For instance, Senator Pellegrino, head of

For further details on Permindex/CMC, including its finances, see a January 1970 manuscript by William Torbitt; New Orleans District Attorney Jim Garrison's book, On the Trail of the Assassins; and the account in the 1992 edition of the book, Dope, Inc.: The Book That Drove Kissinger Crazy, by the authors of Executive Intelligence Review. EIR maintained a close relationship with Garrison until his death in 1992. The Italian left-wing daily Paese Sera also ran a series on CMC/Permindex in March 1967, exposing it as a shell for huge sums of money that had nothing to do with "commerce," naming some of its elite banking connections, and profiling its board members as Anglo-American intelligence-connected ex-Fascists and fanatical right-wingers. Earlier scandals regarding CMC/Permindex had caused an uproar in Parliament and elsewhere, which forced CMC/Permindex to leave Rome for Johannesburg in 1962, the year before the entity orchestrated the Kennedy assassination. Garrison observed that the Italian government had expelled CMC/Permindex for "subversive intelligence activity."

the Italian Parliament's "Terrorism Committee," is convinced that P2 Grand Master Gelli was the front man for hidden circles of far greater power; that if P2 were a "port," then Gelli, who has recently resurfaced to brag that he is "running the country," would be merely the "Port Authority." Who, or what, constitutes this greater power? From outside the country, it is the Anglo-American synarchists. But Gladio and the embedded "parallel Gladio" could not possibly function within Italy only by recruiting leaders of secret services; its protection had to involve some of the most powerful forces inside Italy itself.

Greene and Massignani note that the X MAS—which became a key component of Gladio—counted among its leadership a number of Italy's top aristocrats, though they name only two: the "Black Prince" himself, and the claimant to the throne of Italy, Prince Aimone, Duke of Aosta. In fact, the Duke was favored by many of Rome's black nobility over Victor Emmanuel III, who reigned from 1900-45, and who therefore was King during the era of Mussolini, who was nominally the King's prime minister. The recognized leader of Italy's black nobility, Princess Elvina Pallavicini, once proclaimed, "The Duke of Aosta would have been much better, but now we are stuck with Victor Emmanuel." How many other aristocrats among the X MAS leadership also became key figures, like Borghese, in NATO's Gladio organization?

It is certain, that aristocrats played vital roles in one of the "parallel" Gladio's most infamous operations, the kidnapping and assassination of Aldo Moro. Looked at more carefully, that is no real surprise: Members of the most powerful international organization of the world's aristocracy, the SMOM, played essential roles in the establishment of the Vatican/ British intelligence/CIA "rat-lines" and other crucial "anticommunist" activities at the end of World War II. Allen Dulles and James Angleton were SMOM members. Numerous SMOM members were also prominent in the P2 lodge; however, of the two organizations, the SMOM is incomparably the more senior and powerful; in fact, from available evidence, P2 is more appropriately thought of as an "operational" spin-off of the SMOM. Let us briefly look at the role of these aristocrats in the Moro assassination, and then in more detail at the SMOM itself.

The Gladio structure was named after the short Roman sword, *gladio*. When Aldo Moro was killed on May 9, 1978, ostensibly by the Red Brigades, he was dumped outside a Roman stadium where gladiators used to fight to the death. The symbolic connection was clear, as emphasized by investigative journalist and sometime mouthpiece for elements within the SID, Mino Pecorelli. The Red Brigades leader in charge of the operation was Mario Moretti. Former Senator Flamigni has documented in a recent book, that Moretti was a protégé almost from childhood of an important aristocratic family, the Casati Stampa. The Marchesa Annamaria Casati Stampa kept several neo-Fascist youth as lovers, one of whom was probably Moretti, whose high school education she paid

for. Under Gladio direction, the neo-Fascist Moretti later turned into a "leftist" and headed the Red Brigades. Connections to Fascism ran deep in the Casati Stampa family: her husband's uncle, Alessandro, had been a minister in Mussolini's first government, and then, when Mussolini was dumped, became a minister in the first royalist government.

The closest friend of the Casati Stampa family was Liberal Party Sen. Giorgio Bergamasco. Bergamasco, in turn, was one of the founders of the Committee of Democratic Resistance, led by Piedmontese aristocrat Count Edgardo Sogno Rata del Vallino. Sogno had fought for Franco during the Spanish Civil War, and then for Mussolini, and in 1943 went over to the British SOE. He was also on the payroll of Allen Dulles for years for 10 million liras a month, and his Committee became another nucleus of the extended Gladio organization. Sogno led an attempted coup in 1974, which was foiled by Defense Minister Giulio Andreotti. Flamigni demonstrated in his book how the hardline Moretti-led faction of the Red Brigades was in reality run by Sogno's NATO-controlled organization.

Shortly after Moro's assassination, LaRouche's associates in Italy published a pamphlet, "Who Killed Aldo Moro?" which drew attention to the oligarchical Caetani family in Rome, near whose palace Moro's body had been found. Later investigations by others charged that the actual head of Gladio was the English aristocrat Hubert Howard, a British intelligence official in World War II and for decades afterwards, who had married Princess Lelia Caetani, daughter of Roffredo Caetani, 17th Duke of Sermoneta. Howard and his wife lived in the Caetani palace, as did one Igor Markevich, a double or triple agent of Western, Israeli, and Soviet intelligence services. He and Howard were leaders of high-level "esoteric" masonry, and, according to some accounts, had led the "negotiations" with the Red Brigades for the freedom of Moro a convenient cover for constant liaison. British intelligence veteran Howard was also named by some as the secret head of Gladio. The account is credible. Howard was a member of one of the most powerful families in Britain, the Dukes of Norfolk, and the Catholic Howards had had intimate connections with the Italian aristocracy, particularly of Venice, since at least the 18th Century. His mother, for instance, was a member of the powerful Giustiniani family of Venice and Genoa, which claimed descent from Emperor Justinian. One Howard had been the Cardinal-Bishop of Frascati outside Rome in the 19th Century, a post held a couple of centuries earlier by a Caetani. Although long a power in the Church— Benedetto Caetani was crowned Pope Boniface VIII at the end of the 13th Century—the Caetani were part of the nominally "enlightened" wing of Italy's aristocracy by the 20th Century, and still wielded great influence under Mussolini and afterwards.

No account of the Italian aristocracy's role in promoting fascism and terrorism can omit the role of Princess Elvina Pallavicini. As head of the integrist international association of Catholic nobility, "Noblesse et Tradition," Pallavicini was a chief sponsor, both in Rome and worldwide, of the schismatic Archbishop Marcel Lefebvre, who was excommunicated by Pope John Paul II in 1988. Until her recent death, the Princess was also a chief sponsor of neo-Fascist groups in Italy, including setting the stage for the emergence of former porn star Alessandra Mussolini, granddaughter of Il Duce, as the candidate for an electoral coalition of neo-Fascist parties.

### The Sovereign Military Order of Malta

Wherever one turns in investigating P2, Gladio, the "black aristocracy," international terrorism, or the Nazi International, one encounters the SMOM—the Sovereign Military and Hospitaller Order of St. John of Jerusalem, of Rhodes, and of Malta, known as "the Knights of St. John" or the "Knights of Malta."

They were omnipresent in the establishment of the financial and human infrastructure of modern international terrorism already during World War II, and immediately thereafter. SMOM member Baron Luigi Parilli, an industrialist with high-level connections into both Hitler's SS and SD in Italy, and to Mussolini's intelligence services, was the main liaison between SS Gen. Karl Wolff and Allen Dulles in Berne. SMOM bestowed one of its highest awards, Gran Croce Al Merito Con Placca, on U.S. Ambassador to Italy Ellery Stone, who had saved Borghese, and who became a postwar vicepresident of the ITT corporation, which helped organize the Sept. 11, 1973 overthrow of Chilean President Salvador Allende and the installation of dictator Gen. Augusto Pinochet. The SMOM awarded its Croce Al Merito Seconda Classe to Italy's OSS chief James Jesus Angleton in 1946, around the same time it honored his boss, Allen Dulles. The following year, it bestowed the Gran Croce al Merito con Placca upon Hitler's Eastern Front intelligence chief Reinhard Gehlen, one of only four recipients of this award at the time. Gehlen's brother was the secretary to Thun Hohenstein, one of the five-member ruling Sovereign Council of the order. As head of the Institute for Associated Emigrations, Hohenstein printed some 2,000 passports, which were used to relocate leading Nazis to safe hiding places around the world.

Other leading Knights included CIA chiefs Allen Dulles, John McCone, and William Casey. Nazi International figure Otto Skorzeny was a Knight, as was businessman J. Peter Grace, who used the SMOM's diplomatic immunity as a cover for Iran-Contra activities.

Numerous leaders of Italy's military intelligence organization were members of both SMOM and P2, including Gen. Giuseppe Santovito (former head of SISMI, which replaced SID after 1977), Adm. Giovanni Torrisi, Chief of the General

<sup>7.</sup> The role of NATO in running the Red Brigades is documented by Claudio Celani in "The Sphinx and the Gladiators: How the Head of the Red Brigades was an Agent of NATO-Controlled Fascist Circles," *EIR*, Jan. 21, 2005, based in large measure on a recent book by former Sen. Sergio Flamigni, *La Sfinge delle Brigate Rosse (The Sphinx of the Red Brigades)*.

Staff of the Army, and Gen. Giovanni Allavena, head of SIFAR. Another key P2 member who was a Knight was Count Umberto Ortolani, a member of the SMOM's ruling inner council, and a veteran of Mussolini's counterespionage service. Some say he was the real brains behind P2, and he did sponsor the entrance of P2 boss Licio Gelli into the SMOM. Ortolani was a financier who, among other things, owned the second-largest bank in Uruguay, where he commanded enormous influence; the fascist Gelli had been in exile in Ibero-America until higher powers brought him back to Italy in the early 1960s to set up what became the P2 lodge.

As with any organization, not all of its members are guilty, and sometimes not even witting of the organization's crimes. In this case, however, given the nature of the beast, that would be relatively rare. Besides the repeated surfacing of SMOM members in terrorist-related activities near the end of World War II, one of their more recent operations illustrates the organization's essential nature.

In 1978, following hard upon the assassinations of Dresdner Bank head Jürgen Ponto, German industrialist Hanns-Martin Schleyer, and Aldo Moro, the Knights of Malta were caught red-handed coordinating an assassination operation against Lyndon H. LaRouche, Jr. LaRouche was the intellectual author of the Bremen summit of that year, where French President Valéry Giscard d'Estaing, West German Chancellor Helmut Schmidt, and British Prime Minister James Callaghan (the last under duress) signed the Bremen Communiqué, which announced the formation of the European Monetary System. The EMS, in the words of one West German official, was intended to be "the seed crystal of a new world monetary system." Bremen struck horror into the hearts of the world's oligarchy. Said one senior officer of the Banque Bruxelles-Lambert, owned by the Belgian Rothschilds, "It is recognized that it was LaRouche's program that went through at Bremen. If it goes through now, certain important financial centers are going to lose their power. A lot of people are not going to like that." The director of a Knights-run institute in Belgium was more succinct: "LaRouche is the first enemy of the London group." In New York, Knight Henry S. Bloch, director of Warburg, Pincus investment bank, whose hands investigators discovered to be holding many of the strings of the plot, proclaimed LaRouche to be "very dangerous," and pointedly compared him to Malcolm X, assassinated in 1965.

In their investigations of the SMOM, LaRouche's associates "discovered to their surprise that the mere mention of its name inspires awe and terror in the minds of highly placed government officials, central bankers, senior military and business leaders, and senior diplomatic and intelligence executives," as recorded in a pamphlet issued by the LaRouche organization at the time, "The 'Black International' Terrorist Assassination Plot to Kill Lyndon H. LaRouche, Jr." The pamphlet further reported, "The power that the Order concentrates is primarily financial, through direct control of most of the Western world's leading investment houses" and far, far



The LaRouche movement's 1978 pamphlet exposing the Sovereign Military Order of Malta (SMOM) created an international uproar, by exposing the Knights' central role in running the Western financier oligarchy.

more. The pamphlet also noted, "A second source of power is an absolutely unmatched intelligence capability." Which is to say, the SMOM is a leading organizational arm of the Synarchy, bringing together the world's leading aristocrats, financiers, and particularly military and intelligence officials. Its members yearn for the ultramontane world which existed before the rise of sovereign nation-states during the Renaissance, which meant a loss of power and privilege of their families. To them, that vanished world is as if yesterday. Indeed, it has by no means entirely disappeared, but lives on, centered—like the Knights themselves—on the Venetian-descended "independent central banks" of virtually every nation in the world, as LaRouche has emphasized.

The Knights of St. John were founded in the late 11th Century, and rose to prominence in the First Crusade of 1095. In 1120, Pope Urban II officially recognized them as a military religious order, and for centuries they remained one of the most powerful military forces in Christendom, first from their headquarters on the island of Rhodes, and then on Malta, from which they were finally driven by Napoleon in the late 18th Century. The Knights were recognized as a sovereign state by a Hapsburg Emperor in the 16th Century. They remain a sovereign state, run from their head-



Investiture of the Knights of Malta at the Cathedral of St. John the Divine in New York City in 1982.

quarters at 68 Via Condotti in Rome. They maintain their own fleet of aircraft, have diplomatic relations with 92 nations as well as the United Nations and the Holy See, and enjoy diplomatic immunity. The order is entirely Roman Catholic, and its higher ranks must document an aristocratic lineage and coat-of-arms of at least three centuries. The Grand Master of the order is both a secular prince, and a cardinal of the Church. Reflecting its history, its membership is still heavily comprised of individuals with a military or intelligence background. Pope Pius XII ordered an investigation of this nominally Catholic organization in the 1950s. The Papal Commission charged, among other things, that the Order should not have the sovereignty of a state, and ordered modifications of the SMOM "to bring them into conformity with decisions of the Holy See." However, Pius XII died before the Order could be fully reined in.

In addition to the Roman Catholic SMOM, there are four Protestant orders of the Knights, all founded within the last 150 years or so, and all run by ruling houses of Europe. The Roman Catholic and Protestant orders effectively merged on Nov. 26, 1963, four days after the assassination of John F. Kennedy. The Sovereign Head of the British Knights is Queen Elizabeth, while the Netherlands Knights were headed until his death by the former SS official, Prince Bernhard of the Netherlands, consort of Queen Juliana.

In 1927, the Rome-based SMOM authorized the establishment of an American chapter, whose members did not have to prove their aristocratic lineage. Its Treasurer and lay controller was John J. Raskob, the bitterly anti-FDR head of the Democratic National Committee, who in 1934 helped finance a coup attempt against Roosevelt. Its Grand Protector

and Spiritual Advisor was Cardinal Francis Spellman of New York, one of whose closest Cold War associates was *Time/Life* publisher and Congress for Cultural Freedom co-founder Henry Luce.

Another Knight, who played a profound role in Italy's postwar financial, economic and political history was Prince Massimo Spada, the leading lay financier of the Vatican's Institute for Religious Works, commonly called the "Vatican Bank." Spada gave the mafia-connected heroin launderer and later P2 financier Michele Sindona his entrée into the Vatican's finances, which, given the tax-sheltered, sovereign status of the Church within Italy (as negotiated in the 1929 Concordat between Mussolini and the Holy See), was invaluable for running all kinds of dirty operations.

However, in examining the Vatican, one must always be careful to ask, "Whose Vatican? That of all the modern popes? Or that of the black aristocracy?" And to really unravel that question, insofar as it intersects Ortolani, Gelli, Calvi, Spada, and their "Vatican-connected" associates, and the deeper, "permanent" infrastructure of terror in Italy, one must delve deeply into history, particularly that of Venice, to understand the enormous power still wielded by those whom Pope John Paul I, called "the ancients," during the time he was Patriarch of Venice. After all, as LaRouche has stressed, those "ancients" of Venice have given us the modern Anglo-Dutch parliamentary system, with its privately controlled central banks, and the Synarchy's present drive for world rule. Under Anglo-American direction, those Venetian "ancients" also brought Mussolini to power in the first place, and then organized the financial world of the Vatican, into which Ortolani, Gelli, Calvi et al. were inserted.

### The Legacy of History: The Venetian Factor

In 1582, the 40 or so families which controlled the vast fortunes and far-flung intelligence capabilities of Venice, split into two factions: the *nuovi* (the "new" houses, or families) and the vecchi (the "old" houses). On the surface, the appellations seemed to refer to those families ennobled since the serrata, the closing of the Grand Council in 1297, who were called the *nuovi*; whereas those who had already held titles of nobility, were the *vecchi*. In fact, the upheaval was the result of the establishment of sovereign nation-states for the first time in history, as a consequence of the Renaissance. The city-state of Venice, never more than 200,000 people, could not stand against the new powers that were coming into being, founded to promote the Common Good of their citizenry; the sheer numbers, the science and technology, the military power, were too much for even the powerful and devious masters of *La Serenissima* (as Venice is famously called).

The *nuovi* realized that, notwithstanding the bloody religious warfare which Venice had unleashed in Europe following the failure of the League of Cambrai to defeat Venice in 1511, its days were ultimately numbered. They took several strategic actions. First, under the leadership of Paolo Sarpi, they created the philosophy of empiricism, as a sense-certainty-based fraud whose purpose was to destroy the creative method of Platonic hypothesizing. Second, also under Sarpi's leadership, they launched a fierce war against the Vatican, posing as the bastion of "enlightened" Europe against obscurantist Rome. Third, they brought the newly emerging Protestant powers England and Holland (whose rise came largely thanks to Venice itself), into what had always been the cornerstone of Venice's fortunes—its trade with the East Indies. The Venetians founded the British East India Company in 1600 (from a merger of the England-based Venice Company and the Turkey Company) and the Dutch East India Company in 1602, and the wealth derived from this trade helped create or enrich a number of great aristocratic families in both countries, along the Venetian model. And, as LaRouche has often emphasized, the British East India Company became the foremost power in the world in 1763, in the wake of the Britishrigged Seven Years' War among contending European powers, in the classic Venetian "divide and conquer" method. Fourth, they moved much of their fortunes (and even some of their families) north, first into Holland, and then into England, where they created what would be known in the 18th Century as "the Venetian Party." As part of this, they established the famous Wisselbank (Exchange Bank) of Amsterdam in 1609—the most powerful bank in the world—modelled upon their own private, patrician-controlled banks, followed by the Bank of England in 1694, both serving as the models upon which all central banks have been established since then.

In part because of these redeployments, Venice's financial power remained huge well into the 18th Century, as did its legendary spy system, brilliantly chronicled by Friedrich Schiller in his novella *Der Geisterseher (The Ghost-Seer)*,

and American intelligence operative James Fenimore Cooper in his novel *The Bravo*. Barings Bank in England, the bank of the British East India Company, for instance, was the vehicle for Venetian funds in Britain, and was at the center of the "Venetian Party," together with the Bank of England.

Napoleon Bonaparte had been partially sponsored and funded by Venetian and Genoese families: The Genoese Princess Pallavicini of that era famously punned that her family owned "la buona parte"—"the best part"—of him. His Corsican family had been retainers for the Genoese and Venetian nobility for centuries; and, as noted above, his favorite sister married a Borghese. When Napoleon's ravages had ended, Count Giovanni Capodistria, a Venetian nobleman acting as a government minister of Russia, almost single-handledly wrote the essential documents issued by the 1814-15 Congress of Vienna, which established the ultra-reactionary Holy Alliance. Capodistria also pulled together the modern nation of Switzerland, in part as a repository for Venetian family funds (fondi), which were also used to found several insurance companies in the late 18th Century. These later included the Riunione Adriatica di Sicurtà (RAS) and the Assicurazioni Generali di Venezia e Trieste.9

8. The extraordinary financial power which Venice still commanded in the 18th Century was documented by the Venetian nobleman Carlo Antonio Marin, historian of Venice Frederick Lane, and others. Its European-wide cultural warfare and espionage system was also still highly effective, as evidenced in the international campaign of the Paris-based Venetian Abbot Antonio Conti to attempt to destroy the reputation of the great scientist Gottfried Wilhelm Leibniz. An agent of Venice's ruling Council of Ten, Count Cagliostro (Joseph Balsamo) organized the 1785 "Affair of the Queen's Necklace," the scandal which, as Napoleon observed, was the opening act of the French Revolution, an event financed and run out of Britain. Still another notorious Venetian spy of the same era was Casanova, who reported directly to the inner Three of the hooded, black-robed Council of Ten. The scarlet-robed chief of the Three was known as the Inquisitor, and in Venice it was understood that "The Ten will send you to the torture chamber, but the Three will send you to your grave."

Schiller chose to set his masterful portrayal of the methods of the Venetian intelligence service, as well as its Europe-wide reach, in the 18th Century; he clearly was not writing of a merely "historical" matter, nor was the patriotic American intelligence agent James Fenimore Cooper, in his portrait written several decades later, though Cooper set his tale centuries earlier. During the American Revolution, Venice put its still-considerable fleet at the service of the British.

9. One of the notable financiers of Borghese in-law Napoleon was the Venetian Salomon Morpurgo, who later founded the Assicurazioni Generali di Venezia e Trieste (General Insurance Company of Venice and Trieste). Generali has been ruled ever since by a kind of central committee of Europe's financier and aristocratic oligarchy. On the board of Generali and its sister insurance company, Riunione Adriatica di Sicurtà (RAS), over recent decades, one finds such names as Giustiniani, Orsini, Luzzatto (an old Venetian family), Rothschild, the Duke of Alba (whose ancestor laid waste to the Netherlands for Philip II of Spain), and Doria (Genoese financiers of the Hapsburgs). The president of the RAS at one point was Sindona's sponsor, Prince Massimo Spada, while Count Giuseppe Volpi di Misurata chaired the Generali from 1938-43. Had the 1964 coup been successful, the plotters planned to install Cesare Merzagora, chairman of Generali from 1968-79. Generali's chairman today is Antoine Bernheim, a senior partner of Lazard

At the turn of the 20th Century, the "ancients" of Venice, although diminished, still commanded important financial and intelligence power, both on their own behalf, but also because they deployed as part of the British- (and subsequently Anglo-American-) dominated world which their ancestors had created. In the wake of the split/redeployments of 1582, they cloned themselves and their institutions and methods to dominate northern Protestant, often freemasonic Europe, while they still maintained their power in their historic seats of control in the formerly Hapsburg-ruled southern, more Catholic portions of Europe, in particular in Italy and Spain, and in the Church at Rome. They played a crucial role in organizing the Balkan Wars which laid the immediate basis for World War I, for which Britain's King Edward VII had schemed for decades. In the early 20th Century, a group of Venetian financier patricians, led by Count Piero Foscari of an ancient family of Venetian Doges, established a number of companies and banks. Chief among the latter, was the Banca Commerciale Italiana (BCI), and in particular its Venice branch.10

Though Foscari was the undisputed leader of this Venetian group, its most active public figure was Giuseppe Volpi, later known as Count Giuseppe Volpi di Misurata, after his early-1920s rule of Italian-occupied Libya on behalf of Mussolini. Acting as the point-man for an international financial syndicate including the Bank of England, the Mellons, and the House of Morgan, Volpi organized Mussolini's rise to power, precisely as Schacht did later for those same forces in installing Hitler in Germany. Volpi was Mussolini's Finance Minister from 1925 to July 1928, following which he became a member of the Grand Council of Fascism, and, in 1934, chairman of the Industrialists Association. He designed Mussolini's economic doctrine of corporatism along the model originally laid down by Alexandre Saint-Yves d'Alveydre (1842-1909), the founder of the Synarchy of Empire movement, and the inspiration for the Martinist freemasonic lodges through which the modern Synarchy was organized. Nominally a tripartite pact among corporations, the state, and labor, it was basically rule by corporations, i.e., private financiers.

In 1929, Volpi oversaw the famous Concordat between Italy and the Vatican, in which, among other things, Italy recognized the Vatican as a sovereign state, and paid financial compensation for the Papal States in central Italy which it had taken over in the second half of the 19th Century. The compensation was 1,550 billion liras, a sizeable sum at the

Frères, and member of one of the four families which control Lazard, a mainstay of the international Synarchy. Bernheim's daughter married Prince Orsini

Generali and RAS are merely two important strands of a much larger web of families and finance, but they illustrate the directions in which one must look to discover the "port" behind the "Port Authority" guarded by P2 boss Licio Gelli, as Senator Pellegrino insightfully put it.

10. The activities of Foscari, Volpi, et al. as the product of centuries-long Venetian operations in the Ottoman Empire, are elaborated in *The Roots of the Trust*, by Allen and Rachel Douglas (unpublished ms., 688 pages, 1997).



Count Giuseppe Volpi di Misurata (second from left) organized Mussolini's rise to power, on behalf of the synarchist financial syndicate that included the Bank of England, the Mellons, and the Morgans.

time. One Bernardino Nogara was chosen, seemingly "out of the blue," to manage this fortune. The prominent American diplomat George Kennan wrote in his Memoirs: 1925-1950 about the extraordinary power commanded by Nogara: "A so-called 'mystery man,' an Italian banker by the name of Bernardino Nogara, had been granted sole control by the papacy over the entire fortune of \$92.1 million the church had received from the Lateran treaty. . . . No Vatican official, not even the Pope himself was allowed veto power over Nogara's decision. Nor would the banker permit any religious or doctrinal policies of the church to stand in his way. . . . Never before in modern Church history had anyone been granted such sweeping authority by the church, not even popes themselves, with all their supposed infallibility, let alone a layman, and non-Catholic (Jewish), as in Nogara's case." His impact on the Church may also be judged by the epitaph delivered upon his death in 1958 by the head of the SMOM in America, New York's Cardinal Spellman: "Next to Jesus Christ, the greatest thing to happen to the Catholic Church is Bernardino Nogara."

Whether or not he was Jewish, the "mystery man" was no mystery at all. Nogara had been managing director for a Venetian firm run by Foscari, Volpi, et al. in the Ottoman Empire already back in 1901. Reflecting his Venetian ties, Nogara became Italy's representative on the Ottoman Debt Council, a sort of IMF for the Ottoman Empire, whose purpose was to bleed it and carve it up. The British sponsored freemasonic lodges in Salonika, from which the "Young Turks" were organized to oust the Sultan. The freemason Volpi was intimately involved in the coup, as, undoubtedly, was Nogara. Nogara was the head of the BCI branch in Istanbul, and was Volpi's chief intelligence agent in the Ottoman Empire until that empire disappeared in the World War I which Volpi and his friends had done so much to help organize, through the masonic lodges and through Venice's ancient financial and familial ties in the Balkans.

After Nogara had been chosen Delegate of the Special Administration (later known as the Administration of the Holy See Patrimony) to oversee the investment of the wealth flowing from the Concordat, he became vice president of the BCI, upon whose postwar premises the P2 lodge would be founded. Nogara established intimate financial relations with the cream of the Synarchy, including the Paris and London Rothschilds, Crédit Suisse, Hambros Bank in London, J.P. Morgan Bank, and the Bankers Trust Company in New York, and the Paris-centered Banque de Paris et des Pay Bas (Paribas), a stronghold of the Synarchy in France in the interwar and postwar years. He also promoted a cadre of uomini di fiducia, "men of confidence," Vatican lay Catholic or even non-Catholic financiers, who would oversee the enormous new Vatican holdings. Nogara bought large or controlling interests in dozens of major banks, utilities, insurance companies, and industrial corporations, even as he reorganized previous Vatican holdings, such as the "Catholic banks" which were generally Catholic-owned, and which did business with the Church and its officials, as opposed to the "secular" banks.

The most important of these "men of confidence" was Prince Massimo Spada (a Vatican title), who had been inducted as a Knight of Malta in 1944. Spada either chaired or sat on the board of an astounding array of the holdings Nogara purchased. Noting only a few of the more important (and their capital), as of the late 1960s, these included: He was vicepresident of the Banco di Roma (one of Italy's largest banks, historically associated with Rome's black nobility), and sat on the board of its Swiss subsidiary; Italy's biggest domestic gas company, Società Italiana per il Gas (37,412 million liras); president of the Trieste-based Riunione Adriatica di Sicurtà insurance company (4.320 billion liras); vice president and managing director of the L'Assicuratrice Italiana; vice president of both the Unione Subalpina di Assicurazioni and of the Lavoro e Sicurtà (750 million liras); Shell Italiana, the Italian subsidiary of Royal Dutch Shell (129 billion liras invested in Italy); vice president of the Istituto Bancario Italiano (10 billion liras) and the Credito Commerciale di Cremona (2 billion liras); board member of the Banca Privata Finanzaria; board member of the huge financial holding companies, Società Meridionale Finanziaria (122 billion liras) and the Istituto Centrale Finanziario (150 million liras); vice president of the Finanzaria Industriale e Commerciale; president of the Banca Cattolica del Veneto (3 billion liras); board of directors of FINSIDER, a state-controlled holding company (195 billion liras), which is part of IRI, the Istituto per la Ricostruzione Industriale, formed during the Fascist regime, which constituted the country's largest cartel and controlled the biggest shipyards; the Italia shipping line; Alitalia airlines; Alfa Romeo; and the entire telephone system. FINSIDER produced at the time over 90% of Italy's steel and was the backbone of IRI. Spada was also a board member or executive of dozens more banks, insurance, and industrial companies. In 1963 he was appointed Privy Chamberlain of Sword and Cape, one of the highest of all Vatican titles, one also held by his brother Filippo.<sup>11</sup>

With all of this enormous power, and despite his leading position in the Catholic Church, Spada sponsored the rise of Michele Sindona as one of the Vatican's "men of confidence." His choice was most peculiar, not only because Sindona had been a Fascist during the war, but because during that time he had made connections (through American OSS-connected mobster Vito Genovese) to the Inzerillo and Gambino crime families, for whom he laundered heroin money.

Reviewing the picture sketched above, we thus find that an intricate financial web originally woven by Count Giuseppe Volpi di Misurata and his Venetian aristocratic friends and associates such as Bernardino Nogara, had grown by 1960 to include Michele Sindona, who financed one of Gladio's most important assets, the "Black Prince" Borghese. Sindona also "was one of the channels, perhaps one of the most important, to back up" the attempted coups of 1970-74, as Greene and Massignani put it. Sindona later sponsored the rise of Banco Ambrosiano's Roberto Calvi, the P2 financier who was found hanging under Blackfriars Bridge in London in 1982, in a ritualistic masonic murder. And, when the P2 financial scandals exploded, *one of those arrested as a key figure in them, was Massimo Spada*, the protégé of Volpi's friend Nogara.

The membership of the ostensibly Catholic—and therefore ostensibly anti-freemasonic—Rome-centered SMOM overlapped with the freemasonic, presumably "anti-clerical" P2 lodge; they were the "twins" of Italy's Venice-centered oligarchy.

The privately run international monetary system is now collapsing, and the desperate financial oligarchy is trying to consolidate a new, worldwide fascism, driven by new waves of terror, such as 9/11 and the March 11, 2004 train bombings in Madrid. In this context, much of the superstructure of Gladio is finally being exposed by those opposed to this new fascism. Those exposés are essential. But, we must go still deeper, to lift the veil from "the ancients," and through them from the Synarchy to which they have given birth, of which they remain a crucial component.

<sup>11.</sup> The partial list of Spada's corporate offices is taken from Conrado Pallenberg, *The Vatican Finances*, (London: Peter Owen, 1971).

### **Editorial**

### Call Him Pinochet; Call It Fascism

A definite upshift in the combativeness of the Democratic Party opposition to George W. Bush's policies took place during the last week of January, with Democratic Senators' decisions to hold Condoleezza Rice and Alberto Gonzales responsible for the Administration's bad acts. But Bush's own drive for outright fascist economic policies won't be stopped, unless he is beaten thoroughly on his attempt to "privatize" and loot America's number-one social insurance program, Social Security.

What will it take to beat Bush? Lyndon LaRouche has made his method clear: He named Social Security privatization "the Pinochet plan," and has put in circulation 600,000 copies since Christmas of a pamphlet proving that. LaRouche has insisted that to treat the move to dismantle Social Security as a pragmatic "issue," on which White House false claims could simply be countered by true facts from the Democrats, would not work. The policy had to be given its right name, the "Chile model" of 1970s-80s fascist looting of economies. It had to be made clear that this kind of looting is an existential threat to the United States, and an international phenomenon which could only be stopped in the United States. The mission, LaRouche said, is to bring down Bush, by beating his attempt to impose the fascist "Chile model" on the American republic.

This strategy broke through at the end of January. The Jan. 27 *New York Times* front-page story on the Chile model of Social Security privatization, and its disastrous failure in Chile over the past 25 years, was described accurately by ABC News that day as "borrowing a page from Lyndon LaRouche." The primary promoter of privatization is dictator Augusto Pinochet's former Labor Minister, José Piñera, and the voluble Piñera suddenly turned mum and, stung by the spread of LaRouche's exposé, refused to talk to the *Times*. By the next day, the *Times* article and the LaRouche PAC pamphlet were both circulating in Congress as ammunition against the Piñera circle's attempt to sell Bush's privatization plan.

The Chile privatization has hornswoggled and impoverished millions of now-retiring Chileans, yet it is

Bush's avowed model. Three years ago, he told the visiting President of Chile: "I think some members of Congress could take some lessons from Chile, particularly when it comes to how to run our pension plans. Our Social Security system needs to be modernized." And Bush has repeated this claim since.

The same day the *Times* broadside appeared, Democratic strategist James Carville dramatically raised the "Chile model" on CNN's "Crossfire" television program. Carville shocked right-wing commentator Robert Novak and turned the whole program around a single question: Choose! Do you want a Social Security program designed by President Franklin Roosevelt, or one designed by General Pinochet, an international criminal?

On Jan. 28, the scene shifted to Congress, with the Senate Democratic Policy Committee making the attempt to privatize Social Security the first topic of its series of oversight hearings. Again the "Chile model" came out from witnesses' testimony, along with the second Social Security privatization disaster—the one foisted on 1980s Britain by Margaret Thatcher. One witness added a grisly detail: In the 1990s when the Chilean stock market had tanked (and the "personal retirement accounts" with it), Chile's government told older workers not to retire: "Keep working until the stock market recovers!"

This is the way the fascist grab for Social Security has to be fought. This is dramatic confirmation of LaRouche's unique leadership role, the powerful activity of the LaRouche Youth Movement, and circulation of hundreds of thousands of the LPAC pamphlets. LaRouche has made the failure of the Pinochet fascist model of Social Security privatization the leading edge of the whole fight.

By the end of January, the White House was letting on that Bush and his advisors had decided on a very modest Social Security privatization plan, modelled—they said—merely on the existing Federal employees' retirement plan. This was a pure deception in itself, but an indication of fear of the potential strength of the opposition, as LaRouche's strategy gets abroad.

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