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From the Editor

All Washington is abuzz with talk of impeachment of Vice President Cheney and President Bush (in that order), but Lyndon LaRouche, in his “Memo on ‘The Pericles Syndrome,’ ” explains why *that is not enough*. The problem goes much deeper, into the cultural dimension of the population, which allowed such specimens to occupy the nation’s highest offices. We must think of taking action to remove them, very soon, he writes, but we must be careful “to ensure that we save the life of the patient, our constitutional system, rather than risk killing it in a panicked resort to hasty surgery.”

The reason for this caution, is the onrushing collapse of the global monetary-financial system. What are the requirements of the Presidency today? The behavior of the President and Vice President is indeed “abnormal,” LaRouche continues, but “this choice of language can not be permitted to imply that what might, presently, constitute evidence of so-called ‘normal’ behavior, would provide the needed yardstick against which to judge the relevant implications of their incapacities. Only exceptional behavior, as typified by the genius shown in an individual’s discovery, or re-discovery of a universal physical principle, will suffice.”

So from that starting-point, the author proceeds to try to make geniuses of us all—or at least enough of us, particularly of the young adult generation, to see the Ship of State safely on its course to economic and cultural recovery.

Our news reports fill out, in particular, the battle in Washington. New revelations around the Valery Plame scandal are appearing, as many Congressmen report that they now understand that the matter is much more serious than they had previously realized. Debra Freeman reports on the real story behind Bush’s frenzy to appoint John Roberts to the Supreme Court: his dismay at the emerging bipartisan coalition in the Senate, typified by the four female Senators who called on Justice Sandra Day O’Connor to reconsider her resignation. And we have a comprehensive report on the deleterious effect of the Pentagon’s base-closing program on the physical economy of the United States. Our continuing coverage of EIR’s Berlin seminar this week concentrates on the history of the Anglo-American “imperialist” faction, and how it can be combatted today.

Susan Welsh

EIRContents

Cover This Week

The LaRouche Youth Movement holds a "good-bye party" for Dick Cheney in Washington, D.C. on July 20.



EIRNS/Mike Rowland

4 Memo on 'the Pericles Syndrome': The Case of a Vice-President's Mass Insanity

Lyndon H. LaRouche, Jr. writes that "if we are to avoid that peril for our nation and its posterity which the Bush-Cheney pair implies, the unifying, underlying, scientifically principled intent of the totality of the U.S. Constitution must be applied to the totality of the present, existential threat to the nation, rather than merely seeking the removal of some among the admittedly important, currently defective elements of the current Presidency."

International

34 Zepp-LaRouche Demands Germany Choose a Sovereign Solution

Helga Zepp-LaRouche, the Chancellor candidate of the Civil Rights Movement Solidarity party (BüSo) in Germany, issued this statement upon hearing Federal President Horst Köhler's July 21 decision to hold early elections in September.

36 Last Chance To Save Iraq From Civil War?

Interviews

48 Michael Obuchowsky

State Representative Obuchowsky represents Vermont's Windham legislative district.

49 Lourdes Alvarado-Ramos

Ms. Alvarado is the assistant director of the Department of Veterans Affairs in Washington state and the president of the National Association of State Veterans Homes.

62 Yasmir Fariña Morales

The president of the Chilean Public Employees' Group to Redress Social Security Harm describes the outcome of Chile's disastrous 1981 social security privatization.

National

38 'Plamegate' Can Bring Down Cheney

A joint panel of Senate and House Democrats convened a hearing on "National Security Consequences of Disclosing the Identity of a Covert Intelligence Agent," in which explosive information was released from expert witnesses, in the case of CIA covert operative Valerie Plame.

Documentation: "White House Breached Security Eleven Times," a Fact Sheet from Rep. Henry A. Waxman (D-Calif.), Ranking Minority Member of the House Committee on Government Reform.

42 What's Behind Bush's Frenzy Over The Supreme Court Nomination?

44 GOP Senators Assert Congressional Control Over Detainee Policy

Documentation: U.S. Navy Adm. John D. Hutson (ret.) tells the Senate Armed Services Subcommittee on Personnel, at its July 14 hearing, "I think we've got a serious problem."

46 Fed, State Revenue Rises Much Touted, But All Smoke

48 Can't Build a Budget on Real Estate 'Boom'

An interview with Michael Obuchowsky.

49 VA Cuts Would Force Veterans on Medicaid

An interview with Lourdes Alvarado-Ramos.

Economics

52 Germany Cannot Survive Under the Euro System

When governments hand over the sovereignty of their monetary policy—a key tool for overcoming economic crises—to a supranational institution like the European Union, which is supposed to operate rigorously according to a set of fixed rules, a monstrosity will always be the result.

54 Pentagon Base-Closing Plan Takes Down Northeast Submarine Industrial Base

55 Base-Closing Plans Would 'De-Construct' Economy

57 BRAC Targets Another 'National Asset': Army Research Office in North Carolina

58 A U.S. Tradition: Military Work on Infrastructure

59 BRAC's Proposed Northwest Closures Would Gut Defense, Science, and Jobs

61 Britain Set for a 'Super-Enron'

62 Say 'No' to Privatized Pensions, Chilean Unionist Advises U.S.

An interview with Yasmir Fariña Morales.

Berlin Seminar

66 Facing the Coming Crash of the Financial System

We continue our coverage of *EIR*'s June 28-29 strategic seminar in Berlin, which brought together representatives of 15 nations, to discuss what had to be done to address the impending collapse of the world financial system.

67 The New American Imperialism: Some Historical Light

Speech by Dr. Clifford A. Kiracofe, Jr., former senior professional staff member of the U.S. Senate Committee on Foreign Relations.

74 LaRouche's Role in Mobilizing the U.S.

Speech by *EIR* editor Jeffrey Steinberg.

78 Give Europe a Vital Mission for the Future

Speech by Jacques Cheminade, chairman of the Solidarity and Progress party in France, and the long-time leader of the LaRouche movement there.

Editorial

80 A Crisis on Schedule

Corrections: In our issue of July 22, the photos of Dr. Ding Dou and Dr. Song Hong were inadvertently switched (pages 46 and 54). Our apologies to these distinguished participants in *EIR*'s Berlin seminar.

In the same issue, the byline was left off "A Century of British State-Sponsored Terror," the review of Joseph Conrad's book *The Secret Agent*. Michele Steinberg was the author.

MEMO ON 'THE PERICLES SYNDROME'

The Case of A Vice-President's Mass Insanity

by Lyndon H. LaRouche, Jr.

July 10-22, 2005

President George W. Bush, Jr.'s stubbornly repeated insistence, that U.S. government bonds are merely "I.O.U.'s," is, by itself, a typical, highly relevant, and clear-cut example of the President's incompetence to continue to serve in that office, especially under presently onrushing world monetary-financial conditions. Unfortunately, the solution for that actual issue confronting the Congress is not as simple as that premise for the removal of the President might imply. Consider, for example, the shudder which would pass through the ranks of the Senate, and elsewhere, at the thought that the resignation of an ailing President Bush might bring Vice-President Cheney into the Presidency.

On this matter of this George W. Bush Presidency, psychiatrist Jerrold M. Post is known for his work on the subject of the constitutional challenge a President's present mental condition might represent.¹ Some of the crucial evidence to be considered in assessing the mental condition of President George W. Bush himself, has now been addressed afresh in the updated, current paperback edition of psychiatrist Justin A. Frank's eminently relevant professional's opinion on that subject.² Dr. Post's own earlier study of the broader background of problems of an ostensibly similar type, was addressed, emphatically, to the implications of the 1967 Twenty-Fifth Amendment to the Constitution. Unfortunately, Post's work, while rather widely regarded as authoritative within the profession, does not measure up to the special kind of challenge which the mental condition of the presently incumbent

1. Jerrold M. Post, M.D. and Robert S. Robins, *When Illness Strikes the Leader: The Dilemma of The Captive King* (New Haven: Yale University Press, 1993).

2. Justin A. Frank, M.D. *Bush on the Couch—Inside the Mind of the President* (New York: HarperCollins Publishers, 2004; 2nd Edition, HarperCollins: 2005).



White House/Eric Draper

"In polite conversation, even on ceremonial occasions," writes LaRouche, "one does not speak publicly of 'the culture' of our nation's highest-ranking dirt-triker, President George W. Bush, Jr."

President actually poses to Constitutional law, under the actual, special, global circumstances confronting the Congress, and others, today.³

Justin Frank's extremely useful study of the case of that incumbent President, has crucial importance in itself, but it does not pretend to address the most crucial, broader strategic issue with which the U.S. Congress is actually confronted in the Bush-Cheney case. The essential issue is not that of Bush himself, or even the Bush-Cheney pair: *The crucial issue is the way in which this qualitatively increased threat to our republic's existence came about, over a period of about forty years to date. How did we reach the perilous state of affairs in which the increasingly dysfunctional quality of a President Bush, who is certainly no Pericles, might be simply replaced by the would-be modern Thrasymachus Vice-President Dick Cheney? By what means did Athens ruin itself with the Peloponnesian War? How are we, in a meaningful sense, repeating that kind of folly, as in Iraq, for example, today?*

The problem of statecraft which the case of the Bush-Cheney pair presents today, does not neatly match the implied, mechanistic assumptions of that Twenty-Fifth Amendment, nor what some might mistake for the obvious precedent of the removal of the Nixon-Agnew Presidency. While Presi-

dent Bush himself represents a mean-spirited, even viciously sadistic sort of defective personality, his culpability is as much that of a pitifully foolish creature, as a case of an habitually, intellectually and morally defective behavior. It is obvious today, that he simply should never have entered that office. However, we must face the fact that the case of this President is paired almost inextricably with the high crimes and misdemeanors of Lynne Cheney's pet sociopath, Vice-President Dick Cheney. When we reflect on the history, over decades, through which that pair was brought into the offices of the President and Vice-President, and take into consideration the context of the recent decades of drift into the presently onrushing breakdown-crisis of the world monetary-financial system, the Twenty-Fifth Amendment by itself can not be treated as if it could rise neatly to the relevant issues of the present and onrushing occasions.

However, as I shall show in the concluding portion of this memorandum, our Constitution, taken as a whole, does provide, at least implicitly, optional remedies for the cases of both President Bush and Vice-President Cheney as such, a choice of remedies which could apparently leave the intent of the Constitution superficially intact: such as, relieve Cheney of his office, first. But, that is only part of the problem in this case. The deeper, complicating challenge, is that of defining the larger and deeper implications of the issues which Bush and Cheney represent, as an immediate threat to civilization as a whole, in the setting of today's mounting, existential quality of world crisis. Therefore, definitions of the personal incapacitation of an individual President, as of the type projected by the intrinsically anti-historical standpoint of Dr. Post's book, do not fit the darker reality of the situation with

3. Within Post's and Robins' account, there are important, obvious sorts of factual-historical errors, including the general, methodological defect expressed in his lack of functional-historical perspective, and his general tendency toward rather wild fallacies of composition in his treatment of some of the biographical topics within that book. Post's importance is that he has become regarded as a leading standard of reference on psychological studies of leading present and historical individual cases, if not a consistently reliable one.

which we are confronted now. Dr. Post's approach, if applied, would become merely a complicating feature of our national tragedy, not a remedy for our Presidency's affliction.

Expediency, "textual" or otherwise, should not be allowed to enter as the premise for introducing a Procrustean sort of attempted solution for this constitutional crisis. As I show in the course of the following pages, if we are to avoid that peril for our nation and its posterity which the Bush-Cheney pair implies, the unifying, underlying, scientifically principled intent of the totality of the U.S. Constitution must be applied to the totality of the present, existential threat to the nation, rather than merely seeking the removal of some among the admittedly important, currently defective elements of the current Presidency.

1. The Systemic Failure of Modern Psychology

From the standpoint of relevant scientific method, our republic's principal constitutional doctrines, those of our 1776 Declaration of Independence and 1789 Federal Constitution, do not contain, but, rather, are adumbrated by the actually universal, more deeply underlying principles of a coherent and universal, living body of expanding natural law, upon which the design of those doctrines is premised.

Thus, in properly defined constitutional law, as in the body of a valid mode of physical-scientific inquiry, the body of a valid constitutional practice is subject to an endless, constant further development, through discovery of those new particular principles which preserve the integrity of the originally intended notion of natural law under changing universal circumstances, such as the changed circumstances with which the Bush-Cheney developments confront us today.

By saying "originally intended," I am emphasizing the fact that the congruent significance of the actual use of the terms "pursuit of happiness" and "promote the general welfare" by the framers of these Constitutional documents, has a unique, knowledgeably intended significance as a constitutional statement of a reflection upon a universal physical principle.

This notion of a body of law premised on verifiably underlying universal physical principle is called *natural law*. Natural law is in principled opposition to a notion of a merely *positive law*, the latter as, typically, a negotiated set of terms of agreement among an otherwise anarchic order of individuals, nations, or small family-like groups.

In this respect, constitutional law expresses its principled, hereditary likeness to those notions of physical science which define an expanding self-development of a body of *natural law*, a natural law expressing principles which are specific to a European civilization traced chiefly from ancient Egyptian precedents. This explicit development of a more broadly defined body of European law premised upon the idea of natural

law, is traced, despite, chiefly, much contested opinion and practice, from the relevant, exemplary work of the Pythagoreans, Solon of Athens, and Plato.

Despite the persisting tendencies to make a categorical division between the ideas of science and Classical artistic composition, as such a division was described by C.P. Snow as a *Two Cultures* paradox,⁴ the notions of law upon which the Declaration of Independence and Federal Constitution rest, essentially, is the Classical Greek tradition in both physical science and Classical artistic composition, especially that traced from Plato.

So, in the history of the Classical Greek culture which emerged in the ancient Greece of the Pythagoreans, Solon of Athens, and Plato, there is the fact that, despite intervening periods of regression, the foundations of a civilization were accomplished. This begs the question, how did the greatest civilization of that time acquire those habits through which it virtually destroyed itself, as under the leadership of Pericles? How did this happen to The Athens of America which the figures of the Winthrops and Mathers typified during the course of the Seventeenth Century?

So, in the history of the Classical European culture which emerged in the ancient Greece of the Pythagoreans, Solon of Athens, and Plato, there is, the fact that, despite intervening periods of regression, the foundations of a civilization an ascertainable, underlying, seamless continuity of expansion of validated principles of Solon, the Pythagoreans, and Plato, of the general body of Classical scientific and related progress, of what is known as a principle of higher hypothesizing.⁵ Just as the progress of experimental scientific method in discovering new universal physical principles of our universe (as principles needed for newly discovered universal types of conditions), is the characteristic feature of progress in physical science, so there is an expandable, kindred body of discoverable knowledge respecting the adducible, constitutional principles of modern statecraft. These latter are the principles which are best reflected, to date, in the manner of the roots of the birth of our Declaration of Independence and Constitution in the Fifteenth-Century's great ecumenical Council of Florence, and, also, later, in the central principle set forth at the outset of the 1648 Treaty of Westphalia.⁶

4. C.P. Snow, *Two Cultures and the Scientific Revolution* (London and New York: Cambridge University Press, 1993 reprint).

5. Otherwise known as that principle of *Sphaerics* which the Pythagoreans, Plato, and relevant others adopted from the principles of Egyptian astrophysics. Mathematically, a universal physical principle arises in Sphaerics by the methods of dynamics associated with the constructive doubling of the cube, and in the way universal gravitation is expressed by the added physical-geometrical singularity of an elliptical planetary orbit, as in Kepler's original discovery of the principle of gravitation. The modern development of this approach is by Bernard Riemann, as in *The Theory of Abelian Functions*. This approach is what is known to Plato and others as the method of hypothesizing associated with Nicholas of Cusa's introduction of the modern scientific method of experimental physical science.

6. "... each part is to promote the others' benefit, honour, and advantage." so that a "trusting neighbourhood and the secured maintenance of the efforts

Thus, in all aspects of scientific practice, actual history has shown that there is a method of generating and validating a scientific discovery of new universal principles. Whenever a situation arises, as in the singularly anomalous circumstances represented by the brutishness of the Bush-Cheney regime, we must go behind the principles and circumstances from which our Constitution was derived, to craft a principle which coheres with that historical root in principle, from which, again, the original Constitution was derived.

So, on the one hand, the immediacy of the present existential threat to planetary civilization would put impeachment or kindred action on the agenda for remedial action now. Yet, regard for the kind of action which must occur to such effect, shows us that we are not yet prepared, at least not most of our relevant representatives, to define how and when the needed remedial action should actually occur, and to what intended effect. We must think of taking such action, even very soon, but we must be careful, nonetheless, to ensure that we save the life of the patient, our constitutional system, rather than risk killing it in a panicked resort to hasty surgery. We must think carefully about the unprecedented quality of immediate anomalies in an onrushing breakdown-crisis of the world's present monetary-financial system, the context within which the presently threatening condition of our Presidency is situated.

The organ, the Presidency, is presently diseased by what may be described as the Bush-Cheney regime, but the disease lies not merely in either of those admittedly extremely defective individuals, nor in the combination of Bush and Cheney as individual office-holders, but in the systemic features of the world's current, existential quality of crisis-situation which has brought such an inappropriate pair as that into those offices. The cases of Bush and Cheney, taken both as separate and combined, are a product of a special set of historically specific conditions; it is those conditions, which produced them as they are today, which must be cured. Our primary objective must be curing that condition which brought that ill-chosen pair into playing their current, pathological role, rather than treating them merely as scapegoats for the condition which brought that pair into its present, perverted role in office.

The Relevant Fallacy in Practiced Psychology

In both cases, the acts for which the impeachment of each of that pair, and both together, might be sought, are of the class of mental disorders: the President's manifest mental incompetence for his present public office, and the Vice-President's public conduct which is fairly described as that of a vicious sociopath. However the process of removal of either or both from office might be conducted, the underlying theme of the relevant inquiry will be consideration of the evidence

of the relevant mental disorders. Although the relevant behavior of both is distinctly "abnormal," this choice of language can not be permitted to imply that what might, presently, constitute evidence of so-called "normal" behavior, would provide the needed yardstick against which to judge the relevant implications of their incapacities. Only exceptional behavior, as typified by the genius shown in an individual's discovery, or re-discovery of a universal physical principle, will suffice.

On precisely this point, Dr. Post's referenced method of argument breaks down for such cases; *contrary to Post's method, in reality, the individual exists, and is developed in a specific historical setting, such that it is that setting, rather than the notion of some abstract personality floating in empty historical space, which presents us with what must be the controlling features of any appraisal of the conduct of leading figures of any historically situated action.*⁷

We are dealing with the present slide into collective sickness, of a nation, our U.S.A., which had emerged earlier from World War II, under the leadership of President Franklin Roosevelt, as the most powerful, most productive economy which had existed on this planet. This achievement under that President, depended in a crucial degree upon the relative uniqueness of his personality in that position of leadership. He accomplished what he did over the opposition of our British ally in the relevant war, and over the menace of those skulking hyenas in our political-financial system, hyenas later referred to by President Eisenhower as a "military-industrial complex," who were prepared immediately, to destroy Roosevelt's work at the first moment he was taken out of office, as by death. The characteristic feature of the entire period since the death of that President, has been the immediate launching of a campaign to defame that President, a defamation which favored that thinking of the two remarkable models of a failed President, Calvin Coolidge and Herbert Hoover, who had misled the U.S.A. into its participation in a great economic depression.

Subsequently, two decades after President Roosevelt's death, during the latter half of the 1960s, the United States underwent the beginning of a decades-long "cultural paradigm-downshift," which led the nation into becoming, over approximately four decades, the virtually bankrupt U.S. economy of today. The characteristic of the most recent, approximately forty years of U.S. economic history, has been an increasingly vigorous effort to uproot each and every principle on which the successes of the Franklin Roosevelt Administrations had been premised. The "military-industrial complex's" sponsorship of the campaign by the Congress for Cultural Freedom, against the "authoritarian personality," was an expression of that "complex's" hatred, and fear of the memory of President Franklin Roosevelt which they shared with former Prime Minister Winston Churchill.

for peace and friendship can be strengthened and blossom anew." Heinrich Steiger in *Essay Volume I: 1648 War and Peace in Europe*, Klaus Bussman, Heinz Schilling, eds. (Münster/Osnabrück: 1998), p. 438.

7. This refers, inclusively, to the commonplace, pervasive error of judgment also encountered in the referenced Post-Robins text.



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President Franklin D. Roosevelt and Prime Minister Sir Winston Churchill during a wartime conference. While forced into an alliance to defeat Hitler, the two men represented fundamentally different political standpoints. No sooner was FDR dead, than Churchill launched the campaign to undo the American President's legacy.

As a consequence of that mass-misbehavior of this nation, in rejecting the Franklin Roosevelt legacy, in that way, we are ruined today. The performance of the Bush-Cheney Administration has been awful, but those ruinous policies, and the electoral victories of those candidates, and the selection of such candidacies by that party, and the behavior of the citizens in the election, came about as a product of decades-long, downward trends in our national culture, trends by which we, as a nation, have ruined ourselves, especially since the late 1960s.

We are dealing, thus, with a situation in which the selection of the Bush-Cheney Administration has occurred as the consequence of a cultural pattern of increasingly sick quality of mass-misbehavior, implicitly by effects of the combination of the moral decline among a growing majority of our population, over a period as long as four decades, or, from a higher, longer-ranging view of that process, since the untimely death of President Franklin Roosevelt. This decline was chiefly the net result of either active decadence or political abstention among the majority of the population.

With those historical facts now taken into account, two related, but distinct types of errors would be implicit in an ordinary person's reading of Dr. Post's argument. We must think carefully about the nature and the required prevention of those errors. Sometimes, as now, even the best of currently accredited, expert psychopathology usually fails to diagnose the functional nature of the problem adequately. As I shall point out here, below, the frequent failure of the relatively

best current practice of psychology, is that it is premised upon an *axiomatically mechanistic* (e.g., Cartesian) misconception of the place of the function of the individual in society, rather than appropriate insight into the functionally determining, reciprocal, *dynamic* relationship of the cognitive individual to society as an historical process undergoing continuing change of its characteristics.

So, it was the centuries' long history of the Habsburg house, since Venice appointed it to use marriage as a weapon of dynastic rape for destroying the heritage of the Emperor Frederick II, which produced that pathetic fool of an Austrian Kaiser who made possible the unleashing of the plan for World War I crafted by Britain's utterly despicable Edward VII. The individual psychoanalysis of that admittedly pathetic Kaiser, has no relevance unless it is situated within the historical process which gave birth to such a pitiable, self-doomed monstrosity as the Austro-Hungarian regime of that

time. It was, in general, the culture which tolerated the post-1815, reactionary system of "the crowned heads of Europe," which made possible, with the aid of so-called parliamentary systems, the persistence of that embedded cultural tendency for the self-inflicted ruin of Europe, which, in turn, made possible the way in which today's Europe has, once again, lurched toward the precipice of self-destruction.

It was for such reasons that the Seventeenth-Century colonization of Massachusetts was launched from Europe, to free the best achievements of European culture from the oppressing, rotten legacy of the presently reigning European tradition. It was the grounding of our struggle for independence, in that tradition, which enabled us, with admittedly great difficulties among ourselves, to craft the truest model of a modern republic as our constitutional system,

From the standpoint of the relevant correction, away from Cartesian-like, mechanistic models of the individual in society, such as that on which Dr. Post's mechanistic rationalizations have largely depended, and, into the relevant dynamic view from the standpoint of historical development of cultures, and within cultures: *the basis for all competent systems of law is located in the subject of that specific quality of immortality which sets the human individual apart from the category of Hobbesian-like, Thrasymachus-like beasts, beasts such as those of our contemporary so-called "neo-conservative" followers of Chicago University's malignant protégé of the Nazi "Crown Jurist" Carl Schmitt, Professor Leo Strauss, or the Bush-Cheney pair.*



Harvard University Portrait Collection



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Leaders of the Massachusetts Bay Colony, left to right: John Winthrop (portrait by John Singleton Copley), Increase Mather, and his son Cotton Mather. "The Seventeenth-Century colonization of Massachusetts was launched from Europe, to free the best achievements of European culture from the oppressing, rotten legacy of the presently reigning European tradition."

This quality of immortality is expressed by the notion of the *idea* by such followers of the Pythagoreans as Plato, and most emphatically by the Christianity of the Apostles John and Paul, as by the devoutly orthodox Jew, Moses (Dessau) Mendelssohn, who played a leading role in catalyzing the Classical renaissance of Europe's late Eighteenth Century. This ecumenical conception of personal immortality of the human individual, has been, for example, the essential standpoint of all my discoveries as a follower of the Gottfried Leibniz, who contributed a crucial, central premise of both our Declaration of Independence and Federal Constitution. Thus, as I have shown for a science of physical economy, the proper notion of self-interest of the mortal human individual, is located in the immortal aspect of individual human existence, an immortality typified in the individual's role as a generator and preserver of society's access to experimentally validatable universal physical and related principles.

The relevant systemic problem of today's mass behavior, is that the notion of a distinct creative act, such as the conscious, willful act of discovery of a universal physical principle, rarely occurs even in today's customary secondary and higher education in physical science. Instead, the benefits of use of a discovered principle are often merely learned, as by such means as textbooks, or abstract mathematical schemes, rather than actually discovered in a way which is a replication of the original act of discovery.⁸

To clarify this issue, I interpolate the following discussion.

8. This is the issue which is typified by Carl F. Gauss's 1799 attack, in his doctoral dissertation, on what he later named the subject of The Fundamental Theorem of Algebra, on the reductionist hoaxes of D'Alembert, Euler, Lagrange, et al.

The Education of Our Young Citizens

Several years ago, as the LaRouche Youth Movement (LYM) was being formed, several of the spokesmen for those young adults challenged me, at a meeting in Reston, Virginia: How shall we gain our education? I replied with a twofold programmatic proposal. "Start with Carl Gauss," I said, referring to Gauss's 1799 doctoral dissertation, in which Gauss exposed the hoax of the empiricist ideologues D'Alembert, Euler, Lagrange, et al. on the subject later referenced as The Fundamental Theorem of Algebra. "From studying that work of Gauss," I continued, "you will discover what is meant by an idea. You can then study history as the history of ideas." Since that time, the result of that program has been notably successful, on the average.

The empiricist ideology of Galileo, Francis Bacon, Thomas Hobbes, René Descartes, John Locke, and the Newtonians, denies the actually discoverable, actual ideas, in the sense that Gauss's life-long adult work defines ideas, but, like Lagrange, substitutes merely formal (algebraic) mathematical formulas within a mechanistic domain like that of Descartes' defective system, for physical principles. The empiricist thus departs from the actual practice of physical science, to a perverted method of interpretation of physical phenomena according to an arbitrary, mechanistic system of avowedly "self-evident" definitions, axioms, and postulates. *That Cartesian method is not the practice of science, it is the practiced ritual of a Delphic, pagan religious cult of ancient Babylonian implications!*⁹

9. Once the implications of a reductionist Euclidean geometry are recognized in the method of Descartes, the extent of corruption of modern scientific and other education by the influence of the application of the Cartesian method to virtually every area of contemporary education, since approximately the

Once the concept of the idea is established through working-through the implications of Gauss's 1799 attack on the hoaxes of the empiricists D'Alembert, Euler, Lagrange, et al., the student back-traces the roots of Gauss's argument to its origins in the work on the concept of *powers* by ancients such as Archytas and Plato, and then traces the implications, forward, of the span from Archytas to Gauss in their outcome in the work of Riemann on, for example, Abelian Functions. Similarly, we treat the same notion of *the idea* as it is expressed in history studied from the standpoint of the development of Classical artistic composition.

The hard core of Gauss's attack on the empiricists, is found in his rejection of the arbitrary treatment of the subject of cubic roots by the relevant empiricists. The problem of cubic roots is correctly approached as a problem in constructive geometry, the problem of constructing, geometrically, a cube double the size of an existing cube. This challenge was famously solved by the Pythagorean Archytas, a friend and collaborator of Plato. The issue was attacked from the standpoint of arithmetic, by Cardan and others, in the Sixteenth Century, with the result of showing a set of what the empiricists came to refer to as "imaginary numbers" among the roots. If one examines the geometrical doubling of the cube by Archytas, there is, contrary to D'Alembert, Euler, Lagrange, et al., nothing merely imaginary about these attempted solutions.

In the work of the Pythagoreans, as of Plato, a line can not be generated deductively from a point, nor a surface from a line, nor a solid from a surface. The generation of upgrades such as the precise doubling of the square and cube, occurs through what the Pythagoreans and Plato define as *powers* (dynamics). These powers have the same connotation as the original discovery of universal gravitation by Kepler, as the discovery of the physical principle of least action (as opposed to shortest distance) by Fermat, and as the catenary function of Leibniz's universal principle of physical least action.

In the work of the sundry opponents of the Pythagoreans and Plato, the notion of powers is pushed aside in favor of schemes such as the alleged self-evident definitions, axioms, and postulates of a reductionist's Euclidean geometry, or Cartesian system. Leibniz's use of the notion of powers (dynamics) in his celebrated exposure of the fundamental error of Descartes in the domain of elementary physics, and in his, Leibniz's, founding of the science of physical-economy, signifies mankind's discovery of the capacity to employ a discovered universal principle as a source of mankind's increased power (higher potential relative population-density) to maintain, and increase the fruitfulness of humanity's existence within the universe.

last decades of the Seventeenth Century, becomes a source of deep insight into the way in which the mental faculties of our educated strata in general, and the hysterical fanaticism which that conditioning has imbued among our professionals. The progress of the LYM implies the unleashing of a vast intellectual potential within our population, if the systemic corruption of Cartesianism were removed from public education.



EIRNS/Finn Hakansson

A LaRouche Youth Movement organizer demonstrates Plato's method of doubling the square, in New York City. Plato's collaborator Archytas solved the knotty problem of doubling the cube—another pedagogical exercise which the LYM has made the subject of day-to-day educational work.

In European science since the Pythagoreans and Plato, the use of discovered powers is the manifestly characteristic quality of the human individual which sets that individual apart from, and above the apes, and all other forms of animal life. The generation of this knowledge of powers, and the perpetuation of this knowledge within the physical practice and culture of society, is the characteristic of the human species which sets man apart from the beasts, as V.I. Vernadsky distinguishes the work of mankind, the Noösphere, from all lower forms of life. It is the creative powers of the individual human mind, so defined, whose existence the empiricists and other reductionists deny, which is the characteristic distinction of humanity, and therefore of society and its cultures.

We identify this principle otherwise, as that principle of immortality which sets man apart from the beasts. The characteristic activity of the individual members of the human species, especially as part of society, is the power of creativity (dynamics) whose existence the empiricists, among other re-

ductionists, deny.¹⁰ It is the transmission of the replicated act of discovery of such principles, which is the uniquely proper basis for a scientific psychology. It is the accumulation of such discovered principles, which defines a human culture, as Vernadsky defines the distinction of the Noösphere from both the abiotic domain and the Biosphere.

Thus, the human individual is primarily acted upon by the relevant culture, but the individual, especially the creative individual, acts upon that culture. The relationship between the two is dynamic, rather than a mechanical sort of interaction between society and the willful individual. Lack of recognition of this interrelationship, is the most common defect of taught and practiced psychology.

I have addressed the implications of these facts in my recent “Vernadsky & Dirichlet’s Principle.”¹¹ The method underlying Vernadsky’s discovery of the elementary quality of the principled distinctions among the domains of the experimentally abiotic principles, the Biosphere, and the Noösphere, illustrates the continuity of a method of fundamental discovery of universal principles, which we associate with the Egyptian origin of Sphaerics, which is continued as the scientific method of the Pythagoreans and Plato, of the revival of Classical Platonic scientific method by the Fifteenth Century’s Nicholas of Cusa et al., and the continuation of the approach presented by Cusa in his *De Docta Ignorantia* as the work which opened the doors for the general continuing development of modern European science through such most notable followers of Cusa as the anti-reductionists Luca Pacioli, Leonardo da Vinci, Johannes Kepler, Fermat, Leibniz, and Leibnizians such as Lazare Carnot, Gauss, Arago, Wilhelm Weber, Alexander von Humboldt, Dirichlet, and Riemann.

The Ontology of Creative Action

The common characteristic of the rejection of the form of scientific illiteracy which is known as the reductionist methods of phenomenology, is overturned in exemplary fashion in what I have emphasized, in an earlier published location, for example, as the implications of the definition of the Biosphere and Noösphere by that celebrated follower of Mendeleev, Pasteur, and Curie, Russia’s biogeochemist Vladimir I. Vernadsky.¹²

Vernadsky’s method is a consistent expression of the method of Nicholas of Cusa’s founding of modern experi-

mental physical science, as the method of such explicit followers of Cusa as Luca Pacioli, Leonardo da Vinci, and Johannes Kepler, and also Fermat, Leibniz, Gauss, and Riemann. I summarize the relevant argument once again here, because it provides essential insight into the way in which proven universal principles of natural law are defined, that in the way which comprehension of the issue of constitutional law requires. The crucial issue which must be addressed in this way, for that purpose, is the matter of the precise, ontological definition of *creativity*, as this notion of creativity applies only to two known classes of phenomena: the absolute distinction of the human individual from the beasts, and the scientifically precise basis for the attribution of that quality of a universal personality, the *personality* of an individual known as the Creator.

It is upon this rigorously scientific notion of the distinction of the human individual from the beasts, as in the image of the Creator, that the notion of the actual existence of a body of natural law uniquely depends. The *dynamic* (e.g., anti-Cartesian) method of the Pythagoreans, Plato, Cusa, and Leibniz, is expressed in a uniquely relevant way by Vernadsky’s development of the concepts of Biosphere and Noösphere.

For the sake of economy here, I limit this part of the report to those most indispensable considerations sufficient to make the point of my argument clear.

To begin with, understand that scientific method as such deals with the discovery of the efficient presence of forms of existence which cause, but are not perceived within the bounds of sense-perception. Gauss’s 1799 attack on the hoax of the alleged mere “imaginary” quality of mathematical roots which reflect the action of efficient powers, is a typical point of reference. Gauss’s 1799 work was a defense, in fact, of the way in which evidence of Kepler’s astrophysics, and of Fermat’s principle of least action, had led into Leibniz’s enhanced development of the *ontologically infinitesimal* calculus, with his catenary-cued universal physical principle of least action. The implication, since the time of the Pythagoreans and Plato, has been that universal physical principles are not directly objects of sense-perception, but are *the efficient principles known for their effects* in generating certain crucial types of phenomena within the scope of sense-perception. Since no later than those ancient times, *science has meant the discovery and willfully effective employment of those efficient higher principles which cause effects known to the senses, but principles whose existence are not themselves directly objects of sense-perception.*

In the founding of modern physical science, this was the principle on which Cusa premised his *De Docta Ignorantia* and subsequent works in this domain. Kepler’s discovery of universal gravitation, Fermat’s discovery of the principle of least action (e.g., “quickest time”), and Leibniz’s catenary-cued principle of universal physical least-action, are prime examples of this principle.

The study of the successive work of Pasteur-Curie and

10. In the Alice-in-Wonderland world of empiricism, the denial of the functional existence of a distinct quality of ontological event rightly named creativity, takes the form of asserting that “creativity is whatever I choose to define it to be on any occasion of my personal, capricious choice.” For them, it is only a matter of a “difference in opinion,” an hysterical assertion which is intended to outlaw any critical assessment of the matter, as, perhaps, in the name of “democracy.”

11. Lyndon H. LaRouche, Jr. “Vernadsky & Dirichlet’s Principle,” *EIR*, June 3, 2005.

12. Ibid.

Vernadsky greatly expanded the experimental basis for the application of this principle. The general form of the result is as follows.

Begin with the principle of life. Just as Kepler defined gravitation as a universal effect lying outside the bounds of the reductionist method of Aristotle's follower Claudius Ptolemy, *gravitation* is a principle which does not exist as a systematically scientific conception within the bounds of simple phenomenology. So, the universal physical principle of *life* is defined experimentally by existing states of organization of non-living matter which are never generated by non-living processes. So, in other words, life is defined by its manifest, singular efficiency in generating accumulations of fossils which can not be attributed to non-living states. So, *cognition* is defined by the generation of accumulated fossils of a type which can not be attributed to the same processes which produce the fossils of the Biosphere.

Creativity is therefore defined as the principled generation of increase of the power of generation of fossil products of the Noosphere. The mental action which accounts for this can not be attributed to living processes in general, but is expressed in the form of a change in the power which the human individual is able to generate as a quality of upshift in the characteristic rate of qualitative, rather than merely quantitative, growth within a phase of the Noosphere.

This power appears only within the human individual intellect, and never by any merely living processes, nor by collective action of human individuals. This power lies outside the human biological individual, but interacts, efficiently, with it. It appears only in a certain species, man, and has never been known to occur in any other living species. We say, therefore, that the living human form is appropriate for the propagation of this distinctive quality of individual human beings. It is a universal principle which, as a universal principle, seizes, as if infectiously, upon the appearance of the biological conception of the human individual.

As a result, the termination of the life of the human individual does not terminate the existence of the aspect of the human individual which distinguishes that person from the existence of the beasts.

The distinguishing feature of this living human individual, is his, or her generation, or other propagation of communicable knowledge of discoverable universal physical principles, such as those of competent physical science, and contributions to the body of Classical modes of artistic composition. This action within society renders the human individual immortal, just as empirical knowledge of the transmission of such creative actions presents us certainty of the immortality of that quality of deceased individual within society.

This quality of individual creativity is not expressed as a mechanical-like action, but with a quality of passion which the living body is induced to express during the interval of action in which a relevant act of discovery occurs as either an original discovery, or a replicated experience, or even per-

sonal re-experiencing of such a discovery. The replication of valid such acts of discovery, as in defensible programs of education, evokes the specific quality of passion we associate with the "illuminating" sensation of an act of creative mentation. This is the quality embedded in such exemplary, simpler choral compositions as J.S. Bach's *Jesu, meine Freude* and Mozart's *Ave Verum Corpus*.¹³

Here lies the distinction between bestial ("erotic") and *agapic* love. It is that principle of *agapic* love which, implicitly, defines the driving principle of universal natural law. All typical mental diseases express the pathological effects of domination of the personality by the bestial quality we term the erotic.

The Pathology Called Empiricism

The notion of natural law's relationship to human individual creativity, was the quality of the Platonic tradition, as in the Apostolic Christianity expressed by the works of the Apostles John and Paul. It appears as the central feature of the conceptions of natural law and use of language by Dante Alighieri, and is the central characteristic of the Fifteenth-Century, great ecumenical Council of Florence. However, the revival of the power of Venice's financier oligarchy, with the Fall of Constantinople, unleashed the tradition of hate associated with the Roman Empire and the alliance of the Venetian financier-oligarchy with the Norman Chivalry during the period of such crusades as against the Albigensians and by the Norman conquest, an evil which persisted into the medieval Europe's Fourteenth-Century "New Dark Age." The medieval religion of hatred, which was unleashed under the banner of Spain's Grand Inquisitor, almost crushed the founding of the modern nation-state out of existence, until the 1648 Treaty of Westphalia. During the middle of this 1492-1648 interval of horror, there was an internal shift within the ranks of the Venetian financier-oligarchy, with the emergence of the so-called "New Party" of Venice, which was led by Paolo Sarpi. Sarpi was the founder of the "New Venetian

13. When these choral works are performed according to the composer's intention, there are passages which prompt a sense of exquisite beauty in the audience—and the director. This effect is a reflection of the same principle of modality most famously associated with Beethoven's Opus 132 string quartet, and is associated also with the same modality, the pivotal Lydian modality within the *Ave Verum Corpus*. The manifestation of this experience of *agapic* passion assures the director who has crafted the performance that the interpretation of the composition is correct. It is, reciprocally, the function of those modalities which defines the way in which a well-tempered composition must be performed, in order to produce both that moment of passion, and to discover that the crafting of the subtler, model adjustment of tonalities within the performance of the work has been correct, and has caused the entire piece to be experienced as a single seamless idea, from beginning to end. It is that effect which proves to the musicians, and the sensible audience, that the interpretation is a correct reading of the way in which to conduct, as Wilhelm Furtwängler prescribed, "as if between the notes." The principles of the Bach well-tempered system have nothing to do with reductionist mathematics of the scale, but the obligation to evoke the relevant moments of passion in a way which generates that unity of effect.

Party” which became the Anglo-Dutch Liberal system of empiricism.

Through the Anglo-Dutch Liberal Party’s success in luring France’s foolish “Sun King” Louis XIV, and through the British monarchy’s subsequent orchestration of the fratricidal “Seven Years’ War” among the crowned fools of Europe, the British East India Company, under the increasing domination of Lord Shelburne, established itself in 1763 as an empire with the February 1763 Treaty of Paris.

The characteristic feature of Sarpi’s legacy, known as empiricism, was the upholding of the essential, inhuman feature of the Olympian Zeus of Aeschylus’ *Prometheus Bound*. Zeus went so far as to condemn Prometheus, the friend of mankind, to eternal torment, this as a penalty for the offense of providing knowledge of fire to human beings. Paolo Sarpi’s followers did not go quite as far as Zeus. The degree of forbearance by Venice’s New Party was dictated not by kindness, but strategic realities.

The Fifteenth-Century Renaissance, as typified by the work of the Cardinal Nicholas of Cusa who had specified the policy which guided Christopher Columbus across the Atlantic, and as typified by the genius of Cusa’s avowed follower in science, Leonardo da Vinci, had unleashed a ferment of strategically significant technological progress, most notably, by the founder of France’s nation-state, Louis XI, and by Louis’s admirer and follower, Henry VII of England. Under these conditions produced by the impact of the Fifteenth-Century reforms, the new realities of modern warfare did not permit a blanket suppression of scientific and technological progress, a suppression like that which had been the “zero growth” impulse of the medieval old party of Venice.

So, instead of simply banning scientific progress, the followers of Sarpi’s “New Party” attacked scientific progress at its root, by suppressing the science of Leonardo, Kepler, Fermat, and Leibniz. This attack became the systemic mystification known as the Cartesian method and its offshoots, as spread, into the middle of Eighteenth Century, by the network of “Newtonian” salons orchestrated by the Paris-based Venetian agent, Abbé Antonio Conti. The circles of Mazarin and Colbert, including Colbert’s sometime protégé Leibniz, were, until the death of Leibniz in 1716, still a mightily powerful force of resistance to this New Venetian Party attempt to cripple scientific and technological progress.

So, with the approaching death of England’s Queen Anne, the Anglo-Dutch Party of the tyrannical William of Orange and Marlborough emerged for a time as the dominant political force in Europe, until the beginnings of the American resistance, during the years immediately following the February 1763 treaty of Paris.

It was the American and European resistance to the new vigor of Anglo-Dutch Liberal imperial tyranny, which defined the environment of the Classical European renaissance of which the American struggle for independence became, more and more, the central feature. It was during this late-Eighteenth-Century renaissance, that the revival of the scien-

tific tradition of Leibniz occurred.

Science had not died with Leibniz during that interval, but was merely set back significantly after his death. Earlier, in the wake of that 1648 Treaty of Westphalia which was made possible largely by the role of Cardinal Mazarin, France under Mazarin’s protégé Jean-Baptiste Colbert had remained the leader in fundamental progress of European science, until Germany assumed leadership from approximately the late 1820s onward, coinciding with shift of Alexander von Humboldt’s protégé Lejeune Dirichlet from France, to Berlin. The circles of Monge and Carnot had typified the stubborn persistence of the Colbert legacy in France, through the suppression of the most vigorous period of the work of France’s École Polytechnique, prior to the decline set into motion by Napoleon’s adoption of Lagrange, and the ruin of the École under Laplace’s protégé and suspected plagiarist Augustin Cauchy.¹⁴

Gauss, as adopted by the influential Alexander von Humboldt, typifies the continuing, Leibnizian renaissance, which, on balance set, the pace of progress into the middle of the Nineteenth Century. However, with the rise of the British-led orchestration of the destruction of the standards of rigor set by Gauss, Wilhelm Weber, Dirichlet, and Riemann, German science was significantly undermined in the manner typified by the savage campaign intended to drive Georg Cantor mad, and the subsequent World War I-period’s fanatical attack on Max Planck by the positivist followers of Ernst Mach.

Today, with the extreme cultural decadence and relative hegemony of the influence of the radical positivists and existentialists, scientific fertility in respect to matters of physical principle has died out, since the passing of the leading figures of the 1930s, 1940s, and 1950s, and the catastrophic cultural impact of the assumption of leading positions by the “Baby-Boomer” generation whose cognitive faculties had been severely, systemically impaired since as early as the 1950s influence on children and adolescents of the rabidly existentialist, Roosevelt-hating Congress for Cultural Freedom. The collapse of a mass constituency for Classical artistic excellence in music, drama, and literature, as also the plastic arts, is part of the present pattern of virtual extermination of the habits of scientific and other creativity. Thus, empiricism today has reached the point that its methods for crushing creative potential within the population at large, have succeeded all too well in bringing about the self-destruction of the cultures which it has inhabited too long.

This decadence, rooted in the influence of empiricism, has not only largely uprooted the capacity of nations to understand the concept of natural law, but has made the self-destruction of national cultures almost a suicidal goal to be passionately desired by the inhabitants of that decadent culture. The loving

14. One of Niels Henrik Abel’s crucial papers on his contributions to mathematical physics, was taken and suppressed, and some of its content copied without acknowledgment by Cauchy as his own work. At the death of Cauchy, the putatively “lost” Abel paper turned up, in Cauchy’s personal files.



The case of Pericles (ca. 495-429 B.C.) demonstrates that "all but the most exceptionally strong men and women of character are all too easily victims of a popular panic which grips most of a population with a force like that of mass-psychosis."

passion to do good for its own sake, that passion which is the appropriate motive of economic and every other important practice, has been as if ripped out of current public opinion.

2. The Case of Pericles: The Dynamic Evolution of Cultures

Admittedly, unlike our current President, Pericles of Athens could not be classed meaningfully as personally insane; he was an intelligent, accomplished public figure, who had the historical misfortune to be an integral part of the imperialistic, Sophism-polluted culture of ancient Athens at that time. He was part of the ruling culture of Athens, composed of accomplices in the decision, nearly two and a half millennia before Prescott, George H.W., and George W. Bush, to impose an arbitrary imperial authority over its allies, like that which the Anglo-American Margaret Thatcher and George H.W. Bush governments claimed at the point of the collapse of the Warsaw Pact alliance.

The decline of Athens from its moral high point under Solon, to its descent into political ruin under Thrasymachus, with the launching of the ruinous Peloponnesian War begun under Pericles, is an image paralleled by the folly which overtook the U.S.A. in the transformation which led, from the death of President Franklin Roosevelt, to the post-1989 new imperialism of President George H.W. Bush's partnership with the governments of Prime Minister Margaret Thatcher and her party's virtual ownership of the French government of de Gaulle-hating, Germany-hating François Mitterrand.

The wild-eyed fantasy of the "The End of History" dogma of neo-conservative Francis Fukuyama, expresses a worse

than Athenian imperial lunacy, one which had reached its stretching of limits of historical obscenity under the lunatic partnership of Britain's true successor to Maggie Thatcher, the infinitely depraved war-lords, Prime Minister Tony Blair and his would-be-Nero partners in crime, the Bush-Cheney pair.

Consider some related clinical cases which typify the evidence which must be considered to understand the reciprocal relationship between the individual's action to introduce changes into the culture, and the way in which changes in the culture are effected: not only the way in which the behavior of the individual members of society is changed, but how that changed behavior of individuals, especially leading individuals, may change the characteristics of the culture. It is the implications of changes in culture, not personalities as such, which are to be treated as the primary concerns governing the way we must read our constitutional law.

As in the case of Pericles, the hysteria of a mass of people which has been caught and seized by a torrent of moral decay, grips all but the most exceptionally strong-minded men and women of principle, with a force bordering upon mass-psychosis. We witnessed this in the capitulation of the Senate to the torrents of lies from Dick Cheney, in authorizing an anti-constitutional launching of the United States into the presently hopeless, rapidly worsening quagmire of Iraq. In other words, to understand why the Senate was panicked into capitulation to Cheney's lies, we must take into account now, as in the case of Pericles, how all but the most exceptionally strong men and women of character are all too easily victims of a popular panic which grips most of a population with a force like that of mass-psychosis. We must not be so childish, as to overlook the dynamic characteristics of social processes, within which the individual acts as both the source and interacting consequence of the actual dynamics of the historical-cultural process as a whole.

As in the case of Pericles' Athens, the name of the moral corruption which played the role of a virtually psychotic panic was the same disease of Sophistry expressed by that Democratic party of Athens, which accomplished the judicial murder of Socrates. This was a Sophistry akin to that reborn within the children of those U.S. family households of the 1950s and 1960s, which were bombarded by the combined influence of the terrifying late 1940s mobilization for "preventive" nuclear war, and "McCarthyism," and the impact of the Congress for Cultural Freedom (CCF). The CCF's campaign of wild-eyed lying about history and its promotion of the corrosive form of Sophistry associated with its leading German expression, the so-called "Frankfurt School," typified that indoctrination of the children of terrified suburbanites and the like of the 1950s and 1960s, resulting in the spread of moral and cultural depravity among what is called the "Baby-Boomer generation" of the middle to late 1960s and the 1970s.

The result of this conditioning of the affected portions of the general population, is a variant of what I have often described as "the fishbowl syndrome." The affected popula-

tion adopts a set of mixed reasonable and absurd assumptions as more or less axiomatic elements of “self-evident” patterns of belief. Any reality which is experienced from outside the range of such adopted assumptions, is ignored, or actively rejected in a way which tends to mimic what we would recognize as hysterical flights from reality like those associated with actual functional psychosis. This set of belief-structures excludes the possible existence of anything which does not fit within the bounds of what the “fishbowl syndrome” allows to be considered as “credible.”

In the case of a form of mass-psychosis such as Sophistry, the characteristics of the Sophists’ or kindred expressions of disbelief, are largely shaped by the fact that the excluded evidence denies the Sophist the ability to actually prove any of those of his propositions which has been excluded, on principle, by the logic of the “fishbowl syndrome.” Thus, the Sophist finds a substitute for truth in what he assumes to be popular opinion, on the assumption that the Sophist’s delusion is shared, more or less actively, by other lunatics like that Sophist himself. For example: “I didn’t see that in the media,” therefore means, for the Sophist, “it never happened.” For the poor Sophist, the U.S. economy lurching into a general, increasingly, physically impoverished state of national bankruptcy, is worshipped as on its way to ever-mounting riches, if only because the latest batch of fraudulent “market reports” insists, like the 1931 election-campaign propaganda of President Herbert Hoover, that “prosperity is just around the corner,” with “a chicken in every pot.” (After 1968, the comparable slogan would be: “there will soon be pot in every chicken.”)

So, that type of syndrome which had led, earlier, into the Peloponnesian War’s collapse of ancient Greek civilization, as, now, the current Bush-Cheney regime, has apparently led the U.S.A. now into needless, self-ruinous, spreading warfare, as already in Iraq and Afghanistan, from which no true Anglo-American victory could be secured. That Bush-Cheney regime has played a leading role, together with Liberal Imperialist Blair’s controlling financial establishment, in leading the planet as a whole into the implicit doom of the presently onrushing collapse of the global Anglo-American system of shared hegemony.

So, the not-so-surrogate war in Afghanistan, launched under the auspices of the Trilateral Commission’s Zbigniew Brzezinski, and fought, as by Vice-President George Bush and Britain’s Jimmy Goldsmith, against “the soft underbelly of the Soviet Union,” has become the virtually hopeless, permanent state of drug-traffic-financed irregular warfare pouring out of the “failed state” of consequently ruined

Afghanistan, into neighboring Central Asia and Transcaucasia, and into Ukraine and beyond. This warfare is still backed by the U.S. and British not-so-really-covert forces. Meanwhile, all the Anglo-American irregular warfare in progress sucks the U.S. military and other capabilities dry, while a concert of firms which virtually own as much of the soul as the Bush-Cheney Administration has, such as Halliburton, suck the U.S. Treasury dry.

So, the post-1989 triumphalists, such as President George H.W. Bush, who claimed credit for the break-up of the Soviet bloc-system, after it had already occurred, had been the same crew which proclaimed such a development as that breakup, as not in sight, even just months prior to that development as a completed fact.

That case of the SDI has pivotal importance, still, for understanding the situation of the world as a whole today.

The Lesson of the SDI

I can say what I say about George H.W. Bush and the SDI case with special authority, since I was the author of what President Ronald Reagan had named his “Strategic Defense Initiative (SDI),” and I was the one who forewarned the Soviet government, in a meeting in February 1983, through the back-channel I was conducting in the President’s interest, that if the President were to offer the Soviet government the proposed negotiation which I had outlined to the Soviet government as under consideration, and the Soviet government were then to flatly reject that offer by the President, then the Soviet system would collapse, for chiefly economic reasons, “within about five years.” The President made the offer a few weeks later, and Yuri Andropov rejected it, without discussion. The Soviet



EIRNS/Stuart Lewis

LaRouche and Ronald Reagan during a 1980 Presidential campaign debate in New Hampshire. Three years later, Reagan came out in support of LaRouche’s plan for a new era of “mutually assured survival,” premised on strategic defense (which Reagan named the Strategic Defense Initiative).

Union soon collapsed, approximately as I had forecast the probability that this would occur.

I was thereafter hated by the Soviet government, by most of the opponents of the SDI within the Reagan insiders, and by the leadership of the Democratic Party. I was hated so, because I had succeeded in carrying my proposal so near to success, that had the Soviet government simply agreed to explore the implications of what I had proffered and what President Reagan had officially affirmed, this would have reversed the disastrous course of those factions' long-standing, conflicted, but impassioned emotional investment in the post-Franklin Roosevelt, so-called "Cold War" great game. My various opponents' investment in hatred of one another had become far more precious to them than the continued existence of civilization. This opposition to SDI from within much of the Reagan Administration itself, and the wild-eyed opposition from leaders of the Democratic Party, was despite the wide support I had gained for my initiative, not only in relevant circles within the U.S.A., but among senior military circles in the U.S.A., France, Germany, Italy, and elsewhere.

Consequently because of my stunning near-success in my collaboration with the relevant inner circle associated with President Reagan in this affair, I became a target of the circles of Vice-President George H.W. Bush, within the U.S.A. It was the fear of my demonstrated potency, combined with this hatred, which was the sole cause for the way I came under attack in the end of March 1983 through 1989. For that reason, and that reason alone, the secret "internal security" apparatus within the Justice Department, bent and broke virtually all rules, over more than a decade, debating whether it were more advantageous to have me simply assassinated, or, to hope that a successful, fraudulent conviction, and prolonged, early imprisonment, on either one concocted pretext, or another, would eliminate me as a significant factor in our national life. So, for that reason, and that reason alone, during a time from no later than late 1983, and beyond 1989, I was, for the same reason, the target of proposed assassination, or imprisonment by elements of the United States, and, at the same time, the target of frequent, blatant, widely published, 1986 demands for such action, issued by the Soviet government of General Secretary Gorbachev.

I was sent to prison after a series of attempted legal frame-ups in January 1989, little more than six months before the Soviet system collapsed. Thus, just a little more than six years after my February 1983 forecast of "about five" years, the Soviet system began its disintegration. It is also notable, that



U.S. Army/Staff Sgt. Charles B. Johnson

U.S. soldiers in Fallujah, fighting in the rapidly worsening quagmire of the Iraq War.

in a Columbus Day press conference in Berlin's Kempinski-Bristol Hotel, on October 12, 1988, I had warned of an immediate threat of a collapse of the Comecon states, beginning with Poland; that press conference was broadcast on a national TV network later that same month.

Meanwhile, in the U.S. government itself, President Ronald Reagan had become, quite independently of my initiative proposed to him, sincerely in support of what I had proposed he proffer to the Soviet government. Over a long time, World War II veteran Reagan had been passionately, and publicly opposed to the system which he associated with the Henry A. Kissinger, whom he openly denounced and despised on this account. That was the coincidence of belief and related commitment on which the Reagan Presidency's acceptance, and subsequent support of my proposal had been based, in opposition to the Heritage Foundation's Daniel O. Graham's technologically lunatic, "spoon bender's" concoction, High Frontier. He, in effect, bought what I proposed, which he named SDI, because that represented a verified way of achieving a goal which had been long-standing with him: the end of the Satanic lunacy of a system of terror based upon what he denounced as "revenge weapons."

The SDI was, in fact, the only existing option with a reasonable expectation of both avoiding the nuclear-warfare threat, which was an active military threat into 1989, and for also reversing those downward trends in the U.S. and European economies which had been unleashed by the Nixon Administration's wrecking of the Bretton Woods system. This was the only actually presented means for actually reversing the 1977-1981 wrecking of the U.S. internal economy under Brzezinski's role as successor to Henry Kissinger in



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The Peloponnesian War, launched by Pericles, was as foolish as the war undertaken by Bush and Cheney in Iraq today.

coordinating the wrecking of the protectionist system which had been the secret of U.S. economic success, both under Franklin Roosevelt, and in the success of President Dwight Eisenhower in staving off the worst of the measures proposed by elements of the “military-industrial complex” within his own administration.

The palpable “secret” behind the SDI, and of my unique role within that project, was not so much weapons of warfare, as the kind of plain, old American principles of agro-industrial scientific-technological progress and fair trade, which had repeatedly brought the U.S.A. to a position of world leadership among national economies. The palpable “secret” of the SDI was, therefore, not really a secret, but was a well-established fact of the superiority of the Hamiltonian aspects of the American System of political-economy which had been copied to great advantage by Bismarck’s Germany, Meiji Restoration Japan, and others, from approximately 1877 on, based on admiring studies of the demonstrated superiority of the post-Confederacy, American System of political-economy, as of Hamilton, Frederick List, and Henry C. Carey, over all the rival economic systems of the world.

As France’s Louis XI had demonstrated so brilliantly, the best-won wars are those which were not fought, because one cultivates and deploys one’s margin of advantage to be generous, to bring the actual or potential adversary into cooperation for reason of no explicit inducement but his advantage in accepting that arrangement. That is real strategy, which the present Bush-Cheney and Blair governments, in their devotion to virtually brainless folly, have effectively outlawed for as long as their incumbency were tolerated. Make one’s nation superior in the matter of the good things of life, and be thus

generous in ways which are to the common advantage of all involved. Outlaw Thomas Hobbes, and learn the wisdom of Mazarin and Jean-Baptiste Colbert. Avoid, as Colbert advised, the colossal folly of Louis XIV’s embrace of the decadent, and implicitly treasonous Fronde.

In the case of the Soviet Union of the post-Franklin Roosevelt era, the proverbial “Achilles’ Heel” of the post-Stalin Soviet Union was the virtual technological “Oblomovism” of the bureaucratized, hyper-ideologized, civilian sector of the Soviet economy under the reign of the reductionist folly of “Diamat,” as contrasted with the virtual scientific-technological miracles of the Soviet science-driven military capabilities. The crucial point of my argument, from late 1977 on, was that if the U.S.A. and the Soviet Union harvested their joint potential for developing scientifically feasible modes of effectively high ratios of effectiveness against the net strategic success of any strategic ballistic missile launch, an agreement to that outlook would turn the U.S. economy back from the precipice of technological stagnation and collapse, and would channel the Soviet economy’s civilian sector into defeating the Soviet population’s worst internal enemy, the wide spread of anti-progress “Oblomovism” in its civilian production and basic infrastructure sectors. The sharing of these new, forcibly developed technologies for civilian purposes world-wide, would result in a revolutionary transformation of the condition of world society in directions consistent with the achievements of the American System of political-economy.

This option, which the now recently deceased Dr. Edward Teller described, on one 1982 occasion, as a shift from conflict into service to “the common aims of mankind,” was the purpose of SDI. The special political problem we faced from

inside the Soviet apparatus itself, is that the Andropov regime's leadership no longer embodied what pragmatic old socialists would have regarded as human objectives respecting peace and the task of improving the general conditions of life throughout this planet. The seeds of massive corruption later expressed by those Andropov-sponsored, British-trained young apparatchniks who became typical of the billionaires looting the post-Soviet system, were already an expression of the deep moral corruption which prompted Andropov's out-of-hand rejection of President Reagan's generous proposal, a proposal which expressed that President's long-standing hatred of the system of "mutual and assured (thermonuclear) destruction (MAD)," which Mr. Reagan had associated loudly, passionately, and appropriately with the exemplary, rather hateful personality of the predatory Mr. Henry A. Kissinger.

The defeat of my own and President Reagan's effort to get us all out of the nightmare, automatically ensured a Soviet crank-up of military options such as the Ogarkov Plan. It was that on which I focussed attention in warning my Soviet discussion-partner against the rejection of a proffer of a crash program of strategic nuclear anti-missile defense, in warning him, in February 1983, that a rejection of such an offer made by the President would result in a military-expenditure-driven collapse of the Soviet system "in about five years." By that time, the Soviet Ogarkov Plan as such was dead, but the folly it had expressed had lived on. The Soviet folly of keeping the World War III option on the program, was actually more on the side of the U.S. factions which opposed the SDI, than the Soviet government. Had we pressed the proposal originally presented by President Reagan on March 23, 1983, we could have won acceptance to SDI from the Soviet side.

When the can known as the East German Communist regime's plans and capabilities was opened, after the close of 1989, our side discovered that the plan for the Soviet attack overrunning Germany in a very short time, was on the virtual launch-pads, at the time of the fall of the Wall, for the immediate period ahead.

The stupidity of those who did not back President Reagan in this matter of SDI, and the worse stupidity and corruption of the Andropov regime, is now, factually, outstanding for all who will honestly reflect on the evidence now in hand. The rejection of the President's proffer to Andropov, and the aggravating factor of sabotage of that effort from within leading circles inside the U.S.A., was the turning-down-point, after which the internal situation of the U.S.A. has become consistently worse in the long term, ever since.

However, stupidity of a quality verging upon criminal qualities of willfully reckless folly, such as the rejection of SDI, is nevertheless an included characteristic of certain phases in the evolution of culture, as was the case with the history of Athens, from Pericles through the original model for Defense Secretary Donald Rumsfeld and his Straussian pack of "neo-con" chickenhawks, Thrasymachus.

The next big step downward from the Thatcher and Bush

of 1989, was the Blair and Bush-Cheney of January 2001. To understand how this phase of the post-Roosevelt pattern was shaped, we must look back to the time that the grandfather of our incumbent President, Prescott Bush of Brown Brothers, Harriman, in concert with the Bank of England's Montagu Norman, led the pack putting Adolf Hitler into power in Germany.¹⁵ This support for Hitler from among Anglo-American bankers, who, like Harriman, later turned against him, is of crucial importance for understanding U.S. politics today. This Anglo-American financiers' early 1930s enthusiasm for Hitler, had been prefaced by Winston Churchill's accomplices, when they used a British intelligence asset from Young Turk days, Venice's banker Volpi di Misurata, as the intellectual architect of fascist dictator Benito Mussolini's crafted rise to power in Italy. History is a process, and that process has a history.

So, the British imperial crown prince, later Edward VII, played a leading role in a replay of the London-orchestrated Seven Years' War which had established the British East India Company of 1763 as an empire in fact. Edward VII thus followed precedent in pre-organizing what became World War I.

Nevertheless, to answer the question posed by some: "Does history repeat itself?" The answer is, "Never; history is a dynamic, not a mechanistic process."

The Dynamics of Culture

It is absurd to speak of a *culture* of apes, or, as implied by the account which First Lady Laura Bush delivered to the 2005 Washington White House Correspondents' dinner, of the incumbent President. (According to accounts of observers, the President himself received his wife's bit of attempted humor with a quality of desperately feigned aplomb which shrewd and enlightened observers might have attributed to his attempts to resist the lure of an attack by aggravated crotch-itch.) *In polite conversation, even on ceremonial occasions, one does not speak publicly of "the culture" of our nation's highest-ranking dirt-triker, President George W. Bush, Jr., helicopter beanie, and all.*

The distinction of the individual member of the human species is the power of reason, the ability to generate an act of discovery of a universal physical principle whose existence as an entity lies beyond the shadowy bounds of mere phenomena. The degree to which the human species' behavior has risen above the level of imputable culture of a rutting, adult male chimpanzee, what we may properly identify as culture is entirely a product of that creative mental faculty uniquely specific to the species of the human individual.

The individual mind's creative action, through discoveries of universal physical principle, is expressed, simultaneously, in four types of ways. First, man's actions in successfully changing abiotic processes in ways which define these

15. One would not say that President George W. Bush, Jr. came by his lunacies "honestly."

changes as an integral part of Vernadsky's Noösphere. Second, man's changes in the ordering of the Biosphere, changes, such as mining the fossil accumulations within the Biosphere, which are then also changes within the Noösphere. Third, man's changes in the principled ordering of the Noösphere itself, including man's changes in himself, and changes in the principled orderings of social relations, such as social systems as such, within the Noösphere.

These changes include the reciprocal effects of the reaction by the abiotic domain, the Biosphere, and Noösphere on the condition of existence of the society, and the individual person within society. These relations are ordered, in fact, by underlying, discoverable universal physical principles of a class which are not phenomena from within the domain of mere sense-perception as such.

All of these and related kinds of changes, effected through voluntary choices of modes of action, including avoidance of appropriate modes of reaction, are an integral part of the Noösphere. This is the proper choice of meaning for the term "culture." Outside this set of relations, there is no existing expression of culture. The ultimate measure of the effects so generated, is the physical standard of rate of increase (or, decrease) of the long-term potential relative population-density of the human species considered in part, or as a whole. *Culture is a dynamic, not a mechanical system. Culture is, essentially, the reflection of the interaction of discoverable universal physical principles.*

So, the past, as a part of, or complement to the accumulations of basic economic infrastructure, acts upon the living individuals. Those accumulations are the premises which shape the challenges to which the present moment of society must respond. So, the individual, in one time and place, stands upon ground which is never the same ground on which earlier generations stood; only incompetents would be foolish enough to base thinking about the individual in history on the silly presumptions of Plutarch, that Delphi priest of Apollo's comparisons of the lives of famous persons from widely differing times and places. Here lies a key to bear in mind when confronted by the method used by Dr. Post. Every responsible, competent leading figure in history is responding to a history which is always different in species than any significant chunk of preceding history, in his or other person's cultures. History is essentially dynamic, never mechanical, as Dr. Post's method implies the latter.

Since these conceptions which are presently demanded of us by circumstances, were developed as products of European civilization, with only some included effects from outside European cultures as such, taken into account, it is necessary, and appropriate that a person who is himself chiefly a product of European civilization, limit his claims chiefly to comprehensive knowledge of a scientific quality respecting culture, to the evolutionary process of millennia of the relatively well-known European culture since about the time of Solon of Athens and the Pythagoreans.

How valid are the conclusions which might be obtained

within the scope of that approach? A competent answer to that question can be supplied only to the degree that we limit the premises of our conclusions to "factors" which can be securely defined as knowledge of the quality which astrophysics, for example, demonstrates by presently known discoveries of universal physical principles. By physical principles, we mean principles expressed as reflections of universal types of physical effects.

No more in the nature of preliminaries need be added at this point of the account. Shift our attention now, to the principal features of the evolution of European culture over the period of somewhat more than about 3,800 years, a period encompassing the time of the interaction, including that by wars, among Egypt, Babylon, and the Hittites of central Anatolia, but with all of these overshadowed by the still more ancient, towering culture of the great pyramids of Egypt.

The development of European culture against that background is, characteristically, a continuing conflict between the struggle for the cultivation of the freedom of human reason within society, and the opposing, brutalizing effects of the kind of imperial systems which are traced, in European history up to the present day, in the recurrent efforts to loot and oppress the majorities of populations through practices known as "imperialism," or, today, the form of neo-Venetian imperialism known as world government, or as "globalization."

The reactions of ancient Greek culture, with its own internal cultural conflicts, to the pressures of imperialism, are associated, chiefly, with the struggle against the principal enemies, the Persian Empire and Tyre, and later the Roman imperial systems and their successor, the ultramontane system based on a curious partnership of the Norman Chivalry with the Venetian financier oligarchy. The British Empire, and the present floating-exchange-rate form of the IMF and World Bank, and the drive, as by the Siena Group's Robert Mundell, toward the revival of medieval ultramontane tyranny in the form of replacing sovereign nation-states by "globalization," are typical contemporary outcomes of neo-Venetian depravity.

To set the stage for the emergence of the role of the Classical phase of Grecian culture, it is sufficient to say for our purposes here, that the clearer continuity of the history of European civilization begins about 700 B.C., by which time a revived Egypt defended itself by patronizing the Greeks in the eastern Mediterranean, as allies against Tyre, and the Etruscans in the western, as allies against Tyre's colony based in Carthage. See, in the backdrop, the legacies of the Babylonian and Persian empires which menaced Egypt and Europe from the east. From the standpoint of culture, the leading positive impulses into ancient Greece of this period, and beyond, come from Egypt, as the role of Sphaerics in Greek culture attest; whereas, prior to the rise of the power of Rome in the Mediterranean generally, the menace comes chiefly from Southwest Asia, from the living legacy of Babylon and the Achaemenid Empire.

3. Science, Love, Culture & the Individual Mind

The root of Classical European civilization, is the principle that the mere phenomena which the illiterate person associates with “sense-certainty,” may be real experiences, but, at their best, are no better than essentially shadows cast upon sense-perception by the action of what are, for him, chiefly unseeable agencies. Ignorance of competent methods of science are as deadly on this account as any ignorance of today’s usually neglected realities of political history.

On the contrary, unlike today’s usually poorly educated intellect produced by our schools, universities, and mass media, the Classical Greek thinkers, such as the Pythagoreans and Plato, were influenced, on this account, by ancient Egypt’s definition of science as what those Greeks termed *Sphaerics*. This Egyptian conception, rooted in the development of the conception of cycles adduced from astronomical exploration of the universe around the Earth, supplied the birth of Classical European science with the crucial conception on which the possibility of a physical science depends: the concept named *universality*. This notion of universality is approximated by thinking of the unseeable real universe known through its projected effects upon the depth of the spherical envelope which is the subject of thorough astronomical study of that great, oceanic-like shadow-world our senses consider as the universe which envelops our existence.

The idea of *universal physical principles* occurred to our known evidence of the explicit opinion of civilized mankind with the discovery of that which modern mathematical physical science commonly refers to as geometrical “singularities,” or what Gottfried Leibniz defined variously as “power” or as “dynamic” processes. A few illustrations of the significance of singularities, so defined, have crucial importance for the reader here, as examples of what we should mean by referring to the quality of the individual’s social-mental activity which absolutely distinguishes the human mind from the behavior of the beasts.

Don’t Monkey With Mankind

Remember always, that in all evidence of known discovery of the idea of universality as an object, universality always had a well-defined physical significance, always expressed in the mental language of geometry, rather than mere arithmetic or algebra. Scientists tend to use arithmetic and algebra for certain purposes, often useful ones. However, only physical-geometrical thinking, rather than any form of mere mathematics otherwise, can actually define the existence of a physical principle in an experimental way.¹⁶

16. The unwarranted assumption, that the “Golden Section” is the principle which generates life, is not implied here. As I have emphasized in summarizing Vernadsky’s definition of the Biosphere, above, the Biosphere as an archeological or related phenomenon of physical chemistry, is known as an

For example, take the fact that a sane mind could never derive the existence of a line, abstractly, from a point, nor a surface from a line, nor a solid from a surface. Physical reality is always expressed essentially—that is to say, *ontologically*, *physically*—as motion, exactly as Leibniz’s presentation of *vis viva* exposed the pervasive incompetence of Descartes on this matter. It is the motion of a point which is a line, the motion of a line which is a surface, and the motion of a surface which is a solid. Such was the notion underlying the argument of Heraclitus and Plato, that nothing exists but a principle of continuing *change*.¹⁷

Generally, although the legacy of the Platonic Academy kept these notions of science as a continuing practice, especially through the time of the deaths of Eratosthenes and Archimedes, the emergence of the Roman Empire, out of a process associated with Rome’s closing triumphs during the Second Punic War, was a cultural catastrophe for all affected mankind. The judicial murder of Jesus Christ by order of the nominal son-in-law of the Emperor Tiberius, and the wave of crucifixions and the comparable acts of genocide, and related horrors perpetrated by Nero and his followers, were the expression of a satanic quality of evil and relative intellectual brutishness. So was the period of the domination of Europe by the ultramontane co-regime of the Venetian financier oligarchy and the Norman Chivalry. It would therefore be difficult to regard as, in any degree, an exaggeration, the use of “Renaissance” to characterize the Fifteenth-Century birth of modern Europea which led the planet into the generally upward development of modern European culture.

Nor, even considering some heroic achievements by European culture within the dark medieval age, can the developments leading into the great ecumenical Council of Florence be regarded as anything less than the greatest set of events in all modern centuries since. Nicholas of Cusa’s *Concordantia Catholica*, which superseded Dante Alighieri’s *De Monarchia*, was indispensable in the founding of the modern commonwealth form of sovereign nation-state, just as Cusa’s *De Docta Ignorantia* was the founding work of modern experimental physical science. The comparison of these developments, and their outcome, with the grandest achievements of the Greece of the Pythagoreans, Solon, and Plato, is in no way an exaggeration. Rather, it is a necessary comparison on which we today depend for a confident appreciation of the potential excellence of a mankind which is the only living creature whose essential character is developed in the image of the Creator.

For example: One of the least known, but most crucial aspects of Cusa’s contributions to the modern experimental physical science, appears among his sermons, where he reports an important discovery of a universal principle of physi-

effect, not as the principle of life which the essentially systemic phenomena of Vernadsky’s Biosphere express.

17. The devastating principle underlying the refutation of reductionist sophistry, as by the Eleatics, by Plato, in the *Parmenides* dialogue.



EIRNS/Finn Hakansson

Actor Robert Beltran works with members of the LaRouche Youth Movement in Philadelphia to develop their ability to understand and present Classical drama. Here, they are working on Shakespeare's "Julius Caesar." Classical artistic composition is the expression of *agapē*, as opposed to the erotic pleasure of Romanticism in art.



EIRNS/Finn Hakansson

cal science, his correction of the error in Archimedes' famous attempt at completing the chores of squaring of the circle. This discovery by Cusa was crucial in developing the method by which he laid the methodological foundations for all competent work in modern experimental physical science.

While it is, admittedly, important that the child should be freed from the lunacy of so-called "Euclidean" notions of "self-evident definitions, axioms, and postulates of 'three-dimensional' space," the mastery of the subject of a spherical physical geometry, is only the virtual blackboard on which the actual constructions of physical principle might be demonstrated. Cusa's recognition of the error of Archimedes' approach to squaring the circle was the foundation on which Kepler's discovery of universal gravitation depends: from adducing the implications of an elliptical orbit, Fermat's discovery of the principle of a quickest-action pathway of physical action, and Leibniz's overturning the absurdity of Descartes' pathetic notions of momentum, were recognized in Leibniz's explicit statement of the relevant, catenary-keyed universal principle of physical least-action, as powers in the sense of the concept of *dynamis* specific to the Pythagoreans and Plato.

At first approximation, this approach to the concept of universality, implies patterns of the circular action subtended by the notion of a spherical universality corresponding to astronomy. However, according to the relevant Classical Greeks, the Egyptians had conveyed an additional notion to them, the notion of *universal powers* (*dynamis*) which is the central conception of scientific knowledge in the work of the Pythagoreans and of Plato. Kepler's discovery of the principle

of universal gravitation, is, like Fermat's discovery of a universal principle of least action (e.g., "quickest time"), among the most convenient illustrations of the notion of universal powers by the Pythagoreans and Plato, and among the representatives, such as Eratosthenes, of the Academy of Athens later. It is this principled distinction which distinguishes science from the "flat-Earth" mentalities of Enron styles in both bookkeeping and currently fashionable styles in common gossip.

In addition to such relatively elementary arguments as those, the Pythagoreans (e.g., Archytas) and Plato, demonstrated the physical significance of the principle of continuing motion by elementary cases in constructive geometry, such as the geometric constructions of the doubling of the square, the cube, and the uniqueness of the derivation of the so-called "Golden Section" from the construction of the regular dodecahedron.

One of the most easily accessed examples of this notion of *power*, is Johannes Kepler's uniquely original discovery of a principle of universal gravitation. Kepler's correction of the measurement of the Mars orbit, demonstrated that the orbit was not only elliptical, but that the orbit was constantly changing in each most infinitesimal interval of action, that according to a standard of "equal times/equal areas" of the subtended sector. Kepler's "violations" of the Aristotelean concoction of the Roman Claudius Ptolemy, demonstrated the existence of a universal principle of the quality of what modern usage since Leibniz defines as a *power* (Greek: *dynamis*).

This demonstration of what Leibniz defined as *power*



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Rembrandt, "Christ Preaching." LaRouche writes that Christianity, as emulation of the Creator's love of mankind (*agapē*), as expressed by Jesus Christ, is to be distinguished from "the 'Elmer Gantryism' of Karl Rove's political merchandising of religious belief."

(German: *Kraft*, for the science of physical economy), and, for physical science generally, as *dynamics* (as opposed to *mechanics*), is identical with the notion of power in the work of the Pythagoreans and the dialogues of Plato.

However, in this location, we are not focussed primarily on matters of physical science, except as such material is an indispensable aspect of the task of defining the natural law which must guide the hand of society's shaping of its political life. We must keep a firm grip on the notion of power and dynamics, as those notions pertain to matters of physical science, and, most emphatically, physical economy; but, our emphasis here is on natural law as such, as the U.S. Declaration of Independence and the composition of our original Federal Constitution bear on the subject of the importance of natural law for a world in crisis today.

Power & Passion

These universal powers are associated, primarily, with the emotional experience of an act of insight corresponding to a validatable, replicatable act of discovery of a universal principle by an individual human mind. These specific kinds of emotional experiences also occur with the re-enacting of that experience, and with states of mind associated with a condition of being on the verge of experiencing such a discovery. This experience is associated with the act of *love*, as defined by Plato's writings, as opposed to the notion of *eros*, and as associated with the principle of *agapē*, as also defined by Plato, and also identified, famously, with the Christian sig-

nificance of *agapē* in the Apostle Paul's *I Corinthians* 13. This is also the opposition of Classical artistic composition, the expression of *agapē*, to the erotic pleasure of Romanticism in art. This emotion, corresponding to *agapē*, is also the correlative of the sense of immortality.

That must be acknowledged, in practice today, as the fundamental principle of natural law, and, therefore, of competent constitutional law. That must be always the driving passion guiding decisions bearing upon the notion of required constitutional law, for any specific historic situation in life within and among nations.

These powers, the discovered cause of the shadow-like patterns observed as sense-phenomena, locate the real universe in the unseen, but efficient realm of those powers which are known to the mind in the same way as Kepler's discovery of universal gravita-

tion. Therefore, the lawful ordering of that universe which generates the phenomena of sense-perception, lies within the domain of those discoverable powers. It is the emotion of discovery of the existence of such powers, which provides us a notion of certainty—and, *an emotion of certainty*—respecting the lawful ordering of the universe which underlies the relevant phenomena. This quality of emotion, which is also characteristic of Classical artistic composition, is the correlative of a natural lawfulness, as distinct from the notions of a merely positive law.

In religion, this distinction of *agapē* from *eros*, has been the characteristic division among nominal expressions of "Christianity" in the American experience since the witch-trial obscenity of Salem, and the obscenities of Jonathan Edwards' ranting and raving up and down large lengths of the Connecticut River. It is said of the latter, "Elmer Gantry" type of so-called "revivalist," that more souls were created by the preacher behind the tent, than during the service inside. Christianity, as distinguished by emulation of the Creator's love of mankind (*agapē*), as expressed by Jesus Christ, is to be distinguished from the sheer bestiality of the mobs of ranters-and-ravers at a Ku Klux Klan ceremony, an *auto-da-fé*, or the "Elmer Gantryism" of Karl Rove's political merchandising of religious belief as merely a matter of tradition, rather than actual knowledge of the individual person's relationship, in his or her capacity as a member of a creative species, to the Creator.

There is no way in which this matter of the society's loving

relationship to the Creator is more clearly expressed within the body of universal law, than the commitment to subordinate all law to that central, subsuming feature of our Federal Constitution, the promotion of the general welfare, otherwise named “the common good.” In no place in the history of modern European law is this expressed more clearly than in the central principle of agreement on which the 1648 Treaty of Westphalia was premised. Consider the following historical setting of that Treaty.

After millennia of the Olympian, Delphic, and kindred subjugation of most living persons to the condition of human cattle, the Fifteenth-Century Renaissance had brought forth, in Louis XI’s France and Henry VII’s England, a new form of society, called a “commonwealth,” so named in celebration and affirmation of the establishment of a form of self-government by a people in which government subordinated itself, its will, to the service of the general welfare of all of the people and their descendants. Then, the predatory financial-oligarchical forces centered on the medieval residue known as Venice, unleashed religious warfare throughout Europe, from the 1492 expulsion of the Jews from Spain, through the persistent horrors of religious warfare throughout the interval concluding with the 1648 Treaty of Westphalia.

The purpose of that orgy of religious warfare, was to return society to a caricature of a medieval ultramontane order, an order like that under the medieval partnership of Venice’s maritime financier-oligarchy with the Norman Chivalry. A similar intention, to suppress and eradicate the institution of the sovereign nation-state, is still the intention behind the present lurch toward stateless “globalization” under financier-oligarchical ruling systems at the present moment of history. This has been, indeed, the intention of the Anglo-Dutch Liberal system of financier-oligarchical rule since the imperial triumph of Lord Shelburne’s British East India Company at that Paris treaty of February 1763, which launched London’s escalating assault upon the existing liberties of the North American English-speaking colonies.

The simple Lutheran hymn which J.S. Bach transformed into the higher form of his *Jesu, meine Freude* motet, captures an essence of the rejoicing of Europe’s liberation from the horrors of man almost everywhere acting as a beast to man, during the course of that 1492-1648 interval. The principle of that Treaty so celebrated, is the individual’s subordination of his or her passions to the imperatives of the love of the people of, especially, the other faith, the other nation.



EIRNS/Stuart Lewis

The Boston LaRouche Youth Movement chorus performs Bach’s motet “Jesu, meine Freude.” This simple Lutheran hymn was transformed by the composer so as to capture an essence of the rejoicing of Europe’s liberation from the horrors of the 1492-1648 wars in Europe.

It is upon that foundation, expressed in Classical Greece of the Pythagoreans, Solon of Athens, and Plato, and the place of that principle of *agapē* in Christianity as presented so emphatically by the Apostles John and Paul, that the ecumenical principle of constitutional law, the promotion of the general welfare, created the specific, principled, historical foundation for the establishment of our constitutional Federal Republic as a conception in law.

This does not eliminate the function of positive law from the decent practice of a society; but, it subordinates the imputable authority of the positive law to the higher, true authority of natural law. A well-crafted constitution should be the projection of the higher authority of natural law upon the domain of crafting of positive law. The application of that notion to any crisis-situation, such as the present phase of a decades-long wave of degeneration of our national culture, should be considered mandatory.

We are implicitly obliged to define the evolution of culture in the same mode.

4. The Threat to the U.S. Constitution

It is this underlying conception of immortality, as associated with our Declaration of Independence’s and Constitution’s explicit rejection of the reductionist doctrines of Thomas Hobbes and John Locke, which defines the outstanding contribution of the establishment of our Federal Republic

to civilization as a whole, as in the crucial role of Presidents Abraham Lincoln and Franklin Roosevelt in making possible the defeat of Benito Mussolini's, Adolf Hitler's, and Francisco Franco's lunges toward an "integrist" form of fascist world-empire.¹⁸ The prevalent lack of political Europe's adherence to this constitutional principle of government, a principle served by our greatest Presidents, left continental Europe susceptible, still today, to the kind of Synarchist International's fascist and related plots which Europe suffered during the 1917-1945 interval. Now, that same kind of sickness which has already overrun various parts, or all of Europe at sundry times, over centuries to date, has now also become an immediate, existential quality of threat to our constitutional republic, that threat now tending to appear among us in a degree not matched since Appomattox.

Essentially, fascism, as the cases of Mussolini, Hitler, Franco, Pinochet, and so on typify this, is not a thing in itself. There are typically fascist modes of behavior, but these are the scabs and pus of political infamy, not the infection which produces fascism as among its symptomatic effects.

I explain the infection, in the following summary of the historical foundations of the conflict which threatens the existence of our U.S.A. rather immediately today. The specific threat to our nation now, is an outgrowth of developments which began with the take-over of Britain in 1688-1689 by William of Orange, and the rise of that Ireland-based portion of the British aristocracy which was developed as a crucial element of future, internal expressions of British oligarchical power during that and the following decades.

The substance underlying the symptomatic features of fascist movements, represents, predominantly, an outgrowth of the Anglo-Dutch Liberalism which was developed as an

18. In a relatively widespread contemporary usage under certain rather far-right constituencies, the use of "integrist" means a state like the notorious Gallican churches of France under Louis XIV and the Emperor Napoleon Bonaparte, which modeled their law on the Roman Empire Constantine's legalization of Christianity as an approved religion within the Roman imperial, pagan Pantheon, but on the condition that he, the emperor, appoint the bishops. Hence, the fight of Christians, such as by the Augustinian tradition, against this condition which Constantine claimed to have affirmed at the 325 A.D. Nicean Council. The *integrist* doctrine of medieval times asserted that that Emperor Constantine had donated the imperial authority over western Europe to the Pope, the mythical doctrine of "The Donation of Constantine," which was proven, during the proceedings of the mid-Fifteenth-Century great ecumenical Council of Florence to have been a hoax. This hoax had been used as the legal basis for the *ultramontane* medieval system of "globalization" under the tyranny of an imperial alliance between Venice's financier oligarchy and the Norman Chivalry. Among today's right-wing organizations built around the Nazis who fled into Ibero-America and elsewhere along the "rat-line" managed by largely Spain-based circles associated with Allen Dulles and the sons of William F. Buckley, Sr., the "integrist" legend is kept up as basis for the errant right-wing Catholics typified by the adversaries of Popes John XXIII, Paul VI, and John Paul II. Under modern law, legitimate religious bodies have the common, protected right of members of an ecumenical set of autonomous, voluntary associations operating within, but independent of government. "Integrism" today occurs predominantly as an expression of fascist associations and ideologies, but the concept underlying "integrist" belief tends, otherwise, to appear in various guises.



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Britain's Lord Shelburne: The successful American War of Independence brought him into direct control over the attempt to defend the Anglo-Dutch Liberal imperial system.

outgrowth of the emergence of the financier-oligarchical party in its guise as the Anglo-Dutch India companies' "Venetian Party" of the late Seventeenth and Eighteenth Centuries. It was that financier oligarchy's reaction against the threat to the kind of *ultramontane* revival of a Venice-style, world empire of financier-oligarchical rule, such as that variety of what is called "globalization" promoted by the Siena Group's Robert Mundell, et al., today.

The essential features of that relevant bit of today's history are as follows.

The successful American War of Independence against the post-February 1763 oppression by the British East India Company, brought Lord Shelburne and his crew into direct control over the attempt to defend the Anglo-Dutch Liberal imperial system against the spread of the influence of the American model throughout European civilization. Shelburne's first notable action in service of that purpose was his 1782-1783 role as Prime Minister in segregating the principal allies of the struggle for American independence, the U.S.A., France, and Spain, from one another, through separate treaties with Shelburne's government. Shelburne's principal target was Louis XVI's France.

However, while the fact that France was a great power of that time prompted Shelburne and Bentham to target the U.S.A.'s former chief ally France as the principal enemy to be destroyed at that time, it was what that new nation, the U.S.A., represented, which was the longer-range threat which impelled Shelburne's Anglo-Dutch Liberal imperialists to focus their attack on France as the pivotal target for the attempted ruin of all of continental Europe.

Already, in 1763, Shelburne had coopted the presently notorious "Scottish philosopher" Adam Smith to his retinue, and had assigned Smith to conduct inquiries which would lead to development of means to destroy the liberties of the North American colonies and the economy of France, as the legacy of Adam Smith has, in fact, ruined the United States—

royally!—during the recent four decades. In 1782, Shelburne led in establishing the British Foreign Office, giving his lackey Jeremy Bentham a key position as head of the dirty-tricks department conducting operations against the Americas¹⁹ and continental Europe. Among Shelburne's key agents in this business were Benjamin Franklin adversary Philippe “*Egalité*” of France and Shelburne's lackey, the Swiss banker Jacques Necker. It was the bankrupting of France's monarchy through the British imposition of the free trade policies of Adam Smith and Physiocrat Turgot, which created most of the leading, ruinous environmental pre-conditions for the French Revolution of 1789.

The way in which Shelburne et al. contrived to bring that French Revolution about, is a key to understanding most of the leading features of world history since the British Foreign Office operations which set into motion the run-up to the events of 1789. British assets Philippe “*Egalité*” and Jacques Necker,²⁰ were the authors of the events of July 14, 1789. Danton and Marat were agents of the British Foreign office, trained in London and deployed into France under the direction of Bentham. Robespierre, London agent and the ancient enemy of Benjamin Franklin, brought the Terror, and Jacobin Napoleon Bonaparte, as the original model for the fascism of Mussolini, Hitler, et al., a model of Napoleon which was invented, by Inquisition enthusiast and Martinist Joseph de Maistre, to play a role like that of Bonaparte the dictator and emperor.

The Napoleonic Roots of Adolf Hitler

Those exotically un-French, British-orchestrated developments in France, have been a central feature of the ugliest pages of world history, over a period from prior to 1789, to the present day. The pivotal feature of these developments was the London-sponsored creation of a cult from among the admirers of Voltaire, the London-backed, Martinist freemasonic order which orchestrated the affair of the Queen's Necklace and kindred ventures leading into the events of July 1789, the Terror. It was this operation by London which was responsible for the creation of the prototype for the later Adolf Hitler, the Emperor Napoleon Bonaparte, a Bonaparte who, with

Murat, was a significantly influential factor in pre-shaping the military (e.g., Jomini) and relevant other policies of the London-sponsored U.S. Confederacy insurrection of 1861-1865. Lord Palmerston's British puppet, Napoleon III, was a product of this Martinist freemasonic cult, a cult which produced the anarcho-synarchist cult known as the French Synarchists, and, later, the Synarchist International, which was the cabal of private bankers, which orchestrated the post-Versailles rise of fascist regimes on the continent of Europe.

Count Joseph de Maistre, a key figure of that Martinist order of that time, was the devil's brew-master who, quite literally, created the future model for Adolf Hitler, not out of mud, but a left-over Jacobin follower of the brothers Robespierre, Napoleon Bonaparte. This is a fact plainly acknowledged by Napoleon himself. Napoleon served as a destroyer of continental Europe, as the British East India Company had orchestrated the Seven Years' War which brought Britain to imperial power at the Paris Treaty of February 1763, just as imperial Britain's financier oligarchy, with its U.S. and other fellow-travellers, orchestrated the unleashing of two wars of similar implications, on continental Eurasia, and beyond, during the Twentieth Century, and also steered the unleashing of the age of nuclear terror from 1945 through 1989.

The original Martinist freemasonic order behind the France affair of the “Queen's Necklace” and both the Jacobin Terror and Napoleon's terror, evolved as the Synarchist movement of the late Nineteenth Century, and the Synarchist International cabal of private financier-oligarchical interest behind the bringing of such creatures as Mussolini, Hitler, and Franco to power during the immediate post-World War I decades.

The radical anarcho-syndicalist “countergang” circles behind “globalization” today, such as the Siena Group's Robert Mundell and his far-flung network of associates, and such others as Teddy Goldsmith, the veteran confederate of the U.S.A.'s John Train in the old *Paris Review* “spook” operations, are an ideological extension of the same Synarchist syndicate of private banker interest which gave the world the earlier dictatorships of Mussolini, Hitler, Franco, and the like.

That Synarchist precedent, which gave us the exemplary Mussolini, Hitler, and Franco tyrannies, is the root, within what President Eisenhower identified as “a military-industrial complex,” of the crisis encompassing those aspects of the roles of Bush-Cheney today which are a presently leading threat to the constitutional order.

The present threat to the Anglo-Dutch Liberal financial-oligarchical-imperialist interest, the threat which our republic's constitutional order represents, is expressed by the presently continuing campaign, by those Liberal interests and their accomplices, against the legacy of President Franklin Roosevelt. This presently continuing campaign was launched, at the close of World War II, at the behest of the same financier-oligarchical circles which had initially supported the installation of the Mussolini, Hitler, and Franco regimes, but had later opposed Hitler's and Mussolini's re-

19. Aaron Burr was a leading British Foreign Office asset deployed by Bentham inside the U.S.A. for subversive operations, including the Bank of Manhattan, and the operation into which Andrew Jackson was lured by Burr. See Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman*, 2nd ed. (New York: New Benjamin Franklin House, 1985).

20. Jacques Necker was the father of the notorious Madame de Staël. Necker's wife (Madame de Staël's mother) had been the marriage prospect of Edward Gibbon, Lord Shelburne's propagandist of *The Rise and Fall of the Roman Empire* notability. It is notable that Gibbon's book was intended to provide a design for a British world empire. Madame de Staël herself played the part of a spy against the French Royal family, operating as a close confidante of the same Queen Marie Antoinette who had been targetted by Shelburne's asset, the Martinist freemasonic order's Count Cagliostro, for the affair of “The Queen's Necklace” which Martinist asset Napoleon Bonaparte famously avowed, later, had been the key to bringing down the French monarchy.



World Economic Forum



EIRNS/Stuart Lewis



World Economic Forum

Cheney is admittedly more of a dumb brute than his predecessors such as Mussolini, Göring, Goebbels, and Hitler, "but he shares the same kind of passion, without the burden of excess intellectual powers."

gimes solely over the issue of Hitler's shift to attacking westward, rather than eastward, first. The notorious "rat-line" of notable fascist criminals, conduited largely through Franco's fascist Spain into the Americas, typifies the complicity of the circles of Winston Churchill, Bertrand Russell, and others, in resuming the Anglo-American financier circles' support for the first modern fascist regime, that of their Benito Mussolini.

The grandfather of President George W. Bush, Jr., Prescott Bush, is typical of the right-wing financier circles which made these successive, pro-fascist, anti-Mussolini-Hitler, and pro-Franklin Roosevelt turns.²¹ This does not mean that President George W. Bush is mentally capable of grasping the perverted sort of role, as a symbol of his family's caricature-dynasty, the role he is actually playing on stage today. For those miscreants who put that poor, sick fool on stage to be "used up" in the fashion of a failed race-horse doped up for its last race, it was not necessary that he understand the role he was selected to play; it was sufficient that he play it. If he is presently an embarrassment to those who placed him in office, he represents nothing much worse than what they should have expected of him to begin with. So much for the importance of breeding in today's so-called establishment families: *sic transit Gloria* who?

Cheney As a Monster

Given, that historical background for those world wars and related events of the last century which set the stage for the present world crisis, place Vice-President Dick Cheney and his cabal on that stage, the stage set by the indicated

transitions of the recent hundred years and more.

The key to understanding the constitutional crisis of the Presidency confronting us today, is a study of the way in which many people in positions of influence have continued to underestimate the power which Vice-President Dick Cheney represents in the present national and world crisis, as they greatly overestimate the power inhering in Cheney himself. Neither Gila Monsters nor gangster bosses are necessarily feared for their actual intellectual powers. In and of himself, Cheney ranks far, far below a Rasputin among the modern black museum of conspirators and assassins, as Rasputin, in turn, ranked far, far below Savoy's evil freemasonic master Count Joseph de Maistre. Cheney must be recognized as a mere tool of the Synarchist schemers of today, a tool of approximately the rank of hit-man. His importance lies in the function he performs as such a mere tool.

To understand that Synarchist International of financier-oligarchical and related circles which orchestrated these successive turns to which I have referred above, it is necessary to recognize that it is an outgrowth of a special operation organized around the circles of Britain's Lord Shelburne and Shelburne's lackey Jeremy Bentham, during a period which began with the February 1763 Treaty of Paris, which established the British East India Company as an empire, and which launched that campaign to suppress our liberties which led into our 1776 Declaration of Independence and 1789 Federal Constitution. The relevant operations by Shelburne, were an immediate, increasing, and always intended threat to the preservation of the earlier liberties secured among the English-speaking communities of North America. He hated us, *Lib-erally!*

Since no later than 1789, the principal, continuing long-term strategic objective of those outgrowths of the 1763 Treaty of Paris has been to destroy that American System of political-economy on which the U.S. constitutional republic was founded, and to uproot the seeds of our republican culture

21. It was in his capacity as a chief executive for Averell Harriman's Brown Bros., Harriman, that Prescott Bush moved the financial assets which bailed out Adolf Hitler's Nazi Party in time to prepare for Hitler's dictatorship. This was done on behalf of the Bank of England's chief Montagu Norman, and in conjunction with Norman's asset Hjalmar Schacht and the Bank for International Settlements.

world-wide. With the U.S. victory over London's puppet, the Confederate States of America, and the triumph of the U.S. economy at the 1876 Centennial Exhibition in Philadelphia, the principal long-term strategic conflict within globally extended European civilization has been to destroy the American System of political-economy, in favor of what the ever-Orwellian imperialist British East India Company defined as the service of the freedom of trade, their definition of "capitalism."

The essential issue of what Henry A. Kissinger defined, in a May 1982 address to London's Chatham House, as the conflict between Franklin Roosevelt and the Prime Minister Winston Churchill whom Kissinger praised, and devoutly admired on that occasion, was precisely this issue.²²

As I have emphasized repeatedly on many earlier public occasions, the most obvious difference between the political-economic systems of continental Europe and the U.S. constitutional system, is that the governments of Europe are subordinates of so-called "independent central banking" systems, central banking systems based on the Anglo-Dutch Liberal version of the Venetian financial-oligarchical system. As Presidents Abraham Lincoln and Franklin Roosevelt echoed the prescription of the first U.S. Secretary of the Treasury, Alexander Hamilton, the U.S. system is, constitutionally, a system based on a government monopoly on the creation of currency and related credit. Although modern law of many European nations, such as Germany, defends the principle of the general welfare, it is only the U.S. Constitution which explicitly makes that principle supreme over all other authorities and contradictory interpretations of law.

Since the U.S.A. had become too powerful to be destroyed directly, after Lincoln's victory over Palmerston's puppets, the Confederacy and the Emperor Maximilian, subversion was emphasized, and direct attack deemed a worse than fruitless strategy. The Churchill gang's handling of President Truman, once Roosevelt were dead, is merely typical of what some in London, and their American lackeys, considered discretion in these matters of British Liberalism's long-ranging, grand imperial strategy. Kissinger's referenced May 1982 address at Chatham House typifies the strategy of subversion, as the current Bush-Cheney regime has led the U.S.A. in ruinous wars and, now, the onrushing collapse of the global Anglo-American system of shared hegemony.

That much said on background, it is now time for our citizens to discard their populist's illusions, and to face the ugly fact that we must look at Cheney himself as someone best understood by noting his remarkable resemblance to characters from the 1922-1945 stage such as Mussolini, Göring, Goebbels, and Hitler. Cheney is admittedly more of a



LaRouche in 2004

The LaRouche in 2004 Presidential campaign circulated millions of these pamphlets, exposing Dick Cheney and his "beast-men." Cheney's importance lies in the function he performs as a mere tool of his higher-level Synarchist masters.

dumb brute than any of those predecessors, but, what is nonetheless important about the role he plays, is that he shares the same kind of passion, even without the burden of excess intellectual powers. He is a brutish caricature of the Torquemada as seen by the creator of Napoleon, Joseph de Maistre; he is the would-be, rug-chewing parody of Hitler modelled on de Maistre's Satanic image of de Maistre's own creation, Napoleon Bonaparte; he is a Bertolt Brechtian type of caricature of Dostoevsky's character, the "Grand Inquisitor." He is something from the bottom of a barrel of modern history's Nietzscheans. He is dumb; but, he makes up for the shortfall in intellect with his brutishness. He is evil, but also, as the Celtic legend would have it, *fey*.

He is not a powerful intellect, but a kind of mad dog, a vicious caricature of Professor Leo Strauss's Thrasymachus. He seeks to compensate for his lack of wit, by relying upon his lust for savagery. Vice-President Dick "Bugsy" Cheney expresses, for our constitutional outlook today, a tell-tale symptom of the fag-end of a process of decay of a once-great power, a warning symptom of the onset of something no less ominous than that which overtook Pericles' Athens in the end. In the end, he will destroy himself, but, that would not really frighten him; his being forced not to be a mad dog which is his true self, would be like telling the fabled Rumpelstiltskin his true name. He is not much,—after all, Mrs. Lynne Cheney did pick him up from a sort of social rubbish-bin, and saved him from the Vietnam draft, but he is therefore a true follower of Friedrich Nietzsche's Dionysus, and a caricature of Dostoevsky's Grand Inquisitor.

Like the Weirdos of Guantanamo

Sometimes, as in the case of Dick Cheney, the truth is closest to reality when it is the truth best told as a myth based on a certain verisimilitude. Sometimes, as in the case of Cheney, the blend of fantasy-life and the like has more to do with the way he acquires and maintains the part of a certain kind

22. Henry A. Kissinger, "Reflections on a Partnership: British and American Attitudes to Postwar Foreign Policy, Address in Commemoration of the Bicentenary of the Office of Foreign Secretary," May 10, 1982, Royal Institute of International Affairs (Chatham House), London. The full text is in *EIR*, Jan. 11, 2002.

of character, than any of the plainer sort of biographical details. It is so with moral failures, like Cheney, who adopts the habit of acting out what he probably imagines to be the grandeur of a fictitious character which actually exists, as a person, only in his own imagination.

So, take a failure like Dick Cheney. Now, lately, everything seems to be going downhill for the gloomy figure of the former hulking football player of his later-wife's high school campus. One day, the glamor girl of that high school campus, his wife-to-be Mrs. Lynne Cheney, picked poor Dick off the streets, secured him the college degree he could not muster otherwise on his own, and, in a pinch, provided him with the pretext for his one and last, of several draft avoidances which kept him out of the ongoing war in Indo-China. It is not known, and actually virtually irrelevant, whether or not, on nights when she parked him outside, she tied his studded collar to an unbreakable leash, or, on other occasions, his wrists to the bedpost. The true tale of a future "neo-con" chickenhawk. She is his immediate connection to power: to the circles of Chicago University's Professor Leo Strauss, who is, although long deceased, still, today, the virtual "den mother" of "neo-con" chickenhawks.

Mrs. Lynne Cheney is a different type, more what she actually is, which is already bad enough. She is the more influential figure of the family, who has managed her brutish stud's career at crucial points.

These days, it is fashionable to speak, in sneering tones, about so-called "failed states." Dick Cheney is a real-life failed state of being, and not the only one of that kind. That brings us to the subject of the predators who reportedly managed the U.S. "Clockwork Orange" prison at Guantanamo.

The arrival of the nuclear weapons era, which began at Hiroshima, fostered a proliferation of a certain type which the witting soon came to refer to as "the spoon benders," and that for very good reasons. The General Daniel O. Graham to whom I referred here earlier, was one among those types; his lunatic bit of science-fiction called "High Frontier" is an example of this. Some were much wilder than my knowledge of Graham even begins to suggest him to have been; but, he was, nonetheless, a "spoon bender." The Aquino case and the LSD experiments run out of the London Tavistock Clinic, are closer to the core of the type. This is what we are looking at when we consider the reports coming in from Guantanamo, Abu Ghraib, and locations of similar provenance.

For scientifically clear reasons, which it would not relevant to detail within the assigned scope of this report, the stress of the rise of the decades of so-called "preventive" nuclear, and, later, "thermonuclear" warfare, caused something to "snap" within the personalities of a certain stratum within our intelligence services and military. The horror stories from Guantanamo and Abu Ghraib do not surprise any of us familiar with some case-studies of those portions of our national-security services which leaned more noticeably toward the "spoon bender" side of mental, and professional life.

The point about those cases which is relevant within the scope of this present report, is the kind of organization of mental processes which lures the susceptible into becoming the personality-types which the "spoon bender" variety of "Cold War" vintage spook represents. The special MIT-RLE operation associated with the Josiah Macy, Jr. Foundation's "Cybernetics" project, which included such obscenities as the torture of a poor chimpanzee, dubbed "Noam Chimpsky," by the body-snatchers Noam Chomsky and Marvin Minsky, is a relevant example of this. Look, for example, at old volumes of John Campbell's *Astounding Science Fiction* magazine. Look, in those and kindred productions, at the themes of "Buck Rogers" types riding a six-legged or something reptilian thingamabob across the terrain of a distant planet's feudal-like culture, or the same worse-than-infantile perversion, the film "Star Wars." For many of the fans of this sort of stuff, "science fantasy" was not merely the entertainment of childish minds; it was more or less a religion. For those lured into such directions, becoming a "spoon bender" was, as it is said today, "a big deal," especially if it involved participating in "Q-this-or-that" ultra-secret romp in the protected zone of an ultra-secret other identity, especially when that poor pervert was protected from sensibility of reality within a special place of high military or comparable security.

Put the image of that sort of "spoon bender" into the context of what I have identified, earlier in this present report, as a "fishbowl syndrome." There, I wrote of a state of mind of a reductionist whose definitions, axioms, and postulates are a mixing of the real and non-existent worlds. Look at the class of "spoon benders" to which I have just made reference, against the background of a "fishbowl syndrome."

Weird? No more weird than what you should have recognized as the weird state of mind typical of a really passionate admirer of Lord Shelburne's Adam Smith, or Professor Milton Friedman, for that matter. Take the following passage, which I have frequently quoted, from Adam Smith's 1759 *Theory of Moral Sentiments*, published just four years before Smith received his assignment as a spy from Lord Shelburne himself.

The administration of the great system of the universe . . . the care of the universal happiness of all rational and sensible beings, is the business of God and not of man. To man is allotted a much humbler department, but one much more suitable to the weakness of his powers, and to the narrowness of his comprehension: the care of his own happiness, of that of his family, his friends, his country. . . . But though we are . . . endowed with a very strong desire of those ends, it has been intrusted to the slow and uncertain determinations of our reason to find out the proper means of bringing them about. *Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, and the dread of*

*pain, prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them.*²³

The “spoon bender” of the Locke, Mandeville, Quesnay, Adam Smith, or utopian Jeremy Bentham type, divides his universe into two separate universes, the one above the floorboards of sensory phenomena, the other below the floorboards. Somehow, by magic spells, the creatures under those floorboards are ordering the fate of mortal man; above the floorboards, the credulous are performing rituals which, while intrinsically absurd, or worse, themselves, are believed to propitiate the unseen monsters who control the universe above the floorboards, from below. Imagine Donald Trump, as Satan, where he resides in Hell, pointing with menace while shouting wildly at an applicant for the post of local cell-master of the damned, “You’re fired!” As Trump insists, it is the willingness to be truly vicious in one’s evil doings, which, according to Mandeville’s doctrine, produces what should please a society of Mandeville’s tastes as a whole.

Recognize the not-so-hidden inner mind of the potential “spoon bender” in this, and in related weird cases of famous economists such as the follower of John Locke, Bernard Mandeville. Mandeville based the economic doctrine enthusiastically worshipped by today’s contemporary, rather far right-wing Mont Pelerin Society on the presumption that a ban on society’s interference with the practice of private vice, would ensure the relative optimal benefits for society in the large.²⁴ Or, the case of the Physiocrat Dr. François Quesnay, from whom Adam Smith plagiarized the most celebrated formulation, “The Invisible Hand,” of his own 1776 anti-American propaganda tract known by the short title of *The Wealth of Nations*.²⁵ Quesnay’s argument was that of U.S. Supreme Court Associate Justice Antonin Scalia—a bit of a devil himself—that, since the serfs on the aristocratic landlord’s estate were only human cattle, whose income should not exceed the feeding and other care due them as a form of cattle, the only source of the profit of the estate must be the magical powers of ownership (e.g., “shareholder value”) expressed by the award of the title to the landlord.

The common characteristic of the relevant beliefs of all of these typical empiricist “saints” of the pagan Pantheon of Anglo-Dutch Liberal political-economy, is what is fairly described as their common conviction, that some unknowable agency, operating from under the floorboards of the universe,

is dictating, and that rather capriciously, defining thus what is allowed to the inhabitants of the world above. One hears the rattle of the superstitious gambler’s dice, as the player cries, worshipfully: “Baby needs shoes!”

As in all cases which lie within the bounds of the notion of the “fishbowl” syndrome, there are three principal facets of the particular ideology to be considered. First, there is the matter of the practical significance for that society of that which the participant in that syndrome does not know, but should for his or her own good. Second, there are adopted notions of principle which may be defective in the respect that they are not without some merit, but are flawed in that they represent reductionist forms of implied belief. These notions, which are characteristic of the deductive ideology, have the effect of tending to suppress the functioning of those creative mental powers which are the characteristic distinction of the human species from the beasts. Third, there is the aspect of belief which is outrightly contrary to relevant real-universe principles.

In the case in which the relevant leading challenge is implicitly constitutional in character, a reasonable approximation of the appropriate distinctions among those three components of a popular “fishbowl” syndrome, should be regarded as the area of leading concern for constitutional law. The emphasis must be, as I have adhered to that precept in this report, on constitutional law in its aspects as natural law, rather than being drawn into the moral swamp of the pathological effects of obsessive belief in positive law (e.g., “common law”), as by our typical populists.²⁶

In the following, concluding portion of the report now before you, our attention is focussed on two distinguishable kinds of implicitly constitutional consequences of the situation which the Bush-Cheney case represents now. I explain.

In the practice of the New Venetian Party’s Anglo-Dutch Liberal practice of what they, they call, curiously, political-economy, it is the same notion of the “magic” governing the circulation of money which is resonant in the crap-shooter’s cry, “Baby needs shoes!” that the desirable determination of the price of everything, including money itself, must occur in that magical, spoon benders’ way argued by Mandeville, Smith, Jeremy Bentham, et al. Every believer in such doctrines of economy, therefore should be recognized as clearly just another variety of true-believing admirer of the spoon bender’s magical art.

The same, spoon bender’s quality of lunacy, is functionally implicit in all varieties of what I have described as a

23. As this excerpt was first quoted in Lyndon H. LaRouche, Jr. and David P. Goldman, *The Ugly Truth About Milton Friedman* (New York: New Benjamin Franklin House, 1980), p. 107. Emphasis added to the original.

24. Bernard Mandeville, *The Fable of the Bees, or Private Vices, Public Benefits* (London: 1714).

25. *Quod Erat Demonstrandum!* Actually, in practice, as by Enron and the like, “The Invisible Hand” groping inside your pockets, even as you sleep.

26. In dealing with populists, and related expressions of kindred pathologies, it is important to insist that the assumptions underlying the populist’s argument are what must be debated, and nothing else, until the underlying issues of the axioms on which his proposition depends, are treated as the real issue of the discussion, and the populists’ theorem, based on this assumption, are put aside until the axiomatic assumptions of the populist’s diversionary argument have been treated effectively, first.

“fishbowl syndrome.” However, common opinion rightly suspects that there are qualitative distinctions to be made among differing varieties of those who share belief in lunacies of the type familiar to us from the Physiocratic and other doctrines of the Anglo-Dutch Liberal types. One might say, that one variety belongs to the department of “white magic,” and another includes the “black magic” of “Enron” and “Halliburton” economics, or those who fall into the same general category as Mrs. Lynne Cheney’s creature.

That distinction between “white” and “black” magic is debatable, but only in respect to the common practice of distinguishing the hardened criminal from the rest of the practitioners of sundry vices. Cheney fits within the bracket of the “hardened criminal” mentality, as more or less distinguishable from the relevance of the usual “true believer” in Mandeville’s dedication to the proliferation of private vice.

So, in proceeding now to the concluding portions of this report, I divide the treatment of the constitutional relevance of that broad distinction. First, I concentrate on the “hardened felon” characteristics of types such as Vice-President Cheney, and, after that, focus on the constitutional challenge presented by the way in which Liberalism in general creates the opportunity for the ruin of society by creatures who fall into the more extremist category which Cheney may be meaningfully said to typify.

Cheney, or Dostoevsky’s Grand Inquisitor?

Recently, there was a discussion among my immediate circles, in which the pivot of the deliberations was a focus upon the matter of: *How much did Cheney himself fully recognize the sheer criminality of that of which he was involved, in the way he participated in concocting the fraudulent pretexts for bringing off the launching of the presently continuing, worsening war in Iraq?* The crucial role of Cheney’s office in coordinating the involuntary public “outing” of CIA secret operative Valerie Plame was a point of concentration in our discussion on this matter of degree of “wittingness” on Cheney’s part.

It is not necessary, in such a case as that, to set out to determine whether or not what Cheney et al. did should be prosecuted as a crime. It is sufficient to determine, first of all, whether the role of the relevant parties was intentionally wrongful. Was the intended action wrongful? Was it intentionally wrongful not only by virtue of the action intended, and also by the foreseeable consequences of that intended action in the mind of the relevant person, or persons? Or, in his role in the concerted operations of Cheney’s office, the White House, and others, in that far-flung conspiracy, to be seen as associated efforts is a fully conscious intention to craft a vast effort at obstruction of Justice, in instances such as the Valerie Plame case?

Does his case mimic, at least, the pure evil of Dostoevsky’s image of the Grand Inquisitor?

In probing those questions, our intention, at that point,

does not permit us to cloud the investigation’s character as a scientific investigation, by complicating the scientific investigation with decisions as to lawful criminality of the *intentions* of the relevant subjects: it is the fact of his state of mind as expressed by his behavior which must shape our intention in this initial phase of the inquiry and assessment. The act is an action, but the intention motivating that action is a matter which must not be clouded by reckless use of deductive argument. *We must consider this matter as a study in dynamics, not psycho-mechanics.*

We must never be so impelled to escape from our present dangers, that we plunge carelessly into unforeseen consequences. Meet no appointments in Samara! That is the great principle of constitutional law which must not be violated. When the impassioned desire to punish outranks consideration of the deadly changes in constitutional principle for the future, which the lust for revenge usually tends to engender, future civilization is put in danger as a consequence of our lust to punish the past.

Putting aside, for the moment, all issues of criminal law as such, were Cheney et al. proceeding with a consciousness of their actively malicious intent to attempt to carry through an action whose consequences should be prevented in the vital interest of our nation, or others? Prevention of what must urgently be prevented, not punishment, must be our sole concern at that point. From the standpoint of our team, prevention, not punishment, is the only allowed motive for our work. If what some would wish to consider punishment were required as a measure of prevention, so be it; but, my concern, especially at this point, is not to punish, but to prevent. Our sole concern must be remedies and justice, never revenge. Our mission is to assure the offender of the virtual certainty of detection and prevention, not to terrify society with the diversionary nocturnal screams of the convict and his family.

Personally, my experience makes me familiar with exactly what both Cheney and his patsy, President Bush, represent. I know their wormy, mean little minds, as you might know the proverbial “back of my hand.” I can tell you more or less exactly, of the most relevant features of what passed through the minds, such as those minds are, of those in the Executive Mansion and the Vice-President’s office, as the crime against Valerie Plame was being crafted and perpetuated. These were not blindly impulsive blows; they were thoroughly calculated, regurgitated, and recrafted conspiracies, aimed to promote a fraudulent pretext for an unlawful war, by the connivance of a vast apparatus, reaching directly from Cheney-centered circles in Washington into such foreign locations as neo-conservative Michael Ledeen’s penetration of Italy’s SISMI, and, formerly, the office of John Bolton at the State Department. Always lurking in this was Marc Rich’s associate “Scooter” Libby.

At the top, around Cheney, this was a witches’ cabal.

In light of the evidence pointing to those features of the

conspiracy by Cheney et al., there is no doubt that the actions of Cheney and his principal accomplices, those who motivated the action and its persistence, as distinct from those who might be considered merely accomplices, were wicked in intent, and monstrous in intended consequences. They were consciously and intentionally betraying our own and other nations, as in any plot to overthrow a legitimate government, as they were doing in this case. In this ritual, there were slaving as if ecstatically, as in a collective war-dance among the higher-ranking insiders of the scheme, at each step of their actions to induce a fraudulent decision to go to war, and to perpetrate acts of some monstrous implications, such as, in particular, the Valerie Plame case.

Is Cheney really a character in the image of Dostoevsky's figure of the Satan he portrays the "Grand Inquisitor" to be? In my estimate, not quite; simply, Mrs. Cheney's pit-bull Dick, is "not that smart." He is not a master criminal, but a "hit man" brought in to conduct evil deeds against our own and other nations. He slavers with his variant of a lust for sexual gratification in doing the evil things he does, an evil parody of a thug playing "Oliver Hardy" to an infinitely naughty and malicious President Bush's "Stan Laurel." Recognizing the brutish shortfalls of Cheney's intellectual development, the role of Dostoevsky's "Grand Inquisitor" will be found at much higher levels of direction than the role of mere underlings which Cheney and Bush play in the scheme as a whole.

Get such wretches out of office while we still have a constitutional republic, as soon as feasible. Do this out of a sense of the need to stop the crime while it is still in progress. However, it is saving the republic, not punishment of the clearly culpable scapegoats, which must be the controlling, constitutional objective of the choice of remedial action. Let them plead that they did these things, not as sane men and women, but as spoon benders. That plea should be entertained, all in the interest in getting to the bottom of the pathology which steered them in the commission of their crimes against both our republic and mankind.

The Constitutional Issue

Government, like science, is never perfected. To stop the flow of scientific and technological progress, would imply the impulse to halt what must be the intrinsically endless process of perfection of constitutional government.

At bottom, the underlying issue posed by developments such as the case of Mrs. Cheney's dirty Dick, is nothing but another example of the consequences of living in a society in which the individual still only rarely comprehends the nature, and consequently, constitutional requirements of human society. The underlying principles of our Declaration of Independence and Federal Constitution, are such as the coincidence of anti-Lockean intent expressed by the Leibnizian "pursuit of happiness" and the Preamble's "promote the general welfare," must be applied. The chief problem to be overcome in

attempting to apply those constitutional principles, is the lack of comprehension of the actual meaning of those words among most of the U.S. population.

These principles are fairly described as being, immediately, leading reflections of the most deeply underlying beliefs of modes of monotheistic outlook associated with Judaism, Christianity, and Islam, an outlook fully coincident with the methods of the Pythagoreans and Plato. The problem is not so much frequent disagreement with some stipulated definition of the nominal terms of, for example, Christian

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belief, but the contorted interpretations of those terms which persist because the individual believer does not believe that he, or she, is actually immortal in the sense I have described this common sort of difficulty earlier in this location, as elsewhere still earlier.

The problem takes the following form.

To the degree that a person sees himself or herself as essentially a "featherless biped," or talking animal, the experience of human existence within the bounds of what the typical believer identifies as "this life," prevents that believer from seeing himself, or herself, as a personality whose existence is rooted, not within the domain of biological mechanisms of sense-perception, but within the same ontological (e.g., "spiritual") domain of supra-biological immortality as the fully efficient existence of the Creator. That individual fails to grasp that it is the role of ideas of the ontological quality of experimentally provable discovery of hypothesis, which, contrary to poor, foolish Isaac Newton and his duped follow-

ers, is the ontological actuality of the human individual's efficient existence within that real universe, for which the perceived universe of phenomena is merely a reflection as if seen, in a mirror, darkly.

From the standpoint of physical science, as the work of Vernadsky on defining the Biosphere and Noösphere defines modern physical science, the physically efficient experience of individuals' and societies' human existence, lies within the subsuming domain of the discovery and practice of those fundamental discoveries of universal physical principle which are expressed in the general practice of physical science so-called, and artistic composition developed and performed in a rigorously Classical way, such as Bach's, Mozart's, and Beethoven's compositions. The great figures of society, who are clearly deserving of the term "immortals," express this aspect of the mortal existence of the living individual, and may continue to do so long after they are biologically dead.

We, such as Christians, who grasp the practical implications of this notion of human immortality, as in the same ontological realm as the existence of the Creator, are already immortal while we are still alive, and will simply remain so after we are biologically dead. So, the Christian notion of being with the "resurrected Christ," expresses a passion, a source of inner creative strength, like that, for example, expressed by the real-life case of Jeanne d'Arc, as Friedrich Schiller captures that specific truth in her case. We shall all die biologically; what we must avoid is that death of our immortality, when we refuse to discover, and rise to the sense of self as being already an immortal, dwelling in the same domain as the efficiently, fully willful, and innovative Creator of this universe Himself. If we achieve that, our prayers should be that we might discover His intention, and contribute, as spiritual, immortal beings, to its realization, rather than impose our more poorly informed intention, and usually a relatively petty one, upon Him. The worst are those, as among our contemporaries, who perpetrate the sacrilegious assumption that immortality lies "over the fence," as the empiricist, such as the Cartesian Quesnay, or the Liberals Locke, Mandeville, Hume, Adam Smith, Jeremy Bentham, and Immanuel Kant divide the universe between actually experienced phenomena, on the upper side of the floorboards of experience, and, below the floorboards, eerie, assumed to be very powerful presences of which they have no actual knowledge. For the typical professed believer, such as the all-too-typical self-proclaimed Christian believer as the gnostic preacher behind the revival-tent, making souls with some ladies of the congregation, "immortality" exists only on the same other side of the same floorboards where Mandeville's gods of private vices lurk.

To the degree our citizens lack comprehension of those ontological implications of the constitutional principles of "pursuit of happiness" and "promote the general welfare," they must tend to fit their practical interpretation of the making and application of our law to a popular—often even



EIRNS/Susan Bowen

Jeanne d'Arc expressed in her life that passion, that source of inner creative strength, which allowed her to face death at the hands of the Inquisition. "We shall all die biologically; what we must avoid is that death of our immortality when we refuse to discover, and rise to the sense of self as being already an immortal, dwelling in the same domain as the efficiently, fully willful and innovative Creator of this universe Himself."

populist!—misapprehension of the meaning of such constitutional terms.

As a consequence of the kind of ignorance of universal history which I have just summarily described here, the victim of that ignorance, commits the following type of sacrilege against the underlying intent of our most deeply underlying Constitutional principles. He or she tends, as the populist fanatic does, to "interpret" the Constitution as a kind of Faustian business contract with either the Creator, or the Devil himself. He or she then "interprets" that Constitution from the standpoint of his essentially unprincipled, feral view of the so-called "common law," this in the fashion of negotiations over matters of territory and vengeance among talking beasts.

The case of a persisting failure to grasp the notion of immortality in a scientific way, points to both the origin and cure of the usual person's inability to cope with the most

essential existential challenge of human mortal life, the inability to conceive of immortality except in a spoon bender's way, as something on the other side of the known universe's floorboards. It is here, in this connection, in this way, that the most essential conceptions of natural law are to be found.

I use my own case as a pedagogical.

For about fifty years, I have been, in practice, one of the most reliable medium- to long-range economic forecasters on record. During the more recent of those decades, I have been, at least according to the known record, the only reliable long-range forecaster. My fascination with relevant phenomena of the historical process in general, over a span of more than 2,500 years, and into a couple or more generations yet to come, provides me excellent insights into the way in which an active sense of personal immortality by a mortal individual, me, causes me to behave differently than people who have not yet grasped the implications of what I am saying here in a practical way.

I think primarily of the way in which past generations, including more than three generations of my own mortal life, have created the present, and how what we do, or fail to do now, will largely predetermine the quality and direction of the future. I extend my practical experience of economy and related matters to the way in which discovery of universal scientific principles from even the distant past have shaped the present, and how the principles with which I have become familiar have already predetermined the available operations for humanity for several generations yet to come. I, therefore, act in the present, on the basis of my knowledge of a past which extends far beyond my birth, and a future visible to me, as a matter of principles, for a pair or more generations yet to come.

I am not only living as an observer of this span of past and present; I am acting in response to the future, for the sake of the effects this action could have upon making that future. Decisions I have made will have consequences at times beyond my death. I am living now, in this mortal existence, as an immortal being. For me, it is the only way to live a decent mortal life. It is, in fact, the only decent way for any human being to live, as an immortal.

The all too typical poor fellow meets the idea of death as a "floorboard." He, or she, may wish very strongly to believe that something good lies on the other side of that floorboard he conceives as death, but he has no actual knowledge of it, and his faith of what that might be is therefore uncertain. He may cling to a certain belief about what might lie beyond that floorboard, because he needs to believe in it; and, since his belief is tenuous, and probably false, he must try to believe in his belief all the more passionately, and even be willing to kill to eliminate persons who might arouse doubts about this belief within him.

Or, in the extreme, his despair might prompt him to hate God, as Nietzsche and the followers of Nietzsche, such as Hitler's crew, have done. As truth will tell, this hatred shows

clearly in the face of the so-called evangelist for whom the passions of the revival meeting and the Nashville Agrarian "thunder" echoing in a Ku Klux Klan rally are much the same.

Therefore, let us bring this report to a close with the following concluding thought.

The progress of mankind so far has always depended, to the degree we know the actuality of history, on that relative handful of the living who qualify, by exception, as true leaders of mankind in their time. By leaders, we should intend to say: those for whom the past and future are as real an experience as any immediate present experience in the short term. On this account, Jeanne d'Arc was as real in actually known history as Friedrich Schiller presents the principle of her sublime role on the Classical stage. She saw, and helped to make the future by refusing to betray it even to avoid the terrible pains of the evil forces known as the Inquisition. She was one of those who, as martyrs, or not, could devote their lives to the future. They could do this only because their self-interest lay in a future outcome of their mortal life, an outcome which was their most compelling sense of self-interest as a consciously immortal person. It is the same with the great scientific discoverer, and with all persons, even in the relatively simplest condition of social life, who live for the future they are committed to bringing forth for the future of mankind.

Such are the true citizens of the world, and it is upon them that knowledge of, and faith in the natural law and its reflection as constitutional law depends.

What Dick Cheney is doing today is disgusting. He is a threat not because he is disgusting, very disgusting, but because his actions are a threat to the future of mankind, to the immortality of our citizenry. We should therefore take no pleasure in punishing him for the evil he has done, but rather be satisfied that the evil he has represented is brought to an end, and he is replaced in any leading position by those to whom the future can be entrusted. Simply to punish him, and no more, is to scalp a scapegoat, not to correct the error which allowed him to occupy that position for as long as he has done.

The guiding lesson in constitutional law for the present occasion of crisis, must be this. We must develop a greater incidence of potential and actual leaders who will bring a better future for mankind. This means to instill in our young, and, hopefully, some older fellows as well, practical sense of a living immortality in themselves. For, it is among those who have, as Wordsworth, in his better moments, tried to say, "an intimation of immortality," that the only durable attempts at morality could be found.

Therefore, the most important contribution you, personally, must now make, as an individual, is to become self-consciously an efficiently immortal human being. It is even the often pathetic attempt to reach something in that direction, which has helped us to progress as much as civilization has done. Even a serious attempt touches immortality. Immortality, so conceived, is the essential feature of our republic's constitutional law. It is that law which must be served.

Zepp-LaRouche Demands Germany Choose a Sovereign Solution

German President Horst Köhler made it official in a special television address on July 21: Germany will hold Federal elections on Sept. 18. Setting aside the challenges which have been made to the Constitutional Court against Chancellor Gerhard Schröder's orchestration of a vote of no-confidence against his own government, President Köhler dissolved the Bundestag (parliament), and called for the elections to be held.

Helga Zepp-LaRouche, the chairwoman of the Civil Rights Movement Solidarity party (BüSo), who had already declared her candidacy for Chancellor weeks before, greeted the decision with the statement we print immediately below, in which she reiterated her July 15 demand that Germany immediately return to its national currency, the deutsche-mark, and launch both an emergency state infrastructure investment program, and an international monetary conference in order to organize a New Bretton Woods system.

Within days, Zepp-LaRouche expects to release the platform of her party, which will show how the programs of every other political party in the election campaign, including the purportedly anti-austerity "Left Party," will lead to a new feudalism. In particular, she is warning of the possibility of the elections concluding with a Grand Coalition government of the Social Democrats (SPD), the Christian Democratic Union (CDU), and the Christian Social Union (CSU), which would move to push through the brutal austerity program now being proposed by the poll-favored candidate, CDU leader Angela Merkel.

Merkel has released a radical monetaristic economic program, which barely conceals the goal of brutally reducing the standard of living of the majority of the population, through fiscal and other "reform" measures. Merkel's agenda includes increasing the retirement ages for workers and employees, privatization of pensions and of labor market programs, and increases of the value-added tax, which will hit all consumers in the wallet. The other pro-monetaristic leg of Merkel's pro-

gram, is an abrupt turnaround in foreign policy, weakening Germany's strategic partnership cooperation with France, Russia, and China in favor of an axis with the neo-cons who presently occupy the White House in Washington. "Frau Merkel," noted Zepp-LaRouche, "has not realized that Water-gate clouds have risen over Washington."

Merkel revealed her loyalty to the Anglo-Dutch core of today's global monetaristic system, by banning from her campaign platform any reference to the reality of the onrushing world economic collapse. The platform doesn't even do what the governing Social Democrats do, although only vaguely, in their own campaign platform—namely, call for a new international financial architecture, and measures against hedge funds and off-shore financial centers. Instead, the Merkel platform, in a populist way, blames all the economic and financial problems on the (granted, misled and failed) policies of the outgoing red-green government of incumbent Chancellor Schröder. The existence of a world economy and of the main financial players that are certain to ruin it, through their obsession with keeping it alive at any price, is entirely omitted.

But many voters in Germany already know that Merkel's policy is a hoax, and many more voters will come to realize that quickly, as the LaRouche movement's intervention in the coming election campaign will intensify. Already, dozens of members of the LaRouche Youth Movement have joined with BüSo supporters in mass organizing throughout the country, especially the former industrial center of North Rhine-Westphalia, and the state of Saxony, and have begun to make Zepp-LaRouche's proposals the "talk of the town."

Köhler's Non-Sovereign Decision

Helga Zepp-LaRouche, Chancellor candidate of the BüSo, released this statement on July 22. Subheads have been added.

Federal Chancellor Schröder praised the “sovereign decision” of German Federal President Horst Köhler to approve the new election, now advanced to Sept. 18. But what Köhler stated did not sound sovereign, either in its content or in its manner of expression. If it was supposed to have been his intention to present himself as Presidential and nonpartisan, then he did not succeed. He cited “enormous tasks,” an “unprecedented critical state of affairs” and the “serious situation,” but he spoke implicitly as a member of the Christian Democratic Union, who sees the solution to the problems in terms of a more severe austerity policy. To that end, he took the risk that the Federal Constitutional Court could reject his decision, and his office itself could be damaged.

Now one must consider, that before he became Federal President, Horst Köhler was formerly the head of the International Monetary Fund, and one can therefore be certain that he knows, in what a highly dramatic condition the global financial system finds itself, which, due to hedge-fund losses and the real estate bubble in the U.S.A. and elsewhere, is on the brink of the great crash. And he likewise surely knows, that the financial establishment is proceeding from the fact that the European Monetary Union cannot be held together, just as it is guaranteed that he is informed of the precarious condition in which a couple of German banks find themselves.

Apparently this knowledge is the reason why the Federal President sounded rather panic-stricken and took the risk of making a decision, which could still be refuted and could call into question his judgmental capacity. But what did he mean in reality, when he stated that the existing Federal order is “obsolete,” that we had “too few children,” and were becoming “always older”? What does that have to do with holding a new election or not?

The Monetarist Austerity Program

This only makes sense, if one considers, that it is part of the CDU program, to “slim down,” by means of a federalist reform of the state, which is only a sophisticated form of expression for a wider austerity program and for cuts in the social domain. And the reference to the demographic development in Germany is a favorite theme of the neo-conservatives of the character of Meinhard Miegel, who, based on this theme, founded an ultimately Schachtian¹ austerity policy. If the economic background of Köhler’s nature were not monetarist, but rather based on real economics, then he would know, that this demographic situation in Germany can be counteracted not through cutting expenses, but rather only through an increase in productivity kindled by scientific innovation.

1. Hjalmar Schacht was the head of the German Reichsbank and then Hitler’s Economics Minister, and was instrumental in putting the Nazis into power, with the help of his international banker friends, such as Bank of England Governor Montagu Norman, Averell Harriman, and Prescott Bush, the grandfather of the incumbent U.S. President—ed.

We are now in an election campaign, and therefore it is urgently necessary not to hide behind PR-compatible formulations, but rather to tell the truth, so that the voter can see exactly what future—which, according to Köhler, is what is at stake—he is actually choosing. And it also comes with the territory, that on the same day on which Köhler made known his decision, the Market Research Institute Forum published a poll, according to which top German managers wish for the return of Friedrich Merz (formerly vice chair of the CDU parliamentary group), because they consider him to be the most competent politician in respect to economics and finance. These top managers, whose reputation these days is also not exactly the best, are obviously not disturbed by the fact that Merz is on the board of directors of a hedge fund, which has the pious name TCI (The Childrens’ Initiative), only because he diverts some of his profits to poor children in Africa. What’s next? Is the CDU for the hedge funds, or for the middle class, which is being devoured by the hedge funds as if by locusts?

In order to understand this paradox, one must consider the special mega-neo-liberal perspective from which, for example, Count [Otto von] Lambsdorff criticizes the “Cuddle Capitalism” of Mrs. Merkel. While even normal CDU members become frightened and alarmed, that Mrs. Merkel’s sinking of real income through an increase in the value-added tax and reduction of social payments to the wage-earner could ruin the election prospects of the CDU/CSU, even this is not brutal enough for the really austere neo-conservatives *a là* Lambsdorff. And therein lies the great danger for “our future and that of our children,” namely, that there are financial interests who want to solve the crisis of the system by dramatically reducing the living standard of the population in order to save the banks. From the standpoint of these financial interests Mrs. Merkel is also a transitional figure.

Go for a New Bretton Woods

The problem lies in the fact that all the parties represented in the Bundestag, and the new party promoted by the media, the Left Party, have no answer to this crisis of the system, and the policies of each of these parties leads to a new feudalism. And therefore the program of the BüSo for a new global financial system, a New Bretton Woods system, and a New Deal in the tradition of Franklin D. Roosevelt, is the only positive answer.

In his declaration, Federal President Köhler also made the remarkable statement: “It is right, that in today’s situation the democratic sovereign—the people—can decide the future policies of our nation.” For this exact reason I demand that we withdraw from the Maastricht Treaty and from the European Monetary Union and return to the D-mark, because in this treaty we have given up sovereignty over our own economic policy, and we must urgently regain this. In this point, I agree with Federal President Köhler: The democratic sovereign must decide!

Last Chance To Save Iraq From Civil War?

by Muriel Mirak-Weissbach

Is there still a chance to prevent civil war in Iraq? That is the question prompted by reports of escalating violence, which reached a new highpoint over the July 16-17 weekend, when multiple attacks by suicide bombers killed more than 110 people and wounded 300. Despite these alarming developments, it *is* still possible to avert the worst, and to chart a new course which could lead the nation back to independence and sovereignty, under which conditions, it could seek a route towards national reconciliation. Whether or not this will occur, will depend on two factors: the withdrawal of U.S., U.K., and other foreign troops, beginning now; and the establishment of a regional security arrangement, which would include Iraq's neighbors.

In his "LaRouche Doctrine" of April 2004, Lyndon LaRouche outlined these steps as necessary preconditions for stabilizing the region. LaRouche emphasized the importance of Iran, Turkey, Syria, and Egypt, in such an arrangement, which extends, via Iran, into Armenia and Azerbaijan. Within such an arrangement, the U.S., U.K., and others could withdraw their forces in an orderly fashion. In May, LaRouche insisted that such withdrawal begin immediately.

Now, discussion of troop withdrawal has become public in the United Kingdom and in the United States; but in neither country is there any semblance of a coherent plan for doing so. The American law-makers, who have urged President Bush to set a timetable for bringing the troops home, have run up against a stone wall at the White House. In Britain, after an allegedly secret memo was leaked to the press, Defense Secretary John Reid did announce that troops could begin leaving the Iraqi theater within the next 12 months. At the same time, leaders in the occupation-backed Iraq government have hinted that they could take over security in certain calm areas, but they reiterated that any hasty withdrawal would plunge the country into chaos. In short: No responsible exit strategy has been worked out.

The Specter of Civil War

Increasingly, the anti-occupation resistance has shifted its focus to targetting those Iraqis considered collaborators of the foreign presence, be they police, or army recruits, or employees of the occupiers. The lion's share of victims has been counted among the Shi'ites: it is their neighborhoods, their political leaders, and their mosques being hit.

Shi'ite cleric, and member of Parliament Sheikh al-Jalal al-Din al-Seghir raised the danger of civil war openly in remarks to Parliament on July 18, saying: "What is happening, and what will happen is clear: a war against Shi'a." And a colleague, MP Khudair al-Khuzai, announced that he had 50 MPs backing his call for the formation of militias. "The government has failed to stop the terrorists," he stated. "We need to bring back popular committees," that is, militias. Were such a proposal to be implemented, it would constitute a further step towards civil strife.

Just how acutely aware leading Iraqis are, of the danger of civil war, was manifested in remarks by Moqtadar al-Sadr, a radical Shi'ite with a militia of his own. Speaking to BBC, in his first interview to a Western press agency, he called on Iraqis not to be provoked by the occupation. Acknowledging all forms of resistance to be legitimate, he added: "So I call upon other parties like the Iraqi army and the Iraqi police to exercise self-restraint with Iraqi people and not to be provoked [by] them or the occupying forces, as this isn't in the interest of Iraq." He went on: "I also call on the Iraqi people to exercise restraint, and not get enmeshed in the plans of the West or plans of the occupation that wants to provoke them. . . . The occupation in itself is the problem. Iraq not being independent is the problem. And the other problems stem from that—from sectarianism to civil war. The entire American presence causes this."

Such statements coming from al-Sadr, who had mounted a fierce resistance to the occupying armies in Baghdad and other cities last year, may appear surprising. Yet, as Arab sources have reported, they must be interpreted against the backdrop of a discreet negotiating process that has been going on, between elements of the Jaafari government in Baghdad, and political representatives of the armed resistance. Al-Sadr is said to have been personally involved in these talks, which aim at ending the bloodshed, and preventing civil war, in exchange for power sharing with the Sunni population. This entire process was torpedoed when U.S. Defense Secretary Donald Rumsfeld made public the existence of such talks. A further act of sabotage occurred on July 20, when three leading Sunni politicians, who had been involved in the drafting of a national Constitution, were shot dead in Baghdad.

Add to this picture the Kurdish dimension, and the contours of possible civil strife are sharpened. Since the Kurdish terrorist organization PKK unilaterally terminated its ceasefire in its war against Turkey, one year ago, the group, based in U.S.-occupied Iraq, has been orchestrating terror attacks inside Turkey. This prompted Turkish Prime Minister Tayyip Erdogan to threaten cross-border military incursions into northern Iraq, which the Iraqi government rejected; only with the permission of the Iraqi Parliament could such incursions be allowed. Given that the Kurds represent a large group in the Parliament, and that Iraqi President Talabani is a Kurd, no such permit is likely to ensue.

The one bright spot on the otherwise gloomy horizon in

Iraq, is a certain progress in regional cooperation. As LaRouche had emphasized in his proposal for stabilizing Southwest Asia, a regional security arrangement is key. In Istanbul on July 18-19, the Interior Ministers of the states neighboring Iraq met for the second time, to discuss cooperation in the fight against terrorism, in dealing with illegal immigration, border security, and the protection of pilgrims. The limits of the meeting were shown around the issue of the Mujahideen-e-Khalq (MKO/MEK), the Iranian terrorist organization which still enjoys refuge in Iraq, under U.S. occupation: whereas the Iranians demanded that the group be expelled from Iraq, the Iraqis maintained their right to “protection” as “refugees,” for “humanitarian” reasons. Before the recent Iraq war, the MKO had been protected by Saddam Hussein, as a possible weapon against Tehran, and the Supreme Council for the Islamic Revolution in Iraq (SCIRI), an anti-Saddam Iraqi Shi’ite organization and militia, had been allowed exile in Iran. Now the SCIRI is back in Iraq, integrated into the political process; yet the MKO remains an armed threat.

Parallel to the Istanbul meeting, a high-level government delegation from Iraq, led by the Prime Minister, visited Iran, and, after three days of talks with all relevant political leaders, signed a series of agreements for cooperation. These included economic and financial deals, a plan to co-produce automobiles, an agreement for an oil swap, and the building of new pipelines. The event came in the wake of the visit of Iraqi Defense Minister al-Dulaimi’s visit to Tehran, during which far-reaching military cooperation agreements were signed. Forging such economic, security, and military agreements between the two Persian Gulf giants, is crucial to Iraq’s hopes for reconstruction and stability.

The Resistance: ‘Time Is on Our Side’

No matter how positive the steps towards regional security may be, they alone will not suffice to solve the crisis. The fact remains—and Moqtadar al-Sadr was correct in underlining it—that “the occupation in itself is the problem.” Unless there is a clearly defined perspective for ending it, there will be more bloodshed and the country could degenerate into chaos.

Cooler heads have realized this. Former CIA chief John Deutsch, for example, argued in the *New York Times* on July 15, that the U.S. presence in Iraq was undermining its commitments elsewhere, and weakening the military. He stated point-blank: “I do not believe that we are making progress on any of our key objectives in Iraq,” adding that, although there may seem to be progress at the government level, “the underlying destabilizing effect of the insurgency is undiminished.” He called, therefore, for a “prompt withdrawal plan consisting of clearly defined political, military, and economic elements.” Robin Cook, former British Foreign Secretary, gave similar advice to the Blair government, in a *Guardian* article entitled, “Our troops are part of the problem.” He stated the obvious, “It is an inexorable law of foreign occupations that the greater

the repression, the stronger the resistance.”

Readings from military experts confirm that this is the case. One Continental European military expert, with experience in Iraq, compared the current situation of the Iraqi resistance, with what Mao Zedong called “Phase 3.” Mao had outlined Phase 1, as the strategic offensive of a superior aggressor and strategic defense of the victim; Phase 2, as the strategic consolidation of the aggressor and preparation, by the victim, of a counterattack; and Phase 3, as the strategic counteroffensive of the victim and strategic withdrawal of the enemy. This specialist considers that Phase 1 went from March 20, 2003 to April 30, 2003 (or April 9, when Baghdad fell). The reason there was no visible resistance in Baghdad, was that the Iraqis were preparing for Phase 2. Phase 2 went from mid-April 2003 to Dec. 13, 2003, when Saddam Hussein was officially captured. In this phase, there were spectacular operations like the attack against the UN headquarters, the assault on Shi’ite leader Ayatollah Hakim in Najaf, and against the Red Cross. By December this preparatory phase had been completed.

Since then Phase 3 has unfolded, with increasing intensity and quality of the strategic counteroffensive. In this phase, the resistance has the time factor as an advantage, because it has no time pressures, whereas the aggressor does. The resistance also has no requirement to make known its losses. Although a large number of civilians are killed, the population generally blames the aggressor (occupation), not the resistance.

Thus, there is no reason why the resistance should let up its pressure (unless there were a political settlement). As in the case of Vietnam, the war can drag on for years, until the occupiers either demonstrate a massive success, which is not likely, or withdraw in humiliation. This source considered Rumsfeld’s June 21, 2005 statements in this light, as highly relevant: Rumsfeld said it would not be the United States but the *Iraqis* who would defeat the insurgency. The statements by Iraqi Prime Minister Jaafari, to the effect that the Iraqis might be able to take over security responsibilities in some areas, is seen as part of the U.S. intention to start withdrawing.

What may be on the agenda in Washington and London, according to this source, is indeed withdrawal, though with one exception: the military bases which are being completed (up to 14) are considered permanent and will be maintained. That, however, will also not be viable.

The one solution that *will* work is simple: bring the troops home now.

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'Plamegate' Can Bring Down Cheney

by Michele and Jeffrey Steinberg

On July 22, in a special hearing called by a joint panel of Senate and House Democrats, on the criminal investigation of the White House role in the Valerie Plame case, a packed hearing room of press, Congressional staffers, and other government officials, heard testimony from leading retired intelligence professionals. The hearing, titled, "National Security Consequences of Disclosing the Identity of a Covert Intelligence Agent," was chaired by Rep. Henry Waxman (D-Calif.) and Sen. Byron Dorgan (D-N.D.).

And while the hearing was taking place, another bombshell was dropped on the White House: *Bloomberg* news service and the *New York Times* reported that Special Prosecutor Patrick Fitzgerald, who has been investigating the White House leaking of Plame's identity as a covert CIA agent since December 2003, is looking into "perjury" and "obstruction of justice" charges, because of statements coming from the principal figures identified as the leakers: Karl Rove and I. Lewis "Scooter" Libby, which have been contradicted by other witnesses in the investigation.

In 2004, the former counsel to President Richard Nixon, John W. Dean, wrote a book called *Worse Than Watergate*, about the lies and the liars involved in the faked intelligence used to start the Iraq War. Events in Washington over the last week, confirm that Dean is right.

Bush, Cheney To Blame

The opening statement by Representative Waxman, to the Joint Panel on July 22, gave a chilling picture of how the case of the leaks that jeopardized CIA agent Valerie Plame Wilson's safety, is the *same* as the issue of how the Administration used false information that tricked Congress into voting in favor of the war against Saddam Hussein. Waxman should know—he was one of the leading Democrats who

voted in the power for President Bush to launch that war. Only *after* the war, did the truth come out: There was no evidence of a nuclear "mushroom cloud" about to come from Baghdad.

"[T]o this day, the White House has not cited a shred of credible evidence of a uranium deal between Iraq and Niger," Waxman stated, referring to the claim that Bush and Vice President Dick Cheney both cited as their "evidence" of a nuclear threat from Iraq.

"Instead, it appears that the President's advisors launched a smear campaign. . . . We only have partial information about what happened in the hours and days that followed [the publication of an op-ed by former Ambassador Joe Wilson, who disclosed that he had investigated, and found to be false, in February 2002, a report that Iraq sought to buy uranium from Niger] . . . but we do know that a classified State Department memorandum identifying Valerie [Plame] Wilson was circulated aboard Air Force One; that Karl Rove, the President's closest advisor, talked about Ms. Wilson's identity with columnist Robert Novak and *Time* reporter Matthew Cooper; and that Scooter Libby, the Vice President's chief of staff, also spoke with at least one journalist about Ms. Wilson." Waxman said that *eleven* such leaks have been reported by the White House (see *Documentation*).

Expert Testimony Causes Breakthrough

After two hours of hearings, it was clear that the expert testimony had a profound impact on the members of the panel, who had not quite understood, yet, how much damage the White House did in leaking Plame's identity.

Rep. John Conyers (D-Mich.) told the witnesses that "the consequences of what has occurred are far more serious than I first imagined." Rep. Louise Slaughter (D-N.Y.) echoed Conyers, saying that, until the testimony, "I did not realize

the profound impact on the entire intelligence agency . . . that's been built up over decades." In response to Slaughter's question as to whether or not any of the witnesses, in their professional experience, had ever heard of the White House leaking the identity of a covert agent before, former CIA analyst Larry C. Johnson said: "It's never happened. I mean, this is unprecedented."

In his testimony, Johnson revealed that he was in the same 1985 CIA training class as Valerie Plame Wilson, and that because of the potential danger, the identities of the classmates are so secret, that until July 2003, when columnist Robert Novak revealed Plame's name, Johnson had known her only as "Valerie P."

The witnesses were an impressive array of senior retired intelligence officials, who have served in a broad array of roles in the intelligence community: James Marcinkowski, a former case officer for the CIA; Col. W. Patrick Lang (U.S. Army, ret.), former director, Defense Humint Services for the Defense Intelligence Agency; and David MacMichael, former senior estimates officer, National Intelligence Council for the CIA.

The witnesses, along with seven other former intelligence officials, were signators of a July 20 letter to the leaders of the Senate and House of Representatives, warning Congress that the exposure of Plame is a danger to national security, and to every U.S. intelligence officer and asset serving under a cover. Their letter blasts the Republican Party "talking points" claim that Plame's assignment at CIA headquarters to a "desk job" means that she was not in a sensitive, undercover job, and was a serious blow to the White House attempts at damage control.

The July 20 letter says the "talking points" assertion shows that those who maintain this—including Republican Majority Whip Roy Blunt (Mo.)—know nothing about human intelligence gathering, nor what a covert agent is. They wrote: "We believe it is appropriate for the President to move proactively to dismiss from office or administratively punish any official who participated in any way in revealing Valerie Plame's status. . . . [This] would send an unambiguous message that leaks of this nature will not be tolerated and would be consistent with his duties as Commander-in-Chief."

Other signators of the letter are Brent Cavan, former analyst, CIA; Vince Cannistraro, former case officer, CIA; Michael Grimaldi, former analyst, CIA; Mel Goodman, former senior analyst, CIA; Ray McGovern, former senior analyst, and White House briefer, CIA; Jim Smith, former case officer, CIA; and William C. Wagner, former case officer, CIA.

The White House damage control effort was further blown apart on July 21, when the *Washington Post*, in a front-page story, revealed that a State Department memo, now at the center of independent counsel Fitzgerald's probe, clearly identified Plame-Wilson's status as "secret," a designation that indicates undercover work. The memo was written June 10, 2003 by Carl Ford, Jr., head of the State Department

Bureau of Intelligence and Research, and resubmitted to Secretary of State Colin Powell in early July 2003, when Ambassador Joseph Wilson's op-ed appeared in the *New York Times*, detailing his trip to Niger on behalf of the CIA.

At the time the memo was sent to Powell, he was travelling to Africa with President Bush on Air Force One.

White House Iraq Group

As these developments were announced, *EIR*'s main office was receiving e-mails and calls all day from well-placed former government officials, investigative journalists, and political figures in response to the *EIR* article (July 22), "White House Iraq 'Plumbers Unit' Behind Plame Leak." (The main response was that Lyndon LaRouche was right on target with his identification of Dick Cheney and his chief of staff, Lewis Libby, as pivotal players, with Karl Rove, in the scandal.)

That *EIR* story identified the White House Iraq Group (WHIG), a senior-level task force created in August 2002 to promote the overthrow of Saddam Hussein, as the center of Administration propaganda and disinformation efforts. WHIG's efforts centered on the false claim that Saddam Hussein was on the verge of obtaining nuclear weapons, and Rove and Libby were the drivers of WHIG.

The origins of the "Get Joe Wilson and Valerie Plame" efforts have been traced to a March 2003 meeting in the Office of the Vice President, attended by Libby and John Hannah, the deputy national security advisor to the Vice President, among others. The meeting was provoked by an appearance by Joe Wilson on CNN, the day after International Atomic Energy Agency head Dr. Mohamed ElBaradei appeared at the UN Security Council, and revealed that the Niger government documents, purporting to show that Saddam was seeking to buy large quantities of yellowcake uranium, were shoddy forgeries.

It was Cheney himself who was at the center of the campaign to smear Dr. ElBaradei for debunking the Niger uranium story. In a March 16, 2003 interview on "Meet the Press," Cheney put the full force of the Administration behind the attack on ElBaradei, and three days after Cheney "gave the word" that no amount of evidence from UN weapons inspectors could stop his pre-emptive war, the war began.

Bolton Caught in Tightening Net

Sources have also suggested that former State Department arms control negotiator and leading Cheney asset John Bolton may be caught up in the net being cast by special prosecutor Fitzgerald. Bolton has long been identified as a Cheney "plant" at the State Department, who kept tabs on former Secretary of State Powell and his deputy, Richard Armitage, on behalf of the Vice President.

Now, reportedly, Fitzgerald is investigating whether Bolton and his chief of staff, CIA officer Fred Fleitz, were responsible for fingering Plame as a CIA officer who purport-

edly promoted her husband's fact-finding trip to Niger. Fleitz was specifically requested by Bolton as his liaison officer to the CIA, when Bolton first came into the State Department in 2001. Fleitz, according to several sources, was familiar with Plame's work on weapons of mass destruction at the Agency, dating back to the late 1990s.

LaRouche on Cheney

LaRouche has pointed to the perverse character of Vice President Cheney, noting that Cheney cannot resist maintaining a detailed picture of the seedy operations run against Wilson and his wife out of the White House. "It is in his nature to revel in the grimy details," he said. This, LaRouche suggests, is going to bring down the Administration—Cheney first.

Documentation

White House Breached Security Eleven Times

The White House has breached Executive Order 12958, its own order on preventing, and punishing, leaks of classified information, especially in the context of the global war on terrorism. The specifics of the White House security breaches involving Valerie Plame Wilson are detailed in a July 22, 2005 fact sheet posted on the website of the House of Representatives' Government Reform Committee, Minority Office, headed by Rep. Henry Waxman (D-Calif). The Fact Sheet was released to a hearing of a joint panel of Senate and House Democrats on the topic of "National Security Consequences of Disclosing the Identity of a Covert Intelligence Officer," which was chaired by Waxman on July 22.

The Fact Sheet is published here in full.

From: Henry A. Waxman
Ranking Minority Member
Committee On Government Reform
U.S. House of Representatives
July 22, 2005

Fact Sheet: Administration Security Breaches Involving Valerie Plame Wilson

On July 14, 2003, columnist Robert Novak revealed that the wife of Ambassador Joseph Wilson, Valerie Plame

Wilson, was a covert CIA agent. This disclosure of classified information has triggered a criminal investigation by a Special Counsel and led to calls for congressional investigations.

The Novak column, however, appears to be only one of multiple leaks of Ms. Wilson's identity. As this fact sheet documents, there appear to be at least 11 separate instances in which Administration officials disclosed information about Ms. Wilson's identity and association with the CIA.

Under Executive Order 12958, the White House is required to investigate any reports of security breaches and take "prompt corrective action," such as suspending the security clearances of those involved. Unlike prosecutions for criminal violations, which require "knowing" and "intentional" disclosures, the executive order covers a wider range of unauthorized breaches, including the "negligent" release of classified information. There is no evidence that the White House has complied with its obligation to investigate any of the 11 reported instances of security breaches relating to Ms. Wilson or to apply administrative sanctions to those involved.

The Disclosures of Valerie Wilson's Identity

1. *The Disclosure by Karl Rove to Columnist Robert Novak*

In a column dated July 14, 2003, Robert Novak first reported that Valerie Plame Wilson was "an agency operative on weapons of mass destruction." Mr. Novak cited "two senior administration officials" as his sources. According to multiple news reports, one of these two sources was Karl Rove, the Deputy White House Chief of Staff and the President's top political advisor. During a phone call on July 8, 2003, Mr. Rove confirmed for Mr. Novak that Ms. Wilson worked at the CIA. During this conversation, Mr. Novak referred to Ms. Wilson "by her maiden name, Valerie Plame," and said he had heard she was involved in "the circumstances in which her husband traveled to Africa." Mr. Rove responded, "I heard that, too." Mr. Novak's name also appeared "on a White House call log as having telephoned Mr. Rove in the week before the publication of the July 2003 column."

2. *The Disclosure by a "Senior Administration Official" to Columnist Robert Novak*

In addition to his communications with Mr. Rove, Mr. Novak learned about Ms. Wilson's identity through communications with a second "senior administration official." Mr. Novak's second source has not yet been publicly identified. Mr. Novak has stated, however, that the source provided him with Ms. Wilson's identity. As he stated: "I didn't dig it out, it was given to me." He added: "They thought it was significant, they gave me the name and I used it."

3. *The Disclosure by Karl Rove to Time Reporter Matt Cooper*

During a phone call on July 11, 2003, Mr. Rove revealed to *Time* reporter Matt Cooper that Ms. Wilson worked at the

CIA on weapons of mass destruction. Mr. Cooper reported that this “was the first time I had heard anything about Wilson’s wife.” Mr. Rove provided this information on “deep background,” said that “things would be declassified soon,” and stated, “I’ve already said too much.”

*4. The Disclosure by Scooter Libby to **Time** Reporter Matt Cooper*

During a phone call on July 12, 2003, *Time* reporter Matt Cooper asked the Vice President’s chief of staff, I. Lewis “Scooter” Libby, “if he had heard anything about Wilson’s wife sending her husband to Niger.” Mr. Libby replied, “Yeah, I’ve heard that too,” or words to that effect. Mr. Libby provided this information “on background.”

*5. The Disclosure by an Administration Official to **Washington Post** Reporter Walter Pincus*

On July 12, 2003, an “administration official” told *Washington Post* reporter Walter Pincus that “Wilson’s trip to Niger was set up as a boondoggle by his CIA-employed wife.” Mr. Pincus has not publicly identified his source, but has stated that it “was not Libby.”

6. The Disclosure by a Top White House Official to an Unidentified Reporter

In addition to making disclosures to Mr. Novak, Mr. Cooper, and Mr. Pincus, White House officials may have had conversations about Ms. Wilson with three other reporters about Ms. Wilson’s identity. According to the *Washington Post*, a “senior administration official” confirmed that “before Novak’s column ran on July 14, 2003, two top White House officials called at least six Washington journalists and disclosed the identity and occupation of Wilson’s wife.” According to this official, “Clearly, it was meant purely and simply for revenge.” Press reports suggest that one of these unidentified reporters may be NBC correspondent Andrea Mitchell.

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officials called at least six Washington journalists and disclosed the identity and occupation of Wilson’s wife.” According to this official, “Clearly, it was meant purely and simply for revenge.” Press reports suggest that one of these unidentified reporters may be MSNBC *Hardball* host Chris Matthews.

*9. The Disclosure by an Unidentified Source to **Wall Street Journal** Reporter David Cloud*

On October 17, 2003, *Wall Street Journal* reporter David Cloud reported that an internal State Department memo prepared by U.S. intelligence personnel “details a meeting in early 2002 where CIA officer Valerie Plame and other intelligence officials gathered to brainstorm about how to verify reports that Iraq had sought uranium yellowcake from Niger.” This “classified” document had “limited circulation,” according to “two people familiar with the memo.”

*10. The Disclosure by an Unidentified Source to James Guckert of **Talon News***

On October 28, 2003, *Talon News* posted on its website an interview with Ambassador Joseph Wilson in which the questioner asked: “An internal government memo prepared by U.S. intelligence personnel details a meeting in early 2002 where your wife, a member of the agency for clandestine service working on Iraqi weapons issues, suggested that you could be sent to investigate the reports. Do you dispute that?” *Talon News* is tied to a group called GOP USA and is operated by Texas Republican Robert Eberle. Its only reporter, James Guckert (also known as Jeff Gannon), resigned when it was revealed that he gained access to the White House using a false name after his press credentials were rejected by House and Senate press galleries. In a March 2004 interview with his own news service, Mr. Guckert stated that the classified document was “easily accessible.” In a February 11, 2005, interview with Wolf Blitzer of *CNN*, Mr. Guckert said the FBI interviewed him about “how I knew or received a copy of a confidential CIA memo,” but he refused to answer FBI questions because of his status as a “journalist.” A week later, Mr. Guckert changed his account, claiming he “was given no special information by the White House or by anybody else.”

*11. The Disclosure by a Senior Administration Official to **Washington Post** Reporters Mike Allen and Dana Milbank*

On December 26, 2003, *Washington Post* reporters Mike Allen and Dana Milbank reported on details about the classified State Department memo, writing that it was authored by “a State Department official who works for its Bureau of Intelligence and Research.” The *Post* story was attributed to “a senior administration official who has seen” the memo. The *Post* also reported that the CIA was “angry about the circulation of a still-classified document to conservative news outlets” and that the CIA “believes that people in the administration continue to release classified information to damage the figures at the center of the controversy, former ambassador Joseph C. Wilson IV and his wife, Valerie Plame.”

What's Behind Bush's Frenzy Over The Supreme Court Nomination?

by Debra Hanania-Freeman

When President Bush nominated Judge John G. Roberts of the U.S. Court of Appeals for the District of Columbia Circuit to fill the vacancy on the Supreme Court, in highly unusual live prime-time remarks on July 19, it brought to a close what is being called one of the most bizarre days in the recent history of the nation's capital.

Just 24 hours earlier, at a joint press conference with Prime Minister Manmohan Singh of India, the President indicated that he still had more interviews to conduct with potential candidates for the Court. Later that afternoon, Administration officials indicated that no announcement was likely until the end of the last week of July.

But, by Tuesday, July 19, rumors were flying that the President was indeed closer to making a decision than his statements the day before had indicated. Administration sources leaked that Judge Edith Brown Clement of the U.S. Court of Appeals for the Fifth Circuit, based in New Orleans, would be named within the next few days. The rumors were so widespread, that when Bush appeared at a joint news conference with Australian Prime Minister John Howard in the East Room that day, the press hammered him with questions about Clement. Bush giggled and said that he didn't have anything profound to say.

A short time later, at 12:35 p.m., White House sources reported that the President interrupted a White House luncheon for Prime Minister Howard, and appeared to be "manic and excited." The sources said that the President jumped up and said that he had to make an important phone call and would be back. Apparently, the call was to Judge Roberts, who immediately accepted. Bush stepped back into the luncheon and, according to his press secretary, Scott McClellan, made Mr. Howard and his wife Janette the first to know of his decision. There was a flurry of activity to secure air time for 9:00 p.m. that night. Apparently, it was not until 7:30 p.m. that Bush informed a small group of important members of the Senate that he had made a choice. They included Bill Frist (R-Tenn.), the Majority Leader; Arlen Specter, the Pennsylvania Republican who chairs the Senate Judiciary Committee; Patrick Leahy (Vt.), the ranking Democrat on the Committee; and Harry Reid (Nev.), the Democratic Mi-

nority Leader. Until then, wire services across the nation were still reporting that Clement was the person whom Bush would name.

In the wake of the announcement, both Democrats and Republicans were commenting that the President's bizarre behavior, and the speeded-up timing, were designed to push the continuing headlines about Karl Rove and the Federal investigation into who leaked the name of CIA officer Valerie Plame Wilson to the press, off the front pages, at least for a time. One Washington pundit referred to it as "Wag the Judge."

The President's Bizarre Behavior

Certainly, the media's focus did shift to the nomination, especially as special interest groups on the left and the right spun into action. But, is it indeed the case that Bush's increasingly bizarre behavior is attributable to his desire to deflect attention away from criminal actions by members of his Administration during the build-up to the Iraq War? Is the



White House/Carolyn Drake

President Bush was in such a manic fit about appointing a Supreme Court Justice, that he broke off a meeting with Australian Prime Minister Howard to make the phone call.

President cracking under the mounting pressure? Perhaps. But there is another very important element to the story that especially the Washington, D.C. press has failed to cover.

The hyperactive, near psychotic behavior that Bush exhibited on July 19 had, in fact, been building for a full week. The previous Tuesday, Bush was forced to at least give the appearance of succumbing to the Constitutional mandate for “advice and consent” with the Senate regarding, among other things, Executive nominations.

On that day, the President, joined by Vice President Dick Cheney and White House Chief of Staff Andrew Card, sat down with Frist, Specter, Leahy, and Reid, nominally to discuss the process of filling the vacancy created by Justice Sandra Day O’Connor’s impending retirement. Reports of that meeting described Bush as being distracted, inattentive, and at times, dissociated. Apparently, the meeting was purely perfunctory and very little of substance regarding potential candidates for the post was discussed. When Bush was pressed to disclose his thoughts, one source reported that the President giggled, and said he wanted to surprise everyone. Despite promises of further discussions, it was very apparent that Bush had absolutely no intention of engaging in any substantive consultation with the bipartisan group of Senators.

Initiative by Four Senators

Largely in recognition of this reality, and out of deep concern for the potential paralysis of the nation’s highest court at a time of great crisis, a bipartisan group of female Senators disclosed that they had written a letter to Sandra Day O’Connor on July 14, urging her to reconsider her retirement.

In the letter, Republicans Olympia Snowe and Susan Collins of Maine, and Democrats Mary Landrieu of Louisiana and Barbara Boxer of California, asked O’Connor to consider staying on the high court if the increasingly ailing Chief Justice William Rehnquist steps down. “We urge you to reconsider your resignation and return to the Supreme Court to serve as Chief Justice, should there be a vacancy,” the four Senators wrote.

The bipartisan group said they would make “a strong recommendation” to the President. “We believe such a history-making nomination by the President would demonstrate leadership that united Americans around the shared values of liberty, the rule of law and the preservations of our constitutional freedoms,” they said.

Within hours of the letter being made public, Senate Judiciary Committee Chairman Arlen Specter and top Judiciary Democrat Patrick Leahy publicly endorsed the proposal. Leading Senators from both sides of the aisle soon followed.

Apparently, the proposal sent Bush into a frenzy. He was enraged that the Senate would be so presumptuous as to carry out their Constitutionally mandated responsibility.



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Associate Supreme Court Justice Sandra Day O’Connor was asked to stay on the court by a bipartisan group of female Senators. The request sent the White House ballistic.

As the day wore on, speculation grew that the entire move was an orchestrated response by the Senate to Bush’s refusal to engage in any serious consultation about potential candidates. It seemed that a bipartisan group was attempting to “box the President in.” The additional aggravating factor was the naming of Sandra Day O’Connor, a moderate who, if she were not sitting on the Supreme bench today, would *never* be nominated by this Administration under any circumstances, since she fails Bush’s well-known “litmus test.”

Immediately after his discharge from a hospital stay, a weakened Chief Justice Rehnquist was carted out to address the press, claiming that he “wasn’t going anywhere,” and that all talk of replacing him was premature. Rehnquist insisted that he would stay in his post “as long as [his] health permitted.” When one reporter pointed out that the Chief Justice’s failing health had already caused him to miss the great majority of the high court’s last session, the press conference was closed down.

That weekend, President Bush did not go, as is his usual weekend routine, to Camp David, stating through his spokesman that he wanted to interview more potential nominees, none of whom were ever discussed with the relevant members of the Senate.

As the Senate begins its confirmation process of Bush’s pick prior to the scheduled August recess, the question of Judge Roberts’s qualifications is much less of an issue than the increasingly obvious fact that his nomination was a product of a Presidential temper tantrum against the Senate, by a President whose overall behavior seems to grow more bizarre and more indicative of clinical mental incapacity with each passing day.

GOP Senators Assert Congressional Control Over Detainee Policy

by Edward Spannaus

The White House is threatening to veto the Defense Authorization bill, if it contains a provision being drafted by three key Senate Republicans, which would assert Congress's Constitutional role in defining U.S. policy on detainees and interrogations in the war on terrorism. In a statement issued on July 21, the White House insisted that Congress must not legislate on these matters, over which the Executive branch wrongly claims to have exclusive authority.

At the outset of the so-called war on terrorism, the White House—particularly the office of Vice President Dick Cheney—has insisted that the President has inherent powers as Commander-in-Chief in wartime to ignore or override Congressional enactments (such as the Federal anti-torture law and the War Crimes Act), and also to ignore international treaties (such as the Geneva Conventions) which were ratified by the U.S. Senate.

The three Republican Senators who are urging the Senate and Congress to assert their own responsibility under Article I, Section 8, of the U.S. Constitution, to set rules for captured prisoners, and to regulate the Armed Forces, are: John Warner (Va.), the chairman of the Senate Armed Services Committee; Lindsey Graham (S.C.), a former military prosecutor; and John McCain (Ariz.), a former prisoner-of-war.

In addition to the amendment on detainee policy, a group of Democratic Senators, led by Carl Levin (Mich.), the senior Democrat on the Armed Services Committee, announced on July 21 that they are introducing an amendment to create an independent commission to investigate prisoner abuse and examine the White House policies on detainees. The White House threatened to veto any bill containing this provision.

What the Senate Hearings Revealed

On July 13 and 14, the Senate Armed Services Committee, of which Warner, Graham, and McCain are members, held two days of hearings on detainee policy. The first day was on the treatment of detainees at Guantanamo, and specifically on the Army's investigation of complaints in FBI e-mails of prisoner abuse and torture. There were three points demonstrated at the first day of the hearings:

1. The Army's investigation of the FBI complaints was a whitewash. Key witnesses from the FBI were not interviewed. Army investigators seem to have started from the assumption that, because of the clashes between FBI and military personnel, the FBI reports were unreliable, and required a high stan-

dard of proof to be upheld.

2. As long as coercive and abusive methods of interrogation had been approved by higher authorities, particularly Defense Secretary Donald Rumsfeld, such techniques were automatically deemed legal and proper. In other words, no one is to be held accountable. Even though Army investigators had recommended that the Commanding General at Guantanamo, Maj. Gen. Geoffrey Miller, be reprimanded, their recommendation was overruled by the Commander of the Southern Command, Gen. Bantz Craddock.

Senators Jack Reed (D-R.I.) and McCain were both highly critical of General Craddock for overriding the investigator's recommendation. Reed called it "ludicrous" that Miller was being exonerated, while a junior officer is being recommended for punishment, and he said he agreed with McCain "that we're in this hole because no one has taken responsibility at a senior level."

3. Abuses of prisoners at Abu Ghraib in Iraq, for which only low-level reservist soldiers were punished, had all been carried out first at Guantanamo. Sexual and religious abuse, physical coercion amounting to torture, threatening prisoners with dogs, and even dragging a prisoner around on a dog leash, had all been done first at Guantanamo, under Miller's direction and supervision.

Miller was then deployed by top Pentagon civilians to Iraq in August-September of 2003, where he embarked on a course of action to "Gitmo-ize" Abu Ghraib, with the result that the most serious abuses at Abu Ghraib took place within weeks of Miller's visit there.

The Judge Advocates General Object

At the July 14 hearing, Senator Graham stated that Guantanamo is "a legal mess" because of confusion over the status of "enemy combatants" and legal disputes over the use of military tribunals. "Congress has been AWOL here," Graham declared: "We've criticized and we've applauded, but we've been absent when it comes to designing policies dealing with the capture of people on land and sea involved in a war. That is a Constitutional duty of the Congress."

Present as witnesses were the top legal officers of the uniformed services—the Judge Advocates General (JAGs) of the Army, Navy, and Air Force—and also the top legal officer of the U.S. Marines. Elicited in questioning, was that the JAGs had sharply objected to the interrogation policies

put forward by the Justice Department and the Department of Defense civilians in the Spring of 2003, and that they had been overridden by DOD General Counsel William Haynes.

That the JAGs had objected to the DOJ “torture” memos and their incorporation in DOD policy has been known for over a year, but this is the first time that the JAGs have been able to discuss their disagreements publicly. In the hearing, Sen. Ted Kennedy (D-Mass.) attempted to elicit testimony from the JAGs—who were understandably reluctant to openly air their disagreements with the civilian leadership. Senator Graham then insisted that they do so. Graham cited the fact that the DOJ’s position as to what would constitute torture, and what would be a violation of international or domestic law regarding interrogation techniques, had “alarmed” the JAGs who reviewed it. “Is that true or not?” Graham asked. “Speak up.”

At that point, the JAGs answered: “Yes, sir, that is true.”

A number of Senators, both Republican and Democrat, vowed to pursue their quest to obtain the memos that the JAGs wrote at the time. The Army JAG, Gen. Thomas Romig, pointed out that they had written memos, which have not been declassified, “laying out in very strong terms our opinion on some of these things.”

Documentation

Adm. John Hutson (ret.): ‘We Have a Serious Problem’

This is testimony given to the Senate Armed Services Subcommittee on Personnel, at its July 14 hearing, by retired U.S. Navy Adm. John D. Hutson, former Judge Advocate General of the Navy, and now the president and dean of the Franklin Pierce Law Center, Concord, N.H.

Admiral Hutson’s more extensive prepared testimony is available on the Senate Armed Services Committee website.

I think we’ve got a serious problem, and you have the opportunity to fix it if you care to take it, and I would agree that it is incumbent upon Congress to take this opportunity in its oversight capacity.

If there’s one thing that’s come out clearly in the hearing today, the hearing yesterday, and in the lead-up to all of this, it is confusion. . . .

I will bet that if you ask the Attorney General of the United States, and Secretary Rumsfeld, and the chairman of the Joint Chiefs, and the Judge Advocates General, and all the senior people who have worked on this issue, to write down what their definition of a combatant is, what they think the rules are that apply, to whom they apply, where they apply, when they apply—you would come up with as many different an-

swers as you would ask the question.

And if those people can’t write it down, if they don’t understand it clearly, you surely can’t expect the colonels, and the captains, and the staff sergeants to understand it, and if you can’t expect the staff sergeants to understand it, you’re going to have the kind of problems that we’ve seen.

Whatever it is we do, it has to be foolproof. We have to keep it simple. We are talking about these issues in terms of legal niceties, and that’s fine for law school. That’s fine for seasoned lawyers to try to do. It doesn’t work on the battlefield.

The other thing about the legality issues here is, I think, that in many respects it misses the more important issues. I like to think of the United States as being above the law—above the law in a sense that the law provides the floor. And we are in the basement at this point, in many respects.

But the law provides the floor, and the United States should be above that. We should be considering these things not so much from a legal point of view as from a moral point of view, a diplomatic point of view, what’s right militarily, what’s right practically, what makes common sense, what’s going to work not only in this war but in the next war and the war after that.

Because right now, we are looking at it in a very short-sighted way. We’re trying to deal with the very narrow, immediate issue and not doing that very well, and we have completely lost sight of what’s over the horizon.

And I think that’s why the Judge Advocates General had a different point of view than the political appointees, because the policymakers were looking immediately.

The Judge Advocates General were looking over the horizon and trying to figure out what’s going to be best for the United States. . . . We’re the ones who are running the risks here. It protects U.S. troops now and in the future for us to come to some sort of understanding about what the rules are going to be. And parsing the Convention Against Torture and the Geneva Conventions—your points about how you identify the Taliban and al-Qaeda were right on the mark, Senator. It just doesn’t work.

And it’s absolutely necessary that we straighten this out. You know, what we need to say is, they may be terrorists; they may be evildoers; but they’re human beings, and we’re Americans, and we will treat them with the dignity and respect that Americans should always treat human beings, simply by virtue of their humanity.

And then in doing that, we can fix the Military Commission process. I was an early and ardent and vocal supporter of Military Commissions. I think they can be fixed. We can fix the interrogation policy. We can enact the Army Field Manual [34-52] so that it applies to every person, every place, in every interrogation.

We can do the things that are necessary for history when they write the chapter, “Treatment of Detainees,” in the book on the war on terror, the end of the chapter will be better than the beginning of the chapter.

Federal and State Revenue Rises Much Touted, But All Smoke

by Paul Gallagher and Mary Jane Freeman

Tax revenues of the Federal government in 2005 remain considerably *below* their level of four years ago, despite the considerable fanfare the George W. Bush Administration gave to its July 13 announcement of a “shrinking budget surplus” and “rising Federal tax revenues.” The high-profile announcement by Office of Management and Budget (OMB) director Joshua Bolton reflected a number of frauds—including the clearly too-high estimate of the FY 2006 deficit that OMB made in February, which made it easy to show a substantially lowered deficit estimate now. Also, OMB used a record Social Security surplus, over \$160 billion, to make the deficit estimate “shrink” to \$333 billion. In all, it was basically a fraudulent “intelligence estimate,” reminiscent of those of Dick Cheney.

At the same time, a number of Federal states around the country have been announcing “a return to revenue surpluses” after three to four years of repeated gaping budget shortfalls, brutal budget cuts, and exhaustion of rainy-day funds, tobacco settlements, and so on.

At both the Federal and state levels, the frauds of the revenue jumps share common elements. They do not represent withholding-tax increases, which indicate rising employment and/or wages; but rather, they reflect the much higher real-estate-bubble-driven corporate and capital gains taxes in 2004. As one Maryland legislator put it, concerning the newly projected \$1 billion FY 2005 surplus in that state, “No government official had anything to do with this; it was the real estate market.”

The Federal and state increases involve many one-time-only factors, especially with regard to corporate taxes; they represent tax revenue levels still well below those of the late 1990s through 2000; and they represent the underpayment by government of rapidly rising costs from the decay of the underlying real economy. On the state level, this means, above all other factors, the upward spiral of Medicaid costs—the result of falling real wages and benefits in employment—which are tending to overwhelm the “surpluses” which have briefly appeared.

The OMB raised its Federal tax revenues estimate for FY 2005 by \$87 billion on July 13. George W. Bush, and other Republicans, like Budget Committee chairman Rep. Jim Nussle (R-Iowa), immediately trumpeted the claim—hardly challenged anywhere in the media—that the Bush tax cuts have produced *increases* in Federal tax revenues. In the same

July 13 report, the OMB also immediately raised its Federal tax revenue projections for each of the next five years, by roughly the same amount—a nonsensical step.

Historically Low Tax Revenue

But the claim is a fraud. Economic collapse and tax cuts have *reduced* total tax revenues during Bush’s term in office.

Despite the Federal tax revenue increase from Fiscal Year 2004 to FY 2005, this year’s currently projected revenue remains 2-3% *lower* than the Federal tax revenue collected in FY 2001, which ended just before the Bush/Cheney tax-cut binge began to go into effect. (The Federal fiscal year ends with each Sept. 30.) Federal tax revenue fell for three straight years, FY 2002-04, an extremely unusual occurrence; and in FY 2004, it reached the lowest level since 1959, as a percentage of GDP.

Federal tax revenue for FY 2005 is now, with the OMB’s latest revision, projected to equal 18% of GDP; in contrast, Federal tax revenue remained in the range of 21-22% of GDP from 1960-1999.

In dollar figures, the changes in Federal tax collections from year to year since FY 2001 are as follows: 2001-02, down \$60 billion; 2002-3, down \$27 billion; 2003-4, down \$49 billion; 2004-5, up \$91 billion (projected); 2001-05 as a whole, down \$45 billion (projected).

There is another way to look at this revenue collapse: The *projection* of FY 2005 Federal tax revenue made by the Congressional Budget Office (CBO) in January 2002—after the 9/11 attacks, and after the biggest Bush tax cuts had already been enacted—was \$2.342 trillion. But this week’s new OMB projection for FY 2005 is \$2.140 trillion, almost 10% less than what the CBO projected three and a half years ago.

Higher corporate income tax collections account for \$51 billion of the \$87 billion increase in Federal revenue estimated by the OMB. The reasons for the FY 2005 increase over 2004 are primarily three: First, corporate taxes have risen substantially with the expiration of an accelerated depreciation business tax cut at the end of 2004. Second, a one-time, large tax break rewarding businesses that bring overseas profits back into the United States, is in effect in 2005. Instead of 30%, firms are paying only 5.25% on these repatriated profits, so they are bringing that income back in large amounts in order to be lightly taxed.

Third, rising stock prices in 2004 produced rising capital

gains taxes; but stock prices have not risen in 2005.

Nonetheless, looking at corporate tax revenues only, the changes from year to year since FY 2001 are as follows: 2001-02, down \$35 billion; 2002-03, down \$7 billion; 2003-04, down \$20 billion; 2004-05, up \$51 billion (projected); and 2001-05 as a whole, down \$11 billion (projected).

An Example: 'Chiselling' Veterans

An important component in the fraud of the improved budget situation is Administration chiselling on vital services and infrastructure on a mass scale. To wit, the current scandal around the budget for veterans health care, which was found to be billions short for both fiscal 2005 and 2006. These shortfalls were discovered only after the most intense grilling of Veterans Affairs Secretary Jim Nicholson by Congressmen of both parties, which revealed an Administration attempt to sweep the shortfall under the rug by reallocating monies from reserves and capital maintenance. Even with ongoing efforts by members of Congress to pass emergency supplemental allocations, it is not clear that veterans' service will be fully funded, because Administration figures assume increases in co-pays and enrollment fees for health services which have been voted down in Congressional committees. And, veterans advocates are warning that the vital national nursing home network could remain in jeopardy whatever the funding levels voted. (See interview with Alfie Alvarado, this issue.)

The States' 'Good News'

Many states report "good news" as revenue surpluses have arisen as they closed out Fiscal Year 2005, which, for most states, ended June 30. This revenue up-tick is the first time in four years any surpluses have accumulated, after severe shortfalls which led to state governments slashing services and programs.

In reality, the news is superficial and likely not to last long, as the spurt was not the result of job growth or newly created physical economic growth. (See, for example, accompanying interview with Vermont state legislator.) Rather, the surpluses resulted as states cut spending, imposed tax and fee increases, and reaped revenues from corporate tax amnesties, or taxes on capital gains incomes—the latter largely buoyed by the overheated housing bubble—or oil revenues, as in Texas and Alaska.

Maryland, for example, reports a \$1 billion surplus, which GOP Governor Robert Ehrlich crowed was because he exercised "fiscal restraint" without "raising the sales or income tax." Not reported by Ehrlich was the 5 cents per \$100 assessed value on state property taxes, which generated more than half the new-found surplus. Nor did he mention the double-digit increase in college tuition that occurred, or program cuts, including some in health care.

Maryland state Delegate Richard Madaleno, Jr. (D) likened Ehrlich's bragging to "watching George Bush under the 'Mission Accomplished' sign" on the aircraft carrier over

a year ago, declaring the 'victory' in Iraq. "It's a little premature to declare victory," he said.

The "good news," announced in early July by agencies which monitor states' revenues and spending, was qualified with caveats: "Revenue is improving, but not enough to eradicate persistent budget gaps," as "half the states are facing [new] gaps" for Fiscal Year 2006, which began July 1. Another remarked that the revenue surge "is not overwhelming, especially considering the extent to which states have cut their budgets recently."

Exploding growth of Medicaid costs, as more people are laid off from high-paying jobs and employers halt health-insurance programs, is a key factor too. "Enrollment increases continue to play a major role in increased Medicaid spending [for states], with enrollment increases of 40 percent over the past five years," the National Association of State Budget Officers (NASBO) reports.

The April 2005 "State Budget Update" by the National Conference of State Legislatures (NCSL) showed that "rising health-care costs and utilization are driving Medicaid and other health-care programs over budget. Through the first eight months of FY 2005, Medicaid and other health care spending [exceeded] appropriations in 23 states." By June it was 24 states, NASBO reported, "despite extensive cost containment."

NCSL economist Arturo Perez told *EIR*, "much of the growth in revenues will be tapped for additional Medicaid expenditures" and other health-care costs, so "there will be a tremendous need for those new-found dollars." NASBO reported the "good" revenue picture is "tempered by a backlog of expenditure demands," including "Medicaid [which is] the most costly."

Another critical element showing the weakness of the recent revenue surge is the "growth" in personal income tax (PIT) revenue. In the January-March, 2005 period, PIT grew by 11.2% nationally. PIT accounts for about one-third of states' revenues. But the total for withholding tax on wages was the smallest part of the increase, whereas the estimated tax portion grew by 21.5% compared to 2004, reports the Rockefeller Institute of Government. These taxes derive mostly from investments and capital gains. New jobs did not cause the revenue growth.

Although the revenue up-tick enabled many states to adopt their Fiscal 2006 budgets with less pressure to reduce programs and spending, it failed to erase the last four years of under-investment in people and government.

Twenty-six states had a combined \$26.9 billion shortfall as they moved to adopt 2006 budgets. To close those gaps, they made cuts to programs along with increases in borrowing or taxes or fees. So this new budget year already begins with hundreds of thousands of people losing Medicaid benefits, property taxes continuing to climb, and states indebting themselves without initiating capital investment in goods and services for desperately needed infrastructure, which benefits the nation's general welfare.

Can't Build a Budget On Real Estate 'Boom'

State Rep. Michael D. Obuchowsky, who represents Vermont's Windham legislative district, spoke to Patricia Salisbury on July 13.



EIR: You had a briefing on some aspects of the Vermont economy fairly recently. What did you learn?

Obuchowsky: Our revenue forecasters are saying that things should be a little bit better than expected next year, 2006. We are in a process where July 15 and Jan. 15 are the dates we look at our revenue projections and come up with our consensus forecast; and we are adding \$40 million for 2006, and a little bit less than that for 2007. And it is based primarily on corporate profits, the corporate tax we have in Vermont, and the fact that corporations are not hiring. Or, if they are, they are hiring slower than normal, thereby experiencing productivity increases in profit. The other thing that is happening with corporations is that those that can gain productivity by technological investment have been doing so.

The other thing that is going on, at least in the Vermont economy, is the real estate boom. And while folks did not think that was going to exist as long as it has, it looks like it is going to continue for a while.

EIR: The question of the real estate boom, as you have indicated, can go at any moment. If you look at the economy, and all the bubbles that have been created, it is really like building on sand.

Obuchowsky: Right, it is nothing to build a base budget on, that is for certain. It could be there today, and gone tomorrow.

EIR: We have been looking at some of the different budget situations around the country; and in many places a somewhat rosy picture is being presented, but when you examine it, you find that taxes have been increased, and services have been cut back.

Obuchowsky: I think, in terms of the tax increases, they have been few and far between. However, premiums that are

charged for our Medicaid have driven up health care for folks that need a little assistance—their premiums have been going up (not as much as the governor would like it). I think you do have a situation in which people are paying more and getting the same thing or less. . . .

EIR: We are looking at the collapse of the health-care delivery system, for example, the veterans hospitals.

Obuchowsky: We are finding large increases, like the rest of the country, and we have a hesitancy to attack the problem by controlling costs. We in Vermont come from an ethic, where if you don't have the resources, you get taken care of. So then what happens: There is a cost shift, and everyone else pays for it, and that drives the expenditure. But that is a decision that Vermont has made.

In terms of the veterans hospitals, I have not heard anything but good things going on there. If they are under threat, that is a huge concern to us, because people have essentially signed a social contract, whether they be our aging and passing World War II veterans, up to the present-time veterans. Those resources were promised, and they should be available to them.

We have had to fight in the past. A lot of the issues that you are mentioning are historic for us. We have gone over some of those bumps, probably, because either situations were mishandled by the owners of the businesses; or, on the other hand, we are in the backwater, and we might be easier to get rid of than something that is more prominent someplace else. So we have gone through a lot of those adjustments you talked about earlier.

EIR: Do you have any kind of mass transit, either in the state or on the drawing boards?

Obuchowsky: We did, but the government subsidy was \$40 one-way; it was up and running but we withdrew our support. We have bus systems; we have public transit in the state. They started big, but had to contract and are very challenged. The contraction has taken place over the past five years. This is with buses that run between towns.

In Burlington, we did have a train, but that is the transit that was phased out two or three years ago. A private company came forward and proposed to do what government had not been able to do. They advertised it for several months and got people to sign up, but they could not get enough to make it go. So people apparently prefer to drive their cars, given the opportunity for mass transit from a governmental basis, and also from a private-sector basis. We are part of Amtrak.

Another thing we are challenged by, is housing for regular people. As property appreciates, if your income is not keeping up, you are soon out of the market—just as regular working people. That is becoming a challenge, and that directly relates back to some of the policies of the present Administration in regards to housing and privatization.

VA Cuts Would Force Veterans on Medicaid

Ms. Alvarado is Assistant Director of the Department of Veterans Affairs in Washington state and the president of the National Association of State Veterans Homes. She was interviewed on July 20 by Patricia Salisbury.



EIR: We have been tracking the collapse of health care all over the country, and I know you have raised great concerns about the future of our veterans in nursing homes. Can you tell me about this situation?

Alvarado: Probably the most significant issue when it comes to the [Bush] Administration's budget, money wise, is being corrected. As you probably know, the President or the Administration has asked for additional dollars to make up for the shortfall this year, and then \$1.9 billion to make up for the shortfall we are going to have next year, because Congress rejected the proposed budget changes. So in those budget changes there were some very significant issues that affect our state homes.

One of them, and probably the most important, is their prioritizing of veterans to be able to receive what is called a *per diem*, a daily rate which is paid to the VA [Federal Veterans Affairs program] for care of veterans at state veterans homes.

The total cost of care varies all over the nation, depending on the particular state and the economy, but we have a national rate, and of that national rate we get about \$59 per day [out of a total of about \$178 per day—ed.], so that \$59 per day pays for certain items or services that by virtue of the arrangement we have with the VA, we are supposed to provide to veterans. The biggest change in the budget was, first, a cut to *per diem*, foreseeing that the policy change they were going to implement would take place: This policy change dictates that only those service-connected veterans and those with special needs—ventilator-dependent, traumatic brain injuries, spinal cord injuries, and the severely mentally ill—would be the only ones that we could admit.

When we looked at our homes nation-wide, in those categories, about 15-20% of our veterans qualify for VA *per diem*. This means that of all of the occupied beds in our nursing

homes, of which there are 19,000, only 15% would qualify for *per diem*.

EIR: Can you tell me broadly the categories of the other 85% who would not qualify under those criteria?

Alvarado: The other veterans still have the need for nursing home care, but have not had a physical disability that was related to their service. They are on honorable discharge, and many of these veterans are medically indigent. They may have money and they may have pensions, but those pensions are not sufficient to be able cover the cost of care.

EIR: And up to this point, and currently, they are still eligible for this care.

Alvarado: The VA's position, as stated to me at different locations, by different high-level officials, is that those veterans who don't qualify for care based on these new policy priorities would be cared for by the state, that the state would pick up the care.

Guess what is happening to the Medicaid budget; they would have to have an enhanced funding to be able to care for these veterans. So it doesn't make any sense, because the burden will be shifted to the Federal government, to the Medicaid system, and to the states, because of the match [in funds] that these states have to put up to qualify someone for Medicaid.

EIR: The current budget proposal, the \$1.5 billion in the Senate proposal for Fiscal 2005: If this figure is appropriated, would this mean that the problem would not exist, that the monies would be available for the 85%, to continue to get the *per diem*?

Alvarado: Now on the surface, it appears that it would, but below the surface, I have a letter the Secretary sent to me in May, which states that the VA, in fairness, will implement the policy that I have just discussed, across the board. This means that you may have a dollar amount for *per diem*, but if the priorities are still squeezed so much from service-connected and special needs, it doesn't matter how much there is in the *per diem* account—85% of veterans would not qualify for *per diem*.

EIR: And the VA can make that determination?

Alvarado: Yes, because it is an administrative decision. Unless Congress says, "No, you cannot do that because it is going to affect these homes," the VA could implement its policy.

EIR: I understand from reading some statements from your association, that the Congress has put in language that urges the VA to look for some solution other than these cutbacks, but that that is not binding at this point.

Alvarado: Correct.

EIR: So, you are seeking a binding situation. Are you finding

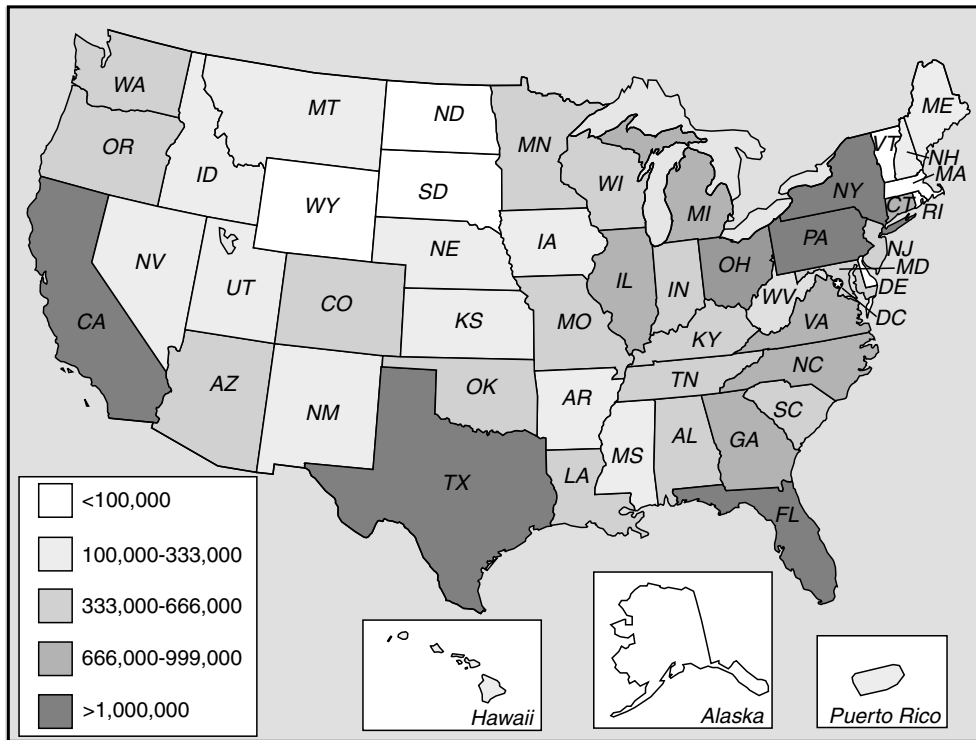


FIGURE 1
**Where 26 Million
American Veterans
Live, 2001**

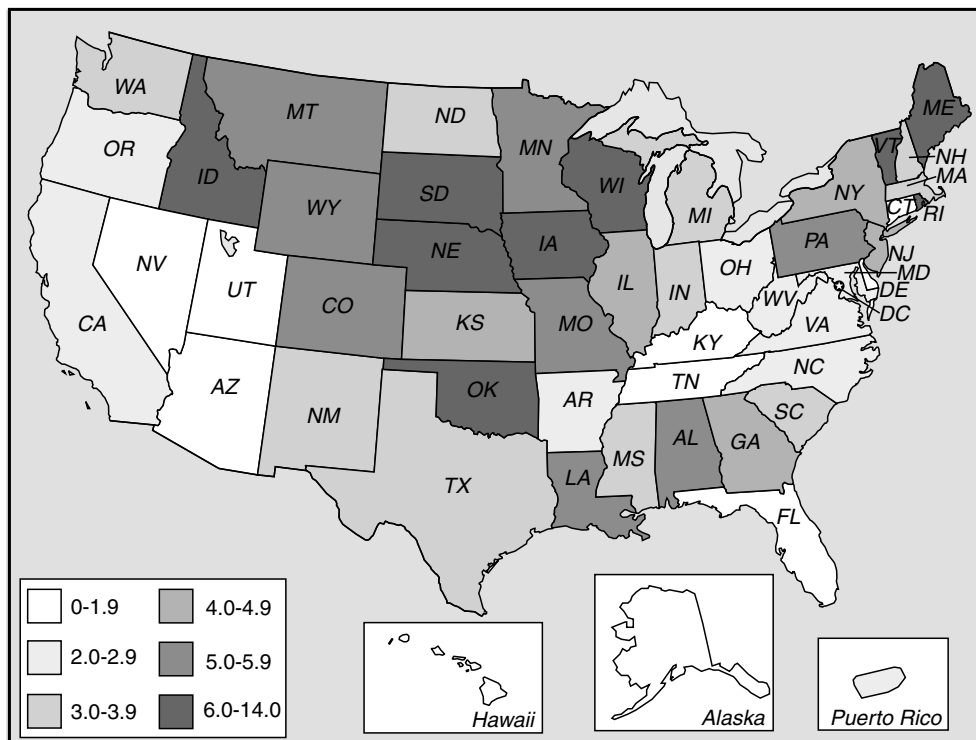


FIGURE 2
**VA or State-Run
Nursing Home Beds
per 1,000 Veterans 65
Years or Older, 2004**

Sources: U.S. Department of Veterans Affairs; National Association of State Veterans Homes.

Over one-third of all Veterans reside in six states (darkest). The overall distribution of residence, and characteristics of sub-groups (age profiles, health conditions, means, etc.) is the basis for deciding what ratios of infrastructure (hospitals, clinics, etc.) need to be provided, where. But **Figure 2** shows the wide disparity in nursing home beds provided by either the VA, or state-run homes. Now the VA intends to restrict the eligibility for Federal reimbursement to veterans in nursing homes to those with service-related disabilities, thus eliminating coverage for 85% of veterans who require nursing home care.

any support for that in the Congress?

Alvarado: We are finding that there is bipartisan support to be able to maintain the integrity of the veterans homes programs.

EIR: I'm sure there is support, but will they actually put some teeth into it, of the kind that gives you the guarantees you need?

Alvarado: The House put language in there, but I think they really did not know the intent of the VA: that even though they put the money back, the VA was still going to put in these across-the-board policies. So I believe that the House already completed its proposal. The Senate bill has not done its mark-up, and we have had a lot of inquiries from Senate members of the Appropriations Committee, that show that there is interest in really understanding the impact not only of the budget costs, but also of the policy. Because this issue of implementing these priorities not only affects our homes, but it affects all veterans that are in veterans homes run by the VA, and run under contract with the VA.

EIR: It seems like all of this is going to be determined very quickly with relevant subcommittee and committee hearings this week.

Alvarado: Another issue that is related to VA cuts, which will come up this week, is VA home or nursing home construction. That was the other portion of this proposed budget that affects our veterans homes. Traditionally, we have been able to work with Congress to be able to get somewhere in the vicinity of \$100 million for either the construction of new beds, or refurbishing of old beds, and also for life-safety issues—generators or sprinkler systems that don't work, etc. These are the major issues in construction.

The submitted VA budget zeroes out the construction budget for this year, implementing a moratorium on construction of new beds, pending a study that would be delivered some time next year, I believe in March. Now what happens with line items in the budget: If you zero them out from one year to another, normally they don't go back and start again at the figure that they left off. You have to almost crawl back out of that hole, and start working your way back to be able to get what you need. So the House put back into the budget \$25 million for life safety . . . for 2006.

The fact is, that because they are facing great needs, states that have very functionally obsolete facilities, and things breaking down, a one-year moratorium will probably end up with a two-year stop on all construction until this study is done, which would create a huge backlog of life-safety issues, of renovations, and of new beds that are needed in states such as Texas. . . . California and Florida are the big ones that would end up not seeing new beds for a number of years. And especially with the population over 85—the most needy—going to triple over the next 5-7 years.

EIR: And who is supposed to be studying this?

Alvarado: I believe the way the VA works is like CARES [Capital Asset Realignment for Enhanced Services]. They will get a contractor to do the study for them, a company that would be considered independent.

EIR: In my view, we don't need another CARES process going on.

Alvarado: This is what it is, for long-term care it is almost like a mini-CARES, because as you know, the CARES process did not look at long-term care or mental health.

There is one more thing with the VA: One of the reasons they have started cutting the nursing home budget, all the way across the board, is because of the beefing-up of nontraditional care, like group homes, and things that can take place at the home. Our association, most of our nursing home administrators, and I—just like anyone else—do not want to spend the last days of my life in a nursing home, and I know that neither do you. But there are times when it is absolutely needed for many reasons.

Our veterans do not have a home to be able to age in, and especially a lot of the Vietnam vet population, which is the up-and-coming aging population, is aging very rapidly—at a more rapid pace than the average person, just because of the war experience, and many of their injuries and psychological problems, and all of that. . . .

Some of the other non-institutional alternatives are excellent, but they are not a replacement for homes, in many instances. When you have an 85-year-old spouse taking care of an 85-year-old veteran, oftentimes that person ends up perishing before it is necessary, just because they are not able to provide the care. There is a place for each one of the different services, but I believe, and our association believes, that because of the tripling of the over-85 population, there is going to be a higher demand for long-term care beds.

This is life and death for many residents. Our homes provide specialized care, because of our experience working with war trauma and the issues of veterans, that makes our homes special places for our veterans. Also, [because of] the fact that we are 85% male, versus the other way around in the community, veterans are able to be provided with a support system that they cannot find in the community nursing homes. That is what makes us very special: expertise in caring for these special kind of residents. The fact that they have a support system, is sometimes better than the therapy that we can provide to them medically.

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Germany Cannot Survive Under the Euro System

by Lothar Komp

Helga Zepp-LaRouche's call for Germany to return to the deutschemark (see International) has sparked broad debate about the question of national currencies. This article shows how the euro has deliberately destroyed the German economy, which is vital to Europe's well-being.

A strange divergence now characterizes the German economy. On the one hand, the export volume moves from one record to the next. In 2004, German exports, mainly composed of high-value capital goods, rose to 731 billion euros. This was significantly higher than the export volume of any other country. The German export surplus rose to the all-time record of 157 billion euros, which is more than those of Japan and China combined. Other important industrial nations have only slight surpluses, or even run huge deficits. Thus, if one thinks that products "made in Germany" are not competitive on international markets, because the wages are too high, or because the state is absorbing too much in tax revenues and social costs, this is patently absurd.

On the other hand, the domestic economy is shrinking. Retail sales are stagnating. The construction sector is in the worst and longest continuing crisis of the post-war period. And the unemployment figures are higher than ever.

How does this fit together? Naturally, one can note that German exports contain a permanently increasing share of components that have been produced abroad. For example, in every "German" automobile today, there are a good deal of Czech or Hungarian parts. However, this is the case for most export goods worldwide. What is decisive is something else: Since the mid-1990s, the domestic German economy has found itself in an artificially created emergency situation, which in several sectors has already reached the stage of deflation or depression.

The instrument for this is the European Monetary Union. The implementation of the EU's Maastricht Treaty and its later revisions has led to the self-reduction of economic activity. An important issue to mention in this respect, is the maintenance of physical infrastructure, whose quality and density decisively affect the productivity, and with it, the wage levels, of German jobs.

Because the Maastricht Treaty limits the state deficit to 3% of GDP, without any consideration of the composition of state expenditures or the current economic situation, the Federal government, the states, and the municipalities are no longer in a position to secure the condition of infrastructure. In municipalities, which account for two-thirds of infrastructure expenditures in Germany, investments have collapsed by one-third during the last ten years. An enormous backlog in infrastructure investments has been built up, which in the case of municipal infrastructure alone, amounts to roughly 650 billion euros, according to official estimates. If this deterioration in physical capital is allowed to continue for a few years more, every sector of the economy, including exports, will be hit, resulting in a further loss of millions of jobs.

Even in times of the most serious economic crises, the hands of the Euro-Zone members are tied. In Germany, the "Law for Promotion of Stability and Growth of the Economy," better known as the "Stability Law," was voted up in 1967. According to this law, the government and the Bundesbank (central bank) are bound to consider the "Demands of the overall economic balance." Four elements of this balance are explicitly emphasized: the "stability of price levels," a "high employment level," "balanced foreign trade," and a "steady and appropriate economic growth."

As soon as acute disturbances appear, which today are evident in employment and growth, the government and the

Bundesbank are legally bound to introduce corrective measures. This includes as a central element the increase of public expenditures, and, above all, “particularly important investments of the Federal states and municipalities”—that is, infrastructure investments. With such investments, it is possible to rapidly boost overall economic activity and create many new jobs, while the new infrastructure will have a long-lasting effect to improve the productivity of the economy as a whole.

Although the Stability Law is still in force, and should actually be immediately applied, it has been ignored by German governments for years, as it collides with the regulations of the Maastricht Treaty that permanently limit the maneuvering room of governments and explicitly forbid the Bundesbank and European Central Bank from participating in this kind of activity.

No Prosperity Without Sovereignty

This self-gagging of the European Monetary Union has often been described. Now, someone might raise the question whether a “reform euro” project, a kind of “euro without Maastricht” could be implemented. Isn’t it practical for business and households to be able to pay in the same currency, in France or in Italy, and perhaps soon everywhere in eastern Europe? The answer, and particularly from the standpoint of the German economy, is *no*. The neo-liberal and anti-democratic structure of the monetary union is inseparable from the fact that this monetary union is established without a political union, a union of governments.

Only governments are duty-bound to respect the common good. When governments hand over the sovereignty of their monetary policy—a key tool for overcoming economic crises—to a joint, supranational institution, which, because of expected petty jealousies, is to operate rigorously according to a set of fixed rules, a monstrosity will always be the result.

No less important are the distortions which a common currency necessarily creates, when it forces national economies of dramatically different levels all to adopt the same monetary policy. Compared to Ireland, Portugal, and Spain, and even more so compared to the Euro-candidates in eastern Europe, Germany is a country with high wages and a high level of social security. This is possible, and tenable, only as long as a certain level of productivity is maintained. Important preconditions for this are high expenditures for education, health, and physical infrastructure.

From the standpoint of a European-wide corporation, this whole package of German productivity thereby produces two important characteristics. On the one hand, there are relatively high taxes, the price paid for the high standard of infrastructure; on the other hand, there is a long-term stable currency and lower interest rates than in neighboring states. When the national currency was eliminated, this advantage was suddenly taken away, but the relatively higher cost level still exists. As a result, investments have been booming in countries like Ireland and Spain, and untenable speculative bub-

bles have arisen in the real estate markets there. In the last eight years, real estate prices in Germany have fallen 0.2%, whereas in Spain and Ireland they have exploded by 145% and 192% respectively.

Germany currently faces deflation and depression. After the complete transfer of sovereignty in currency matters (exchange rate, interest rates, unorthodox financing of investment programs) and the far-reaching limitation of sovereignty in budget matters (Maastricht criteria, Stability Pact), there is only one of the classical tools left for ensuring employment: cutting wages. In this way, the common currency produces a constant pressure to adapt wages and social security to the lowest level that can be found within the monetary union.

Nominal wages in Germany, contrary to most other members of the Euro-Zone, have been frozen for years. Wages per output, when adjusted for inflation, have actually been declining for years. Full-time jobs requiring social insurance have been transformed into part-time jobs with little or no social security coverage, so that the social security system, in addition to the effects of mass unemployment, has fallen into difficulties. According to the latest monthly report of the Bundesbank, from 1991 to 2004, almost 6 million full-time jobs, one fifth of the total, were lost.

Deliberate Destruction

This is not fate; it was a *desired* result. On July 20, the pro-euro chief economist of Morgan Stanley Europe, Joachim Fels, declared in a public meeting in Frankfurt that Italy, like Germany in recent years, must now finally begin a long-term wage-cutting “cure.” Only then could Italian exports get back on their feet. This, he said, is the way for countries to adapt to the monetary union. Naturally this could devastate the domestic economy, but that is simply the inevitable price of adaptation. The entire Euro-Zone must implement tough “reforms” as fast as possible, Fels said. Otherwise, the monetary union will fall apart in a few years; the probability here is 30%.

Especially in the City of London, scenarios are being discussed for the imminent collapse of the European Monetary Union, as a result of its internal tensions. The British bank HSBC, Europe’s largest, entitled its July report “European Meltdown?” It suggested that Germany, but also Italy and the Netherlands, leave the Euro-Zone as soon as possible. The special reasons motivating the City of London are secondary. What German right-wing radicals or Italian separatists think about this, is irrelevant. The technical and legal obstacles to abandoning the euro are solvable. Even French central bank governor Christian Noyer acknowledged that one could not prevent any country from exiting the Euro-Zone.

One thing is decisive: An industrial nation, which is to play an important role as a worldwide leading supplier of high-value capital goods, and, therefore, has to maintain a high level of infrastructure and living standards, necessarily requires full sovereignty over its economic, financial, and monetary policy.

Pentagon Base-Closing Plan Takes Down Northeast Submarine Industrial Base

by Carl Osgood

The Pentagon plan to close both the Portsmouth Naval Shipyard and the New London Submarine Base not only eliminates most of the active Naval presence in New England, but also takes down a sizable chunk of the U.S. submarine industrial infrastructure. Both facilities have played an important role in the development of the U.S. Navy's submarine capability since 1915. In that year New London was founded, and the Navy determined that it needed to start building submarines at Portsmouth. Both facilities are nuclear capable and both, if closed, would result in the loss of not only considerable infrastructure, but also a skilled workforce with institutional knowledge.

Retired Admiral Albert Konetzni warned the Pentagon's BRAC (Base Realignment and Closure) Commission, during its July 6 Boston hearing, that "the action of shutting down this infrastructure will make sure that this [submarine] force is minimal and is minimized as an instrument of national defense."

Submarine Base New London is located four miles from the Electric Boat shipyard in Groton, Conn. John Casey, the president of Electric Boat, testified to the close working relationship between his shipyard and the sub base. Electric Boat employs 12,000 people, 8,600 of them at the shipyard, and it does business with 4,000 vendors in 47 states, making it an anchor of the local economy. The construction tolerances for submarines are so tight, that, for example, the three-foot diameter propeller shaft, which passes through the hull, can't let any water into "where the people are," all the way down to the sub's deepest operating depth.

"In order to build those in some sort of modular fashion, we have to have extremely tight dimensional control, where we align sonar spheres and components to within 1/32nd of an inch to the ship's centerline before the ship's centerline even exists, so we can bring components together from three separate facilities," Casey said.

When a new submarine is being built at Electric Boat, Casey said, the Navy crew actually lives on it for the last six months before it goes to sea for the first time. "So our ability to integrate with the Navy is very important," Casey said. This ability would be lost if the sub base is closed, and the submarines now based there are sent to Kings Bay, Ga. "I am deathly concerned," he said, "that our nation will allow our submarine industry to atrophy like the United Kingdom did."

He called on the commission to "carefully consider the submarine design construction life cycle support capabilities inherent with Electric Boat and the unique synergy between Electric Boat and New London Submarine Base. . . ."

George Sawyer, a former Assistant Secretary of the Navy under Ronald Reagan, noted that the capabilities of New London, including training, tactical employment, development, and its regional linkages, predate World War II. "Culture matters, and the integration of the 20,000 people, represented full-time, dedicated, working on submarine problems and the multi-billion dollars of facilities that it represents, is something that is unique and special, one of a kind." He warned that deconstructing this complex would be a disaster. "The unquantifiable results of this deconstruction are essentially priceless in terms of impact on people, on their capability, on how they work together, and a deterioration of a culture."

The Portsmouth Naval Shipyard presents nearly identical cultural issues. Like New London, Portsmouth has built up its present capabilities over decades, and the workforce contains an institutional knowledge and skills base which will be lost if the yard is shut down. Earl Donnell, a 37-year employee of the shipyard who is now a senior manager, testified in Boston that it takes 8 to 10 years to train a shipyard worker. "Our workers are skilled crafts people," he said, who start in a four-year apprenticeship program, move on to a minimum of two years of working as journeymen, then get about two more years of specific nuclear and radiological training before becoming a fully qualified nuclear workers. "There is no national labor pool to go procure these folks, either public or private," Donnell testified. "They have to be trained in the shipyard where they will work because our facilities are different and often our processes are slightly different."

Donnell also debunked the Navy's notion that 40 percent of the workforce would relocate to one of the Navy's other shipyards if Portsmouth is closed. "We believe that number is closer to 400," or about 8 percent of the workforce, based on the experience of prior BRAC rounds, Donnell said. The result will be that it will take 8 to 10 years to replicate the skills that will be lost with the closing of Portsmouth and during that time "efficiency will be lost."

The closing of Portsmouth will exacerbate skills shortages that already exist across the Navy's four shipyards, Donnell showed. He used the example of painters and blast-



U.S. Navy

Nuclear shipyard workers with the docked nuclear submarine George Washington. The BRAC closures would disrupt 90 years of knowledge, skilled workmanship, and culture of excellence that built up the U.S. submarine capability.

ers, a crucial skill absolutely necessary for getting ships back into the fleet. “If you don’t have enough painters and blasters, you will absolutely impact docking duration of an availability,” he said, “because much of the work that they do is exterior to the ship, and in tanks that are flooded when the boat goes in the water, and that work must be done before it comes out of drydock.” He reported that if Portsmouth is closed, the Navy would have to struggle with a 1,700-person-per-day shortage in skilled crafts people, who do the critical maintenance on Navy ships. Even with Portsmouth, the Navy is still running at about 300 to 500 workers short across the four shipyards, necessitating the deployment of groups of skilled workers among the shipyards in order to do critical work.

Paul O’Connor, the president of the Metal Trades Council, highlighted the cultural environment at the shipyard that makes Portsmouth the most efficient shipyard in the Navy. “More than a decade ago, we began to mold relationships of trust and respect between labor and management,” he said. “And what began all those years ago as individual relationships has evolved into a cultural metamorphosis where today labor is woven into the shipyard fabric.” As a result, the workforce is part of the management of the shipyard and is there-

Base-Closing Plans Would ‘De-Construct’ Economy

The end of July marked the close of a two-month round of 13 regional hearings by the Base Realignment and Closure Commission (BRAC), concerning the Pentagon’s plans for relocating or shutting down at least 33 major bases, and more than 180 installations and functions of all kinds.

The hearings raised fundamental questions of constitutionality, competence, and military and national security policies involved in the BRAC process—serious questions that have been covered in past issues of *EIR*. They were also rightly used as platforms for state delegations to present expert briefings on vital military-civilian economic concentrations associated with the bases. These national assets range from nuclear technology, to medical research, nanotechnology, and machine tooling.

As one Connecticut expert said on July 6 in Boston, concerning the New London, Conn., nuclear shipyard: “De-constructing this complex would be a disaster.” The regional summaries here are taken from testimony at the hearings.

fore much more able to focus on its mission. “This approach to labor management relations has taken years to cultivate,” he said, “and it can’t be replicated at other shipyards simply by sprinkling meager numbers of our workforce across the country.” He noted that building this kind of relationship has been very hard work and has not happened at other shipyards. “You can transfer the billets,” he said, “but you cannot transfer the culture.”

Mid-Atlantic Center of R&D: Fort Monmouth

Fort Monmouth, N.J., only 30 miles from New York City, is the home of the Communications and Electronics Command of the U.S. Army Materiel Command. Other tenant commands on the base include the Program Executive Office Command, Control and Communications Systems, Program Executive Office Intelligence, Electronic Warfare and Sensors, and the U.S. Military Academy Preparatory School. Fort Monmouth was originally established as an Army Signal Corps installation in 1917, and named Camp Vail, after Alfred Vail, an associate of Samuel F.B. Morse, who invented the system of dots and dashes used in Morse code. It soon became a center of research and development in radio communications with the establishment of the Radio Laboratory in late 1917. The Radio Laboratory operated



U.S. Navy

A nuclear submarine crew manning the sub's control room. The crew lives and works on a submarine for six months while it is at the shipyard being completed—a procedure that the BRAC shutdown plan will jeopardize.

alongside the Signal Corps School, and together the two institutions developed and were integrated into the Army communications technologies. Fort Monmouth expanded rapidly in the 1940s and 1950s, becoming the Signal Corps Center in 1949, and exploring the then-new technologies of radar and electronic warfare.

In 1962, the Army Electronics Command was established at Fort Monmouth, with the mission of cradle-to-grave management of all the Army's programs in the areas of communications, electronic warfare, combat surveillance, automatic data processing, radar, and meteorology. ECOM was responsible for a number of firsts throughout the 1960s and 1970s, including, among others:

- Reception of the first satellite weather pictures from the Tiros-1 satellite in 1960.
- Construction of the first experimental communications satellite that proved that high-volume communications could be relayed through space, also in 1960.
- Development and deployment of the first night-vision equipment in 1968.
- Development of the defibrillator-pacemaker, in cooperation with doctors at Patterson Army hospital. This device could regulate heartbeat, detect fibrillation (wild tremors of the heart), and briefly stop the heart so that normal beat could return.

Today, Fort Monmouth continues that legacy with one of the largest concentrations of engineers and Ph.D.'s in the country, developing technologies across the entire sphere of what is known as C4ISR, command and control, communications, computers, intelligence, surveillance, and reconnaissance. That support includes day-to-day involvement in on-

going combat operations in Iraq and Afghanistan, and a team of 125 engineers trying to find a solution to combat the threat of improvised explosive devices. Yet, the Pentagon BRAC recommendations call for closing Fort Monmouth, and redistributing most of its functions to Aberdeen Proving Ground, Md., and Fort Belvoir, Va.

Witnesses testifying to the BRAC Commission hearing in Baltimore on July 8 graphically demonstrated the impact of closing Fort Monmouth. Retired Vice Admiral Paul Gaffney, whose 35-year Navy career included four years as head of research and development for the Navy, warned the Commission that the Pentagon recommendation would result in substantial disruption of the base's missions. "There was no discussion, no consideration, no calculation of the disruption to the current force, to the current mission, support to the war that goes on today," he said. This support includes "the hundreds of Fort Monmouth engineers that have been in Iraq and in Afghanistan updating equipment that they've built, the software that is sent daily,

maybe minute by minute, into the war zone to update software in the field, or the amount of money that's been added to Fort Monmouth to deal with the evolving threat in that war fight."

Robert Giordano, who spent his entire career working in research and development at Fort Monmouth, warned the Commission that the loss of the highly trained and educated workforce would be catastrophic for the Defense Department. According to surveys, few, perhaps less than 20%, of the 5,000 technical workers would move to Aberdeen and Fort Belvoir, primarily because they are in two-income families with children in local schools, resulting in a huge loss of skills and institutional knowledge that would not be passed on to the new workers hired at other locations.

Gaffney also stressed that Fort Monmouth is in the middle of the "highest concentration of scientists and engineers between Philadelphia and New York City." He reported that in the Monmouth and the surrounding Ocean County area, there are more than 800 firms working in the same technology fields as Fort Monmouth. "There are terrific partnerships between Fort Monmouth and both academia and industry in the area," Gaffney said.

What makes the Pentagon plan to dismantle Fort Monmouth even more ironic is that the Director of Defense Research and Engineering, Dr. Ron Sega, has gone around the country making speeches about the dangers of the shrinking pool of engineers in the United States, and the Defense Department is facing large retirements in the near term in its own engineering workforce. "This is not the time to be trying to reconstitute the workforce no matter where one is moving," Gaffney said.

BRAC Targets Another ‘National Asset’: Army Research Office in North Carolina

by Judy DeMarco

At the June 28 BRAC hearing in Charlotte, N.C., delegations from the Carolinas and West Virginia testified, giving major attention to the great value of the Research Triangle Park in North Carolina, in which the Army Research Office (ARO) is central. The BRAC proposal is to relocate the ARO to Bethesda, Md.

Dr. Robert McMahan, Research Professor of Physics and Astronomy at the University of North Carolina, Chapel Hill, Adjunct Professor in Technology and Management at North Carolina State, and the Senior Advisor under North Carolina Governor Easley for Science and Technology, presented an overview of the situation.

“If you are not familiar,” with it, McMahan stated, “the Research Triangle Park is the largest Research Triangle Park in the world. The research triangle name comes from the three universities: Duke University, the University of North Carolina, Chapel Hill, and North Carolina State University in Raleigh. The longest axis of that triangle is about 20 to 25 miles. It’s a very small community in which three top-ten nationally ranked universities lie. And the ARO lies at the heart of this triangle. Research Triangle Park is known as a national center of technology innovations and transition.

“The ARO specifically funds Army research in over 200 academic institutions across the country. And it assesses the scientific opportunities to achieve the Army’s long-range technology vision. Specifically, it focusses over \$350 million annually on research in support of Army transformational technologies. And this research support has paid huge dividends. R.E. Smalley, who is the discoverer or inventor of the Buckminster Fuller, which is a large-scale molecule, which is the beginning of nanotechnology, [and] for which he was awarded the 1996 Nobel Prize in Chemistry, credits ARO’s basic research technology capacity with spawning his discovery. And that is just one example of critical technologies that have been developed using ARO’s capacity. In fact, ARO has provided critical funding and support for 15 Nobel Laureates, beginning with the laser of Charles Townes in 1964, and the latest with the recent three physicists who won the 2001 Nobel Prize.

“As such, Research Triangle Park is really a national asset. It is one of the few locations in the United States where you have three high-performance research universities so closely located. In fact, ARO’s location in the Research Triangle Park

was chosen as the result of a national search, looking for just this type of capability outside the Beltway, in an attempt to expand the high-technology community. Today, Research Triangle Park is full one of the nation’s foremost technology hubs. It has pioneered the organizations and institutions which have pioneered the science underlying all of the major Army technology systems. And, in fact, that [collaboration] is probably this facility’s greatest distinguishing characteristic, that the program managers at ARO are hands-on researchers, widely acknowledged for their scientific competence. Many don’t appreciate the fact that the Research Triangle Park has the Nation’s strongest innovation capacity.”

Of the top 50 metropolitan areas in the country, McMahan said, Research Triangle Park is number one in the “number of degrees granted in science and engineering as a weighted measure of the total workforce, and the amount of academic R&D, and the breadth of the R&D occurring in the area. ARO, with its close proximity to RTP, is able to maintain a strong link to this capacity and this innovative capability.”

“There are 41 Ph.D.’s in ARO, conducting joint projects with research universities in the area, act[ing] as program managers with active research in areas as diverse as polymers, microelectronics, nanocomposites, intense lasers, etc.

“Research Triangle Park is now the third largest biotechnology cluster in the United States, and ARO sits as part of this, and that will speak to the Army’s ability to integrate and identify new technologies, not only in medicine and biotechnology directly, but in materials and advanced electronics.

“I urge you to analyze carefully the role that the location of the ARO in the Research Triangle Park plays in the performance of the organization, and I think when you do, I and the citizens of the State of North Carolina are confident that you will keep the ARO where it is.”

Why Try To ‘Relocate’ Brainpower?

Rep. David Price (D-NC), from the state’s 4th District, home of the Army Research Office in Durham, testified at the BRAC Commission against the idea of relocating the ARO to Bethesda, Md.

“Co-location with North Carolina State University, Duke University, University of North Carolina at Chapel Hill, and other research organizations, gives ARO intellectual synergy, joint appointments, collaborative projects, and enhanced abil-

A U.S. Tradition: Military Work on Infrastructure

by Pam Lowry

From the earliest days of the young American Republic, the engineering capabilities of the military were viewed as crucial for developing the nation. The officers of the Continental Army, such as George Washington, Alexander Hamilton, and Henry Knox, envisioned a military school for citizen-soldiers which would teach both military and civil engineering. West Point Military Academy and the Corps of Engineers were founded in 1802, led by Jonathan Williams, a skilled scientist and grandnephew of Benjamin Franklin.

The crucial turning point for American civil and military engineering came in 1815, when West Point graduate Sylvanus Thayer was sent to France to obtain books and models for the Academy. Thayer studied the methods of France's great military and scientific École Polytechnique, and persuaded one of its engineering professors, Claudius Crozet, to come to West Point. There, under Thayer's superintendency, the curriculum was expanded to provide a heavy emphasis on spherical projections in descriptive geometry, and topographical drawing.

Until the 1820s in America, the policy of those who

claimed that the Federal government had no right to engage in internal improvements had predominated. But in 1824, under President James Monroe, the advocates of the American System of Political Economy began to take charge. That year, the Supreme Court ruled in *Gibbons v. Ogden* that the Federal government had authority over interstate commerce, including river navigation.

Consequently, Congress passed the General Survey Act, authorizing the President to conduct surveys of routes for roads and canals "of national importance, in a commercial or military point of view, or necessary for the transportation of public mail." A second act appropriated funds for improving navigation on the Ohio and Mississippi rivers, and both tasks were given to the Army Corps of Engineers.

Under President John Quincy Adams, the basis was laid for much of the infrastructure that transformed America into a developed nation. Military engineers supervised the National Road, the construction of canals and lighthouses, the surveying of the American West, river improvements, and the spread of railroads throughout the nation. In 1838, when the anti-infrastructure forces gained the upper hand and Congress forbade the Corps of Engineers from loaning their officers to private development firms, many West Pointers resigned their commissions and used their talents to continue building infrastructure.

In addition to improving transportation, the army engineers also supervised projects such as the Washington Monument, the Library of Congress, the wings and dome of the U.S. Capitol, and New York's Central Park.

ity to recruit and retain the best and brightest program managers, and the opportunity for those managers to keep an active hand in research. Why would anyone want to uproot these highly productive personal and institutional connections?"

"ARO's 114 employees have ready access to and daily interaction with world-class researchers and institutions. ARO professionals work with entrepreneurs seeking innovative applications for emerging technologies. They work with top-flight university professors and students on an astounding array of research endeavors. In fact, almost half of the research managers are involved in active research projects with universities in the area."

"Co-locating the military's premier research organization into a heavily bureaucratic environment would uproot all that. . . . It would run counter to the primary purpose of research organization, damaging the very fiber of innovation and creativity.

"Our technology advantages provide our forces huge tactical advantages. Technology is transforming the battlefield. Medical advantages, saving thousands of lives that would have, in the past, been lost. Maintaining collaboration and synergy on cutting-edge technology is the lifeblood of a re-

search organization; and research is the lifeblood of the modern military.

"So I would simply conclude by saying—pleading—don't mess with a good thing. The ARO is a premier research organization performing its mission admirably. I urge the Commission to analyze carefully the role its present location plays in that performance. If you do that, I'm confident that you will keep the ARO exactly where it is."

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BRAC's Proposed Northwest Closures Would Gut Defense, Science, and Jobs

by Marcia Merry Baker

At the BRAC hearing in San Antonio, July 10, the protests against base-closing plans focussed primarily on the Texas installations at Red River Army Depot and the Lone Star Army Ammunition Plant, both in Texarkana, and the Ingleside Naval Station, near Corpus Christi.

First opened in August 1941, the Red River Arsenal was intended only as an ammunition warehouse, but over the years it has become a national center for highly skilled materiel fabrication and assembly, as well as storage and handling, with extensive regional civilian involvement. Today, Red River is the Center of Industrial and Technical Excellence for tactical wheeled vehicles, small emplacement excavators, and Bradley tanks.

The Red River Army Depot now is the nation's only road-wheel and track-shoe rebuilding and manufacturing center, where vehicles are restored for use. Red River is the only facility to recertify Patriot and Hawk missile systems, and the installation also produces a wide range of other items, from timber products to rubber goods.

The Red River depot is host to ten tenant organizations, the largest being the Defense Logistics Agency's Distribution Depot, storing items valued at more than \$6 billion. It is by far the largest employer in the Texarkana region, and the skill levels and versatility among the workers is outstanding. The range of specialists include electronics technicians, engineers, chemists, machinists, mechanics, welders, and others. They partner with private companies (such as the original manufacturers), and share skills or train their personnel. Among many other specialties unique for the Defense Department, Red River workers refit rubber to tracks and wheels. The Iraqi conditions were ruining rubber on vehicles, but Red River chemists invented a compound which mitigated the problems.

Ricky Webster, a Red River engineer, warned the Commission at the hearing that the workforce now numbers in the range of 4,500, most of whom would not move to other depots if Red River was shut down. The consequence would be a national loss. "If you have dedicated people that know their business," he said, "you just can't replicate that overnight."

Since Fiscal Year 2003, the workload at Red River has increased by 600%, including making add-on armor kits for vehicles in Iraq, and work deadlines have been consistently met. A contingent of 2,200 people made the trip from the Texarkana area to San Antonio to attend the July hearing.

Northwest: Vital Infrastructure, 'Big Skies'

At the Portland, Ore. BRAC hearing June 17, presentations were given by delegations from Oregon, Washington, Idaho, and Montana. A profile of the leading economic features of the entire region was presented by Robert Jordan, special agent in charge of the FBI in Oregon, who reviewed the most valued regional infrastructure, as part of his argument in support of maintaining in-depth, regionally based defense against terrorism.

Many speakers stressed the obligation to maintain ready airlift and other defenses in the region, for fire-fighting and other emergency uses, as well as defense. But they also stressed the excellent "Big Sky" opportunities for basing, refueling, and training of air crews, because of the vast volume of space in which to operate, without the constraints of congestion and encroachment found in more populous regions. Jordan began by describing the nuclear power installations of the Northwest and their need for security. Other high-tech facilities include the chemical weapons depot at Umatilla, Ore. This is one of eight depots nationally that can store such weapons, and one of very few that can destroy them.

Along the many rivers of the Pacific Northwest, there are more than four dozen dams considered "high hazard" by the FBI. There are 31 Federally owned dams on the Columbia River system alone, in the multi-state region. Less than 40 miles from downtown Portland, is the Bonneville Dam, with more than 0.5 million acre-feet of water. The associated electricity transmission lines are critical throughout the West.

The transportation systems are life-lines, including the Western ports. Portland alone has 64 ships a month. Related to all this are the chemical, gas, and oil storage facilities.

Finally, there are special national economic assets, such as "Silicon Forest"—the high-tech electronics Oregon/Washington region employing over 64,000 people, in 1,700 firms, many of which are engaged in defense-related work, as well as bio-tech and other areas.

Against this entire economic background, several lawmakers and military spokesmen made the point that no Air Guard and other capacity dare be removed from the Northwest. Idaho Governor Kempthorne said, for example, "Given our core location with the National Interagency Fire Center, and considering our ability to quickly respond to regional disaster, it becomes easy to see why tactical air lift is critical for this location."

Britain Set for A 'Super-Enron'

by Mary Burdman

"The whole financial system is now even more fragile than ever before. . . . The U.S. housing market is the key to the world economy. I am constantly amazed about the 'creativity' of the lenders and the stupidity of the borrowers," remarked a City of London investor, known for his accurate forecasts of the collapse of financial bubbles. He told *EIR* July 19: "Consumerism is down in the U.K., and will be in the U.S. There are all sorts of low-quality lending going on. A lot of people are saying: 'the Fed will have to raise rates,' but this can *not* stop the problem. It is just a matter of time.

"These days, anybody can borrow. This is so dangerous. The U.S. housing market is seriously overvalued, and it will end in tears. Then there is the amount of derivatives. This will go, and not too far in the future." In the U.K.'s own housing bubble, turnover is down 25-30%, and that is the first sign of a slowdown, he said. This is hitting homeowners hard, because in the U.K., he said, the debt is attached to the person, not the house as it is in the United States. In Britain, you cannot walk away from the debt.

"I cannot see the British economy coming to anything else but a 'super-Enron,'" another well-connected British observer told *EIR* July 13. He said he had made the same observation just the day before, when, while delivering a speech in Whitehall, he was asked about the "marvelous" British economy. "The amount of public and private debts, the fact that the balance of payments deficit on the pound has gotten ever-worse over the past decade—the whole thing could do a 'super-Enron.' Nobody had anything to say to me on that," he said.

And finally, another senior City of London analyst told *EIR* July 19, that the liquidity which had been pumped into the system after the London bombings "is already being gradually removed, and you can see the steam coming out of the U.S. and U.K. stock markets." On the housing bubble, the problem is that house prices are already "moving sideways," and that "is already a shock for homeowners. I do not know what they will do when prices actually start to go down."

"Consumer spending also is quite soft," he said. "But that is not because of the housing prices. The real issue is, that many Britons now realize that they are not going to have a pension when they retire, and they have stopped spending."

House Prices Go Crabwise

A mid-July report by the Royal Institution of Chartered Surveyors is already predicting that this will be the worst year for the British housing market since 1995. The market will record zero growth this year, and activity is already 25% lower than a year ago. House prices had risen continuously since 1995, after the early-1990s crash, but now, most surveyors are reporting falling prices, the Royal Institution reports.

The housing bubble is one "pillar" of Tony Blair's and Chancellor Gordon Brown's economic "marvel"; the other is alleged high employment. That too is going. Britain's Office for National Statistics (ONS) reported on July 14 that the number of new unemployed in Britain rose for the fifth month in a row in June, the longest sustained rise since the recession of 1992. Hardest hit is industry, which is fast disappearing under the "Labour" government: The manufacturing sector has laid off 81,000 in the three months before May.

Although the unemployment rate is officially 4.8%, actual unemployment is much worse. Figures show a 72,000 drop in the number of people in work over the three months ending in May, the biggest drop in the working population in 12 years. Those most affected are people under 35 and full-time employees. The number of people classed as economically inactive, including non-working mothers, students, early retirees, and those on disability benefits, rose by 125,000 to 7.9 million, a full 20% of the working population.

Before the May national elections, Blair had made a big fuss that he would force 1 million people off the incapacity benefit—which is the main cover for real unemployment levels in Britain. Incapacity benefits are paid to around 2.6 million people, many of them former industrial workers who would no longer qualify for job seekers' allowances. Blair has not succeeded. Now, simply by counting the full population rather than a 5% sample, the Department for Work and Pensions has found out that there are 130,000 more claiming incapacity than previously thought.

These days in Britain, those who work, work either for the financial sector, or for Blair's government. The ONS reported July 16 that one in five of working people in Britain now works for the government, some 5.8 million people. This total has risen by 546,000 in five years.

How to keep them working? Another New Labour fiddle. Gordon Brown on July 20 let it be known that he is having the current British "economic cycle"—an artificial creation—conveniently pre-dated by two years, to 1997. Brown operates on the basis of a so-called "golden rule," which says the government must borrow only to fund investment over the economic cycle, and not beyond. By adding two years of fiscal surplus to his cycle, Brown can postpone a spending review until 2007, and continue to borrow more money without having to raise taxes. This is highly convenient: This June, government borrowing rose 35% year on year, to its highest level for that month since records began in 1984, as Brown is caught between rising spending and falling tax revenues.

Say ‘No’ to Privatized Pensions, Chilean Unionist Advises U.S.

In this interview, Ms. Fariña, president of the Chilean Public Employees’ Group to Redress Social Security Harm, describes a lesser-known aspect of Chile’s 1981 social security privatization, the same model that George Bush has tried to ram down the throats of the American people: the brutal way in which tens of thousands of state-sector workers were forced by Augusto Pinochet’s military dictatorship and “Chicago Boy” economics team to switch from the U.S.-style state-run “pay as you go” system to the privatized AFP system, or else face the likelihood of losing their jobs.

This gives the lie to the public relations line that was put out at the time—and that President Bush repeats today—that these state workers had the “choice” of whether or not to join the new system. In most cases, those who resisted the threats and stuck with the old system, did lose their jobs and were the victims of political persecution as well. Those who did switch, were swindled out of their rightful pensions because of the government’s fraudulent way of calculating them, such that thousands of retirement-age Chilean state employees today cannot afford to retire, because the pension awaiting them is no more than 19 percent of their current salary.

Ms. Fariña, who resides in Santiago, was interviewed by Cynthia Rush on July 18.

EIR: In the United States, Lyndon LaRouche’s political movement mobilized to expose the “Chilean model” behind George Bush’s proposal to privatize social security. In fact, José Piñera was here in Washington advising Bush along with George Shultz, one of the architects of the 1973 Pinochet coup in Chile. Because of what we did, we can say that the privatization isn’t going to happen.

For some time your organization, which represents 157,000 state sector employees, has been fighting an aspect of the 1981 pension privatization.

Fariña: Yes, we are 157,000 public employees who belonged to the old state social security system and were forced to switch to the private system by the military government. If we wanted to keep our jobs, we had to leave the old system.

EIR: I know there has been a huge injustice as the result of that 1981 privatization. Tell us about your group and the fight you’ve been waging.

Fariña: The State Employees Group to Redress Social Security Harm includes 178,637 employees of the centralized and decentralized public sectors, including state universities, the state and municipal health sector, and so on. Today, there are 30,000 public employees who simply cannot retire because their pensions in the private Pension Fund Administrators, or AFP system, won’t even amount to 30 per cent of their salary. All of those employees contributed to the old state social security system, to any of the various funds established for different job categories.

At that time, the military government imposed the private system, and in the case of public employees, they just told them that the old system was ending, and that they had to switch to the new AFP system—despite the fact that they could supposedly choose “voluntarily” to join—otherwise they would find themselves out of a job at the end of the year. So the personnel managers or top bosses, many of them named by the military, started forcing state employees to switch over in massive numbers. In May of 1981, people were herded into classrooms and auditoriums, given a “talk” and forced to sign on to the new private system.

You know that under the military jackboot, the average civil servant who depends on his wage to survive, could do practically nothing, only hold onto the hope that someday democracy would return and the injustice would be redressed at that time. Some people refused to change to the private system, in open defiance of the military, and they paid the price. They were fired and persecuted, and a significant percentage had to leave the public sector. Those who couldn’t get their pensions at that time through the state social security fund, lost everything.

The government did a calculation and created what were called Recognition Bonds, which were supposed to take into account all the years people had contributed to the old system and compensate them for it. But in reality, the Recognition Bonds didn’t do that, and instead were calculated only on the basis of the period from 1975 to 1981. So, people who had worked much longer than that basically lost everything they had paid into the old system, and the older you are today, the more you have been victimized by this system.

Because of the way the calculations were done, these state employees today receive pensions amounting to only

19% of their total salary.

In addition, under the military government, Chilean wages were frozen because of the severe economic crisis that occurred at that time (1981-1982).

EIR: They froze wages, but didn't they also cut them?

Fariña: Yes. For example, in private companies there was a drastic reduction in wages, but in the state sector they froze them and couldn't really cut them because the state sector has the lowest wages of the whole system. And then 10% of that extremely low wage was paid into the private system, disregarding all the years that people had paid into the old system. They just ignored people who came from the old system who might have had just a few years left before they were scheduled to retire—10, 15, or 20 years.

So these people have suffered an enormous wrong. We had studies done by the CENDA think-tank, which showed in two very concrete cases the injustice which had been committed. One study involving 10,415 public employees showed that, on average, in the best of cases, people were getting pensions no higher than 30% of their salary.

For example, if an employee obtained his pension through the Institute for Pension Normalization (INP), which includes all of the different funds from the old system [which were supposed to eventually disappear—ed.], he would have received a pension of 439,504 pesos; and if that same person were contributing to the private system, his pension would have been 274,087 pesos, a difference of 165,417 pesos. Keeping in mind that wages were frozen, and that pensions were calculated using a small base salary, the state owes these individuals an average of 18 million pesos for their unpaid pensions.

And this was the case for people who had less than five years of paying into the old system. What about those who had paid into the old system for more than ten years, and were forced to switch? Another study we did showed that on average, a person with a specific salary would have received a pension of 500,660 pesos. For that same person, a pension from the AFP system amounted to 187,837 pesos—a difference of 312,169 pesos. That's a 62 percent deficit, and the per capita pension debt owed amounts to 48 million pesos.

Let me give you a concrete example of an employee at Chile's internal revenue service, María Bustos, who worked for 34 years as an accountant-auditor. Her average liquid income was 1,400,000 pesos. But when she retired on Dec. 31, 2004, the pension she received from the AFP system amounted to 271,141 pesos.

This is an enormous theft. She is getting 19% of her salary. We argue that the Chilean state has a responsibility here. We even went to the AFP Association, to the owners of the AFPs, and asked them to analyze the problem in good conscience to determine whether it were as bad as we said. And the AFP owners said yes, an enormous injustice has been done here.



Yasmir Fariña Morales: "We must think of the common good, and understand that all of humanity must live better."

In fact, their report said that the state owes money to the public employees who switched to the AFP system, but whose pension was calculated based only on a small part of their actual wage, undervaluing the Recognition Bond.

We have been fighting now for five years to right this wrong. This system was imposed by a dictatorship, a de facto government in which the working class, the trade unions, and public opinion had no voice, and the population has paid a terrible price.

EIR: That leads me to another point that I think it would be important to explain. Here in the United States and internationally, there's been an attempt to sell the "Chilean model" as a huge success. The argument is that under Pinochet, of course some "bad" things were done—repression, persecution, disappearances—but that the economic policy was good, that it works fine, and they keep pushing this same policy. What do you say to that?

Fariña: Look, a country has to grow both in economic as well as in human terms. If a large percentage of people who inhabit a country are becoming poorer, and a few are getting rich, that country is no success.

It's true that each month the AFP system produces fresh funds for the economy, but this has enriched an oligopolic group. The state itself uses a percentage of those funds for its investments.

The population and the workers haven't gained anything from this system, so there is a huge lie here. The country may grow economically, but its workers, who are the ones that put in the money month after month, discover when they retire, "Oh, how terrible—our 'golden years' don't exist." And we've shown this reality with some really shocking examples.

We have 7 million people working in the country. Of those, 2,900,000 are women and 4,500,000 are men. Of the women, 64% aren't going to qualify for a pension, because they will not have made the 240 monthly payments over a 20-

“To Americans, I say: Please, don’t accept privatized pensions. For the American people and future generations, this would mean the poverty of your professionals and misery for the rest of the working population.”

year period; 36% will get some kind of pension. Of the men, 34% of the enrollees won’t qualify for a pension, and 66% will.

Here in Chile, women suffer the most because the assumption is that we’re going to live longer than men. In large part, women work in the informal sector, and for a significant portion of their lives they make no payments into any system, even if they work in companies. They’re kept on the honorarium system [which is temporary job status providing no benefits and no pension—ed.]. On average, 50% of women won’t qualify for even a minimum state-guaranteed pension.

And if we say that the system here inside Chile has to be changed, then you can’t try to sell it abroad. That’s irresponsible. If you hear an old wives’ tale about how people here are getting a good pension, remind them of this. The minimum state-pension is 76,000 pesos a year. The dollar stands at 570 pesos, so 76,000 is nothing.

In order to maintain the private accounts, each worker has to pay a fixed as well as a variable commission, so the system is very expensive. And when the AFPs make money, no percentage is distributed among its enrollees; it just goes to the AFP. But when there are losses, the workers assume them. Workers aren’t represented in the system, only the owners and families who invest.

EIR: And there are huge financial interests, banks, insurance companies, etc. behind the AFPs.

Fariña: Yes, it’s an oligopoly. Today there are only six AFPs and they’re all tied to each other, so there isn’t even any competition among them.

EIR: And competition was supposedly the reason why the AFPs were set up in the first place, wasn’t it, to offer “choice?”

Fariña: Look, we were sold a system that was supposed to be excellent. The money would be managed in the capital markets, and would generate such big profits that we would have pensions far larger than in the old system. The money wouldn’t be used by the politicians but by the workers, to allow for the growth of the Chilean work force and population.

But today, the small and medium-sized businesses (known as *Pymes*) can’t even get bank loans, and the AFPs don’t invest in those small companies, which are the only ones offering jobs. So this is the big lie—these are the peddlers of lies. It is irresponsible to sell a system that has proven to

be a failure. Today in Chile, we have the first disastrous results in the public employees’ situation, where the state has a huge responsibility and enormous debt to be paid to its workers.

EIR: In addition to the private pension system, a large number of other state companies were also privatized. What was left of Chile’s productive economy?

Fariña: It is very painful for us to say that it is dying, if not dead. This globalized system just destroyed the production of leather and shoes, and shut down their factories. The textile factories, which were huge in Chile and employed many people, have long since died. Only a very few small craft-related ones survived.

Today everything is imported, which has caused enormous unemployment in the country. Auto production is gone. Chile is a country of services, not a producer. Only the agricultural sector which exports fruit abroad, and tourism, are important. Today we have a lot of professionals who are self-employed, forced to offer their services independently, and that has made short-shrift of the pension system.

Let me read you what the head of the AFP Association said, since he looked at the problem realistically: “The AFPs cannot be the pension system of all Chileans as long as the current levels of unemployment, informality, and poverty exist in the country. Guillermo Arthur, April 24, 2005.”

So even Don Guillermo Arthur recognizes that the AFP system *is not a pension system*. The private system might work as an adjunct, but the state *cannot abandon* its social obligation in a small and poor country like Chile. The state cannot leave everything in private hands.

EIR: Lyndon LaRouche proposes to create a new international monetary system, a New Bretton Woods, to guarantee industrial development to all nations and offer cheap credits to finance it. In Ibero-America in particular, he’s emphasized the need for building large infrastructure projects. In May of this year, the Presidents of Colombia, Venezuela, Brazil and the Spanish Premier Rodríguez Zapatero met in Venezuela to discuss this issue, and they defined a number of projects for the region.

How do you see Chile’s participation in this process of continental integration, and what are its needs for infrastructure development?

Fariña: The policy of the Chilean government today is a

neoliberal one, which prioritizes international free-trade agreements. It is open to any type of treaty or alternative to generate revenue, but is not oriented toward industrialization. Since these agreements have certain parameters, I see no way that Chile will support the textile or automobile industries, or production of computers. No. Existing treaties with Japan, the United States, and Europe make us a services country. The model encouraged by President Ricardo Lagos is strictly neoliberal, and tremendously open to the market.

EIR: So, there really hasn't been a change from the model imposed on the country in 1973, by Pinochet and the University of Chicago?

Fariña: No. What we have today is the model that Pinochet's government left behind. It's the same thing, perhaps a little less harsh than an openly right-wing government. But it's the same thing. They've gone a little slower, but other than that, they keep defending the same policy.

Go back to the AFPs. As I said, there are six of them which alone represent 56% of Gross Domestic Product (GDP). Imagine that: 50% of what a country produces! That's very high. Just as a historical note, in the United States there are laws that prohibit monopoly control of this magnitude, because it threatens principles of national security expressed in the Constitution. Remember the case of [Microsoft head] Bill Gates—it's the same thing here.

Chile needs a lot of infrastructure. Its small businesses need a lot of help, because they are languishing. They can't get machinery. The privatizations continue, now with the Spanish and other foreign companies. They're coming to make money, and obviously our population isn't going to grow. We have impressive growth rates, but there is no "trickle-down effect" to the population, which neoliberalism promised.

The AFPs manage \$63 billion dollars, an astronomical sum!

EIR: If you could speak with the American people, who are also suffering from an economic crisis, shutdown of factories, unemployment, a destruction of our industrial capabilities, and degradation of living conditions, what would you say to them, as a Chilean who has lived through your country's crisis?

Fariña: I would tell them the same thing I tell my countrymen. We must be conscious of the leaders we elect. We can't elect bad leaders, because they will ruin the future for our children and grandchildren. We can't just think of ourselves, but of future generations.

We must elect people who are centered—not half-crazy like Bush—and we must not be so individualistic, but think of the common good, and understand that all of humanity must live better. If the United States is in bad shape, then the rest of the world will be three and four times worse, as in Africa, where people are dying of hunger. There's a domino

effect in all this.

If the American people are bad off, and U.S. industries shutting down, this has an effect on Latin America, and the worst effect will be in those countries of Africa where people have no hope at all for the future. So the American people have to become more conscious of electing good representatives, and not see things from the standpoint of fantasy, but live in the real world, and really see what is happening and become involved in others' problems. We have to fight together, because we have the same problems.

The world is sinking in this extreme neoliberalism and globalization. So let's not lose our bearings or forget about what is really important—that wealth is to be enjoyed by human beings, not just by a small group. We need a more human world, in which we are all united.

And so, to Americans, I say: Please, don't accept privatized pensions. For the American people and future generations, this would mean the poverty of your professionals and misery for the rest of the working population. Here we are living through this with anguish, and sometime soon, this could even bring us into a bloody revolution, which we can't permit because we are rational beings.

You Americans who hold high the banner of freedom, can't back down on the issue of social security. If you do, then the whole world will come down around us.

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Facing the Coming Crash Of the Financial System

EIR's June 28-29 seminar in Berlin brought together distinguished representatives of 15 nations, to discuss what had to be done to address the coming crash of the world financial system. In the keynote to the meeting, Lyndon LaRouche stressed not only the nature of the worldwide reorganization that was required, but made a sharp polemical point about the fact that it is from the *United States*, despite the character of the current occupants of the White House, that the positive change has to be initiated, and soon.

After reviewing the history of the founding of the United States, based on the best republican principles developed in Europe, LaRouche put it this way: "So therefore, the United States is crucial, in this respect: The United States is crucial, because we have an economic system which is *not* the so-called capitalist system. The United States is not a capitalist economy! The United States is a system based on what's called the American System of political economy, which was created *in opposition* to Anglo-Dutch Liberalism!"

Several times in the course of the discussion, LaRouche addressed the question of how this can be done, under current circumstances, putting significant emphasis upon the U.S. Senate's defeat of Vice President Cheney's attempted coup d'état in late May.

Later on in the seminar, two panelists from the United States, Dr. Clifford Kiracofe and Jeffrey Steinberg, made presentations which provided the guests a more in-depth view of both the historical basis for anticipating a positive change in the U.S. situation, and way in which LaRouche's own influence had helped to realize this change over the recent six months. We present these speeches below.

While we previously published the contribution of Helga Zepp-LaRouche, who addressed the LaRouche movement's intervention in Europe, toward the overall achievement of a new monetary system, in this week's edition we provide the

follow-up presentation by Jacques Cheminade, the LaRouche movement's chief representative in France.

The Global Overview

While *EIR* is working toward producing an English-language proceedings of the conference as a whole, we consider it a priority to provide our readers with all the major presentations, which often dealt with the economic and strategic problems being faced in Eurasia, and with Lyndon LaRouche's response to those presentations, as soon as possible.

So far, we have published the speeches of LaRouche (July 8); Helga Zepp-LaRouche (July 15); Italian parliamentarian Mario Lettieri (July 15); Russian parliamentarian Sergei Glazyev (July 15); China's Dr. Dingo Dou from the School of International Studies at Beijing University (July 22); India's Maj. Gen. Afsir Karim (ret.), currently editor of the strategic magazine *Aakrosh* (July 22); and China's Dr. Song Hong, senior research fellow at the Chinese Academy of Social Sciences, Institute of World Economics and Politics (July 22).

Over the next week or two, the remaining contributions from Eurasia will be presented, including two speakers from Russia (Dr. Stanislav Menshikov and Dr. Yuri Gromyko); Mr. Chandrajit Yadav of India; and Dr. Muhammad al-Sayed Selim, director of the Center for Asian Studies, Faculty of Economics and Political Science in Giza, Egypt.

In addition, the seminar received a number of written contributions on the topic of the global financial and strategic crisis, which will be included in the Proceedings, and in *EIR* as well. These include papers by economist Dr. Nino Galloni of Italy, and Dr. Kim Young-Chul, professor in the Department of Economics at Keimyung, in the Republic of Korea.

The New American Imperialism: Some Historical Light

Dr. Kiracofe is a former senior professional staff member of the U.S. Senate Committee on Foreign Relations. He presented this paper to EIR's Berlin seminar on June 28.

I thank our hosts for the invitation to speak again here in Berlin at this fine venue. I am delighted to be with you all and to see many friends from the last meeting in January. Today, I will try to cast some light on the "New American Imperialism" and to provide some historical context for the problem. In light of the present Iraq War debacle, and a possible follow-on war against Iran, my focus is on the origins and policy of the imperial faction in the United States.

President Abraham Lincoln warned against financial interests and business corporations being "enthroned." President Franklin Roosevelt warned against the influence of "American Tories." President Dwight Eisenhower warned against the rise of the "military-industrial complex." All three United States Presidents were warning against the power of entrenched financial and business interests to overturn the American republican form of government. Implicit was a warning against an imperial foreign policy such interests would pursue for private economic gain.¹ My remarks today relate to three main points. First, as current American imperial policy is modeled to a large extent on the 19th-Century British imperial practice, I shall comment on Lord Palmerston's strategy for the British Empire of the period.

Second, I shall comment on the assimilation in the United States of this antiquated and pernicious British imperial policy by contemporary proponents such as the influential Zbigniew Brzezinski, and the network of "neo-conservative" policy experts guiding the present Bush Administration. Third, I shall address the historical root of the problem in 16th- and 17th-Century England. Broadly speaking, at that time there was a struggle in England between a faction of corrupt business interests and courtiers, and a faction committed to virtue

in government.² This factional conflict, sometimes referred to as that between the "court party" and the "country party," was transferred to the American colonies as a result of our settlement in early Virginia and New England, and, in effect, continues on our side of the Atlantic down to this day.³ One can say the Bush foreign and domestic policy, including the current war in Iraq, is a case in point of the continued operations of the "court party" in America.

I. Palmerston and 19th-Century British Imperial Strategy

British imperial policy in the 19th Century was greatly influenced by Lord Palmerston (Henry John Temple, 1784-1865), who created the concept of the "Great Game," the struggle between the British Empire and the Russian Empire, with the Middle East and Central Asia as the battlefield. This general concept was later updated by Halford Mackinder (1861-1947) who promoted the concept of the Eurasian "Heartland" being bordered by "Rimlands," and the control of the Heartland leading to the domination of the world.

With respect to the Middle East, Palmerston's basic concept was to use the Ottoman Turks against the Russians to the north, and to control the Arabs as represented by Egypt, for example. Noting Napoleon's utopian idea for the restoration of Jews to the Holy Land, Palmerston advocated the same approach, with some refinements. Palmerston sought to induce Ottoman cooperation by sweetening the arrangement with the prospects of the financial support that London-based Jewish banking circles, who held a philanthropic interest in a Jewish entity in the Middle East, could bring to the Porte, should the Porte allow some Jewish "settlements" in Palestine.⁴ British strategy in Central Asia was to penetrate the region in order to enhance its strategic position with respect to India and Russia. In contrast, at the same time, American involvement in the Middle East was based on peaceful cultural cooperation in education and medicine, and in mutually beneficial commercial activity. Since our War of Independence, we had developed constructive relations with, for example, Morocco, Tunisia, Oman, the Ottoman Porte, Egypt, and Persia.

Palmerston's global strategy included North America. His design involved the destruction of the American Republic, the "Union" of our states under the Constitution, and its division into separate Northern and Southern confederations. In this scheme, the role of Texas was as a separate "buffer

1. For a trenchant analysis of modern imperialism see, J.A. Hobson, *Imperialism* (Ann Arbor: University of Michigan Press, 1965). A useful study of Roman imperialism is William Stearns Davis, *The Influence of Wealth in Imperial Rome* (New York: Macmillan, 1910).

2. For some useful context see, Blair Worden, *The Sound of Virtue, Philip Sidney's Arcadia and Elizabethan Politics* (New Haven: Yale University Press, 1996).

3. For background see, for example, Perez Zagoria, *The Court and the Country, The Beginning of the English Revolution of the Mid-Seventeenth Century* (New York: Atheneum, 1970).

4. For general background see, James Parkes, *The Emergence of the Jewish Problem 1878-1939* (London: Oxford University Press, 1946).



EIRNS/Wolfgang Lillge

Dr. Clifford Kiracofe (center) at the seminar with Jeffrey Steinberg (left) and Lyndon LaRouche (right). Kiracofe asks, "Will the American public come to its senses and demand the abandonment of the current imperial strategy?"

state," if necessary. Certain powerful circles in Texas, who later supported the Southern Confederacy, were only too willing to go along with this design. This disloyal element included the father of the notorious "Colonel" Edward Mandel House, President Woodrow Wilson's closest advisor on foreign affairs. House's father, an Englishman who had moved to Texas, was a cotton broker selling into the British market, with close links to certain Wall Street banking circles. The cotton and other commercial interests of East Texas were in league with the slave South and aligned with certain London financial circles and their Wall Street friends. This is a consistent pattern even today.

Palmerston's North American strategy was nothing new, of course, as British imperial circles had long sought to contain and dismember the American Colonies and, failing that owing to the American War of Independence, the Early Republic. For example, the so-called "Proclamation Line of 1763," at the conclusion of the Seven Years' War ("French and Indian War"), was an attempt to block American settlement west of the Appalachians, to box us in along the Atlantic coastline. Other early British geopolitical stratagems involved the concept of the Old Northwest (today's Michigan, Wisconsin, Illinois, Ohio, and Indiana) as a separate "buffer state," and the plot for the secession of several New England states. When these did not work, fomenting civil war between the northern and southern sections of the country was undertaken. Palmerston was joined in his treacherous American Civil War design by Lord John Russell (1792-1878) who, with a faction of the aristocratic British Tories and commercial Whigs, was a supporter of the secessionist slave South. Certain British interests abetted the American Civil War by covert financial assistance and support to extremists in the North and the South for several decades prior to the outbreak of the war.

Fortunately, at the time of our Civil War, decent leaders in England such as John Bright (1811-89), and English workmen in general, opposed favoring the slave South and supported the Union. This helped to forestall outright diplomatic recognition of the Southern Confederacy by Britain.⁵ I would add that Prince Albert (1819-61), Queen Victoria's Consort, was regarded as a friend of the Union, and many Americans were greatly saddened by his sudden death.

At the same time Palmerston and Russell, together with William Gladstone (1809-98) and other powerful players, supported the destruction of the American Union, Napoleon III of France connived along a similar geopolitical line. Favored by Palmerston, the French Emperor's design was to place the Austrian Maximilian on a throne in Mexico and then detach the American South, or a major portion of it, to align it with his puppet Mexican empire. Fortunately, the great Mexican patriot Benito Juárez foiled this plot by defeating the reactionary forces in Mexico that supported Maximilian.

We should note that by 1850, owing to the American System of political economy and industrialization in the North, the United States, was the number three industrial power in the world behind England and France. Destroying the American Union, and its northern manufacturing base, would destroy a powerful and growing commercial rival. The essence of British imperial strategy was outlined in a report to Parliament of 1854 as follows:

The laboring classes . . . are often indebted for being employed at all to the immense losses which their employers voluntarily incur in bad times, in order to destroy foreign competition, and to gain and keep possession of foreign markets. . . . The large capitals of this country are the great instruments of warfare against the competing capital of foreign countries, and are the most essential instruments now remaining by which our manufacturing supremacy can be maintained; the other elements—cheap labor, abundance of raw materials, means of communications, and skilled labor—being rapidly in the process of being equalized.⁶

Naive and reckless Southern leaders did not foresee the development of alternate supplies of cotton in British-controlled India.⁷ For decades, these decadent and disloyal

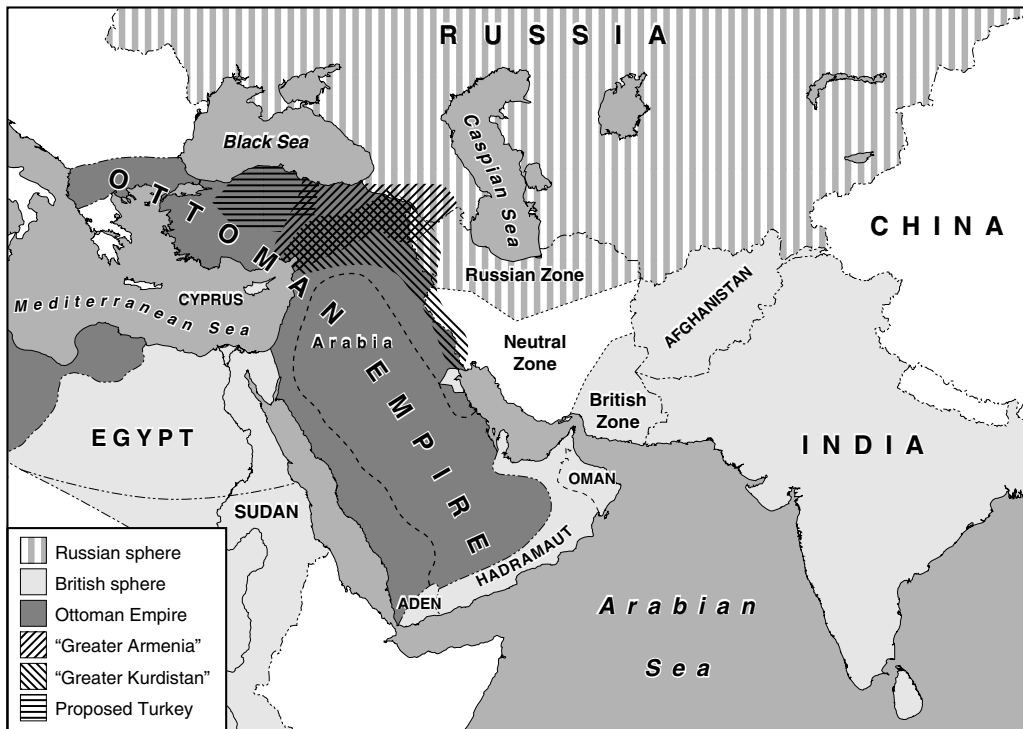
5. See, George Macaulay Trevelyan, *The Life of John Bright* (Boston: Houghton Mifflin Company, 1913).

6. *Report of the Commissioner appointed to Examine into the State of the Population of the Mining Districts 1854*, cited by Henry Charles Carey in his *Principles of Social Science*, 3 vols. (Philadelphia: Lippincott and Co., 1877), Vol. I, pp. 420-421.

7. For background see, William E. Dodd, *The Cotton Kingdom* (New Haven: Yale University Press, 1919) and Frank L. Owsley, *King Cotton Diplomacy: Foreign Relations of the Confederate States of America*, 2nd rev. ed. (Chicago, University of Chicago Press, 1959).

Of special interest is Dodd's "The Social Philosophy of the Old South,"

Lord Palmerston's 'Great Game'



EIRNS/John Sigerson

Palmerston's plan was to use the Ottoman Turks against Russia, and to control the Arabs. He penetrated Central Asia as a lever against both India and Russia.

Southern leaders supported so-called "Free Trade" in order to buy cheap goods from their British friends, rather than buy honest goods produced by their fellow countrymen receiving good wages under the American System of political economy in the industrialized North. I would point out that within this international context, the staunch friend of the American Union and President Lincoln was Russia. And I would say to our Russian friends with us here today that there are not a few Americans who are mindful of our historic friendship, which extends even back to the days in the late 17th Century, when Peter the Great allowed the importation of Virginia tobacco to Russia.

After the fall of Bismarck, who was also a friend of the United States, British imperial strategy altered. Rather than seeking the dismemberment of the United States, London now bent every effort toward a *rapprochement*. Why? The rising unified German state posed economic and potential military challenges to British imperial interests. London cal-

culated that the United States could be manipulated as a useful counterweight in the British imperial game.

But a *rapprochement* with the United States was a tall order, given the lingering bitterness in the United States over British support for the South during the Civil War, among other factors. Sections of the American elite bought into a *rapprochement*, some owing to so-called "Anglophile" leanings based on the racial ideology of "Anglo-Saxonism" fashionable at the time, and some out of pragmatic strategic calculations.⁸ Germany's fatal error, of course, was the resumption of unrestricted submarine warfare, as promoted by the military extremists and Pan-German circles, which inevitably led to the declaration of war by the United States Congress.⁹

II. Contemporary U.S. Imperialism

In the wake of World War I, the British adeptly continued their *rapprochement* strategy, principally by means of a behind-the-scenes entente between certain British and U.S. financial circles. The Harriman interests and the Lazard banking establishment typify this arrangement, which is the origin

American Journal of Sociology, 1918, pp. 735-746 (online at: <http://www.dinsdoc.com/dodd-1.htm>) where he points out that Southern slavery ideology was fortified by the spread of transplanted Hegelian philosophy in Southern educational institutions in the decades prior to the Civil War.

Today's neo-conservatives, following Leo Strauss and Alexandre Kojève, are attracted to this pro-slavery orientation of Hegel, which is an important philosophical element justifying their imperial concepts. On this point see, Shadia Drury, *Alexandre Kojève, The Roots of Postmodern Politics* (New York: St. Martin's Press, 1994), pp. 29-39.

8. Bradford Perkins, *The Great Rapprochement, England and the United States 1895-1914* (New York: Atheneum, 1968).

9. For background see, James Brown Scott, *A Survey of the International Relations between the United States and Germany 1914-1917* (New York: Oxford University Press, 1917).

of the 20th-Century so-called “Anglo-American Establishment,” combining financial, business, political, intelligence, and cultural elements.¹⁰ One critical element of the institutionalization of this arrangement after World War I was the founding of the very influential Council on Foreign Relations in New York City, as an emanation of the Royal Institute of International Affairs, or “Chatham House,” based in London.

It is appropriate to note in our setting here today in Berlin, that significant elements of this so-called “Anglo-American Establishment” supported the Fascism of Mussolini and Hitler.¹¹ In this regard, we should recall the words of Ambassador William E. Dodd, Franklin Roosevelt’s ambassador to Germany. He referred to the American section of the transnational fascist oligarchy of the era as follows:

A clique of U.S. industrialists is hell-bent to bring a fascist state to supplant our democratic government and is working closely with the fascist regime in Germany and Italy. I have had plenty of opportunity in my post in Berlin to witness how close some of our American ruling families are to the Nazi regime. They extended aid to help Fascism occupy the seat of power, and they are helping to keep it there.

Just after World War II, Prof. William Langer of Harvard University called attention to the French and German circles of this same transnational clique of financiers and businessmen in an official history of United States policy toward France as follows:

Many of them long had extensive and intimate business relations with German interests and were still dreaming of a new system of “synarchy,” which meant government of Europe on Fascist principles by an international brotherhood of financiers and industrialists.¹²

I would note that the very well-informed Professor Langer played an important role in wartime intelligence, and later served in a key advisory capacity at our Central Intelligence Agency. I would also note that the Soviet leadership appar-

ently was informed on the synarchists in France as, for example, the mistress of one of its leading members, Anatole de Monzie, was an NKVD asset. I will comment briefly on the fascist and esoteric ideology of “synarchy” at the end of my remarks today. As the current war against Iraq demonstrates, it is an easy matter for the self-appointed, self-selected, and self-perpetuating American Establishment to push a few buttons and launch an unjustified and unnecessary war with immense implications and consequences. While United States Constitution guarantees a free press, this protection has been nullified by the concentration of print, radio, and television media by corporate interests in the service of the imperial faction.

As the Iraq War demonstrates, it is a simple matter to propagandize the American masses using Goebbels-like “Big Lie” methods.¹³ Congress offers little resistance to imperial policy, owing to its own deep corruption, although this may change some as American public opinion increasingly rejects the war in Iraq, as the international financial crisis deepens, and as the latent Constitutional crisis in the United States sharpens and becomes more public.

Contemporary U.S. imperial strategic thinking has been influenced for almost half a century by two policy specialists: Henry Kissinger and Zbigniew Brzezinski. Rather than assimilate an authentic American perspective, they operate within a pernicious transnational mindset, while formulating strategy and foreign policy in the service of an international oligarchy.

One can account for the imperial strategy of the United States over the past quarter century by reading Brzezinski’s revealing book entitled *The Grand Chessboard*, published in 1997.¹⁴ The book lays out the core strategic concepts of recent U.S. policy which, in essence, is a remake of Palmerston and Mackinder, calling for the strategic encirclement of Russia and the domination of Central Asia.

For Brzezinski, the strategic containment, and even dismemberment of Russia, is the primary objective. We should recall that, as National Security Advisor to President Carter, Brzezinski was able to launch his new Great Game in July 1979, with assistance from his colleagues Bernard Lewis and Samuel Huntington, by having the inexperienced President sign off on covert aid to the Afghan resistance to the regime then in power. The world is currently suffering from the “blowback” of this policy, which led to the rise of the global international terrorism associated, in particular, with Osama bin Laden and his far-flung network of so-called

10. On the Harrimans see, George Kennan, *E.H. Harriman, A Biography*, 2 vols. (Boston: Houghton Mifflin, 1922). Note: The American diplomat George Kennan was a distant relative of the author.

11. For a useful overview see, Charles Higham, *Trading with the Enemy, The Nazi-American Money Plot 1933-1949* (New York: Barnes and Noble, 1995). Considerable data is also provided in William C. McNeil, *American Money and the Weimar Republic, Economics and Politics on the Eve of the Great Depression* (New York: Columbia University Press, 1986).

12. William L. Langer, *Our Vichy Gamble* (New York: Knopf, 1947), p. 168. Langer explains that synarchist circles formed around several international banking groups, including the French Banque Worms which was allied with the Lazard banking interests of London, New York, and Paris, as well as with the Royal Dutch Shell group. For a highly revealing study see, James Stewart Martin, *All Honorable Men* (Boston: Little Brown, 1950).

13. The sensationalism of the “yellow journalism” of the Hearst press inciting Americans to go to war against Spain in 1898 was systematically developed after World War I by, among others, Henry Luce of the Time-Life empire. See, for example, W.A. Swanberg, *Luce and His Empire* (New York: Charles Scribner’s Sons, 1972).

14. Zbigniew Brzezinski, *The Grand Chessboard, American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1997).

“Afghan veterans.”¹⁵

In his “Chessboard” book, Brzezinski lays out a “Rimland” strategy à la Mackinder that involves U.S. penetration and dominance in Central Asia, a policy of tension in the Caucasus, and the manipulation of the political evolution of Ukraine, Belarus, Moldova, and other post-Soviet-era states.

The post-Cold War strategy of the Clinton Administration followed the Brzezinski line, which was implemented by his former student Madeleine Albright.¹⁶ In this regard, I would point out for special emphasis the Clinton Administration “pipeline geopolitics” involving Central Asia, the Caspian Sea, Afghanistan, and the Balkans.¹⁷ Let us not forget that the Clinton Administration created the Taliban, with the assistance of Pakistan, a willing player seeking influence in Central Asia and “strategic depth” against India.

I would be remiss not to point out that, during this period, Brzezinski was a consultant to British Petroleum and the consortium involved in the Baku-Ceyhan pipeline project, designed to strategically skirt Russian and other routes. It is indeed more than symbolic that Brzezinski was in the service of the same global oil concern for which the United States overthrew the patriotic government of Muhammad Mossadegh of Iran.¹⁸

While Brzezinski was lining his pockets in the service of foreign oil interests, Richard Cheney was scheming away on oil geopolitics in Texas as chairman of Halliburton. So nothing major changed in U.S. global strategy when the inexperienced and unstable George W. Bush entered the White House.¹⁹



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EIRNS/Stuart Lewis

“Contemporary U.S. imperial strategic thinking has been influenced for almost half a century by two policy specialists: Henry Kissinger and Zbigniew Brzezinski. Rather than assimilate an authentic American perspective, they operate within a pernicious transnational mindset, while formulating strategy and foreign policy in the service of an international oligarchy.”

The Bush core foreign policy team composed of the neo-conservative network, and protected by Vice President Cheney, follows the main lines of Brzezinski’s global strategy, which we can fairly say represents a certain elite consensus. Brzezinski’s geopolitics is the dominant geopolitics of the American Establishment, in which the neo-conservative intellectuals are just one small but strident cog in the greater wheel.

Secretary of State Condi Rice herself is a former student of Madeleine Albright’s father, Joseph Körbel, an opportunistic Czech diplomat once sympathetic to Stalin. We should not fail to take note of Ms. Rice’s connections to the Chevron oil interests and to the Morgan banking interests. Her own rise to prominence and wealth is attributable to the apparent patronage of the influential George Shultz who, with Richard Cheney, organized the foreign policy advisory group to “educate” candidate George W. Bush. This group, nicknamed the “Vulcans,” was led by Paul Wolfowitz, with Ms. Rice as the principal coordinator.²⁰ This group decided on the use of force against Iraq prior to the 2000 election.²¹

For successfully assisting the betrayal of their country into an unnecessary war, Wolfowitz was recently rewarded with a plum job as head of the World Bank, and Ms. Rice was

15. On the problem of blowback see, John K. Cooley, *Unholy Wars, Afghanistan, America and International Terrorism* (London: Pluto Press, 1999).

16. See, Michael Dobbs, *Madeleine Albright, A Twentieth Century Odyssey* (New York: Henry Holt and Company, 1999).

17. See, for example, William Engdahl, *A Century of War, Anglo-American Oil Politics and the New World Order* (London: Pluto Press, 2004), and Paul Sperry, *Crude Politics, How Bush’s Oil Cronies Hijacked the War on Terrorism* (Nashville: WND Books, 2003).

18. For background on the U.S. coup against Mossadegh see, Stephen Kinzer, *All The Shah’s Men, An American Coup and the Roots of Middle East Terror* (Hoboken: John C. Wiley and Sons, 2003).

19. For an in-depth professional psychological assessment of Bush see, Justin A. Frank, M.D., *Bush on the Couch* (New York: Regan Books, 2004.) For operational aspects of the Bush Presidency see, John W. Dean, *Worse than Watergate, The Secret Presidency of George W. Bush* (New York: Little Brown, 2004) and Robert C. Byrd, *Losing America, Confronting a Reckless and Arrogant Presidency* (New York: Norton, 2004).

20. For background see, James Mann, *Rise of the Vulcans, the History of Bush’s War Cabinet* (New York: Viking, 2004).

21. Paul O’Neill, former Secretary of the Treasury in the G.W. Bush Administration, reported that Iraq was the key topic of the first meeting of the principals of the National Security Council on Jan. 10, 2001. See, Ron Suskind, *The Price of Loyalty, George W. Bush, the White House, and the Education of Paul O’Neill* (New York: Simon and Schuster, 2004).

rewarded with a considerable elevation in rank to Secretary of State. Such is Washington these days.

With respect to the Far East, Brzezinski has correctly argued for a pragmatic approach to China, and a reduction of tensions in the Pacific, but the neo-conservatives argue for the opposite. The neo-conservative network, however, closely linked to certain extremist Taiwanese circles, wishes to promote tension in the Pacific, with the ultimate goal of provoking a war with China. To that end, they appear to favor a nuclear strike against North Korea, in order, in the words of one influential neo-conservative acquaintance of mine, to “send a message to China.”

With respect to the Iraq War, one might argue that the central reason for it is Vice President Cheney’s obsession with the control of global hydrocarbon resources. Cheney, and hence Bush, adopted Brzezinski’s outlook with respect to the global geopolitics of energy. As the Bush and Cheney families have major financial interests in the energy sector, their policy is personally financially rewarding. And, as I said earlier, it is an elite consensus within the American Establishment.

We should not be surprised, therefore, to find Vice President Cheney’s daughter stationed today as a political commissar in the Near East Bureau of our Department of State. Crass nepotism aside, Ms. Cheney, as a high-powered Washington lawyer involved in international business, stands to gain financially from her deep involvement in the imperial Bush Administration Middle East policy. The Bush family interest in the Carlyle Group, the largest private investor in the U.S. defense industry, and in other holdings, may well reap financial benefits from the current war economy over which George W. is the self-described “War President.”

But to fully understand the Bush Middle East policy, and the degraded state of current American politics, one has to take into consideration that his political base is composed primarily of delusional Christian fundamentalists, of whom about 25 million are hardline “Christian Zionists.” Karl Rove and Bush family political managers have very effectively manipulated and mobilized these millions of fundamentalists as shock troops at the polls.²² These deluded souls see themselves helping Israel by crushing the “Evil One in Babylon” (Saddam Hussein) and strategically checking “Magog” (Russia) prior to “Armageddon,” which is seen to be coming soon.

The pro-Israel neo-conservative policy network adroitly linked to Christian fundamentalist leaders such as Jerry Falwell and Pat Robertson back during the Carter Presidency, and has provided Zionist-oriented foreign policy guidance to the fundamentalists during the Carter, Reagan, George H.W. Bush, Clinton, and George W. Bush administrations. The close linkage between the Bush Administration and the Likud Party, and other extremists in Israel, is facilitated by the neo-conservatives and the fundamentalists.

22. On Rove see, for example, James Moore and Wayne Slater, *Bush’s Brain, How Karl Rove Made George W. Bush Presidential* (Hoboken: John C. Wiley and Sons, 2003).

Christian Zionism is a bizarre ideology, also called “pre-millennial dispensationalism,” created back in the 1840s in England by several deranged and delusional cult leaders such as John Nelson Darby (1800-82) and Edward Irving (1792-1834). Their ideas spread to the United States from 1859-72, when Darby came to North America to preach his doctrines to gullible masses.²³ Christian Zionism in England was more than a little useful to the Palmerston crowd in whipping up support for its Middle East policy and Great Game against Russia.²⁴

Simply put, neo-conservative Middle East policy is essentially a remake of Palmerston’s, namely, an alignment of the United States, Turkey, and Israel to dominate the region. Today, of course, the reason for imperial domination is the hydrocarbon supply in the region. That hydrocarbon supply was a key strategic consideration in late-19th-Century and 20th-Century Britain goes without saying. This strategic concern resulted from the shift from coal- to oil-fired boilers in the British Navy. While the United States had plenty of hydrocarbon resources within its own territory in that era, the British Empire did not.

The neo-conservative influence over U.S. foreign and defense policy has been achieved through its penetration of both political parties, for example, the Lieberman faction in the Democratic Party and the McCain and Bush factions in the Republican Party.²⁵ The neo-conservatives have successfully made their ideology the dominant ideology in the Republican Party, although there are some signs of growing resistance now.²⁶

III. Roots of Evil: A Corrupt Oligarchy Against Virtue

The factional struggle in the United States today, between a corrupt oligarchy favoring imperialism and those who support republican institutions has roots in 16th- and 17th-Century England. With the organization of the British colonies in North America beginning with Jamestown, Virginia in 1607, the factional struggle came to our shores, and has not ceased.

Although this is a highly complex and obscure topic, I will simply say today that this factional struggle was exemplified in the London Company which founded Virginia some 400 years ago and also influenced settlement in New England,

23. The best analysis of Christian Zionism and Darbyite ideology is by Father Stephen Sizer, a British Anglican. See his publications and his website at <http://www.christchurch-virginiawater.co.uk/articles/czarticles.htm>.

24. See, for example, Geoffrey Wheatcroft, *The Controversy of Zion* (Reading, Mass.: Addison-Wesley, 1996), and Kathleen Christison, *Perceptions of Palestine* (Berkeley: University of California Press, 1999).

25. The best book on neo-conservative foreign policy is Stefan Halper and Jonathan Clarke, *America Alone, The Neo-Conservatives and the Global Order* (Cambridge: Cambridge University Press, 2004).

26. For background see, Shadia B. Drury, *Leo Strauss and the American Right* (New York: St. Martin’s Press, 1999).

notably Plymouth Colony. I would give particular emphasis to Plymouth in early New England, because that group of Pilgrims had spent a number of years in the Netherlands, mostly in Leiden, and had assimilated elements of Erasmian Continental Humanism. In religion, they were close to the French Huguenots and, hence, there are indications of the influence of the thought of such intellectuals as Jean Bodin, François Hotman, and Hubert Lanquet.

One can well say that the bitter dispute in this early day between the oligarchic commercial faction linked to the Crown around Sir Thomas Smith, and its opponents in the patriotic faction around Sir Edwin Sandys and his brother, represent the matter then as now.²⁷ Sandys, and his Parliamentary allies, fought against the Stuart tyranny which rested on a foundation, Venetian style, of moral degradation and commercial corruption organized around business and financial monopolies, not the least of which was the East India Company. Later, the Bank of England, a private monopoly for almost three centuries, would be added to this “system” of oligarchic or, more accurately, plutocratic rule.

The so-called “Anglo-American Establishment” organized in the wake of World War I, represents a continuity, or restoration, of this earlier oligarchic-plutocratic faction. Of course, it has always been represented to some degree in North America, whether in the colonial era or after American Independence. And this alien interest penetrated both political parties.

Is it any surprise, for example, that the London Rothschild agent August Belmont became the head of the Democratic Party in the United States during the 1860s, or that the Democratic Party espoused a British “Free-Trade” doctrine in the face of the successful American System policy of the Whig Party and then Lincoln and the Republican Party?²⁸

Is it any surprise that the Republican Party succumbed to the influence of Wall Street and London, as its Progressives and moderates were sidelined by the Money Power prior to World War I, and have fought a rear-guard action ever since?²⁹

Is it any surprise that the Wall Street faction of the Democratic Party, typified by John Nance Garner of Texas, himself linked to the pro-fascist Liberty League circles of Wall Street, bitterly opposed the Presidential nomination of Franklin D. Roosevelt in 1932, and then sought to undermine the New Deal even as Vice President? In this context, we must recall that President Roosevelt pointedly broadened his administration to include such well-known Progressive Republicans as

Harold Ickes and Henry A. Wallace.³⁰

Or, finally, is it any surprise that George W. Bush and his Wall Street-Texas-London faction plunged the United States, and indeed the world, into an unnecessary war against Iraq in the service of transnational oligarchic interests?

When we consider the facts about the Bush family and their historic linkages to the Harriman and Rockefeller interests, to the Wall Street and London Money Power, and to international Big Oil, we should not be surprised in the least.³¹ Nor can one be surprised considering the longstanding Bush family connection to one of the most elite American imperial clubs, namely, the esoteric Skull and Bones Society of Yale University.³²

In conclusion, as we assess the imperial policies of the transnational oligarchy of our day, in the United States and around the world, as expressed through such elite consensus-building organizations as the Bilderberg Group and the Trilateral Commission, curious 19th-Century ideologies should not be overlooked.

One key ideologist I would point to is the former French occult leader of the Martinist Order, Joseph-Alexandre Saint-Yves D’Alveydre (1842-1909), who was inspired by Napoleon’s own occult advisor Fabre d’Olivet and the notorious Joseph de Maistre. It was Saint-Yves who, in the late 19th Century, created the concept of “Synarchy” as a fascist world order opposed to the Westphalian ideal of a system of sovereign states.³³

Will the American Republican and Democratic parties liberate themselves from the pernicious influence of transnational oligarchic circles? Will the American public come to its senses and demand the abandonment of the current imperial strategy? Time will tell.

30. For background see, Harold L. Ickes, *The Secret Diary of Harold L. Ickes, The First Thousand Days 1933-1936* (New York: Simon and Schuster, 1953).

31. For background see, Kevin Phillips, *American Dynasty, Aristocracy, Fortune, and the Politics of Deceit in the House of Bush* (New York: Viking, 2004), and Michael Lind, *Made in Texas, George W. Bush and the Southern Takeover of American Politics* (New York: New America Books, 2003).

32. Antony C. Sutton, *America’s Secret Establishment, An Introduction to the Order of Skull and Bones* (Trine Day, 2002 edition). This club, for example, has included the Harriman family, media magnate Henry Luce, Henry Stimson, and the Bundy brothers, all influential in American empire building. U.S. Sen. John Kerry is a member and this led to the unprecedented situation in 2004 of two members of the same imperial club vying for the Presidency.

33. Saint-Yves d’Alveydre, *Mission des Souverains* (Helsinki: Les Editions Nord Sud, 1948). Brzezinski’s *Between Two Ages, America’s Role in the Technotronic Era* (New York: Viking, 1970) indicates the influence of a “synarchist” mode of thought.

For a revealing study see, William Y. Elliott, *The Political Economy of American Foreign Policy* (New York: Greenwood Press, 1968, reprint of the 1955 edition). Elliott, an apparent vector of synarchy, was a mentor of Brzezinski and a key academic asset of the Anglo-American Establishment. Elliott appears to have been influenced in the 1930s by the French synarchy and some of its members’ writings on “economic humanism” which seem to parallel some British Fabian orientations. Elliott was also Kissinger’s mentor.

On synarchy see, for example, Yann Moncomble, *Du Viol des Foules—la Synarchie ou le Complot Permanent* (Paris: Faits et Documents, 1983).

27. Some useful background is provided in B.E. Supple, *Commercial Crisis and Change in England, 1600-1642* (Cambridge: Cambridge University Press, 1959).

28. See, Irving Katz, *August Belmont, A Political Biography* (New York: Columbia University Press, 1968).

29. Insight into the Progressive Republican faction and the operations of Wall Street is provided in the memoirs of one of its leaders, Robert LaFollette. See, Belle Case LaFollette and Fola LaFollette, *Robert M. LaFollette*, 2 vols. (New York: Macmillan, 1953).

LaRouche's Role in Mobilizing the U.S.

Here are the spoken remarks of EIR Counterintelligence Editor Jeffrey Steinberg to the Berlin seminar, on the afternoon of June 28. He also submitted a written text, which was published in the July 25 New Federalist.

I've made available here about 35 or 40 copies of a more detailed report I prepared for this conference, reviewing some of the events of the past five months. And I began that paper by briefly quoting from an exchange that occurred, here in this very room on Jan. 12, between Lyndon LaRouche and General Saigal from India, after the General had presented a paper on the issue of discontinuities in politics, and LaRouche had followed it with a discussion about how discontinuities also represent revolutionary opportunities. LaRouche laid out a certain perspective on events that he saw coming in the United States over the period of the next several months. I think when you read LaRouche's comments from Jan. 12, you will be really struck by just how clear a strategic perspective that he had on the opportunities that would be unfolding in the United States, and the key role that he personally intended to play.

What I want to review here are some aspects of the events of the last five months, that I didn't particularly develop in that written document, because, in LaRouche's modesty, this afternoon in discussing the changes in the political landscape of the United States, I think that there were elements that needed to get further emphasis. In particular, his personal role in the transformation of the Democratic Party, that has created a strategic opening that otherwise would have been absolutely impossible to even conceive of.

About six weeks ago, we received word, and subsequently confirmed it through other sources as well, about a very interesting meeting that took place at the White House. The meeting involved a very prominent Republican member of the United States Senate, whose name we know but we've chosen up until this point to keep the name private. He was invited to the White House to have a not-so-friendly chat with Karl Rove and with Vice President Dick Cheney. And the short version of the meeting, was that this Republican Senator was accused of being a secret agent of Lyndon LaRouche inside the United States Senate, and was apparently presented with some evidence from public statements that he had made, and other things that he had done, that Cheney and Rove were convinced could only be explained, by virtue of the fact that

he had some secret channel to Mr. LaRouche.

Now, in this particular case, it happened to not be true. So, Rove and Cheney had their facts wrong. Yet, the general conclusions that they had reached were absolutely correct: namely, that the completely unexpected change in the political landscape in Washington, had no alternative explanation than that Lyndon LaRouche had somehow or other, effected a change in political personality of not just individuals but major institutions, inside the U.S. government. It was as if, as LaRouche wrote in his recent *Earth's Next Fifty Years*, suddenly leading members of the United States Senate and some leading members of the House of Representatives had become infected with the living words of the Founding Fathers; and had abandoned the existing policy which was dominant in the U.S. Senate for a long time, namely, people would "go along to get along," and would make pragmatic compromises with the truth.

Yet, the situation had dramatically changed. And in fact, when Karl Rove and Dick Cheney, at the conclusion of the 2004 Presidential elections, believed that there would be no impediments to them bulldozing through a series of—not just treacherous and treasonous policies—but policies that would have permanently dismantled the Constitutional character of the United States, they had good reason to believe they would succeed. There was no evidence at that moment, that the Democratic Party as an institution, particularly in the Senate, would rise to the challenge of the moment.

In fact, following the 2000 Presidential elections, whose outcome is at best questionable, and in all likelihood was actually won by the Democrats, the response of the Democratic Party at that point was cowardice and disunity. None other than Al Gore himself, who was the contender in the 2000 elections with George Bush for President, had stood before the U.S. Senate, in his capacity as the president of the Senate—he was still Vice President before the new inauguration—and silenced those within the Democratic Party who wanted to challenge the outcome of the election. And it went downhill from there.

When the issue of the Iraq war came up for debate in the United States Senate and in the House of Representatives, in October of 2002, the vast majority of Democrats capitulated, and went along with giving President Bush war powers that the vast majority of them knew were illegitimate.

Democratic Party Wakes Up

So therefore, coming out of the 2004 elections, there was no particular reason for either Rove or Cheney to have assumed that there would be any substantial Congressional resistance to policies like the looting through privatization of the Social Security Trust Fund, which was the last bastion of the FDR policies of the New Deal social safety net for all Americans. Yet, beginning almost immediately after the convening of the new Congress, in fact, on the second day after the convening of the new Congress, on Jan. 6, 2005, the Dem-



EIRNS/Juiana Jones

Lyndon LaRouche with organizers from his youth movement. "A key element in the transformation of the Democratic Party has been the unleashing of the LaRouche Youth Movement, both around the United States, into the pores of the Democratic Party at the grassroots level—but particularly, the role of the LaRouche Youth Movement inside the U.S. Congress."

ocratic Party was an extremely different political institution, by virtue of challenging the legitimacy of the Bush election in Ohio. Subsequently there were a whole series of other steps, some of which Lyn had forecast here on Jan. 12, in Berlin, including the resistance to the nomination of the Alberto Gonzales as Attorney General of the United States, which was one of the first pitched battles of the new Congressional session, the 109th Congress, and the war that erupted over the issue of Social Security privatization.

All of these fights, I can say with absolutely certainty, would either not have taken place at all, or would have been brief, rearguard efforts that would have died very quickly, were it not for the fact that, over a period of time, LaRouche had been intervening to fundamentally alter the character of the Democratic Party.

Now, the United States, like virtually every country around the world, is a nation that operates based on certain kinds of institutions and habits. And Lyn introduced several new, groundbreaking habits into the Democratic Party over the period since the initial election of George W. Bush back in November of 2000—the dubious election, the first of the dubious Bush-Cheney elections. And over a period of the past five years, these institutions, which started out as very limited factors, have emerged as dominant factors within the Democratic Party.

The first of these factors was a series of strategic, emergency webcasts, international presentations that Lyn delivered, often from Washington, occasionally from here in Europe, as was most recent of these webcasts on June 16. And each of those webcasts was characterized by three elements,

although in each instance, if you go back and read the content of these webcasts, they were each different in terms of points of emphasis, flanks of intervention, and things like that. But, each of them had three fundamental characteristics:

‘The Emperor Has No Clothes’

In the first place, Lyn played the role of the child in the Hans Christian Andersen story “The Emperor’s New Clothes”: Namely, coming forward to speak clearly, and frankly, about the truthful nature of the strategic crisis, not mincing any words. And in the most recent of these—probably by now, there have been 20 or so of these webcasts since November of 2000—Lyn placed particular emphasis on the strategic significance of the insanity of President Bush, and the sociopathological-murderer streak of Vice President Dick Cheney. Now, you can turn on the television in the United States, any night of the week, about 11:30 at night, and there’ll be three sort of entertainment shows on each of the three big TV networks. And on any given night, there’ll be a lot of jokes being made about how Bush is a lunatic—and some of them are pretty funny. But, LaRouche has insisted that Bush’s insanity not be blocked on through giddy humor, but be understood as a strategic factor, that can’t be ignored in terms of the dangers of the present situation.

So, LaRouche has always put on the table, in the most current and relevant predicated form, the nature of the crisis, the evolving collapse of the entire post-Bretton Woods floating-exchange-rate system, the various war dangers, and the most recent manifestations of Bush’s deteriorating psychological condition.

Bush was nuts when he came into the job, and he is now virtually isolated in a padded room called the Oval Office, almost incapable of appearing before the general public without having some kind of a manifestation of a breakdown. And this has forced Dick Cheney, to have to increasingly play the public role of spokesman for the Administration, which doesn't function either: Because he's not exactly a warm, fuzzy, endearing personality.

The second thing that has characterized each of these webcasts, is that LaRouche laid out in very calm and very confident fashion, the readily available solutions, to these profound global crises, just as he's discussed them today, here.

And thirdly, having identified the frightening reality, and having also confidently spelled out the policy options that are clearly available on the table, he posed, very often quite directly, the concluding question, which is, if the situation is starkly clear, if the solutions are fairly obvious, then what is it in the psychological makeup of the leading policymaking circles in the United States and around the world, that prevents them from acting on this reality—when the very survival of the human race is at stake?

Now, through this wonderful institution called the "Internet," the leading circles within the Democratic Party, within the Congress, within the party structure, particularly among people who formerly served in the Executive branch in the Clinton Administration, and therefore had a certain sense of what it means to be a part of this Executive branch institution, it was possible for people to sit behind their own desks, at their own private offices, and in a quasi-anonymous fashion, throw questions over the wall at LaRouche. And so, initially, in a very tentative way, but gradually with more and more direct and intensive discussion, leading circles within the Democratic Party began to entertain a very important political dialogue directly with LaRouche.

And I think if you look at the transcript, or follow on the Internet, the video-audio stream of the most recent webcast on June 16, you will see that this level of political dialogue with Lyn, has advanced to an extremely significant level, where the first five or six questions at the webcast, came directly from leading members of the United States Senate, in a few cases through their staff, in a few cases directly through the members of the Senate. And this was a very clear, unambiguous signal, of a recognition, that LaRouche has established his position as the commander-in-chief of a transformed Democratic Party.

Now, there are a lot of fairly good field commanders inside the Democratic Party leadership at this point. Some of them have the benefit of being in LaRouche's generation, people like Robert Byrd (D-W.V.), and Sen. John Warner (Va.), who's a Republican, but is in his late seventies, and who played a vital role, along with Senator Byrd, in defeating the Cheney insurrection against the Constitution that LaRouche referenced, that took place on May 23, with the compromise that defeated the so-called "nuclear option."

So, you have this generation of leading elements in the Senate, who because the events have required their unique experience in leadership, have come to the fore. Other people, like Sen. Harry Reid (Nev.), who is the new ranking Democrat in the Senate, again, from a somewhat older generation, older than the Boomer generation, has also come to the fore—as have some leading younger members of the Senate.

But I can tell you, had LaRouche not thrown down the gauntlet against the Bush Administration of the Democratic Party from a party that was principally oriented, particularly under Al Gore's Presidential campaign of 2000, to suburban soccer moms and SUV dads, who are, in fact, part of the worst social fascist base of the Republican Party, none of this would have happened.

Role of the LaRouche Youth Movement

The second key element in the transformation of the Democratic Party has been the unleashing of the LaRouche Youth Movement, both around the United States, into the pores of the Democratic Party at the grassroots level—but particularly, the role of the LaRouche Youth Movement inside the U.S. Congress. Every week that the Congress is in session—and very often even when the Congress is not in session, when there are hundreds and hundreds of young Congressional aides around without their bosses breathing down their necks—scores of members of the Youth Movement spend several days a week up on Capitol Hill, organizing young staffers, distributing large amounts of literature, and creating a certain political environment, which has come to dominate the intellectual debate within the U.S. Congress.

Now, the Youth Movement has posed a very important paradox, to the leadership of the Democratic Party: It's challenged them to have to face up to the fact, that they are incapable of organizing a youth movement. They just simply don't have the intellectual tools to do it. They're fascinated about the idea, that there's an emerging group of young people who are taking an active role inside the Democratic Party, but they're not quite sure what to make of the methodological approach that LaRouche has taken to doing this. I can assure you, that there is not a member of the House or the Senate, even among the elder statesmen, who would feel comfortable either teaching a class in Gauss, or in even leading a chorus of *Jesu, meine Freude* or *Ave Verum Corpus*.

So, there's a fundamental paradox: Empirically, people see that something is working, and it's something that they've attempted, but systematically failed to do, yet it's forcing them to fundamentally reconsider their entire approach to politics.

White House Reaction

So, I think all of these events have created the circumstances where there is a state of absolute hysteria at the White

House, reflected in this incident that I described. But there are many more incidents that have taken place subsequently, that reflect the fact that Rove and Company suddenly find themselves in uncharted political waters. They did not expect Democratic resistance to the Social Security privatization, or to the next menu of *war du jour* that they had planned out after the inauguration in January 2005.

They are destabilized. Their game plan has been disrupted. They're dangerous, but yet, they've been gravely weakened, they've been gravely wounded, to the point that in the last weeks, the general tenor of the discussion in the traditional conservative and liberal establishment media in the United States has been to characterize the Bush Administration as political lame ducks. And if there's going to be one achievement that Bush can undoubtedly claim to be the unique character of his Presidency, it's that he will have rendered himself a lame duck faster than any re-elected President in American history.

So, we're at a critical juncture right now. As a result of this transformation of the Democratic Party, in the recent weeks, particularly because of the crisis around General Motors and Ford, and the issues that have been forced onto the table among both Democrats and Republicans in Congress—because they see before them the prospect of the collapse of the last bastion of high-technology, non-defense-related industry in the United States—the issues that LaRouche has

put on the table, particularly with a series of policy memos to the U.S. Senate in April and May of this year, are on the agenda.

We've reached the point, where we're on the brink of actually bringing down the Bush-Cheney Administration. We've created a bipartisan combination in the United States Senate, increasingly looking to LaRouche for policy guidance on exactly what kinds of legislative initiatives to take to deal with things like the bankrupting of the entire private sector pension funds; the imminent bankruptcy of General Motors and Ford, and other issues along these lines, such as: the possible blow-out of the entire real estate market; the potential meltdown of the entire global financial system, through a series of bankruptcies of hedge funds. We've got political leadership in the United States, high qualified field commanders, colonels, and similar semi-flag grade officers, prepared to respond.

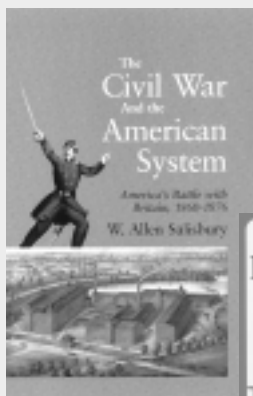
And therefore, I conclude my remarks today, as I did in my written paper, by saying, that there is far greater cause for optimism today, than there was when we last gathered in Berlin in January, because of the rapid transformation of the political situation in the United States, which poises the United States to potentially again re-emerge as a nation, in which the founding documents, the Declaration of Independence and Constitution, have become again the living word of our current legislators.

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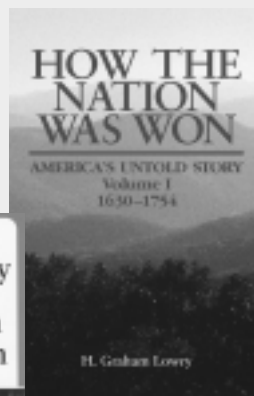
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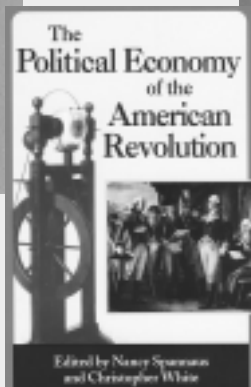
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Give Europe a Vital Mission for the Future

Jacques Cheminade is the chairman of the Solidarity and Progress party in France, and the long-time leader of the LaRouche movement there. He addressed the Berlin seminar on the afternoon of June 28.

As Helga Zepp-LaRouche conveyed it, we have to see with the eyes of our mind and heart, in particular in a historical period as ours, and not with the eyes of our senses. If we look at it like that, we are facing in France, an extremely dramatic and interesting situation—both dramatic and interesting. Dramatic, if it's left to itself, to its own impulse; and interesting, if we intervene, to further awaken and organize the growing potential for the good.

There are two main points to it: First, is a disinhibition of the French people. They voted “*non*” to the European Constitution (or to the so-called European Constitution). They voted “*non*” against 35 years of growing unemployment, and ultra-liberal policies, destructive of labor. They voted “*non*” to the deregulated financial and monetary system. And they voted “*non*” to financial serfdom.

We did our best to help achieve that result, with our massive distribution of leaflets in the Paris area, and with systematic interventions of our Youth Movement in meetings, which were more and more focussed, and more and more to the point.

But the second point, is the point that now we have to face: the *absolute incapacity* of the established forces of the country to respond to the challenge.

If we look at what happened since the vote, it is a terrible arrogance, the disrespect, the disrespect for the population of the established elites. They promoted this Chirac-Villepin-Sarkozy government, which is exactly opposed to the will of the population, as a team. As it is said, “The sick dog always returns to its vomit”—and you can see, that my contempt and my disgust with the French elites, is of the same sort as that of Lyndon LaRouche.

But I must add something: If you call these people “France,” it amounts to calling Bush, Cheney, and Rove, “United States.” They are not what France represents, historically.

Louis XI vs. Napoleon

We are facing, therefore, a paradigm shift with no leadership. So my job is to provide that leadership, with minimal material means, in a situation where human beings—the

French people—are left without a project. And if you are left without a project, you rot. Especially if you are targetted by a counterculture, oriented towards gambling—as all tourism, now—entertainment, drugs, and banality.

We put on the table two main issues. The first one, is a necessity of public productive credit, state credit, based on national banking, for long-term, low-interest-rate loans, for infrastructure in the area of 25 to 50 years. That is, to finance investment beyond tax collection and beyond loans. It means commitment of the state to produce that public credit, and also to protect tangible private investment. That is the first point put on the table.

The second issue is a sense of French history as a continuous process of an idea. And there we are faced with a paradox: France as a source of modern fascism, with a variety of earthly messianism, Louis XIV and Napoleon. And you have to face the fact that both Villepin and Sarkozy, the Prime Minister and the Interior Minister, are admirers of Napoleon's Interior and Police Minister, Fouché. And then, France, also the creator of the first nation-state in world history, the nation-state of Louis XI. So, you have Napoleon, and Louis XI, in a moment of history.

A certain, if limited understanding of Louis XI's period was conveyed in recent French history between the 1930s and the '70s, by such people as Charles de Gaulle and Jacques Rueff, or Jean Monnet and Pierre Mendès-France of the France of Roosevelt. Mostly, this is centered on national planning and state-credit issuance, what the French used to call *le grand dessin* [the grand design]. The good news is, that impulse still exists in the country, in the aerospace sector, the nuclear sector, the public service tradition, machine tools, also in the automotive sector.

The bad news: It is being looted, destroyed, privatized, and is collapsing, in particular, socially. At this point, we have in France, according to European standards, 2 million children living below the poverty level. We have 10% of the French population officially unemployed; the true figure is 20%; and 35% of the French population of working age, who are not working. That's the unemployed capacity of the nation. And if people make faces over it, it's almost the same situation in all European countries; the French situation is not an exception—it's a bit *worse*, probably, socially.

So, it's Louis XI against Napoleon.

We need the public production orientation of the Louis XI tradition to be revived and mobilized. This means a shift, in particular in French-American relations, which have been pretty much misguided since, let's say, the beginning of the 19th Century. To become again fruitful, we have to bring first to the consciousness of people that the United States was a creation of Europe, the very best of Europe, and in particular, of Louis XI's nation-state tradition, through people like Leibniz, Kästner, and then Emmerich de Vattel of Switzerland. This history is *absolutely* ignored in France. The second point is to bring back from the United States into Europe, and



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Jacques Cheminade (left) with Lyndon LaRouche. Cheminade affirms that his campaign for the Presidency of France, associated with Helga Zepp-LaRouche's campaign for the Chancellorship of Germany, is crucial to create a new center of gravity in European politics, to respond to what LaRouche is creating in the key battleground of the United States.

in particular into France, the republican tradition embodied in the American tradition that we in Europe have lost: the American System of political economy that Lyn referred to.

Hence, the issue of LaRouche against those who have kidnapped the American state, and the related issue of Classical culture, the *Dichter* [poet] principle (in German), are therefore not external, but internal, domestic burning issues for Europe and France. It's inside, it's not something outside.

A Leadership Vacuum in Europe

At this point, without a reaction of the French authorities, the German authorities first, and together with France, the future of Europe is either chaos, or that of a Merkel-Blair-Sarkozy association: an earthly road to Hell. The reaction, as it was stressed today many times, is not going to come as such, by itself, by Europe, and certainly not from France. It's not going to come from Europe, because there are no leaders in Europe. What you have on the European political scene, is a sort of *Regietheater à la German*, or *à la French-German*, or *à la Congress for Cultural Freedom*. These people, our leaders, or so-called leaders, it should be said, are more afraid to face the financier oligarchy, than concerned by the misery of their own population.

Therefore, Helga Zepp-LaRouche's campaign to become Chancellor of Germany, is crucial, and mine for the Presidency of France, as associated to Helga's campaign, as a leverage to make a merge, a new center of gravity in European policies, are absolutely necessary and crucial, to respond to what Lyn has created in the decisive battleground, in the primordial battleground in the United States: It's a necessary response from Europe to what Lyn is doing in the United States. And it's in terms of culture, because it's one and the

same type of European culture.

The French elections are only in 2007. But reality will strike well before that—in the next weeks. At the latest in France, it will take the form of social unrest in September. And it's very clear, that with the provocations of Sarkozy, it will happen. A process is bounded as a process with respect to the principle of least action of that very process. Now, we are at the end of the system—economic, cultural, monetary, financial—which is antagonistic to the least action principle, and antagonistic to truth and justice.

Therefore, it has to be changed. And it can only be changed, if we introduce a new physical principle, defining a new boundary, a new border, a new frontier. Helga, and myself also in that sense, have to be, at least by default of other leaders, the generators of that principle, exemplifying a policy to rebuild infrastructure for the future, and create in the process 20 million new jobs in Europe. The issue for that is national banking against central banking, as Lyn defined it.

As such, it is not a new project: It was expressed after World War I by the little-known association of Walther Rathenau with Albert Thomas, which tried to establish a principle of peace through mutual development. This was killed by financial Synarchy, for whom Paris was a safe-house at the time. After the fall of the Berlin Wall, the same effort was launched by Helga Zepp-LaRouche and Lyndon LaRouche, from the time he was in jail, and the criminal Mitterrand-Thatcher-Bush policies killed it: It was the Synarchy, again, doing its task, its destructive, criminal task. And before that, you had, in the 19th Century, Emil Rathenau, Sergei Witte, and in France, Gabriel Hanotaux as a minor partner, with the same project.

So, this is nothing new. It's something knocking at our door for a long time in Europe, and it's about time to make it this time. We have to do it now. It's what Helga referred to as a peaceful world order for the 21st Century, to accomplish what the 20th Century was unable to accomplish. This has to be done soon, and it has been a process, starting now with, as a target, the next year. Because the ghosts of the early '30s are now again knocking at the door, with the culture of death. There is no other alternative, than to reestablish the culture of immortality, a culture of hope, in Europe, against the shadows of a system which is a state, now, of life and death, or as Italians say, "We are in a system which is a *morto qui parla*."

That is our responsibility, to accomplish what was not accomplished in the 20th Century, to make our continent see again with the eyes of the future. Or better said, with the eyes of those who in the past cared for the generations then to come. And these generations today are us: us, as products of the advantage of the other; us, whose responsibility is to accomplish the unaccomplished of the past as, today, a dedication to the future.

Editorial

A Crisis on Schedule

The first weeks of July have seen the arrival of precisely the kind of crisis, both in the automotive industry and the hedge-fund sector, which leading economist Lyndon LaRouche had been forecasting over the past months. Others may have thought that disaster could be delayed, but LaRouche was clear from the early Spring forward, that automakers General Motors and Ford were headed for bankruptcy, and from the late Spring, that the repercussions of these, and other, bankruptcies on the financial markets, particularly the highly speculative hedge-fund business, would bring the world financial system to the breaking point.

Interestingly, there are increasing indications in Washington, D.C. that leading policymakers realize LaRouche was right. So far, they have still not had the guts to acknowledge the fact publicly, or to act toward LaRouche's solution.

For the moment, Fed Chairman Greenspan and his central banking colleagues have again thrown a "wall of money" at the problem, and crossed their fingers that they will be able to keep the situation politically under control. But a new period of hyperinstability has been reached, which is inexorably calling the question on the need for a viable new system along the principle of Bretton Woods—as only Lyndon LaRouche has proposed.

Two reports issued by financial institutions recently put a spotlight on a part of the problem. On July 17, New York-based Tremont Capital Management reported that in the June 15-17 period, hedge funds globally would be *losing* capital, "for the first time in recent memory." The reason, Tremont reported, is that investors will be pulling out to the funds' money-losing strategies. There was already a global net outflow of capital from the hedge funds in the second quarter, Tremont wrote. Less specific was a release by the market research firm Fitch Ratings Service, which said that hedge funds are becoming increasingly concentrated in the "high yield" (junk bond) markets, and thus, instead of diffusing the risk of disaster in response to market shocks, they are likely to contribute to a domino effect that could destabilize the entire financial system.

Even a popular magazine like *U.S. News & World Report*, in a pre-release of its July 25 issue, is saying that the credit derivatives bubble could blow out, taking the banking system with it. Credit derivatives "do nothing to help extinguish risk," but spread it around to large investors like banks, insurance companies, pension funds, and hedge funds, the article states. Derivatives "could actually magnify the market effect of a corporate default," and a hedge-fund collapse could trigger "a dangerous ripple effect through the whole economy."

Of course, none of these warnings are "new" to those who have followed *EIR*, or hobnob with financial insiders. What is new is that the financial powers-that-be now are beginning to publicly admit that they might not be able to control the repercussions for the system as a whole, once one of any number of bubbles pops.

The top Synarchist bankers have their own historically tested ways of dealing with such crises, ways which are frightfully exemplified in the fascist regimes of the 1930s. They rely on being able to destroy any opposition to their rapacious looting, through measures up to and including dictatorial-emergency rule. The destruction of sovereign institutions dedicated to the defense of the common good is generally the first step toward such a non-solution to the problem.

Fortunately, there is also a positive solution to such a crisis, one writ large in the methods by which President Franklin Delano Roosevelt dealt with the depression crisis of the 1930s, and put forward by Lyndon LaRouche based on the same American System principles today. Decades of effort by the LaRouche movement have put the principles for avoiding global fascism on the desks of all the potential "players," along with a precise diagnosis of the etiology of the developing crisis. The dithering of world leaders and politicians in implementing these solutions has already cost millions of lives, and could potentially cost much more.

The next phase of the crisis is coming on schedule, without a doubt. The question is whether the solution will be implemented on schedule—before a new decades-long disaster for all mankind.