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## **This Week You Need To Know**

### **Pinochet and Pinocchio: President George 'Enron' Bush Lies About 'Enron II'**

by Paul Gallagher

*The following article is from the upcoming pamphlet put out by LaRouchePAC, entitled "Bush's Social Security Privatization: A Foot-in-the-Door for Fascism."*

**RECOGNIZE THE LIES OF WALL STREET AND BUSH ABOUT THE PRIVATIZATION OF SOCIAL SECURITY:**

**Lie No. 1: "President Bush never said 'privatization.' He just wants to strengthen Social Security. His opponents are using scare tactics."**

**TRUTH:** That was for the suckers during the election campaign, who thought George W. Bush was their personal lord and savior. He lied about it scores of times, then came out in the open demanding privatization after Election Day. Each member of his Commission on Social Security had been hand-picked *in 2001* on the condition of being a supporter of privatization of Social Security.

**Lie No. 2: "To make sure the retirement savings of America's seniors are not diverted to any other program, my budget protects all of the Social Security surplus for Social Security, and for Social Security alone."** Bush's Jan. 17, 2001 State of the Union Address.

**TRUTH:** George W. Bush's budgets, since then, have taken \$509 billion of surpluses from the Social Security Trust Fund and used them for general Federal budget expenses, including his wars, so that he could deliver tax cuts to businesses and wealthy Americans.

While other President's have also "borrowed" Social Security surplus for their budgets, *Bush and his father are the only two Presidents who have looted every single dollar of Social Security surplus that came into the Trust Fund on their watch.* Senator Harry Reid of Nevada has rightly called this "embezzlement," on the floor of the Senate.

**Lie No. 3: "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."** George W. Bush in Chile, April 2001.

**TRUTH:** Social Security privatization was imposed in Chile by the fascist military dictatorship of General Pinochet, which by 1980 had already destroyed the labor movement, depressed the wages of Chileans, exiled and assassinated opposition

leaders, and was selling off state companies to foreign bankers, cheap; then they turned over public pension funds to the same bankers. A generation later, most Chilean retirees, with their "private accounts," don't even qualify for a minimum pension, and have to depend on government minimum retirement of welfare payments. Chile's privatization is adjudged a failure by the Chilean government and even by the World Bank.

The British privatization of public pension funds has also failed.

**Lie No. 4: Social Security is a state program invented in 19th-Century Prussia, which blocks employees from "ownership" of their own retirement fund.**

TRUTH: Social Security was started by President Franklin Roosevelt because the U.S. Constitution calls upon the government of the United States to "promote the General Welfare"—not to promote "private investments." Social Security saved the elderly from the destitution brought on when the "private investments" of the 1920s collapsed. Under the principle of the General Welfare, the younger generations support the basic security of the older generations in their retirement, keeping them from poverty, and provide a surplus, to the benefit of their children and grandchildren.

Social Security has been successful for 70 years, through three full generations of Americans' retirements, and only small and occasional adjustments in its tax rates and ranges are needed to keep its commitments into the future. It's the only thing solvent in a debt- and deficit-ridden U.S. economy. Three-quarters of the company pension funds in the nation have been abandoned by their corporate sponsors, the rest are underfunded; Social Security remains solvent and trustworthy. It has provided better broad benefits, with cost-of-living adjustments, than private social security schemes like the British system, the "Galveston Plan" in Texas, etc. As for the "Chile model" of the privatizers, it's been a disaster for more than half the workforce in Chile.

**Lie No. 5: "The United States government has no legal obligation to pay Social Security benefits to retirees."**

TRUTH: The management of the funds and payment of the benefits by the Federal government, is an obligation of the United States created by the Social Security Act of 1935. The right-wing privatization ideologues at the Cato Institute and elsewhere make this claim because they want Treasury to keep "borrowing" from the Trust Fund without repaying, and to destroy Social Security for ideological reasons. Any similar claim from within the Bush Administration would constitute a *threat* to cut off benefits.

**Lie No. 6: "Social Security is in crisis. The crisis is here. There is an \$11 trillion deficit.**

TRUTH: Wall Street is in a crisis; the U.S. dollar is in a crisis; the U.S. and world economy is in a collapse crisis worsened by Bush Administration policies; but President Franklin Roosevelt's Social Security system is not in crisis. No competent agency has projected any \$11 trillion deficit, nor half that.

But Bush's business and upper-income tax cuts are generating a *\$14 trillion long-term deficit in the general Federal government budget*. Bush wants to add anywhere from \$2-6 trillion to U.S. debt to pay for privatizing Social Security—turning the contributions over to Wall Street in "private accounts," then going to Wall Street to borrow the money to pay retiree benefits.

If the Bush Administration stopped running huge deficits and repaid to Social Security the money improperly borrowed from the Trust Fund for other government expenses over the years, Social Security would be in surplus for at least another 40 years—*without changing the payroll tax rate or range at all*. If a U.S. President, instead of losing jobs and depressing wages, knows how to restart real high-technology employment growth in the U.S. economy, Social Security will be fully

solvent through the 21st Century.

**Lie No. 7: "If Social Security isn't privatized now, taxes will have to be raised or trillions borrowed in the next decade, or benefits cut."**

TRUTH: This is another form of blackmail threat, by a bankrupt Bush Administration and a desperate Wall Street, to cut off Social Security benefits unless they get trillions in Social Security contributions to support the Wall Street bubble a while longer. In fact, real economic growth, with small adjustments in the Social Security tax range alone, will keep the system solvent indefinitely.

**Lie No. 8: "Wall Street doesn't have much at stake in Social Security privatization; its fees would only be a few tens of billions over 70 years."**

TRUTH: Wall Street and Boston "Vault" banks like JP Morgan Chase and State Street Bank are the original and the biggest funders of the Cato Institute Social Security Privatization Project, the cog-wheel since 1995 for the schemes to loot Social Security. These banks would haul in, conservatively, \$950 billion in fees over 70 years, according to the thorough study by Prof. Austen Goolsby of the University of Missouri. More important, Wall Street would rake trillions in new accounts into the falling stock markets.

**Lie No. 9: "Younger workers will be able voluntarily to choose to put just a part of their Social Security tax contributions into a private investment account instead."**

TRUTH: The Chile model of privatization was mandatory for all young workers. They were barred from entering the old public pension system.

General Pinochet's Labor Minister, who privatized Social Security in Chile, now heads up the Cato Institute Privatization Project, which instigated President Bush's manic drive for privatization. The Cato Institute private-accounts scheme becomes *mandatory* after a few years, for all employees born after 1954; and it calls for diverting *all, not a part* of the employee's Social Security payroll taxes into a private account.

This will happen if Bush gets his way. There will be tremendous economic pressure, as well as political pressure to reduce future benefits by kicking workers out of the Social Security system into the arms of Wall Street investment banks. Why? The trillions in new debt which Bush proposes to borrow to privatize the system, *will create the crisis in Social Security he's claiming*.

**Lie No. 10: "Nothing will change for those at or near retirement; their benefit check won't be touched."**

TRUTH: If privatization goes through, benefits will be reduced by \$18 trillion. For retirees who have been in the middle 20% of Americans by income, Social Security benefits *would be reduced*, in the privatization scheme of Bush's hand-picked Commission, by 6% over the next decade; 10% in the decade after that; 15% in the decade after that. The non-partisan Congressional Budget Office (CBO) showed this; and Stephen Goss of the President's Commission admitted it on Dec. 9: "It [Bush's privatization plan] clearly would provide for slower growth in benefits than under current law. The private accounts will provide an opportunity for the worker to make that back up." Goss estimated benefits would be cut by \$18 trillion through mid-Century. President Bush *knew this three years ago when the Commission made its recommendations*.

In fact, despite these ideologues' fantastic, lying assumptions about the earnings young workers will allegedly be making in

the stock and bond markets, the sad reality is that Americans' remaining Social Security benefits will be cut by much more than the CBO has estimated, if Bush's fascist privatization goes through. After being blown up into a brief new bubble by trillions stolen from Social Security, Wall Street will collapse and leave retirees with nothing. "Enron I" left hundreds of thousands with empty *401k*'s and lost corporate pensions; Bush's "Enron II" will steal the retirement of *tens of millions*.

**Lie No. 11: "Younger workers will get a private account the government can never take away from them."**

TRUTH: The Bush Administration has already illegally "taken away" more than \$500 billion from the Social Security Trust Fund to pay other government expenses; yet Social Security has never taken retirees' accounts away from them. If Americans fall for diverting Social Security payroll taxes into stocks and bonds accounts instead, a Wall Street crash will "take away" the retirement they are foolish enough to put there.

**Lie No. 12: "Equity [stock] investments earn high rates of return over the long term. By the principle of compound interest, these younger workers will be able to earn a better return on funds for their retirement."**

TRUTH: If American workers' Social Security payroll taxes had been invested, instead, in the Standard and Poor's 500-stock index for the last five years, *they would have lost money, overall, in their "private accounts,"*—according to Standard and Poor's itself.

This repeats the Enron syndrome with American's *401k* private retirement accounts; in surveys one-third of Americans with *401k*'s say they've lost so much in them that they'll have to keep working long past retirement. Social Security will really be "in a crisis" if President Bush is allowed to shift it to Wall Street.

The idiot President, whose own business ventures all failed, believes he's just discovered a "miracle of compound interest." The Social Security Trust Fund already earns compound interest on the investment of its surplus in Treasury bonds—and every year, Bush's White House has looted the fund of its surplus and its interest, to pay for war, "homeland security," and tax cuts for businesses and wealthy Americans.

## **Latest From LaRouche**

# **LAROCHE ON UNCORKING THE HIDDEN PROMISE IN AUSTRALIA, — BECAUSE 'THE BATTLE FOR CIVILIZATION IS ON NOW'**

*Here are Lyndon LaRouche's keynote remarks and the subsequent dialogue with the Australian cadre school, Dec. 17, 2004.*

LYNDON LAROCHE: Who's there?

CRAIG ISHERWOOD: Hello Lyn, it's Craig Isherwood down here, and I'm with Doug Mitchell. Doug Mitchell is going to moderate the whole panel with you this morning—or this afternoon or this evening your time. So I'm going to head over to him straightaway.

We'll make sure that everyone who speaks, speaks loudly and clearly. That's the watchword, guys: When you ask questions later.

DOUG MITCHELL: Hello Lyn. It's great to have Australians given the opportunity to enjoy your actual unique insight into the strategic situation. Again, we're here on the beach, to celebrate an Australian Christmas, LaRouche-style.

So, without any further introduction, I'd like to introduce the greatest living human being on the planet, today: Lyndon LaRouche.

LAROUCHE: Okay, I shall go ahead.

Now, there are three topical areas or subject areas I shall cover in the presentation to you now. And I'm doing this in the manner, which is determined by the fact that this is a very important moment in history. And we're not in regular touch, for various reasons, largely my schedule and whatnot. So therefore, I thought I'd give you a summary which might have some durability, and general usefulness for the entire developments of the period. And for reference over the weeks ahead, when I shall be doing various things. And I hope what I say today will help you to understand more readily, in the future, what I mean, when I do certain things.

Now, the three areas I want to take is, first the fact that there is a global phase-shift currently in progress. This means in general, that the rules of behavior and the rules governing what you can expect as responses, now, are different, and are rapidly becoming more and more different, than they were some weeks ago. So therefore, you can not use the rules of interpretation you would use to judge events, say, several weeks ago, say somewhere back around September or the summer, and apply them to the situation which is *rapidly changing* now.

The second thing, I want to indicate our role as an international organization, especially my role *in this particular situation*. And that's crucial.

And then, thirdly, what I want to do is, to get to the point, having covered the two previous areas, to point out where, from my knowledge, Australia comes into this picture, in the functional sense.

So, let me start with the question of what this global phase-shift currently in progress, entails. Of the three things to say, about what this Bush's Pinochet Plan is, what that means: The question is, who actually won the U.S. election? Which is not as clear, as the international press might imply. Thirdly, the fact that the system which is now, the collapse in progress *is unstoppable. Nothing will prevent the biggest monetary-financial collapse of the world system, currently in progress, from stopping*, as long as the system exists.

This is a finished, dead system. The IMF/World Bank system, and so forth, as we know it today, is dead. It's just a matter of when we bury the thing. And the only remedy is a new system. Until a satisfactory, *new* system comes in, then this collapse now ongoing will become worse and worse at an accelerating rate.

Now, what has happened recently, as you may recall some years ago, when Augusto Pinochet, the former, longstanding dictator from about 1973 to 1990 of Chile, was interrupted in his retirement where he was residing at the moment in the United Kingdom, by a judge from Spain, who raised the question of a war crimes/crimes against humanity charge and trial against Pinochet in Chile. Pinochet went to Chile, but temporarily at least about two years ago, evaded the prosecution, the process of trial on these charges, because he was diagnosed, according to the opinion of a court who dealt with that at that time, as having subcortical mental deficiency: unable to stand that kind of trial.

What has happened recently, and it happened in the same context as a very disorderly visit by U.S. President George Bush to Chile recently, in which, again, the indictment came out freshly. Now, the coincidence here, which is crucial, when I say about "Bush's Pinochet Plan," is that Bush, for some time, and people who advise him for a longer time, have intended to,

in a sense, loot and destroy the U.S. Social Security system. And the model which Bush was using for the United States, is the form of social security system, which the Pinochet government installed in Chile about 1980—in connection with people like George Shultz.

This is the big issue.

Now, what we're dealing with, is this: We have, not only the spread of the Chile Pinochet Plan into the United States, or the attempt at insertion of it; we also have an attack on Peru, where a similar raid on the social welfare system is occurring there; we have a similar process in progress in Mexico. We have, in France, under the extremely radical right-wing ministration, under Chirac—that is, this is not Chirac's policy as such, this is the policy of Sarkozy, who is a wild-eyed neo-con, of the type you don't want in your neighborhood. But, he's now the head of the party, the electoral party, of the present government, and he is running wild, and he has ideas, which are very much like those of Pinochet—especially in the economic area. At the same time, we have in Germany, Hartz IV, which is a total, cruel destruction of the German social welfare system, now in progress. We have similar unpleasantries in Italy.

So, this is not simply about the U.S.A. or Chile. This is an international pattern, and it coincides with something else: It coincides with the fact that the Pinochet administration and the coup that brought Pinochet to power, in 1973-75, was part of what was called Operation Condor. Operation Condor was a—well it was really a Gestapo SS-type of murder operation, using people, as a core, who had been exiled from Nazi Germany via Spain, into the Americas. They were part of what was called the "ratline" of Nazis, wanted Nazis (or not-wanted in one sense, but "wanted" in the other) who had successfully found niches for their existence, in Bolivia, such as the case of Della Chiaie from Italy who was a Nazi; in Chile, and in Argentina.

And as you may recall, from the early 1970s, there were thousands of deaths of disappeared people, under a torture and murder operation, run by these Nazis, called Operation Condor.

In Operation Condor, then-dictator of Chile Pinochet was a key figure. Also a key figure was, of course, Henry Kissinger who was then Secretary of State; and also, more significantly than Kissinger, was George Shultz, who is the key figure of what was called the "Chicago Boys" who set up the whole package, including the Pinochet dictatorship and the Pinochet looting of the social security system of Chile.

Now, the social security system installed in Chile is now going under, it is now collapsing. It's finished. It's bankrupt, essentially. And it never really did pay people. It paid only a limited number of people. It was a skim-off. In other words, the government of Chile was bailed out, by looting the previously existing social security system of Chile. And this was used to prop up, during the 1980s, a shaky government of Pinochet, on the verge of collapse.

This plan is what George Bush and Co., with George Shultz and Co. behind them, is trying to push through, in an emergency crash basis in the United States right now. What George is planning to do, knowing that the system is collapsing, that the U.S. is about to go under in bankruptcy, is proposing to *loot* the Social Security system of the United States, to the tune of trillions, in order to get some apparent capital, financial capital, to stave off what is otherwise the imminent, general collapse of the U.S. financial situation: That is, a deep depression of the United States, which of course would mean a deep depression worldwide.

And that's where we stand.

So, the larger picture is this: Go back to the 1920s and 1930s. Go back to the time of the heirs that the Versailles Treaty, were on the road to establishing fascism as a system throughout Europe. In the early phases, up through the middle of the 1930s, in particular, Britain was in on it. People like Beaverbrook were a key part of this operation, which was moving

toward a British United Kingdom accommodation with the Nazi regime of Adolf Hitler. Some of the fellows, such as the head of the Bank of England Montagu Norman, during the relevant period—and his friends in New York City, including Harriman, including du Pont, including Morgan, and so forth—were all in this project, which, from the early 1930s had intended to put Adolf Hitler into power in Germany.

And what their master plan was, as some of you, or your parents may recall, at that point the initial plan was, that Hitler would be backed. He was backed, by actually Hjalmar Schacht, who was one of the conspirators in this thing; he was an agent of Montagu Norman. And they initially had the German forces attacking the Soviet Union.

At that point, the crowd in London which were backing Hitler, were confident that the attack on the Soviet Union by Hitler would be the start of the war. And once the Hitler forces were deeply engaged in the depths of Russia, at that point, the French and British would attack the Germans at the rear—which is not a sexual act, but it has the same implications.

In the middle of the 1930s, it was discovered that Stalin, who at that point was aware of the intention of European and British conspirators of this thing, Stalin made an overture to Hitler; or the Hitler government, which became known as the Hitler-Stalin Pact, at a certain point, otherwise known as the Molotov-Ribbentrop Pact.

Now, as this pact was coming into view, even before it was formally installed, certain elements of the British government and establishment recognized that the original plan, in which they intended to *exclude* the United States from this little, private war in Eurasia, that this plan wouldn't work. Because Hitler would move against the west first, in which case, the situation in London and in Paris, was rather precarious. And particularly after the case of Chamberlain's München negotiations with Hitler, it was perfectly clear that this was the situation.

So, in this process, the British establishment dumped Edward VIII, who had been, shall we say, too close, to the pro-Hitler side of this earlier plan, and went with a change. Now, many people, including Beaverbrook and Lord Halifax and so forth, up into May of 1940, were still about to cut a deal with Hitler. Churchill, who had been opposed to this for some time, represented a group in the United Kingdom, and particularly in what is called the British Commonwealth today, who were opposed to the idea of the British Empire, or the British Commonwealth, being sucked into the property of Adolf Hitler on the continent of Europe.

And so, for that reason, Churchill had been rather opposed to this friendly approach to Hitler from people like Beaverbrook, Halifax and so forth. Notable, remember, that Beaverbrook and Halifax were key figures in World War II during the British alliance with the United States. But they had a rather bad record, prior to that point.

So, in the critical point, Churchill and Franklin Roosevelt struck up an agreement, and this agreement frustrated forever, very quickly, the possibility that Adolf Hitler's empire would conquer the world. But, it did not eliminate the problem of a very bad war, which would continue for some time. And that was that war.

Now, at the end of the war, the financier interests, after the death of Roosevelt, the financier interests called the Synarchist International, or sometimes the cartel, which had actually been the financial power behind this Nazi operation, was protected. A certain number of the Nazis, who were prominent figures were put on the chopping block, as a matter of politics, a matter of discretion.

But, many of the elements of the Nazi system were protected. Including the assets of most of the chief financial conspirators, who were not Germans, essentially, but who actually owned the assets of the Nazi system, such as the Goeringwerke, which was one of the big properties under the Nazis. This was owned by foreigners through various cartel arrangements. And these cartel arrangements were left essentially intact, *and exist still today*.

So, the fellows who put Hitler into power, at the top level, on the financial level, were able to *back off*, from the Hitler project, before Hitler went down. And as part of the system, under Truman and Churchill and so forth, they were *brought into* the Western system, the Anglo-American system. At that point, under the pretext of being the best anti-Communists.

So, what has happened, is the same apparatus, deeply embedded in the trans-Atlantic financial cartel interests—the same group, including du Pont, Morgan, the former Harriman interests, and so forth—these guys were the backers of the Nazis, and they are backers of this kind of project today.

Pinochet and the Pinochet coup, and Operation Condor, was a reflection of this: That the Nazi system, after the middle 1960s, with the Nixon election, the Nazi system was being moved *back into power*. And the Pinochet project was one of these operations.

That operation has gone into effect now, and that's what the Pinochet Plan for the United States is. Again, as in the 1920s and 1930s, an intrinsically bankrupt financial-monetary system, is collapsing. It's at the end of its rope. They're short of funds to keep credibility for their institutions. They're moving to establish dictatorships to replace what is called affectionately "democracy." Military fascist-type or similar coups are in process. And the Pinochet Plan, the idea of imposing that on the United States under the Bush Administration, if that were to be pulled off successfully, we're looking at a long period of a kind of fascism, which we prevented from becoming a world system, back in 1940, which would become an attempt at such a world system today.

Now, nobody could actually succeed in establishing the kind of Nazi paradise, which is behind the current Bush Presidency's move on the Social Security plan. But, they would make a "melluva hess" of the world at large, and would probably plunge the world into a New Dark Age: not because of their power, but because of their existence *as* a power, prevented the rest of us who know how to fix this problem, from taking the actions which could prevent a plunge like that of Europe's 14th Century, into a significant, multigenerational Dark Age for humanity.

So, that's what the basic problem is, right now.

In the meantime, it's not accidental, that there is much reason to doubt, that George Bush was actually elected President, on Nov. 2 of this past year. The mass of irregularities, and actually crimes—election crimes, and other crimes—committed, in order to create the *appearance* that George Bush had won, is massive. So that the question of whether he actually won, now, is *in increasing doubt*. He may not *be* the actually re-elected President of the United States. But, somebody may push him in, in the same way that Adolf Hitler was pushed in. And therefore, that's one of the big fights in the United States.

The third issue, is, we are now, as I've indicated, we have entered the unstoppable phase—the final, unstoppable phase, of a general collapse of the world's present monetary-financial system. *Nobody, no reform, no theft can save this system* in its present form. It's doomed.

So these three things constitute the character of the situation.

Now, this brings us to our role in these developments. As you know, I believe, by now: That I had a plan for dealing with this problem, and the plan went into work the day after Nov. 7, 2000, when it was announced that George Bush had been elected. And I set into motion a series of actions, with that in view, that this was where we were headed. We had quite a fight about the question of the legitimacy of the election. In that process, my political position began to be greatly strengthened again, inside the United States and elsewhere—but inside the United States, especially during that.

You may recall, that at the beginning of January, shortly before the inauguration of George Bush in January 2001, I made a



two-point, or two-leading-point forecast, saying that what we had to expect now, for the immediate term ahead, was first of all, that the world depression already in progress, would become much worse under a President as stupid as George Bush is. That under these conditions, that we must look forward in the early future, to something happening in the United States, an act of terror, like Hermann Goering's setting fire to the Reichstag in February 1933. The Reichstag Fire which was used, as 9/11 was used in the United States, to move toward dictatorship.

Now, the move toward dictatorship did occur, right after 9/11. It occurred, beginning in the *evening*, when plans for right-wing police-state measures, which had been prepared in previous months, were put into effect rapidly, under the apparent direction of Vice President Dick Cheney.

So, our position has been, on this question, we have built up more and more of a position. Now comes the time of the serious phase of the election campaign of 2004: The end of 2003, I had taken a leading role in mobilizing the opposition, the general opposition to Bush's intended war in Iraq. We didn't succeed in stopping the war. But we began to build up a combination of forces, inside institutions of the United States, in alliance with institutions elsewhere, to deal with the kind of situation that this represented, with the Iraq War as a focal point, not the only point, of our consideration.

In that process, the enemy moved—including George Shultz and Co.—the same oligarchy which had put Hitler in earlier, now moved to try to put an—well—Arnold Schwarzenegger, the weight-lifter, into the position of Governor of California. This was done largely under the coordinated direction of George Shultz and others.

We fought against this. The Democratic Party capitulated, they didn't fight it. They threw the election. And allowed a man who is — he's the new imported Austrian dictator. Adolf was sent to Germany. Schwarzenegger was sent from Austria, with a Nazi father, was sent to the United States. And this clown is the Governor of California today, because by and large, the Democratic Party didn't fight. Former President Clinton was prepared to fight. But, the rest of the party machine was not.

I was prepared to fight. We fought. We demonstrated that our approach to the thing was a winning capability, as in the case of the Los Angeles County area and the Bay Area in California. But otherwise, the rest of the Democratic Party machine in other parts of the state, lost. And therefore, we have this clown, a very dangerous clown, a very nasty one, as the Governor of California.

This submission to the Schwarzenegger operation of George Shultz and Co. characterized the entire primary campaign of the Democratic Party.

We were, at the same time, building up our machine. And we moved properly, in the circumstance of the Boston nominating convention of the Democratic Party, where we broke certain barriers, and became an integral part of the Democratic election campaign of the year.

However, that still didn't work, because the foot-draggers and the fools were still preventing the Democrats from running an effective campaign. About Labor Day, former President Clinton, who had discussions with Senator Kerry, the nominee, brought about a change in the composition of the campaign committee. We were brought in. I was a part of this. We changed the character of the Kerry campaign, from a sure loser, into a winning profile. Not just us, but those who agreed with us. And we did an excellent job.

We probably, actually *won* the election.

But, the enemy was waiting for any such effort. And therefore, the massive fraud apparatus, which without doubt did

deploy in this operation—there was *massive* violation of the election law. *Federal criminal violations of the law were perpetrated by Republican officials with the intent to create a fraudulent result of the vote.*

Other measures were taken. Vote suppression measures, and others, which are also violations of U.S. Federal law. The figures that are reported, from places like Ohio and elsewhere, are obviously, wildly fraudulent. They probably would suffice to overturn the alleged result of the Nov. 2 election, in favor of Kerry. But, getting that overturned is, itself, quite a process—and we're in the middle of it.

So. Now, what we've got going now, is this: We are a key part of the resistance, leading the resistance against this operation, and the policies involved. We are involved with a number of leading committees in the Congress, and working with them. We're working with leading figures, political figures in the United States, leading elements of the U.S. establishment, to try to deal with these problems.

And within this process, I have certain special responsibilities.

Now, you know about the Nov. 9 webcast. I planned that before Election Day, knowing there would be reason, in any case, for me to make a webcast address, as an organizing action on the 9th of November. We did it. It *did* turn the situation: We got people off the floor. We got them moving. And we're now moving. And the movement has a certain dynamic of its own, in addition to what we've done to it, of course.

We're going to have another event. It's a part of a series of seminars among notable people, internationally—the United States, Europe, Asia—from a Jan. 5 webcast; to an event which will occur about a week later in Berlin, which will be a conference of notables from various countries discussing what we're going to do with the world situation; we have a February conference, naturally, in Northern Virginia, in which we do the same thing. We will have, in addition to our own conference events, we'll have an adjoining conference—before and after—on these matters on international policy. And then, obviously, we will have other conferences and meetings, in various parts of the world, in late February and March of this coming year.

These seminars will have to consider the problem, of how do we bring Europe, of course the United States in this—but the question is, our relationship to Europe—but a Europe related to Russia, India, China, as an axis of cooperation on Continental Europe: That is the key point.

We're going to have to, at the same time—and we're doing it—we're going to have to go with a deep exposure of the Nazi International today. However, we are not the only ones who are doing it. There is a book, which will be published in February out of a Swiss publishing house, and advance notices of this have appeared in the Swiss *Neue Zürcher Zeitung*. We have a book, just recently published by John Perkins, who is formerly associated with some of the people who do the nasties, during the 1970s and so forth. And he's done, in a sense, a "tell all" book about the dirties they were doing with the economic operations, the killings, and so forth during that period, killing of heads of states.

Much of the stuff that Perkins reports involves cases that I know personally, and that we and our associates, otherwise, know personally. So, the Perkins book is, in the main, we can attest as valuable. And is only a sample of what we already, otherwise know.

Also, we have an exposure of a very interesting situation: There are a number of banks, U.S. and European banks—especially, interestingly, if you get to Scotland, get to the Bank of Scotland, you ask about certain Spanish banks, such as the Banco Santander, which is close to the Bank of Scotland. Now, these fellows—Spanish and U.S. and other fellows, a few of them—actually are the ones who are, today, the financial holders of political control of the pro-Nazi-style movement *in South America*. These are the people who are maintaining the legacy of what Pinochet represents. These

people are being exposed, by us, and others.

So, what you have, is people coming out of the woodwork, so to speak, and exposing two things: Exposing what they *never* would have exposed before—exposing, first of all, the banking system behind the Nazi system of the 1920s, 1930s, and 1940s. And exposing the connection of *those interests*, and of the Nazi apparatus generally, to the operations which were run as *terrorist* operations and special operations, during the late 1960s, 1970s, and so forth.

The reason this is happening, is because responsible people in high places around the world, know, number one, that the system is collapsing: The financial system is *going under*—not just downunder—it's going under, all the way, around the world. They know also, that there is a pro-Nazi-style attempt, at establishing dictatorship as a form of government, globally, under these circumstances: a system of war and government, Nazi-style government, with these banking interests and others behind them, representing a continuity of the same crowd from the 1920s and 1930s that gave us Mussolini, Hitler, and so forth, and gave us the war.

So therefore, there are many people, *who simply don't want to go to Hell*, who are sticking their necks out as they never have before, in all these years, to tell a large part of the truth about the connection between *what happened then, and what is on the way, now*.

So therefore, there's where we are. We're in a global fight. This is not a question of a long-term forecast of a trend: We're talking about today and tomorrow; we're talking about the immediate present and future. The battle for civilization is on now—it is not something that might start down the road. And George Bush's pushing of the Pinochet privatization of Social Security is a linchpin, it's a pivot, in this whole international fight.

Now therefore, where does Australia come in? Well, all the bad side, you can say, it can happen. And Australia won't duck any of it. It won't lose any of it. But, let's take the possible good side—that's the part we ought to talk about, what we ought to concentrate on. What do we *do* about this? Presuming that we can beat these bastards off? What do we do with the world, that's dumped on our lap, on the day the system collapses and the Nazis are not in power?

Well, we have to look first of all, for Australia, have to look at the *Eurasia connection*. And you should be thinking about things like the youth movement, and the future of the position of Australia, in respect to Eurasia. Now, the youth movement itself, because the youth are the future, aren't they? Young adults, are the future. And therefore, you're talking about a youth movement, you're talking about the future of everybody, and everybody's society. And those who are older duffers, like me, we have to make sure, that the young adult youth are properly qualified to undertake the mission of assuming, gradually—but also a little bit rapidly—the responsibility of government: to deal with the situation which is going to be left on our doormat, with the crisis which is in process now.

What are you going to do in Australia, with Eurasia? How are you going to respond to the world situation, in terms of your relationship to Eurasia?

Now, there are a lot of changes, away from the things that you have been doing in Australia, recently—which have to be made. You can not continue the way you're going. No part of the world, as a whole, can really continue the way it's been going. So, that's not really picking on Australia. You're going to have to change your ways, as a nation, to conform to the reality which is now.

The first thing you have to look at, is the question of, what is the role of a predominantly European-cultured nation, Australia, in its tradition, *in proximity to Asia*? Now, I think you have some sense of that: That Asian culture and European culture, that is, the tradition of European civilization since the times of ancient Greece, is, these are quite different kinds of cultures. Essentially, we're all the same, on both sides of the divide on this. But, the history, the cultural history, of

European civilization, and the cultural history—various cultural histories of Asian civilization, are quite different.

And Asian civilization, in terms of population size, was—and remains much bigger!

So therefore, you have the smaller part of the human population—the European culture side—which has been dominant, especially since the 15th-Century Renaissance, because of the emergence out of the Greek Classical tradition of the modern European nation-state culture, with its scientific and technological progress—the greatest culture the planet has ever seen, in the hands of nations, which represented only a minority of the world's populations.

And you had, under the Anglo-Dutch Liberal system, and its imitators, you had the development of a period of centuries, of an imperial thrust, in which a small part of the world, representing states, particularly the British, Anglo-Dutch Liberal part, were looking at Asia and looking at Africa—and South and Central America, too—as places to loot, in an imperial, colonial way.

Now, the tables are turned. We, in the past 40 years, have destroyed the systems of economy under which Europe's economic power existed. Now, we find in numbers—even though there are great troubles in Asia: for example, you have a tremendous number of poor people, in an India, in which 300 million people may be living under approximately European standards, but 700 million do not. You have in China, you have a very important stratification, of some people in China are living on a highly productive level, technologically, some middle, but also, a large number on the lower end. This is characteristic of Asia.

But, Asia is going to become insistent, as Europe declines, to its own folly—as Australia declines to its own folly of the same period: Now, how're you going to cope, with the world around you, under these conditions? And, the threat of a great New Dark Age, just on top of it all?

Therefore, you have to define yourself in Australia, as being a nation, whose security is based on its usefulness to mankind. This means that you've got to take the best of the legacy of European civilization, our science and Classical culture. You've got to develop the entire population, as much as possible, of Australia, up to that standard. Otherwise, you're not useful! And if you don't have the weapons to conquer people and subjugate them? Except by being extremely useful.

So therefore, your Australian policy is going to have to be, largely, on one side, an "Asia up there" policy: How does Australia make itself so damned useful to that part of the world, and so important that it *stay* there, for that part of the world, that it has a long-term basis for security. What kind of development do you have to do, *in* Australia, to make Australia that kind of a power?

And therefore, how does Australia do, what also Europe is going to have to do—and the Americas—we're going to have to shift, from thinking in terms of a conflict between a European cultural tradition and an Asian cultural complex, into the emergence of what must become a *Eurasian culture*: That is, a culture in which the best of European Classical culture, is playing a leading part; but, this European Classical culture's contribution is becoming more and more integral to the self-development of Asian cultures.

And that is going to have to be the way we come to think. And we have to come to think in that way, *fast*.

Now, we have a special problem right now. You notice, that due to large-scale speculation, that the price of so-called raw materials, is rising rapidly. This is not because of the inherent cost of raw materials. It's not a cost-driven price rise: It's a speculation-driven price rise. And the speculation is largely expressed through financial derivatives, not through real money. But there's a great increase in prices of raw materials, minerals and so forth, especially in the price of petroleum.

And this rise in the price of petroleum, in particular, but also other mineral substances, is not based on a volume/price ratio: It's based on the fact that people are trying to *grab political control* over raw materials for the future!

And you have an American effort to grab control of the world's raw materials. You have a European effort, of the United Kingdom, and Central and Western Europe—they're also out to *grab* control of raw materials, of all parts of the world. You have, Russia is a great power, in terms of the raw materials resources there. Then you have China, which is bereft of vast amounts of raw materials, relative to the rest of the world. But China is reaching out to acquire control over secured flow of raw materials, for China's present and future needs.

This is what's going on now.

So, you have a bunch of wild-eyed Physiocrats, who don't know anything about real economy, who don't know how to produce anything. But they *do* know that if you control the raw materials of the world, you can make slaves of those who don't have the raw materials, and that's what's going on right now. It's not going to work—except it's going to make "one melluva hess."

All right, now. Therefore, now go back to Australia: What is Australia's position, in terms of raw materials? There are some people who have thought of trying to harbor Australia's hidden raw materials as long as possible—not develop them, not use them, not put them on the market. Well, that's not going to work. Because, if somebody wants to come in and take you over and they can, whatever you have, they're going to take. And your cute idea of hiding things away in cupboards and chest and closets, is not going to work [through cartel-sponsored "Aboriginal land rights"—ed.]. So, the current policies of Australia on management of natural resources, *is going to fall apart*. It's going to be a gigantic failure.

Something else is going to have to happen. You're going to have to say, "Where is Australia's future, in terms of raw materials?" Well, there are some there. But, you're not going to be able to control, and hold those raw materials as yours, unless you develop them! So you better get about it! And change all those crazy laws, and provisions, that prevent that kind of development of the territory. You've got to think of the territory of Australia as something that has to be developed per capita, and per square kilometer; with anticipation of a large increase of the number of Australians.

But, there's something else more fundamental: The biggest fight over raw materials, doesn't usually mention one thing. The greatest source of the raw materials on which we live, depend on this planet, *lie in and under the ocean*. Now, Australia happens to be next to a lot of ocean—at least the coasts are. And therefore, the development of scientific capabilities, of the type that Russia will be developing: Because, remember Russia, with the Vernadsky memorial institution—which is just opposite the Kremlin, actually, in Moscow—is a center of knowledge of how to deal with these things, which is the best in the world, in terms of scientific roots.

Australia's going to have to think in those terms, of how to use its position, in the planet, which is sometimes unfortunate with respect to the costs of transportation, how to use that position to advantage, by understanding the significance of the oceans, and so forth, around it, as well as the resources within the country.

This means an image of the role of the Australian, has to change somewhat, doesn't it? It means that you have to develop a high-quality population, which can sort of do everything, which represents the very best of European civilization, which is able and acquires increased abilities, to deal on an amiable basis, with its neighbors of Asian culture, to make itself a most useful part of the vicinity of Asia in general. And to look at the oceans and other things around you, and be innovative, and see things that Australia can do, and should do, which are peculiar to the possibilities of its people and its situation—and make the place *damned useful*.

So therefore, we, who are associated with the young fellows in Australia coming up, we have to think about, developing

our people, giving them perspective, helping them to get the skills and the outlook, to do this little, sort of quasi-magical turnaround, to make Australia, again, a land of realizing the promise which has been hidden there, waiting to be uncorked for some time.

That's my report.

## DIALOGUE WITH LAROCHE

DOUG: Okay, so Lyn, how long have you got to take some questions?

LAROCHE: I can take a bit of time. I set aside about an hour in total, but I think we can do a little bit more. I'm recovering from a nasal pharyngeal, etc. etc., so I'm sort of hampered, but let's try for about half an hour or so.

DOUG: Okay, great. So, we're going to ask people to come up and ask their questions. Just make sure you speak clearly, and state your name.

Q: Hey Lyn, it's Adam. I'm one of the youth who went over to America, but didn't get a chance to see you. I had a question, which was, that, recently you were asked what Australia's role was in the whole global scheme of things. And you replied that Australia was an historical anomaly, and that anomalies are just there to be enjoyed. I was wondering if you could elaborate on that, or at least state your answer more thoroughly.

LAROCHE: You mean about Australia being an anomaly?

DOUG: Yeah.

LAROCHE: Well, yes it's an anomaly. Of course. I mean, you're down there; you've studied this thing. You've discussed it before about the history of Australia, about the early settlements and how the settlements were formed. And one goes back into things, like the Irish question; go back to the revolts in the United Kingdom, and how some people were shipped out of there for political reasons, either because of their political opinions, or because of the political implications of their credentials, back there.

So, naturally things developed there. So, what happened was, of course, is that in the course of time, this expressed itself in a split of Australia from the policies of Winston Churchill during the course of the war. Now, this split took the form, of course, of the collaboration with Gen. Douglas MacArthur, and a great accomplishment occurred. And what this accomplishment showed, was that, in the history of Australia, something was there, embedded in the development of the people, which, at that point was uncorked. And you saw a great promise in Australia.

It was, in a sense, the Australians tend to be of that tradition, expressed as something which is very much American. And if we in the United States were behaving more like what we are, or supposed to be, then the Australians would find it much nicer to work with us, because in Australia, obviously, the kind of potential with a specifically Australian form, is embedded there. There is, as was shown during the last war and immediately following, there was, and is a potential within the Australian population for doing some great things. With a limited number of people, but with some large and largely undeveloped resources: That's what I mean by the anomaly, is that, here is something, where, despite the fact it was developed as a colony and so forth, you couldn't prevent the natural human consequences of all these things from realizing themselves.

And so, the British monarchy, or the British East India Company or whatever, actually began to create another United

States in Australia, and then, of course, at a later point, some people from the United Kingdom and elsewhere, decided to try to abort that tendency!

But, I would propose today, that Australia is one of those parts of the world, which for many reasons, finds itself naturally inclined toward looking toward a happy partnership with the United States. And not quarrelling too much with the Europeans, or the Brits in particular. But, just having a happy relationship with the United States, of the type that the MacArthur period represented earlier.

Q: Hello Mr. LaRouche, my name's Chris Lambert; I'm a just relatively new member. My question is, what are the current strategies to involve and excite people to join in making a better world? And do you think people need a comprehensive understanding of history and human nature, to incite a major religious and political movement?

LAROCHE: Well, I've picked, you know, in the youth movement in the United States which has been under way for about five years now, in development, what—you see the same thing there: The cost of the university education, and then wondering if you're getting your money's worth, if you get it! Because, we've pretty much destroyed the kind of impulse toward real achievement, which formerly existed in higher education.

So, here I'm stuck with youth, people who, some have access to university education, that is, the material means to have the education—but they're not really getting it. What they're getting is, if it's half-good, it's only half-good, or quarter-good. Then, there are young people who can't afford access to a university of any worth, and there aren't many of those around either, not many places where they get a decent education. University education today is, in most areas, to one degree or another largely fakery, by standards of serious scientific and Classical work.

So therefore, my problem has been, if you're going to have a youth movement, you have to think of it as young people who are preparing to take their place as the future leaders of nations. That's the natural situation of the young adult 18 to 25 years of age these days. Those who are older, who are running the show, have to look forward to who is going to continue and carry on after them. And it's young adults in that age group, who are the ones who will, by and large, determine the degree to which a nation is capable of reproducing a leadership, providing the kind of leadership which will carry the nation on through troubles and opportunities to come.

So, that was my concern. And I said, let's junk this question of "let's go through a full spectrum of the catalogue of this or that university"—let's forget it for the moment. Let's concentrate on the essentials. Let's start with essentials before getting to specialties.

Now, the first thing I picked on was the question of, what is an idea? And this is one of the problems that most universities don't seem to know. They aren't able to teach it. What is an idea? Most people think it's a description of something, or a set of words. Or, an opinion. They don't know what an idea is, as typified by the great discoveries of ideas of science, of ideas of universal physical principles.

So, my first job, was to say, "Let's take the mind of the average individual, bright young fellow, university-eligible: What does this bright young fellow need to concentrate on, as one thing, which will represent an entry-point into self-development as a matured professional?" So, I said: Let's take the case of Gauss's doctoral dissertation from 1799, in which Gauss attacked Euler, Lagrange and others, for fakery in defining what became known as the fundamental theorem of algebra.

So, I said, we'll take that first. And the point of doing that, is that when you see what Gauss is saying, you now have a practical basis for understanding what an *idea* is. Now, once you understand the difference between an idea and a description of something, now you're on your way.

So, now you're looking at two things: You're looking at the idea, first of all, as what it is. You're looking at *ideas*, you're recognizing *ideas* where they exist; where other people have developed ideas and you have re-experienced that discovery. But then, the second thing, even more important: having gotten a notion, then, of the *role of the idea* in society, you now have to study the *history* of ideas. And you realize that the history, real history, *is* the history of ideas—how ideas develop, how they improve, this sort of thing.

But that's from the standpoint of individual mind, that's physical science. Then you go to another stage, and I had to face this, at a later point, when we began to take the youth movement development, which started in California and extended across the United States and beyond.

So therefore, I said, "now we have to take the second phase." And for that, I said, "Well—let's try music. Because, music is typical of the problem of Classical culture. Going from what we call 'physical science' to the social aspect of science." You know, in physical science, it's the individual mind looking at the physical universe. That's physical science, generally speaking, at least the emphasis. On the other side, you have—here you are, a society of people with ideas, including scientific ideas, physical ideas: How do you get these people to understand one another, to communicate, to cooperate; to work together to apply these ideas to the benefit of present and future generations?

This brings us to the question of communications: How do we communicate ideas? How do we develop ideas, or share that development? And the best example is, Classical music. Choral music. Simple choruses, or modest-size chorus. So, let's take a chorus. All right, what chorus shall we start with? Well, let's take the Bach motets—that's the beginning of modern Classical music, anyway. So, let's take the Bach motets. Let's take *Jesu, meine Freude*, the central hymn of the Bach motets. Let's take this thing.

Now, let's learn how to sing. Let's learn how to sing these, and let's find out what kind of problems we run into in the nature of ideas, when we try to find the proper way to sing these motets.

So, that's an introduction to social relations. Now, we demonstrated that, as you may have heard, in the campaign, leading in through Boston: Where we demonstrated that young people, choruses of young of up to 25—and we had over 100 people in Boston at that time, 100 young people—that simply singing in a Classical mode, in choral music, while working at the same time to improve their ability to do this and perform this, would have a greater impact on a political-social process, than any other form of activity. We demonstrated that: That Classical music, exemplified by the Bach motets, represents a *way of thinking*, a way of behaving, a way of communication, *which is more powerful than any other form of communication we know*. This is why, sometimes, the hymns are so important in religious services, because they impart a sense of something that can not be communicated efficiently in any other way.

So that's what we did. And in the case of Australia, that's what's needed. You need development of a high-quality sense of the individual person, and the social process. You need a sense of historical mission: Why are we working together? We're working because we are young adults, and the future of the nation is going to depend upon how well we developed.

So let's develop well. And let's reach out, and practice these arts as we're developing. Let's integrate ourselves into society. Let's turn to the older generations, and say, "Cheer up, fellow. We're here. We're getting prepared to carry on. Why don't you help us?"

And that's the way to go at it. And everything will fall in your lap. We found out, the efficiency—we've demonstrated it: the efficiency of this approach to education is far greater than any method of university education we can find in any part of the world. So, we've got a leg on something; we've got an access, we've got a little advantage here. We can do *one* thing, in particular, better than anyone else—so, let's do it!



Q: Hello Lyn, I just want to know, why have we got this worldwide mass insanity, when our forefathers were responsible for bringing the ideas of the common good, and of life, liberty and the pursuit of happiness?

LAROCHE: [chuckling] Well, if you look at the history of mankind—mankind has never—. You know, this idea of all these wonderful times in past history, it's a bunch of bunk. The history of mankind is a noble history, in the sense of mankind's struggle to better himself, to realize what his potential is. But generally, we haven't made a success of that. So, most of the time, we've had societies, in which a few people treated other people, the majority, as hunted or herded human cattle.

So, that's what the free trade system is, treating people largely as human cattle to the advantage of a few. So, the struggle is, is to develop society.

Now, the importance of European civilization, is that the best job in developing society came out of the Classical current in ancient Greek civilization. That's called "European civilization." And European history is a mess. But, there's one thing in European civilization which stands out, and that's the Classical tradition, which led to this great thing, called the scientific revolution which occurred in the 15th Century in Europe. Which is the great power of Europe, for cultural progress, for improvement of the human condition, and of the scientific powers of mankind, which has been going on for the past several centuries, despite all the evil that's been done within the European civilization during the same period.

So therefore, one should not become discouraged about mankind. One should realize, like digging to make a mine, you're digging for the future. You're trying to make things better. And the main thing, is to keep things going better.

Now, what happens, all the time, is you get a few good leaders who come along, and make some revolutionary changes for the better in society. And the first thing you know, within a short period of time, they turn around—not the leaders, but the people themselves—the people by and large, turn against the leaders who have brought them up to a higher state of civilization and society takes a step backwards toward brutishness; which is what you've seen, in the recent period.

So, what do we do? Do we complain about the nature of mankind? I do, but I don't. This is my job: My job is to deal with this situation. My job is not to have a perfect scheme, but to make a contribution, because that's what all the best ones have done. They've made a contribution. And those who make a contribution can say, that they've earned the right to die with a smile on their face. Because, having coming to the end of their mortal skein, they can be satisfied that the trip was necessary: that future generations will be honored, by this; and previous generations will be honored by you—your parents, and your grandparents, will be honored by you, because you, who are representative of *their* outcome, have proven that their life was necessary, by producing you. And you have to do the same for the next.

The idea that we're going to have to end the struggle, and enter a perfect society with a perfect design—I don't think so. Man's tendency for, as the Protestant preachers say, "backsliding" is *tremendous*. It's awesome. And I'm not sure, that if we get this system out of the present mire it's plunging into, that we won't see "backsliding" in the future. We've seen a lot of it, in most of history.

And modern history is much better on this account than ancient history and medieval history. All this idea about past history, man the "noble savage"—that's all bunk. Noble savages are not nice, they're beastly. We're better. And our job is to become better. But, our job is not to demand perfection—we don't have that power. Our job is to do the best we can. And people who have done the best they could, who have developed exceptional powers, have brought the human species forward. What we need is people like that, right now. That is going to decide whether or not there's civilization on this planet, or whether we go back to being something like apes.

DOUG: Okay, Lyn, have we still got another ten minutes or so?

LAROCHE: I think we can try that, yes. My nasal pharyngeal afflictions are bothering me—but I think I can stumble through.

DOUG: I had a question—I was just given another one, but I think it's basically been answered.

You were talking a lot about the conferences coming up in Europe and Asia, and around the February conference, and how this is obviously going to be a crucial step in getting those in leadership to dump globalization and actually take that noble act. But, in your discussions with people in these leadership positions in the last 30 years or so, what do you see as the actual flaw in their thinking, that's stopping them from taking that noble act? And what is the role of Australia and the youth movement, specifically, in intervening on that here in Southeast Asia?

LAROCHE: Well, I think the first thing to look at, is, to take your question from the inside forward: The thing we have to do, is to get a good image of the kind of world we're living in, and of defining ourselves in terms of our role in that universe.

Now, we're looking at something horrible. And we're dealing with questions that frighten people, who would rather not know exist. We're looking at a Dark Age of all humanity, where the human species—in other words, if we fail in the immediate months ahead, to turn the situation from the way it would seem to be going under a Bush Presidency, you're going to have the human population dropping to a level of less than 1 billion people—perhaps a half-billion people on this planet—at a fairly rapid rate.

Because, when you destroy the structure, underlying the populations of the planet today, particularly when you look at Asia—do you realize what the rate of death can be? In Asian countries, where people are living on the *very edge of starvation and disease*? Do you realize, that countries of populations of over a billion, can lose a major part of that population, simply because of these kinds of effects? Under the spread of disease, in which disease now rejoices in the sick and dying human tissue, of the hungry—to create *new* diseases, which joyously reap the harvest of death, upon the population that survives starvation. That happened in a sense, in the New Dark Age in Europe, in a relatively *mild* form, during the 14th Century.

Now, people get into a state of denial. They try to pretend that that's not the case. "Oh, there *has* to be a way that we can stumble on!" Well, we can't! Because we've destroyed the infrastructure—on which we depend. For example: Most basic economic infrastructure, take for example, water works, transportation systems, power systems; structures, such as hospitals, and so forth—these structures, in a functioning condition, have a physical life that is, without major repairs and maintenance, have a physical life of the order of magnitude of 25 to 50 years. After which, they become pretty much run-down and crippled.

We have institutions we have not maintained: Look at Australia—look at institutions, which have not been *renewed*, which have say, a 40- to 50-year physical life span, and have not been renewed! When they *go*, when you lose power systems, when you lose clean-water management systems, when you lose medical care systems, and so forth: What happens to you? When the level of productivity drops—what happens to you? You suddenly have turned a population of human flesh, into a petrie dish for breeding new kinds of diseases. And you have a self-feeding process of destruction.

We're looking at the potential, for two things: First of all, a collapse of the world population from well over 6 billion today, to about a half-billion or so, within a generation or so now. We're looking at the disappearance of entire languages, entire cultures, through mass death, because it's differential. We're looking at extinction of levels of culture, which we call

civilized. And people deny this. And they would rather have the problems they have, than take the risk of attacking a problem which they think is too powerful for them to deal with.

And, so the problem is that. The problem is that people are not willing to mobilize as, you know, people are sometimes when they say, "let's go to war." Not because they want to go to war, but because they feel they have no choice *but* to go to war. In that time, you get a mobilization of people who overcome their fears, and by mutual support, are able to keep the show going. That's what the situation is now. And the typical person is frightened. Terribly frightened. And you present them with the kinds of things I can present to them, quite truthfully, without the slightest exaggeration, I can frighten the pants off most everybody. Because I can document what I know. And they run away from that. *And they will not rise to the occasion, unless you give them leadership*, which gives them the confidence to fight. People look for leadership.

You know, MacArthur's arriving in Australia, by himself, virtually by himself—with this kind of a PT boat—arriving by himself, in Australia, which was being *hung out to be destroyed*, by a Japanese invasion, meant that somebody was there *to stand up*, and say, "We're going to fight. We're going to win." And the Australian people, some leaders responded, then others responded. And the Australian nation, with its small population, in a highly vulnerable position, stood up, and became a *bastion* for turning the situation around!

And that is typical of history: Is that, leadership which has the courage to see the evil, and to make people feel strong enough to look at the evil, and use their minds to try to solve the problem of dealing with it. And that's what's important here. The key thing is that. And what I try to do, is, I do the things which people say, "Don't do." But I do them, because I know that you should do them. Don't try to conceal ugliness from people. But on the other hand, don't terrify them without giving them a sense of an alternative.

Leadership is being out on the front lines yourself, and giving people the confidence to come along. But also the confidence based on *valid ideas*, ideas that will stand up to the test of experiment. And that's what we have to do.

That's what our *function* is, a function of leadership. I've done this trick for the Democratic Party. What I've done, is not because I have any great personal power over these guys. What I've done, is I've done the impossible. I've done the unthinkable. And the unthinkable has given a lot of people, who have talent, and power, and influence, confidence—has strengthened their confidence; has enabled us to pull more people together. We now have a growing power, a growing influence.

We can probably *beat* this dumb bunny in the White House! But we did it, by some of us, taking the leadership, providing the leadership, to encourage our fellows, and *give them a sense of this*. And suddenly, you have a bunch of people sitting on the ground, crying and mewling, and complaining, and whining: "I'm done! We're gone! We're finished!" And suddenly, you get these people to stand up, and say, "No. We're going to win." In a cold-blooded way, in a sense that we're just going to win, where we're just not going to go that way! *We are going to do what it takes to win.*"

And that's what you have to have in Australia. And it's what you have to have in every part of the world. And we have to work together, with an understanding of that, to give each other the sense of strength, and mutual support, that will enable us to provide the leadership, that the *desperately frightened* people of the world will recognize, and then stand up on their hind legs and begin to fight too. [applause]

DOUG: Thanks Lyn, that was a brilliant conclusion, I think, to your remarks. I was going to ask for a conclusion, but I think you just said it.

So, on behalf of us around here, I just like to hope that you can stay warm and healthy, and that you have a Merry Christmas.

LAROCHE: Well, thank you all. And, I'm not Tiny Tim, but I'll do the best I can!

## **John Train: Portrait of an 'Economic Hit Man'**

by Jeffrey Steinberg

José Piñera, the former Minister of Labor and Mining in the fascist regime of Chilean dictator Gen. Augusto Pinochet, and the architect of that country's wholesale theft of workers' pensions, has friends in high places in the Anglo-American Establishment, despite his role in a regime vilified worldwide for war crimes.

On the website of his International Center of Pension Reform ([www.josepinera.com](http://www.josepinera.com)), Piñera described a Sept. 11, 2002 visit to New York City, hosted by his dear friend, Wall Street banker and high-level Anglo-American spook John Train.

"At the Pulitzer House: Today I joined New Yorkers at a moving commemoration of the terrible attack of 9/11, at Central Park, with Meryl Streep reciting Copland's 'Lincoln' and a great orchestra. Thanks to the generous hospitality of my friend John Train, writer, investor and renaissance man, I stayed for three weeks at the guest apartment of his house in 73rd Street and Fifth Avenue. Not only a beautiful house, not only near the wonderful Central Park, but also sound-proof, a blessing especially in New York.... Many interesting meetings and conferences, the main one being one to the Fellows of the Foreign Policy Association. The Manhattan Institute graciously gave me an office and full support."

Fascist Piñera is not only a close friend of John Train. Piñera and Train are partners in a network of vulture funds, which have profited handsomely from the looting of Chile's privatized social security system. Train is listed as a director of Genesis Emerging Markets Fund Ltd., Genesis Emerging Markets Investment Company, and Genesis Chile Fund Ltd. Piñera is listed as a consultant to the board of Genesis Chile Fund Ltd., and was a director of Genesis Condor Fund Ltd., until Dec. 2, 2004.

As of 2002, Genesis Chile Fund was the largest foreign investment fund in Chile, holding a stake in one of the largest of the privatized Chilean pension funds, AFP Provida. In a Dec. 10, 2004 news release, circulated by the Chilean stock exchange, Genesis Chile announced that it was exploring ways to draw in investment capital from the very private pension funds it holds a stake in.

Genesis Chile has done spectacularly well at looting the Chilean people. For the fiscal year ending Sept. 30, 2004, the fund posted a whopping 35.8% increase in net asset value; and, over the past decade, a tenfold increase. Over the same period, Chilean pensioners have been robbed blind and left penniless. - The Train Dossier -

John Train has been variously described by admirers as "the last of the OSS spooks on Wall Street," and as a "noblesse oblige banker who has thrown his money behind the social democracy." Bestselling author John Perkins would more accurately describe John Train as one of the world's leading "economic hit men."

Indeed, Train's pawprints are to be found on some of the worst criminal enterprises of the postwar decades, including the 1980s Reagan-Bush "secret parallel government" fiasco, the criminal campaign to assassinate or imprison Lyndon LaRouche, and the cultural warfare scheme known as the Congress for Cultural Freedom. Some of Train's oldest and closest associates, like the late Sir James Goldsmith, have been implicated in secret assassination programs in Africa, East-West underground arms smuggling, and the assassination in 1986 of Swedish Prime Minister Olof Palme. Train's own links to the circles of the "European Arms Cartel," who were behind the Palme assassination, are direct.

Although based in New York City, John Train is, in fact, a proud member of the Anglophile oligarchy, denounced by the

late President Franklin Roosevelt as "the American Tories." Indeed, while a Harvard undergraduate, Train participated in the disruption of celebrations of the ride of Paul Revere, seizing the platform in a British Redcoat uniform, complete with powdered wig. Appropriately, Train's family fortune came, in large measure, from the 19th-century profits of Enoch Train and Company, a clipper-ship firm that served as a junior partner of the British East India Company in the Far East opium trade. Train's grandfather on his mother's side was a founding partner of JP Morgan.

Born in 1928, John Train was educated at Groton, Harvard, and The Sorbonne. In 1951, Train founded the Paris Review, a project of the Anglo-American intelligence community's postwar cultural-warfare front, the Congress for Cultural Freedom. The publisher of Paris Review was Train's Harvard roommate, Sadruddin Aga Khan. The magazine promoted such dregs of Fabian cultural perversion as the poet and British intelligence operative W.H. Auden; British literati spook Stephen Spender; British counterculturalist Aldous Huxley; propagandist-for-Weimar Christopher Isherwood; and Archibald MacLeish.

It was during this Paris period that Train first established his intimate ties to Sir Jimmy Goldsmith and his brother Edward. Up until his death several years ago, Sir Jimmy maintained weekly contact with Train, who reportedly handled part of the vast Goldsmith estate.

By 1956, Train returned to the United States, working for two years for Wall Street speculator Imre de Vegh, before launching Smith Train Counsel, his private investment fund.

Indicative of Train's strong ties to the inner circle of the European financial oligarchy, in 1984, Smith Train Counsel was partly bought up by the London-based English Associate Trust, which was, in turn, a wholly owned subsidiary of the Swedish banking giant, PK Banken, a joint venture of the Swedish government and the notorious Erik Penser. A major shareholder in the Swedish component of the "European Arms Cartel," Bofors/Nobel Industries, Penser was deeply implicated in dirty East-West arms deals, at the heart of the Palme assassination. As part of the deal, Train was placed on the board of PK Banken. - 1980s Murder, Inc. -

On Wall Street, John Train is known for his private fondi investments on behalf of leading European and Anglo-American oligarchs. In addition to the Goldsmiths, Train is the purported fund manager for Maurice "Hank" Greenberg, the boss of American International Group (AIG), the mega-insurance company that was behind the Reagan-era overthrow of Ferdinand Marcos in the Philippines.

Train is also known for a series of books, touting the get-rich-quick methods of such speculators as George Shultz ally and Arnold Schwarzenegger-booster Warren Buffett, hedge-fund pirate John Train, and Magellan Fund guru Peter Lynch.

But the real John Train, true to his "spook" description, is one of the leading players in some of the filthiest, drug-infested, covert operations of the recent decades.

In January 1983, as part of the Reagan-era launching of "Project Democracy," National Security Council official and former CIA officer Walter Raymond penned National Security Decision Directive 77, which was signed by President Ronald Reagan, thus creating one of the key secret components of what came to be known as the Iran-Contra "secret parallel government." The NSDD-77-spawned "private donors executive committee" was to bring together a group of Anglophile financial fat cats, and some of the leading Cold War fanatics, who would bankroll and run a global covert operations program in Central America, Africa, and Central Asia, that would foment chaos and mass genocide on the ground, and funnel billions of dollars in illegal drugs onto the streets of America.

The "private donors" team would include longtime Train allies, including Freedom House founder Leo Cherne, second-generation neo-con spook Roy Godson, and British financiers Rupert Murdoch and Sir Jimmy Goldsmith.

Train would play a pivotal role in two of the nastiest of the Project Democracy illegal efforts. He was annointed as chairman of the Afghan Relief Committee, a propaganda front and money pass-through for the Afghani mujahideen, recruited to fight the Soviet Red Army inside Afghanistan. Train's ARC would align with the most notorious of the Afghan warlords, G. Hekmatyar, who was a major player in the "Golden Crescent" opium connection that would flood the U.S. and European markets with heroin throughout the 1980s. - Get LaRouche -

But Train's filthiest deed on behalf of the Anglo-American oligarchy was his mid-1980s role in the attempted political frameup and assassination of Lyndon LaRouche. On behalf of the Walter Raymond team at the NSC, Train was tasked to run an illegal black-propaganda campaign, through the U.S. media, to set the stage for a massive government raid on offices of companies associated with Democratic Party Presidential contender Lyndon LaRouche, as well as the residence where LaRouche was staying.

LaRouche was targetted by George Shultz and Henry Kissinger beginning in the 1970s, for his efforts to bring about a new, just world economic order, replacing their bankrupt post-Bretton Woods system.

But the "Get LaRouche" frenzy peaked when, on March 23, 1983, President Reagan, in a nationwide TV address, embraced LaRouche's plan for a Strategic Defense Initiative, in collaboration with the Soviet Union and America's traditional allies, thereby breaking the Cold War stalemate.

It was one month to the day after Reagan's SDI speech, that Train convened at his Manhattan home a working meeting of 25 leading media personalities, representatives of the Reagan White House secret team, donors committee member Richard Mellon-Scaife, and Federal agents, to plot an ambitious "Get LaRouche" propaganda offensive.

Over the course of the next year, literally dozens of slander pieces were planted in major American news outlets, from The New Republic, to the Wall Street Journal, to the Washington Post. When the cover was blown on the Train salon operation, leading participants, like NBC-TV's Pat Lynch, risked perjury prosecution to cover up for Train.

On Oct. 6-7, 1986, over 400 Federal, state, and local law-enforcement officials raided the offices in Leesburg, Va. associated with LaRouche, and the home where LaRouche was staying. Only through high-level intervention by friends of LaRouche in the U.S. government and intelligence establishment was a assassination averted. In December 1988, LaRouche was convicted in a railroad trial in Federal court in Alexandria, Va., and the next month sent to Federal prison, in what former Attorney General Ramsey Clark called the worst case of prosecutorial abuse he had ever seen.

Footnote: Eight months before the Leesburg raid, John Train's European and South African "friends" assassinated Sweden's Prime Minister Palme. Although evidence would later come out linking the South African mercenary circles bankrolled by Sir Jimmy Goldsmith to the Palme murder, Train's propaganda mill churned out a string of stories blaming the Palme murder on colleagues of Lyndon LaRouche.

Such are the ways of the "economic hit men" and their "jackals."

## **Social Security Privatization Is A Foot-in-the-Door for Fascism**

**by Nancy Spannaus**

Dec. 20 (EIRNS)—"If the Bush Administration succeeds in ramming this and related measures through, *we no longer have*

*a government that the people of the United States control.* We will then be under a fascist-style of dictatorship.

"Once they have their foot in the door, by getting the first leg on this Social Security control, *they will go all the way.* Because, why? We're now faced with a collapse of the U.S. dollar, U.S. currency, in the order of *trillions*, right now."

With these words, leading Democrat Lyndon LaRouche defined for an Ohio radio audience Dec. 16 exactly the significance of the breakneck drive for Social Security privatization which is being carried out by the Bush Administration. The ripoff planned by the Social Security scheme will be not just grand theft, accomplished by transferring workers' funds into the hands of the financial sharks on Wall Street—it will be the first step toward Chilean- or Hitler-style fascism in the United States.

Once you understand this objective, LaRouche said in the same interview, you understand why the Republicans carried out the "cold coup" in the Nov. 2 Presidential election, using voter suppression and every other means at their disposal to get a Bush victory. In this context, the fight against the Constitutional violations of the Voting Rights Act in the election takes on added significance: If the Nov. 2 results go through, the Bush crowd is that much closer to carrying off their fascist takeover. - It Starts in 1971 -

The attempt to grab Social Security funds for the private bankers did not begin recently, but started back in 1971, when the Nixon Administration destroyed the postwar Bretton Woods System. From that time on, the leading Synarchist bankers have been seeking to consolidate global fascist control, and to grab every income stream in sight, to stave off their bankruptcy. Among those streams, the pension funds of many nations have been prime targets.

Leading the drive for this theft from that time forward has been none other than George P. Shultz, a representative of the monetarist Chicago School, and key enforcer of austerity policies over the past three decades. Shultz played the decisive role in 1971 in getting Nixon to take the dollar off gold, and set up the gambling system known as the floating-exchange-rate system. It was during Shultz's tenure as Secretary of the Treasury (1972-74) that Gen. Augusto Pinochet carried out his coup in Chile, a coup Shultz endorses to this day.

Pinochet "no doubt did some unnecessarily brutal things," Shultz told a PBS interviewer in 2000, but this created a "decent economy." In his own autobiography, Shultz called the results "prosperity"! When the Chilean dictatorship, after eight years of murder and repression and looting, implemented the Social Security privatization in 1981, it was effectively carrying out the Chicago School plan. And, according to Jose Pinera, the Chilean Labor Minister who authored the plan before he left office in 1980, Shultz—then an advisor to incoming President Reagan—visited him in January 1981 in order to get briefed on the Social Security plan, so he could pass it on to President Reagan.

Shultz, who served as Secretary of State in the Reagan Administration, never was able to push the privatization plan for the U.S. through during Reagan's terms, despite a huge propaganda campaign about how the U.S. Social Security Trust Fund was allegedly about to go bankrupt. Instead, he and his cronies had to wait until the political conditions were ripe for crushing this most popular legacy of FDR's general welfare program. Those conditions came after 9/11, when the neo-con and synarchist bankers' crowd began to move aggressively toward authoritarian rule, with the "war on terror," the police-state measures of the Patriot Act, and the like. The contrived Bush "victory" on Nov. 2 of this year was the next necessary step, the means of getting a fully Republican-controlled Congress, in order to ram through the full fascist program. - A Snow Job -

Although, during the Presidential campaign, Bush concentrated on the "war on terror," he has gone into an astoundingly intense drive for privatization in recent weeks. There have been no less than five press conferences, or speeches, on the privatization over the last week. In each, the President has cited his "three principles": guaranteeing current and near-term retirees their Social Security; not raising taxes; and providing "personal accounts" for young workers.

In addition to enticing the younger generation with the idea they can "get rich," the Bush Administration is also making threats, saying that deep cuts will be necessary if privatization is not carried out.

Yet, every study of the privatization plans—most of which come from Chilean Pinera's project at the Cato Institute—shows that they themselves will cut benefits, in addition to demanding a massive increase in government borrowing in order to make up for the siphoning-off of trillions of dollars into the financial markets. The markets, of course, are ecstatic, as they are looking at an income stream of \$125 trillion over the next 75 years.

And, if you look at how the Chilean labor force fared under the Pinochet regime, including privatization, you see a dramatic rise in the poverty rate (41.2% of the population in 1989), a decline in calories consumed (1,629 a day in 1990), and a large increase in unemployment. - An Institutional Fight -

The response of many Democrats and Republicans on Capitol to the Bush rush to privatize has been strong, and most are anticipating a very tough fight on whatever privatization bill the President submits. Senior citizens' groups, labor, and others have held press conferences, and this time, unlike with Medicare "reform," the American Association of Retired Persons is actively opposing the scam.

But success in opposing Bush's drive will require more than the strong defensive posture which many Congressmen are putting up. The population, Congress included, has got to realize that the giant ripoff under discussion is not just another greedy scheme, an Enron II, but primarily a means of introducing a fascist regime in the United States, *as the pivot for consolidating a global fascist dictatorship.*

For, as LaRouche emphasized in his Dec. 16 interview, not even the trillions of dollars in Social Security funds can bail out the system, which is on the edge of an avalanche of collapse. The bankers are going to need to "take it all," to try to survive, and they are already doing the same thing in many other nations, such as Peru, Mexico, France, and Germany. What's on the agenda is global fascism, just as it was in the 1930s.

Not surprising, then, that George Shultz, that old fascist "Chicago Boy," not only created the Bush II Administration, but is shepherding California Governor, and avowed Hitler admirer, Arnie Schwarzenegger in his political career. If the Social Security privatization is not defeated explicitly as the coup attempt it is, there is much, much worse to come.

## **LaRouche Spurs Broad Fight Against Bush's Election Theft** ***Special to New Federalist***

Dec. 22 (EIRNS)—"We've got them dead to rights on violations of Federal law, on Voting Rights Act violations," said Lyndon LaRouche Dec. 16, in discussing, on a Cincinnati, Ohio radio show, how the Republicans stole the Nov. 2 Presidential election, and how the incoming Bush-Cheney Administration can be brought down for it.

"That is a crime," LaRouche continued. "That's a five-year Federal sentence, to be caught doing that crime! Whereas simple vote fraud is more difficult to deal with. *But*, if you go at the criminal violations, which are Federal criminal violations, in terms of election tampering and in terms of Voting Rights Act frauds, then you open up the whole area, you have to investigate the whole territory, in which these crimes have been committed—which means the *entire* question of the vote fraud is now looked at, from that standpoint."

Since LaRouche first called, in a Nov. 9 webcast, for prosecuting those who engaged in vote suppression as violators of the



Voting Rights Act, the fight against the theft of the Nov. 2 elections has exploded, reflecting a renewed aggressivity within the Democratic Party. LaRouche's campaign to ensure that every vote is counted, and that vote suppression is investigated—a campaign operating in parallel to the efforts of Michigan Congressman John Conyers—has catalyzed the national fight that alone can ensure that Conyers' work is successful. - Washington State Fight -

The increased combativity of the Democrats nationally, as a result of continuing intervention by LaRouche and his LaRouche Youth Movement, is exemplified in the hot fight now underway in Washington State, where the Democrats refused to knuckle under to the Republicans' claimed win in the gubernatorial race between Republican Dino Rossi and Democrat Christine Gregoire. The result of the Democrats' determination is that in that race—now in its second recount, this time a hand recount—Democrat Gregoire has, as of this writing, pulled ahead by eight votes, not including absentee ballots.

LaRouche spokesmen note that the battle in Washington State, as well as a similar one in San Diego, Calif., show the Democrats' revived commitment to having the vote counted, as a result of LaRouche's principled fight over vote suppression, against the GOP's determination to win at all costs, even if that means excluding masses of Americans' votes. - And Washington, D.C. Fight -

But the most momentous fight, of course, is that in Washington, D.C., where a joint session of the U.S. Congress must, on Jan. 6, meet to certify the Electoral College vote, and hence the Bush election.

In the nation's capital, as we reported last week, House Judiciary Committee Democrats led by ranking member Conyers held hearings Dec. 8, followed by hearings in Columbus, Ohio Dec. 13.

These hearings were called to investigate reports of vote suppression and other irregularities and felonies in the Presidential election in (especially, but not only) Ohio—whose electoral vote put Bush over the top, when he claimed a win there that looks more and more dubious with each passing day. More dubious because new evidence continues to come in, concerning efforts by the Bush-Cheney campaign—including its state head, J. Kenneth Blackwell, who also just happens to be Ohio's Secretary of State—to prevent citizens from registering, to turn away registered voters, and to prevent counting of lawful ballots.

At the Washington, D.C. hearings, Debra Freeman, national spokeswoman for Lyndon LaRouche, quoted LaRouche as having said, during his immediate post-election webcast Nov. 9, "Voter suppression—that's tyranny!" As Freeman testified, LaRouche had explained that the Democrats, having insufficiently mobilized among the lower 80% of family-income brackets among Americans, failed to organize the required landslide; "only the forces around LaRouche, and those working with us, mobilized in this manner."

Freeman noted that in a statement released Dec. 6, LaRouche called on Democrats—and others—"to start their battle against the insane, unconstitutional Bush Administration with an all-out battle against ... voter suppression." At the same time, Freeman said, "LaRouche identified George W. Bush's plans to rip off Social Security through privatization, as the second major focal point for a mobilization" to save the country from the new Bush Administration. - Target Date: Jan. 6 -

Freeman went on to say that "Mr. LaRouche has enthusiastically supported leading Democrats, like Rep. John Conyers, who are collecting the evidence of voter suppression, and has urged that that evidence be used to bring criminal charges, and jail those who committed this Federal crime. He has further urged that the evidence be compiled, to be presented to the full House and Senate on or before Jan. 6," when Congress meets to certify the vote.

Meanwhile, Conyers has written to Kevin R. Brock FBI Special Agent in Charge of the Cincinnati FBI office and to Larry Beal, Hocking County Prosecutor in Logan, Ohio, requesting investigation of charges of election tampering by the Triad

GSI voting machine company. He and 11 other Democratic Congressmen on Dec. 2 sent a letter to Secretary of State Blackwell on election irregularities in Ohio, and Conyers wrote Blackwell again Dec. 14, complaining of the latter's "refusal to answer 36 questions we posed to you," and using the words "obstruct" and "stonewall."

As Conyers was holding his hearings in Columbus Dec. 13—as the Electoral College was meeting, state by state, around the country, and as electors in Maine, Massachusetts, and Vermont were formally questioning the validity of the election process—also on Dec. 13, some 40 Ohio voters were filing an election lawsuit in the Supreme Court of Ohio, contesting the certification that day of the Presidential election results in that state. The plaintiffs, led by the Rev. Bill Moss and Ruth Carol Moss, brought suit against 26 defendants, led by George W. Bush, Dick Cheney, Karl Rove, the Bush-Cheney '04 campaign committee, and Ohio Secretary of State Blackwell.

The suit reviews numerous instances of voting machine breakdown, error, and failure—including cases in which votes cast for John Kerry were visibly and immediately "hopped" to George W. Bush—; refusal by county boards of election to permit public review of the poll books; and the like.

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## **Global Financial Firestorm Poses Choice: LaRouche's Plan or Fascism**

**by L. Wolfe**

Dec. 24 (EIRNS)—As President George W. Bush retreats from reality to the safety of his "bunker" in Camp David, the mother of all financial firestorms is about to engulf the world's financial system. Warnings from European commentators of a likely financial Armageddon stand in stark contrast to the mumbled Presidential assurances at the most recent Bush press conference that all is well with the U.S. and world economies, and that the "recovery" is growing stronger. While the fool Bush might believe such drivel, at least some of his advisors, and many of his controllers, clearly do not; that is what lies behind their rush to steal the trillions in the Social Security Trust Fund, diverting those funds to maintain the bubbles in the equity markets.

At the end of the day, such tricks will no longer work. As the world's leading economist, Lyndon LaRouche, has repeatedly warned, the dollar-based financial system is too far gone for saving. Instead, the issue becomes who will control what comes after the system's near-term collapse. If the people on top now—the same Synarchist banking and financial networks that put Adolf Hitler in power when faced with a similar, *but lesser*, crisis in the 1929-33 period—have their way, then the months ahead will see a virtual global fascist dictatorship, implemented by central bankers demanding the imposition of austerity measures so severe that they can only be enforced by Hitler-like police-state regimes.

But that assumes that populations and their governments will accept such diktats from bankers, whose policies have brought this ruin upon us all.

## **Resistance Grows**

In recent published writings, and in radio and other interviews, LaRouche points to the growing resistance to this global fascist austerity drive as the key to shaping a different alternative. Such resistance can be seen in France, where the Assembly, backed by trade unions, shows the stirrings of rebellion against outsourcing and austerity measures; in Italy, where the trade unions are mobilized against cuts in social programs; in Germany, where this past fall saw large demonstrations against the banker-dictated "Hartz IV" austerity program. And, it can be seen in the U.S., in the twin mobilizations, led by the LaRouche movement, against the legitimacy of the Bush election, and against Bush's proposal to heist the Social Security Trust Funds for Wall Street (for related articles, see pp. 1 and 7).

While none of this resistance has yet risen to levels that will derail the fascist austerity drive, the potential is clearly there, and LaRouche intends to make sure it is realized. He has made clear that the resistance, if it is to win, must be given a programmatic content that will replace the current oligarchically controlled financial order with a New Bretton Woods monetary system, as the lynchpin for a global program for an infrastructure-driven, industrially based world economic recovery.

LaRouche has also noted that the proposed bankers' fascist world order would crush existing and emerging sovereign nation-states, and as a consequence, there will arise resistance from many of these nations. The ongoing battle of Argentina and its President, Nestor Kirchner, against the International Monetary Fund (IMF) exposes the weakness of the bankers' thug operations, encouraging other sovereign governments to resist the bankrupt IMF's orders.

## **Sovereign Nations Threatened**

Potentially more important are the warnings coming from Asia that it won't be pushed around by the United States. Both Japan and China, for example, hold huge dollar reserves; should they start to liquidate them, or even merely refuse to continue sopping up the huge U.S. debt created by its disastrous current accounts deficit (now at a record \$165 billion: we import far more than we export), then the system collapses then and there.

In order to keep it afloat, the U.S. must daily "import" \$2 billion from foreign sources into its financial markets, merely to finance the U.S. government debt! As LaRouche explained in a Dec. 16 radio interview, that flow is now drying up; hence, the desperation for the Bush crowd to heist the Social Security funds.

So far, Japan and China are merely threatening, but that's enough to send shivers down the spines of many bankers.

Russia too is positioning itself. President Putin has been working on putting together a strategic alliance between Russia, India, and China, to counter the insanity coming from Washington. Putin's efforts represent LaRouche's "Strategic Triangle," which also could become an engine for a global recovery around the Eurasian Land-Bridge infrastructure project.

## **The Game Is Over**

In the end, however, nothing can keep this game going much longer. In Europe, people are already being conditioned to prepare for the collapse. The stream of financial commentaries, some motivated by sheer panic about what is developing, contributes to preparing people for disaster; since much of those commentaries focus on the dismal state of U.S. policy and our economy, the effect is to blame on the Americans for the disaster to come. This, in turn, is intended to give greater leverage to the European bankers in any post-crash reorganization,

A Dec. 9 BBC 2 docudrama, "The Man Who Broke Britain," featuring a scenario for a global financial blowout caused by a collapse of the derivatives markets, mirrors much of the risk-contingency planning known to be taking place at major financial institutions. Whatever the other reasons for the broadcast in a widely viewed timeslot, the show tends to feed a view that what is wrong with the current unregulated, speculative world system is that it is unregulated. But, as LaRouche has been saying, the problem is not *just* that, and can not be solved by merely re-regulating the markets, although that is a component of a solution.

The only way out of the current fast-approaching blowout—the only way that defeats the bankers' proposed fascist solution—is to completely reorient the social and economic parameters to restore the values of the industrial-production paradigm that have been destroyed over the last 35-40 years. That is the "LaRouche program," with its featured large global infrastructure projects, which have gained increasingly widespread support in the recent period—including in the United States, which must take responsibility for organizing a worldwide recovery, if there is to be one.

## **Rebellion against Rumsfeld builds both in and out of the military**

**by Carl Osgood**

WASHINGTON, Dec. 20 (EIRNS)—The campaign to oust Secretary of Defense Donald Rumsfeld has gone into high gear over the past week, as a growing number of members of Congress from both parties are calling on President Bush to fire him. Retired military officers, however, are the driving force behind the campaign, as one source close to the torture investigations has told this news service. Retired officers often serve as the voice of the active-duty officers who cannot speak up, and in this case, they're particularly targetting Southern Republican senators, telling them to "get rid of this man before there's mutiny."

While Rumsfeld's arrogance and callousness, in response to a question about armor from a National Guard soldier in Kuwait, is getting the media play, it's his callous disregard of the officer corps, his refusal to listen to them, that is the real issue for the retired officers. And their campaign appears to be bearing fruit. Senator Trent Lott (R-Miss) told the Biloxi, Miss. Chamber of Commerce Dec.15, "I am not a fan of Secretary Rumsfeld. I don't think he listens enough to his uniformed officers." He said he wasn't calling for Rumsfeld to resign, but "I think we do need a change at some point." -

Nor is the campaign limited to Southern Republicans. Senator Susan Collins (R-Me) told a journalist, "I think there are increasing concerns about the Secretary's leadership of the war, the repeated failures to predict the strengths of the insurgency, the lack of essential safety equipment for our troops, the reluctance to expand the number of troops—all of those are factors that are causing people to raise more questions about" Rumsfeld.

Not only is Rumsfeld's "you go to war with the Army you have" assertion drawing fire, but so even is his standard reply that "I give the commanders everything they ask for," which he proffers when questions about troop levels in Iraq come up. Retired Gen. Normam Schwarzkopf, the U.S. commander in the 1991 Gulf War, told MSNBC on Dec. 13 that he was angered "by the words of the Secretary of Defense when he laid it all on the Army, as if he, the Secretary of State, didn't have anything to do with the Army and the Army was over there doing it themselves, screwing up."

Even neo-con William Kristol is taking aim at Rumsfeld. During an appearance on Fox New Sunday Dec. 19, he said, "I don't think he's been a very good Defense Secretary, frankly, for the last two years, and I think if you combine the misjudgments with the arrogance and the buck-passing, his claim ... that he's not responsible for how many troops there are ... I think the President can do better in his second term." Lest there be any confusion that Kristol may have had a change of heart about the war itself, he made clear that he hasn't. "But, for me," he said, "it's about winning the war. I think we'll win it better and more easily and do better at other areas pf defense planning over the next four years with a new Secretary of Defense."

Besides Lott, Collins, and Kristol, Senators John McCain (R-Ariz) and Chuck Hagel (R-Neb), while not calling outright for Rumsfeld's resignation, have also expressed a "lack of confidence" in his leadership. Hagel, appearing on CBS's Face the Nation Dec. 19, noted the same failures Kristol had mentioned. "They underestimated ... the complications, and the difficulties and the dangers," he said, in invading Iraq. "How this could have happened, I don't know, but I think there's a manifestation of a clear lack of cogent, clear, straight-talking planning in a post-Saddam Iraq." - Really Bush's Fault -

Not surprisingly, the calls for Rumsfeld's resignation have been much more direct from the Democratic Party side. Senator Jack Reed (D-RI), appearing with Hagel, reflecting the concerns of military officers, noted that Rumsfeld "hasn't accepted the kind of advice that's necessary to get the job done." Appearing on Fox News Sunday a week earlier, Sen. Jon Corzine (D-NJ) said that Rumsfeld should be held responsible for the entire Iraq war. "The miscalculation and interpretation of the intelligence before the war there, was a failure to secure all the weapons dumps that are now being used for all the IEDs [improvised explosive devices]," he said. "There has been a problem with administration of the prisons, and no one has been held accountable. There is no exit plan. Now we find that there has been underinvestment in protecting our men and women on the ground, and as we have said, there has been an underinvestment in the number of troops on the ground to actually protect themselves. I think at some point someone needs to be held accountable for all the series of mistakes and miscalculations we've had."

While Rumsfeld certainly bears his share of the responsibility for the Iraq disaster, it's not his alone. Also Dec. 19, Sen. Carl Levin (D-Mich), appearing on "Meet the Press," noted that the policy mistakes "which have put us into this war with inadequate equipment ... were policy decisions of the President of the United States." While Levin said that he had a lot of disagreements with Rumsfeld, "unless those policies change, which is a Presidential decision, it's not going to help simply to change the leadership in the Pentagon."

## **Dems Use LaRouche War Manual To Stop Bush Fascism**

by Michele Steinberg

Dec. 21 (EIRNS)—The Democratic Party in the Senate and the House has thrown down the gauntlet against the George W. Bush-Dick Cheney White House, and the "one-party" dictatorship the Republicans put in place with their use of phony terrorist alerts, scare tactics, and lies to control the population, and lock the country in a nightmare of "perpetual war."

And, significantly, the battles are not waiting for January, but are already underway against the massive GOP voter suppression in the 2004 election, and Bush's ripoff of Social Security—exactly the issues defined by Lyndon LaRouche, the former Democratic primary candidate. In an international webcast Nov. 9, LaRouche called on Democrats to have the quality of command of a "general" on the battlefield, and announced that "GOP vote suppression is a coup against the U.S. Constitution." Then, on Dec. 11, a LaRouche PAC mass leaflet exposed that Bush's "Pinochet Plan" to steal Social Security is a ripoff. "Crush it now," the leaflet says. - No Mandate for Bush -

The issue is simple: There is no mandate for Bush as President. It is unlikely Bush won the election in Ohio, and several other states, where voter suppression was heavy, in violation of the Voting Rights Act of 1965. Evidence is mounting to prove the violations.

On Dec. 8 in Washington, D.C., and Dec. 13 in Columbus, Ohio, Democrats on the House Judiciary Committee, led by ranking minority member Rep. John Conyers (D-Mich), held open hearings that accumulated evidence which could lead to the jailing of those violators of the Voting Rights Act.

That is just the beginning.

On Dec. 13, the Senate Democratic Policy Committee, headed by Sen. Byron Dorgan (D-ND), announced the DPC "will launch a series of major oversight and investigative hearings, beginning in January in the 109th Congress, because Republicans who control the White House and the Congress have made clear they have no intention of meeting their responsibility to provide Congressional oversight."

With reportedly as many as five ongoing grand jury investigations into Administration activities around the Iraq war—from questions about fraud involved in the \$10 billion in no-bid Pentagon contracts in Iraq, obtained by Dick Cheney's former employer, Halliburton, to the illegal leaking of the identity of a covert CIA agent, Valerie Plame, by "senior officials" of the Administration—the Senate investigations have been dreaded, and forbidden by the White House.

Now, says the DPC, "Among the issues that 'cry out' for Congressional oversight but which have generated none are the following:

- \* "The cover-up of true cost estimates of the Administration's prescription drug benefit.
- \* "Contracting abuses in Iraq.
- \* "The Administration's use of pre-war intelligence.
- \* "The large number of 'no bid' contracts awarded in Iraq."

Making clear this was not just an effort "on paper," Dorgan was joined at a press conference Dec. 13 by incoming Senate Minority Leader Harry Reid (D-Nev), who spoke of an "expanded role" for the DPC, and who announced that at least seven Senators will be involved in a new "investigative" function of the DPC, to do the job the Republican leadership prevented in the 108th Congress.

In 2003, at White House insistence, the GOP-controlled Senate and House leadership prevented hearings from taking place on crucial issues such as the manipulation and falsification of intelligence on Iraq to fit the White House need for the propaganda to justify the war. In December 2003, when the Senate Intelligence Committee was about to override the chairman with a Committee vote to investigate, Cheney personally intervened to shut down the Committee. In May 2004, when the news of torture of Iraqi prisoners by the U.S. military broke in The New Yorker magazine, the White House again called on the GOP Congress to block hearings. The White House thought the truth would sink Bush and Cheney in the election.

The DPC is fulfilling the Constitutional role of Congress, said Dorgan. If the Republicans start conducting their real oversight hearings, he said, "There will be no need for our hearings." In addition, Reid will create a "war room" in the Minority Leader's office, to conduct rapid-response against the Republicans.

Now, new challenges to Bush's tyranny are surfacing almost daily.

On Dec. 16, Democratic leaders of House and Senate—Rep. Nancy Pelosi of California and Harry Reid—denounced the Social Security privatization scam in a statement which warned Bush not to "raid" the program and "cut guaranteed benefits." Congressman Robert Matsui (D-Calif), ranking member of the Social Security Subcommittee, said Bush is taking "10 years off the life" of Social Security.

Senator John Corzine (D-NJ), formerly CEO of the Wall Street investment house Goldman Sachs, announced he would become a "leading voice" against privatization. Corzine blasted Bush's "economic summit" as a "dog-and-pony show, an infomercial for privatization" and said Bush's plan will destroy the system. "Without Social Security, about 50% of seniors would be living in poverty," he said.

In a Dec. 16 letter to Bush, Sen. Daniel Akada (D-Hi), Barbara Mikulski (D-Md) and Reid, warned Bush to reverse the vicious cuts in benefits and services to veterans his Administration has forced. This is intolerable, "especially in time of war," they noted, and threatened to bring out this issue in the Veterans Administration confirmation hearings. A day earlier, 47 Senate Democrats sent a letter to Bush, initiated by Sen. Jeff Bingaman (D-NM), warning they would stand in the way of any effort to turn Medicaid into a block grant proposal.

Then, Dec. 21, the shoe dropped on the probe by the Senate Intelligence Committee into how intelligence on Iraq was misused by Administration officials in statements and reports. "Now, we will make this a top priority," says Wendy Morigi, speaking for Sen. Jay Rockefeller (D-WVa).

## **ARROGANT SCHWARZENEGGER PREPARING MURDEROUS CUTS**

by Harley Schlanger

LOS ANGELES, Dec. 21 (EIRNS)—It did not take long for the wheels to fall off the souped-up Hummer known as the Schwarzenegger Administration in California.

Despite an aggressive propaganda machine which would make Joseph Goebbels green with envy, and a still-star-struck public unable to see the frightening reality beneath the Hollywood glitter, the budget reports released this week prove that Lyndon LaRouche has been right, again: As he warned, the state is careening toward bankruptcy, and George Shultz's golem, Arnold Schwarzenegger, is now preparing budget cuts which will kill Californians.

The latest report from the nonpartisan legislative financial office indicates that the budget deficit for fiscal year 2005-06



has shot up from the previous estimate of \$6.7 billion, to at least \$8.1 billion. Further, the total debt owed by the state has ballooned from \$33 billion when Schwarzenegger took office, a little more than one year ago, to \$51 billion, a whopping 55% increase. The percentage of the budget that goes to debt payment has increased from 3.4% in the last year of Democratic Governor Gray Davis's Administration, to 6.4% after Arnie's first year. By 2009, it is conservatively estimated that this will grow to 7.5%.

While Schwarzenegger apologists point their fingers at Davis, to blame him for the growing debt, they are hoping the voters have forgotten that the debt skyrocketed due to the effects of electricity deregulation—a larcenous policy which transferred wealth from energy consumers and the state, into the pockets of those pals of George Shultz who put Schwarzenegger into office, by recalling Gov. Davis.

Now that the rapidly expanding debt is coming due, who will pay? - Massive Cuts Are Coming -

On Dec. 17, the new Director of Finance, Tom Campbell, acknowledged that the two main areas which will be targeted for cuts are, first, health and human services, which will hit the poor, elderly, and disabled the hardest; and second, capital improvements, including road projects, school construction, water and other infrastructure.

The appointment of Campbell, once considered a moderate Republican who served in the state legislature and the U.S. Congress, was initially welcomed by many Democrats, who were relieved that Donna Arduin had left. Arduin, who had worked previously for Gov. Jeb Bush, and was known for her brutal approach to the budget—she once cancelled a program set up by private donors in Florida, which provided free eye tests and glasses to pre-kindergarteners, because it cost the state a few million—left after failing to find the promised "billions of dollars" in excess spending she and Schwarzenegger expected to find in the California budget.

After less than a month, however, Campbell has made clear he is preparing to impose murderous cuts. He is looking to slash Medi-Cal, which provides health care to approximately 6.5 million low-income Californians. This would exacerbate an already dangerous shortage of hospitals, especially emergency rooms and trauma care, as cuts imposed so far have already created a crisis in Los Angeles County. Top health-care officials in Los Angeles have warned that any further reduction in emergency rooms risks collapsing the trauma care system.

Pulling funds out of necessary transportation and water projects, and educational construction will worsen an already declining system. In the last several years, over \$4 billion in state gas tax funds earmarked for transportation projects has been diverted to close the budget deficit. The water management program, CalFed, has been underfunded, while water is being diverted from highly efficient agriculture in the Imperial Valley to San Diego.

As for education, the number of students enrolled in the state university system has declined, while tuition has been increasing at a rate of more than 6% per year. Those unable to afford the prestigious state schools have seen massive cuts in community colleges, and a drying-up of financial aid. It appears likely that Schwarzenegger will renege on an agreement he made with teachers, who accepted a \$2-billion cut this year in return for a pledge for more funds next year. Campbell told the press this pledge may not be kept. - Fascism with a Botox Face -

The selection of Schwarzenegger by George Shultz was prompted by former Gov. Pete Wilson's assurance that, in Arnie, they might have a candidate "with the stomach" to impose the austerity required to allow the looting of this once-productive state to continue. The launching by Shultz and friends of the "Schwarzenegger Project" is quite transparent, if one understands who Shultz is and how desperate are the bankers with whom he is allied, for a quick infusion of cash (see article, p. 6). The Enron-led looting of California, which drained more than \$70 billion from the state, was just Phase I.

The gloomy fiscal reports released this week give Schwarzenegger the opportunity to prove to his creators that he is up to

the task, that he is prepared to run roughshod over the people of California.

His callous disregard for those his policies harm was on display earlier this month when he taunted nurses at the Governor's Conference on Woman and Families. Nurses were in attendance to protest his order placing a three-year delay on reducing the nurse-patient ratio from one nurse to every six patients, to 1:5. In response to their signs demanding that he keep his promise, the arrogant actor flashed a botox sneer and mocked them.

"Pay no attention to the voices over there," he growled. "They are the special interests.... The special interests don't like me in Sacramento because I am always kicking their butts."

The Conference was funded by British Petroleum, Allstate, Citigroup and Bank of America—but, in Arnie's world, oil companies, insurance companies, and banks are not "special interests."

## **BUSH ECONOMIC SUMMIT TARGETS SOCIAL SECURITY**

**by William Jones**

Dec. 20 (EIRNS)—The White House Economic Summit on Dec. 15-16, which had been announced as the President's effort to "get input" into a proposal for eliminating Social Security and introducing drastic austerity cuts, was basically Snake-Oil Salesman Bush's Travelling Road Show. Just like Dr. Feelgood, to convince the public his dope will cure what ails you, Bush had the crowd salted with shills to sing the praises of his snake-oil.

Such was the Economic Summit. Several panels of "experts" and business people were to discuss the items the President had targetted for elimination, the most important being Social Security. On each panel, a member of the Cabinet—at times, the President himself—was present to listen and ask questions.

But, lo and behold, the panels consisted solely of people who passionately support the President's program. Even those put on panels to lend a populist tint were seriously compromised politically. Take Sandy Jaques, portrayed as "a single mother from Iowa." Jaques pleaded that, if "private accounts" were introduced for Social Security, she could pass hers on to her daughter. After hearing her appeal, Bush declared: "One of my visions of personal accounts is that Sandy will be able to pass her account on to Wynter as part of Wynter's capacity to retire as well."

In fact, Jaques is so concerned about the issue that she has set up a national organization, For Our Grandchildren, to push the Bush privatization plan nationwide. In addition, she has long been active in Citizens for a Sound Economy, a Republican anti-Social Security group, served as head of the Kemp for President campaign in Iowa, and was active in FreedomWorks, a conservative advocacy groups set up by Kemp and Dick Armey, the former House Majority Leader. Not your ordinary "single mom."

For "bipartisanship," the summit did have one Democrat on the panel, former Congressman Tim Penny, who had served in Congress as a member of the Democratic Farmer-Labor Party (the name of the party in Minnesota). But Penny's always been something of a queer bird, and always characterized himself as an "austerity Democrat." He never saw a penny he didn't want to pinch.

The whole affair was so phony that a snicker ran through the press corps when Treasury Secretary John Snow, all earnestness, asked the panelists if they *really* thought the Bush tax cuts should be made permanent. Naturally, the answer was affirmative for all.

Speaking at the conclusion of the summit, Snake-Oil Salesman Bush assured his listeners he would move forward as they had indicated with a draconian policy that would include transforming the Social Security system. This would involve cutting all non-defense items to bring down the deficit, eliminating many regulatory mechanisms now in place (after the FDA fumble on Vioxx?), restricting the rights of consumers to bring class-action lawsuits against corporations, revamping the Medicare and Medicaid programs, and eliminating the guarantee of a stable retirement that has been given Americans over the last 70 years by Social Security.

While assuring the elderly that they would not be deprived of Social Security, President Bush indicated that for younger workers, he would try to introduce private accounts for their retirement savings, with all the risk that that entails, so they would become part of his much-touted "ownership society." While artfully fuzzy about the details of his plan (aware that changing the Social Security structure has long been thought the "third rail" of American politics), Bush is intent on proceeding. He tried to make light of the political risks involved, saying, with a smirk on his lips, "I will also assure members of Congress that this is an issue on which I campaigned and I'm still standing." This, from a President who lied during the campaign, and denied that he was going to privatize Social Security!

There are signs of fight from Democrats, and the mobilization by the LaRouche movement, ready to hit Congress to expose the fascist nature of this "Chile Model" of Social Security privatization, will hold our legislators' toes to the fire.

## **Military medical system also over- stretched by the Iraq war**

**by Carl Osgood**

WASHINGTON, Dec. 21 (EIRNS)—The New England Journal of Medicine, in its Dec. 9 issue, presented still more evidence that the number of American troops killed in Iraq, 1,300 as of Dec. 21, is deceptively small. Dr. Atul Gawande, from the Department of Surgery at Brigham and Women's Hospital in Boston, Mass., reports that advances in trauma medicine, and the development of forward surgical teams that follow right behind the troops going into battle, have combined to save an unprecedented 90% of battle-wounded soldiers. By comparison, in World War II, some 30% of those wounded, died of their wounds, and in the Vietnam War, the figure dying was 24%.

However, this has been accomplished under constraints that call into question how long Army doctors can continue to save so many lives. According to Dr. Gawande, the Army is estimated to have only 120 general surgeons on duty, and another 120 in the reserves. It therefore is seeking to keep no more than 30 to 50 in Iraq, as well as 10 to 15 orthopedic surgeons. Second, while the Army's medical strategy was originally designed to complement a fast-moving war-fighting strategy, the war in Iraq has gone on far longer than planned.

Not only has the number of wounded continued to increase, but the nature of the injuries has changed, from mostly gunshot and shrapnel wounds to blast injuries from roadside bombs and suicide bombs, which have proven to be much more difficult to manage. Blast injuries from roadside bombs often extend upward underneath body armor, and are producing devastating injuries to legs and arms that often result in amputation. - Difficult Conditions -

As a consequence of the relatively small number of surgeons, and of increasing pressure on the military medical system, many doctors are in Iraq for the second time, and some are facing third deployments. These conditions are making it harder to recruit medical personnel into the military, especially the reserves. Since President Bush has declared that there will be no draft, the Defense Department is relying on financial incentives to attract more medical personnel. Whether that will work, remains to be seen.

The conditions described in the New England Journal of Medicine article were confirmed, in spades, by Dr. Darnell Blackmon, a Naval Reserve orthopedic surgeon deployed with the Army in Iraq. In a Dec. 14 email to this news service,

Dr. Blackmon wrote that morale is the lowest that he's seen in 16 years in the service. "For the surgeon, in particular," he wrote, "the numbers of recruits are down, and the number wanting to resign their commissions has increased." He noted that many deployed surgeons are taken out of private practices that non-existent when they return home, and that the conditions they deploy into are horrible, with the power to make medical decisions taken away from them.

He further reported that most of the patients the surgeons treat in Afghanistan are local nationals whose care is paid for entirely by the United States. "Our own indigents at home do not receive such care," he said. He also noted the talk of a military draft for health-care personnel, as did the NEJM article.

If such a draft is carried out, what will happen to health care for Americans here at home?

## **Where Will O'Keefe Resignation Leave NASA?**

**by Marsha Freeman**

Dec. 20 (EIRNS)—When NASA Administrator Sean O'Keefe announced on Dec. 13 that after three years he would be leaving the space agency, White House spokesman Scott McClellan said this was "not unexpected." It certainly caught everyone else by surprise.

At this moment in the space program's history, important decisions that will have repercussions for years to come, must be made. While O'Keefe has not been one to avoid making tough decisions, perhaps he saw the handwriting on the wall.

Every few months, NASA has had to revise its schedule for returning the Space Shuttle to flight, following the Feb. 1, 2003 Columbia accident. As the schedule has stretched out, the estimates of what return-to-flight will cost have increased. Although Administrator O'Keefe and recent "NASA champion" Rep. Tom DeLay (R-Texas) crow about the NASA budget increases they were able to secure this year, ostensibly for the President's space exploration vision, anyone with a pencil can figure out that most, if not all, of that increase will be needed to get the Shuttle flying again.

O'Keefe brought on some of this crunch himself, insisting after the accident that NASA would "set the bar higher," piling on more requirements for flying than the Columbia Accident Investigation Board had recommended.

Veteran six-flight astronaut John Young commented on Dec. 16 to Associated Press: "I really believe we should be operating it, flying it, right now, because there's just not a lot we can do to make it any better." Young, who commanded the first Columbia mission in 1981, said he thought space flight was worth the risk.

While the Shuttle program runs further behind, and the exploration vision funding is disappearing, O'Keefe managed to antagonize an important constituency for space exploration—scientists.

His decision, just two days after the President's January 2004 vision announcement, to cancel a Shuttle mission to service the Hubble Space Telescope, claiming that it involved too high a risk, led to a storm of protest among scientists and their Congressmen.

Five days before O'Keefe tendered his resignation, the National Research Council of the National Academy of Sciences released a scathing evaluation of the Administrator's program to service the Hubble robotically.

The panel, which had been convened at the request of O'Keefe, called for NASA to send an astronaut crew on the Space Shuttle to do the tricky and difficult repairs.

In its report, the Academy panel recommended that a servicing mission be sent "as early as possible after the Space Shuttle is deemed safe to fly again." Panel members determined that the robotic mission NASA is now developing is "too technologically risky," and will not be developed in time, before Hubble faces total failure. By NASA's own estimates, and those of an independent study by the Aerospace Corporation, the robotic mission will also cost more than a Shuttle mission.

As far as risk is concerned, four of the Academy panel members are former astronauts, and after O'Keefe's decision last January to cancel the Shuttle repair mission, a number of astronauts volunteered to go to fix Hubble.

In President Bush's first term, the appointment of a NASA Administrator was considered so unimportant, it took more than a year after the election to fill the job.

O'Keefe has said that he is leaving NASA to get out of Washington, and make enough money to send his three children to college. He said he will delay starting his new job as Chancellor of Louisiana State University until the President chooses a replacement—by February, he hopes.

## **Is Key Social Security Privatizer Covering Up Huge Time Warner Scandal?**

**by L. Wolfe**

Dec. 23 (EIRNS)—Last week, Time Warner CEO Richard Parsons, one of the key people pushing the privatization of Social Security, delivered an important address at the White House Economic Summit (see article, this page). Parsons, as co-chairman of the President's commission on Social Security "reform," will reportedly play a major role in drafting the legislation for the "Enron II" heist of the trillions in the Social Security Trust Fund.

As Parsons was speaking, a deal was being announced to let his company escape criminal fraud charges in a scandal which, various sources say, dwarfs Enron or Worldcom in financial corruption, one allegedly involving the multi-hundred-billion-dollar merger of Time Warner and America Online (AOL), and the merger's aftermath. The scandal, sources indicate, is so large it may require the sacrifice of minor players to cover up the real story.

For now, Time Warner will pay a piddling \$210 million to the Feds on the criminal charges—a sum which many Wall Street insiders view as "hush money." Perhaps another \$300-\$500 million could be paid out next year to hush up securities fraud charges.

The deal, such as it is, appears to be Bush Administration repayment for the role of Parsons, a close friend of Vice President Dick Cheney, in pushing Social Security privatization.

Parsons has a reputation as a "fixer" of thorny problems for the Wall Street cabal that backs privatization. He was reportedly given the CEO position in Time Warner to "work something out" to shut down several probes of the Time Warner/AOL merger. As this news service reported exclusively, Justice Department (DOJ) and Securities and Exchange Commission (SEC) investigators have believed for some time they have a case for massive overstating of the value of AOL, and hence the value of its stock, and that of the merged companies at the time of the 2000-01 merger. Some officials who reportedly knew it would all blow up, allegedly cashed in their stock and options right after the merger.

As a small portion of the fraud in overstatements leaked out, and as AOL's revenues started to fall, as its books were

restated, the company's stock fell to a small fraction of its former worth—far less than the worth of either company prior to the merger. As a result, many of the tens of thousands of employees who held stock instead of pensions, took a beating; anyone who held Time Warner stock also took a hit.

## **What Did He Know?**

Just how much Parsons knew before the merger is unclear. However, it is reported that, with several DOJ and SEC probes underway, and with AOL's headquarters in Northern Virginia having been raided by Federal agents and boxes of records carted away, Parsons is said to have told his friends in the Bush Administration that the scandal was so big, it could bring down the entire financial system—that the system could not tolerate another Enron or Worldcom involving the world's largest entertainment conglomerate.

Parsons is not said to be a target of any investigation, and the media play him up as "beyond corruption." He reportedly forced out two people who are targets—his former boss and Time Warner CEO Jerry Levin, and AOL "wunderkind" Steve Case.

Local sources report that honest Federal investigators are upset with what has come down, and are "pissed" at Parsons for having effectively stymied, with the help of his friends in the White House, their efforts to expose what one source called "the mother of all financial scandals." But, with the global financial system on the brink of collapse, such scandals might yet find their way into the spotlight, as one or another faction seeks to use them for leverage; in these circumstances, Parsons' friends might not be able to protect him or his company—and vice versa.

## **Secrets Buried in Bush Intelligence Reform Bill**

**by Carl Osgood**

Dec. 21 (EIRNS)—There are secrets buried in the intelligence reform bill that President Bush signed into law on Dec. 17—the Intelligence Reform and Terrorism Prevention Act, S. 2845. While the new layer of bureaucracy that is created by the bill is the talk of Washington—especially whom Bush will name to become the Director of National Intelligence—very few are talking about some of the most egregious police-state provisions in the bill.

One thing the bill does, for example, is to break down the wall that has historically existed between domestic intelligence and foreign intelligence, by redefining "national intelligence" to refer to all intelligence related to national security, regardless of the source, inside or outside the United States.

Within that context, the bill's provisions do two other things: 1) They continue to shift the FBI away from being a law enforcement agency towards becoming a domestic intelligence agency, reminiscent of the old Division 5 under J. Edgar Hoover. 2) They add a provision to the Foreign Intelligence Surveillance Act, the so-called "lone wolf" provision, which makes any non-American person suspected of engaging in terrorist activity, regardless of whether or not anything connects that person to a foreign government or terrorist organization, subject to an FISA surveillance warrant. The FISA provision expires at the end of 2005. - Okay To Kidnap? -

The bill also includes what looks to be a "kidnapping" provision—a fact which, as far as this reporter can tell, has not been raised by anybody else. Under the section dealing with "providing material support to terrorism," the bill includes an expansive extraterritorial jurisdiction provision, making subject to the law any offense in which "the offender is brought into or found in the United States, even if the conduct required for the offense occurs outside the United States." There is no caveat that the offender has to be a U.S. national or be subject to arrest if he returns to the U.S. of his own free will.

What has been reported about this section of the bill, is that it criminalizes the provision of "expert advice" to a designated foreign terrorist organization. As has been pointed out, such "expert advice" could include the professional advice of a lawyer; an earlier version of this language that had been included in the USA Patriot Act, was struck down as a violation of the First Amendment.

Finally, the provision in the bill on designation of foreign terrorist organizations amends current law by providing that such a designated organization may apply to have the designation revoked, although the provision places the burden of proof on the applicant organization to prove that it is no longer engaged in terrorist activity. Some speculate that this was written for the Mujaheddin e Khalq (MKO), the anti-Iranian group some neo-cons around Washington would like to use against the Iranian regime, even though the MKO is currently on the State Department terrorist list.

## **When will the Administration Admit That the U.S. is Losing Iraq?**

### ***Special to New Federalist***

Dec. 22 (EIRNS)—The spectacularly bloody assault by Iraqi insurgents at a U.S. Army mess hall in Mosul yesterday, provided ghastly proof that the critics of the illegal U.S. invasion of Iraq were right: The occupation is creating a broader resistance by the day, and ensuring that the occupying army can *never* pacify that nation. Clearly, if the U.S. cannot provide security for its own troops, it cannot provide it for its Iraqi collaborators.

The only sane option for the U.S. government is to adopt the approach put forward by Lyndon LaRouche in his LaRouche Doctrine last April: Declare the intention to leave, and begin moves in that direction, in cooperation with the United Nations, and with the community of Iraq's neighbors, including Iran, Syria, Egypt, and Turkey. This may not work at this late date, but it is the only possible option.

Before the Mosul bombing, the mayhem was already reaching a fever pitch. On the one hand, there were increasingly bloody attacks on Iraqis collaborating with the American occupation, and working on the scheduled elections. Oil pipelines were also constantly being disrupted. On the other hand, violent attacks had been launched in the Shi'ite holy cities of Najaf and Kerbala, killing tens of civilians, and raising the spectre of sectarian strife.

The danger of warfare among major groups in Iraq—Sunni Muslims, Shi'a Muslims, and the Kurds—has been mooted for a number of months, but it is now coming to the fore. Major Sunni groups, for example, have decided to boycott the upcoming elections, in protest of the American occupation, whereas the major Shi'ite institutions, including Grand Ayatollah al-Sistani, are pressing for the vote. The Governors of Samawa (Musanna), Kerbala and Najaf, in the south central Euphrates region, met on Dec. 10, to discuss banding together in some kind of autonomous region, similar to that of the Kurds. Previously, governors of three southern provinces, had done the same.

While political spokesmen from both Sunni and Shi'a groupings have issued calls against separatism, the dynamic is clearly going in that direction.

- Growing Resistance -

At the same time, only the mentally disturbed could deny that U.S. occupation policies are fuelling the resistance day by day. While the Administration may claim that the insurgency is made up of "foreign fighters," one very knowledgeable U.S. military intelligence source told EIR that they estimate the foreign fighting force to number no more than 700, while there are thousands, if not tens of thousands, of Iraqis actively participating, or abetting, the resistance to the occupation.

While Fallujah is undoubtedly an example of an area under the control of the hard core of the resistance, it should provide a

strong lesson about how shock-and-awe bombing, and "just kill 'em" tactics will not lead to a U.S. victory. Even after the all-out U.S. attack, which levelled up to 75% of the city, U.S. forces are still taking casualties from insurgents, who continue to subsist in the rubble, or in the elaborate tunnel system which has been found underneath the city. The more than 200,000 civilians who had left the city are not expected to be able to return for many months.

Even Prime Minister Allawi, who has tied his political fortunes to the U.S. and to carrying out the elections, has been forced to come out and criticize U.S. policies. This last week, he declared that the occupation powers had made a mistake in disbanding the Iraqi Army, noting that they should have fired tainted individuals, but not the bulk of the soldiers and officers. He also hinted that it will not be possible to restore security to the nation, without this policy being reversed.

In the face of the growing number of U.S. military deaths—as well as those of Iraqis—the American people themselves seem finally to be reducing their support for the war. Two polls this week showed majorities who believed the "mission" in Iraq was not worth the cost to the United States. After the deaths of so many soldiers Dec. 21, that sentiment can be expected to grow, and Americans to become less tolerant of the war that should never have been launched.

## **Swedish Pension Funds Have Already Been Stolen**

**by Erol Curmak and Ulf Sandmark**

STOCKHOLM, Dec. 23 (EIRNS)—While President George W. Bush and his Wall Street friends ready their heist of America's Social Security funds, the Swedes have long since had their once-proud program privatized and its funds stolen. They were suckered into it by a television ad campaign that told them that they would all become millionaires if they went along with the Swedish variant of a privatization scheme.

According to the scheme, payments by employers amounting to 2.5% of employee salaries, are placed in private investment accounts, for which a worker could choose from among 465 fund managers, who would put the monies into the equity markets. This has pumped 20 billion krone (about \$3 billion) into the financial bubble.

Meanwhile, the 16% of employee salary that is placed into four funds for the "pay as you go" social security benefits, is also being speculated with and invested in the markets. These funds went down the drain when they were invested in the IT bubble, just before its crash. The loss of monies will mean future cuts in benefits. The retirement age could increase from 65 to 69 years, warns KG Scherman, former head of the government Insurance Administration.

### **Bush-Style Lying**

The privatization scheme, which was exposed in a recent Swedish TV report, was put over on the population by lies and manipulation. Just as Bush now does, both the ruling Social Democrats and the opposition parties claimed that the pension funds would lose monies if invested in safe Treasury bonds. As the documentary exposed, this was a lie, because higher levels of contributions would have kept the funds solvent for some time to come. On the Oct. 29 television broadcast, a Boston University economics professor disputed the government's claims, showing that the funds were not more at risk because of their investment in the markets. Besides, he stated, why should Sweden have given up a system that worked well, for one that won't work and was unproven? The journalist interviewing him replied, meekly, because maybe all Swedes are speculators at heart!

Last year, 87% of all the private investors in some 654 investment funds available were losing money, with an average loss of 10%-20%. Most Swedes are now afraid to open the bright red envelopes with reports of their accounts' performance for fear of the bad news.



## Majority Is Opposed

And while the so-called reform was put through with much hoopla, there was really very little public discussion, and any potential opposition was squelched and kept out of the media. Polls taken at the time, in 1998, and since have consistently shown that the overwhelming majority of Swedes opposed the reform and supported the "old" workable system.

The "old" pension system was implemented after a long fight led by the trade unions in 1960. From 1960 to 1985, the AP Buffer Funds (Allmanna pensionsfonderna) became the major source of public backing for investments into public infrastructure. The low nominal interest rates paid on such investments were compensated by improvements in productivity and general economic activity, which increased salaries and thereby the money available for the financing of the pensions. With the new pension system, two-thirds of the funds are invested in stocks and real estate, where nothing is produced. The rest of the funds are looted by the government, and its creditors. When the financial markets fell apart and the economy went down in 2001, the Social Democratic government seized another quarter of the pension fund reserves to balance their budget and pay off debt.

Americans would do well to learn from the example of this Swedish looting scheme.

## EIR Exposes Hit-Man Operation Vs. Mexico Development

by L. Wolfe

Dec. 23 (EIRNS)—The devastating poverty of Mexico that continues to drive millions of its citizens across the U.S. border in search of jobs, is directly attributable to efforts led by bankers' thug and former Secretary of State George Shultz, and others, to sabotage economic growth in Mexico. In the latest of its case studies, prompted by John Perkins' underground bestseller, "The Confessions of an Economic Hit Man," EIR magazine provides a description, from the inside, of the pitched battle between the Hit Men and patriotic forces in Mexico and their allies for the right to develop the Mexican economy.

EIR's Gretchen Small points out that EIR and the LaRouche movement are in a unique position to describe this battle, since they were right in the thick of it. Lyndon LaRouche and his associates were in direct collaboration with the central protagonist from the Mexican side, the late President of Mexico, José Lopez Portillo, with whom LaRouche met in 1982, and who refused to knuckle under to threats from the international financiers and their agents in the International Monetary Fund and the U.S. government.

Betrayed by agents in his own country, and by weak leaders in other Ibero-American states, Lopez Portillo lost that battle, but the war continues.

## Oil and Development

Small discusses the idea of Lopez Portillo and other Mexican patriots, to use the nation's oil resources as the means to secure not merely "money," but economic development, through cooperative trade deals. Such deals, as proposed with the Japanese, would have provided funds for large infrastructure and industrial projects, which would have improved the standard of living for all Mexico's people. The Japanese deal was well on its way to realization, when the Economic Hit Men stepped in to sabotage it in the late 1970s.

At the center of this battle were the genocidal ideals of former National Security Advisor Henry Kissinger's infamous National Security Memorandum 200, which stated that the resources of the developing sector were not to be consumed by its peoples, but were the "strategic" property of the Anglo-American powers and their allies. The program of this crowd

was to loot nations such as Mexico, while speeding up the process by which large portions of their populations would die, after having been exploited. In the case of Mexico, Small explains, this enforced population reduction program translated into the insane vision of genocidalist William Paddock, a cohort of Shultz and fellow financier George Ball, and his population control freaks, who called for reduction of Mexico's population by one-half: "Shut the borders and let them scream!"

To enforce this, came a cascading series of threats to Lopez Portillo and others to halt development projects, threats that demanded repayment of usurious debt under banker-dictated austerity. As Carter National Security Advisor Zbigniew Brzezinski is reported to have stated, the U.S. would never tolerate the development of another Japan south of the border.

## **The Debt Bomb**

Lopez Portillo, collaborating with LaRouche, attempted to turn the growing debt forced on Mexico by the bankers into a weapon to be used against their corrupt financial system. LaRouche crafted a plan for continent-wide debt moratoria and economic development, "Operation Juarez." As Lopez Portillo expounded before the United Nations on the principles of a just, new world economic order, and as LaRouche worked within sections of the Reagan Administration close to the President for the acceptance of the concept, the Hit Men, including Shultz, used threats and sabotage to block them.

The crisis came to a head in 1982-83, with the Mexican President taking the bold step of reacting, as LaRouche had proposed, to an attack by the international bankers and their Hit Men on the Mexican peso, by nationalizing the banking system and exchange controls, while halting debt payments. If even Argentina or Brazil had backed Lopez Portillo, taking similar actions, the whole rotten financial edifice of the Hit Men could have been toppled; but those countries instead succumbed to pressure.

The battle was lost, but the war goes on today, Small reports; a war in which Lopez Portillo's resistance exemplifies the courage needed to win.

## **Peru follows Chilean Model of Looting Through Pension Privatization** **by Valerie Rush and Manuel Hidalgo**

Dec. 21 (EIRNS)—In obedience to the international financial circles that run the International Monetary Fund and creditor banks which hold Peru's purse strings, the Peruvian Congress last month approved a Chilean-style "reform" of the country's semi-privatized pension system, whereby *all* retirees from now on will have no choice but to place their social security payments into private pension funds known as AFPs. The already-gutted state-run pension system has now been left to die a quick death.

The AFPs make broad promises of higher returns, based on investing workers' contributions in get-rich-quick schemes, but every Peruvian worker knows that their nest eggs could just as easily crack, as they did in 1992, when the infamous pyramid financial scheme known as CLAE went belly up, wiping out the savings of tens of thousands of Peruvian depositors. Investment in CLAE was voluntary, however, unlike the AFPs. When the privatized pension funds fail, Peru's retirees will have no government safety-net to fall back on.

Law 2053, passed last Nov. 11, is designed to give a shot in the arm to the AFPs—and to the handful of largely foreign-owned banks which manage them—by providing an urgently needed source of new cash-plunder to prop up the bankrupt financial system. One of the leaders of Peru's national association of retirees pointed to the foreign financiers behind the AFPs as the actual authors of the legislation. There are only four surviving AFPs in Peru—Horizonte, Integra, Profuturo, and Union Vida—and all of them are managed by Peruvian banks that are majority-owned by Spanish, Dutch, U.S., Italian,

and other foreign banks. In combination, these AFPs administer a fund of nearly \$7 billion, most of which are placed in risky investments, especially in the stocks and bonds of the very banks that are behind the AFPs!

Despite the fact that Peru's AFPs scoop off the top 28.7% of workers' contributions in commissions (as compared to 15% as the regional average), it is widely known inside Peru that the private pension funds are in serious financial trouble. Before Law 2053 was passed, making affiliation to the AFPs mandatory, the rate of new memberships in these private funds was falling, the combined effect of the crushing recession and the growing instability of the job market. When discussions were held in Congress in October 2003 regarding legislation permitting workers to freely disaffiliate from the AFPs, media linked to the financial groups behind the AFPs began to scream that this would put the the entire pension system at risk.

Law 2053 is thus a thinly veiled government bailout of these shaky funds, since the AFP system is in fact based on nothing more than workers' savings captured through government enforcement. The reality is that the AFPs now have all the advantages of the banks, but none of the obligations to their depositors.

## **Taiwan's People Seek 'One China'**

***Special to New Federalist***

Dec. 21 (EIRNS)—The victory of Taiwan's opposition Nationalist Party and its allies in the Dec. 11 parliamentary election, in which the ruling Democratic Progressive Party (DPP) of President Chen Shui-bian not only failed to win a majority, but lost even more seats to the opposition, provides powerful evidence that the people of Taiwan will not support President Chen's provocative plan to declare independence from China.

"Ties with Beijing won the parliamentary elections Dec. 11 on Taiwan," political analyst Wu Chih-chung of Dongwu University told the Dec. 11 New York Times. "It will be much more difficult" for President Chen Shui-bian's program to split China, he said. Chen's increasingly forceful calls for Taiwanese independence from mainland China in the weeks preceeding the election have angered the population, who acted through the ballot box, said Prof. Wu, and now, "tensions between Taiwan and China will be reduced." Chen's DPP and its coalition partners dropped to 101 seats, while the "one China" Nationalists (Kuomintang) and their allied parties won 114 seats, increasing their small parliamentary majority.

The Nationalists have vowed to block Chen's plan to introduce a Constitution which declares independence for the island, and other actions which Beijing views as justification for military action to preserve national unity. Trade and investment in the mainland is the backbone of the Taiwan economy, making the one-China policy very popular in the business sector.

The Kuomintang-dominated Parliament is now refusing to approve President Chen's request for an \$18.8-billion arms purchase from the U.S., which includes 384 Patriot Advanced Capability-3 Missiles, 12 P-3C maritime patrol aircraft, and eight diesel submarines. They question the size of the program and suggest that such large anti-missile systems won't be needed, because relations with Beijing should simply be improved. As of Dec. 15, the Parliament has rejected the bill, but has agreed to reconsider it if at least \$3 billion is cut from the proposal. The opposition has proposed that the submarines, in particular, could be constructed locally.

Meanwhile, the neo-cons in the Bush Administration are escalating their anti-China policies, announcing today, Dec. 21, that the U.S. will, for the first time in 25 years, send a military liaison to Taiwan, rather than the normal civilian defense contractors. China's Foreign Ministry spokesman Liu Jianzhao responded, calling on the U.S. to stop expanding its military relations with Taiwan, calling such expansion an infringement of the Sino-U.S. Joint Communiqués which have guided relations between the two nations since the 1979 establishment of diplomatic ties.

# European LaRouche Mov't Leads Fight Vs. Fascism

by Our European Correspondents

WIESBADEN, Dec. 23 (EIRNS)—Just as the LaRouche movement is leading the fight against bankers' fascism in the U.S., Lyndon LaRouche's European co-thinkers have taken on that responsibility on this continent. A series of events in the last three weeks laid out the organizing perspective—the state of the battle and what must be done to win.

The keynote for this fight was given by BueSo Party chairwoman Helga Zepp LaRouche, at the Bavarian BueSo Party Congress in Munich ten days ago. She told the 60-plus delegates that the responsibility for defeating the new fascist threat is on their shoulders. Europe's leaders, including Germany's, have not shown the stomach or brains for the fight. Describing the battle in the U.S., Zepp LaRouche said that Americans are much less demoralized and pessimistic than Germans; we must create a fighting spirit and will to win here, as her husband has done in the United States.

Zepp LaRouche challenged her audience of entrepreneurs, workers, farmers, housewives, and youth, to view this period as if through the eyes of someone seeing fascism coming in the 1930s. Too many people then saw Hitler as only a "conservative guy"; not enough realized that his victory could not be tolerated. Today, she said, the new fascism comes in the guise of "reforms"—and what do these reforms mean? Destruction of the social system and abolition of the Constitution.

To win, she said, we must reawaken the positive sense of Germany, of its many poets, musicians, composers, and thinkers in the Classical tradition. This will make in Germany—and in Europe—the revolution needed to defeat fascism.

## The Battle in France

A similar theme was sounded by the French collaborator of LaRouche, Jacques Cheminade, at the national meeting of the party he heads, Solidarité et Progrès. He told the Dec. 11 assembly that we are in the center of a global storm, "and I am happy"—happy because in such a crisis great change is possible, if great leadership is exerted—the kind of leadership the LaRouches represent. As in Germany, we must revive in the French people a sense of the true greatness of their country, what it has done and what it could do for the world. We must give France a renewed constitutional mission to stand for the Common Good, he stated.

## Polish Events

Meanwhile, the Schiller Institute, which Zepp LaRouche heads, was involved in two recent meetings in Poland, where it has many supporters. One meeting at the headquarters of the Polish peasant party featured presentations on the global fight against the neo-liberal economics behind the push for fascism today.

The Schiller Institute held its own event on the crisis in Warsaw, attended by more than 70 people, of whom 40 were youth from a university 100 kilometers away. There was intense debate on the "post-Nov. 2" world, and what needs to be done.

In addition, several important private meetings were held with representatives of various government ministries, journalists, and others.

## SCIENCE & TECHNOLOGY

### Huygens Ready to Pierce Titan's Veil

**by Marsha Freeman**

While many of us are enjoying our family and friends this Christmas Day, a few dozen scientists and engineers around the world will be anxiously awaiting word from a spacecraft more than 800 million miles away. They will hope to hear that a little probe has been sent on its way, toward a close encounter with Saturn's moon, Titan.

The Cassini spacecraft has been carrying along the Huygens probe since it was launched in October 1997. On July 1, Cassini entered into orbit about the great ringed planet, and on Christmas Day it will interrupt its comprehensive study of Saturn, Saturn's rings, and its family of planets, in order to position itself properly for the release of the probe.

Huygens will be out of touch with Earth during its cruise phase toward Titan, but even awaiting word from the mother ship will take time. Cassini will have its antenna turned toward the probe and Saturn to achieve precise pointing for the release of Huygens. After it points its antenna back to Earth for transmission, it will take 67 minutes for its report to reach here.

After being released from Cassini, Huygens will follow a ballistic (unpowered) trajectory toward Saturn's planet-sized moon Titan. On Jan. 14, it will take the plunge through Titan's atmosphere. This will be the first set of in situ measurements and observations of Saturn's great moon.

Cassini itself has already made two flybys of Titan, each time revealing yet a little more of what is below its mysterious nitrogen veil.

It is hoped that Huygens will descend through Titan's hazy atmosphere, and return data, via the orbiting Cassini, for two hours. If it survives the descent, it may land on a solid, liquid, or oozy surface. It is still anybody's guess.

- Titan's Changing Weather -

The advantage in having a spacecraft in orbit around a planet, rather than just flying by it, has already been demonstrated in terms of Titan.

When Cassini made a flyby of the Mercury-sized moon on Oct. 26, at a distance of about 123,000 miles from the surface, white clouds near the south pole of the body were clearly visible. They were noted, but had also been observed through ground-based telescopes.

After the flyby, what did cause a sensation was the first set of radar images ever taken of Titan's surface, through the clouds. The images showed distinct regions of light and dark, indicating smooth and rough, or textured, surface features.

Debate continues as to whether volcanic, aeolian (wind-blown), meteorological, or other geological processes have created such a set of varied surface features. Does Titan have smooth regions because it somehow avoided the periods of heavy meteor bombardment evident on other Saturnine moons? Or does it have some flowing process that covered over or filled in the craters?

While the scientists were studying the first radar images and discussing hypotheses, Cassini was gathering more data.

On Dec. 13, the spacecraft made another flyby. It swept by as close as 750 miles. From a photograph taken at about 139,999 miles from the moon, it was evident that in the two months between visits, several extensive patches of clouds had formed in higher, more temperate latitudes, in addition to the clouds at the south pole.

"We see for the first time, discrete cloud features at mid-latitudes, which means we see direct evidence of weather," reported Dr. Kevin Baines, a member of the Cassini science team.

Scientists propose that the changes in Titan's atmosphere could be meteorological—a function of seasonal variations in the body's temperature.

Seasonal shifts in global winds on Titan could circulate in the upper atmosphere, forming clouds, according to astronomers watching Titan from telescopes in Hawaii. If the clouds are seasonal, scientists expect them to drift northwards over the next few years, as southern summer goes into autumn.

But if the clouds are being caused by geological changes, such as a "warm spot" on the surface, or a slushy methane geyser spouting out material, the cloud feature may just stay at its current mid-latitude.

Using adaptive optics, which subtract from telescope observations distortions caused by the atmosphere, astronomers on the ground are supplementing the work that Cassini and Huygens are doing on the scene.

During its most recent Titan flyby, Cassini was also able to take a stunning image of Titan's dark, or night, side (facing away from the Sun), which shows the atmosphere shimmering in its own glow.

Titan has a thick atmosphere, and also layers of haze that are detached from the rest of the atmosphere, and float above it. These layers extend about 250 miles above Titan.

Cassini found that Titan's upper atmosphere consists of a number of layers of haze, which can be seen in ultraviolet images. Even at night, the haze layers scatter light through the atmosphere.

This moon, larger than the planets Mercury and Pluto, has been an object of great interest since its discovery by Christian Huyghens in 1655. A world in its own right, Titan is the only planetary moon known to have a substantial atmosphere.

Because Titan's atmosphere is mainly nitrogen, like the Earth's, with a significant presence of methane and other carbon-based compounds, scientists hope that this strange world will open a window into what the early environment of Earth may have been like, as the context for the development of life.

They hope that in about three weeks, the Huygens probe will provide them with some of the answers.

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