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What's Behind the Saudi Mideast Initiative?
Abraham Lincoln Rips Samuel Huntington's Lies

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Democratic Party Survive?**



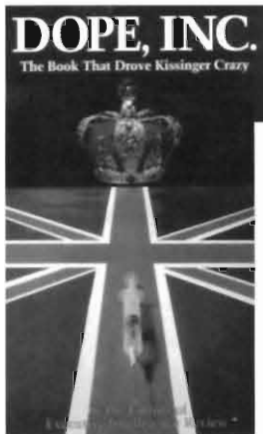
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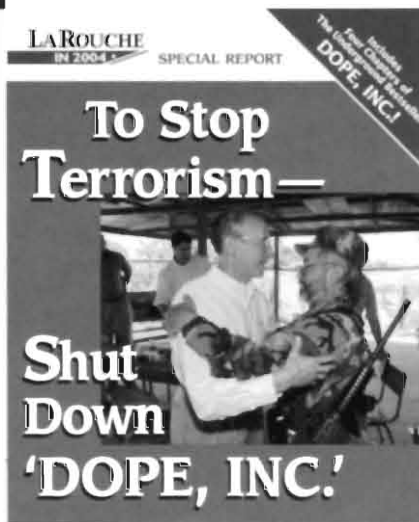


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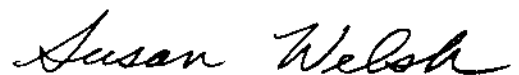
From the Associate Editor

LLyndon LaRouche, in a speech published in last week's *EIR*, made the point that "religious war has the peculiarity, that it *never really stops*." The fanaticism, the revenge and counter-revenge, which turned all Europe into a killing field between 1511 and 1648, threatens to engulf the world once again, as a deliberate policy on the part of a financier oligarchy desperate to maintain its power. You can see it in the war crimes being committed by the Sharon government in Israel; in the new outbreak of sectarian violence in India; and in our reports in this issue on South and Southeast Asia.

This is the explosive mixture into which the incendiary gang that includes Zbigniew Brzezinski, Samuel Huntington, Paul Wolfowitz, John McCain, and Joseph Lieberman, proposes to throw a match, with their drive for war against Iraq. "Coalition be damned!" they say. "If the rest of the world is against us, so what? We will go it alone!"

LaRouche pinpointed this *Nietzschean* mind-set last year ("The Insanity of Bush and Sharon: The Bentham Syndrome," *EIR*, May 4, 2001). The oligarchy is operating according to a clinical model, "like Adolf Hitler's Nazi regime, of the Nietzschean existentialist principle of 'the triumph of the (arbitrary) will,'" he wrote. Having adopted a course of action, they will pursue it, "in willful disregard for the consequences of their actions, either for the welfare of the U.S. economy and our citizens, or the peace of the world."

Many people of good intentions today are speaking out against the war on Iraq, and against Sharon's war crimes. But only LaRouche's *personal* leadership will make a difference, as he demonstrates, in several contributions to this week's issue: "Can the Democratic Party Survive?" "God Only Knows!" and "LaRouche and Teller vs. the 'Utopians.'" The danger of war—even nuclear war—will not go away, until the power of the financier oligarchy is broken, and the global economic breakdown crisis is reversed, by means of LaRouche's New Bretton Woods policies. And that will not happen, until people (including, but not limited to, the donkeys of the Democratic Party!) change the way they think about the problems we face. The responsibility rests with the readers of *EIR*, to make sure that happens.



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you save, may be
your own."



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Correction: In "Derivatives Write Epitaph for Financial Markets," in our March 1 issue, an editor's error misidentified "credit derivatives." Credit derivatives cover potential defaults, and do not include the much larger category of "interest rate derivatives." Thus credit derivatives do not constitute a quantitatively large portion of the derivatives market, estimated officially at \$100 trillion, and much higher by *EIR* author John Hoefle.

The Downfall of J.P. Morgan Chase

by John Hoefle

Has J.P. Morgan Chase & Co., the world's largest derivatives bank, gone bankrupt? The indications are growing that the bank has indeed failed, and that emergency operations are under way to wind down its huge derivatives portfolio and prepare the public for some sort of dramatic bailout or restructuring.

Because of its enormous derivatives holdings, any widespread problem in the derivatives market would almost certainly involve Morgan Chase, which as of Sept. 30, 2001, had \$24 trillion in notional value of derivatives on its books. That is a staggering amount, well beyond the toxic level, amounting to half of all U.S. commercial bank derivatives as reported by the Federal Deposit Insurance Corp., and nearly a quarter of the world derivatives total admitted by the Bank for International Settlements. A loss equivalent to just under 0.2% of its derivatives portfolio would be sufficient to wipe out every penny of the bank's \$41 billion in equity capital.

That such a loss will occur is certain; the only question is when.

EIR believes that such losses may have already occurred, in part due to certain intriguing changes on its balance sheet, and in part due to the extraordinary level of attention being given to the bank's problems in the financial press. If we are correct, the level of panic behind the scenes must be extraordinary.

Disappearing Assets

At the end of 2001, J.P. Morgan Chase & Co. was the nation's second-largest bank, with \$694 billion in assets, just ahead of number-three Bank of America's \$622 billion. Well

ahead of both was Citigroup, which became the first U.S. bank holding company to break the trillion-dollar barrier, with \$1.05 trillion in assets. These three easily outdistance the rest of the pack, reflecting the rapid consolidation taking place in the banking world. The number-four bank was Wachovia (née First Union) with \$330 billion, followed by Wells Fargo with \$308 billion. Rounding out the top ten were Bank One (\$269 billion), FleetBoston (\$204 billion), U.S. Bancorp (\$171 billion), National City Corp. (\$106 billion), and SunTrust (\$105 billion).

However, at the end of the third quarter of 2001, Morgan Chase reported \$799 billion in assets, a drop of \$105.7 billion in assets—the equivalent of a top-ten bank—in just three months. Morgan Chase's explanation for the perilous asset drop was that the "majority of the reduction . . . reflects the resolution of the industry-wide clearing and settlement problems experienced in September."

Since the existence of such industry-wide derivatives problems was denied after (and before) the Sept. 11 events, Morgan Chase's explanation raises far more questions than it answers.

The bank has also seen its market capitalization drop sharply. On the last day of 2000, when the acquisition of J.P. Morgan and Co. by Chase Manhattan Corp. was completed, the newly christened J.P. Morgan Chase & Co. had a market capitalization of \$86 billion, of which \$26.5 billion came from Morgan and \$59.5 billion came from Chase. As of Feb. 27, 2002, the bank had a market capitalization of \$57 billion, less than Chase alone at the time of the merger; the value of Morgan, and then some, has evaporated.

Going Down With Enron

Morgan Chase also seems to be at the scene of more disasters than an ambulance-chasing lawyer. The bank was a major lender to the bankrupt Kmart and Global Crossing, and the troubled Tyco, in addition to its losses on loans to Argentina.

Morgan Chase is also intimately entwined with the bankrupt Enron. The bank made loans to Enron, was an investor in some of the Enron partnerships, bought Enron stock for investment funds managed by the bank, and its analysts advised suckers—uh, investors—to buy the company's stock. The bank, a major player in the credit derivatives market, also sold credit derivatives which would pay off, were Enron to default on its bond payments. These multiple connections mean that the bank had a vested interest in keeping alive the illusion that Enron was a sound and profitable enterprise.

Morgan Chase was Enron's top lender, helping to arrange billions of dollars of loans for the Texas firm; as is typical in such cases, pieces of these loans were sold off to other banks. After Enron filed for bankruptcy, Morgan Chase put its loan exposure to the company at \$900 million, but a few weeks later revealed that it had also incurred \$1 billion in losses on deals it did with Enron through Mahonia, Ltd., an offshore Morgan affiliate in Jersey, one of the British Channel Islands off the French coast.

According to the *Wall Street Journal*, the Federal Reserve Bank of New York is investigating these Mahonia transactions, in which what were effectively loans to Enron were disguised as energy trades, allowing Enron to get the money, while keeping the debt off its books.

To protect itself against a possible Enron default on the Mahonia transactions, Morgan Chase bought credit protection from a number of insurance companies. When Enron filed for bankruptcy, Morgan tried to collect, but the insurance companies refused to pay, claiming the deals were shams, not legitimate transactions. The case is now headed for the courts.

Meanwhile, holders of Morgan Chase debt are scrambling to protect themselves from a potential Morgan default. The price of a credit derivative which would pay off, in the event of a default on a \$10 million Morgan bond, went from \$35,000 at the end of January, to \$80,000 in late February, according to Morgan Stanley, a clear sign that the institutional investors are growing increasingly concerned about Morgan's survival.

Preparing the Public

The extent to which the *Wall Street Journal*, *New York Times*, *Financial Times*, and other major financial mouthpieces are reporting the problems at Morgan Chase, is another indication that the troubles at Morgan are serious.

Serious problems at major banks are rarely reported in the press; just the opposite, troubled banks are usually protected by a veneer of positive statements designed to prevent runs by depositors and investors. Thus the constant reporting on the problems at Morgan Chase, mainly revolving around its

Enron involvement, suggest that a campaign is under way to prepare the public for some very bad news.

An example of how this works is the 1994 failure of Bankers Trust. Bankers Trust, which politically was a spinoff of J.P. Morgan, was at the bleeding edge of the derivatives market in the early 1990s, touting its expertise, its state-of-the-art computer systems, and its daring as the model for the brave new financial world. Bankers Trust's derivatives holdings exploded during the 1989-93 period, thanks to a series of Federal Reserve interest rate cuts and a determination by the financial and political elite to hide the bankruptcy of the U.S. banking system.

In February 1994, afraid that their bubble was ballooning out of control, the Federal Reserve began to slowly raise interest rates. The result was chaos in the general derivatives markets and the mortgage-backed securities market. In March, rumors that Bankers Trust was insolvent began to sweep the market. That same month, David Askin's Granite hedge fund collapsed, and by April, the top dog in the mortgage-backed securities market, General Electric-owned Kidder Peabody, was on the ropes. Kidder failed, and attempted to blame the failure on one of its traders, Joseph Jett.

After several months of behind-the-scenes work on its \$2 trillion derivatives portfolio, the takedown of Bankers Trust began in earnest in September, when Gibson Greetings filed suit against Bankers Trust, accusing the bank of fraud. Investigations by the Securities and Exchange Commission and Commodities Futures Trading Commission revealed that derivatives traders at Bankers Trust had deliberately lied to Gibson about the value of derivatives the bank had sold the greeting card company. Using this fraud as a pretext, the Fed and Treasury effectively took control of the bank and completed cleaning up its derivatives mess.

This pattern of finding scapegoats to hide the damage done by systemic problems in the derivatives markets, is the way the game is played. Just as Nick Leeson was blamed for the failure of Barings in 1995, so a handful of Enron executives are now being set up to take the blame for the biggest derivatives blowout in history. The fact that they appear to be guilty of massive fraud, makes them perfect candidates to take the fall for much larger, systemic problems.

In a Feb. 25 discussion with the author, Lyndon LaRouche said that the oligarchs were "going to sink" Morgan Chase, adding that the nature of those creatures is "to eat their own children." It remains to be seen whether a bailout or restructuring of Morgan Chase is in the works, or if the damage is so great that it will simply collapse. The plan of the oligarchs is to shove as much of the losses in the ongoing crash onto publicly owned institutions as possible, in an attempt to protect themselves. However it plays out, the collapse of Morgan Chase represents a nasty turn in this dark and deadly drama. Morgan Chase may continue to walk the Earth a little longer, but it, like the system it represents, is already dead.

Tokyo ‘Just Trying To Reach the End of March’

by Kathy Wolfe

Japanese Prime Minister Junichiro Koizumi, his government failing, unveiled an “anti-deflation” package on Feb. 27 with no new economic content. It contained a pledge to bail out failing major Tokyo banks, but only “if they are threatened by a crisis”—as though this enormous crisis were not already exploding. Not acting, the Koizumi cabinet demanded instead that the Bank of Japan (BOJ) implement “bold new” measures, specifying the International Monetary Fund’s “inflation targetting” scheme. Under it, the BOJ would be obligated to print an unlimited amount of cash “until prices rise in Japan”—which will take forever under current incompetence—allowing Wall Street to borrow enormous sums in Tokyo to bail out tottering U.S. banks.

In fact, the government announced on March 1 that Japan’s Consumer Price Index had fallen a full 1.4% in January, putting the price deflation collapse for the last six months at a 6% annual average. Crashing prices mean industry isn’t buying raw materials, and consumers aren’t buying anything; and sure enough, industrial production fell another 1% in January from December. Retail sales fell 4.7% in January, the tenth monthly year-on-year decline, and construction orders received by Japan’s 50 top contractors fell 14%.

Desperate officials made a faked “seasonal adjustment” in order to announce on March 1 that Japan’s jobless rate was down to “only” 5.3% in January, from 5.6% in December, but in fact the total jobless number rose for the tenth straight month, with 440,000 more workers leaving work.

BOJ Gov. Masaru Hayami publicly refused to adopt “inflation targetting” and its infinite yen printing, but the Bank did increase monthly purchases of Japanese government bonds (JGBs) by 25% to 1.0 trillion yen (\$7.5 billion) for the package, pledging to inject that much more cash into the markets each month.

The U.S. Federal Reserve and Treasury “strongly requested” the Japanese government undertake a big bailout of the banks during President Bush’s Feb. 17-20 Tokyo trip, officials said. The Wall Street-run Tokyo press is demanding this loudly, but Hayami is against a replay of the failed \$100 billion bailout of the banks from 1998, officials told *EIR*.

One official said that Japan was trying, now, simply to get to the end of its fiscal year on March 31, without a 1929-style crash. “We made our policy moves in consideration of how to get through the end of the fiscal year, not because the government asked us to,” Hayami said on March 1, speaking of

the 25% increase in cash.

EIR Proposals Are the ‘Only Way Out’

Financial Services Minister Hakuo Yanagisawa made it clear, when testifying on the package before the Diet (parliament), that the government will do anything to hold the Tokyo Nikkei stock index above the 10,000 mark until banks and other companies close their books for the year March 31. Yanagisawa said that the ministry had run simulations, and believes that if stocks maintain 10,000, most banks and industries, which hold stocks as capital, should legally not be bankrupt, in accounting terms. Then, the logic goes, Japan has until March 31, 2003, to cook up the next desperate fix.

Tokyo’s older and saner heads do realize that this is foolhardy, and certain voices at the Ministry of Finance and BOJ are already forcing other steps.

The Feb. 28 package did contain one important, necessary political action, demanded by the Finance Ministry and BOJ, and distinguished from the rest of the plan. Japan’s Financial Services Agency (FSA) harshly penalized four top foreign brokers in Tokyo—Crédit Lyonnais, Bear Stearns, Deutsche Bank Securities, and Citibank Nikko Salomon Smith Barney—for illegal “short selling,” i.e., massive dumping of major Japanese stocks. More such penalties were promised in the new package. Goldman Sachs was earlier suspended from Tokyo trading for such lawbreaking. Just as George Soros and other “rogue hedge funds” deliberately dumped Asian currencies in 1997, later buying up Korean, Thai, and other firms at 20¢ on the dollar, these “rogue brokers” are a big factor in the 30-50% stock collapse of Japan’s major industrial companies and banks, which they want to buy.

The FSA action outraged Wall Street and London. “This is a market support package, not an anti-deflation package,” complained Commerzbank Securities economist Ron Bevacqua, a former Merrill Lynch official who often speaks for Wall Street. “There’s a degree of suspicion that it might not be a particularly free-market response,” said a spokesman for the Anglo-Dutch ING Barings bank.

Japan needs a lot more such attacks against “free-market fundamentalism.” “Japan’s only way out is to do what *EIR* has proposed,” former Bank of Japan director Akira Nambara said on Feb. 26, to point out—as Democratic Presidential pre-candidate Lyndon LaRouche had in his Jan. 24 webcast—that “it’s not a ‘Japan crisis,’ but a global crisis in which the entire global, dollar-based, post-1971, non-system is fundamentally broken.” Nambara said that LaRouche is right, and that Japan’s leaders should state publicly that the IMF is morally and financially bankrupt, and a New Bretton Woods conference is urgently needed.

Nambara denounced a secondary proposal in the government’s package, for the banks to sell loans to Japan’s Resolution and Collection Corp. at “market value.” He called it a useless joke, since the “market values” have been speculated down by Wall Street shorting.

Review of a Book Review

LaRouche and Teller Vs. The ‘Utopians’

by Lyndon H. LaRouche, Jr.

February 25, 2002

Alasdair Palmer, “Dr. Strangelove, I presume?” London *Sunday Telegraph*, February 24, 2002. A review of *Edward Teller, Memoirs: A Twentieth-Century Journey in Science and Politics* (New York: Perseus Press, 2001).

Dr. Edward Teller and I never got along well personally, after my mid-1970s attack on his role in promoting the energy policies of Nelson A. Rockefeller’s Commission of Critical Choices. Nonetheless, on some issues, including what became known as President Ronald Reagan’s Strategic Defense Initiative, Teller and I came to a degree of agreement on the issues which brought us into common cause against both Soviet General Secretary Yuri Andropov and nuclear madmen such as Zbigniew Brzezinski, Samuel P. Huntington, and the ultra-utopian nest around Lt.-Gen. (ret.) Daniel P. Graham’s Heritage Foundation.

I have reviewed my first-hand knowledge of the relevant facts of those 1980s issues earlier, in various relevant locations. However, reviewer Palmer’s tendentious argument, appearing in the context of the recent Munich Wehrkunde event,¹ requires that I now add a necessary, very sharp point of rebuttal to Palmer’s careless sophistries.

The pivot of all today’s leading global strategic issues, is the well-known alliance of Bertrand Russell and H.G. Wells, around the ultra-nasty utopian themes of Wells’ 1928 *The Open Conspiracy*. This was the alliance which featured the Russell support for Wells’ repeatedly, publicly expressed hope, beginning 1913, for “world government through nuclear terror.” The influence of that scheme has been the principal root of a perversion, known, appropriately, as the “utopian” strategy prevalent in U.S. policy-shaping today. That is the perversion, which, as President Eisenhower and General MacArthur later warned, has taken over U.S. and other military and related thinking, increasingly, in the aftermath of Hiroshima and Nagasaki.

Since the beginning of the U.S.’s repeated follies of use-

1. See Rainer Apel, “At Wehrkunde Meeting, U.S. Speaks Loudly About Carrying Big Stick,” *EIR*, Feb. 15, 2002.

less protracted warfare, begun in Korea with U.S. President Truman’s firing of General of the Armies Douglas MacArthur, the U.S. strategic military doctrine has degenerated in favor of current predominance of utopian conceptions of strategy.

The subsequent trend has been toward innovations in strategic policy and practice which echo the ancient Roman legions, the Grande Armée of Napoleon Bonaparte, and Hitler’s contribution to the notion of “universal fascism,” the Waffen-SS. Brzezinski and other William Yandell Elliott cronies, such as Huntington, only typify the trend toward notions such as perpetual “special warfare,” which erupted boldly to the surface in such atrocities as the “Bay of Pigs” adventure and the 1962 attempted assassination of France’s President Charles de Gaulle.

The attempted assassinations of de Gaulle, the assassination of Italy’s Enrico Mattei, the orchestrated ouster of Prime Minister Harold Macmillan, the hastened retirement of Chancellor Konrad Adenauer, the assassination of Kennedy, and the later launching of the U.S. war in Indo-China, like the ouster of Chancellor Erhard in Germany, typify a 1960-1966 cultural-paradigm phase-shift in politics, orchestrated popular opinion, economics, and strategy, away from the tradition of Sylvanus Thayer’s West Point Military Academy, in favor of a global, utopian mind-set and practice.

This shift was not limited to internal affairs of the U.S.A. and western Europe. The case of Yuri Andropov’s rise toward power in the Soviet system, since mid-1950s Hungary developments, points to origins of a related, pro-utopian cultural paradigm-shift within the Soviet system, which reverberates in world affairs to the present day. That coincidence in decadence, between our utopians on the one side, and Andropov on the other, is key to any account of the history of SDI. This is key to any competent opinion on the role of Edward Teller in allowing some of his “young friends” to push him into supporting a project which I, together with responsible representatives of President Ronald Reagan, had earlier set into motion. This was set into motion, chiefly, through the instrumentality of my February 1982-February 1983 back-channel discussions with the Soviet Union’s representative.

Against that general background, the following is to be said. If Palmer’s piece is taken at face value, he has yet to actually understand any of the topics at which he aims his conclusions in his review. Since I am a key insider of the whole of the SDI affair, I enjoy exceptional authority, and responsibility, to say, that Palmer’s treatment of Teller’s role in the SDI affair, is not only a run-on fallacy of composition, but a distinctly silly one on all crucial points. He had disregarded the relevant, available evidence on that subject; he should have known better.

How the SDI Was Born

What became known later as the SDI, was the outgrowth of my intensive 1975-76 studies of the process, led by William



Lyndon LaRouche (left) and Dr. Edward Teller, in 1983, when both were organizing for ballistic-missile defense based on the development of “new physical principles.”

Conferences, is typical. His Unification of the Sciences network, and such of its spin-offs as the Josiah Macy, Jr. Foundation’s Cybernetics project, are typical of the spiders-web of utopian foundations, and what-not, which have been the typical transmission-belts of utopian ideology and schemes over the period since Wells’ 1928 *The Open Conspiracy*.

It was fully consistent with this, that Wells and Russell, and their accomplices, chose to define nuclear weaponry as the ultimate technology, the highest level of technology to be allowed to be deployed. A “one world” empire, “world government,” was to be brought into being, and made perpetual, by the use of nuclear terror to herd the population in what may be fairly described as Wells’ design for an “Orwellian nightmare.”

The Kennedy “crash program” for a manned Moon landing, threatened thus to destroy the life’s work of Wells, Russell, and their accomplices. The effort to

Yandell Elliott protégé Zbigniew Brzezinski, in crafting the Trilateral Commission, and the 1975-1976 “Project 1980s” of the Brzezinski-led New York Council on Foreign Relations (CFR). My investigations took into account the pre-selection of Georgia Governor Jimmy Carter as 1976 Presidential nominee, and the role of sundry wild-eyed men, such as James R. Schlesinger, in crafting the intended nuclear strategic perspectives of the new administration.

It became clear to me, during that interval of my assessment of these and related matters, that the recently concluded SALT and ABM agreements negotiated, by Henry A. Kissinger, with the Brezhnev government, were not a guarantee of nuclear-weapons stability, but, under the kinds of policies typified by Brzezinski and Schlesinger, an increased potential for superpower thermonuclear confrontation.

Unfortunately, few people, including people who have no good excuse for not knowing this, appear to recognize the extraordinary influence that pair of scoundrels, Wells and Russell, together with their lackeys and cronies, have played in shaping the course of Twentieth-Century policy-shaping, especially since their formal reconciliation during the course of the post-war 1920s. Russell in particular, openly stated his literal, British aristocrat’s hatred of everything for which the U.S.A. has stood since prior to its birth. From the 1890s Cambridge years on, Russell hated genuine physical science. His notorious role in the issuance of the ultra-empiricist *Principia Mathematica*, is typical. His decree calling for the end of scientific progress, during the period of the 1920s Solvay

crush that kind of science-driver impetus within the space program, beginning the 1966-1967 interval, reflects the coincidence in aims between the Russell anti-science ideologues and the utopian military gang then steering the virtual perpetual warfare in Indo-China.

My reaction to the pattern of developments around the project of making Carter President, was to seek a lever through which to reverse the drift toward utopia in all facets of leading international political and military trends. What was needed to do this, was a science-driver program of the type needed to ensure the ultimate elimination of the apparent absolute power of nuclear strategic arsenals. My approach was not to propose buying such an arsenal as a finished weapons-system, but to engage the nuclear super-powers in a common commitment to the perspective of bringing about such a change over the medium to long term.

Leading scientific circles agreed with the scientific-technological feasibility of adopting such goals. What convinced many of them, in the U.S.A., the Soviet Union, western Europe, and elsewhere, was not only that the development of relevant “new physical principles” was feasible; the crucial feature of feasibility in my proposal was, that the technological spill-overs from such a crash program’s mission-orientation, would produce the greatest, Franklin Roosevelt-like increase in the productive powers of labor the planet had ever known. In other words, the gains in productivity, per capita, from the program, would exceed the costs of maintaining the military side of the program.

The Telegraph's Smear Job

Sunday Telegraph reviewer Alasdair Palmer doesn't beat around the bush. He denounces Dr. Edward Teller as "deranged," and "the model for Dr. Strangelove, the maddest mad scientist of them all," and dismisses Teller's memoirs as "elaborate self-justification."

On the Strategic Defense Initiative, Palmer writes: "More dubious still is Teller's version of his role in 'Star Wars.' The way he describes it, Star Wars was a stunning technological success, and was only not deployed because the Soviet Union collapsed (thanks in part to Teller's efforts on Star Wars). Robert Park, a professor of physics who was on the panel of scientists who were to evaluate Teller's ideas, tells a rather different story. He maintains that Teller's plan was batty from the start; his insistence that it would be possible to create an X-ray laser able to destroy incoming nuclear missiles was pure fantasy, a classic example of 'voodoo science.'"

During the 1982-1983 interval, leading professional military, and scientific circles of the U.S.A., NATO, and other countries, embraced my proposal, identifying themselves publicly as supporters of Dr. Teller's public declarations of Autumn 1982.

My crucial point, as Dr. Teller, in late 1982, made the point in his own words, was that such a science-driver cooperation would go beyond merely military concerns, to promote what Teller identified as "the common aims of mankind." In that intention, lay the road to peace.

So, during the relevant 1982-1983 period, the Reagan Presidency continued to support my back-channel exploration of this possible cooperation with the Soviet government, and Reagan made the proposal publicly his own, with his March 23, 1983 proffer to the Soviet government. Unfortunately, Andropov summarily rejected the President's proffer, without even an attempt at exploring the offer, and the U.S. utopians, and their political dupes, began, even on the same evening of the President's broadcast, reciting such literally childish litanies as "Star Wars."

How SDI Was Defeated

By Summer 1982, Agrarian Elliott's utopian clone Henry Kissinger had already inhaled a whiff of my back-channel activity with the Soviet government. He spearheaded an effort to have a special "foreign intelligence operation," under provisions of Executive Order 12333, launched against me, through the Justice Department and other institutions. In January 1983, Kissinger's demand was supported, on the initiative

of *Washington Post* representative Edward Bennett Williams, at a rump session of the President's Foreign Intelligence Advisory Board (PFIAB). The FBI and Justice Department promptly set their "foreign intelligence-style" dirty-tricks operations in motion immediately after that meeting.

In short, the circles behind Kissinger, Williams, and the *Washington Post*, were afraid of me, and feared they lacked the intellectual competence to deal with me except by Gestapo-style means.

Every legal and related problem I have experienced since, is a consequence of that operation conducted, internationally, in concert with "spook" organizations such as the American Family Foundation of John Irwin, the grandson of IBM's "Pop" Watson. The overlap of AFF operations with those of fanatically utopian organizations such as the Smith Richardson Foundation and Mellon Scaife circles, is merely typical.

With these attacks on me personally, Dr. Teller was pressured into reaching a conciliation with wild-eyed utopian Lt.-Gen. (ret.) Daniel P. Graham and the nest of kindred ideologues centered in the vicinity of Northern Virginia's double-dipping precincts. That pact between the circles of Dr. Teller and the Heritage fanatics, ensured that the efforts to continue the SDI policy, without my leading part, would turn out to be the failure it ultimately became. All the mistakes known to me, which were made by Teller's circles, were never anything but the result of that rotten compromise with the pseudo-scientific kooks tied to Graham. Teller's people did not accept the legacy of Gauss, Riemann, et al., on which the success of any relevant, comprehensive science-driver approach depended. Setting up a competition with Graham's allies, the corporate double-dippers, around the lunatic notion of challenging crude, intrinsically futile, "kinetic" weapons, was crucial.

Lazare Carnot Would Have Agreed

The central issue of SDI was never simply military hardware. The essential point was, and remains, the issue of the relationship between strategy and culture. The problem was, and remains, that the utopian military doctrines represent a morally and intellectually decadent conception of warfare, which should have died forever on the battlefields of Napoleon Bonaparte's retreat from Moscow. At the least, they should have died with the dissolution of Hitler's Waffen-SS. SDI was, as utopian opponents such as Eisenhower and MacArthur would have agreed, an affirmation of those, science- and engineering-keyed notions of strategic defense which used to be associated with West Point, and with the revolution in warfare set into motion by France's Lazare Carnot and Germany's Classically trained Gerhard Scharnhorst.

Prior to World War I, all progress in military science, and related statecraft, by modern European civilization, had represented the aftermath of the 1648 Treaty of Westphalia, combined with the notion of a principle of strategic defense

elaborated by France's "Author of Victory," scientist-soldier Lazare Carnot. Carnot articulated this, first in his memoir on Vauban, and applied this in leading France to defeat all invading enemies during his command of the defense during 1792-1794. The same policy was introduced through the leadership of Prussia's Scharnhorst.

As the Treaty of Westphalia showed, the only acceptable objective of warfare, if it is justified war, is durable, and productive peace among the victorious and defeated parties alike. Hence, the assured defeat of the attacking party, is the normal standard for strategic doctrine. This was brilliantly demonstrated, by aid of studies of Friedrich Schiller's studies of the Netherlands and Thirty Years wars, in luring Napoleon into the Moscow trap through which the process of destruction of his imperial power was brought about. The Soviet counterattack in World War II, is another example of the application of the principle of strategic defense.

In warfare, as in the related missions of economy, the object is to develop and realize the productive powers of labor of society, as a mobilizable force for realizing objectives of progress for society in general. A defeat will be welcomed by those whose submission provides them the means to a better condition of life than they had had before. Peace between adversaries is a condition achieved through mutual recognition of, and commitment to a durable mutual advantage in cooperation, as it was for the case of the Treaty of Westphalia.

There are many instances of which I know, in which Dr. Teller acted in a way consistent with that principle. That is what he, on his side, and I, on mine, sought, through the SDI policy.

If we now take into account, in retrospect, the horrible mistakes, which the combination of Margaret Thatcher, François Mitterand, and others imposed upon the break-up of the Warsaw Pact system, and contrast the present global economic ruin with the mutual progress which would have been realized under my proposal for SDI, or the 1989 draft proposal of Deutsche Bank's Alfred Herrhausen, Teller and I, each in our own way, were right, all the way through the 1980s, and those who opposed us, especially the curious Yuri Andropov and the future Russian oligarchs associated with him then, were terribly, terribly wrong.

At the very bottom line of the tally to be made, relevant persons in the United Kingdom should ask, and answer the question: Who, what, really, was the Yuri Andropov who made the crucial blunder? What, for example, was the Laxenberg, Austria-based International Institute for Applied Systems Analysis (IIASA), and what did Dr. Alexander King, McGeorge Bundy, the Cambridge systems analysts, and the Mont Pelerin Society, have to do with the fostering of the epidemic of "oligarchical carpetbagging" which has driven the world's second thermonuclear power, Russia, into the corner it finds itself today? Is that the road to peace?

Alasdair Palmer, or his editors, might ask, and answer some of those questions.

Andropov's 'Free Trade' Turn Still Hurts Russia

by Rachel Douglas

Behind the ill-starred rise and fall of Mikhail Gorbachev as Communist Party General Secretary and Russian President, was his predecessor, Yuri Andropov, who was identified by *EIR* in the 1980s as opening the disastrous Soviet "experiment" with free-trade economics. Now for the first time in the Russian press, a veteran of Soviet intelligence has identified the grouping and relationships, named by Lyndon LaRouche as "Andropov's Kindergarten," as the force behind the liberal economic reforms that wrecked Russia during the 1990s.

The exposé, written by an author identified as "Vyacheslav K.," appears in the February issue of *Stringer* magazine, which was founded by Alexander Korzhakov, at one time Russian President Boris Yeltsin's chief of security. It zeroes in on the nexus of Yuri Andropov's grouping in the KGB. This was rooted in the patronage of Andropov's career, within the Communist Party, by Finnish Comintern leader Otto Kuusinen, and in the International Institute of Applied Systems Analysis (IIASS) in Laxenburg, Austria. IIASS was an arrangement, deadly to Russian economic planning, which was built up after MacGeorge Bundy, senior figure of the U.S. financial establishment, reached an understanding with KGB figure Dzhermen Gvishiani in 1967.

Andropov and 1990s 'Young Reformers'

This story has been told previously only in *EIR*, for example in Roman Bessonov's series, "IRI's Friends in Russia: the Anti-Utopia in Power" (beginning with *EIR*, Sept. 6, 1996). More recently, the significance of the "Andropov Kindergarten" as a joint project with British Intelligence and the Mont Pelerin Society, has been featured in LaRouche's direct dialogue with various Russian circles. In his interview in the December issue of *Valyutny Spekulyant*, LaRouche was quoted saying that "on balance, if we put aside the not unimportant matter of personal freedom, the system which the 'Andropov Kindergarten' imposed, as with guidance from the International Republican Institute, of U.S. Mont Pelerin devotees, has done vastly greater damage to Russia and its people than was ever brought upon those people by the Soviet system itself. Saying that 'the young reformers' were not given the chance to prove their system, is like saying that Russia's current shortage of green cheese is the result of the Soviet government's failure to colonize the Moon with

cheese-gathering cosmonauts.”

The process of recruitment of the destructive “young reformers” was also described in general terms by the Russian State Duma’s chief economist, Sergei Glazyev. Glazyev, himself a veteran of this process at IIASA, and in the first cabinet of independent Russia from 1992, rejected the entire IIASA-spawned economic strategy, and denounced it in his book, *Genocide*.

“Vyacheslav K.” describes Andropov’s strategy—in the setting of economic hardship and food rationing in the Soviet Union after the late-1970s plunge of oil prices—as a strategy for the Soviet Union “as a huge corporation, financially independent, economically sustainable, and possessing a huge technological potential, concentrated in military industry. All this, unlike the West, the U.S.S.R. could deploy in a decisive place at a decisive moment. Andropov’s idea was to convey modern technologies to Russia’s industrial corporations, which would be allowed to attract foreign investments.”

The *Stringer* article then characterizes the recruitment of the Kindergarten: “Andropov made a decision to develop economists for ‘Corporation U.S.S.R.’ from scratch, and outside the country. The function of ideological control was, definitely, assigned to the KGB apparatus. . . . As a base for foreign training of economists, Andropov selected IIASA [in Vienna]. No wonder the young cadres, deployed to Vienna, immediately came under influence from well-trained foreign intelligence ‘specialists in management.’ That was a real struggle between Soviet and Western minds.

They Threaten Control Still Today

“As a result of a strict selection, during which some of the students left the experiment on ethical grounds, getting bored with permanent manipulation, the team of those who completed their education on the base of IIASA [and its Moscow branch], included persons such as Pyotr Aven, Anatoli Chubais, and Yegor Gaidar. . . . The resulting team ruined the Russian economy, with a great energy and a firm grip of persons brought up in the Stalinist tradition. That was a direct result of Andropov’s personal influence: Andropov was a pupil of Kuusinen, who was supposed to become the leader of Soviet Finland after the planned victory which did not happen.”

The author speculates on the degree of Andropov’s awareness of “the consequences of the process he launched.”

It is relevant that the publication of this notable exposé in *Stringer*, coincides with indications of a renewed offensive by Anatoly Chubais and his allies; and with new indications that Russia’s industrial economy is again threatened with shrinkage, after several years of scrambling to reach some semblance of its previous production levels. Chubais is now head of UES, the national electric grid. He and his circle are attempting to exert more control over Russian economic policy today, as for example with the latest shake-ups in the Russian government.

New German Data End Election Economic Fakery

by Rainer Apel

It is an election year in Germany; the government and a good part of the establishment are showing a stronger than usual tendency to cover up the real situation of the economy. But too many facts have made it through the censorship of the official statistics, over the recent days, to make the manufacture of rose-colored propaganda an easy job for the Social Democratic government of Chancellor Gerhard Schröder. With the voting for national parliament, the Bundestag, only seven months away, the government’s reputation has been badly shattered by the latest data on joblessness, industrial output, and industrial investment.

The unemployment situation is especially problematic for the Chancellor. In his election campaign four years ago, he bragged that he would cut joblessness (then officially at nearly 4 million) by half; moreover, that he “would not deserve to be re-elected, if there was no success on that front.” The Chancellor regrets that pledge, because with the national jobless figure at 4.32 million for February, he is constantly reminded by other people of what he said back in the Summer of 1998.

In the three months since November, national unemployment has increased by a net 700,000. And it keeps increasing—that has to do with a chain of reaction which starts with reduced industrial revenues and investments, continues with short-work, and ends with real layoffs. One-third of all companies plan to reduce their workforce this year, a survey done by the industrial chamber of the southern state of Bavaria shows. The survey, based on data provided by some 3,500 Bavarian firms, is especially indicative, beyond Bavaria, because on a national German scale, that state has for years had the lowest jobless rate in the country.

Real Economy Plunging

That the depression crisis has finally begun to hit the Bavarians, is important for Germany also from the electoral standpoint. The main establishment challenger to Schröder is Christian Democrat Edmund Stoiber, the State Governor of Bavaria. He will find it difficult to advertise his “Bavarian way” as an example for the rest of Germany, from now on.

Keeping in mind that the “D-word” is still a taboo dominating most of the economic debate in Germany, the fact that the Federal Statistics Office, on Feb. 27, made it official that the economy has “definitely entered a recession,” is really an acknowledgment that Germany has fallen into depression. The report by the office for the fourth quarter of 2001, shows

a drop in GDP by 0.3% from the third quarter. Even the most pessimistic among the pro-government “analysts” had forecast only a 0.2% drop.

These figures may not seem spectacular at first sight, but they are, because if one removes the inflated data for the speculative financial markets and the “new economy” in general, one finds these figures in the report: Construction dropped by 4.5% in the fourth quarter; and the production of machines and industrial facilities fell by a full 10.6%. If one looks at a company such as Thyssen-Krupp, a leading producer of steel and machinery, these data even better dispell the illusion: During the last quarter of 2001, the company sold 16% less steel than during the same quarter a year before, and because of that, the company invested 23% less in new machinery for steel production. Steel, machines, and materials have been loss-making divisions of Thyssen-Krupp, and as it is a leading producer of auto parts, another such loss-making sector is being added to the list, for 2002.

What could have helped Thyssen-Krupp compensate for these losses on the domestic and export markets, would have been for the German government to clearly say “yes” to magnetic-levitation transport infrastructure projects in Germany. The company is the leading manufacturer in the industrial consortial group that produces the Transrapid magnetic-levitation train. But the “red-green” government of Chancellor Schröder has let fully 13 months pass, after the spectacular signing of the contract to construct the first commercial maglev route in late January 2001: the project in Shanghai, 10,000 kilometers from Germany.

Reluctantly, Berlin finally announced on Feb. 23 that it was willing to co-fund two minor pilot projects for the Transrapid in Germany (78 kilometers of track connecting seven big cities in the state of North Rhine-Westphalia, and 32 kilometers of track between the Bavarian capital, Munich, and its international airport). And even then, the Munich municipal government—a red-green coalition of Social Democrats and the Green Party which mirrors the Chancellor’s government—voted against the project!

Munich’s strange argument against the maglev rail project is suicidal in Germany’s current economic fall. It is that 1) the German government has no money for such projects; 2) the state of Bavaria has no money, either; and 3) the municipality of Munich has no money at all. The fact that a maglev project would create new jobs in Munich, apparently is of no interest for the red-greens there. And even the Greens in the Bundestag want to block funding for the two projects announced by Transport Minister Kurt Bodewig on Feb. 23. If this kind of sabotage prevails, there is no hope for the industrial nation of Germany to survive the economic depression—it will not be able to create new jobs.

Faked Unemployment Statistics

The government is fully aware of that, actually: It just tried to reform the unemployment statistics, introducing a



In his last election campaign, Chancellor Gerhard Schröder said that he “would not deserve to be re-elected,” if he didn’t cut the jobless rate by one-half. Now, he is being forced to eat his words, as unemployment continues to rise.

new category of “people not seriously looking for a new job.” The government’s experts conveniently want to place “up to 1.5 million Germans,” all without any work, into this dismissive category, so that “real” unemployment would be at “only” 2.8 million. The attempt at manipulation was too obvious, however, and an instant national outcry has convinced the Government to drop the plan until after the election.

But if the present government were to be voted out, and replaced by one led by challenger Stoiber, the German economy would by no means come out of its troubles; Stoiber’s program is a neo-liberal, monetarist one, as well.

The real alternative is posed by a third candidate: Helga Zepp-LaRouche, Chancellor candidate of the Civil Rights Movement-Solidarity (BüSo) party. Zepp-LaRouche plans an orderly bankruptcy procedure for the present, budget-cutting depression regime, a large-scale industrial remobilization in a productive environment created by arranging, with other key nations, a New Bretton Woods monetary system dedicated to fostering hard-commodity trade and infrastructure investment. A national maglev grid of about 5,000 kilometers which would connect all cities above a population of 100,000 in Germany, is a prominent item in the BüSo election campaign platform. Production of the trains for that, would enable firms like Thyssen-Krupp not only to survive, but to increase its present workforce of 190,000 by at least 50,000.

A 'Keplerian' Dialogue: What Do You Know About Economics?

Part 1, by Jonathan Tennenbaum

It got around that Johannes knew something about economics. And one day Nerd, who lately had been dropping by frequently to talk to Johannes about such matters, decided to bring with him three acquaintances: Turbo—a stockbroker whom Nerd used to help with computer systems; Heavy Gripp—a former mining engineer, now unemployed, whom Nerd also used to do programming for; and Betty Gripp—Heavy's wife, who, unknown to Heavy, had invested the family savings with Turbo, into "high-tech" stocks, and lost everything. Turbo came a bit late to the meeting, after Nerd had introduced Heavy and Betty to Johannes.

Nerd: Johannes, I thought I would bring Heavy with me, since we were talking about physical economy. Heavy used to be involved in coal mining. He is very physical. I told him some of the things you were telling me, about what has really been happening to the U.S. economy. He couldn't believe it, so I asked him to come along and talk to you directly.

Heavy: (gripping Johannes's hand with crushing force) Pleased to meet you, Johannes.

Johannes: (wincing in pain) Nerd told me you were interested in real economics.

Heavy: Yes, I have always believed we had to get back to production, and stop all this speculative nonsense. I firmly believe that money is the root of all the world's problems.

Nerd: Well, speaking of money, my old friend Turbo has just arrived.

Betty: Oh my goodness! You! You scoundrel! You thief! You're the one who tricked me out of my savings!

Turbo: You gave them to me to invest for you. I can't help it if the whole market collapsed.

Heavy: Who is this, Betty?

Betty: But you told me my investments were safe!

Turbo: Mrs. Gripp, I want you to know, that your investments were placed by "PTOLEMY"—the most sophisticated computerized market analysis and projection system ever devised. PTOLEMY combines multivariate analysis, higher-order correlation functions, stochastic integrals, the Merton-Scholes partial differential equations, and advanced neural

network pattern-recognition techniques, to a data base incorporating the last 3,000 years of market developments, and updated on a nanosecond basis. Nerd here, one of the leading software specialists in the world, upgraded PTOLEMY using declassified Lawrence Livermore nuclear-explosion simulation codes, and ran the whole package on our dedicated Cray supercomputer.

Betty: But, my money is gone!

Turbo: Don't worry. The markets will go up again. They always do. You just have to wait long enough.

Betty: But I need my money *now!*

Turbo: How about a carry-over loan? Just wait a few days, I have to find a new bank to help my clients. My former banker has gone into default.

Heavy: (his huge hand gradually coming together into a fist) I don't believe *any* of that fancy talk. I think you're just a plain *thief!*

Nerd: Now, Heavy, don't talk that way to Turbo. He has five PhD degrees: mathematics, physics, economics, computer science, and Tibetan Buddhism.

Betty: (sobbing) What about *my money?*

Heavy: Betty, how could you *speculate* like that with *our* savings? I have always stuck with honest-to-God industrial stocks: GM, General Electric, Boeing, chemical companies—

Nerd: But your investments were pretty much wiped out, too, weren't they, Heavy?

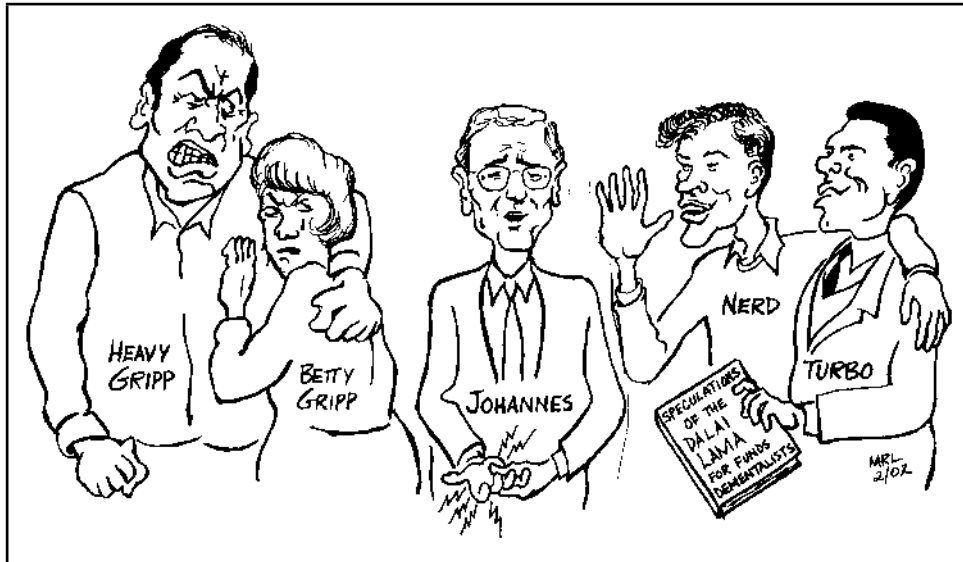
Heavy: Well, I have to admit. For some reason the profits of all those industrial companies suddenly evaporated. I can't figure it out.

To the 'Hard Data'

Johannes: Doesn't surprise me. Where should their profits come from? In net physical terms the U.S. economy has had no growth at all since the middle of the 1960s. Actually, the economy has been shrinking constantly.

Turbo: You must be crazy! U.S. real Gross Domestic Product grew three times over since the 1960s, average earnings and incomes have skyrocketed—

Johannes: Forget the GDP. It means nothing. Most of



The reason for the dramatic increases in productivity, is the revolutionary advances in the technology and methods of coal mining over the last 30 years. Now isn't that just what you call economic development—the impact of technological advance to increase the productive powers of labor?

Johannes: Wait a minute. You can never just point to a set of data like that, and say: "These data prove XYZ."

Heavy: Why not?

Johannes: Just for the same reason, that ancients like Aristarchos understood, that the true ordering of the solar

system is not the motions of the planets as they happen to appear to us in the sky. Because data, statistics, and so forth are just a kind of generalized sense perceptions. Mere sense perceptions mean nothing in and of themselves, and can never prove anything. Only hypothesis can prove something. Don't forget: In economics, we deal exclusively with Riemannian manifolds, where no scalar measurement is possible.

Heavy: Excuse me. If an average coal miner in the year 2000 produces 3.8 times more coal per year than a coal miner in the year 1973—simple arithmetic tells us that—you are going to tell me, there has been no productivity increase in the U.S. economy?! It cost me my job!

Johannes: Calm down and think about this: When we compare data from the various years, we have to take account of the change in the structure of the economy, from one period to the next, don't we? In other words, the worker was producing coal in a different economy in 2000, than he was in 1973 or 1953. So your numbers belong to different

the so-called income is just from the monetary bubble.

Heavy: But look here, Johannes, we agree there was a financial bubble. But at the same time, our agriculture and industry have grown vastly in productivity—so much so, that we don't know what to do with all the automobiles and other goods we can bring onto the market. We can put up houses and office buildings faster than ever before. We have VCRs and cell phones and many other new types of products that never existed in the past. Never before have we turned out such incredible material wealth.

Johannes: Most of the goods are inferior, cheap stuff.

Heavy: You can't say that! Cars last longer and get better mileage. PCs have increased in computing power hundreds and thousands of times, while decreasing in cost. And at same time, industrial manpower requirements have dropped precipitously. That's why I'm unemployed.

Johannes: On the contrary. The productivity of the U.S. economy has been constantly collapsing, since the mid- to late-1960s, at an accelerating rate. That is absolutely clear, if you use competent, Riemannian standards of measurement.

Heavy: Well what do you say to this: Take coal mining—an area I know first-hand. The productivity of U.S. coal mining has grown by leaps and bounds, especially in the period when you say the U.S. economy stopped developing. Productivity doubled between 1953 and 1963; grew by another third between 1963 and 1983; and then doubled again from 1983 to 1993. Since then, it grew again by another 60%. Today we have less than half as many coal miners as in the mid-'70s, but they produce almost twice as much coal. If you don't believe me, take a look at the hard facts. I have in this table (**Table 1**), figures for selected years: the number of U.S. coal miners in thousands; U.S. coal production in million tons per year; and tons of coal mined per miner per year.

TABLE 1

Heavy's 'Hard Facts' on U.S. Coal-Mining Productivity

Year	Miners (thousands)	Production (million tons/year)	Tons Mined per Miner
1953	293	457	1,559
1963	142	469	3,240
1973	148	592	3,995
1983	176	782	4,453
1993	101	945	9,331
2000	70	1,076	15,364



An investor in Boston during the stock market crash of October 1987.

geometries, and therefore you can't compare them in a simple arithmetic way.

The Question of the Whole

Heavy: I don't know what you mean. For me, a ton of coal is a ton of coal, and a worker is a worker.

Johannes: Not in their relation to the economy, and to the universe. Let's just suppose, for example, that the coal companies would throw most of the billion tons of coal the miners produce, into the sea, instead of burning it to make electricity; or suppose most of the electricity, produced from the coal, were somehow wasted. Would you say, in that case, that the economy had become more productive through the workers' producing more coal?

Heavy: Well, no. But it wouldn't be the workers' fault.

Johannes: They ought to pay attention to what is happening to the economy, that they are working so hard to supply coal for, shouldn't they?

Heavy: Your example is irrelevant. The United States burns 80% of the coal—about 850 million tons per year, to produce electricity, and that electricity is used to light our homes and offices and make our factories run. The rest is used for heating and so forth. So—apart from unavoidable losses—the coal is not wasted, and the fantastic productivity increases in coal mining are passed on to the whole economy.

Johannes: In any case you will grant, that the actual effect of the miner's producing the coal, on the economy as a whole, depends on the structure of that whole economy, not just on the amount of coal he produces?

Heavy: True.

Johannes: Also, you recognize, that the miner didn't produce the coal all by himself; he depended on a gigantic complex of machinery and infrastructure, on large inputs of energy, and so forth. All that had to be supplied. So you can't talk about the productivity of the miner, without taking into account the productivity of all the workers that supplied all the inputs he depended on, and the inputs those workers require in turn, and so on?

Heavy: But productivity has been going up in *all* branches of U.S. industry. And besides that, the cost of coal has been going down constantly—which confirms, that all in all, productivity is higher.

Johannes: But you agreed to leave monetary criteria aside, as misleading and manipulated, didn't you? Besides, weren't you a strike leader in the old days? Isn't a lot of the mining done with non-union labor nowadays?

Heavy: (red in the face) Uh, yeah . . .

Johannes: Besides that, you wanted to prove to me that productivity has increased in mining, and now you need, for your argument, the proposition that productivity has gone up in all branches of industry? Isn't that a bit circular?

Heavy: (exasperated) You just *can't* say it isn't true! Look, in the 1960s it took about 45% of the nation's employed workforce to produce the food and industrial products the nation consumed. Today it takes much less than 20% of the workforce to produce, for a level of consumption which is vastly higher than 40 years ago.

Turbo: Thanks to that, millions of lucky people were liberated from the tyranny of productive labor, to become yuppies, like me!

Johannes: Dear Heavy! You're once again arguing on the basis of mere "perceptions," which prove nothing. I shall show you in a minute, how the same "data," from which you claim to deduce vastly increased productivity, are fully consistent with a very different hypothesis, according to which the real productivity in the U.S. economy has collapsed, precipitously, over the same time interval.

Heavy: Impossible! Absurd!

What Is More Productive?

Johannes: First of all I want to get a small point out of the way. You are surely aware, that the United States has had a huge and growing trade deficit, at least until the crash began last year?

Heavy: Yeah.

Johannes: So the United States did not actually meet its own consumption, but in a sense, has been living off the rest of the world.

Turbo: That is a vast exaggeration. Last year the deficit was about \$500 billion, but the U.S. Gross Domestic Product was about \$9,000 billion. So the net of what we got from the outside is really insignificant, only about 2.5%.

Heavy: Besides, the imports are not because we can't produce for ourselves, but because foreign countries, under the pressure of overproduction everywhere, are itching to dump their goods on the U.S. market.

Johannes: Maybe the dependence is much more serious, in reality, than both of you realize. Did you know, for example, that about 38% of U.S. outlays for capital goods, are imported?

But, we agreed to leave monetary measures aside. Tell me this, Heavy. Doesn't the United States import a rather large percentage of strategic minerals—more than 99% of its consumption of asbestos, bauxite and alumina, columbium (niobium), graphite, manganese, natural mica sheet, quartz crystal, strontium, thallium, thorium and yttrium; as well as 95% of its bismuth consumption, 94% of its antimony, 86% of its tin, 83% of its platinum, 80% of its tantalum, 78% of its chrome, 76% of its titanium concentrates, and so forth? All this, in spite of the fact, that the United States has a vast and rather richly endowed territory?

Turbo: But those non-oil raw mineral imports amount to only \$3-5 billion a year, completely insignificant.

Johannes: Really? And if the supply of those minerals from abroad were suddenly interrupted, what would happen to the U.S. economy?

Heavy: We *could* produce those minerals, of course, if we wanted, on our own territory.

Johannes: Why don't we, then? Because it would be too expensive? Weren't you just telling me about the fantastic productivity of the U.S. mining sector, with its revolutionary technologies? Hasn't the government been concerned for decades about dependence on imports of strategic minerals?

Why didn't we solve that strategic vulnerability problem long ago, even if it meant spending a few billion a year?

Heavy: What are you trying to prove by all this?

Johannes: Nothing. I am just pointing out some paradoxes and anomalies, that can put us on the track of reality. But let me get back to your coal-mining sector, for a further point. Isn't it true, that over the last 30 years, the dramatic increase in tonnage produced per miner—which you choose to call "productivity"—was connected with a shift of the major source of production, from underground mines to surface (open pit) mining, mainly in the West of the United States? Didn't that greatly increase the land-use requirements per unit production, as well as nearly double the average rail transportation distance from the mine to the point of use? Isn't the surface-mined coal generally lower in heat-content density, compared to the coal accessed by underground mines?

Heavy: Yes.

Johannes: Is it not true, that surface mining became attractive, because of its amenability to automated, mass-production techniques, which process gigantic amounts of earth—as opposed to advancing the methods for pinpointing and extracting the higher-concentration deposits that exist underground? Which would require further discoveries in

Kepler's Revolutionary Discoveries

The most crippling error in mathematics, economics, and physical science today, is the hysterical refusal to acknowledge the work of Johannes Kepler, Pierre Fermat, and Gottfried Leibniz—not Newton!—in developing the calculus. This video, accessible to the layman, uses animated graphics to teach Kepler's principles of planetary motion, without resorting to mathematical formalism.



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Strip-mining of coal in Wyoming. Increased use of surface-mining methods allowed the industry to proceed at a lower overall technological mode of production.

geological science, and corresponding skills and technologies? Wasn't the apparent increase in productivity, achieved at the expense of shutting down hundreds of independent mines, discarding invaluable skills and know-how in the process; concentrating production in a few "mega" companies; laying off thousands of skilled workers and engineers, and using virtual monopoly powers to depress wages and other costs?

Heavy: Yes, that's all true; but what are you getting at?

Johannes: I am suggesting to you, once more, that despite your perception of vastly increased productivity, the United States has actually moved toward a *lower* overall technological mode of production since the mid-1960s!

Heavy: How in the world can you speak of a "lower technological mode of production"? American industry has been introducing new technologies all along. When you replace your equipment, you always try to get the most modern, state-of-the-art equipment.

Johannes: Just because a machine is new, doesn't mean it embodies a "higher technological mode of production." Quite the opposite can be the case.

Productivity and the Population

Heavy: Well, given two technological modes of production, how can I tell the higher one from the lower one?

Johannes: In principle, in two ways. First, the higher

mode is the one that incorporates one or more valid discoveries of physical principle, not embodied in the lower mode. Secondly, the higher mode of production is the one that defines the relatively higher potential population density. In other words, higher mode of production is the one, for which the maximum population, that could sustain itself on a given territory, on the basis of the given mode of production, is largest. Of course, using a higher mode of production generally requires a more developed labor force, in terms of its education and cognitive powers.

Heavy: So what are you saying?

Johannes: I am saying, that the maximum density of population, which could potentially support itself on the territory of the United States, on the basis of the *current* modes of production, employment and cognitive development of the present U.S. labor force, is actually *much lower* than the corresponding figure at the end of the 1960s! The technological trends in U.S. mining, which you describe, typify this. Land use, for example, has become more extensive, rather than intensive, consistent with a drop in potential population-density. Naturally, the potential population-density is defined by the entire range of technologies employed by society, not simply in mining.

Heavy: I still don't see it. If we can produce the same amount of wealth, with fewer workers, doesn't that mean



Apparent technological improvements in the U.S. coal-mining industry, were subsumed within a shift backward, away from the higher technological mode: nuclear energy.

greater productive power? And doesn't greater productive power mean we can maintain a larger population?

Turbo: More yuppies per productive worker!

Johannes: No. Merely *economizing labor*—as by automatized equipment, for example—in and of itself does *not* necessarily increase the potential population-density of a nation or the human species as a whole! Increase in the potential population density of the human species, is a function of the development of *human cognitive powers* to discover, assimilate, and apply new physical principles toward the mastery of the universe. The latter depends, for example, on how we develop and *employ* the labor, that might potentially be “freed up” through the use of labor-saving techniques.

Heavy: Aha!

Johannes: If we simply throw people out of productive employment, rather than upgrading their employment, and instead, transform them into parasites, then we correspondingly collapse the overall cognitive potential of society, in its per-capita power to master the universe. And that is what happened. Generally speaking, the so-called “technological development” in the United States over the last 30 years, has followed the pathway of successive adaptation to conditions of an economy characterized by declining cognitive powers of the labor force.

Heavy: I still can't believe those fantastic machines we are using in our mines today, and the sophisticated sensing, prospecting, and control instruments and techniques, that were undreamed of just 20 years ago, represent a “lower technological mode” and a lower productivity.

Johannes: We have to look at the U.S. economy as a

whole. As I told you, in a Riemannian manifold, no part has a self-evident measure; the value of any part is determined from the geometry of the whole manifold. But here is the clincher: The reason for the huge investments in scaling-up U.S. coal production, particularly since the late 1960s, is connected with the decision *not* to go for development of nuclear energy as the main technology for electricity generation, and eventually also for process heat.

Nuclear power production is characterized by a vastly higher energy flux-density than coal or other fossil energy technologies. From a pound of uranium fuel, we can produce, in a fission reactor, the heat equivalent of burning some 50,000 pounds of coal! Plus, nuclear power plants can have a much high power density than coal power plants. Nuclear power is a typical expression of the higher mode of production, toward which the United States had been shifting from the 1950s into the 1960s, but which was increasingly abandoned, in the subsequent period.

So, the apparent technological development you observed in coal mining was actually subsumed within a shift backward, from the process of moving toward a higher technological mode for the United States as a whole. The nuclear sector, which demands a much higher average educational level, a higher material living standard and health standard than coal mining, would otherwise have grown to a dominant sector of the U.S. economy, rather than merely a marginal one, as today. Taking into account things like the Moon-Mars project, fusion energy, and so forth, which would have been part of the progression to higher modes, the U.S. labor force structure would have been completely different.

Orbits of the Economy

Heavy: Well, I have to admit this sheds a completely different light on those production and productivity statistics, I was showing you. You turned everything on its head.

Johannes: As I told you, the numbers mean nothing by themselves. You have to know what geometry you are in; and here we have a *changing* geometry. For example, the U.S. economy before the mid-1960s, and the U.S. economy afterwards, embody different, axiomatically incommensurable geometrical types. These, however, cannot be deduced from the data per se, any more than astronomers could *deduce* the true orbits of the planets, and the organization of the solar system, from the apparent motions as seen from the Earth. Because in and of themselves, the apparent motions were compatible with several, mutually inconsistent interpretations—just as I have shown you for your productivity data.

Just as the planets sometimes appear to be moving in one direction, when in reality they are moving in the opposite direction, but appear to do so only because we observe them from a moving Earth; so your data give a distorted picture of reality, like all mere sense perceptions, because of the changing geometry of the whole. To discover the real ordering of changes in the economy, you need a physical hypothesis, as Kepler did for the planetary orbits; an hypothesis which cannot be deduced from perception or data more generally, but belongs to a realm beyond the discrete manifold of perception.

Nerd: You mean, we have to do, for economics, what Johannes Kepler did for astronomy?

Johannes: Exactly. It's very simple. I'll show you next time.



Part 2 to come next week.

Croatian Highway Is A Key European Project

by Our Special Correspondent

Connecting continental Croatia to its Dalmatian coast, especially the important port cities of Rijeka and Split, by modern four-lane highways, was first outlined back in 1961 by the mayor of Split. The idea was accepted by then-mayor of Zagreb Veceslav Holjevac, and the proposal was made to the Croatian communist authorities for consideration. At that time, Yugoslavia had a large, so-called Central Investment Fund. Money from that fund was mainly directed to finance development of industrial facilities, while transportation infrastructure investments were mainly directed to railroads. However, the problem was the lack of vision for the whole country, and protection of some political clientele interests in Serbia, because the Fund was controlled by the powerful Interior Minister, Aleksandar Rankovic. Therefore, authorities of the Croatian federal republic were forced to find another source to finance this large project, which was not one of Yugoslavia's development priorities.

After President Josip Broz Tito removed Rankovic and his police apparatus in 1966, some winds of freedom began to blow, and expanding space for the federal republics was created. This was the beginning of the "Croatian Spring." Already in 1968, Croatia began issuing public bonds to finance the highway project. The amount of bonds issued up till 1972 never amounted to the full investment needed, but served as an impetus to commence construction. It was hoped, that under new Constitutional amendments, the republics would gain more influence on the distribution of federal revenue, which was directed to and distributed by Belgrade.

By 1972, the first section, from the Croatian capital Zagreb, to the western city Karlovac (39 kilometers), was completed, together with 10 km of the Rijeka-Karlovac section (Rijeka is the northern-most port city of Croatia). Tito himself opened the Zagreb-Karlovac section, and allegedly asked Croatian communist leaders when they planned to complete the whole highway. But in 1972, the "Croatian Spring" was over. Its leaders, including some Croatian communists, were ousted, some of them were imprisoned, and the project was halted. However, during all of the following years, the project was always identified with the aspirations for Croatian independence.

Even though the desired Constitutional amendments were accepted in 1974 and the republics began to control most of their Gross Domestic Product, the new Croatian leadership

agreed not to resume this project, but rather to take part in constructing the Zagreb-Belgrade-Skopje highway. During the 1980s, Croatia completed around 200 km of European network highways, mainly financed by foreign loans. The only initiative to revive construction of the Zagreb-Split project was publicized in 1982, when additional bonds were is-

sued. However, the project was never resumed, and the money evaporated in other funds or was devalued by inflation.

The War Intervenes

After Yugoslavia signed its first standby arrangement with the International Monetary Fund (IMF) in 1981, its pace

Is the IMF Blocking Croatia Reconstruction?

Following strong opposition in Croatia to the diktat of Hans Flickenschildt, International Monetary Fund Executive Director for Croatia, who visited the country in mid-February to block development of an important road corridor, the IMF representative stated on Feb. 18 that he does not want to interfere in Croatia's priorities for the project. Flickenschildt had also been criticized by *Neue Solidarität*, the newspaper of the LaRouche movement in Germany, for stopping Croatia's reconstruction. Whether the IMF has actually decided not to oppose this key project, remains to be seen.

True to its record, the IMF is again doing what it is best at: destroying the economy of nations. This time, the only real, major infrastructure project these days in Croatia, the construction of the Zagreb-Split highway, is under IMF attack. The project would create 10,000 jobs directly, revitalize the dying Croatian construction industry, and give new impetus for the development of the underdeveloped regions along the route. Above all, the project, which dates back to the 1960s, has rekindled a spark of optimism in the population, with many hoping that the project would be the beginning of an economic change.

But then, the IMF intervened: In January, Flickenschildt, in a public statement, bluntly forbade the go-ahead for the project. According to the IMF, debt service for the project constitutes "too high a burden" for the already-strained state budget. This is ridiculous, because the repayment of debt has already been secured outside of the normal budget. The Croatian government, led by Prime Minister Ivica Racan of the Social Democratic Party (SDP), who heads a fragile five-party coalition, was caught by surprise by this announcement. Should the government give in to this pressure, it could fall. The social and economic situation in the country is a disaster, due to IMF-enforced austerity policies. Right now, a new IMF standby agreement is being negotiated in Zagreb, with the highway an explicit issue in the meetings.

Many Croatians consider the fate of their country as quite similar to Argentina. Unemployment has reached 25%. Due to continuous IMF shock therapy programs, the



Croatian Prime Minister Ivica Racan (right), shown here with NATO Secretary General Lord George Robertson. If he gives in to the IMF's pressure, his fragile coalition government could fall.

state sector has been systematically decimated, and living standards have declined. Trade unions have been forced by the IMF to accept deep wage cuts and to give up their right to strike. One union which did not capitulate, the Independent Trade Unions of Croatia (NHS), the second-largest in the nation, now finds itself under a lot of pressure. In protests in December, the union asked the government to fulfill its election campaign promises, and demanded "a program of economic and social development of the Republic of Croatia, with concrete activities and time limits." It spoke out against "contracts and arrangements with the IMF, World Bank, and other international financial institutions, that would obligate the country to curtail the labor and social rights of its citizens."

If the right to development is not upheld by Europe and the United States, which, since 1991, have put themselves forward as self-appointed "trustees" of the countries of former Yugoslavia, there is going to be a dramatic economic, social, and political deterioration of the region. This arrogant and incompetent policy is going to have far more dangerous consequences for international security, than all the supposed al-Qaeda networks in the Balkans. It is clear, that the Anglo-American war faction wants exactly that. But the challenge is to those who have some sense of reality, to change course and order the IMF to shut up.—*Elke Fimmen*

of overall development, which had been among the highest in the world during the 1960s and '70s, began to slow. By 1988, all highway construction was halted. Nobody in Croatia believed any more in the completion of the Zagreb-Split highway. Between 1991 and 1995, starting with the Serb rebellion, the whole region around the northern Croatian and Dalmatian coast was occupied, and Split and Dalmatia virtually cut off from the rest of Croatia. The region was devastated by the war.

During President Franjo Tudjman's rule, the highway project was put back on the agenda, together with the Danube-Sava canal project that had been cancelled by Belgrade in 1966 for alleged financial shortages. Designs that had been prepared years ago, were put on the table, adapted a bit, and the first work on the highway commenced during the war (1994-95), on the Sveti Rok tunnel (through the huge Velebit mountain chain, which separates the coast from the hinterlands) and the destroyed Maslenica bridge, both near Zadar.

After the war, Croatia's so-called credit rating was very low, and the government, in 1997, signed a framework agreement with the U.S. construction company Bechtel. It stipulated Bechtel's construction of 130 km of highway, including the section to the Bosnian border via Sisak, a town south of Zagreb. Bechtel was obliged to purchase a commercial loan of \$220 million and to facilitate additional financing on the credit markets. The Croatian Road Authority, in 1998, signed a consecutive contract for the planned scope of works, which was amended in 1999. This contract finally defined the route from Karlovac (Bosiljevo intersection) to the Sveti Rok tunnel. The Sisak section to the Bosnian border was cancelled.

Croatian Companies Get Contracts

The total cost of the project is \$990 million on a length of 190 km, with a target price of \$5 million per kilometer. Interesting are two facts: First, the tunnels were contracted directly to Croatian companies that either will carry out the work alone, or in joint ventures with Strabag, a famous Austrian tunnel construction company. Second, Bechtel, which formed a joint venture with the Turkish firm Enka, sub-contracted more than 50% of the works to Croatian companies, as stipulated in the contract. Subsequent sections in Dalmatia are designed, and some are already contracted to Croatian companies.

In 2000, the post-Tudjman Croatian government decided to accelerate the pace of construction, moving completion dates up to the main tourist season of 2005. A viable plan was found to finance the whole package of this and other necessary highways in the country, including those belonging to the European transport corridors V and X. The government formed a new, 100% state-owned company, Croatian Highways, in order to meet the accelerated schedule. The company counts on stable revenue from tolls on the existing highway network, and increased revenue from higher gasoline and oil prices, which creates the precondition for servicing normal,

FIGURE 1



syndicated loans of bank consortia. Nevertheless, repayment of debts for the whole investment, estimated to be \$1.7 billion, is a source of concern to the IMF supervisors, who recently bluntly warned the government not to build the highways. Their argument is the usual (incorrect) one: Debt repayment and service will supposedly burden the already strained state budget. However, as stated already, this argument does not hold, since repayment has already been secured by non-budgetary revenue.

So far, the government is talking about 10,000 new jobs. This project means a revitalization of the dying Croatian construction industry, and the possibility of development of the backward counties along the routes. Up to 25,000 jobs could be created. Most important, a new optimism has arisen in the nation. Recent polls show that people expect the project to be a very long-awaited economic impetus for development. Second, the loan of equipment, construction material, and other existing and planned local facilities can facilitate similar works in nearby Bosnia, when highway construction commences there. Bechtel-Enka are already exploring the Bosnian market, and are preparing for assignment of works by Bosnian authorities. Interest is rising in small-scale production and setting up medium-sized facilities and service installations along the route. Increased budget revenues from new production and services will result from jobs created either directly through construction, or indirectly through new industrial and service facilities along the route.

A SWIFT MODEST PROPOSAL

Can the Democratic Party Survive?

by Lyndon H. LaRouche, Jr.

This statement was issued by LaRouche in 2004, Lyndon LaRouche's Presidential campaign committee.

February 19, 2002

The following is written and issued as a formal confirmation of statements on the subject of the future of the U.S. Democratic Party, which I made in the course of several sessions of the Reston, Virginia conference held this past Presidents' Day weekend. This present statement should be received and appreciated as a standing policy-statement by me.

My optimistic estimate, from among the possible near-future options for that Democratic Party, is premised on the uncertain, but plausible, prospect that the present crisis could soon become the occasion for a "Franklin Roosevelt Reflex," like that which once formerly took over the Party, with Roosevelt's first nomination and election to be President.

One would therefore hope, that now, as then, the presently continuing, and worsening succession of crises in the world, the nation, and the party itself, would push to one side the rotted wood assembled presently as the Democratic Leadership Council (DLC) clique of John McCain's accomplice Joseph Lieberman. To that purpose, we should recall, that Franklin Roosevelt acted under the conditions of the 1929-1933 crisis, to return the Party, as he did, to that principle of the general welfare upon which the U.S. Federal constitutional republic had been founded in 1787-1789.

Without such a change, the U.S. Democratic Party has no hopeful outcome from the presently accelerating process of general breakdown-crisis of the post-1971 world monetary-financial system, and, perhaps, even no future at all.

Since May-June of the past year, in the aftermath of notable meetings among Senators McCain, Daschle, and Lieberman, the Democratic Party in the Congress

ens, or the foolish so-called citizens of ancient Rome, the slaves of an Orwellian, mass-media-dictated tyranny, which most of you refer to, dreamily, as “popular opinion,” or, among most members of the Congress, “the market.”

Saying publicly only those words which you are afraid not to be overhead saying early, loud, and often, is the current, usual, rather disgusting definition of a “democracy” in today’s U.S.A. The honest name for such “democracy” is that it represents the pitiable spectacle of slaves lining up at the back door of the master’s house, saying, “Please, master, don’t give us freedom; just hand out a few small payments as reparations for the way you strip of us of our freedom and make us suffer.” Most of you vote, and even think, as Cassius said, as “underlings.”

All the greatest historians and tragedians of European civilization, have sought to warn you, that, contrary to the myths shared among the anarchists, anarcho-syndicalists, and populists, the tragic threat to a powerful nation does not come as a betrayal of an innocent, wide-eyed, honest people, betrayed by dishonest, or incompetent leaderships. The dishonesty and incompetence among national leaders, which does, of course exist, is a product of the way our voters select their leaders. The corruption, to the extent it occurs, is, therefore, chiefly a reflection of the moral decadence of that majority of popular opinion which has preferred the kind of leadership which exhibited precisely such moral and intellectual defects.

Typical is the case of Enron, whose odorous state of corruption is essentially a product of policies which have been set into motion, step by step, by the bi-partisan complicity of an effective majority of the whole Congress. Therefore, perhaps it were more beneficial to strike the problem of such corruption at its root, by investigating the Congress itself, rather than the obvious pirates of Enron, in this matter.

The case of the lynch-trial of Socrates by the corrupt Democratic Party of Athens, illustrates the point. Socrates was accused of violating that popular opinion to which the leaders of that Party pandered. Similarly, to appease public appetites, the Christians were slaughtered by the Emperor Nero, to provide popular sports entertainment to masses of fanatics, of the type otherwise known, today, as “fans,” among the spectators. Although that party of Athens was later defeated, after it had murdered Socrates, Athens as a whole did not long survive the outcome of its own judicial crime in that case. Similarly, the great culture of the Golden Age of Greece did not survive its earlier popular folly of the launching of the Peloponnesian War. So, the presently depression-wracked U.S.A. could not survive the folly of a global perpetuation of what is called currently “the war on terrorism.”

These pages from the history of Greece are most important to us, because of the excellence of those features of ancient Greek culture which were contrary to the legacy of that Democratic Party, a culture which has been associated with one of the principal sources of all that is true and beautiful in European civilization as a whole, to the present date. The accomplishment of Schliemann, in finding the clues to the astonish-



The present crisis could soon become the occasion for a “Franklin Roosevelt Reflex,” like that which took over the party, with Franklin D. Roosevelt’s first nomination and election to be President.

ing degree of truthfulness and precision of Homer’s *Iliad*, is part of this legacy. The principles of presenting an image of life in motion by Classical Greek sculpture, and, above all, the matchless truth and beauty of Plato’s dialogues, show us how a nonetheless great culture went down to self-induced destruction, through such tragic follies as those expressed by the incumbency of the momentarily popular Democratic Party of Athens.

Let us end the past two decades customary, Romantic prattle about our so-called “democracy.”

As it is attested, still, by the 1776 Declaration of Independence and the Preamble of our Federal Constitution, our constitutional republic was founded to become a temple of liberty and beacon of hope for all mankind. Under that constitution, the authority of government was delimited to the efficient defense of our national sovereignty and the promotion of the general welfare of all of our people and their posterity. The highest rank to which a person could lawfully attain, was that of citizen.

True, that is not the case today, when such alien, explicitly pro-oligarchical doctrines as anti-human “shareholder value,” are upheld by a majority of the U.S. Federal Court.

Throughout most decades of the just concluded century, our nation was usually under the thumb of an oligarchy which President Franklin Roosevelt identified, and denounced as “The American Tory” faction. This faction is an oligarchy originally composed, chiefly, of a combination, of financier

interests associated with American agents of the British East India Company, and the slaveholder-centered oligarchy then spread from the original Federal states of South Carolina and Georgia. Today, since neo-Confederate Presidents Theodore Roosevelt and Woodrow Wilson, and, again, since the untimely death of Franklin Roosevelt, the U.S. has been dominated by a partnership between that sort of financier oligarchy and the legacy of the Confederacy. This is especially so since the 1966 launching of Richard Nixon's campaign for the Presidency.

Do not ask how political parties determine the policies of the present government. Ask, instead, how the "Big Brother" of our national financier oligarchy controls the popular opinion through which the parties and their candidates are, for the most part, chosen, and controlled. Ask how the minds of the majority of the nominal citizens of the nation are controlled in the manner Walter Lippmann described such brainwashing, in his 1922 book *Public Opinion*.

The majority of the citizens are controlled, thus, in much the same way the ancient Roman emperors controlled the popular opinion of the so-called citizens of ancient Rome. The first step to freedom today, is to recognize not only that popular opinion of the majority of our citizens is controlled to much the same effect a herdsman and his dogs herd sheep, but, also, to recognize how that control is exerted. Otherwise, almost none among you would have behaved, repeatedly, as most of you, unfortunately, have done.

Your decision not to continue to behave as political sheep, as what Cassius identified as "underlings," is now your first crucial step toward true freedom.

Who Is the Oligarchy?

To the degree our republic is under the thumb of what Franklin Roosevelt denounced as "The American Tory" forces, that oligarchy is composed most notably, of the following elements at the top. To enable you to understand our problem, I catalog some leading, but usually overlooked features of that oligarchy, and then summarize some leading features of the methods by which it creates and controls popular opinion.

The principal elements of that oligarchy, are the following.

1. A financier interest, descended principally from Britain's Eighteenth-Century East India Company, which usually controls the banks and insurance companies, for example, but which is above those institutions, and may, from time to time, loot them, discard them, and replace or, later, resurrect them.
2. As the case of John J. McCloy typifies this, a set of powerful law firms, typified by those of Boston, New York, and Washington, D.C., which are the most immediate partners of the financier family interests, and are the most important influences in control of whole sections of institutions of government,

especially the Federal government.

3. Major accounting firms, which function as complements to the major law-firms of the oligarchy.
4. Major universities and the sundry foundations and kindred instruments, which have come to exert a dominant influence, often including willfully false teachings in science and art, in the course of their effecting induced intellectual servitude. The institutions play a crucial role in the crafting and installation of oligarchical policies.
5. A complementary oligarchical interest centered in governmental professions such as the military.
6. Mass entertainment, which is today, as in Nero's Rome, the most significant instrument of the oligarchy's more or less dictatorial power, its power to condition and thus largely control popular opinion.

So-called mass-media "news reporting," is predominantly a subsidiary part of the same mass-entertainment activity as spectator bodily-contact sports, game-shows, Sunday morning talk-shows, and violence-oriented entertainment such as *Pokémon* and other cartoon productions for children, or story-free video, violence-and-sex pornography for adulterated people generally.

The American Tory party's array of instruments controlling most of our nation's policy-making, are, in part, peculiar to our nation and our times, but, yet, the principles of the methods they use are continuing echoes of an ancient tradition.

In a general way, the oligarchical practices of globally extended modern European civilization, are an extension of the precedents of ancient imperial Rome. Indeed, the characteristic cultural feature of modern oligarchically ruled society, *Romanticism*, is a specific form of systemic irrationality, a form of popular irrationality traced explicitly to roots in the depraved cultural characteristics of ancient Rome. It is various forms, or so-called "spin-offs" of just such Romanticism, which are the characteristic, pathological features of the inner mental life and social relations among our people today.

However, the most important variety of Romanticism shaping forms of oligarchical rule in modern European civilization, such as those of the U.S.A. today, is that rooted in the social structures and methods introduced continuously to Europe by medieval and modern Venice, until the latter's loss of explicit political power as a state, over the course of the Eighteenth Century.

Venice had emerged from the process of collapse of the Byzantine Empire, as the dominant imperial maritime and financial power of Europe, and of the Mediterranean region more broadly. The leading feature of this empire included the use of the Normans and their Anjou-Plantagenet offshoot, as a military arm and leading chess-pieces on the world board of Venice's policies. In the history of England, this included the Norman conquest, but was also, more narrowly, the notable feature of England's history, from Henry II through the

fall of Richard III. Venice's own power at home, was centered in a system of oligarchical families, which were chiefly associated with financier interest, a social formation which often displayed certain resemblances to a slime-mold.

With the rise of modern Europe, and its technology, Venice's position at the head of the Adriatic was no longer as suitable, as earlier, to serve as the command-center for a quasi-world-wide maritime empire. Beginning early during the Sixteenth Century, Venice sought to create two potential maritime powers at the north, England and the Netherlands, as virtual clones, or, as some might argue, *Golems*, of Venice itself. The India companies of the Netherlands and England, emerged both as rivals of the also Venice-controlled, imperial Habsburgs of Spain and Austro-Hungary, and as the ultimately hegemonic world, financier-ruled form of maritime empires. The American Tory current inside the U.S.A. itself, is not only an echo of the old Venetian model, and also old Venetian ideology, but is modelled, more immediately, predominantly, on the specifically Anglo-Dutch variety of a neo-Venetian oligarchy.

The certain complexities of the presently reigning political system of the United Kingdom and its control over the British Commonwealth, can be more readily understood, when that institution is recognized as the same Venetian model consolidated as the new, British monarchy with the accession of King George I. The ideology and principal features of the American Tory faction's oligarchy in the U.S. itself are modelled largely in imitation of that Anglo-Dutch precedent.

With the rise of the United States to become a leading economic power, over the 1861-1876 interval, and the unfortunate, later, post-McKinley capture of control of much of U.S. policy by the British monarchy, the resulting, English-speaking Anglo-American alliance, became the dominant power in the post-1917 world. So, the oligarchical culture of the British monarchy and the similar culture of the American Tory faction, became the common outgrowth of the Venetian model prevalent in the world's affairs today. It is that present variant of the Venetian model which currently bears the oppressive burden of "democracy."

What Is 'Popular Opinion'?

Concentrate for a moment on the most visible part of the oligarchy's "Orwellian" control over U.S. popular opinion, the control of "public opinion" through the mechanisms of financier-controlled mass-entertainment and "news" media. The best way to understand those mechanisms of control, is to compare the methods of mind-control which were used in creating the popular opinion of ancient Rome's citizens, with the way the same principles are applied, using modern technologies, today.

Under ancient empires, such as the intrinsically satanic empires of Mesopotamia and Rome, the principal mechanism for exerting imperial control, by a relatively few, over the many, was *pantheism*. The imperial authority, the relatively



Mithras and the bull: a statue in honor of the official cult of the Roman legions, the Mithra cult. The Roman soldiers bathed in the blood of the castrated bull, thereby to heighten their military prowess.

few, relied upon nurturing the ethnic and religious differences in belief and habits of practice among various portions of the total population, to control the entire population through orchestrating the use of these differences as potential points of conflict among the many. Today, this is rarely called "pantheism," but, instead, by such intentionally misleading names as "cultural relativism," "pluralism," or "democracy." Racism, as practiced by Richard M. Nixon's 1966-1968 campaign for the U.S. Presidency, is an example of the true meaning of today's application of the notion of "pluralism."

This method of imperial control works as follows. The method can be reduced to a set of pathological types of axiomatic presumptions. Those presumptions are, at core, two:

1. The false assumption, that there is no truth, but only opinion.
2. Therefore, accepting that assumption, differences in opinion can be managed only through the intervention of a higher authority. In the case of Rome, that higher authority was known as a *Pontifex Maximus*, which was otherwise named "The Emperor." Under ancient imperial Rome, the imperial authority was



Professional wrestling in America: Mass-spectator bodily-contact sports are a modern-day equivalent of the gladiator fights of the Roman Empire, brainwashing the population with the “rules of the game” of popular opinion.

maintained through a *Pantheon* of the various, certified religions of the Empire. For example, the Byzantine Emperor Constantine did not become a Christian; he simply legalized “Christianity” as a part of the Roman Pantheon, and, as reflected in the controversy at the Council of Nicea, insisted on his higher authority to determine what could be chosen as legally approved forms of religious belief and practice, and also leading church officials.

We see the effects of this in the imperial efforts of such a would-be Pontifex Maximus as Britain’s Duke of Edinburgh, and others, to impose a “world religion,” and a matching “world rule of law,” from the top. We see the efforts from the U.S. Supreme Court’s Justice Antonin Scalia, and others, to impose mandatory reforms within religious belief, such as the radically irrationalist, paganist dogma of “textualism,” to bring current doctrines of U.S. pantheism (pluralism) into accord with contemporary globalizing trends in philosophical liberalism. The campaign for a “politically correct” world super-religion of all the tolerated religions—a neo-Roman imperial pantheon—is in progress at this time. Zbigniew Brzezinski, for example, is such an extreme form of pantheistic paganist.

Thus, under what are appropriately identified as the empires of Mesopotamia, Rome, Byzantium, and so forth, the only agency empowered to make law as such, was the Pontifex Maximus, or the equivalent, such as the Emperor. Hence, prior to the Fifteenth-Century birth of the modern sovereign nation-state, the form of prevalent law was imperial law, law defined in consistency with what Roman style identified as a Pontifex Maximus.

There were but two significant forms of opposition to imperialism within known ancient and medieval European culture. The first was the notion of law defined by a principle of reason, to which all rulers must be subject, as best typified by the Socratic dialogues and *The Laws* of Plato. The second, coinciding with the essential features of Plato’s contribution, was Christianity, as this was expressed as the issue of the epoch-making conflict between the Emperor Constantine and the Christians, at the landmark Council of Nicea.

In fact, Constantine was the successor of the Emperor Diocletian, of Diocletian Code infamy, who had, up to a point, continued the practice, since the Emperor Nero, of mass slaughter of Christians. Diocletian decided, for opportunistic military-political reasons, to cease the ritual mass-killing of Christians. Constantine gave Christianity the legal standing of an official cult of the imperial Pantheon, and subject to his own higher authority in determining its beliefs and practices, and appointments of its officials (bishops).

The popular opinion implicit in such imperial pantheonic axioms and postulates, was made efficiently part of popular opinion through such methods as public executions, especially in such mass spectator bodily-contact sports as gladiator fights to the death in a public arena. Public hangings, in former times, and the reintroduction of the death penalty, to U.S. judicial practice, are typical of mass-brainwashing of populations, their reduction to bestiality, through a heightened sense of blood-lust. The fanaticism evoked in the spectators (i.e., the “sports fans”) by that slaughter, lent the force of passion to the rules of the game acted out symbolically in the arena. It was not reason, which reigned in Roman public opinion (*vox populi*), but thus-induced, impassioned attachment to the name of a cause, such as a rule of conduct.



"Popular opinion" in the American South during the early 20th Century.

That today, is still the efficient connection between irrational forms of mass-spectator bodily-contact sports, and popular opinion. This is called "rules of the game," a form of brainwashing of people which begins during childhood. So, pre-adolescent *Pokémon* addicts tend to acquire a cohering disposition to become killers. Thus, Nintendo games were developed intentionally, as by pro-fascist U.S. utopians, as an efficient way of conditioning adolescents and others to become purely irrational mass killers.

Thus, popular opinion is created as a kind of religious belief, but existing on a higher level of social and intellectual authority than the beliefs of any particular religious body. This is expressed by the change in patterns of religious belief in the U.S.A., for example, in the combined aftermath of the 1962 missiles crisis and the protracted warfare in Indo-China: men went to war, but, often, only the living bodies, not the souls, were returned. The pews of the traditional churches were emptied, replaced, more and more, by the ill-concealed pornography of the wild-eyed "Elmer Gantry's" revival meeting.

It is "escapist" forms of mass entertainment, including relevant forms of spectator sports, especially bodily-contact competitions, which are the prevalent basis for the actually practiced forms of religious beliefs among the majority of the U.S. population today, including the professed atheists most emphatically. The spill-over of those sports-cathexised "values" into the domain of "news reporting," including election-propaganda and mass-media reporting on electoral campaigns, merely typifies the "Orwellian" conditioning of the

majority of the U.S. population during recent times.

The result of a population conditioned to such forms of popular opinion, whether in ancient Rome, or today, is "the mob," as in "lynch mob." We used to speak of "mob rule." We used to speak of demagogues, who reigned by their ability to incite an irrational mob-spirit among clusters of "popular opinion." We used to speak of the "appeal to mob-spirit." All these and kindred forms of pathology, are expressions of "popular opinion," as in ancient Rome, and as the mass media spreads and uses such tactics today.

When Teachers 'Brainwash'

A well-educated citizenry has a healthy contempt for the opinions of "the mob." The alternate name for such contempt, is "sanity." This includes antipathy toward all activities which express the kinds of "popular opinion" associated with the mob-spirit of what Shakespeare's Cassius called those "underlings" which were the typical citizens of ancient Rome. Take, for example, the mob-spirit typified in Shakespeare's portrayal of Mark Antony's demagogic address.

In broad terms, "a well-educated citizen" tends to point to a well-informed, disciplined mind; but, it also signifies a desirable quality of attitude which may also be found among the relatively illiterate, and also even very young children. In all cases, it should be understood as signifying "an instinct for truthfulness."

A famous example of this quality of "instinct for truthfulness," is the case of a little boy we might recall from Hans Christian Andersen's story, "The Emperor's New Suit of

Clothes.” It was that little boy, who broke the spell of that kingdom’s equivalent of a “new economy” cult, by saying, “But, he has nothing on!” We need Senators and Representatives who share that boy’s instinct for truth, in the Congress today. The emphasis is upon *how* the individual, or the nation thinks, rather than *what* he or she might think at a particular moment.

In our society, more and more, the power to direct and rule is concentrated in what are regarded as educated strata of the population, as typified by university graduates encumbered with what are called, sometimes ironically, “terminal degrees.” Thus, to control popular opinion in modern society as efficiently as the oligarchy tends to desire, the intended corruption must be deeply embedded, at least widely, in the mental life of the most highly educated strata. On this account, the universities and “foundation”-like “think tanks,” perform a crucial role, like that of ancient “high priests,” in the mind-control which the oligarchy exerts over the society as a whole.

The oligarch’s brainwashing trick used by today’s typical classroom, is a direct echo of the fundamental principle of imperial law. The most convenient illustrations of the general principle involved, are the cases of generally accepted classroom instruction in Euclidean geometry, and of the radical form of such doctrine known as empiricism. Empiricism, combined with its Kantian derivative, is the most typical root-characteristic of modern, reductionist modes in oligarchical dogma and classroom instruction.

For example, in the pathological form of generally accepted classroom instruction in physical-science subject-matters, the student is indoctrinated, both explicitly and otherwise, in the notion that there exist certain so-called “self-evident truths,” which are in fact, false, such as the set of definitions, axioms, and postulates of a Euclidean geometry. This vicious misrepresentation of the nature of the physical universe, and of physical science, is the prevalent standard of instruction in most classes in mathematics, physical-science topics, and artistic and related programs.

While this educational practice does not prevent the production of graduates possessed of certain degrees of actual technological and other competencies, it does have a destructive impact, comparable to the meaning of the term “brainwashing,” on the higher, cognitive potentials natural to every new-born child. The core of this “brainwashing”-like effect, is the virtual obliteration of a sense of the meaning of the distinction between truthfulness and mere opinion. The mere opinion known as “authoritative,” is the most significant in the functions of the oligarchy’s mass mind-control over the mass of the subjects.

If one could deprive a population of its inborn potential for that quality of Socratic reasoning known as truthfulness, the victimized society has no confidence in its ability to resist the attempted imposition of purely arbitrary beliefs. That imposition occurs by those methods of aversive conditioning described, as “negation of the negation,” by Immanuel Kant in his *Critique of Practical Reason*. Kant’s “negation of the

negation,” is the same notion expressed more crudely, as “repression,” by psychoanalyst Sigmund Freud. The aversive force of “popular opinion,” is, as Kant describes the matter, just such a form of repression.

In the case of the typical form of brainwashing met in the typical post-primary-school indoctrination in Euclidean geometry and algebra, as earlier in arithmetic, the relevant definitions, axioms, and postulates are presented as “self-evident.” That means, that to the degree the victim, the pupil, accepts the authority of such “self-evident” assertions, the pupil is led to define “rationality” as any scheme which can be shown, deductively, to be consistent with those, chiefly arbitrary, “self-evident” assumptions.

Under the ancient Roman Empire, and in late-medieval and modern classroom instruction, the model for a system of allegedly self-evident sets of definitions, axioms, and postulates, was Aristotle. The blunders in astronomy by the Aristotelean ideologues Claudius Ptolemy, Copernicus, and Tycho Brahe, are examples of this. However, by the beginning of the Seventeenth Century, an even cruder version of such a system was introduced by the then lord of Venice, Paolo Sarpi, the empiricist system of Sarpi’s agents Sir Francis Bacon and Thomas Hobbes.

Since that time, the ruling doctrines of English and American Tory thought are essentially, predominantly empiricist, rather than the earlier Aristotelean. Kant is notable as a devout

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disciple of British empiricism who sought to improve upon the empiricism of his former mentor, David Hume, by putting certain features of the structure of Aristotelean method back into a reformed form of empiricism. It is chiefly through conditioning the population to accept empiricist forms of argument, such as those of Kant and the modern existentialists, that the population is more or less successfully “brainwashed,” and thus controlled.

Consider the way in which empiricism is used to promote such cattle-like obedience in the students. Understand the submissiveness of the general population from this vantage-point.

To assess any university, one of its departments, or one of its classrooms, it is essential to begin by focussing sharply on the implicit set of definitions, axioms, and postulates which regulate the taught doctrine and related opinions, to which the victims, the instructors, and the students alike, are subjected. To appreciate the significance of such an assessment, it is useful to compare the now virtually banned method of Classical humanist education, to the opposing method of emphasis on virtual, or even actual “programmed learning” methods typical of contemporary pedagogy.

The alternative to such pathologies of today’s educational institutions, the Classical humanist method of education, is typified by the Humboldt program for secondary education, which focusses upon enabling the students to relive the experience of typically important discoveries by preceding generations. This is a method in which the teacher and students experience the act of challenging the prevalent definitions, axioms, and postulates of their own and earlier times, and to make experimentally proven discoveries of principle which validate those discovered hypotheses. The method is, essentially, the method of Plato’s Socratic dialogues. It is the same method made famous by the great Moses Mendelssohn, as by Friedrich Schiller after him, and Humboldt on the premises supplied by Schiller.

The significance of this type of education, is that instead of learning formulas, the student comes to discover principles, as in the sense of experimentally demonstrated universal physical principles. Johannes Kepler’s original discovery of universal gravitation, is an example of this. The discovery of the physical meaning of numbers and geometry, by Carl Gauss and his follower Bernhard Riemann, without using arbitrary definitions, axioms, and postulates, are crucially important examples, of great relevance for urgently needed reforms in virtually all educational programs today.

In sociology, the difference between the student who seeks to imitate the teacher and classroom in a course based upon “self-evident” definitions, and the student who actually knows what he is talking about, is sometimes referred to as the distinction between the so-called “other-directed” student (the copy-cat), who has learned to act out what he has been taught, and the “inner-directed” student, who actually knows what he or she is talking about. “Popular opinion” can be described fairly as a common symptom of the disease of

“other-directedness.”

If and when, the leading professionals of a society are subjected to a personal educational history based upon the fostering of “other-directedness,” those professionals lack a sense of the meaning of truth. For example, we have the student of so-called liberal arts, who takes a certain degree of pride in claiming not to understand physical science, and the damaged mind of that science graduate who claims to take pride in his ignorance of, and hostility toward Classical liberal arts. When the most influential strata within the institutions of the economy and public life are conditioned into habits of “other-directedness,” the result is a population which, in general, has no clear sense of the distinction between truthfulness and the falsehoods prevalent within today’s body of popular opinion.

Some Typical Examples

To understand the way this disease called “popular opinion” pollutes political life today, consider some recent examples from the field of my outstanding special expertise, economics.

Take the cult of “free trade.” In our nation’s history to date, every time the U.S.A. has bent to the influence of the fanatics who insist on “free trade” policies, the economy has undergone ruinous effects. The long, post-1966 decline in our formerly progressing economy, especially since 1977, is a direct result of the folly of returning to the same “free trade” policies which had often ruined our nation’s economy in the past. No competent form of proof was ever given for “free trade” policies, and never could. Nonetheless, if popular opinion can be, once again, swindled into believing that “free trade” is the current trend in popular thinking, there we go, diving into the same old manure pile once again! Then, we wonder why the economy is being suffocated!

Take the case of the so-called “new economy.” This hoax was pumped up by the U.S. government and Federal Reserve System, over the 1995-2000 interval, but began to collapse, inevitably, in spurts, over the interval from Spring 2000 to Spring 2001.

That “new economy” swindle was based upon the earlier influence of such Bertrand Russell devotees as Norbert Wiener and John von Neumann, in creating the related set of cults known by such names as “information theory,” “systems analysis,” “artificial intelligence,” and “technetronic society.” No scientific community which had not been heavily indoctrinated (e.g., “brainwashed”) in the kinds of radically empiricist misconceptions of cult-figures such as Russell, would have been duped into tolerating any of these silly fads. Even otherwise gifted scientists and engineers, were lured into these forms of irrationalism, out of fear of offending the high priests of empiricist forms of “generally accepted classroom mathematics.” That mass-brainwashing of even prospective scientists has thus been a leading contributing cause for the imperilled state of the U.S. and other economies today.



A LaRouche campaign poster in 1976 attacks the Brzezinski-guided Jimmy Carter, whose term was one of the most disastrous of any U.S. President.

Take the case of “deregulation,” as set wildly into motion under Brzezinski-misguided President Jimmy Carter. That four-year term, with its fanatical emphasis on the combined follies of “fiscal austerity” and “deregulation,” did more damage to the U.S. economy, in four years, than has been done under any other post-1945 Presidency, prior to the drive to “globalization,” begun at the beginning of the last decade.

The now onrushing chain-reaction collapse of the world’s vast financial-derivatives bubble, as merely typified by the Enron case, is typical of the vast swindles which inhere in continuing what Carter began, as his “deregulation” program. Deregulation is the chief culprit in that chain-reaction financial collapse, which is now bringing the world economy, including the U.S. economy itself, down around our ears.

“NAFTA” and “globalization,” make absolutely no sense in any sane economic doctrine. Excepting the looting of other nations through such imperial means as colonialism and international loans, all progress of modern economy has depended upon a combination of protectionist measures by government, including large-scale public works, combined with the regulated generation of credit, which is steered into areas of those technologically progressive productive investments which are assessed as priorities of national economic interest. Globalization, if continued, means a march down the road of technological stagnation toward the early doom of the world economy, a world threatened with a hopeless collapse into a planetary new dark age.

Such are typical of the terminal diseases of popular opinion.

The world’s greatest fool, is the one who says, “None of my friends would agree with you.” Almost as bad, is the

foolish person who excuses his behavior, “I had to go along, to get along.” Such are, once more, typical of the potentially terminal diseases of popular opinion.

2. The Democratic Party Might Be Saved

Franklin Delano Roosevelt brought the Democratic Party, and the nation, too, out of a virtual grave dug for it, notably, by scion of the Confederacy Theodore Roosevelt, by Ku Klux Klan fanatic Woodrow Wilson, by Calvin Coolidge, and by Andrew Mellon. One of the clearest markers for that change in the party itself, was the movement of so-called African-Americans, from the Republican Party, into the Roosevelt-led Democratic Party. Although that shift in the vote was only one of several crucial features of the change, it provides the simplest and clearest illustration of the point, that Franklin Roosevelt turned the nation back into the direction of its true constitutional principle, the promotion of the general welfare of all of the people and their posterity.

Serving the general welfare does not mean handing out benefits, like the rich lady inviting the town’s poor to her back lawn once each year. It means mustering the general population into active participation in the rational, truthful deliberation of the nation’s long-term, as well as current policies. It means treating the citizen as a true citizen of a republic, not some foolish pseudo-citizen such as the wild-eyed sportsfans streaming out of such places as ancient Rome’s Colosseum or Circus Maximus, nor like too many politically illiterate members of popular opinion coming bleary-eyed from mass spectator-sports exhibitions on their television screens, or from the increasing popular gambling centers. That remedy, the citizen’s broad participation in defining the requirements of the general welfare, is what the Democratic Party ought to have come to mean since Franklin Roosevelt saved it, and cleaned it up quite a bit, back during the 1930s.

That means, changing today’s typical citizen, from the boob controlled by popular opinion, into a person who is zealous to get the truth of any matter of policy before him. That means, party leadership, at all levels, of a quality which evokes that kind of search for the truth of a matter from among the members of the party at large.

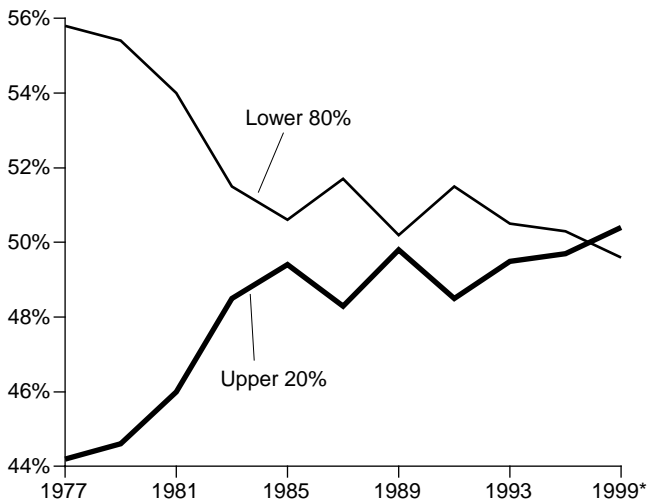
The degeneration of the Democratic Party, in particular, since the Brzezinski-Carter administration, has been the increasing sensibility among farmers and others, that no one “up there” cares any longer about their interests, or the welfare of the nation as a whole. The opinion, which has led most of the citizens out of active participation in either major party, is the sense that, “it simply does not matter what I really think, or say. They are going to do what they are going to do to me anyway.”

The fact of our national economic decadence can not be denied by any rational person. Look, for example, at the curve

FIGURE 1

America's Richest 20% Now Make More than the Other 80%

(percent)



*Projected

Sources: Congressional Budget Office; EIR.

of the declining share of total national income possessed by the lower 80% of our nation's family-income brackets (**Figure 1**). Look at the uglier truth of the statistical fraud practiced since the 1982-1983 introduction of the official "Quality Adjustment" index. Look at the collapse in quality of education, in health-care, in basic economic infrastructure. Look at a majority of the U.S. population, 401(k)'s and all, being driven like mythical lemmings over the cliff into the ocean of world depression lurking below.

It were rightly said, that the Party leadership, especially the DLC faction, has become like spiders, who offer their victims, the American people, nothing more than a lot of sleep-inducing comforts of "spin." They are the kindly people who console their victims with the loving information, that what we are doing, in pushing "deregulation," or "free trade," or "new economy," or "globalization," is really "in your best interest," even if it kills you.

If it were any consolation, the Republican Party's condition is as bad, or even worse. Between the two, as long as the present DLC faction remains in the Democratic saddle, as even Al Gore admitted during some of his worst moments as Vice-President, there is not much of a choice.

In fact, at the moment, we really do not have any national party worth shucks. That does not mean that there are not some useful people, even important people, within each of the parties. It means that each party, as its behavior is presently organized, has reached the point it is incapable of deliberating

and functioning in the way that our leading parties used to be able to do, even as recently as the 1970s or mid-1980s. We must think of those parties as places into which some useful people have happened to have wandered, often, perhaps, through a profound misunderstanding of the situation in which they presently find themselves. The challenge is to bring those useful people, together with others, into building a new political leadership of our republic.

My desire is, that such people, once assembled, will take over the Democratic Party as Franklin Roosevelt did.

The danger is, that this presently extremely decadent condition of the political parties, might be an invitation to the kind of dictatorship, or worse, from which President Franklin Roosevelt's intervention saved us at that time. I speak frankly; there are two presently obvious dangers in this direction.

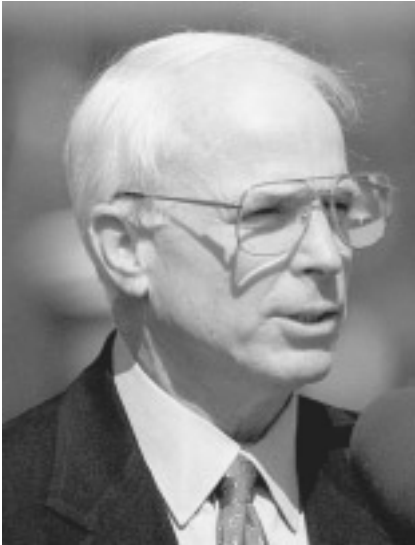
Brzezinski, McCain, and Lieberman

First, symptomatically, a recent edition of the *New Yorker* magazine, indicates that Republican John McCain is threatening to do to President G.W. Bush, what Theodore Roosevelt did to President William Howard Taft. The *New Yorker* has written of a possible "Bull Moose" ticket for McCain in 2004. Recently and currently, McCain has been closely associated with Senator Joe Lieberman. The slide of Donna Brazile, a former campaign manager for Vice-President Al Gore, into the McCain camp, is just one more or many indications, that the McCain-Lieberman "Harpo-Groucho" act is moving toward the disintegration of both of the major political parties.

There are warning-signs of very advanced, potential fatal sickness in all political parties. Like McCain, Lieberman, Brazile, et al., the hyenas and vultures are circling, anticipating a feast on the herd's remains. In the meanwhile, the present party leaderships are about as productive as geldings at a stud-farm. The mares are becoming restless, looking toward a possible future for the species in fields beyond.

The spectacle is a looming truly Classical tragedy. The sickness typified by the current roles of McCain and Lieberman, is a warning of the condition into which political institutions find themselves, when they remain too long unwilling to accept the reality of a systemic change in the national and world situation. The Congress is burying itself under the debris of a fool's effort to continue business as usual even after the business has virtually gone out of existence; they are going toward Hell because they continue to insist on "going along to get along." Such has been the suicidal inclination of the Democratic Party in the Congress since the May-June interval of last year. The moral sickness was already there, and already far advanced; since the past May-June, the symptoms have become increasing signs of imminent terminal decay.

Secondly, a Classically educated observer of the present, advanced state of decadence of our U.S.A., would be reminded of a famous poem by Heinrich Heine, the *Doppelgänger*, one of those set to music by Franz Schubert. The



Senators John McCain (R-Ariz.) and Joe Lieberman (D-Conn.) Like McCain and Lieberman, “the hyenas and vultures are circulating, anticipating a feast on the herd’s remains.”

man who meets his double is doomed; thus, we of the U.S. political system, have met our true enemy, and he is ourselves.

True, our nation does have external adversaries. The most notable is the international drug-trafficking cartel, which has been fostered by leading financier and related political interests, inside the U.S.A. itself, such as the representatives of the international drug-legalization lobby, such as the influential George Soros, and forces within the Inter-American Dialogue. That has been, and continues to be principal threat to the U.S.A. in the Americas, as from the narco-terrorist organization, the FARC, in Colombia. There is the international drug and weapons trafficking, which has been the chief logistical support for the conduct of international terrorist and related operations by relevant British, U.S.A., and Israeli interests, and some others.

The continuing source of augmentation of dangers of that sort comes, inclusively, from those inside the U.S., including the Congress, which, for example, refuses to allow effective measures against the use of financial-derivatives traffic and kindred exotic means for laundering the proceeds of drug and illicit weapons-trafficking. There is, therefore, a *Doppelgänger* stalking the corridors of our Congress itself.

However, during the recent dozen years, there is no foreign nation-state power which represents the combined capability and disposition for posing a serious capability of threat to the U.S.A. We have reached the point, that our republic will have no serious enemies, except those within our own borders and our own existing institutions, unless we ourselves create them. In effect, there is no major threat to the U.S.A., which our government and oligarchical establishment, has either not brought down upon us, or is engaged in the attempt to bring down upon us out of lustful desire of discovering

foreign adversaries. There are only those who seek to draw emnity upon our nation by their own folly, such as the circles of Zbigniew Brzezinski. Otherwise, all the important dangers to our republic we have brought upon ourselves.

The crux of the problem is the continued, overreaching influence of that American Tory cabal whose most essential features I have already identified in this communication.

The successive electoral victories of Presidents Nixon and Brzezinski’s Carter, have resulted in measures which, on the one side, destroyed the measures of economic reconstruction which brought us out of the 1930s Depression and through the successful post-war economic reconstruction. On the other side, these two ill-conceived Presidencies typify the political process by which an

increasingly parasitical role of financier-speculative interest has gained increasing power to loot our own and other nations, and has sucked the juices out of our economy and its people, over a period now approaching thirty-five years.

The Congress, and the leading political parties have built up the increased power of that American Tory succubus which is now bankrupting us, and sucking the juices even from the looted bodies of our people. The established political parties have made themselves the paid lackeys of that succubus. Thus, when the time has come, at which the continued existence of our constitutional republic requires bold measures to return us to the kinds of policies on which our former well-being depended, the parties can do nothing which would displease the financier interest which has become their master. In short, they can do nothing which will be a remedy for the great world economic breakdown crisis now descending upon our nation as a whole. The parties as a whole have thus become like the inmates of a prison, or lunatic asylum, as they may choose; they debate much about affairs within those walls, but dare not step outside the bounds prescribed by those interests which have come to confine them within its embrace.

Something fairly described as “mass insanity,” thus becomes the characteristic, top-down feature of these political party formations. They flee into fantasy-life, like the hysterically happy man scheming to steal possession of an abandoned luxury stateroom on a sinking ship. A popular belief among such poor fools is the effort to convince one another that, “We will all make it, if we can only agree to believe in the recovery, where things can return to what we were accustomed to.” Thus, we have the spectacle of members of the Congress, acting like desperately competitive men hopefully shooting craps in the dining room of that sinking ship.



LaRouche Democrats rally on Capitol Hill in 1983, to support the Strategic Defense Initiative, which LaRouche had designed in order to defend the United States from the lunatic policies of Brzezinski and his Confederates.

Meanwhile, while some in the parties try to continue playing their traditional, foolish games, others are shrewder. These others smell the wild desperation within the ranks of the ruling oligarchy. That oligarchy is increasingly inclined to tear up the Constitution and crush the existing political liberties, just as desperate men in London and New York brought their choice, Adolf Hitler, to power, in January-February 1933. The talent scouts are out interviewing prospective recruits to a new political formation, to play a key role in giving the appearance of a political party which can give the appearance of necessity, if not legitimacy to a new quality of post-Constitutional dictatorship in even the U.S. itself.

The McCain-Lieberman flirtation with Eleanor Holmes Norton's and Al Gore's Donna Brazile, is not necessarily the wave of the future; but, it is a warning, and a frankly disgusting one, at that, of the direction in which things are moving, rapidly.

The Available Option

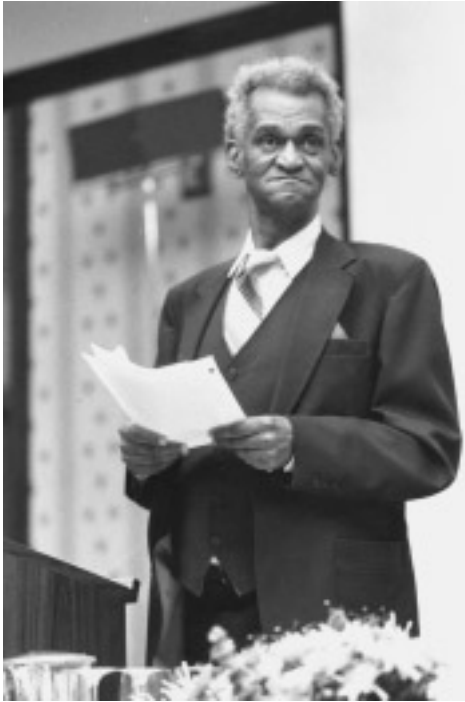
Watch the way you use verbs these days! The Democratic Party will not improve; but, it can be improved.

Let me shift to a strongly autobiographical tone of voice. I do not wish to argue that former President James Earl "Jimmy" Carter destroyed the Democratic Party's vitality, since the principal devil in that detail was, as I believe the late Cyrus Vance would have come to agree, Carter's sponsor and chief controller, Zbigniew "Chicken Game" Brzezinski. The key fact to emphasize on that account, is that it was Brzezinski, who succeeded his rival Henry A. Kissinger as National Security Advisor. The fact remains, that the Carter Adminis-

tration wreaked a degree of destruction of the Party from which it has not recovered to the present day. It was during the two years immediately preceding Carter's election, that I assembled a foresight into a Brzezinski-led Carter Administration which stands up as fully accurate in all essentials, to the present day.

It was for that and related reasons, that I launched an effort to revive the legacy of the Adams-Carey-Clay-Lincoln Whig Party as the basis for my own independent U.S. Presidential campaign of 1976. It was for that reason, that I campaigned for the Democratic Presidential nomination, against Carter and Mondale, in 1979-1980. On all the issues, I have been proven correct in that political perspective, up to the present day. When the sheer horror of the Carter Administration's actions turned many Americans, temporarily, into "Reagan Democrats," I remained a Democrat, but sought, as a patriot, to make useful, relevant contributions to the Reagan Administration, from its beginnings. (All patriots try to make the best, if possible, of our Presidencies, even simply as the patriotic thing to do.) My role in designing the policy later named a Strategic Defense Initiative (SDI) was among the results of that 1981-1983 relationship. My included purpose in designing that policy, was to defend our nation against the horrifying lunacy of the policies of Brzezinski and his confederates, or, should I say, "Confederates"?

During that period, my key personal collaborators included the subsequently deceased Allen Salisbury, who did extensive original research into crucial topics of U.S. history, and also, the Foreign Minister of Guyana, the distinguished Fred Wills, who played a key role in introducing my pro-



Among LaRouche's key collaborators during the 1970s and 1980s, in the effort to bring about a revival of the "American Whig" tradition, were Guyana's former Foreign Minister Fred Wills (left), and Allen Salisbury (shown here working with LaRouche on the taping of a television broadcast for the candidate's 1988 Presidential campaign).

posed reforms of the International Monetary System into the historic, August 1976 Non-Aligned conference at Colombo, Sri Lanka. Allen and I worked through the role of the Whig Party in the Nineteenth-Century diplomatic and related history of the U.S.A., and also came to play a leading role in my election-campaigns. His 1978 *The Civil War and The American System*, is a reflection of that collaboration. Fred Wills, deeply experienced in the internal affairs of the British Commonwealth, and one of the persons most knowledgeable in the internal politics, including the liberation struggles, of sub-Saharan Africa, was also of enormous value to me in these and other matters. Essentially, I was, then, in 1976, and remain, an "American Whig" of the Quincy Adams-Carey-Clay-Lincoln tradition; back then, those typify the collaborators with whom I shaped that commitment, from then to the present day.

It is through the eyes of that tradition, including Benjamin Franklin's designated successor, Mathew Carey, that I view the present crisis of the U.S. political-party system.

During the crisis which gripped our nation under the successive failures of the Jefferson and Madison administrations, Carey issued a call to the nation, published under the title of *The Olive Branch*. This book, through its several successive editions, formed the kernel of the appeal to rescue the nation from the bankruptcy of our leading political parties following the death of President George Washington and the assassination of Alexander Hamilton by Bank of Manhattan founder and British Foreign Office asset Aaron Burr. The result of Carey's campaign was the emergence of the Whig Party.

For many reasons, Carey's effort, and that Party serve,

still today, as the model to which we must turn our attention now. The point is not, as I considered such an option back in the mid-1970s, to re-create the Whig Party (in fact) as a way of dealing with the onrushing degeneration of the Nixon Republican and Brzezinski Democratic parties. The purpose must be to define a national patriotic conception which help us to shape an urgent reform of our present partisan politics.

A patriotic political party is not based upon "business arrangements," but a coincidence of commitment to nation-building principles. In the case of the U.S.A., this must be nothing other than a return to what is sometimes identified as the "American Exception," the exceptional role which the American Revolution played in pointing the way out of that rubble of feudal and Venetian decadence which had continued to dominate Europe in the still-turbulent aftermath of the 1511-1648 wave of Venice-orchestrated religious warfare. The U.S. was created, with indispensable intellectual and other aid from the best circles in Europe, to provide what Lafayette aptly described as a "temple of liberty and beacon of hope for mankind." It is to the degree that we evoke the active spark of that legacy within our political system, that, despite our morally and intellectually decadent condition today, we are once again capable of great things, for our nation, and for the world at large.

Therefore, let us change the rules. Let those meet, discuss, and collaborate who should, within, or outside the framework of partisan alignments. Let our association in that way become an inspiration to institutions which, otherwise, could not save themselves from the doom inhering in their presently habitual ways.

Prince Abdullah's Peace Plan, And the Drive for War on Iraq

by Muriel Mirak-Weissbach

On Feb. 17, the *New York Times* published an article by senior correspondent Thomas Friedman, who reported that Saudi Crown Prince Abdullah had spoken to him of a new peace proposal for the Middle East. According to the account, if Israel were to withdraw to the 1967 borders, the Arab governments would not only recognize Israel, but enter a process of normalization of relations.

Since the publication of the Friedman piece, up to 40 governments have supported the Saudi idea, including most Arabs, the Europeans, the United States, and Russia, and it appears that Prince Abdullah will present it at the Arab League heads of state meeting on March 28 in Beirut.

The proposal in itself is not new; former Saudi King Fahd made a similar offer in 1974, and reiterated it during the Reagan administration years. Fahd had spoken of diplomatic recognition of Israel in return for withdrawal, whereas Prince Abdullah has spoken of normalization.

Behind Abdullah's Proposal

Why was the proposal put forward now?

This question has to be considered within the broader context of ongoing preparations for a U.S. attack against Iraq. Several well-informed Arab sources reported to *EIR*, that the Saudi proposal, floated by Friedman, constituted an attempt by Prince Abdullah to thwart a threatened operation, cooked up by U.S. policymaking circles, to destabilize the kingdom. According to a high-ranking diplomatic source, pressure had been being exerted on Saudi Arabia, specifically to back a U.S. attack against Iraq. The pressure included the threat that, were the Saudis to refuse, they would be next. There was also talk of reviving old scenarios dating back decades, to fuel conflict between the Hashemite Monarchy of Jordan and the Saudi royal family. Saudi Arabia, it was said, could be destabilized, and even broken up; its oil-

rich areas brought under control of a U.S. puppet regime; while control over the holy places Mecca and Medina, could be given to the Hashemites.

Under this pressure, the report continued, the Abdullah proposal was made public, in an attempt to appease those threatening forces inside the United States, and prevent the worst from happening. Saudi Prince Bandar, Ambassador to Washington, was referenced as the person promoting the initiative, as part of a broader public relations effort to improve the image of the kingdom. This analysis was echoed in an article in the Arabic daily *Qods al Arab* on Feb. 27, which referenced reports that U.S. circles had made concrete offers to the Hashemites, in this direction. Furthermore, high-level Kuwaiti political figures leaked the information, that similar pressures have been exerted on the Kuwaiti royal family, not to balk at the anti-Iraq operation, or their oil fields could also be taken over.

No one who has followed developments since Sept. 11, can deny that an unprecedented campaign against the Saudi royal family has been mounted, by those neo-Conservative circles inside the United States associated with the Clash of Civilizations strategy to unleash religious war. The official line on the Sept. 11 attacks, was that the al-Qaeda/bin Laden group were responsible, and that the Saudis had played a leading role. Twelve out of the 19 names whom the FBI called the hijackers, were Saudis. Polls recently released in the United States show that a vast majority of the population, subjected to this media brainwashing, believe the Saudis support terrorism.

Besides the general press campaign, specific threats have been published by the same neo-Conservatives, in the *New York Post*, the *Wall Street Journal*, and other media outlets, to the effect that a Saudi destabilization will occur and "force" the United States to move in and take over the oil fields.



The Mideast peace initiative put forward by Saudi Crown Prince Abdullah has generated great international discussion and commentary by governments, frank and otherwise. Why is the initiative put forward now?

The Iraq Factor

That the Iraq option is on the table, is beyond reasonable doubt. Following President Bush's "axis of evil" speech, both he and other members of the administration—including the formerly moderate Secretary of State Colin Powell—made clear that U.S. government policy was for a "regime change" in Baghdad. Several among the options being discussed in Washington to effect this regime change, are based on the illusion that the "Afghan war can be repeated in the Persian Gulf," i.e., that under the cover of massive aerial bombardments, forces on the ground—the counterpart to the Northern Alliance—would move in to topple the government.

According to a *Washington Times* report of Feb. 28, a large conference is planned at the end of March in or around Washington, at a military site, bringing together the political and *military* forces required to overthrow the Saddam Hussein regime. The gathering is to include some 200 military and security officials, emphatically not limited to the Iraqi National Congress (INC) opposition umbrella, which is a joke. Among the military expected to attend is former Brig. Gen. Najib Salih, once chief of staff of Iraq's Republican Guard. The meeting had been discussed last month with Undersecretary of State for Political Affairs Marc Grossman.

The March/April 2002 issue of *Foreign Affairs*, the journal of the New York Council on Foreign Relations, included a prominent article by Kenneth Pollack, the Council's Deputy Director for National Security Studies, headlined, "Next Stop Baghdad?" which bluntly declared, "The United States should invade Iraq, eliminate the present regime, and pave the way for a successor prepared to abide by its international commitments and live in peace with its neighbors."

The Pollack article was of particular significance for two reasons. First, given his position with the CFR, the article had

the character of a policy endorsement on the part of the Wall Street Establishment for a full-scale invasion of Iraq. Pollack called for the deployment of up to 400,000 American troops to assure success. Second, Pollack, a former Clinton Administration National Security Council director of Persian Gulf policy, had been a co-author of a January/February 1999 *Foreign Affairs* article, "Can Saddam Be Toppled?" which argued that any effort to overthrow the Iraqi government would result in a Bay of Pigs-type fiasco, and pressed for a continuation of the sanctions/containment policies of Clinton.

The thinking in Washington, among those planning the regime change, is that it requires the acquiescence, if not support, of the Arab world. In order to achieve this, a carrot must be offered, in the form of promises that the Middle East conflict can be resolved. On Feb. 21, Richard Haass, the State Department director of Policy and Planning, arrived in Israel and went on to Cairo. Haass, who had had nothing to do with the peace process, is a veteran of the first Bush administration, and in 1991 played a key role in building the coalition against Iraq. Following his meetings with Palestinian and Israeli officials, it was announced that the Palestinians had arrested three suspects in the murder of Israeli minister Rehavam Ze'evi. This was the condition set by Sharon's part, for the release of Palestinian Chairman Arafat from house arrest. Sharon ordered a partial release.

Following Haass, Vice President Dick Cheney is to tour the region later this month, visiting all the Arab leaders (except Arafat), as well as Israel and Turkey. His mission is to prepare the anti-Iraq coalition. In this context, it is expected that the United States will attempt to establish an aura of peacemaking, using the Abdullah proposal, and activities organized to support it, as a means of cajoling Arab leaders into supporting a regime change in Baghdad.

Iraq Is Not Afghanistan II

It must be stressed, that no matter what elaborate plans are being made to overthrow Saddam Hussein, it will not be as easy as the planners believe. First, on the diplomatic level, no matter what carrots and sticks are used, most Arab leaders will not agree to any military action against Iraq. Egyptian President Hosni Mubarak, as well as Prince Abdullah himself, in an interview with *Time* magazine, have made clear their opposition, as have other Arab leaders. Secondly, if the United States were to go ahead regardless, with the support of perhaps Britain, there is no guarantee that the operation would succeed. Iraq is not Afghanistan, as several political figures have stressed, among them former Russian Prime Minister Yevgeni Primakov, in an interview with the Saudi *Asharq al-Awsat* on Feb. 25. Primakov pointed out that there is nothing in Iraq (or in exile groups) which approximates the experience and capabilities of the Northern Alliance. Furthermore, "inside Iraq, Saddam Hussein has several strong security agencies which can eliminate every effective opposition movement inside the country." Primakov added, "I do not think Kuwait itself will cooperate," and concluded that "a U.S. military attack will trigger a process that could quickly spin out of control. This could lead to instability in the entire region. We might end up in a third world war."

One aspect of the regional effects would be Iran's response. As sources inside Iran have indicated, if Iraq is attacked, Iran will not remain neutral, but will defend its neighbor. The situation is utterly different from that of 1990-1991; this time Iran would respond, in perhaps unpredictable ways, because it knows that after Iraq, it would be next.

Primakov's warnings are not a bit exaggerated. The intensifying diplomatic efforts undertaken by Russia, and especially by UN General Secretary Kofi Annan, who is to receive Iraqi Foreign Minister Naji al-Hadithi Sabri on March 7, are the expression of their well-founded concern that, if a diplomatic solution is not found to settle outstanding matters with the UN, then catastrophe is certain.

LaRouche Weighs In

Primakov's warnings mirror the broad denunciation of this folly by Democratic Party Presidential pre-candidate Lyndon LaRouche. LaRouche emphasized that the war drive against Saddam Hussein is, in reality, the cutting edge of the Bernard Lewis-Brzezinski-Huntington drive for a Clash of Civilizations global war.

LaRouche also cautioned against any polyanna hopes that the peace initiative of Crown Prince Abdullah, however well-intended, could possibly succeed in the climate defined by the Anglo-American policy of provoking that global war with an invasion of Iraq, now probably scheduled for the late Summer or early Autumn of 2002.

The number-one issue for American patriots, and leading policymakers in Russia, Europe, the Arab world, and other world capitals, is to stop this Iraq war scheme immediately. Were the Bush Administration pulled back from the brink of

provoking a dark age of continuous religious warfare—which the Iraqi military operation would spark—prospects of a genuine Mideast peace initiative, like the Abdullah Plan, could proceed. But nothing short of a total defeat of the present war-drive emanating from Washington and London, is even worth considering.

A Double-Edged Sword

If it is true that the Abdullah peace proposal reflects a Saudi attempt to avert catastrophe, it is also true that the proposal, if aggressively pushed, could effectively lead to much-desired change in the region. The merit of the proposal is that it has restated the actual reasons for the conflict: the Israeli occupation of lands in the 1967 war. Its demand that Israel withdraw completely is a restatement of the terms of the relevant UN resolutions, firmly based in international law. The Saudi Ambassador to the UN, Fawzi Shobokshi, stressed in a session on the Mideast on Feb. 27, that Israel has consistently refused to comply with international law. "Israel claims that it wants peace and is looking for a safe, secure, and peaceful neighborhood, and claims that it is the Arabs who are rejecting peace and work towards its destruction," he said. "Now the world is sure that the Arabs are calling for peace, for good neighborly relations. That's why the crown prince's initiative has been met with overwhelming international support which strengthens this strategic choice. . . . Israel has no desire for peace, no desire to settle the Middle East problem or to implement resolutions, and thus it drags the international community into a vicious circle of security considerations, to prevent it from considering the very essence and substance of the Middle East which lies in Israeli occupation of Palestinian lands. Is this security an exclusive right for Israel? We ask, where is security for the Palestinians?"

He went on to say that "the objective of Israel was and remains to expel the Arab people from Palestine and to occupy even more Palestinian territory in order to set up an exclusive state."

Whether or not the protestations of support for the Abdullah idea are merely cosmetic, depends on momentum generated politically to *force* Israel to comply.

The proposal has, as indicated above, already provoked various responses inside Israel. Among the broad Israeli public, which does not want war, optimistic reactions have been voiced. Most importantly, the situation of Prime Minister Ariel Sharon has become desperate. A growing movement inside the military is challenging the Sharon-Israeli Defense Forces (IDF) drive for general war, while the collapse of the economy is creating widespread dissatisfaction with the government.

Never before has Sharon's war policy against the Palestinians come under such ferocious attack, by Israelis. The most straightforward attack to date, came on Feb. 27, by *Ha'aretz* senior commentator Gideon Samet, in a commentary entitled, "It's Him or Us." Samet wrote: "It's time to start saying that the Sharon government is irresponsibly cooperating in the slaughter of its citizens. True, no statement can be more damn-

ing. But for some time now, the prime minister has practically been inviting it. His guilt for not preventing more casualties reached a new climax this week. The Palestinians, of course, bear their own share of the blame. But the Israeli leader makes their despicable work all that much easier.”

Furthermore, Samet wrote, since becoming prime minister, Sharon “has done everything in his power, over and over again—and with determination—to miss every opportunity to calm the situation.” As for the Saudi peace initiative, “Sharon has nothing but contempt for any chance for an agreement, but he’s no fool, heaven forbid. He’s a clever fox. Someone who isn’t ready to exploit any chance for calm can not be suspected of readiness to genuinely discuss a much more far-reaching initiative. He’ll kill it with politeness. The blood will flow in the streets and the prime minister will go on accompanied by his entourage of sycophants from the Labor Party.”

This may very well be the tactic that Sharon will take. However, as the peace movement grows inside the country, and if international support for the Abdullah proposal grows, Sharon will be driven into a corner, forced either to agree, or resign, as called for in a recent editorial in the London *Guardian*, which described his utter failure as prime minister.

There are forces inside Israel who will lobby for the Ab-

dullah proposal to go through. However, what is decisive, as *Ha’aretz* senior commentator Akiva Elder stressed on Feb. 26, is U.S. action. Elder’s commentary on the peace initiative by Prince Abdullah, was based on an interview with Henry Siegman, of the New York Council on Foreign Relations, who, himself, recently called Sharon the key obstacle to peace. Siegman told Elder, “If Bush doesn’t come out in favor of the initiative, nothing will come of it.” He said Bush faced the dilemma, of having to prove serious intentions for Palestinian-Israeli peace, in order to gain Arab consent to an attack against Iraq, while facing domestic U.S. political pressures in an election year. Siegman reported that his meeting with Foreign Minister Shimon Peres convinced him that the Labour Party was *not* prepared to fight for the peace proposal, and that the government was not responsive.

The Abdullah proposal, whatever its origins, can be wielded to effectively call the bluff on the Israelis—and also on those in the United States who are promising Middle East peace, as a cover for war against Iraq. The only way that the proposal can be implemented, is through the exertion of overwhelming pressure from abroad, especially from Washington. If this is not forthcoming, it will lay bare the fraud of peacemaking rhetoric generated by the Saudi move.

Primakov Warns of World War Over Iraq

The London-based Arabic paper *Al-Sharq al-Awsat* on Feb. 25 published an interview, done in Paris by Amir Taheri, with former Russian Prime Minister Yevgeni Primakov, in which Primakov spoke very bluntly about matters in the Middle East, the region of his professional expertise.

On the threat to Iraq, implicit in President George Bush’s “axis of evil” formulation, Primakov said he did not think the United States was preparing military action against Iran or North Korea, “but the case of Iraq is completely different,” and the Americans “are not interested in any change in the regime’s conduct, but they are interested in changing the regime itself.”

Primakov debunked the notion that the Afghanistan campaign could be a model for actions in Iraq: “I have no idea about what the Americans are planning for, but I know that Iraq is not Afghanistan. The Americans have succeeded in Afghanistan for several reasons, including the fact that many countries, especially Russia and Iran, assisted them to a great extent. This will not be the case concerning Iraq.”

Primakov continued, “Arab countries are not expected

to cooperate with the United States on trying to topple Saddam Hussein. I do not think Kuwait itself will cooperate. Therefore, a U.S. military attack will trigger a process that could quickly spin out of control. This could lead to instability in the entire region. We might end up in a third world war.”

Asked if he were exaggerating, Primakov replied, “When the issue has to do with war and peace, exaggerating is much better than downplaying the magnitude of risks.”

Primakov also welcomed the consultations between the foreign ministers of France and Russia, “who are now working together on a plan to convince Washington to accept Saddam Hussein as a reality and include him in the search for a solution to Iraq’s problems. . . . The best way is to lift the sanctions on Iraq and allow it to restore its situation to normal. This will allow the outside world to be present in Iraq and influence developments directly.”

Primakov welcomed the current Saudi initiative as “a courageous step based on the land-for-peace principle,” but said it could only succeed after some time, because Ariel Sharon “is not interested in the land-for-peace principle.” But, added Primakov, “Sharon has led Israel to a dead end. Apparently, he cannot stay in his post as prime minister. Once he is gone, there will be new prospects for peace. The Saudi initiative indicates that the Arabs are ready for peace. It is now Israel’s turn to be ready for peace.”—*Rachel Douglas*

God Only Knows!

by Lyndon H. LaRouche, Jr.

February 28, 2002

Since I am reporting to you on what is being discussed frankly in political, military, and financier circles in much of the world today, you, the reader, must accept my resort to plain-spoken, corporate board-room language, to capture the flavor of what those fools are saying among themselves.

Do not let my use of some rough talk fool you. The issues I shall address here, are very serious, and a bit more profound than the current crop of Washington governmental and think-tank geniuses are capable of understanding. I begin with the rough talk, and then zero in on the hard proof that they are, indeed, babbling like fools drunk on Zbigniew Brzezinski's utopian brand of home-made strategic moonshine.



Zbigniew Brzezinski

Free of double-talk, and saying things more or less as plainly as François Rabelais would, those board-room nuts around the world are getting themselves all worked up, cranking out their "wet dream" of permanent U.S. imperial hegemony over the whole crisis-wracked, and, in fact, essentially bankrupt world. Only God knows what that will lead to, if these maniacs are not brought under control!

At the moment, the plan is to carry out the Brzezinski-Huntington-Lewis plan for launching a new, global war of world-conquest, starting with Iraq. Current plans have that attack occurring by about the end of Summer, if not earlier. The issue is not Iraq itself; Saddam Hussein is not the issue. Only the kind of silly, wide-eyed dupes who take CNN's Christiane Ammanpour's claptrap seriously, think that what Iraq or Saddam Hussein did, or might do, or might not do, is the issue. The issue is to get the new world war started. To start an explosion, you need an adequate detonator; an attack on Iraq is the current choice of suitable detonator.

That is the proverbial ball. Keep your eye on it. Any contrary talk is just diversionary babble, spread around through

the mass media and think-tank circuits, to confuse the Congressmen and other suckers.

Just to start, look at the recent bombing runs on thinly populated, previously bombed-to-Hell Afghanistan. How many people are childish enough to believe that the U.S.A. actually won a war there, or that the place is actually governable now, or that it is not in the process of blowing up again? But, ask the question in a different way: Did the U.S.A. actually conquer it, or did it not destroy its potential as a national economy, for any purpose but producing and exporting a massive amount of drugs? The alleged strategic geniuses who thought up that sort of warfare, have ignored every political-economic lesson of the conduct of warfare from all known history to date. These are the kinds of geniuses who would have believed that Enron and the so-called "new economy," were the wave of the future. How much energy will be generated for export from an economy which has been physically destroyed?

Meanwhile, only Dracula, sometimes disguised as Fed Chairman Alan Greenspan, would continue to promise his suckers a midnight recovery.

That said, look at the economic reality of the world-warriors' current crop of strategic wet dreams.

A Geometry Lesson

The short comment on the foolishness of official Washington and Blair's London today, is this. The characteristic feature of post-MacArthur strategic utopianism, has been the intent to divorce strategic questions respecting the U.S. and world economies as President Franklin Roosevelt, for example, had defined such connections. Typical of the dangerous strategic lunacy of those utopians is Henry A. Kissinger's insistence that the lessons of the 1648 Treaty of Westphalia be ignored.

Take as one example of the problem, the role of desalination and energy development in the Middle East. The central folly of the Clinton-Barak-Arafat negotiations at Camp David, was that the issues of regional economic development, and of mass programs of desalination were excluded from the direct discussions, from the beginning. Clinton's approach was foredoomed to fail. His implied obligations to Prime Minister Barak, his virtual client, blurred his vision, and helped him overlook the fact that his responsibility in those negotiations was to act in the interests of, and as a representative of the United States.

The interest of the U.S.A. was, and is today, in securing a durable form of true Middle East peace, not bringing off a short-lived diplomatic trophy for the President. I wrote repeatedly, warning of this mistake in the President's approach, but he did not listen, and therefore he failed. He, like Barak, fell into the trap of utopianism, the trap of politics without regard for those principles of physical economy which invariably underlie any prospect of durable peace in any comparable

situation. Given the Israeli military gun at the back of Barak's head, it was he, Clinton, not Arafat, who was the real author of the failure in those negotiations. We, to that degree, are paying the price of Clinton's blunder today.

It is to be conceded that very few among the leading, best military strategists of modern society have actually mastered the underlying principles of economics, but all the greatest commanders and related strategists from Leonardo da Vinci and Machiavelli, up through the pre-1951 period in U.S. command, had been steeped in the role of a military-engineering view of logistics as the foundation of all competent strategic planning. With the rise of the utopian faction in our military, the tooty-fruity teaching of sick brands of sociology and psychology replaced the traditional competence of the tradition of Sylvanus Thayer's West Point. It is those "special warfare" tooty-fruities who are in command of the long-range military policy behind the present focus on Iraq.

Those who are serious enough to follow up on this point, will study carefully my recently published "Economics: At The End of a Delusion." Sane governments will study that writing carefully; otherwise, the title, "At the End of a Delusion," were suitably carved on their tombstone.

There will be more to come on this important theme, in the near future.

U.S. Threats Bring Iran and Iraq Closer

by Hussein al-Nadeem

Iran and Iraq, targetted by the "axis of evil" statement of U.S. President George Bush, and by the imperial war faction in the Anglo-American establishment, are ironically now developing much-improved relations after decades of war and animosity. The change has been in progress since early 2001.

Two days before President Bush's Jan. 29 State of the Union speech, Iraqi Foreign Minister Naji Sabri al-Hadithi concluded an unprecedented, and successful, three-day visit to Iran. Al-Hadithi met with his Iranian counterpart, Kamal Kharrazi, and other officials—including, significantly, President Mohammed Khatami. In a surprise move, Khatami pledged political and humanitarian support to Iraq, if the United States attacks Iraq again. This was later met by a similar, reciprocal pledge from Iraqi President Saddam Hussein.

New Silk Road, and Security Agreements


Al-Hadithi's visit concluded many months of bilateral negotiations around war-time issues, and started a new chapter for peace-time cooperation. He announced on Jan. 31 the resumption of commercial flights between Tehran and Baghdad, for Iranian pilgrims who wish to visit the holy sites in Iraq. The Iranian news agency IRNA quoted the Iraqi minister as saying: "The coming of the Iranian visitors to us is very important. It is a basic factor to developing relations between the two Muslim states." Between 30,000 and 50,000 Iranians have been visiting the Shi'ite holy sites in al-Najaf and Karbalaa in the south of Iraq, where lie the shrines of the first and fourth Shi'ite Imams (Ali and al-Hussein).

A visit to Iran by Iraqi Transport Minister Ahmed Murtadha Ahmed led to agreements for opening Iraqi air-space for Iranian airlines en route to Syria. Previous agreements had been reached for opening a rail transport and transit corridor from Iran to Iraq and Syria. This would link Central Asian and Russian railway networks to West Asia and the Arab world, as part of the New Silk Road economic cooperation strategy.

Another important outcome of Foreign Minister al-Hadithi's visit was an agreement on limiting the activities of militant opposition groups targetting each country from the

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other's territory. Since the beginning of the 1980-88 Iran-Iraq War, Iraq has been hosting the Iranian Mujahideen-e-Khalq (MKO), which has been conducting terrorist attacks against Iranian border posts, and also mortar and car-bomb attacks against government offices in the Iranian capital, Tehran. Iran, in its turn, has been hosting the Iraqi militant Shia group, the Supreme Council of the Islamic Revolution in Iraq (SCIRI). SCIRI has been named as one of the leading Trojan horses in the American Iraq Liberation Act, which aims to use Iraqi Shia and Kurdish groups to overthrow the Baghdad regime.

Ironically, although these groups maintain substantial forces in Iran and Iraq, both rely heavily on headquarters in London, for political and financial support. Reportedly, the MKO evacuated its main headquarters in the Iraqi capital in late February. In another sign of the change, SCIRI leader Ayatollah Mohammad Bakir al-Hakim told the *Christian Science Monitor* that "he doesn't want Washington's help." The paper also reported that "though courted for months by American diplomats to join in their effort to overthrow Mr. Hussein, Ayatollah al-Hakim—also commander of the 10,000-strong Badr Brigade militia—urges caution. The Afghan model of backing proxy forces, as the United States did against the Taliban late last year, does not apply to Iraq, al-Hakim says."

The report cites a "Pentagon option which includes a pincer operation toward Baghdad, with 50,000 American troops moving from the South with SCIRI's Shia Muslim guerrillas, and 50,000 more moving from the North with Kurdish fighters." Such plans are "very far-fetched" and a "bad idea," al-Hakim told the *Monitor*.

The Kurds have learned from false Anglo-American promises since the 1960s, and are, in their turn, more skeptical towards the stated American plans to overthrow Saddam. Massoud Barzani, leader of the largest Kurdish group, the Democratic Party of Kurdistan (PDK) in north Iraq, told al-Jazeera TV that "Kurds are not rebels-for-hire" and that the U.S. administration has not informed his group of any plans. He added, "There are certain forces which want to use the Kurdish issue for their own purposes, therefore, we are dealing with this issue very cautiously and reservedly." Barzani has repeatedly stated his policy of keeping open channels with Baghdad, and his demands for the creation of a federation within a united Iraq.

"We do hope to reach with the central government in Baghdad an agreement for a federal solution to the Kurdish question," Barzani said in an interview with the Lebanese daily *al-Mustaqbal* on Feb. 10. However, he noted that he did not make any change or progress in the position of the Iraqi government towards the Kurdish question.

The Kurdish PDK and the Shia SCIRI are the only serious military threats to the Iraqi Army in the case of an American operation against Iraq. As for the London-based "five-star cocktail-party" opposition group, the Iraqi Na-

tional Congress (INC), who are being promoted as the "Iraqi government in exile" by former CIA director James Woolsey and others, nobody in the region believes that they are anything serious.

Oil and Trade

Iraq's relationships with its other Arab neighbors have improved considerably over the last year, and Iraq has treated Arab countries favorably in terms of trade and economic agreements, making some of these countries, such as Egypt, Syria, and even Saudi Arabia, major trade partners within the UN "food-for-oil" agreement. Iraqi Trade Minister Muhammad Mahdi Saleh said in February that he expects total Egyptian exports to Iraq, by the end of the year, will reach \$3.5 billion. Saleh, who paid a visit recently to Cairo, said he and Egyptian Prime Minister Atif Ebeid had discussed all measures that help the flow of Egyptian exports to Iraq through the free-trade agreement signed by the two states in January 2001.

Syria ranks second among Arab states trading with Iraq, with an annual export volume of about \$1-1.5 billion. Saudi Arabia is increasing its trade volume with Iraq, with exports amounting to \$600 million; Saudi companies participated in the Baghdad Fair this year for the first time since the 1991 Gulf War. Jordan is partially dependent on its trade with Iraq, and on the flow of goods through Jordan to Iraq from the port of Aqaba has involved growing cooperation.

The Organization of the Arab League (OAL) has made some efforts to ease the tension between Iraq, and Saudi Arabia and Kuwait. OAL Secretary General Amr Mousa paid a visit to Iraq in January, the first since the Gulf War, and carried back a message from the Iraqi President to the Saudi and Kuwaiti governments. Iraq proposed to solve outstanding issues from the Iraqi invasion of Kuwait and the ensuing war. Saudi Arabia welcomed the proposals; Kuwait immediately rejected them.

The Kuwaiti position concerns the other Arab countries, because Kuwait could be used for moves to provoke launching of the new war against Iraq.

The late-March Arab leaders' summit meeting in Beirut, Lebanon will be a decisive moment for the Arab states to unite their stances and solve the Iraqi issue politically, and to intervene against the Israeli Ariel Sharon government's real threat to stability and security in the region. However, this summit will be preceded by the much-publicized tour of U.S. Vice President Dick Cheney to the Middle East.

Cheney is expected to pressure the states of the region regarding a potential U.S. attack on Iraq. The Anglo-American mass media are trying to give the impression that the attack on Iraq is inevitable, no matter what Europe or the region does. This discourages Arab leaders from discussing the feasibility of such a war, with Cheney, rather than simply signing up their contribution to it. Such a situation is insane for the Arab states—not to mention the world more broadly—unless they can find among themselves, a way out of it.

Will Britain's Blair Crack Before 'Iraq War Summit' With Bush?

by Mark Burdman

On Feb. 24, British Prime Minister Tony Blair and his 10 Downing Street propaganda machine caused a leak to appear in the London *Observer* weekly, according to which Blair would be attending a special summit with U.S. President George W. Bush, in Washington in April, at which "action against Iraq will be at the top of the agenda," and at which "details of military action to overthrow Saddam Hussein" would be "finalized." According to the *Observer*, Blair will be attempting to bolster the Anglo-American case against Iraq, by publishing a dossier, giving ostensible "detailed evidence of Iraq's nuclear capabilities."

The question on the minds of very well-informed British observers whom *EIR* has spoken to during the last week of February, is whether Blair will still be in any position, or state of mind, come April, to "deliver" a war alliance against Iraq, to the American war-hawk grouping. For one, there is massive opposition, inside Blair's Labour Party and elsewhere in the British political-military establishment, to such a war. Beyond this, the political ground is collapsing from under Blair's feet, as a round of new scandals hits his intimates, and as the social-economic situation in Britain implodes.

Admittedly, Blair's profile is, precisely, to seek military adventures, to divert from his internal difficulties, but this time around, experts concur, the momentum is moving so fast against him, that he likely has neither the credibility nor the strength, to launch a new provocation, barring some unforeseen act of spectacular terrorism, in the days ahead.

Over the Feb. 23-24 weekend, a poll was taken among 100 Labour Party parliamentarians, about whether they would support military action against Iraq. No fewer than 86 said they would not, and only 7 said they would, with the rest undecided. On Feb. 27, the pro-Labour *Guardian* daily ran a commentary headlined, "Support for a U.S. Assault On Iraq Could Rip Labour Apart," in which author Jackie Ashley affirmed that "there is something building which could be the undoing of Mr. Blair," and that, should he go ahead with this course, Blair might suffer "a trauma . . . of a different scale than anything we have seen yet."

The *Observer* article noted significant reservations about the Iraq war plans, not only in the British Foreign Office, but

also in segments of the British military.

Meanwhile, Blair finds his most loyal ally in the Cabinet, Transport Minister Stephen Byers, under assault, both for his role in overseeing the collapse of the privatized British rail system, and for his cover-up of a number of misdeeds by senior officials in his Ministry. On Feb. 26, Byers admitted to the House of Commons that he had lied about these officials. Then, Blair compounded the problem, by affirming his support for the lying Byers.

On Feb. 26, a London source spoke to *EIR*, of Blair's dilemmas with Byers, and with the "irresolvable incoherence of his own policy." "Watch what will now happen. All his problems will mount, with the health service, with the collapse of rail, and, increasingly, in education. Ultimately, he will crack, and he will be taken away, gibbering. Recall, that is what happened, previously, to British prime ministers, to Anthony Eden and to Harold Macmillan. In this country, the powers-that-be know how to break a prime minister."

When April comes around, the source stressed, "he won't be able to do it," if and when the Americans ask for support in a war against Iraq.

'True Friends Are Not Sycophants'

The developments of late February, cap a month that has seen a rip-roaring fight, within the British establishment, over how to orient toward a new Iraq war, and toward the Bush "axis of evil" policy, more generally. What is happening in Britain, is helping trigger similar fights in Germany and other continental European countries. It also should help catalyze such conflicts in the United States itself. Indeed, given the past decades' U.S.-Britain "special relationship," Blair's total backing for the "war on terrorism," and the influence of Great Britain in Washington policy circuits, a definitive British break with the war push, might knock off-course a war that many fear is inevitable.

The publicly fought-out intra-British establishment policy war has been triggered, in large part, by a series of statements by Chris Patten, currently European Union External Affairs Commissioner, and formerly the last British colonial governor in Hong Kong. His statements have drawn all the

more attention, as Patten was a close aide to Margaret Thatcher during her reign as Prime Minister from 1979-90, serving, variously, as Leader of the House of Commons, as Conservative Party chairman, and in other senior posts. Now, he is in open conflict with his former boss.

On Feb. 9, Patten told the *Guardian*, in respect to the “axis of evil” policy proclaimed by President George W. Bush in his Jan. 29 State of the Union address: “I think it is very dangerous when you start taking up absolutist positions and simplistic positions.” Declaring himself to be a life-long “Americanophile,” he stressed: “I hope that America will demonstrate that it has not gone on to unilateralist overdrive,” and that Europe must raise its voice, to oppose such “unhelpful” policies.

According to Patten, “Gulliver can’t go it alone, and I do not think it is helpful if we regard ourselves as so Lilliputian that we can’t speak up and say it. However mighty you are, even if you’re the greatest superpower in the world, you cannot do it all on your own.” He defended Europe’s commitment to “engage” countries such as North Korea and Iran, and said that the world needed “smart development assistance” more than “smart bombs.”

On Feb. 14, U.S. Secretary of State Colin Powell criticized him, in an interview with the London *Financial Times*, saying that Patten had “worked himself up a bit.” The next day, Patten retorted, in comments that were run as the lead item in the same paper: “There is not one drop of anti-Americanism flowing through my veins. . . . But true friends are not sycophants. Those of us who are concerned at certain trends in U.S. policy-making have a duty to speak up.” He warned that the current American “instinct” for unilateralism and for projecting military power is “profoundly misguided” and “ultimately ineffective and self-defeating.” Patten invoked the late British Prime Minister Winston Churchill, a hero of Bush, to defend his polemic.

On Feb. 19, speaking before NATO parliamentarians, Patten toned down his words somewhat, but nonetheless issued a stern warning to the United States, that a war against Iraq would not get support in Europe. A well-informed observer told *EIR* on Feb. 21, “Patten is worried, that an attack on Iraq could trigger enormous social tensions in Europe, and possibly lead to the break-up of NATO. He is right.”

‘Prepare for the Inevitable’

Patten’s persistence on the Iraq matter is all the more noteworthy as, on Feb. 11, his former boss Thatcher supported the “axis of evil” thrust, and insisted that there be “massive use of force” against Iraq, and “strong support” from America’s “allies,” for this.

The war inside the establishment escalated, when the Feb. 15 London *Times*, owned by Australian magnate Rupert Murdoch, ran a lead editorial entitled “To Free Iraq: Blair Must Prepare Party and Country for Military Action.” It declared: “With a combination of military and covert methods



Prime Minister Tony Blair, who is gung-ho for a war against Iraq, is seeing his support melt away, from across the British political spectrum.

now actively under discussion, the United States is preparing to destroy the regime of Saddam Hussein. The timetable is flexible, but will be dictated by America’s strategic and military readiness and by nothing else, certainly not by righteous whimperings from Brussels to Berlin. The goal is fixed. There is now overwhelmingly strong agreement in Washington, throughout and beyond the Bush Administration, that ‘containment’ of Iraq has failed, and that the Iraqi dictator’s overthrow is militarily feasible and politically urgent. His removal is not an added dimension to the Bush strategy for dealing with global terrorism; for several strong reasons, it is integral to it.”

The paper asserted: “Europe’s governments, by contrast, are running shrieking for cover, railing against American unilateralism. Britain has not joined that chorus, but nor has Tony Blair yet aligned himself with America on Iraq. Britain, alone among European countries, is on [Vice-President Dick] Cheney’s itinerary. That honor gives the Prime Minister only a few weeks to master the rising anti-Americanism in his own party, and explain why this country must stand by its most important ally. This will be the loneliest decision of his premiership. It could jeopardize his European ambitions. But to

back away from this test would be devastating to Britain's international credibility. The U.S. will 'go it alone,' if necessary. Mr. Blair must be ready, in Europe, to 'go it alone' too. He has been too slow in preparing British opinion for the inevitable. He had better start closing the gap now."

On Feb. 18, *Times* regular commentator Lord William Rees-Mogg authored a piece headlined, "The Countdown Starts for Operation Saddam." Departing from his earlier reservations about the "axis of evil" hyperbole, his lordship fully supported an American attack on Iraq, the which he also depicted as inevitable.

A reason for his mood-change, evidently, is that he just concluded a trip, in the company of British parliamentarians, to Kuwait, a country he said reminded him of "some prosperous trading city under the protection of the Roman Empire." He affirmed that Kuwait is "psychologically expecting war," and eagerly awaits an American-led effort to get rid of Saddam Hussein.

Rees-Mogg said: "In Horace's view, Augustus maintained the Pax Romana because he faced each threat and overcame it. This is the logic of all great world powers, whether one calls them empires or spheres of influence. The Pax Americana can be based only on the same logic. . . . The Emperor Augustus added seven provinces to the Roman Empire, largely in the search for peace.

"Weapons of mass destruction in the hands of hostile powers threaten the United States, just as the Parathions or the Germans threatened Rome. There will not be a stable peace in the Middle East until Saddam Hussein's regime is removed. That is what Kuwaitis believe; more importantly, it is what President Bush believes."

On Feb. 19, the *Times* published a column by neo-conservative ideologue Irwin Stelzer, resident at the American Enterprise Institute think-tank in Washington and a confidant of certain Bush Administration circles. Entitled, "Bush Turns Away From the Weaklings of Europe," Stelzer erupted: "Europeans and Americans are now living on different planets, a prominent Washington pundit with impeccable conservative credentials and clear lines into the Bush White House told me at a recent dinner party for a small group of Administration members and their confidants. . . . The consensus in Washington—both among the people who influence American policy and those who make it—is that Europe is irrelevant to the world today."

Stelzer claimed that U.S. Defense Secretary Donald Rumsfeld is one of those in the Administration who harbors a deep dislike for "Gaullism" in Europe.

'Mr. Blair Should Beware'

On Feb. 26, the London *Daily Telegraph*, the mouthpiece of Canadian magnate and Hollinger Corporation chief executive Conrad Black, gave 100% backing to a new war against Iraq, and called on Blair to break with the continental Europeans, and ally with the United States, on this.

On Feb. 20, former British Ambassador to Saudi Arabia Sir Alan Munro penned a letter to the *Times*, accusing it of being "bellicose," and arguing against current war plans against Iraq.

The most emphatic statements against such designs, have come from pro-Labour Party (although not necessarily pro-Blair) writers in the left-liberal *Guardian* and *Observer*, both of which have warned Blair to stay clear of flight-forward war moves.

In a Feb. 9 editorial, the *Guardian* warned Blair that should he join the war drive against Iraq, he would risk a revolt inside the Labour Party. Then, on Feb. 16, the paper ran a lead editorial, "America's New War: We Should Not Back This Iraq Attack," in which it warned that it would be "a massive mistake for the British government" to do so.

On Feb. 17, *Observer* editor Will Hutton, in a signed commentary, echoed this. While denouncing Saddam Hussein as a "dangerous dictator," Hutton warned that "the unilateral decision to declare war upon another state without a *casus belli*, other than suspicion, will upset the fabric of law on which international relations rests, as well as destabilizing the Middle East." He declared that the Labour Party "will break," if Britain is "too slavish" toward Washington, on this war. Hutton advised: "Mr. Blair should beware. . . . This is the new political drama. Watch out."

On Feb. 19, senior *Guardian* diplomatic correspondent Hugo Young noted that while Blair appears to be "insouciant" about, and "comfortable" with American foreign policy, despite the "axis of evil" rhetoric, this attitude is out of touch with much of the high-level thinking in Britain. "Behind the scenes, in the ceaseless turmoil of diplomatic activity between London and Washington, things are a little more complicated," Young reported, claiming that there are growing U.S.-British tensions over American resistance to providing "an American element" to the Afghan peacekeeping forces, and over Iran.

But "the big challenge is certainly Iraq." Young claimed that, whatever Blair may be thinking, there is growing realization in London that American strategy vis-à-vis Iraq "risks getting muddled and therefore very dangerous." Under such conditions, other "options" are under consideration in Britain, with the most interesting being a possible agreement with Russian President Vladimir Putin to oppose an Iraq strike. According to Young, "Assembling a united, pragmatic case against a violent, destabilizing attempt to depose Saddam is work that the British and Russian leaders are well-placed to do."

As for Blair, Young concluded, if he keeps just mouthing how he supports American policy, Blair will render himself completely irrelevant, in the face of intense opposition inside the Labour Party. Eight days later, the *Guardian* published the article reported above, warning that support for an Iraq war would "rip Labour Party," and create a "trauma" for Blair.

Book Review

Can Israel Save Itself From Fascism?

by Michele Steinberg

Murder in the Name of God: The Plot to Kill Yitzhak Rabin

by Michael Karpin and Ina Friedman
New York: Metropolitan Books, Henry Holt and Company, Inc., 1998
292 pages, hardbound, \$24.95

When Israeli correspondent Amir Oren revealed on Jan. 25, 2002, in the pages of the daily *Ha'aretz*, that the Israeli officers in occupied Palestine were studying “how the German army fought in the Warsaw Ghetto,” where the Jews were obliterated by the Nazis, there was little open revolt in the Israeli establishment. There is a numbness in Israel, a moral numbness, that is rooted, in great degree, to the aftershock of the assassination of Prime Minister Yitzhak Rabin. Though it occurred more than seven years ago, on Nov. 4, 1995, many Israeli intellectuals who favor peace, admit that Israel has still not recovered from the Rabin assassination at the hands of a “sinister cabal,” and its whitewash.

Murder in the Name of God is one of the best accounts available of the *political* campaign by Americans as well as Israelis, to assassinate Yitzhak Rabin, and of the conspiracy that carried it out. The reader will be convinced, while learning much about the real nature and origins of the “Jewish settlers” movement, and about the Jewish terrorist groups in Israel, that assassin Yigal Amir *did not act alone*. It is an excellent intelligence report on the “Jewish underground” and its links to government circles in Prime Minister Ariel Sharon’s party, the Likud, and the National Religious Party.

Anyone—especially American and European political figures—who cares one iota about “stopping the violence,” should read this book. Written by Michael Karpin, a leading Israeli television journalist and writer, and Ina Friedman, an American-born Israeli, who is a correspondent for the Dutch daily newspaper *Trouw*, *Murder in the Name of God* lives up to the promise made on its back cover by reviewer Amos Elon, that the authors “draw a frightening picture of a sick society . . . that allowed this cabal to mature, and today sits in equanimity as Israel is pushed back from the brink of



Right-wing settlers and religious fanatics hoist placards calling Prime Minister Yitzhak Rabin a traitor to Israel, because he sought peace. Less than a month later, he was dead.

peace to the black hole of history.”

It may even explain why leading officials such as Prime Minister Ariel Sharon’s Defense Minister Binyamin Ben-Eliezer, leader of the Labor Party, sits back in silence as his military officers study the Nazi extermination of Jews in the Warsaw Ghetto, as the model for what they will do to the Palestinians; or why he approves, one after another, the assassinations of Palestinian “terrorists,” even as he knows that the *Jewish* terrorist controllers, who planned the murder of his friend Rabin, go free today.

The following stunning excerpts show the emergence of a fascist movement among Israel’s right wing—a movement protected from within the United States, more than is ever admitted, and which has paralyzed the Israeli establishment, which has failed to stand up against Sharon. It is also why hundreds of thousands of Israelis are fleeing their nation in fear of fascism.

From Chapter Three: ‘Action Headquarters’

“By early evening [of Oct. 5, 1995, date of the Knesset parliamentary debate on Oslo II], tens of thousands of right-wing protesters had made their way to Jerusalem’s Zion Square for a demonstration called by the opposition parties, the Yesha Council, the Joint Staff and the Action Headquarters. . . . A bearded young man in a yarmulke was caught on tape holding a picture of Rabin in one hand and beating it with his fist while shouting . . . ‘Because of this dog, this country is going to be destroyed.’ . . . The microphone caught a voice saying, ‘Instead of filming, will you come to the funeral? Will you come to the funeral tomorrow?’ . . .

“As loudspeakers blasted patriotic songs, the crowd began working itself up to a frenzy even before any of the scheduled speakers had begun. . . . Wild young men in yellow Kach

T-shirts carried Meir Kahane's son, Benjamin, on their shoulders. . . . Supporters of the Likud set Rabin's portrait on fire. Two bearded young men hoisted a banner reading 'Rabin, Arafat's Dog.' Standing near them a woman waving a blue and white Likud flag shouted, 'Death to Rabin!' over and over like a mantra. Shouts of 'Nazis!' 'Collaborators!' and 'Judenrat!' were levelled at the cordon of policemen. . . . Overlooking it all, on the balcony of the Ron Hotel, stood a gallery of right-wing politicians gazing with satisfaction at the maelstrom below. [Then-Likud chairman] Benjamin Netanyahu waved his hand at the demonstrators in encouragement. Ariel Sharon, Tsomet's Rafael Eitan, and Rehavam Ze'evi—all masters of anti-Arab and anti-government invective—flanked him. Tsachi Hanegbi, Netanyahu's liaison with the Action Headquarters, stood beaming with pride at the turnout and tenor of the crowd. The heart of the capital had been turned into a scene of fevered abandon. . . .

"The climax of the evening was Netanyahu's speech. . . . Throughout the speech the violence kept escalating. Demonstrators threw lit torches at policemen. Groups of Kach supporters jumped up and down screaming, 'Rabin is a dog. . . . In blood and fire we'll drive Rabin out' . . . [Netanyahu] thundered, ' . . . we will bring the government down.'"

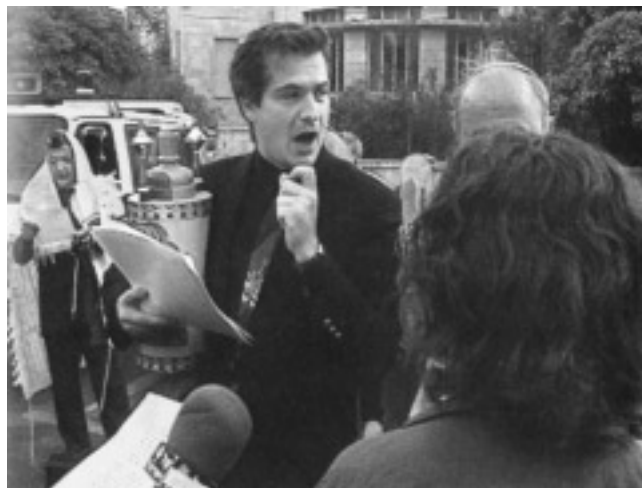
Karpin and Friedman tell how the violence escalated, especially after a leaflet with a photo-montage of Rabin dressed in an Nazi SS uniform began circulating, and the chant rose, "Rabin is a Nazi." In this frenzy, the demonstrators marched to the Knesset, where they attacked Rabin's empty limousine.

"As the gates of the Knesset parking lot finally closed behind Rabin's car, another vehicle began moving up. . . . In it sat Housing Minister Binyamin Ben-Eliezer, a figure who had worked closely with the settlers in the 1980s . . . but was now the symbol of the Labor government's construction freeze in most of the settlements. TV cameras caught the trapped minister pale with fright as rioters surrounded the car and rocked it from side to side like a ship in a tempest. One rioter who was being taken into custody screamed at the police: 'Rabin is murdering the homeland.' . . . 'He's right!' Rabbi Elon called out. 'The traitor is inside [the car]. He's the one who should be arrested!'

"When he reached the safety of the Knesset building, the shaken Ben-Eliezer set out in search of Netanyahu. 'I've never experienced anything like it!' he told colleagues along the way. 'I've fought in all [of Israel's] wars and seen death before my eyes. But never was I so close to death as I was tonight.' Finally collaring Netanyahu in one of the corridors, Ben-Eliezer warned him loudly: 'You'd better restrain your people. Otherwise it will end in murder. They tried to kill me just now!'

"Embarrassed by the scene, Netanyahu responded with a grin of discomfort.

" 'I suggest you wipe the smile off your face,' Ben-Eliezer barked at him. 'Your people are mad. If someone is murdered, the blood will be on your hands!' . . . The settlers have gone crazy, and someone will be murdered here, if not today, then



Avigdor Eskin chanting the Pulsa da-Nura religiously imposed death sentence, in front of Prime Minister Yitzhak Rabin's residence.

in another week or another month."

A month later, Rabin was shot and killed at a campaign rally by Yigal Amir, a fellow traveller of the Kach movement, who had been harassing Rabin at his home for over a year, and whose collaborators came from the highest levels of the settlement's Yesha Council, Bar Ilan University, and American political circles, leading directly into the offices of Sen. Jesse Helms (R-N.C.).

From Chapter Six: 'The Lover'

The authors, who interviewed Yigal Amir at some length, described how the settlers idolized Amir and his cohorts as heroes. One of the co-conspirators was Margalit Har-Shefi, the object of Amir's romantic fantasies, and a law student at Bar-Ilan University with him. Eventually Har-Shefi, who came from the settlement of Beit El, just 15 minutes north of Jerusalem, testified against Amir. Established just after the June War in 1967, Beit El has often been a site of clashes between Jews and Palestinians. What follows is the description of how her neighbors greeted Har-Shefi after the assassination.

"A few days later she was released on bail, she returned to Beit El, and received a heroine's welcome. Hundreds of settlers wildly cheered her. Rabbi Aviner made a speech in her honor. Neighbors lifted her on a chair, like a joyous bride, singing and dancing their way to her home. That evening, when clips of the reception were shown on the news, a still-mourning Israel was stunned."

Similar desecrations were taking place across Israel:

"A resident of the *haredi* [ultra-Orthodox] stronghold of Bnei Brak stood before television cameras and declared: 'There is no mourning here. Yitzhak Rabin was not one of us.' In the Jerusalem neighborhood of Ramat Polin, *haredim* raised glasses of wine and gleefully toasted the murder. . . . In two West Bank settlements inhabited by Kahanist extremists,



Then-Likud party Chairman Benjamin Netanyahu marches in front of a coffin painted with the words, "Rabin is murdering Zionism," March 4, 1994.

pictures of Amir were hung on the walls at parties celebrating the 'miracle.' At Bar-Ilan University, students called Yigal Amir a 'saint.' Avigdor Eskin, who had conducted the *Pulsa da-Nura* [Lashes of Fire] ceremony against Rabin, boasted on television that the curse had succeeded."

Rabin's Murder and Sept. 11

Murder in the Name of God raises an entirely new set of questions about suicide terrorism, especially after Sept. 11, as the entire world—especially the American population—is being mass-brainwashed into believing in a vast conspiracy of Islamic "suicide terrorists" directed by Osama bin Laden from his bat cave in Afghanistan. Yigal Amir was a "suicide terrorist," as was his "role model," the insane Baruch Goldstein, a Brooklyn-born medical doctor and Kach follower, who carried out the February 1994 massacre of 29 Muslims at Friday prayers at the mosque at the Cave of the Patriarchs in occupied Hebron.

The authors of *Murder in the Name of God* provide a careful, extensively researched report on the network of rabbis who controlled these and other suicide terrorists, and who pronounced a religious death sentence on Rabin, on their communications, and meetings where discussions of the "duty" to kill Rabin took place.

At the heart of "death sentence" issue is the battle between "halachic law" (Jewish religious law) and "secular law" of the state. Only a "holy man"—a rabbi—can make the determination that a Jew can be killed. That is what occurred against Rabin.

In a fascinating chapter titled "Din Rodef," the authors say that after the 1993 Oslo Accords, "Orthodox rabbis in Israel and abroad had revived two obsolete halachic pre-

cepts—*din rodef* (the duty to kill a Jew who imperils the life or property of another Jew) and *din moser* (the duty to eliminate a Jew who intends to turn another Jew in to non-Jewish authorities)—and were seriously debating whether these antiquated religious laws should be applied to the prime minister of Israel." There is no doubt Amir believed that he was the chosen one to eliminate the traitor Rabin, and that he had done it under the power of law interpreted by rabbinical authorities. On the night of his arrest, when he was told that Rabin had died, Amir said to the police, 'Do your work. I've done mine.' Then, with a smile, he told a cop, 'Get some wine and cakes, let's have a toast.' "

Some Orthodox leaders, such as Rabbi Yoel Bin-Nun, one of the founders of the right-wing Gush Emunin settlers group, tried to stop the madness among the rabbis, but even "the establishment" rabbis would not back him. Bin-Nun demanded that any rabbi who was involved in the *din rodef* ruling resign. He denounced them as a threat to the endurance of Israel, saying that they had become "revolutionary courts, like a Jewish Hezbollah."

In December 2000, *EIR* published a special report under the direction of *EIR* Founder and 2004 Democratic Party pre-Presidential candidate, Lyndon H. LaRouche, Jr., entitled "Who Is Sparking a Religious War in the Middle East?—and How to Stop It." This report drew upon nearly 20 years of investigative work into the network of fanatical Jewish and Christian evangelical fundamentalists involved in a plot to blow up the Islamic holy sites on the al-Haram al-Sharif (known in Israel as Temple Mount). Though Karpin and Friedman do not discuss the Temple Mount plot in detail, the networks first identified by *EIR*, as early as 1982, are precisely those that killed Rabin.

For example, the case of Avigdor Eskin: In 1986, *EIR* published a detailed dossier on Eskin, a young Soviet intelligence agent, who could boast of service for the KGB, Mossad, and several U.S. agencies. *EIR* identified him as one of the most dangerous operatives in the Temple Mount terrorist networks. *EIR* was not wrong: Nine years later, the same Eskin was given red-carpet treatment by the U.S. Congress, and an informal office in the suite of Sen. Jesse Helms to lobby for Israeli right-wing views, who issued the religious curse against Rabin—the *Pulsa da Nura*. The ritual, dating back to the Middle Ages, says: "If ten rabbis cursed a man by invoking the formula, he would meet his end within 30 days."

In October 1995, Eskin gathered a group of disciples of the late terrorist Rabbi Meir Kahane outside the Prime Minister's home and chanted, "I deliver to you, the angels of wrath and ire, Yitzhak, the son of Rosa Rabin, that you may smother him and the specter of him, and cast him into bed, and dry up his wealth, and plague his thoughts, and scatter his mind that he may be steadily diminished until he reaches his death." His

followers chimed in “Put to death the cursed Yitzhak.”

One of the authors’ most important insights is the *American* role in the assassination of Rabin. Top American officials such as former Sen. Al D’Amato, former New York Mayor Rudolph Giuliani, and New York City Councilman Dov Hinkind, who is a former Kach/Jewish Defense League thug, protected the networks that were planning the murder of Rabin.

This American connection to these Israeli fanatics is not to be underestimated. As LaRouche has emphasized, the attacks on Sept. 11 were an *internal* military coup d’état attempt, which served to “detonate” a strategic policy coup by the “Clash of Civilizations” grouping around Zbigniew Brzezinski. In his article “Zbigniew Brzezinski and September 11th” (*EIR*, Jan. 11, 2002) LaRouche describes how the Sharon networks are used by this Anglo-American network to achieve their goal of a global “Clash of Civilizations” religious war.

LaRouche said, “[T]here is an implicit suicide bomber-like role of the current Israeli regime, whose adducibly characteristic intention is to set off the wider war, a war which, among other results, would bring about the self-extermination of Israel as a state. That increasingly evident risk of Israel’s self-extermination, if it continues its present policies, had been the stated concern motivating Prime Minister Rabin’s support for the Oslo Accords. These are the same Oslo Accords whose adoption was the motive for the Israel coup d’état, by assassination of Rabin.”

The whitewashing of the networks behind the Jewish terrorists who killed Rabin has been a crucial part of the Brzezinski coup.

But even as the Nazi-like regime of Sharon continues its post-Rabin bloodbath, LaRouche emphasized that the action of a growing group of Israeli Defense Forces reserve officers, who *refuse* to serve in the Occupied Territories of Palestine, is a model of courage against a new fascist world-empire idea.

In a Jan. 27 statement, LaRouche further emphasized the role of the Anglo-American establishment in pushing Sharon. LaRouche said: “If our dirty nest, inside the English-speaking world, is cleaned out, the danger from the Middle East could be controlled. . . . Join me! Stop this horror being unleashed by the Sharon government, while that horror could still be prevented. Confront the world with the clear evidence of the horrid intention behind the crimes of the Ariel Sharon government.”

Authors Karpin and Friedman begin the book with an excerpt from the poem “A Sketch,” by Christina Rossetti:

I might show facts as plain as day;
But since your eyes are blind, you’d say,
“Where? What?” and turn away.

In the weeks since LaRouche issued his call “Join me!” against the Sharon horrors, and against the Brzezinski imperial plot, tens of thousands have again assembled in the streets of Israel, calling for a future, calling for peace. Perhaps the numbness is over.

Nepal’s Crisis Endangers South Asian Stability

by Ramtanu Maitra

Nepal, the Himalayan kingdom north of India, bordering China, was thrown into turmoil on Feb. 17, when security forces and Maoist rebels waged a pitched battle in Accham district, some 410 miles northwest of the capital, Kathmandu. Although it is unclear how many lost their lives in that fierce fight, it is estimated that about 137 security people were killed and their arsenals looted. Official sources claim casualties on the rebel side could be as high as 200.

The Maoists have stepped up their agitation in recent months for total abolition of the monarchy, and are waging their so-called “people’s war” to establish a “people’s republic” under a Marxist-Leninist regime.

In light of the growing power of the rebels, who reportedly now control almost two-thirds of the territory of Nepal, and the evident inability of a fractious democratic parliament to deal with them, Kathmandu had imposed emergency rule almost three months ago. Reports indicate that the emergency has failed to restore law and order, and more than 700 individuals—including security personnel (inclusive of Army men), Maoist rebels, and innocent civilians—have been killed since. The Accham district shootout is by far the worst of its kind, and Nepal is now braced for an all-out war between the monarchy and the Maoist rebels.

Instability in Nepal raises the specter of further trouble in the region. Located in a strategic and highly volatile and impoverished area, Nepal had long acted as a cat’s-paw of Britain. In the 1960s, following the Sino-Indian border clashes, Nepal became one of the centers of power tussles between India and China. Each Asian giant, deeply suspicious of the other, tried to exert its influence over Nepal to keep the other at bay. Meanwhile, the royal household in Kathmandu, which was always close to British royalty, used the Sino-Indian rivalry to align the country closer to Britain. The policy continues today, and London is now exerting a full-court press to get firmer control over this hapless country.

The Royal Household Massacre

A tiny landlocked Himalayan state, one of the UN-designated Least Developed Countries and the only official Hindu state in the world, Nepal has been thrown into a meat-grinder following the macabre palace massacre on June 1, 2001. Killed by Crown Prince Dipendra were King Birendra, Queen Aishwarya, six other household members, and the Crown Prince himself. The event catapulted King Birendra’s younger brother, Gyanendra, to Nepal’s throne. King Gya-

nendra is not popular, and he has not been accepted by the majority of his subjects.

The massacre boosted the Maoist movement. Although active since 1996, the Maoists have grown rapidly since King Birendra's assassination. Observers claim that the Maoists, during the deceased King's reign, found it difficult to act against a popular monarchy, and were only gaining ground slowly, acting as "Robin Hoods" who robbed the rich to help the poor. The Maoists were a nuisance then, but not considered a threat to the still-fledgling parliamentary democracy. King Birendra, a constitutional monarch in charge of the Royal Nepali Army, never allowed the Army to confront the Maoists. On the other hand, King Gyanendra, long a proponent of crushing the Maoists by using the Army, has deployed the Army against them. The rebels, drawing support from the widespread anti-Gyanendra sentiments among Nepal's population, have gone on a rampage, and have virtually paralyzed the civilian government under Prime Minister Sher Bahadur Deuba.

The Deuba Administration, and a fragmented parliament, have become subjects of ridicule, and are now acting as palace adjuncts, particularly in dealing with the rebels.

British Fingerprints

Three days after the Accham shootout, the British Parliamentary Undersecretary of State for Foreign and Commonwealth Affairs responsible for South Asia, Ben Bradshaw, landed at Kathmandu airport and said that the United Kingdom is "seriously looking at the current security situation of the country." "We are worried about Nepal's security, and our cooperation in this regard will be continued," Bradshaw said.

It is well known that the Nepali royal household has century-old linkages to Buckingham Palace, and that Britain continues to exert influence over Nepal to keep it under its geopolitical control. Britain has a similar ambition to establish an independent Kashmir, and it keeps that issue alive by maintaining—and controlling—a host of Kashmiri terrorists in London. In Nepal, King Gyanendra is a close associate of Queen Elizabeth's consort, Philip Mountbatten. King Gyanendra is the head of the World Wildlife Fund, which is controlled top-down by the British and Dutch monarchies.

The British hooks, however, extend deeper into Nepal, well beyond personal relations: The rival Maoist rebels are also backed from London.

In July 2001, after the Maoists had kidnapped 70 Nepali policemen and shot down an Army helicopter, Commander Prachanda, General-Secretary of the underground Maoist group, speaking from his hideout, told an Ibero-American newsman that they attribute their success so far to the lessons drawn from studying the experiences of Maoist movements in India, Sri Lanka, Bangladesh, the Philippines, Iran, Turkey, and Peru.

Prachanda described the influence of the international proletariat on their movement as follows: "In the whole process of this final preparation . . . there was consistent interna-

tional movement. First and foremost, there was the RIM Committee [the London-based Revolutionary Internationalist Movement]. There was important ideological and political exchange. From the RIM Committee, we got the experience of the PCP [Communist Party of Peru] . . . and also the experience in Turkey, the experience in Iran, and the experience in the Philippines.

"Ultimately, we will fight with the Indian Army. That is the situation. Therefore, we have to take into account the Indian Army. When the Indian Army comes in with thousands and thousands of soldiers, it will be a very big thing. But we are not afraid of the Indian Army."

Commander Prachanda is not indulging in mere rhetoric. Recently, the Maoists of the subcontinent have come together under the banner of the Coordination Committee of Maoist Parties and Organization of South Asia (Ccomposa). Ccomposa involves nine ultra-left outfits of India, Nepal, and Bangladesh, and active groups in Sri Lanka. Of these, the People's War Group (PWG), the Maoist Coordination Committee (MCC), and the Nepal Communist Party are the best-armed. This is the first time that these groups have formed a cross-border confederation. Earlier, such groups in India had only bilateral fraternal ties with like-minded outfits abroad.

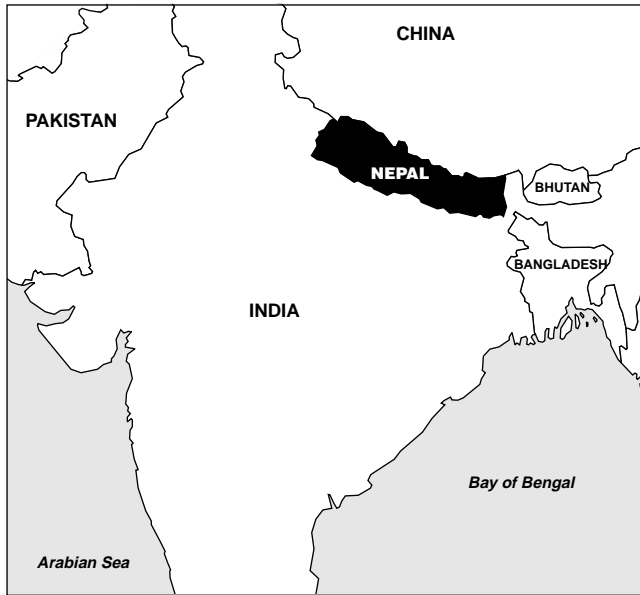
The PWG has as its area of influence—the Indian states of Andhra Pradesh, Bihar, and Jharkhand—and has developed fraternal relations with the Liberation Army of Peru and the Kurdish Workers' Party. Some South Asian intelligence agencies see a larger design to broaden the base of the Maoists, extending from southern India to Kathmandu and from Colombo to Dhaka. Indian intelligence notes that beside the British, the other major European colonial power, the Dutch, have remained active in promoting the Maoist movement in the region.

The Dutch Connection

An Indian intelligence bureau document released some time back showed the Dutch connection to the Maoists in India. The Dutch involvement with the violent groups in India began to surface in 1993. Vijay Kumar Arya of the MCC organized an international conference on the "nationality question" on Feb. 16-19, 1996 in New Delhi. Around the same time, the Dutch Foreign Ministry also sponsored a conference on "National Identity and Its Crisis," in New Delhi, Patna, and Calcutta, under the South-South Exchange Program on History of Development.

The Dutch team was led by Peter Geschiere of the University of Leiden, an anthropologist who has specialized in African witchcraft. A more explicit connection between the Dutch non-governmental organizations (NGOs) and a secessionist group was discovered around the same time, in mid-1990s. Leo Van der Vlist, director of the Netherlands Center for Indigenous People based in The Hague, was coordinating with the Dutch Foreign Ministry to support the National Socialist Council of Nagaland (Isaac-Muivah) and the United Liberation Front of Asom.

South Asia



Around the same time, a Utrecht-based NGO, the Land Like India War (LIW) group, funded by the Netherlands Ministry of Development Cooperation, established links with the northeast Indian secessionists and other militant groups. The LIW also organized an “information mart on indigenous people,” in Utrecht in August 1996, which included the “Human Rights of Indigenous People in India.”

New Delhi's Failures

The British links, and the Maoist uprising in Nepal, were not clearly understood in India. There is no doubt that anti-India feeling has grown in Nepal, particularly since the 1980s, when Prime Minister Rajiv Gandhi had clamped an “economic blockade” against Nepal to “punish it” for approaching China for arms without prior consultation with India. According to a defense agreement signed decades ago, Kathmandu must consult New Delhi before approaching a third party for military hardware.

India attributes anti-India feelings within Nepal to pro-China elements, and to those who have been influenced by the Pakistani Inter-Services Intelligence (ISI). There is no question that the ISI is active in Nepal, and on occasion, has provided the Maoists with explosives used to commit violence. The ISI was also involved in the hijacking of an Indian Airlines aircraft in the Winter of 1998-99. The hijackers boarded the plane at Kathmandu and took control.

From time to time, New Delhi has accused the Nepali Maoists of procuring arms from China. Behind that, lurks New Delhi's suspicion about China and its intentions, and this suspicion is exploited adroitly by the Maoists and their British controllers.

For example, following the assassination of King Bire-

ndra, the Maoists pointed an accusing finger at India and the United States. A prominent Maoist leader, Babuaram Bhattarai, in a signed article in Nepal's *Kantipur Daily*, alleged that the Indian Research and Analysis Wing and the American CIA had conspired to eliminate King Birendra, because he was “soft” toward China and the Maoists, and subsequently “installed their stooges” in the Royal Palace. Bhattarai claimed that it is a part of the grand Indian-U.S. design to exert pressure on China's soft underbelly—Tibet.

Following the Achham district shootout, some in New Delhi have begun injudiciously to flex their muscles. Citing the porous border between Nepal and India, New Delhi has already made clear that its security interests are linked to the security and stability of Nepal. India promptly offered assistance worth \$5.1 million, and provided two combat helicopters with night-vision capabilities, heavy-duty vehicles, and a few hundred rifles, all produced in Indian factories.

Recent Indian media reports say that New Delhi is willing to make its soldiers available for joint operations against the Maoists. But Nepali officials are not aware of such a proposition. Independent analysts interpret these media reports as a part of a ploy to bring Nepal under India's security umbrella. Nepal has consistently resisted such attempts.

The Strategic Stakes

London's ploy at the moment is to draw Indian soldiers into Nepal and further discredit India. London does not see at this point any attempt by Beijing to openly intervene on behalf of one side or the other. If the Indian soldiers were to intervene, and succeed in eliminating the Maoists (which is an almost impossible proposition), India would be hated in Nepal for decades to come, and an unpopular King—but with ties to London—would be the absolute monarch. A more likely scenario, is that the Indian soldiers would get bogged down and betrayed right and left by those who brought them into the theater, as happened in Sri Lanka in the 1980s.

But, much more is at stake: The opportunity to enhance trilateral relations among India, Russia, and China could be threatened. If India gets involved in Nepal militarily, it is almost certain that Beijing will become increasingly suspicious of India's intent. This would not only weaken the possibility for fruitful long-term cooperation, but also, confrontation in the region between the two Asian giants could endanger the security of the entire continent. Britain is aware of both potentials, and is keen to prevent the development of the trilateral relations.

British policy has succeeded in drawing yet another powerful force to the scene. Recently, Washington made known its concerns about Kathmandu's problems. U.S. Secretary of State Colin Powell was in Nepal for a day on his way to Tokyo, following his visit to Islamabad and New Delhi in January. Secretary Powell addressed the 50,000-man Nepali Army, and told the Army chief that Washington would consider supply of arms to the Nepali Army in light of the Maoist threat.

A Divided Bangladesh Is Fertile Ground for Extremism To Grow

by Ramtanu Maitra

Despite a temporary lull in terrorist activities, due to pressure exerted on various Islamic militant groups in South Asia after the Sept. 11 events in the United States, Bangladesh remains vulnerable to the terrorists and is fast becoming a breeding ground of extremists. The orthodox group Jamaat-e-Islami, whose religious brand of Islam is similar to that of the Taliban, is now a partner in the newly formed government under the leadership of the Bangladesh Nationalist Party (BNP). Although not a great political force itself, Jamaat, like its counterpart in Pakistan, has a strong street presence and is prone to violence.

There are a number of factors in Bangladesh's social and political history and environment which have helped over the years to create the present condition. Born out of a violent struggle in 1971, Bangladesh remained a divided nation. Those who believed that its separation from Pakistan, and from Pakistan's Islamic identity, was a mistake, never reconciled to the new reality. U.S. Secretary of State Henry Kissinger's plan to use new-born Bangladesh as a thorn in the side of pro-Soviet India, and Beijing's open support to that policy at the time, boosted the pro-Pakistan and pro-Islamic elements. In the early 1980s, "*Islamiyat*" was introduced in Bangladesh as a compulsory subject from grades 1 to 8, with the option for religious minority students to take similar religious courses of their own.

Victim of Geopolitics

More support for the pro-Islamic elements came from a significant faction within the new Army. This faction was once part of the "destined-to-rule"-oriented military of Pakistan. The bogey, created by Kissinger and Co. in the midst of a bitter Cold War, was the big, "scheming" neighbor India and its alliance with the Soviet Union. Although the Cold War is over, these elements within the Army are very much alive today in Bangladesh.

Although Beijing and the West no longer pursue the Kissinger dictum, Bangladesh remains divided. A significant part of the blame must be shared by the two major political parties—the Awami League and the BNP. The current BNP leader and Prime Minister, Begum Khaleda Zia, is the widow of the assassinated former Army Chief and President of Bangladesh, Maj. Gen. Ziaur Rehman. The Awami League is led by Sheikh Hasina Wazed, the former Prime Minister and

daughter of the "founder" and first President of Bangladesh, Sheikh Mujibur Rahman. Sheikh Hasina, largely because of her father's close ties to the Indian leadership at the time of the independence struggle, is often identified as pro-India, although such identification is strongly contested by many. Begum Khaleda Zia, on the other hand, is commonly referred to as the most powerful anti-India political figure in the country. This label is also inaccurate.

But setting aside those labels, there is unanimity that the feud between these two leaders, in effect, determines many political decisions that are harmful for the country. The personal feud between them is based on the two assassinations of their fathers. While President Ziaur Rehman's assassination remains wholly in the dark, Sheikh Mujibur Rahman's killing in 1975 was carried out by a section of the pro-Pakistan and anti-India Bangladeshi Army. These personnel were imbued with the Kissingerian concept of geopolitics and personal ambitions of the sort that drives the Pakistani Army to take power from time to time.

Whence the Enmity?

What created further enmity between the two is that the criminal elements, and the coup plotters, who had virtually wiped out the entire family of Sheikh Hasina Wazed, remained at large, and were protected abroad by the Cold Warriors of the West. Sheikh Hasina Wazed never reconciled herself to the gruesome murders of her family and blamed Army Chief Maj. Gen. Ziaur Rehman, who, soon after, became President. Sheikh Hasina went into self-imposed exile in India, and returned to Dhaka, Bangladesh's capital, only after President Ziaur Rehman was himself assassinated in 1982.

The Awami League suffered a humiliating defeat in the general elections of Oct. 1, 2001, with the four-party alliance, led by Begum Khaleda Zia, winning a two-thirds majority. Despite such a clear-cut mandate, Sheikh Hasina Wazed refused to accept the election results, claiming the chief election commissioner had joined in rigging the election. Riding on this absurd allegation and a few others, the Awami League has boycotted Parliament ever since the formation of the eighth Parliament after the elections, making a mockery of the democratic process. The Awami League also claims that the government is harassing party activists and members of

the minority Hindu community. The list of allegations goes on and on.

The feud has led to a deep division within the social and political systems of the country. Prime Minister Begum Khaleda has tried to maintain her image as the pro-Army and pro-Pakistan leader allied with the Jamaat-e-Islami, whose leaders had fought alongside Pakistani soldiers against the independence movement, and had committed massacres. Jamaat today is funded and boosted by Saudi and Kuwaiti sheikhs, who fund all orthodox Islamic groups in South Asia.

The political division has allowed Bangladesh to become a nest of criminal activity. Heroin from neighboring Myanmar, and arms and ammunition from southern Thailand find their way into Bangladesh, where the secessionists of Northeast India, the Tamil Tigers of Sri Lanka, and the Maoists of Nepal and India do their and shopping for narcotics and arms. In addition, Indian intelligence has produced voluminous reports which show that the secessionists and terrorists operating in the region have found a safe haven along the Bangladesh-India border. It is evident that Bangladesh does not have the wherewithal to deal with these terrorists, but what is not clear, is whether it has the political will to do so. From time to time, this becomes an issue between India and Bangladesh. But, by and large, the situation has remained unchanged, while India's "big brotherly" attitude is exploited by the orthodox Jamaat and its friends.

The Rovingyas, a Case in Point

One case in point is the protection provided by Dhaka to the armed Rohingya Muslims, who are demanding an independent Arakan Muslim state within Buddhist-majority Myanmar. Their plan is to join Chittagong in Bangladesh and the Arakan hills of Myanmar to form an independent nation. Bangladesh police during a raid discovered sophisticated weapons, documents, and videotapes which indicate their links to the Taliban in Afghanistan.

Rohingyas are refugees from Myanmar. During the reign of President Ziaur Rehman, and of Prime Minister Begum Khaleda Zia, nearly 600,000 Rohingyas entered and settled in the southeastern part of Bangladesh. Bangladesh has almost 500,000 Muslims, who had migrated into what was then East Pakistan, from the Indian state of Bihar around the time of India's partition in 1947, and who, in 1971, had fought vigorously on behalf of the Pakistani Army during the Bangladesh independence movement. Pakistan, however, refused to take back these Bihari Muslims, and it is evident that the Bihari and the Rohingya Muslims, aided by the Saudi and Kuwaiti money, and with protection from a section of the Bangladeshi Army, have become the flag-bearers of Islamic extremism.

What is disturbing to those who oppose extremist politics, is that the extremist elements in Bangladesh now are speaking out more stridently than ever before. Last year, fundamentalist forces staged a rally at Dhaka's Paltan Maidan, under the banner of the Committee for the Implementation of Islamic Laws, vowed to wage *jihad* against the country's highest

court, issued death threats against at least two judges, and promised to wipe out the non-governmental organizations that oppose the regime of *fatwas* (decrees issued by Islamic religious leaders). The Bangladesh High Court had issued a judgment that made the *fatwas* a punishable offense. Opportunistic religious leaders are issuing arbitrary *fatwas* that effectively usurp political functioning proper to the government.

The al-Qaeda Links

The Islamic *jihadi* network under the Afghanistan-based al-Qaeda, had set up its base in Bangladesh as well. These cells were earlier identified by Indian intelligence as the plotters behind attempted bombings of the U.S. Embassy in New Delhi. They point out that Sheikh Abdul Salam Mohammad, Emir of the Bangladesh Jihad Movement, is a signatory of Osama bin Laden's original *fatwas* declaring war against the United States, Israel, Russia, and India. There were consistent reports of Bangladeshi *jihadis'* presence in Afghanistan during the heydays of the Taliban.

During the 1980s, a large number of cadres of the Jamaat of Bangladesh had participated in the fight against the Soviet troops and developed connections to the Arab Afghans. Subsequently, under the clear view of Bangladeshi intelligence, al-Qaeda trained the Rohingyas in Bangladesh. Last year, reports indicated that the Harkatul Mujahideen, a recently banned outfit in Pakistan, had set up shop in Bangladesh. Indian intelligence claims that this was facilitated by the Pakistani Inter-Services Intelligence (ISI), which has many friends within Bangladeshi intelligence and the Army.

The linkage first came into light in 1999 when Bangladeshi police arrested a South African of Indian origin, Ahmed Sadiq Ahmed; a Pakistani citizen, Mohammad Sajed; and two Bangladeshis, Maulana Nazrul Islam and Sradar Bakhtiar. At the time, the Bangladesh police had reported that these *jihadis* had received \$400,000 from bin Laden for recruiting and training cadres. The arrested individuals had admitted the charges, the police reports indicate.

Although those charges have been rejected by the Jamaat, Bangladesh intelligence claims that this network was involved in two alleged attempts to kill Sheikh Hasina, then Prime Minister. Based on these findings, the U.S. Secret Service advised President William Clinton to cancel a visit to a village outside Dhaka during his day-long visit to Bangladesh in March 2000. Intelligence reports indicated that the extremists were waiting to ambush him and his team in a forest along the route.

Indian intelligence says the Pakistani ISI has stepped up activities both in Bangladesh and Nepal, to put together a coalition of anti-India groups, including the terrorist and secessionist groups operating in India's Northeast, the Maoists of Nepal, the *jihadis* of Bangladesh and Myanmar, and the Sri Lankan Tamil Tigers. These diverse groups are provided with heroin that flows out of Myanmar and heads south and west, and arms that come in from Southeast Asia, mainly Singapore and southern Thailand.

Hype and Falsehoods Abound About Terrorism in S.E. Asia

by Mike Billington

Beginning in January, the Western press, and some governments, have presented Southeast Asia as the new center of gravity of the terrorist networks supposedly responsible for the attacks of Sept. 11. As the story goes, the al-Qaeda apparatus of Osama bin Laden, chased out of Afghanistan, has shifted operations into the Islamic regions of Southeast Asia, including Malaysia, Indonesia, Singapore, and the southern Philippines province of Mindanao. In fact, during December and January, the Malaysia, Singapore, and Philippines governments arrested several dozen men suspected of involvement in terrorist actions within the region, and of planning further attacks.

In Malaysia and the Philippines, those arrested are accused of responsibility for attacks on police and army units, a deadly bombing spree in Manila in December 2000, assassination of elected officials in Malaysia, and other, similar crimes.

In Singapore, 13 members of an organization called Jemaah Islamiah are accused, not of such local criminal activity, but of plotting to bomb U.S. military and diplomatic buildings in the island-state. A videotape was discovered at the home of one suspect which showed the surveillance of the targets, with a moderator describing methods for planting explosives. A duplicate tape was later found in a former al-Qaeda base in Afghanistan. If substantiated, a major attack was averted by these arrests.

The charge of conspiracy against American targets has been brought against the Singapore detainees only. Despite the massive Western press campaign to the contrary, there is no evidence that the detainees and suspects in the neighboring states—Malaysia, Indonesia, and the Philippines—have been engaged in any terrorist planning or activities against the United States or other Western powers. Just as there has not been one iota of evidence presented to link bin Laden to the Sept. 11 attacks in New York and Washington, so also, in Southeast Asia, the lack of evidence has not served as a restraint to Western governments and media in pronouncing Malaysia and Indonesia to be major headquarters for international terrorism.

With U.S. military operations already under way in the southern Philippines, there is ample justification to be concerned that the “Clash of Civilizations” proponents within

and around the Bush Administration may escalate their threats and military operations across the region in the period ahead.

Why, despite virulent objections from the governments of Malaysia and Indonesia, is the United States recklessly threatening these American allies under the guise of the “war on terrorism”? At a Schiller Institute conference, webcast internationally from Virginia on Feb. 16, *EIR* founder Lyndon LaRouche was asked by a Filipino journalist and political commentator, Herman Laurel, whether the Philippines were not being used as a side show, to fill the void of a lull in the war, after Afghanistan, while preparations were put in place to attack Iraq.

The Lesson of Successful Modern Warfare

LaRouche responded: “It’s geopolitics. The Philippines formerly had two bases, Clark Air Field, and a naval base, Subic Bay. These two bases were a key part of the U.S. strategic position in the Pacific. You have today, the intention that Japan, and also South Korea, but especially Japan and the Philippines, be pivot points in a U.S. position for an eventual war with China.

“On the basis of that, two things come into play. First of all, you have people [in the Philippines] like Hank Greenberg, of the American International Group, who has just bought control of the country—again. He was the guy who overthrew Marcos, or was key in that. The Philippines has a large mineral potential, one strip of this is a highly volcanic, seismic area. Gold, all kinds of things, in Mindanao—things to be looted. It also has the location and position, as an island nation, to function once again as a major naval base for somebody who wants to operate in that part of the world. You have geopolitical reasons to try to build up bases for a future war against China, say, 20 years from now, 10 years from now, whatever they plan. . . .

“One thing about all of these kinds of deals—they won’t work. We don’t have the kind of industrial potential comparable to what we had in the 1930s or World War II. We don’t have that any more. We are not, physically, a power of that type, from the standpoint of traditional military values. The military policy of the U.S. right now is insane. The Pentagon is collectively insane. You may have individuals in there who are competent, but the institution is insane. You *do not* deal

with military problems by bombing the hell out of a desert! You don't use super-bombs against a mountain. You don't win a war, *you win a peace*. The American Army understood that in World War II. . . . When the American Army moved in, in World War II, the Corps of Engineers moved in, and engineering capabilities of other types moved in. Things were built. Things were made to work that didn't work. . . . That's a real army—it's based on an engineering tradition, modern warfare. You don't win the *war*, you win the *peace*. When the war ended—the day that Roosevelt died, just before the war officially ended—the U.S. had won the peace—and Truman and his successors took the peace away from us, and gave us more war, that we didn't need.

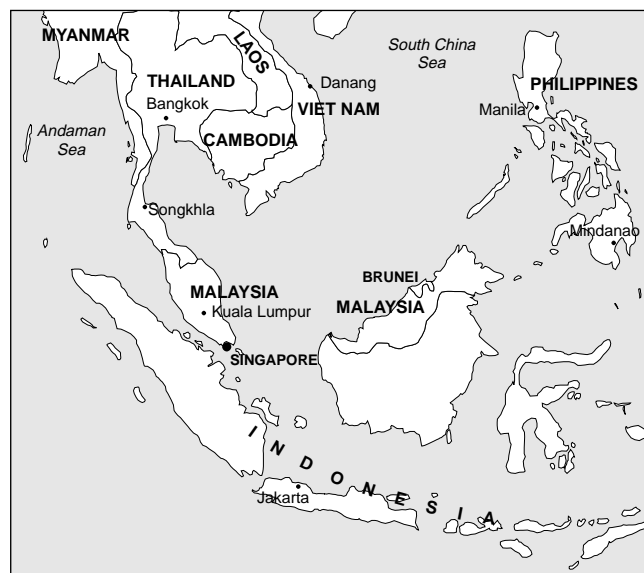
“Now, this has come to an extreme point. We no longer have a military that is capable of winning the war in the sense of winning the peace. You go into an area, and you may administer a defeat to an opposition force, but you *leave the place with the people on your side, knowing that you came as an enemy, but left as a friend*. That's the lesson of the Treaty of Westphalia. That's the lesson of successful modern warfare.”

Afghansi in Southeast Asia

The wave of arrests of terrorists in the region actually began in Malaysia last Summer, when several dozen members of a movement called *Kumpulan Militan Malaysia* (KMM) were accused of responsibility for several local crimes, including a bank robbery and a raid on an armory in which one soldier/hostage was killed. Several of the members of the KMM were also members of the opposition Islamic Party of Malaysia (PAS), including the son of one of the leaders of PAS. Several had also been to Afghanistan, although this was primarily during the 1980s, when the United States and the British were themselves promoting, financing, and training radical Muslims from around the world to fight the Soviets in Afghanistan.

The problem in Malaysia is the same as that facing many nations around the world, as documented in a *Special Report* recently released by LaRouche in 2004, the candidate's Presidential campaign committee, entitled “How To Defeat Global Strategic Irregular Warfare.” That is, the “Afghansi” irregular-warfare army, created by the Anglo-Americans in Afghanistan in the 1980s, which was drawn from nations across the globe, did not simply disappear after the Soviet pullout from Afghanistan in the February 1989. The highly trained “Afghansi” returned to their homes, many joining local radical networks in terrorist operations within their countries, feeding off the crisis in the Middle East and the mounting economic devastation in the Third World. The controls over these networks generally remained in London and Washington, deployed against targets chosen in the boardrooms of Wall Street and the City of London, such as Egypt, Russia, Kashmir—and Southeast Asia. The “Clash of Civilizations” policy of Zbigniew Brzezinski and his ilk, for an “Arc of Crisis” around Russia and China, promoted instability and

Southeast Asia



Source: EIRNS.

violence, even in supposedly allied nations, for the “higher goal” of divisive and subversive containment of Russia and China.

When Malaysia moved against these networks in the Summer of 2001, rather than being praised for cleaning up a group of criminals with possible connections to wider terrorist networks, it was denounced by Western governments and the press for human rights violations, political persecution, and so forth. Of course, that changed drastically after Sept. 11. The arrests in December and January were praised as evidence that Malaysia was supporting the U.S. war on terrorism!

Wolfowitz Launches the Attack

On Jan. 8, U.S. Deputy Secretary of Defense Paul Wolfowitz, the leading spokesman for the war policy in the Bush Administration, announced in the *New York Times* that the Philippines and Indonesia had suddenly become the next likely targets in the U.S. war on terrorism (together with Yemen and Somalia in Africa). It was well known at that time, that President George Bush and Secretary of State Colin Powell had prevented, at least temporarily, the push by Wolfowitz and others for a war on Iraq and/or other Mideast targets, which would have certainly precipitated global religious war, and destroyed the international coalition formed by President Bush and Russia's President Vladimir Putin. Wolfowitz, undaunted, escalated on the Asian and African fronts, as part of his professed imperial doctrine that the United States must remain forever the only superpower.

The Philippines government, he said, wanted to deal with

the insurgencies in Mindanao on its own, but since al-Qaeda was supposedly involved, the United States felt it had to take responsibility. President Gloria Macapagal-Arroyo has repeatedly informed the United States that there has been no known contact between al-Qaeda and elements in the Philippines since 1995, but evidence is not considered necessary in these heady days of empire-building. President Arroyo gave in, under huge pressure from Anglo-American “Philippines controller” Hank Greenberg of AIG, and his local cohort, former President Fidel Ramos. A scheduled military exercise was transformed, overnight, into a major deployment of U.S. Special Forces into combat operations in Mindanao, against the kidnapping gang, the Abu Sayyaf, and potentially other separatist movements in the region. The first step down the slippery slope has been taken with the first casualties on Feb. 21, when a U.S. helicopter went down, for unknown reasons, killing all ten U.S. soldiers aboard.

On Indonesia, Wolfowitz took a different tack. Parts of the country, he argued, were not under the control of the government, which meant well, but was too weak to deal with the radical Islamic movement, leaving the country open to al-Qaeda infiltration. This rapidly became the standard line peddled throughout the Western press. The *New York Times* called Indonesia an “anarchic state”; the *Washington Post* headlined its coverage: “Al Qaeda Feared To Be Lurking in Indonesia.” It said that Indonesia is “an easy place for terrorists to operate,” and suggested that the Philippines’ approach, using U.S. Special Forces, should be repeated there. *Newsweek* called Indonesia “Asia’s weak link,” a state unable to guard its borders, endemically corrupt, and not willing to take measures against the terrorists.

Every leading Indonesian government figure has refuted these charges, and insisted that measures are being taken to investigate, but that there has been no evidence presented against Indonesians still living in the country. Chief Economics Minister Dr. Dorodjatun Kuntjoro-Jakti, speaking in Washington on Feb. 5, explained to an audience at the U.S.-INDO Society, that Indonesia had dealt with many terrorist threats over the years, since winning a revolutionary war against the Dutch colonialists, but they had never allowed foreign troops back into the nation. He explained that the same Western powers now demanding that people be arrested without evidence, had insisted, after the collapse of the Suharto regime in 1998, that the laws allowing such detention be repealed—and they were glad to have done so, and did not want to go back. We will handle the problem, he said, but let us do it ourselves, as a sovereign nation.

Most importantly, the government has insisted that, while there are serious problems with terrorism, they would not condone the effort to paint every radical Islamic organization as “terrorist.” The death toll in the several regions of the country where ethnic and religious violence has emerged from the devastating economic collapse after 1998, has reached into the thousands, involving armed gangs of Christi-

ans and Muslims alike. The government has successfully achieved peace agreements in the most volatile situations, based on a policy of *no recriminations*, and they will not allow the (mostly foreign) demand for *vengeance* against the Islamic side, or any side, to disrupt that peace.

The major point at issue is an Indonesian cleric, Abu Bakar Bashir. Bashir had been detained under the Suharto regime in the 1980s for his radical Islamic teachings. He left the country for Malaysia upon his release, living in Malaysia until 1999. While there, Bashir taught several individuals who, in 2001, turned up in the KMM criminal activities. Bashir has been interviewed by the Indonesian authorities, but he insists that he has not been in contact with these groups since 1999, and that he had nothing to do with any terrorist or criminal acts. With no evidence to the contrary forthcoming from Singapore or Malaysia (or the West), Indonesia will not arrest him. (A second Indonesian cleric, Hambali, who had taught the same groups in Malaysia as had Bashir, is on the most-wanted list in Indonesia, because of suspected involvement in the bombing of churches in Indonesia on Christmas Day in 2000.)

Time magazine interviewed Bashir. While repeating his denial of any connection to terror or criminal activity, he acknowledged his agreement with bin Laden’s teachings, but added, “This does not mean that he should not be tried if he is guilty of a crime. But so far there is no proof [regarding Sept. 11]. I don’t believe he has the money or the sophistication to mount such an attack.”

Malaysia has reported that it is satisfied with Indonesia’s efforts to fight terrorism, but Singapore, the city-state which continues to serve as the British banking and intelligence center for Asia, is a different story.

The Straits Times Fraud

On Feb. 11, the *Straits Times* of Singapore, which is both very close to the Singapore government, and a regular outlet for British intelligence disinformation, published a report in which it claimed to have obtained from Singapore intelligence, a document titled “Jihad Operation in Asia,” and to have established contact with a “source” within the Jemaah Islamiah. The document detailed plans for the bombing of U.S. Embassies in Jakarta, Singapore, and Kuala Lumpur, all on Dec. 4. It named the names and schedules for all three operations, and was conveniently printed in Indonesian, Arabic, and English! The document, together with quotes from the supposed “source,” were such a perfect printout of the charges being concocted against Indonesia, from Wolfowitz and the various press attacks, that this reporter broke out laughing. Besides the diatribes against America as the Great Satan, Indonesia is described as the perfect location, due to its weak security, and the considerable support for terrorists from the population. These terrorists were easily infiltrating into many other Islamic groups, the “source” claimed. The *Straits Times* even went so far as to assert that the document

had been found in October 2001, *in Indonesia, by Indonesian intelligence, but, because they opposed cooperation with the United States, they had kept it secret.*

Indonesia did not fall into the trap. Foreign Minister Hasan Wirayuda, after meeting President Megawati Sukarnoputri, said they had never heard of such a document. "I just laugh every time I'm asked about that. Why do I often argue about something which does not necessarily exist, from unnamed sources?" The Foreign Minister said Indonesians do not feel threatened by these small groups, "because they do not enjoy wide support from our community." Similar responses came from all sides of the political spectrum.

The *Straits Times* quietly dropped the story after two days, but the fact of the outrageous accusations must be taken seriously. In fact, Singapore's senior leader (and Britain's leading compradore), Lee Kuan Yew, jumped into the picture to keep the story alive, claiming that there were terrorist leaders running loose in Indonesia, presenting a threat to the region and to the United States. When Indonesia reacted strongly, demanding evidence or an apology, Lee Kuan Yew's spokesman responded that "the facts are well known, and reported widely in the regional and international press!"

Dr. Mahathir Strikes Back

The attacks on Malaysia reached a peak in the Jan. 28 *Newsweek*, which wrote about an FBI report which claimed that Malaysia is a favorite meeting place for al-Qaeda, and had become "a primary operational launchpad for the Sept. 11 attacks." *Time* added fuel to the fire, saying that not only was Malaysia a hub for the preparations for Sept. 11, but, "if that isn't shocking enough, consider this: The networks are still thriving." The only "evidence" is that two of the accused hijackers of the Sept. 11 jetliners, and the one man now on trial in the United States for the attack, Zacarias Moussaoui, had passed through Kuala Lumpur in 2000, and met in the apartment of one Yazid Sufaat, who is now under detention by the Malaysian government. These meetings had been monitored by the Malaysian police, who promptly informed the U.S. government, which, nonetheless, did nothing to prevent their subsequent entry into the United States!

Malaysian Prime Minister Dr. Mahathir bin Mohamad responded to the slanders and the referenced FBI report: "These people were training in the U.S. all the time, and then they planned in America how to hijack American planes, at what time, which plane, which building. All that was done in America, not done in Malaysia." He said the terrorist suspects had been travelling all over the world, including to Switzerland. He said that he doubted that Sufaat, who is under detention in Malaysia for suspicion of domestic terrorist activities, was involved in the planning of the Sept. 11 attacks, and asked those who have information to provide it. "Let's see the evidence. It is very easy to say that he had done it, but did he do it in Malaysia, did he plan everything? I doubt it. . . . It's too sophisticated an operation," he said.

The Destruction of the Philippines Since the 'Edsa' Revolution

by Herman Tiu Laurel

The following two-part article was written by Philippines columnist, radio talk-show host, and political activist Herman Tiu Laurel, for the Feb. 25 Philippines Tribune. Given the current U.S. military deployment into the Philippines, with the great potential for a provocation (either accidental or intentional) leading to an escalation into a wider war, we believe that this penetrating look at the destruction of the Philippines economy and social fabric over the past 15 years, from a figure active within that process, is crucial for Americans to understand how the current situation evolved—and America's role in causing that breakdown.

A few words of introduction are necessary, since the column was written for a Filipino audience. Edsa I, II, and III (Uno, Dos, and Tres) refer to the three "People's Power" revolutions which have taken place in the Philippines since 1986, all involving mass demonstrations at the Edsa Shrine in the center of Manila. In 1986, with backing from the U.S. State Department, the military, under the direction of the head of the Police, Gen. Fidel Ramos, turned against the President of the Philippines, Ferdinand Marcos, and installed Corazon Aquino, the wife of slain opposition leader Benigno Aquino, as President. This was Edsa Uno, or the Yellow Revolution, as yellow was used as a symbol for supporters of Corazon Aquino. At the center of the manipulated "People's Power" demonstrations was Cardinal Jaime Sin, the Archbishop of Manila.

In the following article, Corazon Aquino is referred to as the "yellow-clad Housewife," while General Ramos is the "Cigar-Nibbler." Cardinal Sin shows up as the "fat cleric."

Following the Aquino Administration, Ramos was elected President until 1998. His efforts to change the Constitution so that he could run again failed, and the populist Joseph Estrada was elected by the largest majority in Philippines history. However, within two years, Ramos, Aquino, and Cardinal Sin were at it again, and repeated the 1986 military coup-process, replacing Estrada with his Vice President, Gloria Macapagal Arroyo. This was known as Edsa Dos. Within months, however, the mass-base support for Estrada, especially among the poor, brought about Edsa Tres, a spontaneous mass demonstration on May 1, 2001. Unlike Edsa Uno and Edsa Dos, Edsa Tres was not sponsored by Washington, and was crushed by the military, with many deaths.

Another term to note: “Makati” is the financial district of Manila, and the Makati Business Club is the policy arm of the financial oligarchy. Comments in square brackets are by the editor.

Part 1—Edsa Uno

In the decade before Edsa Uno, I saw development that brought the Philippines to the verge of economic take-off. We had the auto engine manufacturing and body stamping plants, our version of Apple computers in Chico. We exported rice. Grapes were grown in Ilocos and Cebu. Our universities were among the top ten in Asia. We had a nuclear power plant in near operation. After Edsa Uno and that yellow-clad Housewife took over in 1986, none of these are left.

Before Edsa Uno, we had fuel price stability. State-owned Petron and the OPSF [oil price stabilization fund] regulated our oil prices. Foreign oil companies complained, but that was better than us suffering, as we do today after privatization and deregulation. Electricity was abundant and cheap. The state ensured a sufficient energy supply, with programs developing geothermal, hydro and mini-hydro, dendro-thermal, and nuclear power, with the 1,400 megawatt Bataan Nuclear Power Plant (BNPP).

After Edsa Uno, many of these energy projects were shelved. Energy crises upon crises followed. A *tisoy* [the old Spanish elite born in the Philippines—this refers to the Aboitiz family] was brought in to bring light to the energy program. He brought instead the Dark Ages: years of incessant black-outs (but raking in billions for the Aboitiz power generator business). The crises continued until the Cigar-Nibbler took over and signed billions of dollars of overpriced and devious power contracts, dooming our National Power Corp.

The Left and the NGOs [non-governmental organizations] waged Luddite anti-nuclear-power demonstrations and nuclear-scare propaganda to scuttle the nuclear power plant. With technological apartheid from the West aimed at preventing strategic know-how from falling into the hands of Third World countries, the anti-nuclear-power-plant campaign succeeded, despite scientific proof of the tectonic safety of the plant.

Cancellation of the BNPP left us not only severely short of electricity supply; it opened us to predatory energy pirates and saddled us with a \$1.2 billion debt. The plant would already be paying off, if it had been allowed to operate. True, there were anomalies, as there are in many government projects; but the biggest swindle was Westinghouse’s—to design deficiencies we were made to pay for. We are still paying 500 million pesos [about \$10 million] a month in interest on the BNPP loan.

The BNPP case is pedagogically vital, showing us how all sides to the controversy lacked concern for our strategic survival, to resolve the issue rationally. Malice and ignorance caused the mothballing of the strategic investment in our en-

ergy future. But the foreign interest won on all fronts: sabotaging our development, and gaining indecent profits and perpetual interest payments on a wasted loan. For us Filipinos it was a tragedy.

Such tragedies increased in frequency when the yellow-clad Housewife took over this country. Among her first acts were to remove 1,000 products from the list of Filipino goods protected by tariffs, and promising the U.S. Congress to pay all foreign debts, just or unjust. The auto body stamping plant was sold off to China, the engine plant shut down. Nothing was left of the Chico, not even the seeds. Not since World War II did the “rice pila” [queue] happen again, until the Cigar-Nibbler’s time.

Today, grapes come from China or Korea; four top Philippines universities have dropped down to numbers 48, 71, 72, and 74 of the top 100 in Asia. Electricity service is among the poorest in Asia, but at the second-highest cost. The Philippines has become the Asian country with the most number of coups after the yellow-clad Housewife took power. The latest coup in 2001, called Edsa Dos, brought reprobation from democratic leaders the world over, as well as Asians such as Lee Kuan Yew.

A decade and a half after Edsa Uno, these sour realities many have come to see and be embittered about. Edsa Uno is now known by its countless failed promises from such people as that yellow-clad Housewife, the Cigar-Nibbler, the fat cleric, the *mestizos* of Makati, the various shades of the Left, the cost-oriented NGOs, Makati’s plunderers in pin-stripes, the rogues in military and police uniforms, the *trapos* and the *bimpos* (spice and not-bright boys).

It is no surprise that few now join them at Edsa to celebrate. The event has made our nation so much poorer, in the short span of 16 years. It should be renamed Edsa Unós [Filipino for wood borer, termite, weevil, or storm], for the deterioration in our national economy and the decay in our political edifice. For indebting us in perpetuity, eroding our children’s education with budget cuts and privatization. These and more, are part of the great decay of Edsa Unós.

Our people have learned the bitter lessons from 16 years of increasing misery and betrayals of promises. And so it rose up in a cry of rage in Edsa Tres.

Part 2—The Tip of the Greenberg

Our last column, entitled “Edsa Uno,” discerned the facts and fictions of Edsa Uno and the past two decades. We recalled how the Philippines was on the verge of economic takeoff, being an automotive OEM [original equipment manufacturer] producer, with expanding agriculture; how the Edsa Uno regime of Corazon C. Aquino, et al., brought that economic infrastructure down and ushered in an avaricious monster—a Gang of usury and financial speculation, which proceeded to eat up the Philippines.

The Gang is the financial mafia, controlled by the world’s

oligarchy through Maurice Hank Raymond Greenberg, head of the American International Group (AIG), which has its roots in the opium trade-linked financial interests of Cornelius Vander Starr in Shanghai 80 years ago. Financial clout and transnational operations of this magnitude converts to geopolitical clout, something which Greenberg has particularly relished to feed his corporate avarice.

Edsa Uno, Corazon C. Aquino, and Edsa Dos, are nothing without the financial-political clout of Greenberg. An extensive report on this from the *EIR* group of the LaRouche Movement (www.larouchepub.com), entitled “The Gang That Ate the Philippines,” can be read at the www.geocities.com/sulongpilipino. Naturally, the AIG group got total control of Philippines financial and economic policies through its financial technocrats and Makati Business Club (MBC) gofers—policies which have invariably gutted, looted, and plundered the national economy.

Our last column described how our tariff protection for local goods, automotive body stamping and engine making plants, energy development programs and other development projects were scuttled after Edsa Uno. Massive transfer of public assets to private hands followed, from which the international finance oligarchy started extracting usurious income, through virtual loans (book entries only), but with real increases in profits through increasingly exorbitant prices.

Privatization accelerated: the remaining state shares of the Manila Electric Company, then of the national oil company Petron, the National Steel Corp., the Metropolitan Water and Sewerage System, the power generation contracts—leading to the wholesale sell-off of the National Power Corp., among many others. Financial liberalization brought in international banks at the expense of local banks, while interest rates surged, contrary to promises. Devaluations accelerated and foreign debt exploded.

Imports rose as tariffs declined and duty-free shopping was promoted, while domestic industries contracted drastically. The Makati Business Club lobbied and got new tax measures, which the Bureau of Internal Revenue admits has cost up to P 400 billion [about \$8 billion] in lost tax revenues over the past decade. These have turned up as tax savings in the books of the Makati Business Club members, who now pay less than the traditional franchise, sales, and *ad valorem* [value-added] taxes; and more to give to the finance mafia bosses.

A decade and a half of Edsa Uno is already too much for a people in increasing misery from the economic and financial decline. Philippine per-capita income today is still P 12,913 [\$258], a nominal increase of 2.5% from P 12,595 [\$252] in 1980. In an age of rising expectations, and after 150% peso devaluations, mainly under Edsa Uno and Greenberg-dominated financial policies, these past 20 years have been disastrous for the people. It is no wonder that Edsa Tres, the real people, rose up in historic protest in May 2001.

Despite the calamitous consequences of the Greenberg-led policies, Edsa Dos acting President Gloria Arroyo proudly



Former President Corazon Aquino, “the yellow-clad Housewife,” who ushered in the era of usury and financial speculation.

flaunted Greenberg to head her team of international advisers. With self-satisfaction, Arroyo and Edsa Uno and Dos believe Greenberg is their firewall, to shield them from a suffering people. What they see, however, is only the tip of the Greenberg. Like everything associated with the decade-long and heady exuberance of financial-bubble building, Greenberg is going down.

Last Feb. 18, the Virginia, U.S.A.-based *EIR* research group flashed the news that AIG share prices came under pressure, like Enron before it collapsed, as it is being watched for financial derivatives problems. Speculation was further fueled by the absence of Greenberg, the head of the second-largest U.S. insurance/finance conglomerate, at an industry bi-annual conference in Bermuda last week. Then, CNN’s Moneyline reported AIG among ten now being investigated for its accounting practices.

The fate of Greenberg and AIG is tied to the global financial blow-out that is now in process. Beneath the tip of the Greenberg group is a gigantic bubble, leading to a collapse of some of the world’s largest financial houses. The fate of Edsa Uno and Dos is, in turn, tied to this crashing world. Its myths are all disintegrating—the supremacy of radical free trade and market economy, the theory of the “end of the nation-state,” globalization, liberalization, privatization, and deregulation.

The future belongs to leaders and states that protect the General Welfare and the people, and punish financial profiteers and speculators.

Mr. Laurel, who co-chaired the founding of the LaRouche Society of the Philippines, invites a spokesman from the EIR intelligence staff in Virginia to appear on his radio show in Manila every week.

Abraham Lincoln Rips Samuel Huntington's Lies

by Anton Chaitkin

A statement calling for an endless global “anti-terrorism” war, signed by fascist Samuel P. Huntington and others, was placed in U.S. newspapers on Feb. 13 by the so-called Institute for American Values. The advertisement was shocking for its bold hijacking of the views of President Abraham Lincoln—along with those of Martin Luther King, Jr., George Washington, St. Augustine, and Socrates—to support the aims of Huntington’s imperial war faction.

But the real Abraham Lincoln exposed the lies of Anglo-American financiers and Southern racists who used their power over the United States to wage aggressive war—against Mexico. Lincoln’s withering attack on the *fraud* of the Mexican War, delivered as a Congressman in 1847, must now come back to haunt Huntington and his coterie from the same, still undead faction Lincoln then opposed, the same traditional “Tory” enemy Lincoln later fought as President in the 1861-65 Civil War.

The Feb. 13 call for a global war had 50 co-signers, including Harvard professor Huntington, chief publicist for the ideas underlying the Sept. 11 coup plotters and their “Clash of Civilizations” dogma; Will Marshall, president of the Progressive Policy Institute, think-tank of Sen. Joe Lieberman’s (D-Conn.) Democratic Leadership Council; Michael Novak of the rightist American Enterprise Institute; Francis Fukuyama, ideologue of the George H.W. Bush regime, who declared that militarily imposed globalism was history’s “final” world system; eugenics spokesman James Q. Wilson, who attributes crimes by blacks to their racial heritage; Charles Wilson, director of the University of Mississippi’s Center for the Study of Southern Culture; *TransIslam* magazine editor Khalid Duran, advocate of general war on Muslim states; and various self-proclaimed spokesmen for “traditional family values.”

The ad says that al-Qaeda Muslim extremists organized the Sept. 11, 2001 attacks, an assertion for which no particle of evidence is presented, or ever has been.

It says that the global war is to be fought to defend “democracy”—while this faction’s media outlets have tried all along to whip Americans into a war frenzy fit to sustain a dictatorship. Huntington’s 1957 book *The Soldier and the State*¹ advocates a military world empire modelled on Southern slave society. And in his 1975 Trilateral Commission report, “The Crisis of Democracy,” Huntington calls for exclusion of “marginal” groups such as blacks from political power, as part of “desirable limits to economic growth” and “potentially desirable limits to the indefinite expansion of democracy.”

The ad speaks of limiting the “response” to the Sept. 11 attacks to only the waging of “just war,” and of not targetting non-combatants; it pretends to speak from the moral high ground of Lincoln’s Second Inaugural Address, closing with words from Lincoln’s First Inaugural Address, “we must not be enemies,” on the pretext of speaking peace to Muslims other than extremists. Yet the Brzezinski-Kissinger-Huntington faction itself created al-Qaeda and other Afghansi guerrillas as an anti-Soviet Cold War instrument. The same group subsequently has screamed for war against Muslims, over the past decade, to replace the Soviet enemy image from the Cold War.

Speaking Truth on the Cause of The Mexican War

We invoke the spirit of Abraham Lincoln now against this ugly perversion of his life’s work.

1. See profile in *EIR*, Jan. 25, 2002.

Lincoln risked his career when he laid bare the false pretexts for the Mexican War; he *resisted* the deluded, war-mad public opinion. Though he lost public office and favor, he helped lay the basis for his nation's survival under his own future Presidency.

U.S. Army and Navy forces had launched an unprovoked attack against the Mexican republic during the Spring of 1846. Tens of thousands of Mexicans died in the next two years, many in artillery bombardments of residential areas; and 13,000 American soldiers died as well. The U.S. Army was occupying Mexico City, and the aggressive war faction was demanding the conquest and annexation of all of Mexico for the spread of slavery, when the 38-year-old freshman Congressman Lincoln decisively embarrassed and exposed President James Polk as a corrupt liar.

Just after invading Mexico, Polk had asked Congress not to declare war, but "to recognize the existence of the war," which he claimed had started when "Mexico . . . passed the boundary of the United States, . . . invaded our territory and shed American blood upon the American soil." Sen. John C. Calhoun said later, that when Polk's war bill was rammed through Congress, "We had not a particle of evidence that the Republic of Mexico had made war against the United States."

On Dec. 22, 1847, a few days after he took his House seat, Lincoln introduced eight resolutions asking the President to inform the Congress about the "spot" on which "the blood of our citizens was shed." Wasn't it first Spanish, then Mexican territory, always occupied by Mexican farmers and never by Texans? And wasn't the first American blood shed, that of soldiers, who invaded from Texas after Gen. Zachary Taylor had repeatedly said "that in his opinion no such movement was necessary to the defense or protection of Texas"?

Lincoln now emerged as a new national leader in what had been a long battle against America's British-guided free-trade faction, of Boston opium-trafficking millionaires and their Southern planter allies.

Four days after Lincoln introduced his famous "Spot Resolutions,"² his fellow nationalist Whig, Congressman and former President John Quincy Adams, wrote that the "design and purpose to dismember Mexico . . . has in my opinion been . . . a 'fixed fact' at least since the year 1830."

The British-Backed Polk Presidency

Lincoln knew that the Polk Presidency, as well as this design on Mexico, had been planned by the enemy international oligarchy. In the 1844 election, Lincoln's Whig party had issued a pamphlet showing that the British financed the "free-trade" Presidential campaign of James K. Polk, against

2. See Lyndon H. LaRouche, Jr., "The Lesson of 'The "Spot" Resolutions,'" and Anton Chaitkin and John C. Smith, Jr., "How Britain's Treason Machine Made War Against Mexico," *EIR*, Dec. 5, 1997.



Abraham Lincoln in 1846, when elected to Congress. His famous 1847 "Spot Resolutions" against the Mexican War, give the lie to claims by the so-called Institute for American Values, that Lincoln would have supported their drive for a Clash of Civilizations.

the protectionist, nationalist Henry Clay. Lincoln's party asked patriots to decide "whether British gold shall buy what British valor could not conquer" in America's Revolution and the War of 1812. The Whig pamphlet quoted from British newspapers and from the literature of Prime Minister Robert Peel's free-trade political movement, documenting the British transfer of at least \$440,000 (equivalent to hundreds of millions today) to Polk's election campaign.

A British underground political machine put Polk into the Presidency, and pulled the strings to start the war against Mexico. The British pointman was George Bancroft (now known primarily as an historian), the Washington operative of a set of Massachusetts opium-trading Tory families still bitter about losing the American Revolution.

Northerner Bancroft, who claimed to oppose Negro slavery, contrived the surprise, "dark horse" Democratic Party Presidential candidacy of Polk, a degenerate mediocrity of a Tennessee slaveowner and land speculator; Polk asserted that "a slave dreads the punishment of stripes more than imprisonment, and [such whipping] has, besides, a beneficial effect on his fellow slaves."

Then, as Polk's cabinet officer, Bancroft himself pushed the provocative actions against Mexico, such as on June 6, 1845, when, as temporary head of the War Department, he ordered the U.S. Army's first movement southwestward into territory beyond the line of Texas settlement.

The Anglo-American Swindle

Political debate at that time revolved around the Oregon Territory lying between (Mexican-owned) California and (Russian-owned) Alaska, an area contested by the United States and Britain; and around the territory of Texas, which a revolution had taken from Mexico, and which had just been annexed to the United States by the previous administration of President John Tyler.

The strategic question was, should America risk another war with Britain by kicking the British out of the Oregon territory? Or should we accommodate the British Empire's expansion of its Canadian colony, and point Anglo-Saxon guns southward, using tense Mexico-Texas relations as a trigger and pretext for an aggressive war to steal California—instead of buying it?

American nationalists bluntly said, take the Pacific Northwest and fight Britain, not Mexico. U.S. Ambassador to England Louis McLane reported to Secretary of State James Buchanan on Jan. 3, 1846, about Britain's huge naval armament program: “[British Foreign Secretary] Lord Aberdeen said . . . they were obliged to look to the possibility of a rupture with the United States, and that in such a crisis the warlike preparations now in the making would be useful and important.” John Quincy Adams warned Congress that Britain was dispatching warships and troops to Canada, and he called for U.S. preparations to drive the British Empire entirely from North America. Democrat Sam Houston, the Texas independence leader, counselled Polk to maintain peace with Mexico, and called for an Oregon Territory showdown against the British.

Americans today can still get a strong whiff of the stench from the swindle that Lincoln denounced, since the Polk 1844 election slogan, “54-40 or Fight!,” echoes down through time. That was Polk's pledge to exclude the British from all of the contested Pacific Northwest Territory, up to the southern border of Alaska at latitude 54°40'.

After repeated diplomatic and military provocations by the Polk-Bancroft regime, U.S. troops finally got into a small skirmish with Mexicans, and on May 11, 1846, Polk told Congress to “recognize” that Mexico's invasion of the United States had started a war.

On June 6, 1846, Secretary of State Buchanan met secretly with the British Ambassador, Sir Richard Pakenham, and agreed to sign a treaty giving Britain control over what is now British Columbia. The treaty was signed nine days later.

Not long afterwards, President Polk appointed George Bancroft Ambassador to Britain. Bancroft wrote back to Polk on May 14, 1847, exulting that the British were deeply pleased with “our war with Mexico, our [free-trade] finances, and . . . [with] the immense superiority of the Anglo-Saxon race as displayed in our great number of victories over the Mexicans.”

Abraham Lincoln later, in a short 1860 autobiography, summed up the hoax of the Mexican War: “Mr. L. thought the act of sending an armed force among the Mexicans, was unnecessary, inasmuch as Mexico was in no way molesting, or menacing the U.S. or the people thereof; and that it was unconstitutional, because the power of levying war is vested in Congress, and not in the President. He thought the principal motive for the act, was to divert public attention from the surrender of ‘Fifty-four, forty, or fight’ to Great Britain, on the Oregon boundary question.”

Nation-Building vs. Imperialism

Samuel Huntington's globalist imperial faction usurps the name of Lincoln, the nationalist enemy of Britain's free-trade doctrine.

Lincoln wrote in 1859, “I was an old Henry Clay tariff whig. In old times I made more speeches on that subject, than on any other. I have not since changed my views.”

Sen. Henry Clay, Lincoln's mentor and political guide, had procured a protectionist tariff in 1842 which had jump-started many American machine industries and raised wages. But the Polk Administration pushed through the tariff reduction demanded by England and the slaveowners, while gearing up war against America's sister republic to the south.

The questions of the imperial war, and of nationalist versus imperial economics, were two aspects of the same battle of Lincoln's entire life.

On his way to Washington to take his Congressional seat, Lincoln stopped in Lexington, Kentucky, the hometown of his wife, Mary Todd Lincoln, where her family had close relations with the family of Henry Clay. There Lincoln attended a Whig rally on Nov. 13, 1847, at which the old Henry Clay described America's War of 1812 against Great Britain, as “a just war. Its great object, announced at the time, was trade and sailors' rights against the intolerable and oppressive acts of British power on the ocean.” Clay continued:

“How totally variant is the present war! This is no war of defence, but one unnecessary and of offensive aggression. It is Mexico that is defending her firesides, her castles, and her altars, not we. . . .” The Clay speech rocked the country.

Lincoln, inspired, was soon afterwards in Congress, delivering his own attack. And in the days immediately after Clay's Lexington rally, Congressman-elect Lincoln made a set of notes on protectionism—and the idiocy of farmers who think they benefit from “cheap” industrial goods imported from Britain—to clarify for himself what he must press for in Washington. Years later, these notes were collected and sent to some of his supporters, as representing his nationalist thinking. The first act of his Presidency (put through two days before his inauguration!) was a tremendously high tariff, which is what actually began the American steel industry.

Clay's inspiration reached well beyond Lincoln. Another future great American statesman, James G. Blaine, then 17 years old, was also present at that 1847 Lexington speech. Blaine wrote that he was then and there inspired to pursue his own life's work in Clay's footsteps. Blaine carried on the Lincoln legacy until his death in 1892, as a Secretary of State who spread nationalist economics and anti-imperial solidarity from America to Ireland, to South America, Russia, India, and Korea.

This tradition was revived by Franklin Roosevelt and John F. Kennedy. Lincoln and his allies, still alive despite the murders and the lies that sought to erase them from history, now must confront Samuel Huntington, and block the drive for a catastrophic world war.

Iraq a 'Phantom Threat' Says UN Arms Inspector

by Michele Steinberg

Former United Nations chief arms inspector and retired U.S. Marine Corps officer Scott Ritter has the “Clash of Civilizations” cabal inside the George W. Bush Administration scrambling to cover up what Ritter uniquely can demonstrate: that in targetting Iraq, the United States is chasing a “phantom threat,” and that the leading “witness” for allegations of Iraq’s role in terrorism and weapons proliferation, is a *fraud*.

In an article entitled “Iraq: The Phantom Threat”—which has been published internationally, from the U.S.-based *Christian Science Monitor*, to the London *Independent*, to the Saudi-owned daily *Arab News*—Ritter provides extremely damning information about the so-called “evidence” of Iraq’s links to al-Qaeda and terrorism of any kind. He blames the disinformation on Ahmed Chalabi, the notorious Iraqi opposition con-man who founded the Iraqi National Congress (INC) in London, and lobbies in Washington to put himself forward as the front-runner to become the head of a “new regime” that would replace Saddam Hussein. Chalabi stands to lose about \$1 million per month in operating funds if he does not succeed in defeating efforts in the United Nations to normalize Iraq’s relations with the world.



Scott Ritter proves that the “evidence” purporting to link Iraq to al-Qaeda, or any other terrorists, is a concoction of the notorious con-man Ahmed Chalabi.

Since mid-January, Chalabi and the INC have been putting themselves forward as the Iraqi equivalent of the Northern Alliance in Afghanistan, promoting themselves as the “Afghanistan model” for a quick victory against Baghdad. Ritter warns that not only is Chalabi a fraud, but that any unilateral move by the United States to remove Saddam Hussein from power would be “unacceptable and unjustifiable,” and that the “international community will not accept the broadening of the definition of terror” to suit the purposes of the pro-war faction inside the United States.

Ritter asks, where is “the flood of evidence” confirming a link between Iraq and the Sept. 11 attacks, given the flood of articles that assert such a link? Even the much-touted “Prague” connection, of an alleged meeting between an Iraqi intelligence officer and a Sept. 11 hijacker, has been denied by Czech government officials.

Tainted Information

Ritter says that “the lack of documentation of an Iraq/al-Qaeda connection . . . should lead to the questioning of the original source of such speculation, as well as the motivations of those who continue to peddle the ‘Iraqi connection’ theory. Foremost among them are Ahmed Chalabi . . . and his American sponsors, Deputy Secretary of Defense Paul Wolfowitz, former CIA director James Woolsey, and former Undersecretary of State Richard Perle.”

After the Czech tale was proven to be false, says Ritter, “when Deputy Secretary of State Paul Wolfowitz needed a link between Iraq and Sept. 11 . . . Chalabi dutifully trotted out a series of heretofore ‘undiscovered’ defectors who knew of the training of ‘Arab’ hijackers at a facility near the Iraqi town of Salman Park.” Ritter says the site does exist, but “its use as an al-Qaeda training camp has never been substantiated.”

Ritter demonstrates that Chalabi, a wealthy Iraqi who was once convicted for defrauding his bank, knows how to “hustle” intelligence agencies, making up spurious sources, and even worse information as he goes along. Ritter recounts also that when he was with the UN Special Commission (UNSCOM), he was ordered to “liaise” with Chalabi to get information, but it was based on “tenuous . . . sources” and “dubious motivations.” One disastrous incident involved information that there were “tunnels beneath Saddam’s palaces . . . packed with documents on weapons of mass destruction.” When the UNSCOM team barged in, they found only “a drainage tunnel and no documents.”

Although “the UN stopped using

Chalabi's information as a basis for conducting inspections" once his information was consistently found to be faulty, Ritter says that "policy figures gunning for war" delight in using media coverage of Chalabi's claims to suit their aims, "despite the fact that almost none of what Chalabi has purveyed to the media about Iraq has turned out to be accurate."

Butler Challenged To Debate

At a forum at the Center for Policy Analysis on Palestine, Ritter stated that he has been ignored by Congressional offices and committees because his information about Iraq is "not politically correct." Last Fall, Ritter told *EIR* that he is able to dispute every claim about Iraq's weapons of mass destruction and links to terrorism that have been put out by Australian-born Richard Butler, the former head of UNSCOM who now resides at the New York Council on Foreign Relations. Ritter said that he is willing to debate Butler "in any forum"—and claims to be the only person who can dispute Butler's war-mongering against Iraq, because "I was there." Butler has refused to answer any debate challenge.

Ritter is attempting to stop an unjustified war with Iraq, a war that he views as illegal under international law. And he accurately identifies the operatives—Wolfowitz, Woolsey, and Perle, "who rejoices in the nickname of 'Prince of Darkness'"—as among those who are sponsoring the disinformation king, Chalabi. And while Woolsey works round-the-clock lobbying international support for a war against Iraq, as an agent of Perle's nest of traitors in the Pentagon's Defense Policy Board, his information, too, is suspect. Woolsey's law firm, Shea & Gardner, are the attorneys for Chalabi's INC. While Woolsey says he recused himself from the INC account, the State Department's largesse to the Iraqi opposition pays bills at his firm.

But Ritter doesn't go far enough in seeing the Wolfowitz grouping as a bona fide conspiracy against the interests of the United States. In the recently released *Special Report*, "Brzezinski and September 11th," issued by U.S. 2004 Democratic Presidential pre-candidate Lyndon LaRouche, the "Wolfowitz cabal" is identified as the insiders of a vast network of Anglo-American geopoliticians, centered around Harvard Prof. Samuel Huntington's call for a "Clash of Civilizations." The aim of this network is to launch a worldwide religious war in the interests of a "new empire." They seek to replace the American intellectual tradition with a century of war.

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Wall St. Dirty Tricks Hit LaRouche Campaign

by Our Special Correspondent

With the 2004 Presidential campaign now starting, a Wall Street "dirty tricks" operation has been caught in attacks against Democratic Presidential pre-candidate Lyndon LaRouche's campus supporters. The American Family Foundation, which is now attempting to use a "cult" charge to intimidate campus volunteers for the LaRouche campaign, had worked with the East German communist secret police, the Stasi, in a similar operation against LaRouche in the past.

The American Family Foundation (AFF), founded and bankrolled by Wall Street banker John Irwin III—the grandson of IBM founder "Pop" Watson—has launched a thought-police campaign of intimidation against supporters of LaRouche on university campuses across the country.

The post-Sept. 11 activation of the AFF against LaRouche ends almost nine years of "lying low," after it came to light in the early 1990s that the AFF had been working against LaRouche with a Stasi agent. The AFF's then-head of International Cult Education, Rev. Friedrich Haack of Germany, worked with a Stasi agent in Munich in putting out the first AFF-sponsored "cult" slander against LaRouche in Europe.

After German reunification, the government discovered that the Stasi had pumped substantial resources into Kurt Hirsch, its "helper" agent for the AFF, sending AFF-affiliated operatives scurrying back under their rocks. Marcia Rudin, head of the AFF International Cult Education Program, filled Pastor Haack's function after he died. She, along with AFF's Ronald N. Loomis, run a network into university students, campus newspapers, and campus security, who have been goaded into campaigns against LaRouche supporters. This is the source of the "cult" slander against LaRouche.

Irwin is the president of the Achelis and Bodman Foundations, in New York City. Along with Richard Mellon Scaife's Scaife Family Foundation, Irwin has bankrolled the AFF from its founding up to the present.

Irwin's father, John Irwin II, was Henry Kissinger's Deputy Secretary of State in 1972-73. Mellon Scaife has also financed Daniel Pipes' Foreign Policy Research Institute (FPRI) in Philadelphia, a U.S. support center for the crimes of Israeli Prime Minister Ariel Sharon. Daniel Pipes has added to the American Family Foundation's propaganda, calling LaRouche a "conspiracy theorist." FPRI was founded by the late Robert Strausz-Hupé, one of the seminal influences on Kissinger, Zbigniew Brzezinski, and Samuel Huntington.

Who Owns ‘Bull Moose’?

by Edward Spannaus

John S. McCain III, called the “Manchurian candidate” by some, is positioning himself as a “Bull Moose” Republican—a combination of a “progressive reformer” on domestic issues, and a warhawk on foreign policy. Detested by conservative Republicans (he was a subject of a recall petition campaign in Arizona, until that drive was derailed by the Sept. 11 events), Senator McCain has allied himself with the most corrupted elements of the Democratic Party, those in the Gore-Lieberman, Democratic Leadership Council (DLC) wing of the party, who explicitly reject the FDR tradition. (See, “McCain-Lieberman ‘Bull Moose’ Duo Destabilize the President,” *EIR*, Feb. 22, 2002.)

McCain’s closest adviser, Marshall Wittman, is attempting to rally “progressive” Republicans and centrist, DLC Democrats into a new “Bull Moose” alliance, which Wittman claims “advocates reform of the campaign finance system, entitlements, the tax code, and the budget process,” and consists as well of “believers in America’s ‘benevolent hegemony’ on the world stage—with a robust internationalism and formidable military.”

Rise to Power

John McCain is a strange one to be promoting “campaign finance reform”—since he owes his political career to his second wife’s money and her mob-connected family.

McCain’s father and grandfather were both four-star Navy admirals. His father, John McCain, Jr., was Command-in-Chief of the Pacific Command (CINCPAC) during the Vietnam War. He was, according to McCain III’s 1999 book *Faith of My Fathers*, a “great admirer of the British Empire, crediting it with keeping ‘a relative measure of peace’ in the world for ‘someplace in the neighborhood of two centuries.’ ” His father’s favorite poem was Oscar Wilde’s ode to the British Empire, “Ave Imperatrix.” The son’s book includes the following quote:

The fleet-foot Marri scout, who comes
To tell how he hath heard afar
The measured roll of English drums
Beat at the gates of Kandahar.

McCain attended Episcopal High School in Alexandria, Virginia, in order to prepare for entrance to the Naval Academy at Annapolis. Episcopal High was, not surprisingly, a

Confederate haven. “The most pervasive military influence at the school was the heroic legends taken from the annals of Civil War history,” McCain wrote. “More precisely, they were the stories of Confederate heroes. . . . More Episcopal graduates died in the Civil War than in any subsequent war in our nation’s history.”

McCain then went on to the Naval Academy at Annapolis, where he had a reputation as a playboy, and graduated fifth from the bottom of his class.

As a Navy pilot flying bombing missions over North Vietnam, he was shot down in 1967, and held captive until 1973 (see below). After his release, he was first stationed in Florida, then was transferred to Washington as the Navy’s liaison to the U.S. Senate, where his political ambitions grew.

In his Senate liaison capacity, he went on a 1979 trip to China with a group of Senators, who stopped for a cocktail party in Honolulu. There, McCain met Cindy Hensley, a 25-year-old heiress; McCain was 43 at the time, and married. He pursued Hensley aggressively, flying all over the country. The next year, he divorced his wife Carol, who had stood by him and who had fought for his release during the five years while he was a POW, and he immediately married Hensley. Carol had been seriously injured in an auto accident while McCain was imprisoned, and the once tall, slim, former model was now shorter, heavier, and on crutches.

As the *New York Times* generously put it: “Mr. McCain abandoned his wife, who had reared their three children while he was in Vietnamese prisons, and he then began his political career with the resources of his new wife’s family. . . . No candidate could be luckier in his choice of an ex-wife than Senator McCain, and he must be the only politician around who could cheat on his wife and divorce her and still get her support and her campaign contributions today.”

Cindy McCain was the daughter of James W. Hensley, a wealthy beer baron, who gave his new son-in-law a job in his Budweiser distributorship, and then bankrolled his 1982 campaign for Congress. McCain had no previous ties to Arizona. His other primary backer was Darrow “Duke” Tully, publisher of the *Arizona Republic*—the state’s dominant newspaper—and the leader of the group of local businessmen and political kingmakers known as the “Phoenix 40.” (The Phoenix 40 was created in the early 1970s by the publisher Eugene Pulliam.) With the backing of Tully & friends, McCain won a U.S. Senate seat in 1986. (Tully later left Phoenix in disgrace, after it was disclosed that he had lied about his own military record.)

Mob Rule in Arizona

Who was Jim Hensley? After World War II, he had gone to work for Kemper Marley, a powerful, mob-connected rancher and liquor distributor, who was later linked to the car-bomb murder of reporter Don Bolles. Marley was reportedly awarded his liquor monopoly by Sam Bronfman, the Canadian bootlegger who was the principal supplier of the U.S.



Arizona Sen. John McCain (right) is again already campaigning for President, but this time as a “Bull Moose”: not to win the office, but to control what the current occupant of the White House does—especially about starting wider Mideast war-fighting.

crime syndicate. In 1948, fifty-two of Marley’s employees were convicted of violations of Federal liquor laws, including Hensley (who received a suspended sentence), and Hensley’s brother Eugene (sentenced to one year in prison). Some said that Jim Hensley took a fall for Marley. Hensley was rewarded with the Budweiser distributorship, now said to be worth over \$200 million.

Don Bolles, a veteran reporter for the *Arizona Republic*, had been investigating Marley and organized crime in Arizona, and had testified before Congressional investigating committees. Bolles’ articles, before he was murdered, forced the resignation of Marley from the state’s racing commission.

Bolles had also written about the Hensleys; and had reported that they had sold their dog-racing track to Emprise Corp., the Buffalo, New York-based sports and money-laundering conglomerate owned by the notorious Jacobs brothers. John McCain himself has reportedly been seen in the company of Emprise personnel. (Emprise has changed names a number of times; for a period, it was known as SportsServices, and is now called Delaware North Corp.)

Indeed, McCain’s ties to Jewish-named mobsters in Arizona are so pervasive, that one has to also ask whether the Israeli foreign intelligence service, Mossad (known for its close ties to Israeli-linked organized crime circles in the U.S.), has been able to sink its own hooks into McCain? This could shed some light on the reasons for McCain’s close political alignment with the craziest, most fanatical elements in Israel.

Charles H. Keating Jr., the savings and loan operator later

convicted of large-scale securities fraud, also raised money for McCain’s 1982 campaign; and, in return, McCain intervened with Federal regulators on Keating’s behalf. Up until 1998, Cindy Hensley McCain and Jim Hensley retained an 8% interest in a shopping center project put together by Keating in 1986.

Keating had multiple ties into U.S. intelligence and organized-crime circles. His American Continental Corp, the parent company of Lincoln Savings & Loan, was sold to him by Carl Lindner of United Brands (previously United Fruit), which long served as a front both for the dirtiest elements in the U.S. intelligence community, and for related drug-running and money-laundering operations. Keating was also a partner in business dealings with Alfred Hartmann, the head of the Swiss branch of the notorious Bank of Credit and Commerce International (BCCI).

In 1984-86, according the *Arizona Republic*, McCain and his wife took at

least nine trips at Keating’s expense, aboard either Keating’s corporate jet, or on chartered planes and helicopters owned by Resorts International—the front for the Meyer Lansky crime syndicate. Three of the trips were for vacations at Keating’s luxury retreat in the Bahamas.

McCain and the POWs

In September 1967, McCain was assigned to duty as a pilot on the *Oriskany* aircraft carrier, which was being used as a platform for bombing North Vietnam. On his 23rd bombing mission, on Oct. 26, 1967, he was shot down by a surface-to-air missile, landing in a lake in the middle of Hanoi.

McCain’s record as a POW has been a matter of intense scrutiny by other former POWs and activists in the POW-MIA movement. But, by contrast, McCain’s record and his bizarre treatment of POW-MIA activists has been glossed over by the “mainstream” news media which have busily touted McCain as a war hero.

According to McCain’s own account, he “broke” under threat of torture and provided military information to his North Vietnamese captors, including information about targets, detailed information about sorties, order of attack, etc. (It is a matter of dispute among his fellow POWs as to whether McCain was actually tortured, or just threatened.) It is also believed by some that McCain sought favorable treatment because of his father’s high-ranking position in the U.S. Navy—an allegation which is supported by McCain’s own account of his imprisonment. The North Vietnamese aired

a broadcast in which McCain admitted to bombing civilian targets in North Vietnam, and praised the medical treatment he received while a prisoner. The broadcast was beamed to U.S. troops in South Vietnam, to counter charges that American POWs were being mistreated in the North.

McCain was kept in isolation from other American POWs for a period of 22 months, during which he was subject to intense indoctrination. Even though it has been documented that Soviet officials interrogated U.S. POWs in Vietnam as well as in Korea, McCain has always hysterically denied this.

McCain has been brutally hostile to POW-MIA organizations and activists, calling them “hoaxsters,” “charlatans,” and “conspiracy theorists.” He harassed and scoffed at witnesses—including family members of missing servicemen—at Senate hearings on the POW-MIA issue in 1992, questioning their patriotism and mocking their concerns.

McCain was the most determined of any Senator involved, to discount and dismiss the formidable body of evidence indicating that hundreds of POWs and MIAs had been left behind when the United States pulled out of Vietnam in 1975. He even asked the Justice Department to investigate POW-MIA activists for fraud—the fraud being the claim that the U.S. government knowingly left U.S. POWs behind in Vietnam. The Justice Department found no grounds for any action against the activists.

Further, McCain has infuriated POW-MIA organizations and families by consistently opposing disclosure of documents and information about POWs and MIAs. Not a few of those involved in seeking disclosure of these records, wonder at McCain’s determination to keep all such records secret, and ask whether McCain himself has something to hide—something that he fears being made public.

Whatever personal concerns McCain has about these records, another important element of his strange behavior in this regard, is his, and his father’s, close association with Henry Kissinger, the architect of the U.S. withdrawal. Kissinger, more than anyone else, bears the personal responsibility for abandoning hundreds of U.S. military personnel in his haste to arrive at a “peace” agreement.

Kissinger still remains one of McCain’s closest advisers; others among McCain’s foreign policy and national security advisers during his 2000 Presidential campaign were Carter’s National Security Adviser Zbigniew Brzezinski, George Bush (father)’s Secretary of State Lawrence Eagleburger, and former CIA director James Woolsey.

Profile: Sen. Joseph Lieberman

The Senator from ‘Mega’

by Scott Thompson

At the Feb. 1-3, 2002 Wehrkunde (International Conference on Security Policy) meeting in Munich, Germany, the U.S. delegation, led by Deputy Secretary of Defense Paul Wolfowitz—whose entourage included the Chairman of the Defense Science and Policy Board Richard Perle, and Senators Joseph Lieberman (D-Conn.) and John McCain (R-Ariz.)—shocked Europe with the vehemence of their call for what amounts to a Thirty Years War scenario in the Middle East, starting with a “Phase II” war against Saddam Hussein’s Iraq.

For many years, Senator Lieberman—one of only ten Democrats who voted for President George H.W. Bush’s 1991 Persian Gulf War—has been sounding the trumpet for yet another charge against Iraq. Long before President George W. Bush proclaimed a “war against terrorism” following the Sept. 11 coup d’état, Lieberman had expanded his target list of nations, calling for a “global showdown” with Islam, on the model of Samuel Huntington’s “Clash of Civilizations” thesis.

Thus, in a Jan. 14, 2002 “major policy speech” at Georgetown University, Lieberman paraphrased his hero, former British Prime Minister Winston Churchill, stating that the fanatical forces of an Islamic jihad were about to drop a “theological iron curtain” across the world. The Senator unabashedly called for a new “imperialist” U.S. foreign policy in response. Lieberman said that this “iron curtain would extend from the terrorist camps in the hills and villages of Central Asia, to the sands of Somalia, Sudan, and Saudi Arabia, to cells in Singapore, Indonesia, the Phillipines, and many other places, including Europe and America.” In other words, a string of endless wars, that would keep President Bush from focussing on a solution to the present global systemic economic collapse, such as that proposed by Democratic Presidential pre-candidate Lyndon LaRouche.

One of Lieberman’s closest collaborators in promoting this “Clash of Civilizations” with Islam, has been Sen. John McCain (see accompanying article), who has worked with Lieberman to blackmail two Presidents on this question—first, Bill Clinton, and now George Bush. At present, Senator McCain is holding a gun to Bush’s head by encouraging supporters to mount a draft third-party “Bull Moose” candidacy on McCain’s behalf, that would throw the 2004 Presidential election to Lieberman, should he win the Democratic Party Presidential nomination.

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The ‘Mega’ Candidate

This essence of the policy coup d’état against President George W. Bush is discussed at length in a February 2002 Special Report, issued by Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr., entitled *Zbigniew Brzezinski and September 11th*, that reveals how a major component of the coup attempt was facilitated by an organization known as “Mega.” Usually well-informed U.S. intelligence sources have told *EIR*, that Sen. Joseph Lieberman is the favored candidate, for the 2004 elections, of the Mega Group. Mega was founded in 1991 by Leslie Wexler and Charles Bronfman, to boost the power and financial clout of the pro-Israel lobby, replacing the old “Billionaires’ Club”; its “Megabucks” are now supporting the fascist policies of Ariel Sharon’s Israel.

As part of its own ongoing investigation, *EIR* has uncovered particularly close ties between Lieberman, and Mega spokesman and former hedge-fund operator Michael Steinhardt. According to the Nov. 6, 2000 issue of *LINK Magazine*, in an article by Michael Massing, entitled “Should Jews Be Parochial?,” Lieberman shares with Steinhardt the dubious distinction of having been a past chairman of the “New Democrat” flagship institution, the Democratic Leadership Council (DLC). Steinhardt was a founding member of the DLC, which was created by former Carter Administration adviser Al From. Steinhardt gave large sums to kickstart the DLC before becoming its chairman in 1985. He also helped found the DLC’s think tank, the Progressive Policy Institute, that recently featured Sen. John McCain, as its keynote speaker. Steinhardt was succeeded as chairman of the DLC by former President Bill Clinton; however, Steinhardt resigned from the DLC altogether, when Clinton appointed Lani Guinier to a top Justice Department post; and Steinhardt refused to support Clinton’s reelection in 1996. Meanwhile, Lieberman became DLC chairman in 1995, remaining in that post until he was tapped as Vice President Al Gore, Jr.’s running mate in the 2000 Presidential elections.

But, mutual chairmanship of the DLC is not the only point of contact between Lieberman and Steinhardt.

In 1990, Steinhardt reportedly became alarmed when the National Jewish Population Survey revealed that 52% of American Jews were intermarrying. Steinhardt sought advice from Rabbi Irving “Yitz” Greenberg, who was then counseling Jewish adults. Among his students was Judy Steinhardt, Michael’s wife; through her, Steinhardt became a protégé of Rabbi Greenberg. As it turns out, Rabbi Greenberg is Joseph Lieberman’s religious adviser; he gave the benediction at the Democratic Convention on the day of Lieberman’s acceptance speech as Vice Presidential candidate.

Together with Rabbi Greenberg, Michael Steinhardt spent a small part of his fortune on reversing Jewish demographics, and in propagandizing for Prime Minister Ariel “The Butcher of Lebanon” Sharon. One such group, founded



Connecticut Sen. Joseph Lieberman was one of only ten Democrats who voted for President George H.W. Bush’s Persian Gulf War, and is now leading the pack of those calling for a new war against Iraq.

with seed money from Steinhardt and other members of Mega, was Emet (Hebrew for “truth”). Sharon had called for its creation following the Al-Aqsa Intifada, in an attempt to improve Israel’s public-relations image. Apparently, it is Emet’s role to bury, or put a positive spin on, stories unfavorable to Israel. Yet, Emet masquerades as a “think-tank.”

The close ties between Senator Lieberman and Michael Steinhardt are even more scandalous, given that Steinhardt had founded his hedge fund, Steinhardt Partners, in 1967, partly with the money he had inherited from his father, “Red” Steinhardt, a Prohibition-era member of Meyer Lansky’s “National Crime Syndicate.” “Red” was sent to Sing Sing to serve a five-to-ten year prison sentence, while Michael joined the “Our Crowd” firm, Loeb Rhodes, before striking out on his own. Nevertheless, the old adage, “like father, like son” proved out: Steinhardt Partners came under SEC and Justice Department scrutiny in the early-1990s, along with Solomon Brothers, for cornering the market in short-term U.S. Treasury bond sales. To avoid jail, Steinhardt settled the case out of court, by paying a \$50 million fine; he later closed his hedge fund after recouping his losses.

‘The Conscience of the Senate’

It is ironic, that Senator Lieberman has oft been referred to as “the conscience of the Senate,” because he likes to grandstand on moral issues. Truth is, his “conscience” can be

bought. Notably, next to former Sen. Daniel Patrick Moynihan (D-N.Y.), Lieberman was one of the foremost Democratic traitors pushing the resignation of President Bill Clinton over the Monica Lewinsky affair. In a crafty speech on Sept. 3, 1998, Lieberman performed the role of Brutus, by stabbing his “close friend,” President Bill Clinton, in the back, when he insisted that a final verdict on the affair awaited the report of the “Independent Counsel,” Mellon Scaife operative Kenneth Starr:

“I have chosen to speak particularly at this time, before the Independent Counsel files his report, because while we do not know enough to answer the question of whether there are legal consequences from the President’s conduct, we do know enough to answer a separate and distinct set of questions about the moral consequences for our country. . . . Because the conduct the President has admitted to was so serious, and his assumption of responsibility on August 17th was so inadequate, the three weeks have been dominated by a cacophony of media and political voices calling for impeachment, or resignation, or censure, while a lesser chorus implores us to ‘move on’ and get this matter behind us. . . . As I have said at length today, it is wrong and unacceptable and should be followed by some measure of public rebuke and accountability. . . . In the same way, it seems to me, talk of impeachment and resignation at this time is unjust and unwise. It is unjust because we do not know enough in fact and will not until the Independent Counsel reports and the White House responds. . . .”

At precisely the moment that Lieberman was helping to push Clinton over the cliff, the President and Treasury Secretary Robert Rubin were discussing a “new global financial architecture,” of the type that had been proposed by Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. Moreover, several reliable sources have reported that, even though Lieberman eventually voted against impeachment, he was one of the key operatives promoting the President’s downfall. Lieberman knew that Gore’s only chance to win the 2000 Presidential election were, if he were already President. Ironically, Gore chose Lieberman as his running mate largely to put distance between himself and President Clinton, even though it was precisely the President’s support that allowed Gore to nearly win the election.

Likewise, when Lieberman had just resigned as chairman of the DLC, he wrote an article for the September 21, 2001 *Blueprint* magazine called, “Crude, Rude, and Lewd—How to stop the glut of sex and violence on primetime TV: Don’t watch. Turn it off. Set rules. Then call the FCC.” Sex and violence in mass entertainment—from TV to movies to records—has been a major feature for this “conscience of the Senate,” who on Sept. 19, 2001 told a TV audience that “the culture of carnage surrounding our children” was “a toxic mix turning some of them into killers.” For some time, Lieberman was allied with former Education Secretary William Bennett.

But when the Gore/Lieberman ticket began to pull in millions of dollars in campaign contributions from Hollywood, Lieberman explicitly rejected media censorship. Bennett said: “I am deeply disappointed by Senator Lieberman’s recent comments to members of the entertainment industry. . . . I did not realize that when Joe Lieberman and I were denouncing the filth, sewage, and mindless bloodletting of the popular entertainment industry, calling it what it is—degrading and dehumanizing—we were just being ‘nudges.’ ”

A review of Lieberman’s campaign finance records shows that, despite the rhetoric, he is one of the biggest Senate recipients of contributions from top executives of the leading manufacturers of the most violent “point-and-shoot” video-games. Among the Senator’s campaign donors are top executives from Nintendo of America, Inc., Midway Games, and Viacom. And, he is also high on the list of favorite pols at Mega member Steven Spielberg’s Dreamworks Studios, producers of some of the more vile movies coming out of Hollywood.

Also under investigation by *EIR* staff at the moment: Given Lieberman’s grandstanding on Enron and its ties to the Bush Administration, why has he continued to retain his Chief-of-Staff, Bill Andriessen, formerly a top Enron lobbyist? Also being probed is why, from 1993 to 2000, Sen. Lieberman has accepted large contributions from the discredited HMO industry, which has been charged with significantly degrading health care in this country: Lieberman had the highest campaign contributions from HMOs of any Senator (some \$77,000).

Blackmail and an Iraq War

It is not surprising that Lieberman, and his Senate colleague John McCain, should try to push President George W. Bush deeper into the post-Sept. 11 policy disaster by starting a second war against Iraq. On the Dec. 16, 1998 “Online NewsHour” with Jim Lehrer, Lieberman boasted that he had been, as a member of the Senate Armed Services Committee, one of the leading backers of financial support for the Iraqi National Congress (INC), even before the Iraqi Liberation Act of 1998, which appropriated over \$100 million in aid for an “Iraqi regime change.” On Sept. 24, 1998, Senators Lieberman and McCain were among four Congressmen who wrote to President Clinton, basing themselves upon the report of United Nations Special Commission (UNSCOM) Executive Chairman Richard Butler (a deep-dyed Anglo-American intelligence agent), and demanding the President “take necessary action (including, if appropriate, air and missile strikes on suspect Iraqi sites) to respond effectively to the threat posed by Iraq’s refusal to end its weapons of mass destruction programs.”

Senator Lieberman’s attempts to provoke President Bush into a war against Iraq, should be seen against backdrop of his 1998 role in the impeachment of President Clinton: Again, they bear the mark of treason against a sitting President.

National News

U.S. Living Standards' Long-Term Decline

A new study has documented a long-term decline in living standards of young, white, male workers in the United States. The study, published as a book, *Divergent Paths*, followed 5,200 men for 16 years, and came to the conclusion that 90% of young, white, male workers today are worse off than they would have been 20 years ago. Those 90% can expect to have lower lifetime wage growth than their counterparts in the previous generation.

Two groups were studied, one starting in 1966, and one in 1979. The men were in their teens when the study began. The Bureau of Labor Statistics cooperated in the study.

The study shows a rising gap between high- and low-income workers. In the "New Economy," inequality in wage growth rose rapidly in the 1980s and 1990s. The gap between high- and low-income earners has widened by 20%, because those young men in the lower earning brackets are faring worse. Even college graduates are seeing lower wage gains; and more workers are going into low-paying jobs. In fact, the number-one job for projected growth in the coming years is expected to be that of cashier.

While focussing on redistribution, the study does raise questions about "shareholder" values taking precedence, and the free-market approach.

The work was funded by the Russell Sage Foundation and the Rockefeller Foundation. The authors are Annette Bernhardt of the University of Wisconsin, Mark Handcock of the University of Washington, and Marc Scott of New York University.

Cheney Betrays Fear of Coup

While the White House is preparing for war on the "axis of evil," Vice President Dick Cheney betrayed fear of the actual perpetrators of the Sept. 11 attacks, in answer to a

question by Georgie Anne Geyer of Universal Press Syndicate, after his speech at an event sponsored by the New York Council on Foreign Relations, in Washington on Feb. 15. Lyndon LaRouche and *EIR* have insisted, since the attacks first began on Sept. 11, that they were not masterminded by al-Qaeda, but by domestic military-utopian forces.

Cheney admitted that the U.S. government is still very much concerned about a possible attack on the country's leadership: "Clearly, sort of at the front edge of why I am often at undisclosed locations, is the need to avoid having the senior leadership of the U.S. government all in one location on any kind of predictable basis. . . . It's focussed, more than anything else, on our obligation to protect and preserve the continuity of government, the Presidential succession; and, therefore, . . . I've often stayed apart, away from the White House when the President's in, and vice versa."

Unlike before, he said, "now we've had to contemplate a whole different kind of threat, where we're talking about conspiracies, well-organized groups with, possibly, support from outside the nation"—hardly a formulation which fits al-Qaeda—"able to put together, for example, something such as the attack on Sept. 11. And I, personally, believe as well, and I think many people do, that the attackers of 9/11 clearly planned to do much more damage in Washington than they were able to do; and that the people who took down the airliner in Pennsylvania had . . . a very significant hand in thwarting what would have been a far more deadly attack had the hijackers been allowed to carry it out."

Bottom Gone From California Budget

California's huge and growing revenue deficit symptomizes national collapse of state budgets, and confirms *EIR*'s May 2001 forecast. The Legislative Analyst Office (LAO) on Feb. 21 issued its critique of Gov. Gray Davis' proposed 2002-03 budget, according to the *Los Angeles Times*. Due to an

estimated 62% decline in capital gains and stock option revenues, as compared to the administration's projected 47% decline of the same, the LAO expects that Davis' budget will come up \$5 billion short. This would bring the state's FY 2002-03 revenue shortfall to \$17.5 billion.

Davis' budget was constructed to plug a \$12.5-billion shortfall, but the LAO report estimated that despite all the cuts and budget adjustments, there is a further \$5 billion shortfall, which it attributes to "overstated revenues" (\$3.9 billion) and "understated expenses" (\$1.1 billion). Ironically, the LAO proposes even more draconian budget cuts than those Davis has already made.

EIR's May 4, 2001 feature on state budgets, showed that the states' addiction—especially California's—to reliance on the speculative economy as a revenue source, would foredoom their fiscal well-being. In the case of California, 20-22% of its revenue base was derived from capital gains and stock options. Now, the LAO forecast shows that nearly two-thirds of that revenue source has gone "poof."

Virginia Highway Construction Halts

The state of Virginia's severe cash crunch (a budget hole which has rapidly grown to nearly \$2 billion and rising) will halt nearly all highway construction until at least April 1, according to the *Richmond Times-Dispatch* of Feb. 22. The Virginia Department of Transportation (VDOT) has asked construction companies to stop work on all but 37 of its 500 transportation projects. The companies will be ordered to halt work if they don't do so voluntarily.

VDOT estimates that these stop-work orders directly idle 32,500 workers.

Newly assigned contract work, and design work for contracts scheduled to be let for bids, have also been postponed, and no contractors will be compensated for the costs of the delays.

At the same time, the Virginia Retirement System lost \$3.3 billion, or 7.8% of its value, in 2001. The Retirement System

MEDIA cartels won a huge victory for monopoly domination of public opinion, news and entertainment. A U.S. appeals court invalidated a Federal Communications Commission (FCC) regulation which has prevented one company from owning TV stations and cable franchises in the same market.

Former FCC chief Blair Levin said, "It allows for the creation of a powerful new entity we have never seen before." The Consumers' Union's view is that "the result could be the most massive consolidation of media this nation has ever seen." Immediately, it's expected that AOL-Time Warner will merge with NBC.

UNEMPLOYED workers have run out of unemployment insurance benefits, in larger numbers than at any time in the past 25 years. According to the Center for Budget and Policy, 81,000 workers are being dropped from unemployment rolls every week, on average. Legislation to extend benefits is stalled, and White House economic chief Lawrence Lindsey told the American Enterprise Institute that it's less important than "creating jobs."

UTOPIAN "American imperialist" Robert Strausz-Hupé, extremely influential in shaping the views of Clash of Civilizations theorists like Samuel Huntington, Zbigniew Brzezinski, and Henry Kissinger, died on Feb. 23, at 98. Founder of the Foreign Policy Research Institute, advocate of destruction of all nation-states, Strausz-Hupé had just been prominently exposed in the LaRouche in 2004 Special Report, *Zbigniew Brzezinski and September 11th*.

SALES of existing homes rose by a record 13.9% in January, over January 2001, with large-scale layoffs forcing many homeowners to sell and move quickly, according to the Feb. 26 *Wall Street Journal*. Conversely, *new home sales fell* by 15% from last January, according to the Commerce Department. The former statistic gained much greater publicity, than the latter.

represents half a million active and retired state employees.

Bush Welfare Plan Ignores Reality

President George W. Bush outlined an unworkable welfare plan on Feb. 26, to replace the draconian 1996 "welfare reform law" that is expiring; many of the welfare recipients pushed into the job market under that 1996 law, have been laid off during 2001, in particular, since Sept. 11. Under Bush's proposed, "tougher" plan:

- Every state would be required, by 2007, to have 70% of the welfare recipients working (up from the present 50% requirement); the recipients would have to work at least 40 hours per week (up from the current 30 hours). The President proposed that the states control the plan, even as states are going bankrupt, and companies are going belly-up. The 40-hour work requirement would allow for up to 16 hours of education or job training.

- Marriage programs would receive \$300 million, and abstinence education programs would get \$135 million.

- States would be allowed to spend however they see fit, the welfare block grant money—\$16.5 billion in the fiscal year starting Oct. 1—with waivers available to them to redesign Federal programs.

- The role of religious, or so-called "faith-based" groups, in administering Federal programs, would be increased.

ADL Pays Out of Court for Spying

Lawyer and former Congressman Pete McCloskey (R-Calif.) has won from the Anti-Defamation League of B'nai B'rith (ADL) a large cash settlement, in the nine-year-long civil court case that arose in April 1993, when the FBI and San Francisco Prosecutor's office launched raids on the ADL's West Coast offices. The cash settlement reflects the ADL's role, then and now, in main-

taining a massive dirty tricks spying apparatus, in close coordination with Israeli intelligence and elements of the FBI.

According to an article in the Feb. 25 *Counterpunch* magazine by two of McCloskey's clients—victims of ADL spying—"Almost a decade later the suit has been settled with a significant cash payment by the ADL and, we wish to emphasize, without our signing any agreement for confidentiality which the ADL had previously demanded. Our efforts to expose the organization's work in defending the policies of the Israeli government and stifling its opponents will continue, using new information gained in the pursuance of the suit."

The ADL's anti-LaRouche operative Mira Lansky Boland once threatened to resign if the ADL didn't succeed in backing Roy Bullock, its undercover operative, and shutting down the criminal case, involving confidential government files. The ADL did succeed, by 1994, in stopping the prosecution, which then left only the civil case.

Bullock was found to be in possession of an office key and floor plan to the office of Alex Odeh, the West Coast head of the Arab-American Anti-Discrimination Committee, who was killed by a 1985 booby trap bomb in his office. Bullock's intelligence was always cross-gridded with Israeli intelligence operatives in their Los Angeles consulate.

New York City Finances Turn Into a Joke

Mayor Michael Bloomberg of New York, facing a \$5 billion budget hole, is seriously considering selling the Brooklyn Bridge, along with three other old, toll-free city bridges. Bloomberg's scheme is to reap \$800 million a year for the city's coffers, as payment out of new tolls to be imposed by whatever financial entity might want to step into that old gag line, and buy the bridges. Mayor Bloomberg will need to hurry: It's already too late for the venerable Brooklyn span to become the Enron Bridge, the Kmart Bridge, the Winstar Bridge, the Global Crossing. . . . If the scheme goes through, the bridge is guaranteed to outlast its owner.

Editorial

Give Colombia Immediate Help, Not Troops

EIR for years has identified the Colombian Revolutionary Armed Forces (FARC) as a narco-terrorist force of extraordinary international danger, and has denounced the open financial negotiations with the FARC by Wall Street leaders including New York Stock Exchange President Richard Grasso. In the offensive which the Colombian government of Andrés Pastrana has now launched against the FARC, the United States should confine its support to the Colombian military to logistical and intelligence matters, but should not intervene militarily. To cite *EIR* founding editor Lyndon LaRouche on Feb. 22, if U.S. assistance “is confined to logistical and intelligence support, that is proper, because we are not breaching the sovereignty of the Colombian government. We don’t go into another country, and conduct warfare there, even as an ally, in a way which breaches the sovereignty of that country, and we don’t need to.” With sufficient support, logistical support and intelligence support, Colombia can defeat the narco-terrorists on its own.

LaRouche was responding to a proposal made by Alvaro Uribe Vélez, a purported hard-liner against the FARC who is considered the front-runner in Colombia’s Presidential elections, scheduled for May 26. Uribe Vélez expressed support for Pastrana’s current offensive, but insisted that Colombia requires international mediation to force the FARC back to the negotiating table, as well as international military aid. In his Presidential campaign, Uribe Vélez has insisted that Colombia requires the intervention of United Nations “Blue Helmets,” or other supranational forces, to secure peace.

“Candidate Uribe Vélez should study my important policy directives on dealing with drug-related international terrorism,” said LaRouche. He referenced two documents, which Uribe Vélez and others should study: what became known as his “GUATUSA” policy of the 1980s, which specified the parameters for cooperation in fighting narco-terrorism between Guatemala and the United States; and “A Proposed Multi-National Strategic Operation Against the Drug Traffic for the Western Hemisphere,” a document first presented in Mexico

City in March 1985, now famous as LaRouche’s 15-point war-plan against drugs.

The offensive launched by Colombia’s military on Feb. 21, to retake control of the FARC-run demilitarized zone in the south of the country, “is obviously necessary,” said LaRouche. “If someone is serious about trying to contain international terrorism, and they are not taking measures against the drug-running empire of the FARC, then they are not serious about fighting one of the more serious components of international terrorism in the more recent period.”

But LaRouche rejected as “crazy” a proposal made by Peter Romero, former U.S. Assistant Secretary of State for the Western Hemisphere, for the U.S. military to “cross the line” and intervene in Colombia. Romero said the United States should follow “the rules of engagement it does in the Philippines,” where American troops have joined the Philippines Army offensive against the Abu Sayyaf Muslim insurgents, under the guise of joint maneuvers.

Romero is a partner in the New York-based investment company Violy, Byorum & Partners. He speaks for the Wall Street interests which struck a public deal with the FARC in 1999-2000. Violy, Byorum & Partners played a key role in pulling together the so-called “Millennium Group” of Wall Street and other foreign money-bags, specifically to back peace—and commerce—with the FARC. Figuring prominently in the Millennium Group, are New York Stock Exchange President Richard Grasso, who in June 1999 paid a visit to the FARC-controlled demilitarized zone, where he embraced the chief of FARC finances, “Raúl Reyes,” and invited FARC leaders to come visit Wall Street; and America Online founder Jim Kimsey, who also visited the demilitarized zone, exchanged caps with the commander of the drug-running FARC, Manuel “Sure-shot” Marulanda, and returned to the United States calling for the FARC to be invited to address the U.S. Congress.

So Romero’s dangerous foolishness brings us right back to the source of the narco-terror problem: “the Grasso factor” from Wall Street.

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 Time Warner Ch.18
 Saturdays—12 Noon

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 • LORAIN COUNTY
 Ch.30: Daily—9 pm
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 Ch.6: Sun.—6 pm

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 • PORTLAND
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 Ch.9: Tualatin Valley
 Ch.23: Regional Area
 Ch.33: Unincorp. Towns
 Wednesdays—8 pm
 Sundays—9 pm

RHODE ISLAND
 • E.PROV.—Ch.18
 Tuesdays—6:30 pm
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 Full Ch. 49

TEXAS
 • DALLAS Ch.13-B
 Tuesdays 10:30 pm

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 Wednesdays—5:05 pm
 • HOUSTON
 Houston Media Source
 Sat, 3/9: 10 am
 Mon, 3/11: 8 pm
 • RICHARDSON
 AT&T Ch. 10-A
 Thursdays—6 pm

UTAH
 • SEVIER/SANPETE
 Mallard-Sunteil
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 Anabella Ch.29
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 Sun—1 pm, 8 pm
 Mon—1 am, 8 am

VIRGINIA
 • ALEXANDRIA
 Comcast Ch. 10
 Tuesdays—5:30 pm
 • ARLINGTON
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 Tuesdays—9 am
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 Comcast Ch. 6
 Tuesdays—5 pm
 • FAIRFAX—Ch.10
 Tuesdays—12 Noon
 Thursdays—7 pm
 • LOUDOUN
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 • ROANOKE—Ch.9
 Thursdays—2 pm

WASHINGTON
 • KING COUNTY
 AT&T Ch. 29/77
 Sundays—6 pm
 • KENNEWICK
 Charter Ch. 12
 Mondays—12 Noon
 Thursdays—8:30 pm
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 Thursdays—8:30 pm
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 • YAKIMA—Ch. 9
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WISCONSIN
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 • MARATHON COUNTY
 Charter Ch. 10
 Thursdays—9:30 pm;
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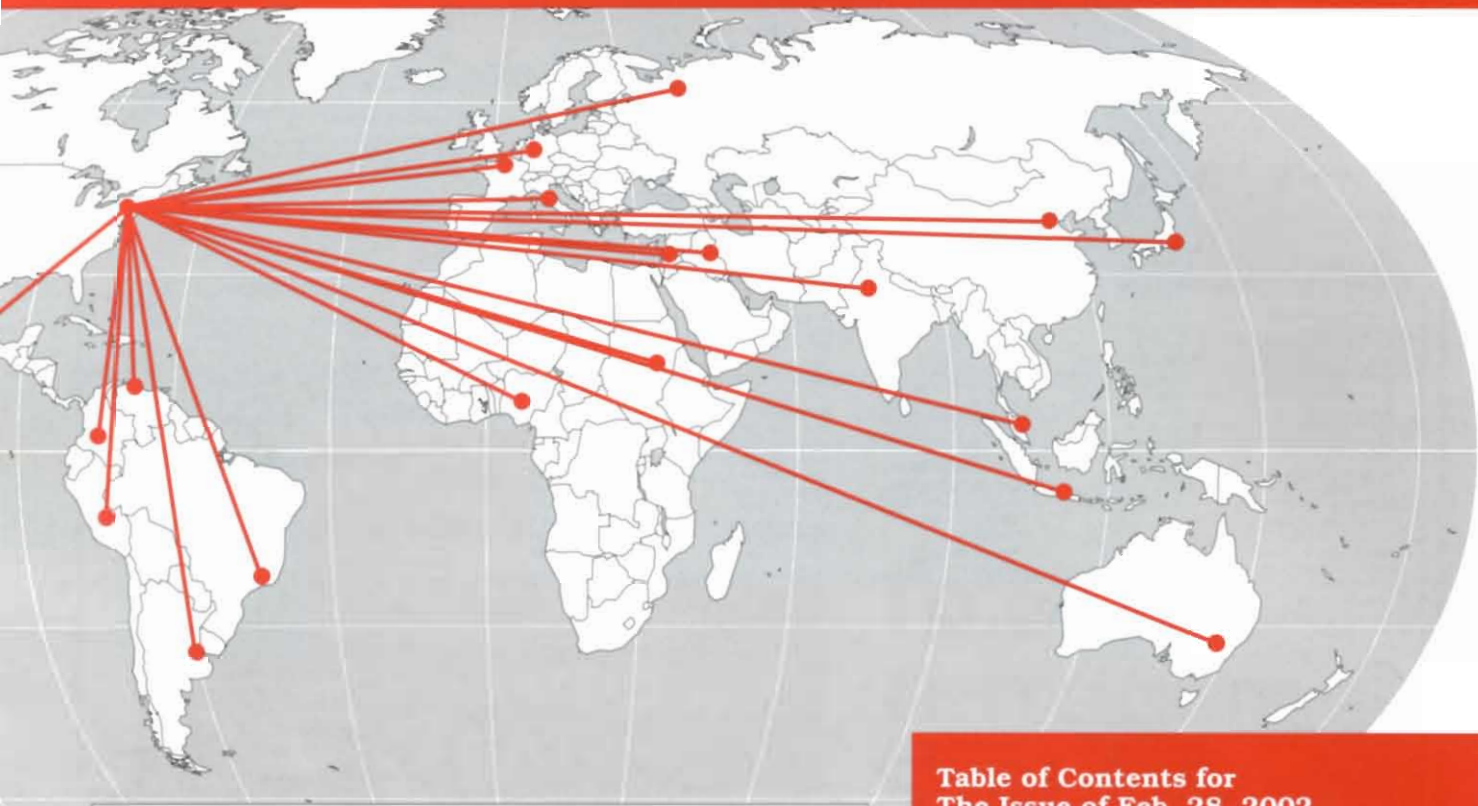
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