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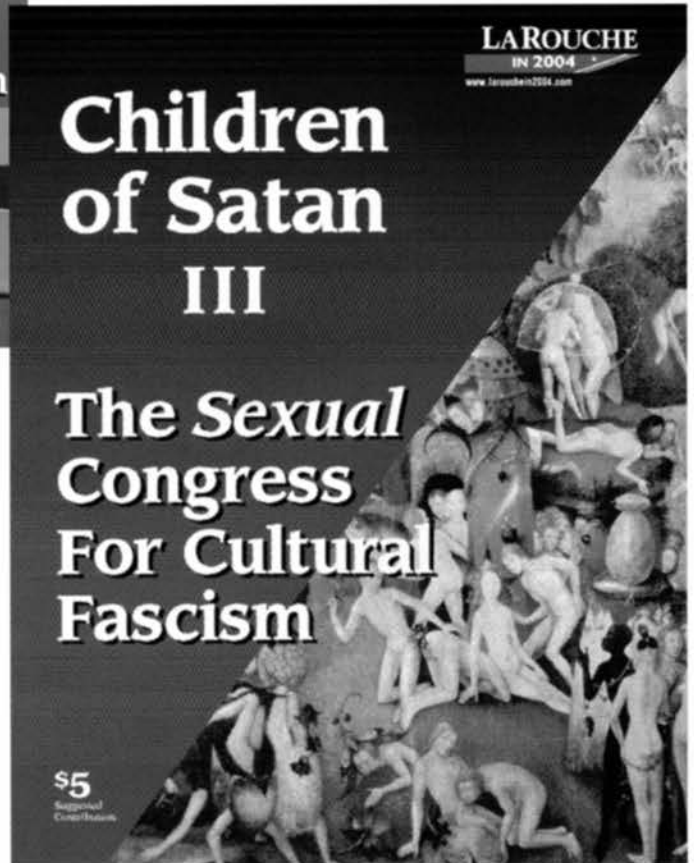
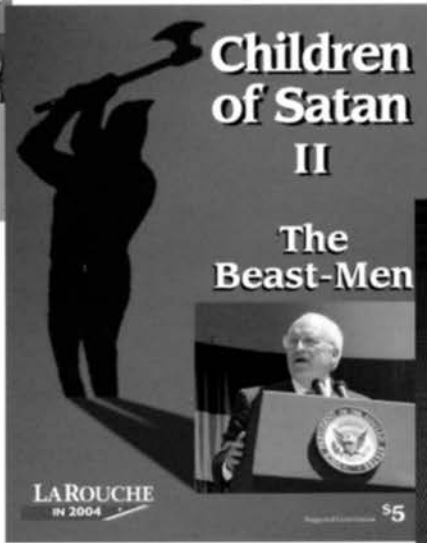
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Russia Economic Policy Takes New Leap, the Wrong Way
Hispanic Terror Threat Exposed in Northern Virginia

**In Memory of Mark Burdman:
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From the Associate Editor

This is our last issue before the Democratic Convention—and although nearly everyone *thinks* they know what's going to happen, they don't! The point, as Lyndon LaRouche said in his July 15 webcast (see *National*), is not "who gets the nomination," but who *owns* the President who is elected on Nov. 2. What policies will emerge between the time of the two parties' conventions, and Election Day? Will intelligent patriots, both Democratic and Republican, stop the stupid political games, and dump Dick Cheney and the neo-cons? Will the Democratic Party open up to LaRouche's leadership, in whatever way they might choose to do so?

LaRouche and his youth movement are already on the scene in Boston, to make sure that you can expect the unexpected. LaRouche's Boston Democratic Platform will be released there, to provide a desperately needed focus for the party in the weeks to come. (As Kathy Wolfe reports in this issue, the current Democratic Platform has so enraged America's allies abroad, that people are sending in faxes to the Democratic National Committee from South Korea and Japan, demanding that the Platform be scrapped and the Convention opened up to include LaRouche.)

At this critical historical juncture, we dedicate our issue to Mark Burdman, who died on July 8 at the age of 55. Well known to *EIR* readers since the magazine's inception, Mark has now passed his baton to the next generation, as our cover picture illustrates. The feature package on his funeral ceremony gives you a glimpse—if you didn't have the privilege of knowing him personally—of this beautiful soul. LaRouche introduced his webcast speech by situating Mark's immortality, in the work of LaRouche's organization as a whole. Mark, from his "catbird's seat" in Wiesbaden, Germany, played a unique role for more than two decades as an interlocutor, on LaRouche's behalf, with leading figures throughout Eurasia. And Mark's wife, Mary Burdman, concluded her commemorative remarks with these words of inspiration: "There are many tributes to Mark; to me, the best, in its simplicity and truth, is the message written to him on his 40th birthday, by our daughter Jessica. She was then 16. To Mark, she wrote: 'You have given me the best gift anyone ever could to their child: You have taught me how to think.' " Mark, you will be with us, always.

Susan Welsh

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(right), with
LaRouche Youth
Movement leader
David Nance, in
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Germany.



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Mark Burdman Lives In Immortality: How History Is Made

On July 15, 2004, the LaRouche movement gathered at a funeral ceremony for EIR Special Projects Editor Mark Burdman in Wiesbaden, Germany where Mark had passed away, one week earlier, on July 8. Friends and family members had travelled from Mark's homeland, the United States, from Scotland, from France, and from different places in Germany. Among them was a delegation representing the LaRouche Youth Movement in Europe.

Felix Mendelssohn's "Songs Without Words," played by organist Werner Hartmann, introduced and closed the ceremony. Mark's daughter Jessica Trembley sang the spiritual "Oh Peter, Ring-a Dem bells," and her husband, cellist Jean-Sebastien Trembley, performed the Sarabande from the "Suite for Violoncello Solo in C-Minor" by J.S. Bach.

We publish, starting on p. 6, the remarks at the ceremony by Mark's friends and colleagues, and a few of the many messages sent by others unable to attend.

But first, Lyndon LaRouche, speaking on the same day at a webcast conference in Washington, captured the immortal significance of Mark's life. (The rest of LaRouche's address is in the National section.)

Lyndon H. LaRouche, Jr.

I shall begin with just a notice, and a comment, on an event earlier today in Wiesbaden, Germany: My wife, Helga, was leading in the memorial for a recently deceased friend of ours, and collaborator, Mark Burdman. Those proceedings will be on record, for people to read, to hear. But, there's something *in* Mark Burdman's death, and in his life, which is relevant to the subject which is already scheduled for today. And referring to that, helps to humanize, personalize, and make clearer, the subject which I originally intended to present.

Mark died of MS, or complications of MS, which so far is a disease which you do not outlive. He at the same time, over decades, with a diminishing physical capability, which he was fighting to resist, spent this period of time, about 20 years,



Mark Burdman (right) with LaRouche Youth Movement leader David Nance, in Oberwesel, Germany. Said Helga Zepp-LaRouche at Mark's funeral, the youth movement "turned to him, and put their trust in him, imbibing from his virtually inexhaustible reservoir of knowledge. For, to them, Mark was living proof that it wasn't merely in books that Schiller wrote about beautiful souls, but 'that people that cool, really do exist.' "

in Germany, with his wife, functioning in Germany as a station on my behalf, apart from just his function there. What he did was this—some other people associated with me, do this—but, as many of you know, I am in touch with people of influence, in many parts of the world, more or less constantly. The contact is sometimes based on circumstances, whether I may issue a policy-statement or so forth, and you have certain people who represent me, who share what I am saying, on a policy matter, with these circles, in various parts of the world.

And Mark was one of those, doing this, who would exchange feedback to me, from these circles, which helped me have a pulse, on most of the important decision-making processes going on in the world today at the highest level. So, that's why I'm probably one of the best-informed persons in the United States, on the United States itself, and on the world at large. It's through people like Mark, who are capable of carrying the kind of ideas I represent, and sharing those ideas with people who often disagreed with them, but who were capable of understanding what I was saying. And that way, we maintained an international dialogue, throughout Europe, throughout parts of Asia, throughout the Americas, and into Africa, by these kinds of mediation, which Mark specialized in.

Now, he's dead. In the process of dying, as he was going from one hospital treatment to another, to stay functioning, he would come back from the treatment, recuperating, get back on the phones, talk to his contacts from various parts of the world, and the dialogue went on. It went on until the day before he died, when he took himself to a hospital, because

he was having an attack which proved to be the terminal one, because of a conflict of the medication, with the treatment, with the disease.

Now, the point was, to make this reference to Mark, is, in a sense, his immortality. Now, many people who are religious fundamentalists, don't know about immortality. Because they think of immortality in terms of a place outside the universe, which you go to, and it's completely different premises than you're living in now.

Those of us who are wiser, who are competent in science, for example, or who studied the work of Plato, or the writings of Moses Mendelssohn, for example, know better. We know that, what we perceive, as sense-perception, which is what we associate with our mortality, is only a shadow of reality. Reality consists of those principles beyond the senses, which act upon, and shape, the events which appear to us as the results of our senses.

Now, these ideas actually have the character, for us, of universal ideas, of universal principles: When a person, like a great scientist—well, for example, Einstein, as an example of that—a great scientist, who deals not with sense-perception as such, but deals with the discovery and application of principles which have *universal power*, in shaping the condition of the universe and of mankind *in the universe*: These people never die! Because, what they *do*, lives on, and has their personality attached to it.

Now, Mark was a person who dealt with those kinds of ideas. There are people around the world, who are sympathetic to that approach, or who actually share it. We are the

makers of history. The others experience history. We make it. We make it, because our intentions enable us to make it.

Helga Zepp-LaRouche

For Mark

Helga Zepp-LaRouche is the founder of the Schiller Institute, and its president in Germany. She is also the chairman of the Civil Rights Movement-Solidarity party (BüSo), which is currently campaigning for the Sept. 19 state parliament elections in the German state of Saxony. Her remarks have been translated from German.

It is such a hard thing, to have to say good-bye to such a wonderful human being, as Mark was.

His heart bore not the faintest trace of malice, yet his mind was razor-sharp. His soul was good-natured, yet he had an incorruptible consciousness of the misdeeds of the enemies of mankind. Among the many reasons why he felt such a great affinity with Lyn—and Lyn cherished him as his close friend—was his extraordinary gift, which he shared with Lyn, of being able to grasp historical processes, and to take the pulse of the oligarchical forces' plots and schemes.

Mark made so many creative contributions. Over many years, he engaged in dialogue with prominent individuals in Russia, in India, in Great Britain, and in many other lands; and without exception, each of his partners valued his brilliant dialogue, and his acute sense of humor. He was always able to perfectly capture his dialogue partner's state of mind; and I'll never forget how Mark would imitate Professor Bondarevsky's customary introductory remark: "In my humble opinion, tell Mr. LaRouche that it is very urgent, that he. . . ." Oh, yes, Mark's jokes!

But above and beyond the mere sum of all the many productive things that Mark did with such richness, is Schiller's description so apt: "And therefore, with a beautiful soul, his individual actions flow not, in fact, from a code of ethics; rather, it is his entire character. . . . The beautiful soul's merit lies in nothing else, but that it *is* so." Mark was a tremendously lovable person, and so it went without saying, that the youth of the LYM [LaRouche Youth Movement] turned to him, and put their trust in him, imbibing from his virtually inexhaustible reservoir of knowledge. For, to them, Mark was living proof that it wasn't merely in books that Schiller wrote about beautiful souls, but "that people that cool, really do exist."

Mark was, in another sense, the incarnation of the original idea of the Schiller Institute, namely the idea of true German-American friendship. He was, of course, a great American in the tradition of the American Revolution; but he also knew

and loved German culture. If only all Americans, and all Germans, would so naturally be world citizens and also patriots, imagine how easy our relations would be! Each nation would selflessly give the best of itself, and would, without envy, accept the best of others, and out of both, would create something even richer. In this sense, Mark was an American, and—I hope you'll agree with me, Mark—in this sense, he was also a German—indeed, more than that: an ambassador, like Posa from Schiller's play *Don Carlos*.

And therefore, Mark, we promise you that we will redouble our efforts to ensure that everything on which, and for which you worked, will be brought to fruition: a new, just world economic order, and a new cultural renaissance. And above all, we will, with absolute determination, act to set into motion a "Biological Defense Initiative," something which we discussed at the party congress in Berlin. Because it's clear that medical research has simply not yet solved the problem of your own, and of many other illnesses. We need a completely different starting-point for research, one which considers life as a process from the standpoint of Cusa and Vernadsky, not separate from lawfulness that governs the entire universe.

Mark will "live in immortality" in precisely the sense that Schiller addresses in his poem "Das Mädchen von Orléans" ("The Maid of Orléans"). All of us whom he loved, and who loved him, carry, within us, what he has cast into our souls. His ideas, his thoughts, his ideals, and his desires live on within us, and within those who, in turn, are touched by us. But, is it only within us that Mark lives on? What is his true immortality? I think Mark's soul continues to exist, really and concretely, only it's no longer located in his mortal frame.

When we think about Beethoven's life's work, and about everything that Schiller said and wrote, and about all the many times when both men's works have been heard and read anew by new generations, and we think about how millions of individuals have been inspired and changed by all the ideas contained therein, and about how this will remain true for countless generations to come—are we not then looking at the idea of the simultaneity of eternity, and do we not then see, in all concreteness, the souls of Beethoven and Schiller?

I think Nicolaus of Cusa was right, when he said that the soul is the birthplace of the sciences—mathematics, music, astronomy, and so forth—indeed so much so, that these latter would not exist, were it not for the soul. And that because the sciences, once born, are immortal, it is also certain that the soul, whose power is far loftier than that which it creates, is, likewise, immortal.

The same point is made by Riemann when he adopts Herbart's argument concerning the nature of *Geistesmassen* ["thought objects"]. The laws of cognitive development which have been adduced from knowledge of the inner self, can also be applied toward understanding human existence and the development of history. In order to understand the life of the soul, we must assume that the *Geistesmassen* which arise from our cognitive processes, continue to exist as a part

of our soul, and that their inner connectedness remains intact. Changes occur only when new *Geistesmassen* are added. From this, it follows that these *Geistesmassen* remain intact, as the soul's "organic being," even after death. And, is it not the case, that Nicolaus lives on in Leibniz, and Leibniz in Herbart, and Herbart in Riemann, and Riemann in Lyn, and Lyn in Mark, and both these in us and in everything we do? It is only by us having a passionate commitment to make our own contribution, that we can "bind our fleeting existence

onto the long chain of humankind," and, in so doing, make ourselves immortal.

And I would like to add one more thing, which I'm sure is in Mark's spirit. Let us take the powerful emotions we experience over Mark's death, as the occasion to solve what we must solve, if we are to live up to this ideal. And let us not delay for a single moment, because no one knows how much time we have left, for we know not the day, nor the hour.

We shall keep you in our hearts, forever.

Mary Burdman

In Tribute to Mark Burdman by His Wife

It requires the keenest of minds, to study, comprehend, and refute your enemy—especially when that enemy is the international imperial/financial oligarchy which is driving the world towards economic depression and war today. Unless you have the clearest sense yourself, of the wonderful tradition of European culture, from Plato, Leibniz, Shakespeare, Schiller, and now Lyndon LaRouche, you cannot effectively hunt out and engage such an enemy. Unless these ideas of Western culture are the active principles of your own thinking, you might be able to strike at him, but not turn him inside out, to expose to all, the twisted workings and motivations of an evil mentality. Doing exactly this, was the genius of my dear husband, Mark Burdman, who died in Wiesbaden, Germany, on July 8, at the age of 55, after years of illness.

Mark was not a formal scholar of history or philosophy, but brought other weapons to bear in his lifelong commitment, to rid the world of those institutions trying to destroy human progress. He had a wonderful, ironic sense of humor, which saw everyone, no matter how "powerful" or "famous," for what they truly were—good or bad. He was not mean, but sharply insightful into the weaknesses and pomposities of those who want to bend human history and culture to their own ends, and he would always be laughing, and making others laugh, at them. Mark's own background, of Russian, German, and Lithuanian Jewish grandparents who immigrated to Brooklyn, New York, was a key element of this humor. His "tales from Brooklyn" always struck me, an Irish Catholic, as his version of the Parables of the New Testament. There was always a story, or a flash of wit, from Brooklyn, to elucidate any situation.

At the heart of Mark's life, was his dedication to the work, political and philosophical, of Lyndon LaRouche, who has committed his life to freeing humanity of these oligarchic parasites, and creating a truly republican and just new order

for the world. Mark was a revolutionary, in Lyn's likeness and in the likeness of the American Revolutionaries Benjamin Franklin and Abraham Lincoln. During his 30-year association with Lyn, Mark was always leading the way among his colleagues, in finding out the latest frauds and falsehoods that the international oligarchy were trying to impose on humankind.

Mark exposed the most evil thinkers whose policies have brought the world to its current crisis. These were led by Bertrand Russell and H.G. Wells. In current history, Mark wrote tirelessly on the crimes of the Club of Rome, Henry Kissinger, Prince Philip, Samuel Huntington, Tony Blair's New Labour, Robert Cooper, and many, many more, for their evil-minded lying that mankind must starve, must go to war, must shrink our minds and souls into pessimism and despair. Mark knew, very well, the banality and mental and moral constipation of such "influentials" as listed above, and was merciless in exposing it. Looking back through the pages of *EIR* for coverage on these issues, you seem to always find, that Mark had written the first article or exposé, sometimes years before.

This prescience grew out of his way of looking at the world, and his constant dialogue, whether through discussion or through reading, with Lyn. Mark was truly a world-citizen, and would not view issues "bent" through any narrow ideology. He thrived on (positive!) paradoxes, and on the unpredictable, and this quality shaped the course of his life and work.

Mark's mind was always occupied, with the idea of how things would and could be changed. He always took new initiatives from LaRouche as the basis for discussion with his contacts in leading institutions all over Europe, and took in those contacts' responses and reactions, as the basis of further discussion with Lyn, and with many other colleagues. Mark



Mark and Mary Burdman in Scotland. There Mark found thinkers of unusual depth, such as the late Prof. John Erickson, with whom he conducted a years-long dialogue, as Lyndon LaRouche's spokesman.

was always thinking, speaking, and writing, in many dimensions. He thought on the grand scale, but at the same time always looked at “everyday” events, for their potential to shape current history.

Nothing was ever “established” or “set.” Even in the last days of his life, when years of illness had made him extremely frail, he would not be confined to a fixed view of any situation, or (almost) any person.

Mark got especial joy, years ago, from mocking the hapless Francis Fukuyama, whose *End of History* lasted a matter of months. Mark wrote that his own pet Labrador had a better-organized understanding of the unfolding future than Fukuyama. Mark knew, that history is *never* done, and he gave his all, to help shape it for the good.

An old, dear friend, Leonardo Servadio, wrote of Mark after learning of his death: “I think that speaking, investigating, and questioning was his way of loving the world. And I saw in his continuous desire for activity, intelligence, and discussion, the joy and total dedication which I otherwise see only in playing children: the pleasure of continuous discovery.”

Paradoxes

Mark lived paradoxes—that was the best way to hunt out new ways to confound those he wanted to confound. Always at heart a New York City American, he lived most of his working life in western Europe, especially Germany. Mark did this in the tradition of such great Americans as Franklin, Washington Irving, John Quincy Adams, and LaRouche himself, who all spent long periods living in Europe—and working with and for America and Europe together.

Mark's mind was hardly confined to just the two sides of

the Atlantic. His earliest adult political work was on Southwest Asia, and particularly on the role of Israel, whose first leaders brought the great traditions of German Jewry, to the region of Palestine. As a Jew, whose family lost many members to the Nazi regime, Mark chose, from 1980 on, to live in Germany, a nation and culture he loved as dearly as his own. Our daughter, Jessica—actually, Mark's step-daughter—also half-Jewish, grew up in Germany in that tradition. His friendship with Helga Zepp-LaRouche, who brought to Mark the work of Nicolas von Kues and Friedrich Schiller, deepened his love for his adopted country.

Mark developed political and strategic dialogues with thinkers and policymakers in many European nations: Russia, Germany, France, Belgium, Italy, Austria. But, again as a paradox, it was in Britain that he found most of his discussion partners. Mark loathed and made the most wonderful fun of the British ruling classes, especially the nasty Prince Philip. Mark got to the heart of

the anti-human “environmentalist” policies, which set “nature” above mankind, of Philip, Prince Charles, and their ilk, whose brutal contempt for humanity, wants to “curb” all growth of human life. One of Mark's favorite set of articles, exposed the “great Apes” project, a demand to grant “human rights” to gorillas and chimpanzees. No fault to the apes; they were certainly not consulted. Mark foresaw where such efforts would take the British royals: when *EIR* published its Special Report on the “Coming Fall of the House of Windsor,” in October 1994, I looked back in the pages of *EIR* and found an article on exactly this topic, by Mark and myself, published several years earlier.

Yet, amidst his incisive attacks on these British oligarchs, Mark also opened dialogues with the best strategic minds. He found these thinkers especially in Scotland. Chief among them was the late Prof. John Erickson of Edinburgh, who was, after Lyndon LaRouche, one of the greatest influences on Mark's thought and life. As Mark wrote in his early 2002 memorial on John's death, “Most important, to me, was his ruthless integrity and commitment to *truth*, his refusal to compromise with cheap-shot fads.” John, wrote Mark, “often struck me more as a poet in the way he metaphorically shaped ideas and concepts, than the engineering-minded military strategist that he was ‘professionally.’” He was also possessed of a wonderful ironic wit. [*EIR*, March 1, 2002]

John Erickson was one of the greatest strategic thinkers on Eurasia, not only on the history of the Soviet High Command's great victory over the Nazi invasion, but also on the danger that there would be another great Eurasian war today.

His 20 years of discussions with John on these matters, became the basis for Mark's rapid response to the new strategic situation opened up by the fall of the Berlin Wall, the

collapse of the Soviet Union: both the enormous potential for development of Eurasia, and the dangerous outbreak of new wars.

It was during the buildup to the first George Bush war against Iraq, that Mark met Prof. Grigory Bondarevsky of Moscow, whose life work was committed to the study of the history and development of the Eurasian Land-Bridge. In his memorial for the Professor [*EIR*, Sept. 26, 2003], Mark wrote how struck he was, that so many of the Professor's colleagues and friends, said of him, "He was my teacher." The Professor played a key role, in demonstrating to us, how our thinking must extend far beyond the United States and Europe, not only to Russia, but to India, China, and Central Asia, which he knew so well. The Professor also, as Mark wrote after his death in Summer 2003, "would bring the most biting irony into his historical discourses." He became a dear friend and discussion partner to both Lyndon and Helga LaRouche.

In the 1990s, as our association's work expanded eastwards across Eurasia, Mark reached out, with me, to Asian nations, especially to India. He found dialogue partners there, in J.C. Kapur and former Union Minister Chandrajit Yadav. Because of his illness, Mark was never able to go to India, but always understood its potential as a great nation, especially in dialogue with China and Russia. He had deep friendships with leaders of the nations of Ibero-America and Africa.

The Youth Movement

And Mark loved young people. One of his very last activities, was to visit one day at a LaRouche Youth Movement seminar near Koblenz, where he was immediately surrounded by groups of young people, wanting to talk to him about Britain and the world.

During his last long day in the hospital, when he was very ill, I read to myself and to him from one of Shakespeare's most inspired plays, *The Winter's Tale*. It is the story of a King who, through madness and jealousy, throws out his friend, another king, condemns his wife, and sends his new baby daughter to be abandoned. But the new generation survives, and grows up to bring renewal to both kingdoms. At the center of the play, is a wonderful scene, in which, as so often in Shakespeare, it is the commoners who speak the crucial lines. In this scene, the King's nobleman who has carried the baby to another country, is killed by a bear as he abandons her; his ship is wrecked in the storm. All this is seen by a young peasant, while his old father finds the beautiful child. The youth returns to boast to his father of all these sights, but the old man stops him. "Heavy matters! Heavy matters! But look thee here, boy. Now bless yourself: thou met'st with things dying, I with things new-born." From that moment, the whole play turns from disaster, towards redemption and hope. Mark remained committed to all "things new-born," through his last days.

There are many tributes to Mark; to me, the best, in its simplicity and truth, is the message written to him on his 40th

birthday, by our daughter Jessica. She was then 16. To Mark, she wrote: "You have given me the best gift anyone ever could to their child: You have taught me how to think."

Michael Liebig

Michael Liebig is the Executive Director of EIR Nachrichten-agentur in Europe, and a long-time colleague and collaborator of Mark Burdman.

So let me just add a few words to what has already been so movingly said about Mark. I want to recite here a few lines from Dietrich Bonhoeffer, which he wrote on Jan. 1, 1945, which tells us that in God's design of this world, the good and the truth will win. [Translated here for publication—ed.]

By Good Powers

1. By good powers faithfully, quietly surrounded, protected, and consoled amazingly—that is how I want to live these days with you, and walk with you into a new year.
2. The old will continue to torment our hearts; the heavy burden of evil days weighs down upon us still. Oh, God, give our terror-struck souls the salvation for which You have created us.
3. And if You offer us the heavy, the bitter cup of sorrow, filled to its highest rim, we shall accept it thankfully and without trembling from your good and loving hand. . . .
7. By good powers amazingly sheltered, we faithfully await what may come. God is with us in the evening, and in the morning, and most certainly every new day.

The last political event he was able to attend, was the Koblenz youth seminar. On July 1, Mark attended parts of a class on Adorno and Beethoven's *Fidelio*; he made an intervention pointing out the importance of Wilhelm Furtwängler for the German people in maintaining cultural optimism. On July 4, Mark wrote a short memorandum which expresses something about Furtwängler which is also characteristic of Mark's artistic and playful mind:

"The following quote from Wilhelm Furtwängler about Beethoven's *Fidelio* gives an insight into what the post World War II culture in Europe might have been, had it not been for the subversion of the 'Sexual Congress for Cultural Fascism.' It also tells why the CCF went so energetically against Furtwängler. The remark was made in 1948 in Salzburg, two years after Furtwängler's confinement in prison during 'de-Nazification' hearings, among other awesome events from the war:

" 'The conjugal love of Leonora appears, to the modern

individual armed with realism and psychology, irremediably abstract and theoretical. . . . Now that political events in Germany have restored to the concepts of human dignity and liberty their original significance, this is the opera which, thanks to the music of Beethoven, gives us comfort and courage. . . . Certainly, *Fidelio* is not an opera in the sense we are used to, nor is Beethoven a musician for the theater, or a dramaturgist. He is quite a bit more, a whole musician, and beyond that, a saint and a visionary. That which disturbs us is not a material effect, nor the fact of the ‘imprisonment’; any film could create the same effect. No, it is the music, it is Beethoven himself. It is this ‘nostalgia of liberty’ he feels, or better, makes us feel; this is what moves us to tears. His *Fidelio* has more of the Mass than of the Opera to it; the sentiments it expresses come from the sphere of the sacred, and preach a ‘religion of humanity’ which we never found so beautiful or necessary as we do today, after all we have lived through. Herein lies the singular consideration. . . . The flaming message of *Fidelio* touches deeply. We realize that for we Europeans, as for all men, this music will always represent an appeal to our conscience.’ ”

All that we, the Wiesbaden intelligence staff, can say today is that Mark is irreplaceable. Yet, his soul and his life’s work, will live.

Shakespeare’s Sonnet 29

Recited by Muriel Mirak-Weissbach.

When, in disgrace with fortune and men’s eyes,
 I all alone beweep my outcast state
 And trouble deaf heaven with my bootless cries
 And look upon myself and curse my fate,
 Wishing me like to one more rich in hope,
 Featured like him, like him with friends possess’d,
 Desiring this man’s art and that man’s scope,
 With what I most enjoy contented least;
 Yet in these thoughts myself almost despising,
 Haply I think on thee, and then my state,
 Like to the lark at break of day arising
 From sullen earth, sings hymns at heaven’s gate;
 For thy sweet love remember’d such wealth brings
 That then I scorn to change my state with kings.

Renée Sigerson

Renée Sigerson, Mark’s sister, is a member of the EIR sales team in the National Center in Leesburg, Virginia, and a leader of the LaRouche movement’s music work, whose arti-

cles include “The Importance of Musical Tuning for Today’s Political Crisis,” New Federalist, June 29, 1998.

I bring greetings from my husband John Sigerson, Mark’s roommate and friend of 35 years; and from Morton Burdman, our father.

Our family knows that my brother’s happiest days were the years he has spent with Mary, Jessica, and Jean-Sebastien. Mark and Mary visited my parents, and afterwards my mother called me, and couldn’t stop talking about how much she liked Mary. But, the key comment was: “When the phone rang, and we told Mary that it was Jessica calling, I saw the look on her face, and from that expression, I knew that Mark had found the person he was looking for.”

We have always known that Mark Joseph—a name he used and one that I find beautiful—was our family’s most important gift to the world.

Mark Joseph was born May Day, 1949. No one could figure how it was rigged that he was born May 1; my mother, whose parents were socialists emigrated from Vilnius and Lviv, never hesitated to tell Mark that millions of people all over the world celebrated his birthday. This was daring, considering that May Day is not a recognized American holiday, and that Mark was born during the hottest time of the Truman-McCarthy witchhunts, and my parents were deeply affected by this.

At an early age, between three and five, by which time I was born, Mark was already beginning to live in history. Lyndon LaRouche has emphasized that his first significant discoveries were made at the age of three to five years old. This was definitely the case for Mark, who from that age began to live in history, operating, for a child, from a strangely distinct appreciation of the notion of paradox. The reflection of this was his distinctive sense of humor, manifest by the time he was six years old.

The Pursuit of Justice

He lived explicitly under the canopy of the Moses Mendelssohn/Lessing mission, that the meaning of life is discovered by the pursuit of justice. The concept that America must have a mission to establish and restore principles of justice; and that this indeed is what it means to be an American, was not something Mark *learned*. From early on, this was something that he *lived*, and I am convinced that among the reasons he decided to live in Europe, was to help hit the problems of the United States from an effective flank; and thereby persevere in this principled mission, established in early childhood.

In short: His first childhood memory was of my mother telling him to keep a secret, that a man was hiding in the extra bedroom. This man was associated with the executive committee of the U.S. Communist Party, and was en route to escaping to Canada. (When I asked my mother how she could

trust my brother, who was barely three years old at the time, to keep a secret, especially since he was skilled at speaking, she said she never doubted that she could trust him.)

There were also counterpoints to my parents' participation in the Communist Party—an organization with which they had many disagreements, but felt during the Truman years that there was no where else to turn.

Among these counterpoints were my father's reflections on his service during World War II, when he found himself flying bombing missions over Germany. He served with commitment, but made clear to us not only that war was absolutely horrible; but, in disagreement with much popular opinion, that Fascism was emphatically not a "German" disease, and that America was endangered by the same problems. My parents supported the Civil Rights movement, explicitly on the grounds that the treatment of American Negroes was comparable to the tragedy in Germany, and that racism took many forms. My father also constantly warned us, that much of what we were told in school about such matters were lies.

Another "contrapuntal" influence of decisive importance was Grandpa Harry. Mark's paternal grandfather, Harry Burdman, was an emigré from Odessa, which, for the Jews, was part of Russian culture. We were told early on, that Grandpa Harry had fled Russia because he was inducted into the Russian Army and refused to fight in the Russo-Japanese War. He walked to Romania, spent five years in Vienna, and came to New York.

Harry's favorite grandchild, bar none, was Mark Joseph. Every few weeks, we would visit him and our Grandmother, Hannah, who originated from the Berlin, Germany outlying areas, and moved to America around 1916. Mark and Grandpa Harry would sit for hours near the window of the small apartment, Mark across Grandpa's lap, looking out the window, talking very quietly. These were lessons. The lesson was that Mark had to recite by memory, the names of all of the Presidents of the United States, beginning with George Washington to Dwight Eisenhower, in order; and, as he got a little older, also to recite the dates for each Presidency. They also discussed Alexander the Great. For Grandpa Harry, America was the place where a common person could become President. This reality connected to profound ideas concerning statecraft and justice, and for Mark Joseph, these were deeply personal matters.

Our earliest childhood game involved the poster hanging over his bed: a map of the United States, with little pictures of each American President; we would laugh uncontrollably, inventing nicknames for each President, based on their haircuts and sideburns. We made fun of Martin van Buren and Franklin Pierce; but, we never ridiculed Abraham Lincoln.

Thus: the paradox began. America, the greatest nation ever founded, but there was so much wrong. There *had* to be justice—but how?

At the age of 11, Mark authored a school paper on the



Mark and Mary Burdman at home in Germany, December 2001. Mark's paternal grandmother came from Berlin, and the family emigrated to the United States. The family taught him that Nazism was not a "German" disease, but one to which any nation—including the United States—could fall victim.

history of the Crusades. His teacher told my parents the paper was so advanced, it could have been accepted from a college student. This paper became a family heirloom. At the age of 13, Mark launched a weekly newspaper, at Summer camp.

During this period, we became close friends. We were accustomed to having long discussions. The primary subjects were: What is wrong with adults, and, what is friendship, really? How do you judge, *who* is your best friend?

Politics and Intelligence

At the age of 15, Mark began writing to underground newsletters, to acquire information about the war in Vietnam. He would receive magazines and newspapers, and turned his bedroom into an intelligence headquarters. He wanted to resolve for himself, what to do about the war.

At the age of 16, Mark called a meeting. There were four people at the meeting, including his two "political" friends, Phil and David. It was held in our kitchen, in Brooklyn, New York. Following a few jokes, Mark explained why he had called us together. He was recruiting us to found with him the Brooklyn High School Students Committee Against the War in Vietnam. I was 13 years old, and he appointed me Secretary-Treasurer. We gave out announcements, reserved a room, and invited one of the leading anti-war speakers, David Dellinger, who sent an associate, to address our meeting. About 50 people showed up. This was 1965.

In college, beginning 1966, Mark had become an analyst on international political relations. He had a particular interest in Africa. He graduated with honors, and was wooed and sought after by all sorts of outposts of the Eastern Establishment. In 1973, he was granted a large fellowship by Princeton University International Affairs. Mark spent no more than two months at Princeton, bought a train ticket, returned to New York, and joined Lyndon LaRouche's organization. The idea of making money, and getting a top reputation in return for this kind of work, was repugnant to Mark. He knew the stench of the Eastern Establishment first hand, and was simply repelled by it.

A lot more could be said, but in sum, the paradox of his earliest years made him a pre-selected partner of Lyndon LaRouche, whose mind and soul brought to a higher level the mission of Mark's life: to assure that the idea of human dignity and statecraft embedded in the American Revolution become the successful practical basis for policy in the United States, as a victory for all mankind.

Steven Meyer

Steven Meyer is the author of "Moses Mendelssohn and the Bach Tradition," Fidelio, Summer 1999; "Moses Mendelssohn, David Ben-Gurion, and the Peace Process: A Lesson in Statecraft," EIR, Nov. 3, 2000; and "The Strauss Kindergarten: Israeli Outcroppings of 'Universal Fascism,' " EIR, May 2, 2003.

First, Mary, let me say that I bring you and your family condolences from your friends and associates in the United States.

Mary asked me to come to Europe from Washington, D.C. to speak a bit about Mark's relationship to the work which honored and brought to life the great German philosopher and orthodox Jew, Moses Mendelssohn, which Andreas [Ranke], Frank [Hahn], and I worked on over a number of years. She also asked that I say the Jewish prayer of mourning, the Kaddish.

Mark was the trailblazer in this area of work, and for him, like me, it had a very personal element. Mark was the first to seek to locate that political faction in modern Jewry, which represented a universal outlook, which Lyn and we in the organization could rally, and he was very intent on bringing a just peace to the Palestinians and Israelis.

When Lyn wrote the Oasis Plan for the Near East in the mid 1970s, Mark brought Israel's representative at the United Nations from the Histadrut, Israel's main trade union associated with Ben Gurion's Labor Party, to meet with Lyn. Mark told me stories about that historic meeting, and I think it led to Lyn's discussion with Abba Eban.

During this period, Mark wrote a *Campaigner* article entitled "Zionism Is Not Judaism," which was a controversial

thing to say as a Jew. A few years later, in 1980, he wrote another article for the *Campaigner*, "Restoring Israel's Moral Purpose—The Nineteenth Century Roots of the Zionist Peace Faction." The article was generated by an historical event for Germans and Jews, the celebration of the 85th birthday of Nachum Goldmann. Goldmann, who created the World Jewish Congress and was its chairman for decades, was known as the ambassador-at-large for all Jewry. To be sure, he was also its moral conscience, and as Mark located in his article, he was implicitly the moral force of the small peace faction within Israel.

At the time of his birthday celebration, West German Chancellor Helmut Schmidt was meeting with French President Giscard d'Estang, and the Chancellor interrupted those meetings to honor Goldmann. Schmidt rose to the podium and extended his wish that German-Jewish relations would achieve a "total symbiosis analogous to that which produced in the 19th Century and up through 1933 the great German Jewish scholars, philosophers, and artists." Goldmann's response was that "no people so much as the Germans has so influenced Jewish ideology and culture."

Mark reported not only on the significance of Goldmann's life, he sought out and included the details of the famous German rabbinical synod held here in Frankfurt, in 1845, as the basis for German Jewry's contributions not only to Germany, but to the anti-slavery movement in the United States. Mark also covered the pronouncements of the Rabbi of Worms, and one Sunday a year or so ago, we traveled to walk the grounds and interior of that Rabbi's very synagogue. So, this history was very much alive in Mark's mind.

But Goldmann and Schmidt had missed the proverbial elephant in the room. We found that the wonderful sage Moses Mendelssohn who collaborated with Lessing on behalf of Leibniz, and Mendelssohn's extended family, the Itzigs, who worked with Bach's sons, Mozart, and Beethoven to create a revolution in composition, were the unique causal relationships which spawned all the others.

Mark helped me to "pull that thread" for several years, and he was proud to walk in Mendelssohn's footsteps. We would have short discussions, usually by phone, and he always had something insightful or funny to say. Mark's humor and cackle, I found, always tended to bring into focus and largely illuminate some image of one or another of the creatures we had placed under the microscope.

I remember the visceral comments he made when I told him that I had located the two Israeli philosophers who were advocates and close friends of Leo Strauss. The one, Gersom Schoelem, who had invited Strauss to come live and teach in Israel from London, before he moved to the U.S., Mark knew to be a cabbalist. He sharply commented that this guy was a witch, but a simpleton.

But the one who really upset Mark, whose name escapes me [Emil Fackenheim—ed.], was the Israeli Straussian who was famous for his thesis that the Holocaust proved the "end

of history” theory to be valid, and Mark railed that this guy was the most evil, for he spread pessimism and despair, and Mark really despised these so-called philosophers. He urged me to write something to expose this.

So, I’m honored to say Kaddish for Mark at this time, for it is a prayer whose intention is that those persons in mourning and grieving at the loss of a loved one must re-dedicate themselves with determination to continue life with the certainty to make the world better. The prayer has its origins during the Black Plague here in Europe during the Middle Ages, when the Jews living in ghettos were being especially decimated and often blamed for the epidemic; but in the face of such horror and despair, it called the mourners to re-dedicate themselves to the God of Israel and to carry on in a godly manner. It has become the universal prayer of mourning for all Jewry.

[*The Kaddish was recited, followed by Eil Malei Rachamim, the prayer for the soul of the departed.*]

Amelia Boynton Robinson

Mrs. Robinson is the vice chairman of the Schiller Institute in the United States, and a heroine of the Civil Rights movement. Her autobiography, Bridge Across Jordan, was recently re-issued by the Institute.

There comes a time, that our earthly family, Schiller Institute, is visited by an angel of mercy from Heaven, such as Mark Burdman. And one of our beautiful flowers has been plucked, and taken to Heaven. It is our loss, but Heaven’s reward. It is our contribution to Heaven.

Jacques Cheminade

Jacques Cheminade is the leader of the LaRouche movement in France, the head of the Solidarity and Progress party, and a former candidate for the Presidency of France.

Mark Burdman was a just man. He remains, for me, a smile of commitment, the smile of one who never thinks of himself, but of the cause of humanity for which he battles. With such a smile on his lips, Mark could die, for his task was fulfilled as well as it could be.

I met Mark in 1974, in the office of the political organization of Lyndon LaRouche, which I had just gotten to know. He had something more than the others. He loved with a passion what he was doing. By doing so, he transformed my life, and he shall remain close to me with that biting irony that prevents one from being misled into complacency or from looking away when injustice is committed.

I saw Mark for the last time three weeks ago, in Koblenz.



“A smile of commitment, the smile of one who never thinks of himself, but of the cause of humanity for which he battles.”

He was surrounded by young people who assailed him with questions, with the insight that youth have when they recognize the uncompromising wisdom of certain adults. His happiness was in sharing, and awakening in others the best of themselves. May we inherit this flame, and fight in his image.

A thing of beauty is a joy forever.

Konstantin Cheremnykh

Dr. Cheremnykh, a journalist and physician from St. Petersburg, Russia, is a long-time friend of the LaRouche movement.

In the Russian language, there is a notion of “black envy” and “white envy.” If you are “white”-envious, you don’t wish anything bad to your counterpart; you wish you could possess the same properties as he has, and you lack.

This feeling I experienced each time when I saw Mark, an outstanding man who managed not only to devote himself to work for the common good, but also to get the whole of his family devoted to the same endeavor, with a beautiful contempt towards circumstances outside and inside him—expressed with an extraordinary laugh.

Each time I arrived in [Germany], with a load of impressions and news of the evil of this world, he would turn to me and give this never-mind laugh, and stand up to shake hands—and bend with pain, with the same smile on his face. A “white” envy would strike me with a red flush of shame. I believe this smile was on his face at the last moment of his life, too.

Which is not the last—as he has conveyed his attitude to this world and people, as the subject of his and the common endeavor, to his family and to all of us, and this posterity is still with us, and while all of us are alive ourselves, it will be there, and when we leave, our posterity will carry it along.

Probes Pile Up Around Dick Cheney, Halliburton

by Edward Spannaus

Dick Cheney's protection racket for Halliburton's lucrative, no-bid contracts for Iraq, was the theme of a contentious hearing held on July 22 by the House Government Reform Committee. This hearing, focussing on Halliburton subsidiary Kellogg, Brown and Root (KBR), was the fourth in a series that Committee Chairman Tom Davis (R-Va.) has been compelled to hold, under pressure from Democratic members, prompting Davis to complain that "if it weren't for the fact that the Vice President was the former—and I emphasize former—CEO of the parent company, we wouldn't even be here today."

At one point, reacting to what he called allegations that the Vice President is "corrupt," Rep. Mark Souder (R-Ind.), called the session a "show hearing" and a "witch hunt" against the Vice President.

For the first time, officials of Halliburton/KBR were forced to appear before Congress to defend their company against the multiple accusations against it.

Two devastating new reports on Halliburton's contracts were released by Rep. Henry Waxman (Calif.), the ranking Democrat on the Government Reform Committee, and Rep. John Dingell (Mich.), the ranking Democrat on the House Energy and Commerce Committee. The first was a Government Accountability Office (GAO) report on Halliburton's logistics contract to supply housing, food, and other support to troops in Iraq, which shows, according to Waxman and Dingell, "ineffective planning, inadequate cost control, insufficient training, and a pattern of recurring problems with controlling costs, meeting schedules," and so on.

The second report presented the results of a nine-month investigation into Halliburton's contract to import gasoline into Iraq from Kuwait. It found that Halliburton's overcharges amounted to more than \$167 million, and that when the Army took the contract back, and had its own energy

supply agency import the fuel, the costs dropped dramatically.

Multiple Investigations

Meanwhile, both Halliburton, and Cheney personally, are under increasing legal pressure on many other fronts:

- A Federal grand jury in Houston has issued a subpoena to Halliburton, as part of a criminal investigation into the company's using a sham offshore subsidiary to conduct business deals with Iran in violation of U.S. law. The matter has been under investigation by the U.S. Treasury Department since 2001, and it was recently referred to the Justice Department for possible criminal prosecution.

Sen. Frank Lautenberg (D-N.J.), held a press conference on July 20 to demand that the investigation look into Cheney's role, since some of the violations appear to have taken place during his tenure as Halliburton's CEO.

- A second Federal grand jury, this one in Chicago, is investigating kickbacks and overbilling on Halliburton's Iraq contracts, involving a Kuwaiti subcontractor. Under questioning at the July 22 hearing, KBR officials refused to provide any information about the kickback investigation, said to involve over \$6 million; the officials said their stonewalling was "on the advice of counsel," who were busy passing notes to them.

- Cheney is personally the focus of a criminal investigation in France, into a bribery and \$180 million slush-fund scheme involving a KBR venture in Nigeria. A parallel investigation is being conducted by the U.S. Justice Department. (See *EIR*, July 16.)

- The Justice Department's investigation of the illegal disclosure of the identity of covert CIA operator Valerie Plame is said to be near completion, with Cheney being widely considered to be the primary target (see article, p. 26).

‘No Spending Limits’

At the July 22 hearing, Representative Waxman charged that the Bush Administration’s approach to Iraq reconstruction “is fundamentally flawed,” calling it “a boondoggle that’s enriching a lot of contractors, but not accomplishing enough on the ground.”

“Halliburton is an \$8 billion microcosm that illustrates the Administration’s misplaced priorities,” Waxman declared, noting that U.S. troops lack body armor, but yet the GAO found that, when it comes to Halliburton’s contracts, there are “no spending limits.”

Waxman and others cited as another example of the Administration’s priorities, that detailed planning for taking control of Iraq’s oil fields began in the Summer of 2002, many months before the war began. “Yet,” Waxman said, “GAO’s report reveals that there was no contingency planning for feeding and housing our troops until May 2003, after the fall of Saddam.”

“These aren’t the priorities of most Americans,” Waxman declared.

And as to the Vice President, Waxman noted that last September, Cheney had appeared on television and stated: “I have absolutely no . . . knowledge of, in any way, shape or form, of contract let by the Corps of Engineers or anybody else in government.” Plus, Waxman added, senior Administration officials had assured the public that the decisions on Halliburton’s no-bid contract were made by “career civil servants. . . . But now we know that those assurances were false,” Waxman said. “The decision to give Halliburton that sole-source Iraq oil work was made by a political appointee, not career procurement officials. And the Vice President’s chief of staff received an extensive briefing.”

Waxman and other Democratic members repeatedly cited the briefing given to the committee by Michael Mobbs, a special advisor to Undersecretary of Defense for Policy Doug Feith and a political appointee, who had said that *he* was the one who had made the decision to award the contract for restoring Iraq’s oil infrastructure to Halliburton in the Fall of 2002. Mobbs also said he had given an extensive briefing to Cheney’s Chief of Staff, Lewis Libby, on the contract. (Mobbs, a protégé of Feith and the Defense Policy Board’s Richard Perle, was one busy fellow. At the same time he was heading the “Energy Infrastructure Planning Group” in Feith’s office, in the Summer-Fall of 2002, he was also being put forward as the Pentagon’s top expert on detentions of “enemy combatants.” It was on his say-so, that at least two U.S. citizens, Jose Padilla and Yaser Hamdi, were held incommunicado in a military brig for over two years.)

Waxman also renewed his motion for the committee to issue a subpoena to the Administration for all documents reflecting contacts between the Vice President’s office and the Defense Department regarding the Halliburton contracts. His motion was voted down by Republicans, on a straight party-line 23-19 vote.

Halliburton Defense Committee

For their part, the Republicans on the Government Reform Committee turned the hearing into a love-fest with Halliburton, defending Cheney’s old company at every turn, and desperately trying to undermine the testimony of the former Halliburton employees who had come forward at their own risk, to testify about waste, fraud, and abuse by Halliburton’s KBR subsidiary.

Even before they had the opportunity to testify, Committee Chairman Davis launched an assault on the “so-called whistleblowers,” attacking each one by name, and saying that their accusations “are either flat-out wrong, or at worst minor, or represent a naive or myopic view of contracting in a war-time environment.” He accused the witnesses of bearing “ulterior motives,” and of having “some personal bias” against KBR.

The former employees who testified were two former truck drivers contracted by KBR, and a former logistics specialist for the company. For unexplained reasons, two other of the scheduled witnesses did not appear—which might not be surprising, if they had some inkling of the abuse that would be hurled at them by committee Republicans determined to defend Halliburton.

The two truck drivers described an utter lack of maintenance of \$85,000 trucks, including even elementary measures such as replacing gasoline filters in an environment where dust storms were common. Trucks were lost for lack of parts or even spare tires. They also described running convoys of empty trucks, which presented additional security problems and a maintenance burden.

The logistics specialist, Marie deYoung, who had previously attained the rank of captain in the military, described over-billing, double-billing, and how she was ridiculed (“as I experienced here this morning”) and chastized for identifying and trying to correct problems with the administration of contracts. She told the committee that “the Halliburton corporate culture is one of intimidation and fear.”

DeYoung also stressed the contrast between the austere living conditions of U.S. troops, and the luxurious living and working conditions of Halliburton/KBR employees. “The contrast between how soldiers live and how Halliburton lives, would shock you,” she told committee members.

The next panel, consisting of four mid-level KBR officials in seemingly-identical dark suits, backed up by lawyers in the same dark suits, presented a striking contrast to the previous panel of former Halliburton employees, two of whom were the shirt-sleeved truck drivers. They were lobbed softball after softball questions by Davis and a fellow Virginia Republican, Rep. Ed Schrock.

Another GOP Congressman, John Duncan of Tennessee, noted ironically that it is usually Republicans who are concerned about government waste and abuse—but it was clear here, that when Dick Cheney’s interests are at stake, all the normal rules go out the window.

The Threat of Fascism Today

by Lyndon H. LaRouche, Jr.

What follows is Lyndon LaRouche's keynote address of July 15, 2004, delivered to his campaign webcast of that date. The webcast, which originated in Washington, D.C., was moderated by campaign spokeswoman Debra Freeman, who described the impact of LaRouche's campaign to remove Vice President Dick Cheney from office—a campaign LaRouche announced during a webcast in Washington a little more than a year ago; and one whose impact could be measured, Freeman said, by a 1,600-word article on the front page of the New York Times of that day—July 15—speculating on, not whether Cheney will go, but how he will go.

Subheads have been added to this transcript.

I shall begin with just a notice, and a comment, on an event earlier today in Wiesbaden, Germany: My wife, Helga, was leading in the memorial for a recently deceased friend of ours, and collaborator, Mark Burdman. Those proceedings will be on record, for people to read, to hear. But, there's something *in* Mark Burdman's death, and in his life, which is relevant to the subject which is already scheduled for today. And referring to that, helps to humanize, personalize, and make clearer, the subject which I originally intended to present.

Mark died of MS, or complications of MS, which so far is a disease which you do not outlive. He at the same time, over decades, with a diminishing physical capability, which he was fighting to resist, spent this period of time, about 20 years, in Germany, with his wife, functioning in Germany as a station on my behalf, apart from just his function there. What he did was this—some other people associated with me, do this—but, as many of you know, I am in touch with people of influence, in many parts of the world, more or less constantly. The contact is sometimes based on circumstances, whether I may issue a policy-statement or so forth, and you have certain people who represent me, who share what I am saying, on a policy matter, with these circles, in various parts of the world.

And Mark was one of those, doing this, who would exchange feedback to me, from these circles, which helped me have a pulse, on most of the important decision-making processes going on in the world today at the highest level. So, that's why I'm probably one of the best-informed persons in the United States, on the United States itself, and on the world at large. It's through people like Mark, who are capable of carrying the kind of ideas I represent, and sharing

those ideas with people who often disagreed with them, but who were capable of understanding what I was saying. And that way, we maintained an international dialogue, throughout Europe, throughout parts of Asia, throughout the Americas, and into Africa, by these kinds of mediation, which Mark specialized in.

Now, he's dead. In the process of dying, as he was going from one hospital treatment to another, to stay functioning, he would come back from the treatment, recuperating, get back on the phones, talk to his contacts from various parts of the world, and the dialogue went on. It went on until the day before he died, when he took himself to a hospital, because he was having an attack which proved to be the terminal one, because of a conflict of the medication, with the treatment, with the disease.

Now, the point was, to make this reference to Mark, is, in a sense, his immortality. Now, many people who are religious fundamentalists, don't know about immortality. Because they think of immortality in terms of a place outside the universe, which you go to, and it's completely different premises than you're living in now.

Those of us who are wiser, who are competent in science, for example, or who studied the work of Plato, or the writings of Moses Mendelssohn, for example, know better. We know that, what we perceive, as sense-perception, which is what we associate with our mortality, is only a shadow of reality. Reality consists of those principles beyond the senses, which act upon, and shape, the events which appear to us as the results of our senses.

Now, these ideas actually have the character, for us, of universal ideas, of universal principles: When a person, like a great scientist—well, for example, Einstein, as an example of that—a great scientist, who deals not with sense-perception as such, but deals with the discovery and application of principles which have *universal power*, in shaping the condition of the universe and of mankind *in the universe*: These people never die! Because, what they *do*, lives on, and has their personality attached to it.

Now, Mark was a person who dealt with those kinds of ideas. There are people around the world, who are sympathetic to that approach, or who actually share it. We are the makers of history. The others experience history. We make it. We make it, because our intentions enable us to make it.



Presidential candidate LaRouche speaks to the July 15 webcast, just days before the Democratic National Convention at which he, and the LaRouche Youth Movement, launched a new political mobilization committee called LaRouchePac.

How History Is Really Made

For example, leading into what I'm going to say on today's subject: World War II started in 1918. And at that time, events were put into place which led to World War II, all the way through the death of Franklin Roosevelt in 1945. Now, think of that period, of about 27 years, in which fools are marching around the world, thinking they knew, on the basis of today's events, where the world was going. Here's what happened: A group of powerful financier interests, people who are more important than bankers—people who *own* banks, control them, create them, and destroy them—like Morgan. The Morgan interests have destroyed Morgan several times—put it into bankruptcy, then bought it up cheap again, and started all over again.

These kinds of people, who are in the Venetian model, constitute a network of international family-related, financier power. They are the most powerful influence in the world, especially in European history since 1763, when the British East India Company, through the Treaty of Paris, became a world empire. And all world events, since 1763, have been based on the impact of the Anglo-Dutch Liberal system, which became an imperial power, with the Treaty of Paris in 1763.

So, here we're coming out of World War I, which is a farce—a bloody, cruel farce. But at this point, these bankers, these circles of bankers, including names like Harriman, du Pont, Morgan, and so forth—Mellon—in our own country, and in other countries, these groups decided they were going to play a game: They were going to destroy the impact of the United States, the impact of our country's republic, in establishing efforts in Europe and elsewhere to establish sov-

ereign republics, in place of the world being run by empires, empires of financier-family interests, such as the British East India Company.

So what they decided, is to create an impossible situation, in 1918, at the Versailles meetings: There, they set up what was called the Versailles monetary system. Now the Versailles monetary system, was a plan to put the world into a financial-monetary crisis, and political crisis. And out of that crisis, to create a system of dictatorship, which we saw developing over 1922 through 1945, of fascist regimes, beginning with Mussolini's regime, which was put into power by a banker, Volpi di Misurata, from Italy. Fascist regimes, all the way until the end of World War II.

This was the original *intent*. The details were varied. The details were not fully planned. But, the intention was, to orchestrate a *failed system*, a system

which was failed from the beginning, the Versailles system; to bring it to a crisis; to make a revolution in international banking and financial affairs; and to run the world by an empire, a world empire, based on a system of dictatorship, for what the Hitler regime and so forth, in Europe, represent in our memory today.

What they did, is, they set up the Versailles system. The architecture of the entire international system was based on the following ingredients. Number one: It was based on war reparations, paid by Germany, to France and Britain, two countries that were financially bankrupt, hopelessly bankrupt as a result of the costs of World War I. These French and British interests, being paid by Germans, with reparations fees, would then pay the New York bankers, to whom they were indebted. So you had an architecture, of German reparations; French and British bankers and interests in Europe; and American bankers at the top of the pyramid, with a world system called the Versailles system. Which was brought to an end in 1931, with the formation of the Bank for International Settlements, with the cessation of the British gold standard, and with the creation of a financier cartel, where the entire world was essentially controlled, financially, by this international financier cartel, which *intersected* the Basel, Switzerland Bank for International Settlements.

Roosevelt Spoiled the Fun

What happened—what spoiled the fun—was that in 1932-33, Franklin Roosevelt happened. Now, Franklin Roosevelt was a true patriot of the United States, which very few Presidents have been! His ancestor Isaac Roosevelt was a founder of the Bank of New York, was an ally with Alexander

Hamilton *against* Aaron Burr, who was a British agent, a traitor, and a scum-bag; general, all-round bad guy. Roosevelt had that tradition in his family. He wrote a paper for his graduation at Harvard University, on that subject, of the American System of political economy. When he was struck with polio, and in the process of struggling to recover, or master the effects of poliomyelitis, he refreshed his understanding of his roots.

And going from Governor of New York, to become President, he was fully determined, to re-introduce the American System of political economy, to wipe out the heritage of Teddy Roosevelt, of that Ku Klux Klan fanatic Woodrow Wilson, that scum Coolidge, and that dummy, in a sense, political dummy, Herbert Hoover.

Now he was opposed, Roosevelt was opposed: Then, in his nomination, the head of the Democratic National Committee hated him, as much as McAuliffe hates me! And did as much as he could, as McAuliffe has tried to do to me, to keep me from getting the nomination! So, that's the parallel—me against McAuliffe. John Raskob, the banker-owned head of the Democratic National Committee, was Franklin Roosevelt's leading opponent in seeking the nomination and election—Raskob, who was also involved in a 1934 planned military *coup*, against the Roosevelt government! Raskob the Rascal.

What Roosevelt did, was, when he went into office, and sat down at the desk after being sworn in—with not a pencil or a paper on that desk!—acted by calling in two women, who were assigned to him as secretaries, and, in getting the ball rolling, saved the United States *from Hell*. Including such measures as the bank holiday.

What Roosevelt did, was two things, which are most notable: First of all, *he saved the United States*. Because if Hoover had been re-elected—Hoover was not a fascist; but Hoover was sort of the Brüning of the American System. If Hoover had been re-elected, we'd have been a fascist state by 1934, just like Nazi Germany. The American version. Roosevelt saved us from that.

Roosevelt also prevented something: He prevented the British from joining Hitler, in the events of summer 1940, which would have meant the British Navy and the British Empire would have gone over into the same camp with the Nazis, and with Japan. And the world today would be a fascist system, a Nazi system.

Roosevelt's margin, of leading the United States, saved the United States from dictatorship, and saved the world, from a fascist dictatorship.

That's the way history goes.

Roosevelt understood what I just described to you, in his own terms. And, he acted, with a long-term understanding—first, of what the United States had been created to become, what the enemy was, what the issues were, and what the special powers of the United States, by virtue of its Constitution, were, to be able to act, as a sovereign nation, under these

circumstances, *to save this nation*. And to save the world, from what would have been a Nazi tyranny of the world, had Winston Churchill not struck the deal that he struck with Roosevelt, when the British Expeditionary Force was on the beaches at Dunkirk. *That saved the world*.

That's the way history works.

After Roosevelt Died

So, these fellows who put Hitler into power, intended to put something like him into power. But it didn't end there: The day after Roosevelt died, under Truman, the Nazis began crawling back into the woodwork of the Americas, and elsewhere. This was the right wing, under Truman. This was the policy of "preventive nuclear warfare," designed by Bertrand Russell, adopted by Truman, which created the Korean War, almost got us into a thermonuclear war with the Soviet Union. At that point, the Americans said, the intelligent ones, said to Truman, "You don't run again. You git! Y'understan' that, Missouri boy! You git!"

And they brought in Eisenhower, who was not a nut, who was a traditionalist. And Eisenhower got the nation sort of safely through the 1950s, not too badly damaged, except for that idiot Arthur Burns, he dragged in with him. But that wasn't his fault.

Then, what happened? Eisenhower left office; Kennedy came in. Kennedy was a smart guy, but he didn't understand what he needed to know. He began to find out the hard way fairly soon. And he went the hard way, because he didn't understand soon enough, what his enemy was.

What happened is, Allen Dulles, who was a certifiable Nazi, John J. McCloy, who had become a certifiable Nazi, and similar kinds of people, began to move, once Eisenhower was out, to seize the opportunity. Because Eisenhower, being not only a military man, but representing a strong tradition in the United States, was the one political figure who had the ability to hold the fascist element in our system, in check. When he was out of office, the fascists came out. They were called the "pigs," the Bay of Pigs, Allen Dulles's operation. The missile crisis was done by the international fascist force, the Nazi force, left over—they orchestrated it, for their purposes. Kennedy did as well as he could.

But that was a period of crisis. Changes occurred. De Gaulle: They tried to assassinate him repeatedly, by a Nazi by the name of Soustelle—Jacques Soustelle, operating from fascist Spain. Then we had—Kennedy was killed. The murder was covered up—there was no investigation. There was an investigation, but nobody published anything.

Then we went into the Indo-China War, a *perpetual war!* A perpetual war, with nuclear implications, played with the threat of nuclear weapons, all over the place.

Brainwashing a Generation

And then we began to be destroyed: Because a new plan for introducing a world empire, based on Nazi-like principles,

was in process. And the way it worked, was, they took young people, who had been brainwashed under Truman—that is, they'd been born under Truman, and they'd been brainwashed under Truman. The worst of them came from suburbia, where their families were the scared bunnies of the 1940s and '50s: "Don't do anything, your father may lose his job!" "Be careful who you talk to. Be overheard saying the right thing. Never tell the truth. Learn to go along to get along." Hmm? Prostitutes!

Or, what is said by the famous Curtius, the historian, in talking about the fall of Greece, the fall of Athens in the Peloponnesian War. What took over the United States, with the Baby Boomer generation's indoctrination, especially during the course of the 1950s, was classical sophistry. "There *is* no truth: Lie all the time. Learn what the approved lies are. Put 'spin' on it."

So these young fellows, who were the bright young fellows from the families who were more privileged, from suburbia, where they'd fled to to get away from the cities, where all these working people lived; these fellows, they were selected! They were the cream of the crop! After the missile crisis, they were going into the universities, especially the leading universities, which normally produce, as output, a selection of people who become the rulers of the nation, in the corporate life, and the political life of the nation.

And these young fellows went on campus. And what did they do? They took off their clothes, took LSD, spent all night with marijuana and cheap wine, trying to figure out how the world worked, hmm? We had a cultural paradigm shift, which is called the Baby Boomer generation. And the key factor in this, was, to take sophistry to its extreme: "There *is* no truth, there is only the current vogue; and blue-collar people are *bad!*" "Blue-collar people are bad. Trade unions are bad. We have to have a—paradise. We are the Golden Generation!" "We're going to create a worker-free society! We're going to get rid of industry! We're going to get rid of technology! We're going to take our clothes off!"

And they did!

That didn't work too well, but what they did, eventually, they became prejudiced against that. And you have a generation, between 50 and 64 years of age, today, in general, who are the upper 20% of family-income brackets, who dominate most of the economic life of the nation, and the political life of the nation. And they don't know what work is! They don't know what production is!

You have the other part of the population, the lower 80% of the family-income brackets, who perceive themselves as *underdogs*. They don't try to run the country: They try to beg for favors. It's called "single issues." Not just the one-child family, but single issues in a different sense. And they will go for single issues: "my community"; "my family"; "my special interest." "No, I'm not going to get involved in national politics—I don't care what happens there! I don't care what happens on the state level! I gotta think about my local commu-

nity, and my family interests, and *the way I feel!*" Underdogs! Whimpering underdogs!

They don't vote to shape the policies of the nation: They vote to get something out of the people who *will* shape the policies of the nation. They say, "Buy me! Bribe me! Give me something! I want money! I want special concessions. I want my religion to become national policy. I just invented it yesterday, and I want it to become national policy tomorrow."

The Greatest Financial Crisis

So what we did is, we created this monster, which results in effects of the following type, which I'll now begin to describe: We're on the road toward the greatest financial crisis in modern history. It is now happening. Sometime soon—tomorrow, several weeks from now, months from now—but within the period between now and the beginning of the year, this present world monetary-financial system will, not collapse, it will disintegrate! If it's continued in its present form.

What we're going back to, is a situation which is comparable to 1931, but worse. In 1931, when the post-World War I financial system, monetary system, was collapsing, could no longer be sustained, there was an agreement among leading financier interests, to form the Basel-based Bank for International Settlements, to reorganize the Versailles debt system. And, in addition to creating this bank as a controlling bank, of which Schacht was an official, they also set up this cartel, whereby German corporations and other corporations would buy into sections of the debt which had been assigned to municipalities in Germany. So, you had a cartel now, which actually owned nearly everything in Europe, financially. Which was tied into cartel extensions, into the banking system in New York City.

This cartel, with the Bank for International Settlements being established, *the British dropped the gold standard*, the British gold standard. So now the world was being run by a cartel. It was this cartel, which survived Hitler.

After the defeat of the Nazis at Stalingrad, and a few months later, the defeat of the Japanese fleet at Midway, the possibility of a Nazi world victory was excluded. The ultimate defeat of Nazi Germany was ensured. It was an ugly business, a long business, but it was ensured.

Some people planned for the postwar world. The same people who had formed this cartel, the same people, including Hermann Göring, who had been part of the Nazi system—and what they did, is they used their cartel influence, inside the U.S., and British, and other institutions, to prevent an exposure, of what the real Nazi system had been: the cartel side. And they, with the death of Roosevelt, and their armlock on Truman, began to come back to power, in various parts of the world.

Now they created, between 1964 and 1981, with the changes that had occurred in the aftermath of the Kennedy assassination, and the launching of the Vietnam War, they've now created a financial system *which does not work*. This

international financial system, is bankrupt. There is no such thing as anybody on this planet, who is not bankrupt. There are two kinds of bankrupts: those who know it, and those who haven't found out yet. Because what they think are assets, aren't worth much. It's comparable to the situation in Germany and Europe in the 1920s. They are, again, moving to collapse the system, to go back to the methods of the cartel, and to establish a fascist world empire, called globalization and outsourcing, and so forth, which will replace the existing world system. And they intend to rule the world forever.

Now Cheney is only a carpet-chewer for these guys. His wife is much more dangerous: She's the one that has the leash on her husband the beast. And he's a puppet-master who controls the President of the United States. Some people say, "Don't get rid of him. We have to defeat Bush."

Put that pig in a kennel—now! Don't leave it loose, it spreads diseases!

Anyway, so that's the situation. That's where we are. That's what the Convention in Boston this next week *means!* It's not who's going to be nominated for President. That is not the issue. Who is going to *own* the person, who is nominated for President? That's the issue.

Look at John. I mean, John is not a stupid person. John is not a bad person: John Kerry. But, does he own himself?! He's rich; but does he own himself? He does not! Not politically. He's controlled. By Shrum-bag, and similar kinds of people.

So the point is: Who is going to control the next President of the United States? Is it going to be the people? Is it going to be the long-term interests of the United States? The two-generations-to-come interests of the people of the United States, and the world?

Or, is it going to be this bunch of Nazis—in fact? In fact, you can trace the genealogy, they *are* Nazis! You can prove it. We've got some in Northern Virginia, who are provably direct legates of the Nazis, running around there.

Who's going to control it? That's the point we face.

Working With the 'System'

Now, what they're saying is, in a sense—the way they try to dope you, is, they say, "Well, you've got to work 'with the system.'" But, what is "the system"? The system is the postwar system, since-Roosevelt-died-system—which has undergone various evolutions, or, shall we say, degenerations. Especially since the assassination of Kennedy.

It underwent accelerated degeneration, under two National Security Advisors: Henry A. Kissinger and Zbigniew Brzezinski. Kissinger was typical of the group, including George Shultz and Paul Volcker and so forth, who destroyed the monetary system, the Bretton Woods monetary system, in 1971-72. After Kissinger was key in the London and international oil-marketing cartel, in running the famous crisis, the oil crisis of that period.

Brzezinski, introduced, again, preventive nuclear warfare

as a policy: The Committee on the Present Danger was a revival of the Truman policy for preventive war, nuclear war. I happened to stop that, by exposing it in a national TV campaign, in October 1976.

So they didn't do that, but they did everything else. It was under Brzezinski that we *deregulated* the United States, and destroyed the economy, the internal economy: We destroyed agriculture; we destroyed the transportation industry; we destroyed the power industry; we destroyed our cities. This was done. And then, we had Paul Volcker, who destroyed the savings and loan associations, and other things. So, we have been destroyed as a national economy, step by step, over this period, starting with the Indo-China War; then going to the Nixon phase; the Carter phase, which was really the Brzezinski phase. Then, we had poor Jack Kemp, who is not the worst person on the planet, who had this Kemp-Roth—it was terrible. The Garn-St Germain bill was a piece of thievery. And we kept getting worse, and worse, and worse.

Then we went, in 1987—I had the privilege in June of 1987, of forecasting a probably inevitable collapse of the New York Stock Exchange, to occur in the first week, approximately, of October. Which did occur.

At that point, Volcker was leaving as Federal Reserve chairman, and Alan Greenspan (otherwise known as "Bubbles") was coming in. And Alan said, "Hold everything. Don't do anything. I'm going to do something!" And what did he do? He invented financial derivatives. What he did was, he said: "Gambling side-bets will now be counted as money. And you guys will create side-bets, called financial derivatives, or hedge funds."

Then, we had the "IT" revolution, which is actually IT revulsion—it didn't work, as you may have noticed; finally, in the Spring of 2000, it began to collapse.

We've reached the end of the rope. The system is now collapsing. And people say, "But, you gotta work within the system." "What reforms? What's your platform?" "What kinda sex are you for?"

I have no interest in your sex! Just don't do it in my presence, whatever it is!

No, they are ducking the real issue: The issue is, we have to go back to the American System, as Roosevelt understood, Franklin Roosevelt, in the 1930s. It was going back to the American System, that saved this nation from fascism at home. It was the impact of the American System, which enabled the United States to build up the power, to ensure the defeat of the Nazi attempt at empire. It was the American System, as embodied by Roosevelt's design in the Bretton Woods system, which enabled the United States to create an international monetary system, the old Bretton Woods system, under which we worked with Europe and other countries, to build up the world economy, up until the assassination of John F. Kennedy.

What we have to do, is say, "This was a mistake. These were mistakes. We should have cleaned out the Nazi system,

when we had the chance, instead of bringing it into NATO security, and into the CIA, in the form of Allen Dulles and company, and James J. Angleton.” We have to do, what we should have done then. We can’t simply change history. But we can learn the lesson of history, and apply that lesson to our present situation.

The Social Transformation

Now, that comes to the point now. Let’s take the first issue: *What has happened to create, in particular, the economic crisis, threatening the lives of the people of the United States today?* That should be number one, before the Democratic Party Convention in Boston: What was done that was wrong, which has destroyed the U.S. economy, and threatens the well-being, and even the lives of our people today? What is it? And how do we get rid of it?

All right, let’s look at it. [At this point was shown an animated graphic of the Incredible Shrinking Physical Economy—ed.] Number one: We were transformed—and we’ll repeat this, after I’ve described it—we were, up until the middle of the 1960s and slightly beyond, the nation that launched the man on the Moon, in 1969. We were that nation. We did that with technologies we had then, *we don’t have today!* We were, in the postwar period, we were the world’s leading producer society, in terms of agriculture, in terms of manufacturing, in terms of technologies, in terms of the general welfare, the standard of living. We were the world’s leading producer society.

What did we become? We became *this!* [pointing to the animated graphic]. When did it begin? Well, it effectively began under Arthur Burns, but it began as a policy, with the rise of the Baby Boomer generation, in universities, during the 1964-68 period; with the rise of the so-called “ecology movement,” with the anti-blue-collar movement; with the “we don’t like people who work” movement.

So, what we did, is, we were transformed, especially after ’71-’72, as the Baby Boomers, coming out of the universities, began to have more and more influence on politics, and actually on shaping economic practice; we became less and less a producer society. In other words, a crucial turn was made, which was like the things that happened in the 1920s and ’30s: 1971-72, you had these three swine—the three little pigs—Henry Kissinger, Paul Volcker, and George Shultz. Those are the Three Little Pigs. These are the ones, who according to what John Connally personally told us—remember, John at that point was, in 1971, the Treasury Secretary of the United States. What John told us, personally: We said to him, “John, why did you do it?”—this is the Aug. 15 decision. “Why’d you do it?” He said, “Well, frankly, it was done—Kissinger, Volcker, and Shultz planned it, and pressured me to do it, to advise the President to do it.” We said, “It was a mistake.” He said, “Yeah, it was a mistake.”

Then, Shultz, in 1972, went to the Azores Conference, and peddled the policy of Nixon, to the International Mone-

tary Fund, the nations of the International Monetary Fund: creating a floating-exchange-rate system. Where we had had a fixed-exchange-rate system, which had been the basis for postwar recovery of the United States, Europe, and other countries, we went to a *floating*-exchange-rate system. A floating kidney system, hmm?

Then we said, “Okay, we control the monetary-financial system in London, through the London market. What do we do? We Anglo-Americans” (or we Anglo-worms, or whatever you want to call it): “*We* control the system. We will organize a run against the currencies of South and Central America, and other countries. We will drive the value of their currencies, on the open, free, unregulated market, down to a low price. They will scream—and we will be friendly. We will say: ‘Why don’t you call in the nice IMF and World Bank? They will advise you.’ ”

And the nice IMF and World Bank officials will say, “What you’ve got to do is the following: You’ve got to devalue your currency! Officially!”

“Okay, boss. We’ll do that.”

“Oh, wait a minute! Wait a minute—but you’re not going to get by with this, now, remember. You owe debts to people. And you’re going to have to increase your indebtedness to correspond to the effect of dropping the value of your currency. You will no longer pay your foreign debts in your own currency. Debts you incurred in your currency, will no longer be paid in your currency. You will pay them in dollars, and pounds-sterling. And we will create an international debt, which you will now carry, at interest rates we will determine.”

So now we turned the people of South and Central America, in particular, into slaves! We sank the value of the peso, we sank the value of the Argentine currency, all the currencies of South and Central America—and we turned these countries into slaves! We forced them to shut down their development, to shut down much of their infrastructure, to lower their standard of living, and to work as cheap labor, for us in the United States.

Then along came Al Gore, and so forth, at a later point, who convinced Clinton to go along with NAFTA, and other forms of outsourcing and globalization.

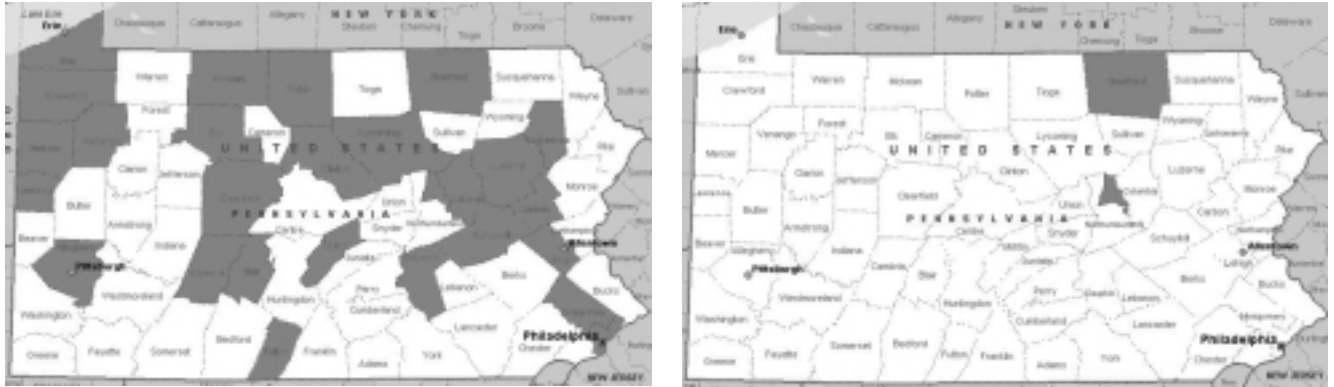
What we have done, is by orchestrating a floating-exchange-rate system, we have looted the entire planet, by forcing them to work for us as slaves—replacing the workplaces in the United States. So, now the lower 80% of our family-income brackets have lost their farms, have lost their jobs in industry, at an accelerating rate, and that sort of effect: Because we outsource, by becoming like the Roman Empire, a society of bread and circuses. What you get, instead of wealth, is: “*entahtainmint*. An’ Ah do mean, *entahtainmint*. Outta yer own bodies, an’ that of yer neighbors,” chiefly.

So, we have become corrupt. We played games. We gamble. We don’t produce.

We gamble in side-bets. We don’t produce.

FIGURE 1

Pennsylvania Counties At or Above the Hill-Burton Standard for Hospital Beds, 1970 vs. 2001



A real economic measure: the shrinking of hospital bed availability shown here in Pennsylvania over 30 years. The Hill-Burton Act of 1946 set standards for hospital beds of various types per thousand people. In most U.S. counties, hospital coverage has fallen below even the minimum end of the Hill-Burton range.

We say, “We’re rich. We’re powerful. We are the model of success!” We are the parasite of the world.

But, what happens when you run out of victims? What happens when the cannibal runs out of victims? The cannibal’s children go hungry.

Now, let’s go back to this thing. Just one more look at this, the incredible shrinking economy. See, the “market” which everybody admires, has gone up. What do people talk about? “How’s the market doing today?!” “What’s the news on the market?” What does television tell you? “The market! The market! The market!” The Three Little Pigs went to market: Kissinger, Volcker, and Shultz, the Three Little Pigs went to market.

What has happened, is, our economy has been systemically destroyed—not just systematically, but systemically destroyed, because principles of practice have been built into law, and into the practice of life generally; into our universities, into all of our institutions: that we, as a nation, as a reflex reaction to reality, react like jerks. Like suicidal jerks, economically.

And people say, “That’s the system. Ya can’t put the toothpaste back in the tube!”

I can! And I intend to do so.

So, that’s the problem.

Health, Steel, Railroads

Now, let’s get to this next [case], on the hospital situation. At the end of the war, we had a Hill-Burton legislation, which was based, in part, on reflection upon our experience with 16-17 million people in military service, during World War II, served by a military medical system. And the military medical system, which had the assignment of treating almost everyone, particularly as informed by the horrors of the so-called “triage” policy introduced in France, during the First World

War. We tried to avoid triage in World War II, by developing a medical system, a delivery system, which would prevent us from triaging our own citizens, civilian and military alike. This was called Hill-Burton.

The legislation was essentially simple, and it was a very short piece of legislation—not like one of these long, 2,000-page pieces of junk that won’t work anyway. Very simply, we say that the objective has to be, to define every county of the United States, with its population, as having a certain standard in terms of number of beds per capita, by type, and located such—the hospital is located such, that everybody will have efficient physical access to medical care, at a point of need. The point being, is that other parts of the medical system, including the private physician, are oriented to the hospital system, and related systems. Therefore, if you have the hospitals in place, with the right qualifications, the right equipment, the right beds, and so forth, then you have the optimal way of treating the needs of the American people, whether as soldiers, or as civilians.

You had all elements of this: You had the Veterans Hospital system, all these other kinds of systems. The idea is, put them all together, and look at them on a county-by-county basis, and say that “We must set a standard, in each county; it should be managed by the county, of bringing private, and other elements together, for annual planning and cooperation in developing the delivery of an adequate medical care system, on a sliding scale—based, as we go along, we will change the standard, as we learn more and more about the requirements, for preventive health care, as well as others.”

Now, look what’s happened, on a national scale first. States that were adequate—this is 1980. The states had achieved an adequate level, by Hill-Burton standards. Now, let’s see what happened after that [the figure used here is not available]. The green ones are the ones which were adequate.

Now, look at the next one—on the Pennsylvania county situation (**Figure 1**). Pennsylvania: county by county, 1980. Adequate. Now, '85; '87, see them dropping away? Dropping like flies. 1989. 1990. Hmm? '94—how d'you like that? Right?

Now, let's look at steel production. These are the steel states, essentially. That's what's happening. Go to the next one.

We're losing it.

Now, let's look at another question: the railroads. What happened to our national railroad system—these the connections among all this production process? What happened to them? (**Figures 2 and 3**).

Highway traffic jams, anyone?

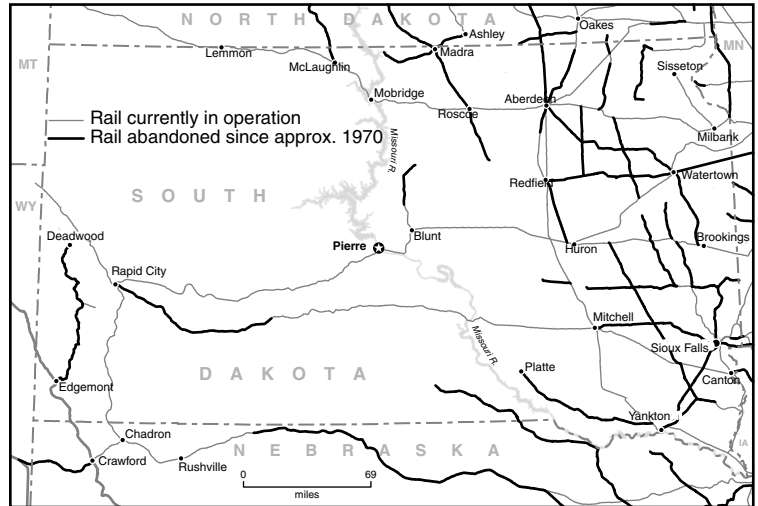
So, that's what's been done to us, in our economy. We have transformed ourselves from the world's leading producer society, to a Roman Empire-like society of bread and circuses. We pass out bread to our poor, and less and less all the time, as health care typifies this. We have more circuses, mass entertainment. It gets bigger, more plentiful, and more degraded. You can almost be sent to prison for putting a plot in a screenplay these days. It's considered an offensive against morality. What you want to do is show those lurid effects of sex and blood. That's what people consider entertainment. They're just too lazy to do it for themselves. They want to watch it instead.

But that's what we've become.

And this is what is going to vote in Boston for a Democratic National Convention? *This* is the basis on which candidates will be selected, on which platforms will be adopted, and candidates and political figures otherwise be enjoined to get out and make this thing work. "Don't criticize it, make it work! Get behind it, make it work! It's our system! It's the American System! Don't talk about yesterday, don't talk about production! We're against that! Don't talk about murder of the people of South and Central America. Don't talk about the genocide in sub-Saharan Africa. Don't talk about what we did in the Middle East and Southwest Asia. Don't talk about what we're trying to do in the Philippines. Don't talk about the war we'd like to have between Taiwan and Mainland China, with Japan in the middle, and the United States orchestrating it. Don't talk about these things. That's the system, boy! Go with the system, boy! Be one of the crowd. Don't be one of those *outsiders*, those guys out there protesting in the streets. Don't be with them. Be with the system. Any doubts? Call up Ridge at Homeland Security."

FIGURE 2

South Dakota: Abandoned and Existing Rail

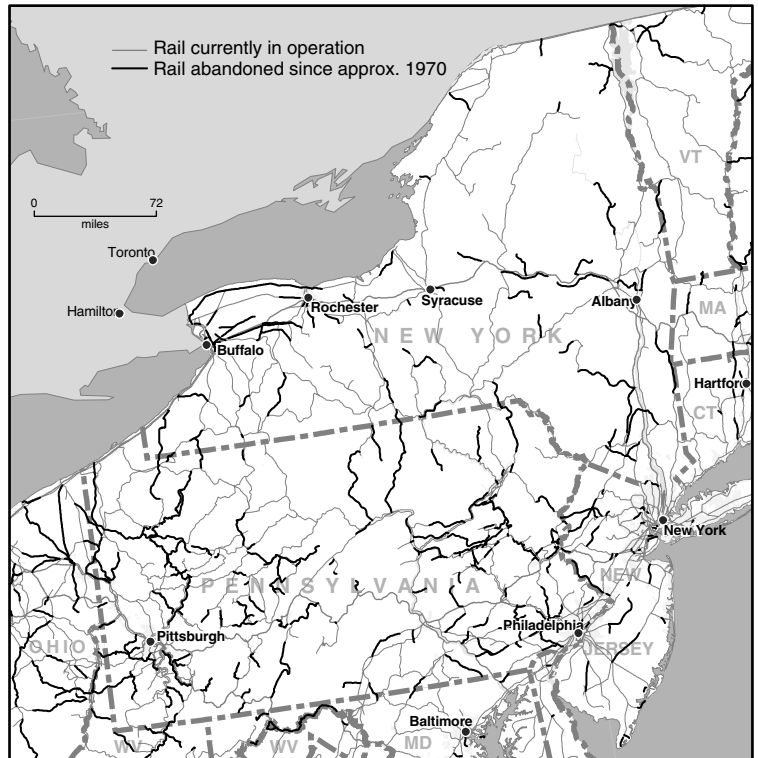


John Sigerson / EIRNS 2002

South Dakota is representative of many farm states: More than half of the rail grid in the eastern half of South Dakota, connecting it to the East, has been abandoned.

FIGURE 3

Middle Atlantic Region: Abandoned and Existing Rail



John Sigerson / EIRNS 2002

The Middle Atlantic region of Pennsylvania, New York, and New Jersey: Pennsylvania, the historic cradle of America's rail development, has seen extensive parts of its rail system abandoned.

Many Floridas Loom In November Elections

by Edward Spannaus

What many activists and observers, including *EIR* have warned—that the November 2004 Presidential elections could be far more chaotic and disastrous than those of 2000—was officially acknowledged in a Congressional hearing on July 20.

“My concern is that the election is going to be a fiasco,” admitted Rep. Adam Putnam, (R-Fla), the chairman of the Technology Subcommittee of the House Government Reform Committee. “Anyone could be another Florida in November 2004. We have not passed any legislation that could prevent another Florida.”

This is despite—or perhaps because of—Congress’s passage of the Help America Vote Act (HAVA) in 2002, which, it was acknowledged, has not done anything to improve the situation for the 2004 Presidential elections. It has, in fact, made things worse. As a committee staffer told *EIR*: “Nothing is in place for November.”

Faith-Based Voting

The July 20 hearing was the long-delayed hearing on electronic voting, which had been originally scheduled for May 12, but was unnecessarily cancelled by the GOP leadership, despite a packed hearing room and witnesses sitting waiting to testify.

Rep. William Lacy Clay, (D-Mo), the senior Democrat on the subcommittee who, sources say, had pressed hard for the hearing for many months, said at the outset that the public must be provided with “the most transparent voting system possible,” and, he pointed out, “computerized voting does not accomplish that.”

Rep. Clay said that the issue is simple: “I want to vote, and I want to know my vote is counted as I intended. With a paper ballot, my vote is there in front of me, and I place it in the ballot box.” Clay said the same is true of punch cards and optical scanning devices, “although both of these are subject to mechanical error.”

“With lever machines and computerized voting, you have to take it on faith that your vote is counted as you intended,” Clay continued, while noting that a problem or tampering with a lever machine affects only that machine, while a problem with computer software affects all machines running that program.

Clay expressed his support for the paper-trail bill sponsored by Rep. Rush Holt (D-NJ), who was participating in the

hearing by special arrangement. However, it has been clear for some time, that the Holt bill has no chance of passing the GOP-dominated Congress; and, even if it did, it is too late to have a significant effect on this November’s elections.

Dr. Avi Rubin, an expert in computer security from Johns Hopkins University, declared that although vendors and some state officials continue to insist that touch-screen machines are perfectly secure, “I cannot fathom the basis for their claims.” He said that those who defend touch-screen machines “do not account for the ease with which a malicious programmer could rig an election,” adding, “It is much easier to hide malicious code in software than it is to detect it.”

But other witnesses attacked the idea of going back to paper ballots, or to what are called “voter-verified paper trails,” as the equivalent to early 20th-Century demands to ban the automobile and to return to horse-and-buggy technology. Two witnesses offered even more complex technological solutions (which are still prone to error and malfunction).

One of the witnesses, the acting Director of the National Institute of Standards and Technology (NIST), Hratch Semerjian, was asked by Rep. Clay about states which have already purchased electronic voting machines using HAVA money. “What should they do?” Clay asked. “I really feel for them,” Semerjian responded, while acknowledging that certification standards “won’t be developed in time for the 2004 election.”

Clay also asked Semerjian whether NIST had stopped work on HAVA; his answer was that their work “was slowed down”—not stopped. But, in fact, NIST had announced in February that it had “terminated all its activities under the Help America Vote Act for lack of funding.” Taken together with the Bush Administration’s long delays in nominating members of the Election Assistance Commission, this has created a situation in which state and local officials were using Federal HAVA funds to purchase touch-screen voting machines, while nothing was done to establish standards for these devices, as was required by the HAVA statute.

This prompted Rep. Marcy Kaptur (D-Ohio), also specially participating in the July 20 hearing, to ask where state and local officials should go, with their questions about electronic voting systems. When the panelists acknowledged that there is *nowhere* to go, because there is no agency that has developed standards for testing and certifying this equipment, Kaptur pointed out that when Congress voted for HAVA, “that’s what we were voting for”—but nothing yet exists.

This acknowledgment of the potential for chaos in November, confirms the wisdom of the call issued earlier this year by Democratic Presidential candidate and *EIR* Founding Editor Lyndon LaRouche, who called for the states and Congress to ban all computerized voting systems in November. LaRouche said that only a return to a 100% paper-ballot system could guarantee fair and honest elections. *EIR*’s testimony, incorporating LaRouche’s proposal, was published in the May 21 issue of *EIR*.

Loser Bob Shrum: Kerry's Rasputin?

by L. Wolfe

In the late Fall of 2003, after fascist Beastman Arnold Schwarzenegger had won the California Governor's race, Jason Kinney, a speechwriter for ousted Democrat Gray Davis, fired off a letter to fellow Democrat Sen. John F. Kerry (D-Mass), demanding that Kerry fire his political guru—the man reputed to be the campaign's chief strategist, the political consultant Robert Shrum. How could Kerry listen to the advice of the man who had steered Arnie's campaign, defeating Kerry supporter and fellow Democrat Gray Davis? Shrum had betrayed Davis, betrayed the Democratic Party.

Kerry did not fire Shrum. In fact, on his triumphal return from sticking the knife into Davis's back, Shrum helped run a coup in the Kerry campaign that gave him even more power. Nor did the Democratic national leadership see anything wrong with one of the party's leading, highest-paid consultants working to defeat an embattled Democrat on behalf of Arnie the Fascist.

What Presidential campaign and what party would hitch its fortunes to a Bob Shrum? Answer: One that is headed for defeat, as has been the case for every one of Shrum's Democratic Presidential clients for more than 30 years.

The Puppet-Master

Shrum attended Georgetown University, where he won an award as the nation's top collegiate debater. Debaters are well schooled in sophistry, arguing with equal passion and logic for either side, without concern for the truth. A skilled sophist is the ideal political hired gun. As a profile on e-vote.com notes, in cases where there are several consultants (as in the original Kerry campaign), Shrum has shown a knack for ruthless infighting, so he becomes the only puppet-master.

After serving as a speechwriter for the bankers' favorite Mayor of New York City, John Lindsay, Shrum made a name for himself working on the 1972 Presidential campaign of Edmund Muskie, where he wrote the first of a long string of Presidential candidate concession speeches. Later, he shifted over to frontrunner Sen. George McGovern (D-SD), for whom he drafted another concession speech. Then there's the role he played in helping draft the infamous "McGovern Reforms," which eviscerated the old FDR Coalition, reapportioning delegates by quota to the various New Age constituencies Shrum championed. For example, the so-called gay-lesbian Victory Fund has named its annual award for Shrum and his wife, and calls him the "Prince of Gay Rights."

After walking out of the Carter campaign in 1976, Shrum affixed himself to Sen. Edward Kennedy (D-Mass). He became, and remains, a close confidant of the Senator. He served as strategist and press secretary for Kennedy's abortive 1980 primary campaign against Carter. It was here that Shrum played one of his nastiest tricks on Kennedy and the party, by convincing Kennedy—who had even less support than Carter—not to support the drive for an open convention. The LaRouche-led movement for an open convention had been close to gaining sufficient support to overturn the rules that bound delegates to their candidates, opening the way for a third candidate, which would have been the only way to avoid a sure loss with Carter. Shrum, expressing visceral rage at LaRouche organizers, instead drafted a speech for the Senator for the convention's closing night—the swan song of the Kennedy dynasty. Carter was crushed in November.

Shrum served as Kennedy's speechwriter and press secretary through 1984, reportedly coining the term "Star Wars" to deride the LaRouche-conceived Strategic Defense Initiative proffered by President Reagan in March 1983. Thereafter, Shrum went into private consultancy, steering a string of Presidential wannabes and losers: Walter Mondale in 1984; Mario Cuomo and Dick Gephardt in the 1988 primaries; and Michael Dukakis in the "big one" that year. In 1992, he directed Bob Kerrey. Along the way, he accumulated more concession speeches.

Shrum tried to work his way into the Bill Clinton campaign, but was never trusted by the candidate or key staff.

Shrum wound up as a major figure in the Gore campaign in 2000, insisting on two things: 1) not to make use of Clinton, and 2) to refrain from attacking Bush' competence to be President. For this, Shrum was criticized by other advisors. According to the *LA Weekly*, Gore overruled them in favor of Shrum.

Shrum was also reportedly responsible for two key memos that defined the Democrats' effective surrender to the Cheney-Bush war drive. According to a GOP website, Shrum drafted a memo Nov. 13, 2001, telling Democrats to avoid attacking Bush on the war on terrorism; they should limit attacks to economic, budget, and tax issues. A 2002 memo drafted by Shrum and issued by Democracy Corps, called for the Democratic Congressional delegation to back the authorization for the Iraq war; if you want to win your election and the national election in 2004, the memo said, you must back this war.

Shrum didn't start the 2004 campaign with Kerry, but with John Edwards. But Shrum is now at the top of the Kerry heap. The *New Republic* reported that all is not well with the Kerry campaign. It quoted a source inside the campaign as pointing out in early July, "Bush has had the worst three weeks of any President since Nixon, and we are still losing to him. If these ads don't start to move the numbers, expect wholesale retooling of the campaign." As Shrum's record should prove, this political "god" clearly has feet of clay.

Wilson Stands Up to Cheney Smear Tactics

by Lawrence K. Freeman

The Vice President and his Cheneyac supporters are in a desperate flight-forward to discredit Ambassador Joseph Wilson, in an attempt to circumvent indictments expected by the end of this Summer from the grand jury investigating the deliberate “outing” of Wilson’s wife, Valerie Plame, as a CIA agent. The proceedings could lead to the Vice President or members of his staff being charged with violating Federal statutes. Wilson has made clear that he will not back down from the truth, even in the face of a torrent of vicious personal attacks launched against him and his wife since the release of the Senate Select Committee on Intelligence Report in early July. According to Wilson, the “smear attacks” are intended to distract attention from the fact that the White House used the Iraq-Niger uranium “yellow cake” claim in President Bush’s 2003 State of the Union speech to whip up support for war against Iraq, even after being told by the CIA that the yellow cake claim “was weak”; and to protect those responsible for exposing the identity of his wife. The July 20 *Wall Street Journal* editorialized that Prosecutor Patrick Fitzgerald, who is conducting the Plame investigation, “should fold up his tent.” This reveals the cause for the diatribes against Wilson: *the potential for criminal indictments that could drive Cheney out of office and sink President Bush’s chances for re-election.*

On July 15, Wilson rebutted Sen. Pat Roberts (R-Kans.), Chairman of the Senate Select Committee on Intelligence, who has served as a Cheney attack-dog on the committee to protect the Vice President from the Plame criminal investigation. In his letter to co-chairmen Senators Roberts and Jay Rockefeller (D-W.Va.), Wilson refutes the first conclusion by Roberts: “*The plan to send the former ambassador to Niger was suggested by the former ambassador’s wife, a CIA employee.*” If this were true, then various legal maneuvers would be used to try to absolve the “leaker,” most likely from Cheney’s office, of criminal acts. Thus, Roberts is proffering their defense strategy. Wilson’s letter continues as follows:

Excerpt from the Wilson Letter

That is not true. The conclusion is apparently based on one anodyne quote from a memo Valerie Plame, my wife, sent to her superiors that says, “My husband has good relations with the PM [prime minister] and former Minister of Mines (not to mention lots of French contacts, both of whom could possibly shed light on this sort of activity.” There is no

suggestion or recommendation in that statement that I be sent on the trip. Indeed it is little more than a recitation of my contacts and *bona fides.*

The [false] conclusion is reinforced by comments in the body of the report that a CPD [Counterproliferation Division] reports officer stated that “the former ambassador’s wife ‘offered up his name’ ” (page 39) and a State Department intelligence research officer stated the “meeting was apparently convened by [the former ambassador’s] wife who had the idea to dispatch him to use his contacts to sort out the Iraq-Niger uranium issue.”

In fact, Valerie was not in the meeting at which the subject of my trip was raised. Neither was the CPD reports officer. After having escorted me into the room she departed the meeting to avoid even the appearance of a conflict of interest. It was at that meeting where the question of my traveling to Niger was broached with me for the first time and came only after a thorough discussion of what the participants did and did not know about the subject. My *bona fides* justifying the invitation to the meetings, were the trip I had previously taken to Niger to look at other uranium-related questions, as well as 20 years of living and working in Africa, and personal contacts throughout the Niger government. Neither the CPD reports officer nor the State analyst were in the chain of command to know who, or how, the decision was made. The interpretations attributed to them are not the full story. In fact, it is my understanding that the reports officer has a different conclusion about Valerie’s role than the one offered in the “additional comments.” I urge the committee to reinterview the officer and publicly publish his statement.

It is unfortunate that the report failed to include the CIA’s position on this matter. If the staff had done so it would undoubtedly have been the same evidence as provided to *Newsday* reporter Tim Phelps and Knut Royce in July 2003. They reported that on July 22 that: “A senior intelligence office confirmed that Plame was a Directorate of Operations undercover officer who worked ‘alongside’ the operations officer who asked her husband to travel to Niger. But he said she did not recommend her husband to undertake the Niger assignment. ‘They [the officer who did ask Wilson to check the uranium story] were aware of who she was married to, which is not surprising,’ he said. ‘There are people elsewhere in government who are trying to make her look like she was the one who was cooking this up, for some reason,’ he said. ‘I can’t figure out what it could be.’ ‘We paid his [Wilson’s] airfare. But to go to Niger is not exactly a benefit. Most people you’d have to pay big bucks to go there,’ the senior intelligence officer said. Wilson said he was reimbursed only for expenses.” (*Newsday* article “Columnist Blows CIA Agent Cover,” dated July 22, 2003).

In fact, on July 13 of this year, David Ensor, the CNN correspondent, did call the CIA for a statement of its position and reported that a senior CIA official confirmed my account that Valerie did not propose me for the trip.

National News

Wars Bankrupting Military Services?

According to a GAO report released yesterday, the \$65 billion appropriated last year for the wars in Iraq and Afghanistan is going to prove to be about \$12.3 billion short of what the military services need for 2004, and the services are taking various measures to deal with that shortfall, including deferring maintenance in equipment used in Iraq, deferring or reducing training activities, and other measures to reduce costs. The Pentagon is also looking for additional authority to transfer funds between accounts. The GAO blames assumptions about the Iraq occupation that proved wrong, including that the U.S. force level there would decline from 130,000 to 99,000 by the end of Fiscal 2004; that the Defense Department would be able to make greater use of cheaper sealift as opposed to airlift; and that fewer armored vehicles would be needed. Instead, the force level will remain at 138,000 troops for the foreseeable future, with more armor than plans had originally called for.

The GAO further shows that logistics and support costs are also rising, in the form of the Logistics Civil Augmentation Program (LOGCAP), which is run by Halliburton. "LOGCAP costs have grown significantly as contractors replaced soldiers providing complex support functions," the report says.

West Nile Virus Early This Year

Surveillance statistics released on July 15 by the Centers for Disease Control confirmed *EIR*'s early June warning: West Nile Virus has hit the United States hard and earlier this year. As of July 15 there were 108 human cases of WNV, 61 of which (or 56%) are of the most severe type—a neuroinvasive disease. Hardest hit states continue to be California, Arizona, and Colorado. Human cases exist in 10 states, while 24 additional states have active avian, animal, or mosquito-positive cases. That is, 34 states, or 68% of the country now have early and active West Nile. Since 1999 when WNV first

hit the United States, its cycle has begun in late July, peaking in late-August and early September.

After the July 15 CDC data release, Arizona reported its human cases doubled in the week to July 22, from 66 to 113. For all of last year's WNV season, Arizona had a total of 13 human cases. Thus the state's infection rate is already 8.7 times greater so far this season than last.

Of the 10,000 human cases reported last year, 2,866 people were struck with the more severe type of WNV, leaving them with long-term neurological damage. Despite these realities, the CDC and officials continue to promote only "precaution" as the solution. The nation needs an eradication program bringing back DDT, to wipe out the mosquitoes rather than allow thousands of Americans to become needlessly infected.

College Dems Was Founded To Back FDR

According to the College Democrats of America website on July 18: "CDA was founded in 1932 to boost the Presidential campaign of Franklin Delano Roosevelt. From the 1940s to the 1960s, it was the largest student political organization in the nation.

The growing LaRouche Youth Movement, founded to back candidate LaRouche representing the FDR policy legacy, is mobilizing youth in the Democratic Party today.

Governors Fear Losing Their Guard Troops

One of the traditional means that state governors have had to respond to natural disasters and other emergencies is the National Guard. Now, however, with 40% of the occupation force in Iraq being made up of reserve and National Guard troops, some governors are worried that they may not have the resources they need to respond to those kinds of emergencies. They made their concerns known at a National Governors Association meeting on July 18 in Seattle with Undersecretary of Defense for Personnel

and Readiness David Chu and commander of U.S. Northern Command Gen. Ralph Eberhardt.

"This has had a huge impact," said Washington Gov. Gary Locke; 62% of Washington's National Guard is deployed, including the majority of the best-trained firefighters, just as the forest fire season is getting under way. A spokesman for Idaho Gov. Dirk Kempthorne noted that, in the past, the state has been able to call on the National Guard, but "We may not be able to call on these soldiers for firefighting capabilities," this year, because they simply aren't there.

As of July 21, a total of 153,599 reservists and National Guardsmen are on active duty, of which, 126,856 are Army Reserve and Army National Guard.

Schwarzenegger Can't Take the Pressure

With the budget deadline of July 1 past and no agreement on his borrowing-based budget in sight, California's Gov. Arnold Schwarzenegger went on a "beast-man" rampage on July 16, going on the road to mobilize enraged boomers against Democrats in the state legislature. Whipping up shopping-mall crowds of white, middle-class Boomers, Arnie railed against "the special interests," unions and trial lawyers, "dug in... like Alabama ticks, and we can't get rid of them." He is calling on the crowds to be "Terminators" of legislators holding up the budget.

In an appearance on July 17 in Sacramento, Schwarzenegger raged, "Anyone that pushes me around, I will push back, including the Democrats and the special interests. Trust me." The next day, at a stop at a mall in Ontario, he referred to legislative opponents as "girlie men," drawing intense return fire from many leading Dems and most of the state's press. The *Los Angeles Times* titled a July 20 editorial, "Governor Girlie Man," writing that the Governor's opponents, who have resisted some of his cuts, "have showed more guts than he." The *San Jose Mercury News*' editorial asked, "Heat getting to you, Governor?" And the *San Francisco Chronicle* editorial said, "Schwarzenegger's locker-room shtick is unbecoming of a governor."

Rep Censured for Calling 2000 Election a Coup d'État

The House GOP did not take kindly to Rep. Corrine Brown (D-Fla.) accusing them of having stolen the 2000 presidential election, on July 15. Brown's remarks came during debate on an amendment by Stephen Buyer (R-Ind.) to the Fiscal 2005 foreign operations appropriations bill, that would prohibit any official of the U.S. government from asking the United Nations to assess the validity of elections in the United States. The amendment was in response to a letter to UN Secretary General Kofi Annan sent by 12 members of the Congressional Black Caucus, requesting UN monitors to observe the U.S. Presidential election on Nov. 2. Buyer called the letter "rather foolish, nonsense and silly."

Brown went to the floor and told Buyer, "I come from Florida where you and others participated in what I call a coup d'état." She added that "over and over again . . . when you stole the election, you came back here and said, get over it." Buyer immediately demanded that Brown's words be stricken from the record, to which the acting chair, Rep. Doug Ose (R-Calif.), after some 20 minutes of consultations, agreed, ruling that under the House rules, one member cannot accuse another of committing a crime, such as "stealing" an election. Ose's ruling was upheld by a vote of 219 to 187. The Buyer amendment, itself, passed by a vote of 243 to 161.

In a statement issued afterwards, Brown charged that "striking my words from the House floor is just one example of the Republican Party's attempt to try to cover up what happened during the 2000 election, and of their activities in the state of Florida in preparation for stealing this year's election as well." She then described how votes

were thrown out, including the votes of many African-Americans, and how voters were wrongly disqualified from voting. She warned that with the use of electronic voting machines, flawed voter purge lists, and the partisanship of Florida Gov. Jeb Bush, a repeat of what happened in 2000 "remains a dangerous possibility."

Military Experts Debunk Rumsfeld's Iraq War

Secretary of Defense Donald Rumsfeld's military incompetence became the theme of a hearing of the House Armed Services Committee that heard from three retired Army officers, including former Vice Chief of Staff Gen. John Keane, who retired, last year, rather than work for Rumsfeld as chief of staff. At one point, in response to questions from Rep. Ike Skelton (D-Mo.), Keane noted that while a great deal of intellectual capital was spent on how to take down the Saddam Hussein regime, almost none went into what to do about Iraq afterwards. In looking back at that process, one of the things that happened was "that many of us got seduced by the Iraqi exiles in terms of what the outcome would be." That is, that we would be greeted as liberators. "So, therefore, the intellectual capital to prepare ourselves properly for an insurgency was not there." Furthermore, "there were very few people who actually envisioned honestly before the war what we are dealing with now, after the regime went down."

Also testifying was retired Col. Douglas MacGregor, a long-time critic of how the Army organizes itself, who argued that a much more militarily competent plan of invasion would have had a much heavier ar-

mored force go in at the outset, driving immediately for Baghdad, and avoiding any fights with the Iraqi army "because we had an interest in preserving as much of it as possible so that it would be available to work with us in the aftermath." Following that would have been the rapid insertion of large quantities of infantry, with very specific rules of engagement, to immediately establish order, using local police and other officials, recognizing that most people were in the Ba'ath Party because that was the only way to get a job. He pointed to what both the Russians and the United States did in World War II to establish order in Europe. In Iraq, "we focused inordinately on a campaign to get there, and once we arrived we hadn't thought through any of these things." The result was, essentially, 30 days of chaos.

Democrats Push To Change Medicare Bill

On July 13, Rep. Martin Frost (D-Tex.) filed a discharge petition to force a bill onto the House floor that would give the Secretary of Health and Human Services the authority to negotiate lower prices for prescription drugs in the Medicare program. If the discharge petition gains 281 signatures, a simple majority of the 435 members of the House, then the bill would be forced out of committee and go directly to the House floor for consideration. By the following day, the petition had 165 signatures.

The discharge petition appears to be part of a larger Democratic strategy to overturn, or, at least, modify, the 2003 Medicare drug bill. Rep. Frank Pallone (D-N.J.), speaking on the House floor on July 13, attacked the GOP for aiding the pharmaceutical in-

dustry by such things as refusing to pass legislation that would allow for the legal re-importation of prescription drugs from Canada, where many senior citizens are already buying their drugs because the prices are much lower. The Democrats, Pallone said, “feel very strongly that we have to continue to fight this new Medicare law and will work to provide seniors with a meaningful [drug] benefit. . . .”

Meanwhile, the Republicans are acting to head off the Democratic strategy. Senate Judiciary Committee chairman Orin Hatch (R-Utah), during a hearing on the implications of drug re-importation warned that re-importation might lead to an increase in counterfeit drugs, and to “diminished research into future lifesaving treatments.” Rep. Bernie Sanders (I-Vt.), testifying as a witness, said the issue is not only affordable prescription drugs, but also “whether democracy will prevail on Capitol Hill or whether the pharmaceutical industry, which has spent hundreds and hundreds of millions of dollars in recent years with lobbyists, with advertisements, with huge amounts of campaign contributions, will be able to force the American people to pay these outrageously high prices.”

House Condemns ICJ Ruling on Israeli Wall

The House took the side of Israeli Prime Minister Ariel Sharon, on July 15, when it voted 361 to 45, in support of a resolution “Deploring the misuse of the International Court of Justice by a plurality of the United Nations General Assembly for a narrow political purpose.” The resolution treats the matter of the so-called security barrier solely from Sharon’s standpoint, and

doesn’t even mention that it encompasses a sizable chunk of the West Bank. It also condemns the Palestinian failure to implement the Road Map peace plan, but never mentions the Israeli government’s “14 reservations” to that plan. It places the entire responsibility for the deteriorating situation between Israel and the Palestinians on the shoulders of the Palestinians.

However, very few members of the House seemed to even notice those deficiencies in the resolution. Only one member had the courage to speak out against the resolution on the House floor, that being Rep. Lois Capps (D-Calif.), who told the House that it would be passing “an unbalanced, unwise resolution that may undermine the interests of Israelis and Palestinians, as well as our own national interests.” She noted that while the resolution references the over 1,000 Israelis who have died in the violence since September 2000, it ignores the over 3,000 innocent Palestinians who have also lost their lives. “Just once, can this Congress not admit that Palestinians are people too, and that their lives are also precious?” She also noted that by only mentioning the Palestinian responsibilities under the Road Map, the resolution only tells half the story. She said, “The only way way to stop terrorism and secure the safety of Israel is for a comprehensive political solution to be negotiated with the Palestinians.”

House Votes To Impose Sanctions on Vietnam

Despite Rep. Chris Smith’s (R-N.J.) claim to the contrary, for some people the war in Vietnam still has not ended. The House voted 323 to 45, on July

19, to suspend the rules and pass a bill, called the Vietnam Human Rights Act, imposing sanctions on non-humanitarian aid to Vietnam, unless the President certifies that Vietnam has made progress towards releasing political and religious prisoners, has “made substantial progress” towards respecting freedom of religion, and “made substantial progress” towards returning properties confiscated from churches. Smith complained, during debate on July 16, that Vietnam has scoffed at the bill and dismissed the charges of human rights abuses, “pleading the tired mantra of interference in the internal affairs of their government. . . .”

Though small, the opposition to the bill was anything but silent. Rep. Lane Evans (D-Ill.) warned that the bill would endanger joint efforts by the two countries to recover the remains of American MIAs from the Vietnam War and “damage relations between our two countries.” Rep. George Miller (D-Calif.), who said he has visited Vietnam four times in the last five years, said there are many people in that country “who share the hope of a more open and democratic society and who are working to achieve these goals,” but that Smith’s bill “will not help them.” He asked the House, “Does anyone . . . believe that the Congress ordering them to change an internal policy in the nation, no matter how desirous we may be of seeing change, is going to persuade the government in Hanoi to do it because we so order it?” Rep. Robert Simmons (R-Conn.), himself a veteran of the Vietnam War, noted that the issue of human rights cuts both ways. “The United States itself must be held accountable for its own moral obligations to the Vietnamese people for our past policies and practices,” he said.

Russian Economy: A Leap In the Wrong Direction

by Rachel Douglas

There was a joke in the 1950s U.S.S.R., in which the joke-teller merely recited two of General Secretary Nikita Khrushchov's thundering boasts, in sequence: "Capitalism is sinking irrevocably into historical oblivion!" "We shall catch up with and outstrip capitalism within five years!"

That classic of Soviet-era humor comes to mind, upon considering the current Russian government's drive to ram through radical reforms of what in Russia is called "the social sector": education, housing, health care, entitlements for specific social groups, and other types of "soft" infrastructure, necessary for the welfare of the population in a healthy economy. Appointed by President Vladimir Putin on the eve of his re-election last March, during May and June the new government under Prime Minister Mikhail Fradkov presented legislation to reform the social sector. In content and in scope, the intended measures are "anti-people and unpopular reforms, beyond Gaidar's wildest dreams," as one commentator put it, referring to the first post-Soviet prime minister, whose overnight decontrol of prices in 1992 slashed the standard of living and the functioning of industry in Russia.

There have been protests. The government back-tracked on some of the severest entitlement cancellations. Legislators have submitted over 1,200 amendments to the bill for the replacement of in-kind entitlements with cash payments, between its passage in the first reading, on July 3, and the second reading, scheduled for August 2. Yet, the government and the President appear committed to the basic direction of these reforms, which represent the free-trade, deregulation, anti-general welfare dogmas of Friedrich von Hayek's Mont Pelerin Society and its offshoots, in their purest form. Their implementation in Russia threatens a great national tragedy.

It makes no *good* sense for a popular President, whose power would appear to be virtually beyond challenge, to em-

bark on such policies. It makes perfect sense for this to happen, though, if that President's team has adopted a great many of the bad axioms reigning in the West for the past 40 years: Deregulate and privatize; allow necessary infrastructure, both hard and soft, to atrophy under the banner of "free competition." These are the very policies responsible for the incredible shrinking *physical* economy of the United States, even as on-paper financial activity has ballooned. And such approaches have been promoted with fervor by Russian Presidential adviser Andrei Illarionov, especially since he arranged a four-hour audience for leading international Mont Pelerin Society activists with President Putin earlier this year (see "Mont Pelerinite Walpurgisnacht in Moscow," *EIR*, May 14).

'Ending Poverty'

Putin has declared three top-priority goals for his second term: Double Russia's GDP; reduce the poverty rate; and ensure the needs of national defense and security. The first of these goals, doubling GDP, already embodies a flawed axiom, namely the assumption that "Gross Domestic Product" and related measures, developed in the West and imported into Russia through the international financial organizations, express real economic growth. *EIR* readers may recall our one-question Economics IQ test of a few years ago, which asked, "Does \$10 million (from gambling and prostitution) = \$10 million (from steel production)?" For GDP, the source of monetary revenues doesn't matter.

Russian economic managers educated in the Soviet ways of measuring economic activity by physical-output indicators (flawed as they were), are not exactly comfortable with the government's new package of measures. Even the usually unflappable Prime Minister Fradkov sounded nervous and stumbled over his words, during an hour-long speech to the

Cabinet on July 8 which contained a heavy dose of the new, radical anti-general-welfare schemes. “Public-private partnership,” Fradkov said, “above all means the consolidation of business and government around social projects.” Now, he continued, “*the social sector should become the main generator of economic growth*” through “*pushing non-market elements out of the social sector*; new management for social projects, up to and including a managerial revolution (attracting managers from private companies into the social sector), and developing transparent and understandable rules of the game for businessmen who become active in public-private partnership.”

The first step is the demolition of what remains of the old Soviet system of privileges—in-kind entitlements—received by certain categories of people. In the first draft, the government’s “privileges” legislation called for across-the-board replacement of all such benefits with cash outlays. The argument for this shift was analogous to one of the ones employed by advocates of privatizing Social Security in the United States: people receive the benefits, who don’t really need them, such as pensioners who get free access to public transportation, but reside in rural areas, where there is no public transportation. Shifting to cash payments, which Russia can afford at the moment due to high world oil prices, will, it is claimed, remove from the Federal budget the burden of subsidizing unneeded services. People who really need the subsidized services will be given enough cash to buy them, but for many things the payments will be the responsibility of regional governments, rather than the Federal budget.

So goes the promotional literature. In today’s Russia, this proposed entitlements reform threatens to “end poverty” the way Raskolnikov in Dostoevsky’s *Crime and Punishment* ended the poverty of the elderly lady pawnbroker, whom he bludgeoned to death at the outset of that novel.

An Anti-Putin Coalition?

The retirement pension received by Russian men at 60 years of age and older, and women from age 55, now stands at 1,760 rubles—or \$60—each month. It is 20% below the official poverty line. Salaries for state-sector workers, such as teachers and healthcare personnel, are often no higher. But, 34 million people receive entitlements *in kind*, carried over from the Soviet system of free education, health care and other vital services. These “privileges” include free medical care and public transport for pensioners, and 50% subsidies of housing, utilities, and telephone bills for retirees and the disabled. War veterans and some others have been entitled to free travel to a health resort once a year, among other services. Counting family members, who benefit from a qualified benefit-recipient’s subsidized housing and utilities, the number of Russian citizens who rely on these entitlements is estimated to be as high as half the total population of 145 million.

Cash compensation rates for these services were set, in the bill’s first draft, in a range from R800 up to R2,000 (for the small number of surviving disabled World War II veter-

ans) per month. A disabled person in the city of Moscow could spend his entire cash allotment for the month, just by taking 20 round trips on the subway!

The payments were not to be indexed to inflation, a fact that becomes more portentous in light of the next phase of social-sector reform. Under pressure from the European Union and international financial organizations, to meet standards for joining the World Trade Organization (another failed axiom being that joining the practically defunct WTO is worth anything to a country), the Russian government’s agenda includes a rapid phasing-out of residential utilities subsidies, in general, especially for electricity and natural gas. Oleg Shein, a member of the Rodina (Homeland) group in the State Duma, told the *Moscow Times* in June, “If pensioners knew that in six months they would have to start paying housing and utilities costs in full, and only receive a miniscule pension raise, we would be dealing with protests by millions of people across the country.”

As it was, the legislation not only took the population by surprise, but crept up on many legislators, seemingly out of nowhere. The benefits-to-cash switch was packaged under the head-spinning title, “On Amendments to Legislative Acts of the Russian Federation in Connection with the Adoption of the Federal Laws ‘On Amendments and Additions to the Federal Law on General Principles of the Organization of Legislative (Representative) and Executive Agencies of State Power of Constituent Territories of the Russian Federation’ and ‘On General Principles of the Organization of Local Self-Government in the Russian Federation.’ ”

Nonetheless, on June 10 there were demonstrations against the new laws throughout Russia, ranging from 1,500 people in Moscow to larger crowds in some provincial cities. Organized by the generally ineffective Federation of Independent Unions, the rallies were small, compared with protests over wage arrears some years ago. But, wage protests have also resumed recently, in the mining areas of central Siberia and elsewhere.

President Putin’s popularity rating fell sharply, to below 50%. He was elected in March with 76% of the vote. The widely-read economics weekly *Ekspert* noted that discontent was brewing even within the pro-Putin Parliamentary majority party, United Russia, only two-thirds of whose members voted for the entitlements legislation in the first reading. The participation of some regional governments in the trade unions’ June 10 demonstrations, *Ekspert* observed, “may well lay the foundations for an anti-Putin coalition.”

Back-tracking attempts by the government to mitigate the harshest features of the bill, have only complicated matters. One of the greatest concerns, expressed by the population and legislators alike, is that Russia’s regions, rather than the Federal government, were to be responsible for delivery of the compensatory cash payments. Yet, the wealth-differentiation ratio between well-off and poor regions is, using various measures, in the range of 10:1 to 15:1. Payouts of benefits would be further complicated by patterns of corruption. In debate

over the bill in the State Duma, it was noted that the Republic of Kalmykia, for example, spends only 2 rubles and 79 kopeks (less than 50¢) a month on services for each veteran living there—and that’s when the benefits are being provided in kind! Yekaterina Lakhova, chairman of the State Duma Committee on Women, Families, and Youth, said that if the distribution of benefits were handed off to the regions, “Russia will become the only country in Europe, where children’s stipends are not paid from the national budget.”

On July 22, Fradkov nervously announced that the government would assume “full responsibility” for citizens’ receiving the full volume of cash compensation they need. Health and Social Services Minister Zurabov has promised to resign, if the new bills shortchange the poor.

Physical Economic Decay

And yet, the benefits-to-cash conversion is slated by its promoters to be only the first phase of the radical deregulation of Russia’s social sector. On the agenda, besides decontrol of residential energy fees, are:

- Pension privatization. José Pinera, a free market radical known as the father of Chile’s privatized pension system and chairman of the Cato Institute’s Project on Social Security Privatization, has been sponsored by Cato in his efforts over the past several years, to import his methods into Russia. His avowed goal is for surviving Russians to be investing “personal retirement accounts” in “real economic assets like stocks and bonds,” as a Cato press release put it.

- Development of a mortgage market for financing residential housing construction. All well and good, except from the standpoint of Russia’s global housing requirements. Only a small fraction of Russians (those with on-the-books monthly incomes of R25,000-30,000) would qualify for mortgages at the going interest rate of 10-15%! Meanwhile, calculations by the analyst Dr. Sergei Kaza-Murza show that the physical deterioration of the nation’s housing stock is far outstripping even the most optimistic estimates of how quickly mortgage-financed housing construction could replace it. According to a study Kara-Murza published in April, 90 million square meters of residential housing (3.1% of the national total) was dilapidated or physically uninhabitable as of the end of 2001, rising by more than half again to 140 million square meters by the end of 2003. Kara-Murza calculated that the area of housing not fit for human habitation is increasing 1.5 times faster than new housing construction. There is a national program for moving people out of uninhabitable housing, which by 2010, is supposed to have rescued people from all the housing that was uninhabitable as of 2000. But, in the meantime, another 250 million square meters will have become unlivable!

The same pattern of precipitous collapse of plant, equipment and infrastructure—not replaced or properly maintained since the break-up of the Soviet Union in 1991—is visible in many sectors of the Russian economy, especially in public

services, as machines finally wear out. The latest example is peat-bog and forest fires, raging around the city of Chelyabinsk in mid-July, which the area fire departments lack sufficient fire trucks to bring under control.

- “The law does not end free education or reduce the number of subsidized places in institutions of higher education, nor will it privatize them,” United Russia parliamentary Nikolai Bulayev, head of the State Duma’s Committee on Education and Science, tried to reassure his colleagues on July 22. And yet, Kremlin economics adviser Igor Shuvalov recently told an audience in the Ural region that under the new approach of “putting people at the center” of the social sector (in the sense of Milton Friedman’s sophistical “free to choose” slogan), there will not be free access to education in the future.

- Economist Sergei Glazyev has posted on the web site of his new movement, For a Decent Life, an analysis of the benefits-for-cash reform’s impact on health care, done by Mikhail Kuzmenko, chairman of the Russian Health Care Workers’ Trade Union. Based on detailed review of the May 2004 first draft of the package, Kuzmenko asserted that it “opens the door to a complete end to free medical care and transition to privatized medicine.” In particular, he documented the planned elimination of subsidized higher pay and rest time for health care workers in high-risk areas, such as the care of TB and HIV patients. In a nation where, according to the United Nations Development Program’s latest report, the HIV infection rate has reached 1%—the rate only a decade ago in South Africa, which today has a rate of 20%—the national security consequences of such a measure are dire.

Certainly Russia’s social sector needs reform. How could it be otherwise, in a country where the life expectancy for men is less than the retirement age and the population has been shrinking by over 500,000 people per year for a decade? But to proceed with the demolition of even a poorly functioning social sector in favor of free-competition chaos, and in the absence of a national perspective to boost the real development of manufacturing and infrastructure, is to sign the national death warrant. Russia has great natural resources, which plenty of pirates are anxious to loot. Its greater resource for economic growth is the skills, knowledge, and culture of its population, who should not be subjected to an assault even more violent than what they sustained during the 1990s.

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Mr. Taylor: Argentina Already Paid Its Debt!

by Cynthia R. Rush

U.S. Treasury Undersecretary John Taylor on July 15 told a gathering at the neo-conservative Cato Institute that Argentina *must* negotiate with foreign creditors—by which he meant the vulture fund front group, the Global Committee of Argentina Bondholders (GCAB), and also prove that its 2001 debt default was “a one-time event that won’t be repeated.” Taylor warned that Argentina’s creditworthiness in the eyes of the world will be determined by “the way in which it restructures its debt, and how it negotiates with its creditors.”

Responding to a question from the Argentine daily *Clarín*, Taylor insanely asserted that unless the government of Néstor Kirchner negotiates “responsibly” with the funds that speculated on the country’s debt to make a financial killing, and agrees to give them more than the 25% he is offering on \$99 billion in defaulted debt, Argentina’s commitment to “economic freedom” will be suspect. He neglected to say that the Cato Institute defines economic freedom as unbridled looting.

Briefed on these remarks, U.S. Presidential candidate Lyndon LaRouche suggested that President Kirchner respond to Taylor this way: “Without going into too much detail, Mr. Taylor, as Vice President Dick Cheney said on the floor of the Senate, go ‘f*** yourself.’”

LaRouche had more to say on the mentality that Taylor represents in a July 20 interview with the state-run Radio Nacional of Córdoba, which we publish below. He told listeners in the country’s second largest city that governments could use “the sovereignty of the nation-state as a principle which is higher in power than any financial business,” to fight the financial oligarchs who will resort to “economic cannibalism” around the globe rather than give up their power.

Synarchist Offensive

Inside Argentina, Kirchner is walking a very fine line between banker-controlled synarchist fascists of the left and right, who are both out to destabilize his Presidency.

Exemplary was the July 16 attack on the Buenos Aires Legislature building by 400 shock troops, protesting changes in a municipal code scheduled to be debated inside. Although the protesters included unemployed, street vendors, prostitutes, and other “self-employed,” the core group leading the attack with steel poles, clubs, and molotov cocktails reportedly belonged to three radical leftist groups. They smashed windows, doors, and nearby cars before being subdued by police.

In dealing with these and other incidents by Jacobin groups of unemployed known as *piqueteros*, Kirchner has ordered police to control the situation, but not to resort to harsh repression that could unleash worse violence. In a situation of high unemployment and poverty rates, in which the fastest growing new “jobs” are those found in the “informal” economy with no benefits of any kind, the potential for orchestrated violence is great. It wasn’t difficult for radicals to whip up those poor who are trapped in such degrading “employment,” against proposed changes in the municipal code, intended to restrict their activity in the name of “keeping the streets safe.”

It is noteworthy that the author of the proposed changes in the municipal code is Mauricio Macri, a darling of Washington’s neo-con bases at Cato and the American Enterprise Institute. He and his co-thinker, former Presidential candidate Ricardo López Murphy, are part of the right-wing synarchist apparatus allied with Washington’s neo-cons, who accuse Kirchner of being a communist or closet terrorist, and want him overthrown. The fascist gang around *Maritornes* magazine, led by Antonio Caponnetto, lines up with this crowd.

López Murphy, who was trained in fascist economics at the University of Chicago, has charged that the July 16 events were “the logical consequence of the government’s attitude, which has decreed that people have the right to do what they want.”

An opposing and more intelligent view came from Col. Mohamed Alí Seineldín (ret.), a hero of the 1982 Malvinas War. Kirchner “is fighting,” he said in an interview published July 15 in the daily *La Capital*, adding that “we’ll have to see how things evolve.” While he characterized the *piqueteros* as “part of the national movement,” because they represent the “remnants of the trade unions” which former President Carlos Menem dismantled, they should “revise their methods,” Seineldín said. “The causes they pursue are just, but they are led by people who should review their ideas and thinking. This is not the way to get our country back.”

As for the foreign debt, Seineldín said it “has been paid five times over, and it’s therefore an issue that should be put to rest. . . . If we continue paying, we are going to continue being poor.” He pointed to 1975-76 as the beginning of the country’s economic decline, with the Wall Street-dictated policies that did away with small and medium-sized productive enterprises. This policy was continued by President Raul Alfonsín, and then by Menem, whom Seineldín labeled “a traitor.”

LaRouche commented that Colonel Seineldín “may have his weaknesses, but unlike some of his friends at *Maritornes*, he’s obviously not infantile when it comes to strategic questions. Seineldín is weak and emotional about many of his judgments, but he does think strategically, like a military commander,” whereas those babbling synarchists who surround him, do not. “They are incurably underlings, who are strategically stupid. That’s the difference,” LaRouche said.

‘Can We Unite and Cooperate To Reverse This Crisis?’

The following is a July 20 interview done with U.S. Democratic presidential pre-candidate Lyndon LaRouche by the Córdoba branch of Argentina’s state-run Radio Nacional. LaRouche was interviewed by the program “Proyecto Nacional,” which has a listenership of about 50,000, in Córdoba, Argentina’s second-largest city and a major industrial center.

Marcelo Trejo: We didn’t want to announce it ahead of time, because we know that a contact of this magnitude, set up from here—the center of the Argentine Republic—is truly to be greatly valued. And sometimes we know as well, that to have a personality of U.S. politics such as Lyndon LaRouche—it’s not very easy to have him live, as we are going to do on our program, *Proyecto Nacional*. . . .

Héctor Gómez: From our sister republic, the United States, we have our friend, Lyndon LaRouche, who is well known in Argentina. And he is known with a simple phrase: we know him as a friend of Argentina. And, obviously, we know him as a patriot of the United States. And with the affection he has for Argentina, an affection he has cultivated for years, we will initiate a dialogue with Lyndon LaRouche.

This dialogue might begin with something which weighs upon us and, assuredly, the United States. And it is nothing more and nothing less than the pressure coming from this global financial system which, as we were saying a few days ago, with its financial bubbles, has drowned the real economies, has drowned the concept of nation-state, and is drowning the possibilities of the West and all humanity.

LaRouche: This is an old story. It goes back to the end of the so-called First World War, when a group of financier oligarchs in Europe decided to play a game with the post-World War I world. This group of private bankers—who are more powerful than bankers; they create banks, destroy them, and revive them—decided to create a fascist revolution. And they used the financial crisis which they orchestrated, to create the conditions under which a series of coups d’état in Europe could occur. This group included important influential people inside the United States, who became the enemies of Franklin Roosevelt. As a matter of fact, they tried to make a military coup against the U.S. government in 1934.

Now, several things happened to prevent the fascist gov-

ernments from getting world power. Three elements were: Franklin Roosevelt and the organization of his economic recovery in the United States; the preparations of the Soviet Union against Hitler; and one faction in Britain, which had been for Hitler and put him into power, but decided not to go with Hitler because Hitler would have destroyed the British Empire.

So we defeated these people in the war, and the United States’ leadership was crucial. But at the end of the war, after the death of Roosevelt and under Truman, the U.S. government—or a certain faction of it—helped to save the fascist movement, and the bankers.

What we’re seeing now is the orchestration of a financial crisis, by the same groups of bankers who were behind Hitler and so forth before. The same bankers who were against Roosevelt then, are trying once again to create a fascist new order. You have figures like Tony Blair, the Prime Minister of England, and one of his key accomplices, Vice-President Dick Cheney in the United States. What they intend to do is destroy whole sections of the world population.

The experience of Argentina under the vulture funds is exactly a model of what they intend to do all over the world. It’s obvious, if you look at Argentina as I know it. Here’s Argentina, which at the end of the last world war, had approximately the fourth-highest standard of living in the world. It was a scientifically, technologically, agriculturally evolved part of the world. In underdeveloped areas like Patagonia, a tremendous potential for the future existed. Now, it has been largely destroyed. And Brazil pretends not to be destroyed, but it is targetted in the same way. Mexico still has a national character, but it’s almost destroyed economically. Venezuela’s about to be destroyed. Colombia is about three-quarters destroyed. Peru is being destroyed. Bolivia is on the edge. The whole continent, which is a continent of great riches potential, and cultural potential, is being destroyed.

So the question, again, is the political fight. Can those of us who have the same opposition to these fellows that Roosevelt had in his time, can we unite and cooperate as nations to reverse this process? This, to me, is more important, more dangerous than World War II. The danger to humanity now is far greater than it was when Hitler was running around. And this means that, while there are practical questions that

have to be dealt with, more important are the subjective questions, the spiritual questions. There must be a certain kind of qualified optimism among people, otherwise they can't fight against this. So I deal with practical questions, but I also deal with this intellectual question. And for me, Argentina is one of the countries I'm determined shall be saved. It has tremendous potential. The idea of great starvation in Argentina makes me sick.

Gómez: I would like to ask Mr. Lyndon LaRouche: This financial system that, at this stage of developments, has created a more grave environment for the future than the Second World War: What does it have in store for the United States? Because, evidently, this crisis has in the U.S. one of its biggest obstacles to achieving its goals.

LaRouche: They intend to destroy it from the inside. We are right up against the wall on this now. They're planning a coup in the United States.

Gómez: Did you just say, a coup inside the United States?

LaRouche: Yes.

Gómez: We would like to ask Lyndon LaRouche about the role that the Federal Reserve System plays in the domestic system in the United States, as a mechanism of submission in our sister republic?

LaRouche: The Federal Reserve System is only significant now because it's bankrupt, totally. It's only important as a political control mechanism. It's like the IMF, when it comes to Argentina. The IMF is bankrupt. The system is bankrupt. But the IMF still comes down as a political control mechanism to make demands on Argentina.

In that sense, the net power of the Federal Reserve System, which represents largely bankrupt banks, is the political power it represents. Its financial power is greatly weakened—nearly destroyed—but the political power is still great. That's where the danger comes.

Trejo: We would simply like to clarify for all of our listeners, that are listening here in the Argentine Republic, in the center of the country: that the person who is presenting these really forceful, clarifying and truly sincere concepts, regarding the policies being carried out by the international financial institutions vis à vis Latin America and the United States itself, is none other than a Presidential pre-candidate in the U.S., Lyndon LaRouche, who is on the air on *Radio Nacional*, [from] the United States, on our program *Proyecto Nacional*. And so we want to advise people who are listening to such strong statements, that these are not coming from some run-of-the-mill journalist; they are not coming from an observer with no great qualifications. They are coming from a Presidential pre-candidate of the Democratic Party of the United States. And we would therefore like to emphasize the value



“Argentina is one of the countries I’m determined shall be saved. . . . The idea of great starvation in Argentina makes me sick,” LaRouche told the national radio interviewer. A poster of the Presidency says, “In a serious country, to grow up healthy is a right.”

of this interview, of this international contact.

I would like to continue this open conversation between the United States and Argentina, with more questions that will help us understand what future awaits us in the Argentine-U.S. relation.

Gómez: Mr. Lyndon LaRouche, we'd like to know—because Argentina is palpitating with the November elections, where the United States is going to have to define its political leadership—we want to know, what is that going to be, and what is going to be debated at the Democratic Party convention, which we understand is going to occur at the end of this month of July?

LaRouche: It's not much later this month: it's this week. Nobody really knows what's going to happen, and nobody can predict. Even the people who think they've made up their minds, don't know what's going to happen.

We're now in a very strange period of history, in the immediate days and weeks ahead. This is not entirely unusual in history, but people have not learned the lessons of past history, and therefore they don't recognize what's happening.

The problem is that the people who are in power, and influential people generally in the United States and in Europe, have no idea what's happening. They do not have the concepts which will enable them to understand what is happening, and therefore their reactions will be out of correspondence to reality, because reality has taken a form they don't understand.

For example, if you watch the news from the United States and from Europe, it seems that something is going on, but nobody seems to know what it is. So that's the situation. Therefore, the behavior of people, because they misunder-

stand the situation, becomes unpredictable. The factor of free will becomes unpredictable.

The issues can be understood. I have understanding of the issues, because I don't have their problem; but I have to recognize that their behavior, the behavior of those in charge of the convention, is going to respond on the basis of what they think they understand, not what the reality is. That is the problem of trying to predict these kinds of things.

What is definite is this: the international monetary financial system is now finished. We could have a total collapse of the world financial monetary system at any time now. All of the conditions for that are more than ripe. So therefore, we have to operate on the assumption that that is going to happen soon, and the problem now is, that all of the behavior of the financial markets and so forth has become unpredictable in the minds of the people who are running leading governmental and related institutions. So you have a factor of chaos.

But the question of what the solution is, helps you to make it clear. There are several drastic measures which are needed to bring the world system back into stability. Number one, is to put the world monetary system into government-controlled financial reorganization and bankruptcy. For example, take the case of the Argentine debt. Argentina in net effect owes nothing. Through various kinds of manipulations, an artificial debt was created in addition to the debt actually incurred by Argentina. This is the general pattern since 1975, throughout Central and South America. We have a similar thing in the United States, not as acute but more or less the same thing. Also in Japan. Europe is bankrupt.

Therefore, the only thing that can happen that's sane, is governments utilizing the sovereignty of the nation-state, as a principle which is higher in power than any financial business. Then government is responsible to defend the general welfare of its entire territory and all of its people. Governments must do what Franklin Roosevelt did in the 1930s. They must freeze the old unpayable debts, and sort these frozen debts out at leisure, by governments. Governments must then create new issues of currency, which is used largely for loans, in long-term infrastructure and related projects. This must be done in such a way as to bring the level of income of the population and its employment up to a point that's called "breakeven," which is pretty much what we did at the end of World War II, when we reorganized the monetary system.

Then we have to create something like the original Bretton Woods system. International interest rates, long-term: 1% or 2%. Simple interest, not compound interest. We must have a policy of fixed exchange-rates among countries. We must have a program of long-term scientific and technological growth. And we must do what Roosevelt did with his Good Neighbor Policy. We must create, in the Americas, for example, a community of principle among sovereign nation-states, with agreement on long-term goals, goals of

economic development. We must do that with other parts of the world.

This would get us out of the mess. But doing it would break the imperial power, the great imperial power today, which is the private banking oligarchy. The oligarchs were defeated by Franklin Roosevelt because he did this. He mobilized the power of the United States to break the power of these financial oligarchs. If that is not done, we will go into a long-term Dark Age on the planet for several generations.

The financial oligarchs are the worst beasts you can imagine, who will do almost anything not to give up their power. They will go to methods of dictatorship, like the Nazis. They will go to policies of cannibalism, economic cannibalism, against whole parts of the planet.

So therefore, the fight is three ways. We have a crisis, to which there is an alternative. You have a force which will not accept that alternative. If the force that does not accept this alternative succeeds, the planet goes into a Dark Age for several generations to come, with the population of the planet probably dropping below one billion persons.

So these are the kinds of questions and decisions which are on the table of humanity. The problem today is that people are trying to understand the world situation without facing those questions. It's like trying to sail across the Atlantic Ocean without a boat.

Gómez: Mr. LaRouche, I would like to introduce to you two friends of this program. One of them is Carlos Pereyra Mele, of the Center for South American Strategic Studies. And the other is Dr. Oswaldo Viola, of the Center for Strategic Studies of the Center of the Republic, who have worked especially on the development and analysis of subjects having to do with the future of the region, of the American continent, of this friendship between the United States and Argentina, and the future of all humanity.

I want to take advantage of their presence in the studio, and have them each ask a question, so that our friend Lyndon LaRouche can answer them. So I turn to Mr. Carlos Pereyra Mele.

Pereyra Mele: Hello, good afternoon. My concern is the following. Since the Bush Administration came into office, its policy in general has been the militarization of politics: they have transformed all political adversaries into military enemies. Given this new policy, my question is, concretely, the following: Since the Democratic Party convention is also upon us, what is the view of the Democrats regarding these new theses that are being posed regarding Latin America, that of "failed states?" Furthermore, keeping in mind that some political analysts of the continent consider Kerry an educated hawk, will Kerry be the continuity of the policy of militarization that is being applied by the Bush group?

LaRouche: As of now, if I don't succeed in turning things at the Convention in Boston, then Kerry as a candidate, before

becoming President, will become essentially a continuation of the current direction of policy around Bush.

Now, what he would do when he became President, may be a different question.

The plan now—of the people who are controlling Kerry now—is typified by the case of Felix Rohatyn, formerly associated with Lazard Frères. Now giving some possibility that Rohatyn might change his views—which I would not bet on—then he is going to follow the tradition of Lazard Frères, which is a fascist tradition because Lazard Frères was a key part of the Nazi apparatus in Europe during World War II. In which case, you would have something similar, if that worked.

But we've got something else that is going to change everything.

The basic game which is played by people around Felix Rohatyn, is to hope to postpone the crash until after the November elections, because they are afraid that the actual occurrence of a financial explosion would change the politics of the United States. In the case that the people of the United States were to perceive an actual depression in progress, the situation would be subject to a very sudden, radical change in direction. What people like Rohatyn are afraid of, is the kind of reflex from the U.S. population which might remind them of Franklin Roosevelt's defeat over Hoover.

The typical American, particularly those of the lower 90% of the income brackets, thinks like an underling. He doesn't see himself as having actual power, although he has the vote. He sees himself as begging for favors, and therefore he does not try to shape politics, he tries to work within it. In a period of crisis, that could change suddenly. The crisis is coming on rapidly, so therefore, the opportunity for a change of policies of even a Kerry, exists.

In this situation, you see, I fight not because I have any guarantee of winning, but I have to fight to ensure that, if there is a chance of winning, that I'm not failing to do my job. This is only possible when you get some people like me, who have a sense of immortality in their life. There are very few Joans of Arc around. I happen to be one of the unfortunates who is. But that's my destiny. That's what I must do. It's actually the destiny of all of us. I hope we win.

Gómez: We now turn to Dr. Oswaldo Viola, who is going to ask a question of our special guest today, Mr. Lyndon LaRouche.

Viola: Well, first of all, I am pleased with the reference to Saint Joan of Arc. And it's always a pleasure to be able to dialogue with intelligent people from the United States. My question is the following: All of the newspapers report daily on the situation in Iraq and Afghanistan. So I would like to ask Mr. LaRouche: What do you see coming in the next days or months, regarding the U.S. presence in Iraq and Afghani-

stan? How will this affect the Southern Cone of America?

LaRouche: First of all, don't assume there is any improvement in the long-term situation in Iraq recently. The reports generally coming out in the press are misleading. The situation is worse than ever. The situation is one which military experts in Argentina would recognize as asymmetric warfare, on which I've acquired a certain expertise in recent days.

Don't think that the policy is one of a war. Iraq was chosen as a target of opportunity. The intention to attack Iraq was there from the first day that Cheney walked into the Office of the Vice-President. These are Cheney's targets today, and he—not Bush—is the controller of the government. Bush is a puppet President. He's nasty, he's crazy, he's mean, but he's a puppet. Cheney's targets include Syria, China, North Korea, Russia, and so forth. In other words, Cheney's policy came in as a policy of imperial perpetual warfare, using the form of preventive nuclear war to achieve this. In other words, this is another parody of the Ancient Roman Empire, but it's a parody which comes in an age of nuclear weapons and similar conditions.

These technological conditions of warfare, involving the United States in a war in Asia where Europe has no experience, means that this system could establish great power, but it would die at the time of trying to establish that power.

One positive result of this, is that the professional military who are not crazy—as you see from retired U.S. generals and similar people in Europe, including Russia and elsewhere—understand this, even those who would normally be considered conservative, right-wing. They may be right-wing, but they're not crazy. They recognize this danger.

So the situation is that anything can happen. This is not an Iraq war, it's a *world war*, which has reached a certain phase of its development, and is on the verge of going to the next phase.

For example, if the Sharon government of Israel, which is desperate, launches a nuclear attack on sites in Iran, a completely new development takes place—and Israel is preparing to make that attack. A nuclear attack on North Korea would have incalculable effects. The attempt of Cheney's crowd to get a war going, or prepare for a war, between Taiwan and mainland China, is also another such situation. This goes with situations in the Americas, where there are all kinds of coups

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and similar processes in place right now. So that's our situation. It's a chaotic situation, in which the guys who think they can win—they can destroy the planet, but they can't win.

The question is: How rapidly can we mobilize sufficient forces to prevent that from happening?

I'm optimistic, because I've been able, in the United States, in particular, to mobilize a network of people. They're not my followers, they're my collaborators. We have done a fairly good job of tearing Cheney down. If we could bring Cheney down soon—and we are on the edge of being able to do so—then you would have a complete change in the world strategic situation. New possibilities would open up. And that's what I'm really working on.

Gómez: We are slaves of time on this program, and I simply wanted to ask for a summary statement—because we are seven minutes from the end of the show—from our friend Lyndon LaRouche, about his work on *The Sovereign States of the Americas*, that we understand is material that we are also able to obtain in Spanish. And after this question, we will conclude our dialogue with words from our friend, Marcelo Trejo.

LaRouche: I am committed, as Roosevelt was and as others have been, to creating an association of sovereign states of the Americas, which largely is monetary, economic and related cooperation, and basically the economic and social development of the people of these countries. And also cooperation on mutual security, of mutual concern to all of these countries. I believe in a policy of military strategic defense, hoping that we never go to war, but with a capability of defense. In that context, to try to find alternative methods short of the instruments of warfare, to find ways of solving problems which might lead to security questions.

Take an example. We have a terrible situation in Bolivia. This involves poor Bolivians, known as *cocaleros*. One of the problems is that the farmers who grow the coca, have been given no alternative for an income except to grow coca. So either we could have total destabilization of the region because of the coca problem; or, nations of the continent could cooperate to try to make sure that the farmers of Bolivia do have a real alternative to growing coca. And those farmers, instead of being part of a social war, would recognize the governments which cooperated to do this as their friends. We need that conception.

Trejo: Well, we want to thank Presidential pre-candidate Lyndon LaRouche, who has had a really brilliant presence on our show, for the conceptual clarity and for the proposals he has; above all, for the reconstruction of the relationship between Latin America and the United States, and Argentina and the United States.

We want to thank Lyndon LaRouche for the effort he has made to be on this special program, broadcast from Córdoba, Argentina, linking up with the United States. . . . Anyone who is involved in journalistic productions knows that this is not

easy to obtain. Besides, we have had a connection for almost 50 minutes with our northern neighbor. . .

This is a humble contribution we wanted to make from this radio station—a station run by the state—to clarify for the listening public what we might expect in the future coming off the upcoming elections in the United States between Democrats and Republicans; this new relationship that can be forged, depending on who wins, between the United States and our country, and [with] Latin America.

Gómez: What's most important for us, as Argentines, is that we are committed to take on the challenge of the 21st Century. We are committed to address the subject of globalization of the region and of America—and in America, obviously, the presence of the United States. And what has most excited us is that this citizen, Lyndon LaRouche, as you said, a Democratic Presidential pre-candidate, is a friend of Argentina. That is to say, he feels specially affection for Argentina, and he has dedicated very concrete work to Argentina, and he holds in high consideration the man who was three times president of our nation—we are referring to Juan Domingo Perón.

Trejo: That is all. This has been a special program, without music, without call-ins. But with none other than a Presidential pre-candidate of the Democratic Party, here on *Radio Nacional* in Córdoba, for the entire country.

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Debt Frauds Threaten Mexico With Default

by Ronald Moncayo Paz and Gretchen Small

Will foreign banks soon be moving to seize Mexican assets abroad, as they are trying to do against Argentina?

Suddenly, Mexican media have begun discussing what *EIR* has been reporting for a long time: Mexico is as bankrupt as everyone else. In mid-July, the bankers' boys began reminding Mexico that should it default on *any* foreign debt, cross-default clauses will be activated, under which creditors can call in all the nation's debt; that is to say, they can demand immediate payment in full. And, since the government could in no way cover all the debt, national Mexican assets abroad could be seized in lieu of payment, various columnists pointed out.

One of those bankers' boys, Mexico's University of Chicago-trained Treasury Secretary, Francisco Gil Díaz, recalled the specter which terrifies everyone: the total collapse of Argentina's banking system followed by national default in 2001, and today's drive by the vulture funds to collect every last penny out of the bones of dead Argentines. Gil Díaz declared ominously on a July 17 television program that Mexico is already in a process of "Argentinization"—and the only way to stop it is to meet our debt payments, he threatened.

The \$100 Billion Robbery

Of immediate concern, are the private bank bad debts which the Mexican government assumed after the 1994-1995 financial blowout—a bailout which has ballooned to \$100 billion by today. Because Mexico's banks are almost entirely foreign-owned today—82% of their assets are foreign controlled (see *EIR*, July 2)—the government's bank bailout debt is now, largely, *de facto* foreign debt.

Congressional demands that the next phase of the bailout not proceed until a full audit be done of the bank debt swindle, led to the current round of threats. A brief history is called for.

In 1995, the government assumed the bad debt of the entire Mexican private banking sector, issuing, in exchange for the non-performing assets, *interest-bearing* "FOBAPROA bonds," the which are today the largest source of income for Mexico's few remaining banks. It's been quite a deal for the banks: The government issued almost 100 billion pesos in bonds (about \$9 billion today) to buy the bad debt in 1995; in the last five years alone, the banks have collected 157 billion pesos (\$14.3 billion) in interest on those bonds; and today the government still "owes" the banks 223 billion

pesos (over \$20 billion). A classic case of "bankers' arithmetic": $100 - 157 = 223$.

The FOBAPROA bonds, however, were not officially included in the public debt, but rather became part of what is euphemistically called the government's "contingent debt," where Congress has to expressly allocate the money for payments on the bonds every year. As far as the banks are concerned, this was not a very secure arrangement in the midst of global financial breakdown, especially as Mexico's Congress has stubbornly defended the principle that sovereign national rights override financier claims, when it comes to the nation's energy resources, at least.

In 1999, FOBAPROA was replaced by the Institute for Bank Savings Protection (IPAB), which took over FOBAPROA's assets. Its alleged purpose was to ensure that, by the year 2005, the FOBAPROA bonds would either have been securitized (traded on a secondary market), or paid off by collections on the defaulted debts. None of that occurred, of course, and so the bankers are now demanding that the planned exchange of FOBAPROA bonds for IPAB bonds proceed immediately. The trick is, that the IPAB bonds are to be counted as part of the official public debt, and thus get paid without special approval by Congress.

And so a showdown has arisen. The opposition parties which dominate Congress maintain that the government should not make payments on defaulted bank debt found to have been fraudulent. The bankers, after "confessing" to some \$800 million in insider loans and other illegal activity, insist that further questioning of the loans would call into question the banking system itself, and payments have to go ahead. A shaky agreement to allow a "limited audit" has apparently been reached, but the devil is in the details.

Accounting Tricks Only Go So Far

All of this jockeying, however, runs up against the hard, cold reality that the Mexican government cannot actually service its whopping public debt. The FOBAPROA boondoggle is only part of the story.

As *EIR* has been reporting for years, Mexico's *official* public debt is only the tip of the iceberg. For the year 2002, that official portion was 825 billion pesos. The FOBAPROA debt was an additional 714 billion. Then there was a staggering 816 billion in so-called "Pidiregas" obligations—government IOU's issued to (principally) foreign companies who are purportedly contracted to build electricity plants or other infrastructure—which are also part of the "contingent" debt. And there is some 131 billion pesos in other similarly hidden debt.

The grand total, as of 2002, was 2,487 billion pesos (some \$225 billion at today's exchange rate). This is *more than three times the official public debt!* Any wonder that Mexico's creditors are worried that their cash cow might give out on them? Any wonder that they are now talking about activating "cross-default clauses," so that they can pick over the corpse of the Mexican economy, like the vultures that they are?

U.S. Real Wages Have Fallen for Another Year

by Paul Gallagher

The Cheney-Bush White House was pushing the Congress hard, just before its recess began on July 23, to pass new tax cuts; extensions of the Administration's earlier tax cuts for five more years, and a new increase in the Earned Income Credit tax rebate. The White House wanted more tax giveaways in general, despite being told by Senate Finance Committee Chairman Charles Grassley, a Republican, to wise up and admit that its economists were wrong—tax cuts don't produce jobs. And in the case of the Earned Income Tax Credit (EITC) paid primarily to lower-income working families with children, Cheney-Bush were acting with the leadership of Tom Delay (R-Tex.) and Dennis Hastert (R-Ill) to head off an attempt to raise the Federal minimum wage, stuck for years at \$5.25 an hour.

The reason was made clear by neo-conservatives in the press: An increase in the EITC is tailored to help out only the lowest-wage workers; but a Federal minimum wage increase would trigger state minimum wage hikes and create leverage for higher wages throughout the workforce. Just the opposite of the downward spiral of real wages of the American workforce, which has accelerated in recent months. Federal Reserve Chairman Alan Greenspan, for the same reason, told a surprised Senate Banking Committee panel in June that he

was "an economist who doesn't think there should be any minimum wage."

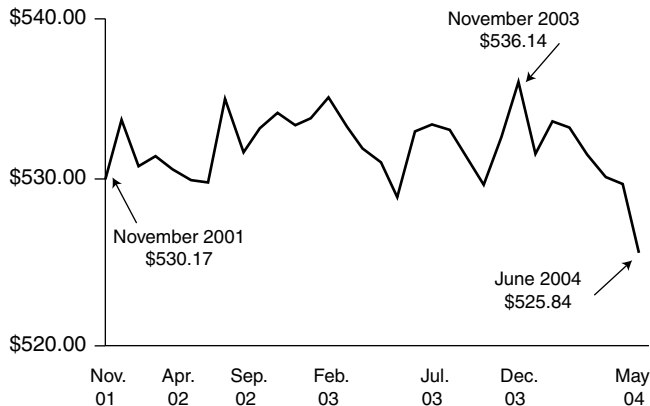
EIR has documented in numerous purchasing power surveys over decades, that the American head-of-household's real wage has been declining at approximately 2% per year over 30 years, and being made up for by multiple jobs to support each household, and by constantly cheaper imported consumer goods. An analysis of real wages over most of Cheney-Bush's time in office, published July 16 by the Economic Policy Institute (EPI), shows that that trend has continued (see **Figure 1**). The EPI's analysis covered the hourly and weekly wages of production workers in manufacturing, and non-managers in all service sectors; workers who "represent about 80% of the private-sector workforce." These workers' families are thus those whom Lyndon LaRouche, in his Presidential campaign, has cited as the "lower 80 percentiles of household-income brackets" whose living standards are declining, and appealed to as the "forgotten men and women" of both political parties, suffering constantly worsening debt and economic strain.

That decline LaRouche has pointed to, is shown in the decline of the mean "real" weekly wage of that lower 80% over that 30-month period, *even when measured against the absurd, official Commerce Department inflation rate of 2-3% each year*. And the drop is clearly accelerating.

These lower 80% account for well under half of all consumer spending, which is largely done by the upper 20% of income brackets, as the U.S. income gap keeps widening (see **Figure 2**.)

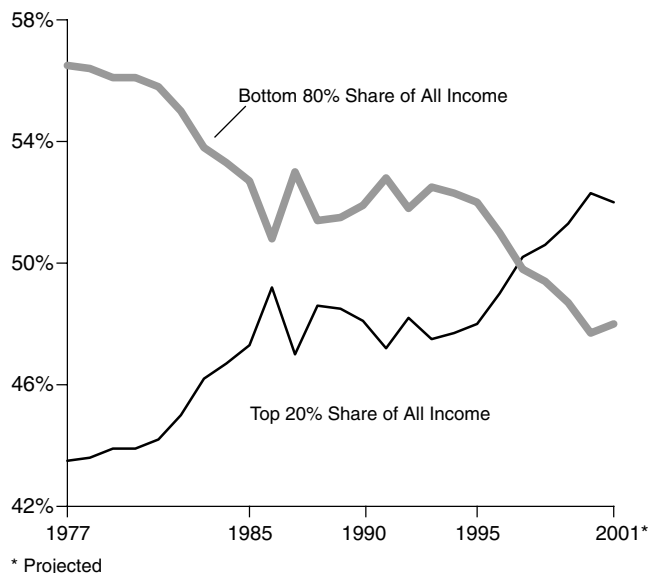
FIGURE 1
'Official' U.S. Mean Real Wage, November 2001-June 2004

(June 2004 Dollars)



Source: Economic Policy Institute.

FIGURE 2
Wealthiest 20% of Americans Have More Than Half of All After-Tax Income



Source: Bureau of Labor Statistics, *EIR*.

Saxony: An Industrial Heartland of Germany

by Rainer Apel

The LaRouche movement in Germany, campaigning for the Sept. 19 legislative elections in the easternmost state of Saxony, is using the slogan “*In Sachsen Muss die Wirtschaft Wachsen!*” (“Economic Growth Must Start in Saxony!”). Reviving the great industrial tradition of this depression-racked area of what was once communist East Germany, is essential for the nation as a whole.

State Governor Georg Milbradt has just returned from a visit to California, where his talks focussed on the enhancement of “Silicon Saxony,” of the chip-making and information technology sector of the new economy that is centered on and around Dresden, the state capital. Apart from the grand illusion that “Silicon Saxony” could flourish where the original Silicon Valley in California has already collapsed in this ongoing global economic depression, the Saxons, who have played a leading role in the industrialization of Germany for two centuries, do not deserve just being measured by the number of bytes on the computer chips produced at AMD’s Dresden plant.

Saxony was a pioneer in the development of machine-building and machine-tool production, beginning in the 1850s. Big facilities which for the first time produced machines entirely made in Germany, were built in Saxony by entrepreneurs such as Johann Zimmermann, J.S. Schwalbe, and Constantin Pfaff. And the region which played a catalytic

role in this process was Chemnitz, which established itself as the biggest concentration of machine-building in the eastern part of Germany, a position which it kept even through all the economic crises and two world wars, during 150 years of German history.

Things changed brutally after the reunification of Germany in 1990, with the policy of the Berlin-based Treuhand agency, mandated to organize the “modernization” of eastern German industry after 55 years of post-war division. Under the pretext of “making the eastern industry fit for the (free) world market,” the Treuhand shut down 95% of the industry that existed in the five eastern states and in the eastern part of Berlin, within the period 1990-94. New jobs have been created in the meantime, but they number only (differing from region to region) 10, 15, or maybe 20% of what was there before 1990.

A Modern Fairy Tale

In Chemnitz, people tell a modern fairy tale of the “evil sister” Treuhand, which after the reunion of the two kingdoms (West and East Germany) levelled everything that could obstruct the free view of the Royal Court, across the Saxon landscape. People were told that this was necessary, to make the land and its people attractive for a young and rich prince from a far-away country, who would come to wed the princess and take care of all the people. Well, Chemnitz citizens are still waiting for this prince to come.

At least some metal workers in Chemnitz never believed in this tale, but acted to save jobs, arranging that some of the important industrial firms in the region were taken under the control and ownership of the workers. This saved some 20,000 jobs in the industrial sector, the biggest worker-owned firm being the Union Werkzeugmaschinen plant. But this is only one-third—according to labor union sources, really only one-fourth—of the jobs that once existed in the machine-building region of Chemnitz. And with the present system of crisis-management policies, there is no hope for keeping the few jobs that still exist, let alone creating more jobs.

The established political parties that run the state have nothing to offer in the way of an economic future. A future for Saxony as an industrial powerhouse only exists with the Eurasian Land-Bridge development program, with an emphasis on industrialization, presented to the voters by the Civil Rights Movement Solidarity party (BüSo), which is headed by Helga Zepp-LaRouche. The BüSo is running 21 candidates (4 in Chemnitz), covering one-third of the 60 election districts in the state, and it has a powerful weapon which the other parties do not have: the 50-member-strong LaRouche Youth Movement intervention force. In the next eight weeks of the election campaign, they will confront Saxon voters with many new ideas, and with their own history as an industrial heartland.



The LaRouche Youth Movement campaigns in Leipzig.

Lawmakers Warn: Take-Down of U.S. Hospital System Has Reached Emergency

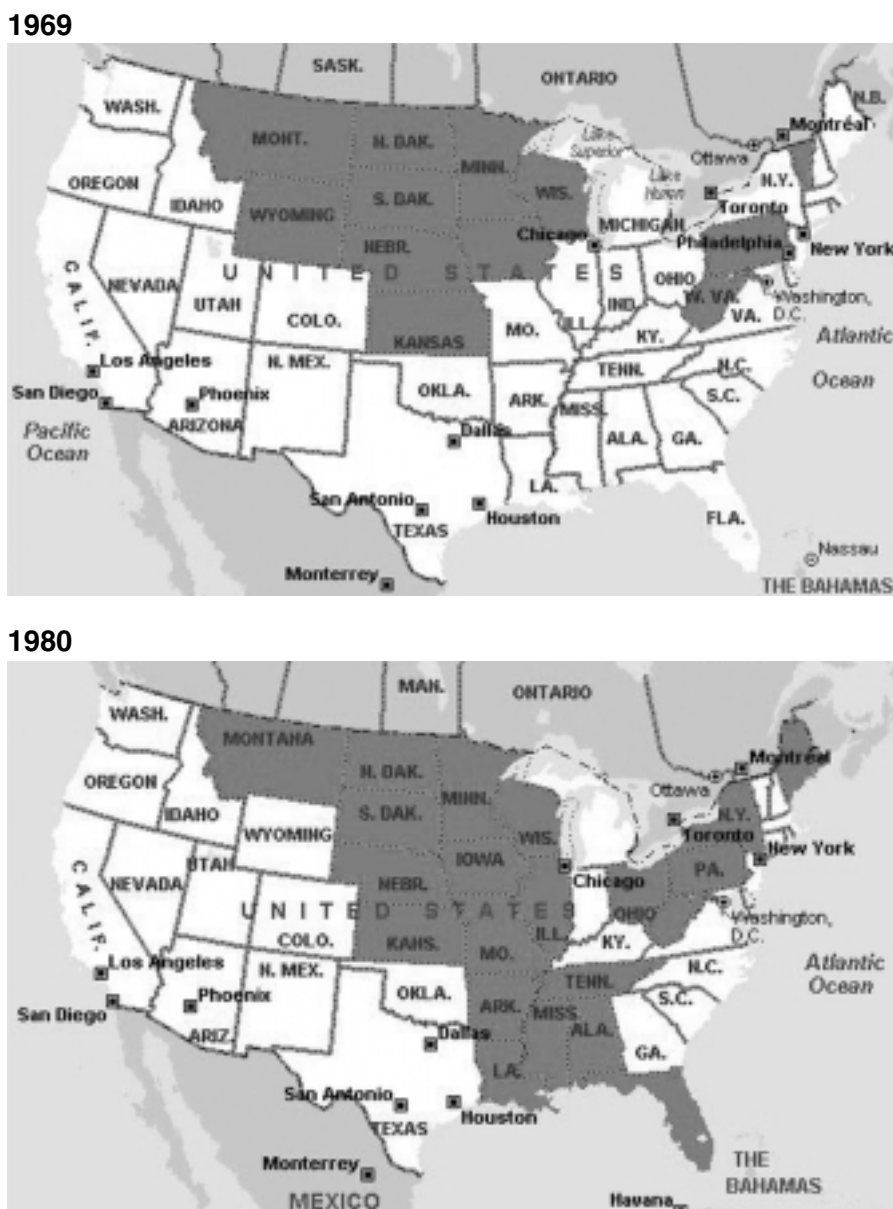
by Marcia Merry Baker and Mary Jane Freeman

On July 15, lawmakers from many states and cities attending the LaRouche in 2004 webcast event in Washington, D.C., had a chance to review illustrations showing the rise and fall of the physical economy of the United States—industrial, transportation, health care, and other features—what LaRouche has called “the incredible shrinking U.S. economy.” Of uppermost concern to everyone is the emergency state of medical care—due to the absence of facilities and staff, and to the immediate threat of denial of Medicaid/Medicare. The comments of leaders from three states—Arkansas, Mississippi, and Alabama are reported here.

The three maps in **Figure 1** are drawn from a series shown in LaRouche’s July 15 webcast presentation. As the caption summarizes, the United States saw solid improvement from the late 1940s through the mid-1970s, in the goal of providing hospital facilities accessible to all citizens, as mandated by the 1946 “Hospital Survey and Construction Act.” This was a simple, nine-page law, called the “Hill-Burton Act” after its bipartisan sponsors, Sen. Lister Hill (D-Ala.) and Sen. Harold Burton (R-Ohio).

Under the Hill-Burton Act, states began with the density patterns of their population by county, and aimed to provide access to modern hospital services, based on the patterns of concentration of population, with a desired goal of providing a ratio of 4.5 hospital beds per 1,000 persons in urban areas, and 5.5 beds per

FIGURE 1
U.S. Federal States At or Above the Hill-Burton Standard for Hospital Beds



1,000 in rural areas. States and localities worked with the Federal government either to expand pre-existing facilities—be they parochial, such as Jewish, Catholic or Protestant facilities; or philanthropic, community-serving (e.g., Shriners); or county or city-owned outright, as in famous institutions such as Philadelphia General, or Cook County Hospital in Chicago. The principle involved was: The facility must competently serve all the public. In the 1960s, any remaining Jim Crow practices were specifically banned from Hill-Burton compliance.

Over the 1950s, '60s, and early '70s, hospital-building progressed to the point that nationally, as of 1980, the average number of beds per 1,000 people stood in the range of the Hill-Burton overall standard of 4.38; ranging from 6 or more in rural Wyoming and Montana, to 4.51 in Pennsylvania and New York. Accordingly, national mortality and morbidity rates declined, as facilities came into place to care for people. This process is seen in the first two of the three maps in Figure 1.

Note how the states of Alabama, Arkansas, and Mississippi—below the Hill-Burton standards in 1969—had attained standard by 1980. Alabama went from 4.03 to 4.90 beds per 1,000; Arkansas, from 4.05 to 4.65; and Mississippi, from 3.64 to 4.84.

Then came the shift away from providing infrastructure, into deregulating and privateering of all kinds. On Dec. 29,

1973, President Richard Nixon signed into law the bipartisan Health Maintenance Organization and Resources Development Act—the law that created the HMO system, opening the way for restricting care in order to yield shareholder profiteering. The rationalization? “Cost control through competition.” Among other similar ripoffs, approval was given to for-profit chains, such as the infamous Columbia/HCA, to raid non-profit community hospitals, and generally bilk the Medicare and Medicaid systems.

Over 20 years, more than 2,000 hospitals shut down. By 1990, the national average beds/1,000 ratio had fallen to 3.73, with many counties lacking any facilities at all. By the year 2000, the national average ratio had fallen to 2.93 beds per 1,000! Alabama fell to an average of 3.73 beds per 1,000, lower than 1969; Arkansas fell to 3.63, also lower than its 4.05 in 1969. And Mississippi—while still shown as above Hill-Burton standard in 2000, with 4.86 beds per 1000, is at present facing huge and sudden losses.

Fierce Cutting on State, Local Level

Other medical ratios are dropping at the same time; for example, breast cancer diagnostics. A new report out June 10, by the Institute of Medicine, documents that the number of mammography facilities has dropped more than 8% since 2,000, now down to 8,600. This decline reflects many factors, including HMOs lowering reimbursements, and medics not

wanting to do this work because of long hours with low pay, lawsuits, and constraints on their ability to do their job. At least 40% of women in the age group that should get cancer scans do not, and that ratio is worsening.

On top of all this comes the extreme emergency factor of sudden cut-offs of Medicaid and Medicare treatment coverage. To meet the end of their fiscal year on June 30, dozens of states and localities are resorting to service cuts that will cut lives as well as budgets. This results directly from continued adherence to “fiscal austerity” policies, adopted in response to the drastic economic decline underway—which instead, should be met by mobilizing for FDR-style economy-restoring emergency measures.

Blacked out by the national media’s electioneering mind-control, are the state-by-state horror stories of cuts in essential services—especially healthcare. The situation is urgent in all parts of the country. In Michigan, facing a \$1.3 billion bud-

2001



Over the 1950s-1970s period, most of the 3,069 U.S. counties were provided with hospitals, by Federal-local cooperation under the 1946 “Hill-Burton” Hospital Survey and Construction Act, to provide modern medical treatment at a standard of about 4.5 beds per 1,000 persons (urban) and 5.5 per 1,000 (rural), depending on population density. By 1969, the U.S. national average beds per 1,000 was 4.06, with the states shown shaded, at or over the standard, and most counties nearing the goal; by 1980, the national average reached 4.38. But by 2000, this process had been reversed under the HMO-era deregulations. The national average beds per 1,000 had fallen to 2.93. Many counties are without hospitals, as they were over 50 years ago.

get shortfall next year, the state is looking at how to dump some poor people off Medicaid, whose budget line has reached \$7 billion a year, the second-highest item after public schools. As the economy has tanked, *one in every seven Michiganders now gets Medicaid*—the program set up in the 1960s as a medical-care safety net. Cutting it will mean cutting lives. Already last year in Michigan, Gov. Jennifer Granholm (D) eliminated dental and other services for adults on Medicaid, and she does not plan to restore them.

In Georgia, hundreds of nursing home residents were in line to have their Medicaid benefits cut off on July 1. The Georgia Department of Community Health, under orders from Gov. Sonny Perdue (R) to make cuts, is eliminating a program called Nursing Home Medically Needy Medicaid. This program helped people whose income exceeds \$1,692 a month, but who are unable to afford the \$3,500-4,000 a month needed for a typical nursing home. Hundreds now have nowhere to go. The state has readied termination letters.

Mississippi Legislator Speaks Out

Rep. Credell Calhoun (D-District 68) represents Hinds County, Mississippi. He was interviewed in Washington on July 15 by Marcia Merry Baker.

EIR: You have an emergency situation for Medicaid, with the Governor just writing off 6,000 people?

Calhoun: What we are really concerned about in Mississippi is the Medicaid; we have cut 65,000 people off of Medicaid, to transfer them to Medicare. It's going to take effect on Sept. 15. At that point there will be from 5-6,000 that will not be eligible for Medicare, so they will be dropped from the roll, period. That's going to be a disaster for the State of Mississippi; and of course, there are lots of people in that 65,000 that won't get adequate medical care because of that.

I don't know if Haley Barbour will call a special session to help alleviate some of the problem. He's saying he's going to get some waivers from the national Medicaid Agency to continue service to them, but up to this point, they have not got a waiver. We don't expect it to come through, so we're going to have a very bad disaster. There is a petition to recall the governor, floating right now.

EIR: When did that come about?

Calhoun: Right after the Medicaid fiasco, they started a petition. Now we don't have such a constitutional provision to recall a governor; but if enough signatures get on there, I think that's going to take him out of really any power, anyway. So he might as well come out, if they get—say—200,000 signatures, it's going to be tough for him to do anything in the legislature, come next session. So he'll be really ineffective as a Governor for the next three years, if that comes about.



Rep. Credell Calhoun, Democrat of Mississippi: On Sept. 15, the state is cutting 65,000 people off Medicaid.

EIR: And the other thing is, the shrinking healthcare delivery system. You know how Lyndon LaRouche is making an issue of the physical delivery system for care. Even if everybody had money, the system itself has been taken down a lot in recent decades: Where can you get treatment? It was built up by Hill-Burton after the Second World War, up through the 1960s and mid-'70s. But now, many counties have lost their licensed beds, or their hospital, or wards have been shut. In Mississippi, you've seen that too?

Calhoun: Oh yes. We've had many beds taken away. They were supposed to—when they took the beds away, the charity hospitals; we have several of them, and they closed them—but Medicaid was supposed to come in and take that problem away, and now they're taking the Medicaid away, so it's really going to be—See, evidently, they forgot, or somebody forgot that the charity hospitals were closed, and that Medicaid was supposed to take care of that. Now here we are, in a situation where we're going to have no Medicare for at least 5-6,000 of our people who desperately need it. It's going to be very tough.

If we can get to the next session, which is in six months, I think that we, as a legislature, will take care of the problem, but some of them are going to die before then, if we don't do something. So I don't know what Haley Barbour is going to do. He may call a special session and let us deal with it before.

See the Senate, for some reason, capitulated and just did everything that the Governor wanted, and it made it hard on the House to try to keep things in any kind of sequential order to make sure that people were taken care of. Because if the Senate doesn't cooperate with you, and the Governor is working with the Senate, it makes our job much more difficult, to try to—

We had a very good Speaker in McCoy; only he got sick and almost died from all the pressure, with tort reform and all of those things. He's trying to stand tall for the people. And here you have a Senate that's going along with the Governor, and the Governor is Big Business all the way, and doesn't care about the little people, the indigent, and the people who really can't do for themselves.

EIR: And then other aspects of your facilities; there's been also a national order that many Veterans hospitals are to be shut down. Do Mississippi people already have to go up to Little Rock, or do you have a functioning state Veterans Hospital network open still?

Calhoun: Up to this point, the Veterans Hospitals are still in operation in Mississippi. Hopefully that will continue. So far, they are still open. We have several, but we have a big one there in Jackson, and then we have some Veterans homes, taking care of our elderly.

EIR: Residential?

Calhoun: Yes, and they are doing fine, so far. Hopefully we won't get the cuts. I've been hearing about the cuts for the Veterans Hospitals. So far, they haven't hit Mississippi yet.

Hospitals Gone in Alabama and Arkansas

Ms. Johnnie Pugh, City Director, Ward 1, Little Rock, Arkansas; and Thomas E. Jackson, Member of the House of Representatives (D-District 68), Alabama, were interviewed on July 15 by Marcia Merry Baker in Washington.

EIR: Johnnie, let's start in Little Rock, where you've had a nursing career; you worked in a Veterans Hospital for seven years, and other facilities. So, you have seen up close how the hospital system, once built to serve all, is now being taken down. Little Rock is a hospital center, but you say, there are facilities with empty wards—no staff or beds?

Pugh: Well, I know St. Vincent's has wards—I have been through at least two wards—that had no beds and no people in them. The hospital has the rooms; there is no problem with the rooms; but the beds are just closed down.

There is really a nursing shortage, because since they have started working 10 and 12 hours, a lot of the people just don't want to do that. And they are so short, and they give them so many patients, so that a lot of nurses have gone to other professions because of it being too hard. So they just don't want to do it, because a lot of people—you know, you think about it, you do something that would take somebody's life, or something like that; that's something that you've got to live with.

EIR: So, short-staffing is one of the immediate problems.

Pugh: My granddaughter, an LPN, was working at Baptist Medical Center; and she quit because she was afraid of losing her license because she would be so tired that she felt she could not do it, and she didn't want to give the wrong medication.

She worked on one ward, and in the next ward over, if the nurse called in sick, she had to take her own ward *and* that ward. And she said that it was hard to just do her own ward,



Rep. Johnnie Pugh, Democrat of Arkansas, says the state has a serious shortage of nurses, leaving some wards empty.

so she was not going to take a chance on doing her ward, and the other ward too, because she was afraid of what was going to happen. Because she knew how tired she was, and at a certain period of time she just felt like she wasn't even thinking well. So she quit the job for that reason.

EIR: Has it come to pass anytime during flu season, or some other emergency, where they needed more beds, but didn't have them all?

Pugh: Not that I've heard. You know, we do have the University of Arkansas Medical Center; plus, then, we have Children's Hospital, and in the Children's Hospital we have a lot of people.

EIR: In Alabama, Representative Jackson, you have spoken out for some time about the distances people now have to go to try to get care. It's getting worse?

Jackson: [For some treatments] you have to go 60 miles away from the communities. . . .

EIR: Just for regular care, for having a baby, or falling off a truck, or something?

Jackson: They have closed obstetrics in some hospitals in communities, and you can't even go in for ob-gyn. You have to go to another community, and that's probably 40 miles away.

We're in a very dire situation when it comes to healthcare in my state, which is Alabama. And I think the nation is in pursuit. It's terrible.

Pugh: Well, we're worse than that. In West Helena, it's over 100 miles from Little Rock; and they have vans to bring people back and forth to Little Rock, to get the care of nurses, and what not. And when you leave there, between Little Rock, it's where the hospitals are, to Memphis.

Down in in Marianna and all that, Helena—this area is called the Delta. And the Delta area is poor. And those people have to go a long ways to get to a doctor and to a hospital.

EIR: In that particular place, Helena, or a similar town, do



Rep. Thomas Jackson, Democrat of Alabama: "We're in a very dire situation when it comes to healthcare in my state. . . . And I think the nation is in pursuit."

you recall when there was, at sometime in the past, some kind of hospital on site, but it's now gone?

Pugh: In Marianna there was a hospital; they closed it down at least 20 years ago. And they use this van to go back and forth; at certain times that they bring people. Of course, that happens a lot of other places down around Eldorado. They have small hospitals down there, but really, to get to larger hospitals and health clinics they have to bring them to Little Rock.

Jackson: In my district, in particular—especially in Southwest Alabama, in Choctaw County which is on the Mississippi line—they have no hospitals. There's a clinic, a rural health clinic, that a doctor comes in to maybe once a week; but a practitioner would be there to do blood pressure.

If there is an emergency, if there's a real catastrophic illness or stroke or heart attack, they're dead on arrival. Meridian is about 45 miles to their West, and anything to the East doesn't exist, for medical care. This is what rural Alabama is suffering from the most in this Medicare/Medicaid—the non-existent hospital beds.

In Alabama alone, we were going to lose something like 9,600 beds, Medicaid/Medicare. We had to increase the tobacco tax just to maintain those beds—no new services!—just to keep people from being put out of Medicaid/Medicare, statewide.

EIR: When did you make that decision?

Jackson: This past session. We increased 26¢ per pack on cigarettes—just to maintain those 9,600 beds to keep our elderly and senior citizens from being put on the street. The meals-on-wheels program also survived with this increase in tobacco tax for the state of Alabama.

EIR: And just for one year?

Jackson: Unless we can reform tax structure in our state. This is a band-aid approach, we need to go in and do surgery

and we're putting a band-aid on everything. It is not well.

EIR: LaRouche is saying, make the economy work again.

Jackson: *We need to re-make our economy.*

EIR: Because you could fight over the tax structure, and I'm sure it's corrupt. . . .

Jackson: It is. The poor pays the taxes, and the rich pay none.

EIR: Look at places like the City of Pittsburgh, which is bankrupt; and that's exactly what a rotten grouping is saying to do: They say, "Let's tax non-profit institutions, like schools and hospitals!"

Jackson: Non-profit? I mean, you are already paying the taxes to keep the schools running, so how are you going to tax? It's an extra tax on the poor! Most of these taxes we are doing now are taxes on the poor, instead of hitting the corporations who are making mega-millions or billions of dollars in the state, and paying little or no corporate income tax.

EIR: Then if you look back decades ago, there was a time in Alabama, when, say in Birmingham, you would tax "big steel."

Jackson: Yes, but that's not there anymore. Steel is—

EIR: So that's what you've been talking to LaRouche about, on infrastructure and industry?

Jackson: To rebuild the infrastructure of our nation and state, yes.

EIR: What is involved?

Jackson: Look at the transportation system. The interstates are falling apart, the state roads need repair. And then we need a rail system. We need maglev trains from North Alabama to South Alabama. Huntsville to Mobile.

EIR: Your only one train goes east to west, is that right? Near Montgomery?

Jackson: Yes. That's the only one we have. I don't know if it is conducive for travel even, now. The system is so shut down, so messed up.

Several years ago we had an accident right on Interstate 65, where the overpass gets washed out, with a tractor-trailer rig that had carried fuel. It was repaired in less than a year's time. But we need to go through the entire state and rebuild all these bridges that are in very bad, poor condition.

You know, there was one time when school buses had to let the students off on one side of the bridge, and cross the bridge, and then students had to walk to the other side to get on the bus, to meet the specs of the bridge. They couldn't stay on the bus, and cross the bridge.

And we have many more bridges in that condition. We need to rebuild the State of Alabama. We're in trouble.

Business Briefs

Job Loss

U.S. Employers Slash Jobs; Lay-Offs Rise

Employers cut 795,612 jobs in the United States, in 8,114 mass lay-offs, from January-June. In June 2004, employers initiated 1,379 "mass lay-off" actions, resulting in 134,588 new claims for unemployment benefits during the month, according to the U.S. Bureau of Labor Statistics. Each mass lay-off is defined as 50 or more jobs cut from a single establishment within 30 days.

Manufacturing suffered 16% of all mass lay-off actions, and 20% of the initial jobless claims filed in June. Elementary and secondary schools accounted for 19% of all new unemployment claims.

Debt

The Asset Economy Is A House of Cards

So stated Stephen Roach, chief economist of Morgan Stanley, in a London *Financial Times* editorial July 20. Roach notes that, based on comparisons to income growth in recent decades, a shortfall in real personal incomes in the United States of about \$260 billion has been built up during the last three years. This trend has moved in parallel with the fundamental transition from an "income-driven" to an "asset-driven" U.S. economy. First, there was the "wealth effect" of the stock market bubble, which made it possible "to monetize asset inflation and convert it into consumer purchasing power." After the stock bubble burst, "frothy property markets" had to replace it. But, there is a problem: "The property wealth effect is a far more debt-intensive phenomenon than the equity wealth effect. This shows up in the American consumer's recent debt binge. Household sector debt was up, to 85% of GDP last year, from 70% in 1995." In spite of ultra-low interest rates, "debt service burdens remain near the upper end of historical experience." All of this has led to the "ultimate moral hazard: overly indebted consumers and overly exposed fi-

ancial institutions, both of which are vulnerable to an overdue normalization of monetary policy." With interest rates going back to normal levels and "no guarantee of performance" for the present asset bubbles, the "asset economy" is now heading for "its toughest test."

Roach wrote a separate analysis in the July 22 *New York Times* of the proclaimed "job creation recovery" in the United States in the first half of the year. He showed that in January-May 2004 job creation, low-wage economic sectors accounted for 45% of all the jobs, more than twice those sectors' representation in the economy as a whole; and that in the second quarter of 2004, over 90% of all the new jobs created were part-time jobs!

Railroads

Union Pacific Breakdown Crippling America

The Union Pacific Railroad system is experiencing breakdowns so serious that goods arrive weeks late, wrecking the operating systems of hundreds of American companies, according to the *Wall Street Journal* on July 22. Created by Abraham Lincoln and Henry Carey as the leading part of the trans-continental railroad project, which began operating in 1869, the Harriman financier family took control of it in the 1890s.

Following the Jimmy Carter-directed deregulation of American railroads in 1980, the Union Pacific went on a predatory take-over spree of other rail lines, which culminated with its 1997 take-over of the Southern Pacific. Today, the banker-run Union Pacific controls one-third of all U.S. rail freight volume. However, it spent the minimum on rail track in heavily trafficked corridors and cut its work crews and staffing to the bone. Now, there is breakdown:

- The Houston-based Lyondell Chemical Company reports that it now takes seven days, instead of the usual two, to move its goods around Houston. The company reports that it has lost \$1 million due to this, and last Spring it cut some production lines.

- The Tempe, Arizona-based Miller Wholesale Lumber Co. reports that a series

of orders on the Union Pacific, which should have taken ten days, have taken about a month to deliver. Union Pacific even tried shipping the lumber by truck, because it couldn't get the lumber there by rail. Glenn Miller, who owns the company, and who has lost \$200,000, said, "This is a nightmare."

- Recently, in Los Angeles, the Union Pacific had no locomotives to move 100 railcar-long trains, containing imported electronics, cars, and other cargo. So, the company shunted the trains onto a branch line next to a high-school football stadium, where they sat for days.

- Overall, the average speed of trains run by the Union Pacific is down to 21 miles per hour.

- For this year's grain harvest, there are already predictions that the Union Pacific, with its inability to handle its current load, will cause a worse crisis than in 1997, when grain sat piled up for months all across the American farm belt because the Union Pacific collapsed.

Housing

Housing Bubble Out of Control in L.A. County

The median price for buying a home in Los Angeles County soared to \$414,000 in June, according to the *Los Angeles Times* July 13. It was the 12th consecutive month that the price rose at least 20% year over year. The price for a home in June 2004 was 32.3% higher than in June 2003.

While the *Times* reports that this "steep run-up in prices, over the last two years in particular, has prompted concern that the region's housing market, a major engine of the economy, may be caught up in a speculative bubble," the article does not investigate the effects of this exploding housing inflation on L.A. County's growing number of poor and unemployed, who are increasingly unable to afford housing in southern California.

The Commerce Department reported that housing starts tumbled 8.5% in June, to the lowest level in 16 months, amid rising interest rates. Permits for new housing projects fell by 8.2%—the largest monthly drop in more than ten years.

Iraq Interim Government Can't Be the Servant of Two Masters

by Muriel Mirak-Weissbach

The handover of “sovereignty” from the U.S. occupation forces’ Coalition Provisional Authority to the Iraqi interim government, on June 28, cast the latter in the role of Carlo Goldini’s “servant of two masters,” a role which would challenge the most dextrous of actors. One might think that Iraqi interim Prime Minister Iyad Allawi were typecast for the part, considering his history as Saddam Hussein’s intelligence agent, tasked with spying on Iraqi students in England, and his subsequent deployment as an agent of both British and American intelligence. But even he is finding it arduous.

Allawi is caught on the horns of a dilemma: On the one hand, he must show the occupation that his government is a faithful puppet; and, on the other, he must strive to convince the Iraqi people, and the world, that it is an independent authority. One farcical episode captures the essence: On July 18, an American airstrike hit sites in Fallujah allegedly used by al-Qaeda-linked foreign fighters, killing 14 people. Allawi, who had authorized the attack, made known that his prior approval was intended to show Iraq’s sovereignty. “We worked with the government, the government was fully informed about these matters, agreed with us on the need to take the action; we conducted the action,” U.S. Deputy Secretary of State Richard Armitage said during a news conference. “We didn’t just strike off on our own; a sovereign nation had to agree.”

This Iraqi government, torn between two masters, has proven to be paralyzed. Although the prime minister, and interim President Sheikh Ghazi al-Yawar, promised that an amnesty would be issued to resistance fighters in an act of national reconciliation, it has not yet been declared. At the same time, the government stated its intention to restore the death penalty and declare martial law.

No wonder, then, that the prime targets of the growing resistance have become members of the interim government, or police and other security forces associated with it. The Green Zone, where the interim government offices, as well as the American and British embassies, are located, was the target of a car bombing, which killed 10 and wounded 40. On July 15, the car of interim Foreign Minister Hoshiyar Zebari was hit by gunfire, and one official was killed, and two wounded. Zebari was not in the car. On July 17, interim Justice Minister Malik Dohan al-Hassan was the target of an assassination attempt; when his convoy was hit by a bomb explosion, five of his bodyguards were killed. He escaped injury by pure chance. Provincial governors have also been targeted.

Resistance Holds Some Cities

Reports by those few journalists who manage to travel outside Baghdad, have documented that the Iraqi police stations, especially in the South, have been systematically targeted by the resistance, and destroyed. Hundreds of would-be police have died.

The resistance to the occupying forces and their Iraqi allies shows no signs of abating. On the contrary: Inside the Sunni triangle, the cities of Ramadi, Fallujah, and Samarra are in the hands of the resistance, which will continue its attacks as long as it considers the country occupied—until the last foreign soldier has left. And there is no perspective on the horizon for such an eventuality. Not only are the American and British forces not reducing their presence; they are beefing it up, while seeking assistance from other nations. They have set no deadline for really ending the occupation.

Scott Ritter, a UN weapons inspector in Iraq from 1991-



The late-June “sovereignty transfer” has not changed the situation in Iraq, despite fanfare about everything from martial law to amnesty. American and British troops remain the occupation power, just as embattled by the resistance, and destroying more buildings than they build, as here in Baqubah. Reconstruction remains at a standstill, oil exports at or below pre-invasion levels.

98 and a harsh critic of the war and occupation, presented a sobering picture of the military situation in an op-ed to the *International Herald Tribune* on July 23. Bluntly titled, “Saddam’s People Are Winning the War,” Ritter’s commentary predicted that the Allawi government is “doomed to fail,” no matter how many American troops are deployed. “The more it fails,” he wrote, “the more it will have to rely on the United States to prop it up. The more the United States props up Allawi, the more discredited he will become in the eyes of the Iraqi people—all of which creates yet more opportunities for the Iraqi resistance to exploit.”

Ritter’s assessment of the strength and nature of the Iraqi resistance—which coheres with reports provided by *EIR* sources—is that, far from being a rag-tag operation of a handful of Saddam Hussein loyalists, it is a well-trained, well-prepared, nationally coordinated force, which had been put together consciously years earlier to do the job it is now doing. Ritter stressed the fact that Ba’ath Party leader Saddam Hussein, in the 1990s, shifted his secular, nationalist ideological stance, to embrace radical Islam in a deliberate effort to co-opt emerging Islamist forces. This process was “largely unnoticed in the West.” If the United States earlier believed that the resistance were made up exclusively of Saddam loyalists, it soon had to change its tune, and speak, as the Pentagon does today, of a “marriage of convenience” between the loyalists and Islamists.

But this, too, is wrong, Ritter said. “U.S. policy in Iraq is still unable or unwilling to face the reality of the enemy on the ground.” Not a “marriage of convenience,” but “rather a product of years of planning. Rather than being absorbed

by a larger Islamist movement, Saddam’s former lieutenants are calling the shots in Iraq, having co-opted the Islamic fundamentalists years ago, with or without their knowledge.”

Ritter, noting that there was no formal surrender of Iraqi forces on April 9, 2003, wrote that they simply “melted into the population,” then re-emerged. He identified the leaders of this resistance as several top names in the former regime, listed as wanted, but never apprehended. They include former Vice President Izzat Ibrahim al-Douri, and his deputy, the former head of the Directorate of General Security (DGS). The offices of this DGS, which Ritter had searched in his capacity as arms inspector, were full of documents on those working with it. “There is not a person, family, tribe, or Islamic movement in Iraq that the DGS does not know intimately,” he reported, “information that is an invaluable asset when coordinating and facilitating a popular-based resistance movement.” The resistance leaders also count among their number, Hani al-Tilfah, former director of the Special Security organization, and Taher Habbush, former head of the Iraqi Intelligence Service “that perfected the art of improvising explosive devices and using them to carry out assassinations.”

Thus it is the case, as Ritter wrote, that “the recent anti-American attacks in Fallujah and Ramadi were carried out by well-disciplined men fighting in cohesive units, most likely drawn from the ranks of Saddam’s Republican Guard.”

Regional Security

Not willing to face the fact of the indigenous resistance, U.S. authorities, echoed by the Allawi crew, have endlessly

repeated the mantra that it is a matter of “outside agitators”; e.g., al-Qaeda “terrorists,” who have infiltrated through Iran and Syria in particular. Although this is a fairy tale aimed at blocking out the uncomfortable reality of the resistance, it is the case that, since the war, Iraq’s borders have been open. Coalition Provisional Authority head Paul Bremer’s order to disband the Iraqi military and security apparatus, removed those forces who had earlier secured Iraq’s borders.

In his “LaRouche Doctrine,” Lyndon LaRouche stressed the importance of a new U.S. policy of treating Southwest Asia as a whole, and declaring American strategic interest to be in establishing security and stability in the entire region. He identified Turkey, Syria, Iran, and Egypt as keystone states in this region, whose cooperation in contributing to regional security should be acknowledged by the United States.

On July 21-22, the foreign ministers of these four nations met in Cairo, along with their counterparts from the remaining neighboring states (Saudi Arabia, Kuwait, and Jordan), the first such meeting since the June 28 transfer. The top item on the agenda was border security. Iraqi interim Foreign Minister Zebari spoke of “ideas and proposals” he had to make to Arab and Islamic countries, “especially with regard to border and joint security cooperation in order to protect the common borders.” The agreement struck at the meeting, was that all would beef up their border surveillance, and, in some cases, institute joint controls. Such an understanding had already been reached between Iraq and Syria, prior to the meeting; and Iran has sealed its border with Iraq.

Another decision made at the meeting, was to convoke a conference of the interior ministers of the same countries, to be held on an as-yet-unspecified date in Tehran, on the invitation of Iran. This venue is extremely significant, considering the past feuds that have poisoned relations among many of those present—including, of course, the Iran-Iraq War of 1980-88.

Contrary to press previews of the Cairo talks, the foreign ministers did not discuss deploying troops to Iraq. The issue had been raised publicly by Jordanian King Abdallah II in June, who, following a visit to the United States, had offered Jordanian troops, if the Iraqi government requested them. At the time, Allawi and others declined the offer, making the right decision, albeit for the wrong reasons. The Iraqis’ motivation, explicitly stated by Zebari, was that they charged neighboring states with interfering in Iraq’s internal affairs, a charge difficult to back up. But the decision was sound, for many reasons: first, Iraq needs no more foreign troops; indeed, it needs none at all. The presence of the occupying forces, as Iranian Foreign Minister Kharrazi has repeatedly stressed, is the main reason for the conflict in the country now. Furthermore, troops sent in by Syria, Jordan, or Egypt would be viewed by the Iraqi population as occupation forces, this time with an Arab face. Suspicions of their pretensions to Arab leadership would be immediate. The suggestion, furthermore,

that Iran or Turkey should be deployed in Iraq, is unthinkable, for obvious political and ethnic reasons. Saudi Arabia and Kuwait, former adversaries in war (like Iran), would be no more welcome. Whatever political differences currently exist among Iraq’s neighbors, they all agree on one fundamental point: Every effort must be made to stabilize the region, and avoid further war.

The only proposal regarding troop deployments came from Allawi, who suggested that troops from an Arab or Muslim country outside the immediate area could provide security for the new UN mission. Egyptian Foreign Minister Ahmad Aboul Geit told reporters, when asked, “Egypt will not send forces in any case.” With that, the matter was closed.

The Role of Iran

Iran’s role in stabilizing the process is obvious to any informed observer. EU foreign policy advisor Javier Solana, as well as several UN spokesmen, have lauded Iran’s role. Even an Iraqi diplomat, Rend al-Rahim Francke, who heads Iraq’s mission to the UN, in an Associated Press interview on July 19, rejected claims that Iran was destabilizing Iraq. “Iran is not the cause of instability in Iraq,” she said, adding that “Iran could have a disruptive role, and the fact that it is not, is positive.”

In light of this fact, and recognizing the political weight Iran has in the region, one would expect Washington to accommodate. Instead, the barking and bellowing of the mad dogs has only grown louder. Leaks to the press regarding statements in the 9/11 Commission report, according to which al-Qaeda elements passed through Iranian territory between 1999 and 2001, have been seized upon to launch a new round of accusations against Tehran, beginning with President Bush. Sen. Sam Brownback (R-Kan.) is pursuing an Iran Liberation Act (on the model of the legislation which set up the Ahmed Chalabi operation in Iraq). The London *Times* of July 24 ran a story, that the Bush Administration, if re-elected, would target Iran for overthrow and military action. The following day, the paper reported on Israeli plans for an attack.

At the same time, however, a contrary signal was sent by the New York Council on Foreign Relations, whose leading lights Zbigniew Brzezinski and Robert Gates called for dialogue with Iran.

Such conflicting signals are being read in Tehran as a hard cop-soft cop show. The threats, whether from the United States or Israel, are being taken deadly seriously. The Iranian defense minister made clear that any Israeli military move would be met with massive retaliation. And, as Iranian officials have pointed out, such Rambo posturing from Washington only strengthens the hand of the arch-conservatives in Iran, those whom the American neo-conservatives would allegedly like to remove from power. The more bellicose language is used, the more political leaders in Iran see through that game being played.

Behind Butler Report: The LaRouche Issue

by Katharine Kanter

As readers will be well aware, the so-called Butler Report was published on July 14, almost one year to the day from the alleged suicide of weapons-inspection expert and BBC “informant” Dr. David Kelly. Its publication also happens to coincide with a front-page leak to the *London Times* through someone described as a “senior” American official, according to whom the U.S. Government is now considering an attack on Iran in order to destroy that nation’s civil nuclear program, to which Russia is currently delivering fuel rods.

Bearing in mind—lest we had forgotten—that over one million human beings have died in Iraq as a direct consequence of the two Gulf Wars and sanctions since 1990; and also, that before the second Gulf War was launched in 2003, mass protests against it were staged by millions of people throughout Great Britain, the Butler Report’s publication has given rise to a stream of contradictory political assessments, all rotating round one issue: Will the report provide enough ammunition to get Tony Blair out?

Or, as Jonathan Freedlander (who, perhaps not surprisingly, is the author of the essay published in 1999, “Bring Home the Revolution: The Case for a British Republic”) put it in *The Guardian* July 15: “Some thought the headline was ‘Blair slammed’, others said it was ‘Whitewash II.’ It might take a while to sink in that Lord Butler had done neither. . . . He presented parliament, press and public with an elegant, nut-encased, velvet-lined box full of sharpened knives. ‘You might use these,’ he seemed to say, ‘I couldn’t possibly’. . . . He did not play the assassin. Instead he handed the PM [Blair] a bulletproof vest, and the public a set of live bullets. That at least will ensure fair play—and what could be more British than that?”

Other analysts in Great Britain have commented—notably the *Guardian*’s political editor Michael White—that the actual reason the Butler Report stops short of pinning the responsibility for “seriously flawed” intelligence on John Scarlett or any single mandarin, is in order not to “let the biggest players off the hook, notably Tony Blair and his chief of staff Jonathan Powell.”

The paucity of intelligence material on which the Government relied in its rush to war, is itself an insult to the erstwhile-famed intelligence of the British people. Accord-



“The Butler Report’s publication has given rise to a stream of contradictory political assessments, all rotating round one issue: Will the report provide enough ammunition to get Tony Blair out?”

ing to the Report, MI6 had but 5 main sources in 2002, most or all of whom have been openly acknowledged by that Service to be relaying hearsay and “Chinese whispers”. *Inter alia*, the Butler Report describes as “unsafe,” so-called intelligence passed on by a middleman who had made the claim that Iraqi WMD could be battle-ready within 45 minutes.

It further transpires from the Report, that in July 2003, intelligence items supplied by some MI6 sources were “withdrawn” as unreliable—*ex post facto*—from the Iraq dossier, although neither Sir Richard Dearlove, then head of MI6, nor John Scarlett, the service’s newly-appointed head who chaired, at that time, the Joint Intelligence Committee, troubled to inform the Hutton Enquiry of that fact. (Lord Hutton headed the eponymous Committee enquiring into David Kelly’s alleged suicide).

Does England Still Exist as a Nation?

Great Britain has no written Constitution. In 1854, the famous Northcote-Trevelyan Report on the Organization of the Permanent Civil Service set out a blueprint for civil service principles, the chiefest of which was neutrality. A civil servant was to be loyal to the Crown, as a permanent complex of interests, not to a Government. However, the notion of loyalty to the Crown is one of the most vexed issues in English constitutional law. Does it mean loyalty to the interests of England as a nation, to the Empire, to the Monarchy as an Institution? Modern interpretations, under the influence of the American Revolution, have tended towards the first of those.

Judged by that standard, the late Dr. David Kelly was a loyal servant to the Crown, while the Butler Report confirms a statement of intent by Blair’s secretary Jonathan Powell in 1997, that the Blair regime was to become “a more Napoleonic (read imperial) system.” According to Lord Butler, the War policy was worked out in the course of “frequent but unscripted” meetings at which—a flagrant breach of civil service practice—no notes were taken, and

where official papers from the Ministerial departments concerned were neither circulated nor, it seems, even read. In the year before War broke out, the Ministerial Committee on Defence and Overseas Policy met not one single time.

The Butler report can thus be read as a profile of the *modus operandi* of that tiny, trans-Atlantic group of perfervid imperialists around PM Blair and Vice-President Cheney, that has conducted a cold coup d'état, arrogating to themselves every major policy decision, including the right to decide, unconstitutionally, War and Peace.

Be that as it may, and according to Simon Jenkins in Thursday's *Times*, on July 13, in the Royal Courts of Justice, a group he calls "the most powerful freemasonry in Britain" assembled to discuss the Butler Report. United in their hostility to Blair, the cream of the civil service—permanent heads of the offices of State, the law lords Woolf, Phillips and Goldsmith, the queen's private secretary, the head of the Foreign Office, the Lord Chancellor, and so forth, gathered, writes Jenkins, "as Drake at bowls before the Aramada, the Duchess of Richmond's ball before Waterloo, Washington on the banks of the Potomac."

Most likely as a result of that meeting in the Royal Courts of Justice, the First Division Association, the union that represents the Civil Service elite, issued a statement on July 15, demanding reform of Cabinet practice, and describing the Government as being "run like a tabloid newspaper."

The Butler Report calls for the new MI6 Chief to be someone "demonstrably beyond influence," which is Civil-Service Speak for saying that John Scarlett, Chairman of the Joint Intelligence Committee (JIC), and one of the chief purveyors of the polluted September 2002 dossier of information to the public, was demonstrably under political influence, an accusation tantamount to that of corruption. One would accordingly have expected John Scarlett to resign, but, at least at the time of writing, he is still to take over as head of MI6 on August 1; while Sir Richard Dearlove, the post's current incumbent, is named Master of Pembroke College, Cambridge.

Foreign Aggression Spells Domestic Unrest

Within the next eight weeks, a radical reform of the domestic intelligence service MI5 will be underway. The plan, that explicitly targets British Muslims in the Northern cities of Great Britain, involves setting up a new network of secret intelligence bases outside London for the first time, to combat what is being sold the British public as domestic insurgency. Since Prime Minister Thatcher wrecked British manufacturing industry in the 1980s, England's Northern cities, home to millions of dark-skinned British citizens whose parents emigrated from the Indian subcontinent after the War, have been the scene of unrest, including rioting in the streets, due to mass unemployment and the attendant racialism.

That being the environment, this new MI5 domestic deployment—apparently a carbon-copy of the American

Homeland Security measures—is very plainly designed to crush protest at depression conditions, as well as any form of political dissidence, that shall henceforth referred to as "subversion." All intelligence will be passed through a new secure electronic system, directly to the Joint Terrorism Analysis Centre set up after September 11, 2001.

MI5 has enjoyed a "substantial" budget increase over the last twelve months, and is in the midst of a recruiting campaign to increase staff by 50% by 2008, up to roughly 3,000 operatives, which will mean outgrowing its London headquarters, Thames House. Although secret, MI5's share of the budget is estimated to be roughly 200 billion pounds.

In this precise context, the Director for Public Prosecutions, Ken MacDonald, told the *Times* last week that he is seeking sweeping new powers, including the right to hold suspects without charge for longer periods, and to question persons "under compulsion," without however, clarifying whether that might mean torture.

Though the intelligence services may plot to do away with politics, the LaRouche issue will not go away.

Thus have the intelligence services come to play an overweening role in national life, replacing, indeed, actual politics. Leaving aside the details of the MI5 reform described, and the Hutton and Butler Reports, that have given rise to a new term "Buttonism" taken to mean "absolving high officials of personal responsibility," that is the most disturbing implication of the present state of British and American politics.

At a public meeting held this past March at Westminster University, hosted by Alice Mahon MP, and attended by former Weapons Inspector Scott Ritter and the Welsh MP Adam Price, both Ritter and Price warned the public that not only is the war, and the conduct of the war in Iraq, illegal and unconstitutional: The fact that certain Western elites be *allowed* by their citizenry to behave in so grossly immoral a fashion, will shortly spell the end of representative democracy, unless each of us take our responsibility to change this state of affairs.

What the projected MI5 anti-insurgency plan shows is how these vultures have indeed come home to roost; and we were well advised to draw the consequences, with all due dispatch.

The dilemma facing the American and British elites, is that even those who are gravely concerned about the consequences for world peace should the status quo in the Western World be maintained, are well aware that ridding the world of that clique means vindicating Lyndon LaRouche, and, very possibly, bringing either LaRouche himself or a faction very closely associated with him to power in the U.S.A., with all the sweeping economic and financial reforms that would entail. Are they that committed to the welfare of their nation? Are they prepared to go that far? That is, no doubt, the real issue behind the dithering and vacillating over the implications of the Butler Report.

Asia Hits Cheney Doctrine, DNC

by Kathy Wolfe

A four-party group of 49 South Korean lawmakers on July 16 submitted a joint resolution to the Korean National Assembly—also hand-delivered to the U.S. Embassy in Seoul—calling for Washington to apologize for asking Korea to send troops to Iraq, by providing false intelligence on weapons of mass destruction. “It was wrong of the Bush Administration to bring war against Iraq,” they said in a statement. “Worse, they are losing all justification for the occupation policy.” The U.S. Senate Select Intelligence Committee Report, the U.S. 9/11 Commission, and the British Butler Commission Report, show that data used to motivate the war was false, they said.

The *Philippines Inquirer*, Manila’s top daily, in a July 17 editorial, hit the Bush government for criticizing the Philippines’ troop withdrawal from Iraq, noting that the “wrong signals” sent out by Washington feature the Iraq prison atrocities and the Halliburton scandals.

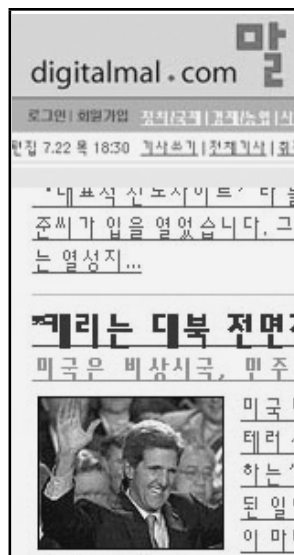
In Japan, support for Prime Minister Junichiro Koizumi fell to 36% in an *Asahi News* poll on July 20, as 53% of voters said they “could not trust Koizumi” for handing Japan’s troops in Iraq over to UN command without consulting the Diet (see following article).

Such signs of revolt in the Asian nations most subservient to Washington, could portend a sea change.

The Korean legislators also warned Washington not to treat North Korea like Iraq, the which could lead to nuclear war. “We urge that the Bush Administration guarantee that such decision-making based on false and distorted information will not occur on the Korean peninsula,” they said, “by sharing intelligence with Seoul.”

Lawmakers, diplomats, and students in Asia are just as angry at the U.S. Democratic National Committee (DNC) and its assets in Sen. John Kerry’s campaign, for repeatedly echoing Cheney’s “first strike” policy against Iraq, an implied threat to use force against all these nations. To add insult to injury, the DNC then threatened North Korea in its party platform, posted on the DNC website July 10.

“The North Koreans have made it clear to the world—and to the terrorists—that they are open for business and will sell to the highest bidder,” it asserts. “But while this Administration has been fixated on Iraq, the nuclear dangers from North Korea have multiplied, making six to nine nuclear bombs” (www.democrats.org). North Korea, say what one will, has gone to extra lengths to avoid any such relationship, and this is even a worse lie than Cheney’s assertions about Iraq and al-Qaeda.



“*Stop Coup in Boston*” is the headline in Seoul’s *Mahl Magazine* online. The article urges citizens to fax the DNC and urge an open convention.

‘Stop Coup in Boston’

Asian scholars on July 19 began a fax campaign to the DNC in Washington, urging them to open the Democratic Convention in Boston July 26-29, as proposed by Lyndon LaRouche, to allow a real policy debate. A dozen professors and think-tank officials in Korea and Japan have already sent faxes to the DNC. Members of Parliament in both countries are drafting letters.

The Philippines LaRouche Society and Philippines LaRouche Youth Movement plan a barrage of faxes from Manila from top academic and political circles.

Seoul’s popular *Mahl Magazine* has posted one such fax prominently on its home page in Korean, entitled “Stop Coup in Boston,” referring to the Cheney Homeland Security threat to muzzle debate at the Boston Convention, Under a photo of Kerry, it lists the DNC’s fax number and urges citizens to act (www.digitalmal.com).

A student group in Tokyo faxed to the DNC to ask that the Democratic Convention debate LaRouche’s policies, such as the LaRouche Doctrine for Southwest Asia and the Eurasian Land-Bridge/New Silk Road. Their fax requests:

- “1. Open the Boston Convention July 26-29 to full debate;
- “2. Allow LaRouche’s youth campaigners and all peaceful Democrats to participate;
- “3. Allow discussion of LaRouche’s policy proposals, respected worldwide, such as:
 - “• End the fighting in Iraq as detailed in ‘LaRouche Doctrine for Southwest Asia’ at: www.larouchepub.com.
 - “• End confrontation with North Korea, China, Iran and Arab nations, by a positive proposal to build their economies under the New Silk Road-Eurasian Land-Bridge plan
 - “• Return to the Democratic Party’s traditional New Deal programs of Franklin D. Roosevelt: economic justice for the forgotten man, the 80% of working Americans.”

“The world now knows there was no reason for the Bush-

Cheney invasion of Iraq,” the head of a Tokyo think-tank associated with the Diet (parliament) wrote, in a fax to the DNC signed by several noted Tokyo peace activists. “We also doubt their ‘intelligence’ against North Korea. So I was shocked to read in your ‘Report of the 2004 Democratic National Convention Committee on Platform,’ that the DNC not only supports the occupation of Iraq, but even states that North Korea is a worse danger. . . .

“Many prominent U.S. Democrats have called for an Open Democratic Convention in Boston, because they want to debate against these Bush polices. But I am deeply disappointed by reports, that no debate on the platform policy will be permitted.

“I am further distressed by reports that the Democratic Convention may even be closed to ordinary U.S. citizens, on the excuse of ‘terrorist threats.’ We have heard that student activists of Democrat Lyndon LaRouche were labelled ‘undesirable’ and barred from the Convention. Is that Democratic?

“I request deeply from my heart to your party that you are always as Democratic as the name of your party, because the Democracy of the Democratic Party USA is a model and the hope for the people of the whole world. You should not forget this fact!

“I hope Mr. Kerry will win against Bush for Peace, Human Rights and Justice in the world. Therefore, the Democratic National Committee should be first of all democratic and open-minded. So, allow LaRouche’s youth campaigners and all peaceful Democrats to participate to the discussion.”

Japan’s Voters Punish Koizumi

by Kathy Wolfe

Japanese voters punished Prime Minister Junichiro Koizumi in a national election on July 11, for endangering Japan’s peace constitution by his one-man decision to turn Japanese troops in Iraq over to the new multinational UN force there, and for what an *Asahi News* editorial called his “arrogance” in failing to explain his slashing of benefits for Japan’s large elderly population, and hikes in payments for pensions, under advice from the International Monetary Fund (IMF).

“Voters gave a severe verdict on the Koizumi Administration,” said both the *Asahi* and *Mainichi Shimbun*, opening their editorials with almost the same sentence. “Those who used to applaud his strong-armed policy management may have worried this time that he was running out of control,” *Asahi* editorialized.

The new opposition, the Democratic Party of Japan (DPJ), outdid Koizumi’s long-ruling Liberal Democratic Party (LDP) in elections for the Upper House of the Diet—the na-

tional assembly—increasing from 38 seats to 50 geographically based seats, while the LDP fell from 50 to 49 geographical seats. The DPJ also gained sharply in nationwide “proportional” seats being contested, rising from 14 to 19, including new seats in Tokyo and other urban centers.

Koizumi, however, announced that he had not been hit hard enough to step down, because he rules in a coalition with three other parties, and that overall coalition retains a majority of 139 of the upper house’s 242 seats. “There will be no problem of responsibility, as we have a majority” he told national TV July 12. Koizumi said he will revamp his Cabinet and party leadership.

But the next shock could drive him out.

Opposition Lacks Vision

The real problem is that, as with the U.S. Democratic Party now being mismanaged by DNC chair Terry McAuliffe and John Kerry, the DPJ is a hodgepodge of groups from across the political spectrum, banded together, with no principles or new policies, for the sole purpose of trying to break the LDP’s almost 60-year hold on power.

Worrisome is the presence of former LDP boss Ichiro Ozawa, a pal of Henry Kissinger who in 2002 threatened to nuke China, and who was almost made DPJ chairman earlier this year when a pension scandal caused a shakeup.

The DPJ campaign was purely negative, failing to propose any positive solution for Iraq, other than pull out, or for the pension system or the collapsing economy.

“I think the public said ‘No’ to the pension issue and the Iraq war,” DPJ President Katsuya Okada said July 12. “We will make every effort to repeal the pension reform and call for the withdrawal of Japanese troops from Iraq,” and consider a no-confidence motion to try to topple Koizumi “whenever we have a chance.”

Also unfortunate is the election of Economics Minister Heizo Takenaka, the Harvard-trained author of a “surgery without anesthesia” IMF program to shut down chunks of Japan’s industry. Koizumi pushed Takenaka, an appointee, to run, to claim public support for his budget cuts. There was no such support, but somehow a vote for Takenaka was engineered.

“Now that the legend that Koizumi is immune to election losses has collapsed, he is sure to face difficulties,” *Nihon Keizai* concluded. “It is also uncertain whether he can stay in office until his tenure as LDP president expires in September 2006.”

But voters apparently don’t feel confident enough to let the DPJ run the country; apathy was high, and the turnout was little more than 55%. “In other words, the LDP does not appear to have a bright future ahead, and the DPJ’s future prospects are not necessarily promising either.”

“It’s not that the Democratic Party is good, but I decided not to vote for the LDP this time,” said one voter interviewed—Hiroshi Furuya, the 64-year-old owner of a construction company.

U.S., Not Myanmar, Is Isolating Itself

by Mike and Gail Billington

The level of hysteria in Washington against the military junta in Myanmar (persistently called Burma, its former name, by U.S. officials, as a form of insult to the regime) reached a fever pitch on May 18, when President Bush, in a letter to the Congress extending sanctions against the country, described the impoverished Southeast Asian nation as a “continuing unusual and extraordinary threat to the national security and foreign policy of the United States.” The harsh sanctions against Myanmar ban all imports, freeze assets, ban certain travel, and restrict financial transactions. Senators Mitch McConnell (R-Ky.) and Sen. Diane Feinstein (D-Calif.) have even called for the expulsion of the Myanmar Ambassador to the United States.

Of course, the multiple crimes of the Bush Administration, now exposed to the world, have dramatically reduced America’s moral authority to assert who is, and who is not, a threat or a human rights abuser. The Myanmar Junta, called the State Peace and Development Council (SPDC), made note of this fact in a May 24 release: “The recent developments in Iraq and Afghanistan are classic examples of how wrong things could end up when the respective political histories, cultures, and security needs of a country are ignored in making a transition to democracy by forces from the outside.” What’s more, the nations of Asia have dramatically rejected such confrontation with Myanmar, in favor of cooperation and engagement, while even the European Union, which has until recently maintained such a level of hostility toward Myanmar that relations with the rest of ASEAN (the Association of Southeast Asian Nations, of which Myanmar is one of ten members) were severely threatened, has now taken serious steps toward reconciliation.

The National Convention

On May 17, 2004, the SPDC re-opened the National Convention to draft a Constitution and a structure for a return to representative government. The Convention had been convened in 1996, but was suspended when the opposition National League for Democracy (NLD), led by Aung San Suu Kyi, pulled out in protest against the preconditions set by the military regime—in particular, that the military continue to play a significant role in any new government. The reasons for this condition rest primarily on the historical reality, that the nation is composed of many different ethnic entities, while many of these entities still maintain separatist intentions, and separatist armies.

It is thus of great historical significance that the current session of the National Convention has succeeded in bringing together over 1,000 delegates, representing nearly all of the disparate ethnic and religious communities, for the first time in the nation’s history. When the “democratic opposition” NLD refused to attend at the last minute—to the surprise of most of its international supporters—the international press reported widely that the Convention was thereby rendered “inconsequential.” This judgment has been proven to be grossly distorted.

The clearest example of this fact comes from the UN Special Human Rights Envoy to Myanmar, Paul Sergio Pinheiro. Pinheiro has been a severe critic of the SPDC’s human rights record, especially in regard to the house arrest of Aung San Suu Kyi and other members of the NLD (although they were invited to attend the National Convention). Nonetheless, he reported on June 6 that there were “interesting new changes” taking place at the Convention. He pointed to the approximately 400 ethnic groups in attendance, which have “been given the opportunity to distribute their documents and present their ideas to the assembly. I am seeing that both on the government and NLD sides there is a space” for relaxing their tense relations.

This was evident from the reports from delegates in the Western press. Agence France Presse spoke with one ethnic delegate during a break in the Convention on June 6, who reported that “power-sharing” between the ethnic communities and the capital in Yangon, within a unitary state, was the primary issue for most delegates: “We’ve been discussing the most serious aspects, the power sharing: administrative, judicial, and legislative elements.” He acknowledged that the framework for the talks was fixed, especially in regard to the role of the military under a constitutional government.

The first session adjourned on July 9, with each element making up the Convention having presented their proposals during the final two weeks: the representatives of the parties (except the NLD), the elected representatives (from the 1990 election), representatives of national races, farmers, workers, intellectuals, and State Service employees. They will reconvene after the harvest.

Indonesia’s Ali Alatas on Myanmar

To situate the current progress in Myanmar, it is essential to look at the unique character of the nation in recent history. No foreign observer expresses that uniqueness with more insight and passion than the senior statesman from Indonesia, Ali Alatas. Alatas was Indonesia’s Foreign Minister from 1988 through 1999, under Presidents Suharto and Habibie, during which time he performed a crucial role in negotiating peace between the Philippines government and the Moro National Liberation Front in the Province of Mindanao, and in bringing peace to war-torn Cambodia. Alatas, who is the honorary co-chairman of the USINDO Society, spoke in Washington on March 23, 2004, on the Tenth Anniversary of that organization. Asked about the situation in Myanmar, he gave

Myanmar and the Eurasian Land-Bridge



this eloquent reply:

“I’ve been given the task to help in solving the problems in Myanmar. I have visited once, and will visit again. Myanmar has a very particular history. It is one of the very few developing countries which inherited a Constitution from the colonial powers which said that all the minorities had the right to declare independence. This created a very difficult situation. The history of Myanmar is the history of the central government trying to *keep the union alive*. Therefore, one can

imagine *why* the military came up, as a force which *ruled*. Now that military wants to move to democracy. If you know that history, then you can understand the voices which say: ‘You can’t expect full-fledged democracy overnight.’ Therefore, we must persuade the government to *move* toward democracy, but show understanding of the stress it must go through.

“The military feels that it contributed so much to the development of the country, that they have the right to partici-

pate in government. How much can Aung San Suu Kyi accept this? The Prime Minister has a seven-point roadmap to democracy and progress. We're watching, carefully, how this is implemented. I come as a *friend* of Myanmar, not with any individual interest in the country. I appreciate their support for our war of independence [in Indonesia], but I also told them that, as a friend, I will tell them the truth. They are, after all, a very sensitive people."

This sentiment is generally shared by Myanmar's fellow Asian nations. The U.S. demands for confrontation, sanctions, and isolation were only grudgingly accepted by some regional governments in the past, but the ugly reality behind Bush Administration's demands for "regime change" is now apparent to all, and Asia has rejected confrontation in favor of engagement and economic development—with significant results.

The European Union Bends

As to the European approach, the issue of Myanmar's participation in ASEM (Asia-Europe Meeting) conferences has led to a near fatal break in relations between the European Union (EU) and ASEAN. The Europeans have adamantly refused to participate in any meetings which including representation from Myanmar, even though Myanmar became a member of ASEAN in 1997. Until now, ASEAN has grudgingly circumvented this problem by agreeing to allow only the original six members of ASEAN (without Myanmar, Vietnam, Cambodia or Laos, which joined later) to attend meetings with the EU, while nonetheless asserting their intention that ASEAN should be allowed to define its own delegate members to ASEM. When the EU was expanded this year, adding several Eastern European states, the EU requested that the new members be added to the states participating in ASEM, but still refused to allow Myanmar to attend! This was too much for ASEAN, which refused to accept the new EU members unless they also agreed to acceptance of the new ASEAN members—including Myanmar. Their solidarity in this issue led to the cancellation of two ASEM meetings, and the planned October heads-of-state ASEM summit in Vietnam appeared to be doomed.

However, EU External Relations Minister Chris Patten issued a surprising concession on June 29, in an interview with the Singapore *Straits Times*. While continuing to accuse Myanmar of multiple human rights offenses, Patten said that this "should not prevent our Asian partners from benefiting from regular dialogue through ASEM with all 25 countries of the now enlarged EU, and it must not be allowed to dampen our relationship with the whole region. We are ready to negotiate deeper bilateral relations with any state that so wishes." Then, in the context of a meeting of the ASEAN Regional Forum (ARF) in Indonesia on July 2, EU Foreign Policy chief Javier Solana said that an agreement had been reached with ASEAN for the October meeting to proceed with all participants from both sides, although the details are still not public.



Myanmar's Prime Minister Khin Nyunt is underlining his country's potential role as a transportation hub for Asia—which drives the neo-cons mad.

Everyone wants to see the beginning of practical and functional relations between the SPDC and Aung San Suu Kyi, but it is not just an SPDC problem. The unbending attitude of Suu Kyi and her NLD has even led ASEAN to drop from this year's communiqué their earlier demand that she be released from house arrest, while adding that the organization "underlined the need for the involvement of all strata of Myanmar society in the ongoing national convention. We encourage all concerned parties in Myanmar to continue their efforts to effect a smooth transition to democracy," noting that the National Convention "had the potential to pave the way for a new Constitution and the holding of elections."

This leaves the United States essentially alone in its unilateral, punitive approach to Myanmar. Despite minor concessions from Secretary of State Colin Powell (who acknowledged that the rest of Asia has a legitimate "different approach to the problem"), and a continuing low-scale program from the U.S. Drug Enforcement Agency to aid in Myanmar's highly successful drug eradication campaign, the otherwise severe sanctions and forced isolation from Washington raises the question of why the Bush Administration is willing to isolate itself (yet again) from the rest of the world on this issue.

The Crossroad for Eurasian Development

The British colonization of Burma, as Myanmar was then known, was central to their broader imperial design for Asia. Burma's plentiful rice production fed the British Empire in the region, while opium was introduced from British India—always the number-one cash crop for the British. Opium production was centered in the mountainous northern and eastern regions, along the borders with India, China, Laos, and Thailand, produced by the diverse ethnic cultures of those regions. As under British imperial power everywhere, the British used "divide and conquer" methods, cultivating cultural and political differences among ethnic entities to prevent national unity against their colonial rule.

The British were driven out in 1942 by the Japanese, who were joined in the invasion by a Japanese-trained army of Burmese nationalists led by Aung San (the father of Aung

San Suu Kyi) and the so-called Thirty Comrades. Over the course of the war, Aung San turned against the Japanese, and was recognized by the British as the head of the nationalist forces after the war. With the British unable to maintain their control over India after the war, the decision was made to extend independence to Burma as well (Burma had been ruled as part of the British Raj in India). However, as in India, where the British first arranged for division (and perpetual conflict) before releasing control, so they also made certain that the hill tribes and ethnic minorities along the borders in Burma would remain independent from the capital in Yangon. Aung San, in his negotiations with the British after the war, would not allow a formal division of the country, but conceded to a stipulation that each ethnic entity could decide, after ten years, to declare its independence if it so desired. As Indonesian Foreign Minister Ali Alatas said, this left a sword hanging over the head of the new nation, which was used to full advantage by the British and their American allies after the death of Roosevelt. (Aung San was killed in 1947, supposedly by another faction in the Thirty Comrades, before the fragile independence was granted in 1948.)

The Cold War isolation of China by the Anglo-American interests after 1949 turned Burma into a battlefield yet again, as remnants of the Chinese Nationalist Army, which had been driven off the mainland into Taiwan by the Chinese Communist forces, were transported by the CIA into northern Burma, without bothering to ask permission from Yangon. The British and the Americans cultivated both opium and the allegiance of the ethnic entities, with the intention of keeping the border regions ungovernable—and thus facilitating both military and drug operations in the region, while also destabilizing China. These are the ugly realities of neo-colonial policies in Southeast Asia, which ultimately led to the disaster of the Indochina wars of 1950-79.

As Southeast Asia was transformed into a playground for surrogate colonial warfare between the superpowers in the 1960s, Burma's response was to retreat into almost total isolation. Gen. Ne Win, another of the Thirty Comrades, headed a military junta which took power in 1962, and ran the "Burmese Way to Socialism" for the next 26 years, which left Burma out of the development that emerged across Asia after the end of the Indochina wars. Aung San's daughter Suu Kyi, who had been educated and nurtured in Oxford and London since her youth, returned to Burma in 1988, as Ne Win was forced from office by a group of young military officers. She assumed the position as head of the Western-oriented opposition, forming the NLD as her political party. Violent demonstrations in 1988 were suppressed by the new military junta, and the results of elections held in 1990, won by the NLD, were suspended. The new junta which had replaced Ne Win adopted the name Myanmar for the nation, and attempted to simultaneously maintain stability, open up slowly to the West, and unite the nation for the first time in history, through negotiations with the ethnic minorities and drug lords.

While the Western press focused entirely on the back-and-forth battles between Suu Kyi's NLD and the junta, dramatic progress was being made in pacifying the border regions. Even U.S. drug enforcement officials acknowledge that the opium production has been drastically reduced, as one after another of the drug armies was brought "into the fold" of national unity in exchange for ending both drug production and armed insurrection. For the first time in history, Myanmar is united and at peace. For the first time in history, the potential, obvious from a glance at the map, that Myanmar, which stands as a geographic pivot point among the three most dynamic areas in today's world economy—India, China, and Southeast Asia—can be transformed into a reality through mutual development.

The Hub for Asian Development

Speaking on June 7 to the opening ceremony of an ASEAN Chamber of Commerce and Industry Conference in Yangon, Myanmar Prime Minister Khin Nyunt enunciated a vision for Myanmar's role in Asia: "In sharing common borders with two Southeast Asian countries, namely Thailand and Laos, as well as with China, Myanmar can serve as the bridge between ASEAN member states and China. Indeed, Myanmar also serves as a transportation link to South Asia, since Myanmar has common borders with India. Today there already exists land transportation links between Myanmar and India, China, and Thailand. Moreover, we are in the midst of establishing trilateral road links that will promote trade and commerce, tourism, and people-to-people contact. We believe that Myanmar can serve as an important transportation hub for the region."

This points to a more substantive reason for Bush Administration intransigence regarding Myanmar. The policy of the neo-conservative faction in power under Vice President Dick Cheney has been based on the outlook of the Defense Policy Guidance, written in 1991 by Paul Wolfowitz and others under then-Secretary of Defense Cheney's direction, that no nation or combination of nations can be allowed to develop the economic capacity to challenge the power of the "only superpower," the imperial United States and its British ally. This imperial vision, a continuation of the classic British imperial view, is the explanation for the words placed in the mouth of George Bush, that Myanmar, despite its poverty and size, constitutes a "continuing unusual and extraordinary threat to the national security and foreign policy of the United States." The danger, to the imperial mind, lies not in Myanmar itself, but in the peaceful development of Eurasia as a whole which will be significantly advanced by the emergence of a peaceful and developing Myanmar.

Prime Minister Khin Nyunt's emphasis on transportation is critical. When Lyndon LaRouche issued his detailed proposal for the Eurasian Land-Bridge in 1997, as the centerpiece of a vast Eurasian physical development project, to bring the world out of the current decline into depression, there was a

glaring gap in the southern-most branch of the three cross-continental transportation corridors—Myanmar. There were no adequate roads from Myanmar either west into India, east into Thailand, nor north into China, let alone the needed rail lines.

This is now changing rapidly. The old “Burma Road,” built during World War II to ship military supplies from allied bases in India to the Chinese forces fighting the Japanese in central China, is being reconstructed, as well as other land connections into China. The East-West Economic Corridor, from the Vietnamese coast, through Cambodia and Thailand to Myanmar, is being developed as part of the Greater Mekong Subregion (GMS), of which Myanmar is a member. India and Myanmar are also completing a modern highway system connecting northeast India with Yangon, and another crossing central Myanmar into North Thailand, and thus connecting also to the East-West Corridor to Vietnam. In October 2003, then Indian Prime Minister Atal Behari Vajpayee proposed a car rally from India’s eastern city of Gauhati to the Vietnamese capital of Hanoi!

Building rail lines along these corridors is essential to realize the full potential for development of the region, but there are as yet no active plans in that direction.

Energy is central to Myanmar’s development, both as a source of development income, and for internal use. The Yadana natural gas and pipeline project, completed by Unocal from the United States and France’s Total in 1999, is already shipping gas to Thailand from offshore deposits—despite huge and well-funded operations to disrupt it from the anti-growth environmental and human rights mafia. Bangladesh is now ready to approve an Indian project for developing onshore gas deposits in Myanmar, and a pipeline through Bangladesh and on to India, with collaboration from South Korea’s Daewoo International. Myanmar Energy Ministry official Soe Myint told the *Myanmar Times* on July 5 that only four of Myanmar’s 17 sedimentary basins suitable for oil production have been explored and exploited.

Thailand is planning to build five hydroelectric dams on the Salween River in Myanmar, with the first scheduled to come on line in 2012. Thailand and Myanmar have also marked out several potential sites for Thai/Myanmar industrial parks, and a 30,000 hectare agricultural project with 800 Myanmar farmers. Myanmar has invited Thailand (and others) to participate in industrial parks in other parts of the country as well. India is cooperating with Myanmar on a Chidwin River hydroelectric project, to provide energy for the development of India’s northeastern states.

Geopolitics, or Peace through Development?

There is a popular misconception among both Myanmar’s enemies and many of its friends, that Myanmar is, and will remain, the subject of Cold War-style geopolitical conflict and competition. In this view, India’s newly renewed interest in Myanmar is a reaction to the growing Chinese influence

in the country, and the threat of potential Chinese military presence there as well. Similarly, Thailand and others in Southeast Asia, as well as the Japanese, are supposedly only cooperating with Myanmar so that it will not be gobbled up by China. One of the few competent U.S. Myanmar scholars, Dr. David Steinberg of Georgetown University, who has worked strenuously to bring the United States around to a sane approach to Myanmar, also adopts this geopolitical approach, and argues that Washington should engage with Myanmar in order to stop China’s economic domination. A June 21 *International Herald Tribune* op-ed by Dr. Steinberg, for example, says: “Myanmar links India to the rest of ASEAN, and for China it provides access to the Bay of Bengal and potentially to the Malacca Straits, the most important natural waterway in the world. This has obviously been of concern to Delhi, which tests its missiles on the Bay. Key Japanese officials have also indicated that a Myanmar closely allied with China is not in Japan’s national interest. If it hopes to balance Chinese influence, the U.S. should reconsider its policies.”

But this geopolitical argument ignores the reality of the current global strategic and economic crisis. Increasingly, nations of the world are coming to recognize that the largest financial bubble in the history of mankind, combined with the imperial outlook of the current British and American regimes, armed as they are with a pre-emptive nuclear war doctrine, requires more than defensive moves on a geopolitical chessboard, in order to prevent the advent of a new dark age. Nothing less than cooperation, through the notion of the “advantage of the other” established by the 1648 Peace of Westphalia, which launched the age of sovereign nation-states, can return the world to a course of sanity and peace through development. China and India, as well as the United States, can only survive the unfolding crisis if they again find their common interest in the development of the physical economy of our world. Myanmar’s future must be seen in no smaller framework.

Nonetheless, Dr. Steinberg’s argument that “The U.S. must rethink sanctions on Myanmar,” as he titled his op-ed, is certainly correct, and has helped flush out the enemy. The *Wall Street Journal*, the leading voice of both the neo-conservative war party and the bankrupt bankers of London and Wall Street, issued a commentary on July 19, by the assistant editorial editor Michael Judge, titled “Are Sanctions Evil?” Judge praises the Bush Administration for “its unilateral sanctions [against Myanmar] with diplomatic pressure to get other nations onboard.” Judge ignores the growing isolation of the U.S. in regard to Myanmar, claiming that the policy is working. While never denying that sanctions are evil, he embraces them, as serving the interests of his mentors. This is the mentality of the “beast-men” backing the Imperial Presidency. The United States will only reverse its isolation by rejecting this mentality, and reviving the nation-building spirit which once defined this nation’s mission in history.

Book Review

Was Iraq War Caused By Politics of Oil?

by Paolo Raimondi

La guerre del petrolio. Strategie, potere, nuovo ordine (The Oil Wars. Strategies, Power, New World Order)

by Benito Li Vigni

Rome: Editori Riuniti, 2004

370 pages, paperbound, EU 15.30

Italian oil expert and historian Benito Li Vigni, a former collaborator of the national oil company ENI and its late founder Enrico Mattei, has published a revealing book, examining the question of whether the imperial actions of the Bush-Cheney Administration can be explained by the politics of oil.¹ He reconstructs the strategy that the U.S. neo-conservatives and their financial oligarchical controllers developed over the years, and forcefully projected into a fanatical realization after the terrorist attacks of Sept. 11, 2001. Admitting that the ongoing wars and conflicts cannot be explained simply from the standpoint of oil and raw materials control, Li Vigni nevertheless tries to present crucial historical and current developments from this “oil wars” point of view.

The strategic question was posed in an interview conducted by Li Vigni on Aug. 7, 2003 with Lyndon LaRouche, major excerpts of which are printed in the book. Li Vigni introduces LaRouche to his Italian audience: “On the American imperial strategy, we have posed some questions to the U.S. economist Lyndon LaRouche who was among the first personalities to propose a debt moratorium for the developing countries in the middle of the seventies, in polemics against the International Monetary Fund and other supranational institutions, promoters of a neocolonialist system based on

1. The author has written several books on Mattei’s strategy for Italian energy independence from the “Seven Sisters” oil companies after World War II. The most recent was *La Grande Sfida (The Great Challenge)*; see *EIR*, May 9, 1997), on the Seven Sisters’ war against Mattei, who was assassinated in an airplane crash in 1962. Several pages of that book were dedicated to the role of Lyndon LaRouche, who like Mattei, is promoting a strategy of great infrastructure projects.

usury. LaRouche, one of the most controversial personalities on the international scene, since 1994 has underlined that the present financial system is practically bankrupted and that it must be replaced by a system based on a radically new concept. His economic forecasts, particularly of the financial crashes of 1987 and of 1998, have proven to an ever-larger public his qualities as an economist. LaRouche sees American history as the primary battleground of a clash between those who intend to continue the anticolonial tradition, particularly Franklin Delano Roosevelt and John F. Kennedy, responsible for the creation of nation-states—whose roots have to be found in European and Renaissance history—and those forces behind the *Pax Americana* which de facto corresponds to the supranational oligarchical interests, historically centered in England.

“This clash, LaRouche underlines, touches upon and involves all the other political ‘conflicts,’ both on the national and international level. LaRouche has several times been a candidate for the White House in the U.S. Democratic Party, appealing to the same social strata which in the thirties and in the forties brought Roosevelt to the Presidency of the United States.”

Asked about the fight over control of oil resources, LaRouche replies, “The petroleum policy of the Cheney-centered imperialist faction is an auxiliary, not a determining feature of the ‘preventive’ nuclear-war policy of the so-called ‘neo-conservative’ faction behind the current global war-drive. It would be a potentially fatal mistake of underestimation by governments, to attempt to interpret the primary motive for those war-making impulses from the petroleum-equation as such.

“A more fruitful view of the problem of oil-field seizures, would be to see the way in which nuclear-energy development was aborted, beginning under U.S. National Security Advisor and leading war-hawk Zbigniew Brzezinski and his associated war-hawk James Rodney Schlesinger, during the period of the U.S. Carter Administration. A rational energy policy would shift use of petroleum toward its natural economic role as a chemical feed-stock, relying increasingly on the inherently superior and more efficient nuclear-fission and thermonuclear-fusion modes. One must see the mere fact of control of an artificially restricted source, petroleum, as a strategic weapon, which has been used by *fondi*-type financier interests, since that time, for controlling the world’s economy, population-size, and political life.”

LaRouche underlines that the source of the war danger today “is analogous to that of 1928-1939. An onrushing systemic collapse of the existing world monetary-financial system, the Versailles system then, and the ‘floating-exchange-rate’ IMF system, now, confronts the same type of *fondi* interests behind Mussolini, Hitler, Franco, Britain’s Lord Halifax, et al. with the fear that elected governments would react by a financial crash by defense of the common good, rather than the claims of the financier-creditors. . . . The goal is a continu-

ation of Bertrand Russell's doctrine of world government through 'preventive' nuclear warfare."

Asked whether the United States wants to achieve global dominion by grabbing control of resources, LaRouche stresses again that this would be a "dangerously misleading assumption." "Do not anticipate a mere thief," he states, "where the source of the threat is the threatened world tyranny of an imitation of Genghis Khan, essentially a devoutly satanic Nietzschean beast-man."

Li Vigni analyzes the 9/11 terrorist assault from this standpoint, raising doubts about the explanations given by the Bush-Cheney Administration, and concludes that the tragic event created "a valid pretext to unleash a series of wars, long programmed, to consolidate American positions of political and economic power inside the country and in strategically important regions of the world, to establish its imperial aims." He quotes Eckart Wertheback, former chief of the German secret services, who told the American Free Press on Dec. 4, 2001 that the assault "required years of planning and an organization on a state level." On the question of which "state," Li Vigni cites LaRouche, "who underlined in an interview that 'the attack must have had been necessarily planned, organized, and realized in the U.S.A by rogue elements of the secret services and the armed forces.'"

Oil and Geopolitics

The book analyzes the imperial strategy of preventing Eurasian coordination, particularly among China, Europe, and Russia. Particularly China is a target, since it is involved in major investment projects for a system of transport infrastructure, railways, roads, and pipelines, known as the "New Silk Road."

From his own personal knowledge and experience, Li Vigni reports on the tension between the Anglo-Dutch-American oil companies and some European ones, particularly ENI, over contracts with the producer countries, and new pipeline routes. The Seven Sisters "went ballistic" when Mattei and ENI challenged the established system, offering 75/25 instead of the 50/50 share of the profit, to the benefit of the producer countries, and signing a direct deal with the Soviet Union for oil and gas delivery to Europe. The multinationals wanted to maintain highly advantageous contracts with the producers, called Production Sharing Agreements, which allowed them to consider a certain quota of anticipated production as their own reserves, and to inscribe it on the books as if it were a real asset, not just a right to exploitation. The profit is divided in two parts: "Cost-Oil," which is taken out right away, pays the expenses of the multies; and "Profit-Oil," which is divided with the oil-producing country. ENI, followed by the French Total, developed instead a contract called Buy-Back, according to which the oil company declares how much it intends to invest; an agreed-upon part is used to cover costs, and the profit is divided according to a clear, signed agreement. With the

second type, the costs are fixed, while with the first, costs could increase dramatically.

Conflicts concerning oil routes have been very violent: The Anglo-American oil companies have worked to prevent pipelines from crossing Russian territory, while ENI's Blue Stream project is considering a new pipeline from the Caspian Sea, via Russia to Turkey and then into Europe. According to Li Vigni, these different approaches provoked an hysterical intervention from then-Secretary of State Madeleine Albright, who lodged a strongly worded protest with the Italian Foreign Ministry.

Clearly relying also on information taken from *EIR* and the LaRouche movement, the author writes that "according to qualified American study centers, the alarms on terrorism, the actions of preventive war against Iraq and its military extension to the rest of the Middle East and elsewhere, appear more and more to be motivated by the American desperation vis-à-vis the perspectives of the economic and financial crisis." Li Vigni identifies the dirty deals of Cheney and his Halliburton, of George Shultz's Bechtel, and of the Carlyle Group, in the so-called reconstruction of Iraq.

The book attempts to provide an historical reconstruction of the "oil wars" in the past two centuries, from Britain's "Great Game" to World War II—all from the standpoint of the fight to gain strategic control of oil and other raw materials. Li Vigni shows how the oil interests have always been on the front line of the anti-republican and anti-development strategies of the oligarchies, including the financial oligarchies.

An interesting section deals with the little-known relation between the American company Sinclair Oil and Fascist leader Benito Mussolini. This connection reveals very well what LaRouche means, when he speaks of the role of synarchism. Li Vigni documents that immediately after Mussolini's "March on Rome" of 1922, representatives of the Sinclair interests approached people around him to mediate contacts for a deal involving the oil exploration and other economic operations in Italy. Behind Sinclair stood the Morgan, Mellon, Guggenheim, Chase Manhattan, and Standard Oil interests. In 1924, the SIAP, the Italian company controlled by Standard Oil, gave large amounts of financial support to people directly linked to Benito Mussolini and to his brother Arnaldo, part of which went also to finance one of the main Fascist papers, *Corriere Italiano*. Giacomo Matteotti, a Socialist member of the Parliament, denounced the dirty deals between Sinclair Oil and Mussolini, and shortly before he could present the evidence to the public, on June 10, 1924, he was kidnapped and killed.

The book is receiving relatively large circulation and press comment. Since Italian troops in Iraq have been deployed in the area of Nasseryia, where ENI had years ago signed oil exploitation rights agreements with the Iraqi state, several politicians have raised the issue in Parliament, asking the government to comment on this fact.

LaRouche Warns of Northern Virginia Terrorism Threat

This release was issued in Washington on July 16 by the LaRouche in 2004 Presidential campaign committee.

Asked during his July 15 webcast, by a former senior Senate staffer, for his assessment of Homeland Security Secretary Tom Ridge's proposal that the 2004 Presidential elections could be suspended in case of a terrorist attack, U.S. Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. responded bluntly:

"If we were to accept the idea of calling off the Nov. 2 election, or postponing it—which would mean calling it off—we would no longer have a Republic. We would no longer have a nation. Remember what happened. Just like today, there are some foolish people who say, 'Don't try to get Cheney out as Vice-President, because we want him as a liability for Bush come November.' These people are idiots. They obviously know nothing about history. They've studied nothing about the past history, the history of fascism."

LaRouche cited the failure of Germans to stop Adolf Hitler after his January 1933 appointment as Chancellor of Germany, with the argument that Hitler would discredit himself. Then came the orchestrated terrorist incident, the Reichstag Fire, and the emergency decrees which made Hitler dictator—"just exactly what Tom Ridge is moaning about here: That in case of a terrorist attack which his friends—well, Tom may not know anything about it, but his bosses do, the ones who really run the scene behind it—a terrorist attack orchestrated by *them*, would be used to have the same effect on the U.S. elections—to make sure a Democrat doesn't get elected—that was done by Hermann Göring in setting fire to the Reichstag, and then the invocation of the emergency laws, the *Notstandsgesetze*, in Germany the morning after."

Investigate Nazi Networks

There *is* a danger, however, LaRouche warned. "Is there a danger of terrorism in the Washington, D.C. area or elsewhere? Yes. Do I know, concretely, of any such danger, ter-

rorist danger? Yes.

"Do any of you know the name of Fernando Quijano? Fernando Quijano is a former associate who was recruited by people such as Nestor Sanchez and by the Nazi organization based in Mexico. The Nazi organization based in Mexico was established there from about 1935 on, directly by Hitler from Berlin, from a special office in Berlin. This coordinated with Hitler's determination to ensure that a Nazi by the name of Francisco Franco would succeed in establishing a fascist dictatorship in Spain, with the support of Hitler and Mussolini.

"This group, this Nazi group in Mexico which are called the Synarchists, which became known under such names as the PAN, this group had—in cooperation with Nazi Germany and with Japan—plans up into 1941, up until Midway, until the U.S. fleet defeated the Japanese fleet at Midway in June of 1942. Until that point, this group in Mexico, this group run by the Nazis, using Nazis recruited to Nazism in Mexico—including priests centered in Guadalajara, a state of Mexico—had plans for military operations of a terrorist nature, against the territory of the United States; trying to incite people of Hispanic backgrounds, especially of Mexican backgrounds in the United States, to become part of this Franquista version of Nazism.

"That organization exists today. I warned about it. It exists in Argentina, it exists in Uruguay, it exists in Brazil, it exists in Venezuela, it exists now in Peru, in Bolivia, as well as Mexico, and elsewhere. It is organizing in this area, organizing fools and sympathizers for this kind of—and exactly the same kind of propaganda which the Nazis promoted in their operations in Mexico in the 1930s and early 1940s. Is there a possibility that this operation, this so-called Hispanic operation, would be used for a terrorist act or acts in the foreseeable future? Yes. Yes. But that doesn't make any difference about having the election in November, as scheduled. We have the election anyway.

"What we do is, we move to deal with the terrorist threat.



Fernando Quijano.



“Even though Huntington’s a liar [Trilateral and CFR race-theorist Samuel Huntington, above] about what he says the problem is, nonetheless there is a real problem, which is Nazism of a Spanish-speaking variety,” LaRouche said.

“Now the first step you do to deal with something like that, is you expose it. Now, I’ve named the name. I could also name another name, an associate of Fernando’s, Nestor Sanchez, a resident of Leesburg—or was a resident of Leesburg, Virginia; close to this death squad operation which a so-called section of the CIA was running in Central America with the approval and support of Fernando. So there is a danger, and the danger is known to us. It’s close. It’s a danger, the facts of which should be known to the U.S. government; and this kind of problem should be dealt with by exposing it. If you expose it, you isolate it. You neutralize it. You will find this kind of operation depends upon fools. You recruit fools to put their lives on the line for the dirty work which a handful are leading.

“And the direction of this is coming out of Spain, out of fascist Spain, because the fascist organization still exists there under leadership of people—Fernando’s close associate Blas Piñar, who was the head of Nazi-like organizations in Spain, in France, and in Italy today. He’s a key leader of it. Therefore, if we expose the stuff, and move to isolate the hard-core perpetrators, and cause their dupes to run away, that’s the first step.”

Traditional Law Enforcement Works

LaRouche continued: “Then, let the dupes talk. Not by torturing them; you don’t have to torture them. Just say, ‘Hey buddy, you’ve got a problem. Come talk to us about it.’ And they will be most voluble. The problem is, they’ll talk to you about a lot of things that aren’t true. Then you have to figure out what’s true. Don’t torture them, let ’em talk! We’ve got people who’ve got nothing better to do than listen to these guys talk. And then those of us who are smarter will go through the garbage heap and figure out what’s true and what’s useful.

“But we have to uproot the endemic potential for terrorist acts in the United States, and we do that by traditional intelli-

gence methods, which are not the creepy type. It’s very simple. Do the job. It’s like a normal law enforcement problem. You’ve got a local criminal, he’s a local hood. He’s terrorizing the neighborhood. Isolate the guy. Get the neighbors to break with him. He has no power then. And that’s the way you deal with this kind of thing.

“Yes, we should have a positive anti-terrorist operation, based on known factors of terrorism. And this Fernando thing is only typical of it. There are others. There *are* terrorist capabilities. There are things coming out of Europe as well which are potentially dangerous. There are things especially coming from *London* which are also dangerous. So if we do our job, and we have a competent government under a competent President, we won’t have a problem.

“The problem is sitting back and saying, ‘This is inevitable, this is inevitable.’ It is *not* inevitable. By exposing the creeps who do constitute the danger to civilization, by exposing their Nazi antecedents, we can actually effectively neutralize them, at least to a large degree. And if we do that job, we probably won’t have a terrorist incident.”

The Buckley Factor

Later in the broadcast, LaRouche returned to the danger of the Quijano networks, when asked by an Arab journalist how people could get answers about who really was responsible for the Sept. 11 attack, before another catastrophe occurs. In discussing the methodology necessary for investigating such conspiracies, LaRouche noted, “You have also the Huntington thesis on the Hispanic war with the United States, as the Arab. Now, the Hispanic one is different, but it has a character, and we have as much danger from this Hispanic problem as we do—even though Huntington’s a liar about what he says the problem is, nonetheless there is a *real* problem, which is Nazism of a Spanish-speaking variety. Of the Nazism that was planted in the United States by the Nazi

Party, by Hitler's order, in Mexico and other countries, and reintroduced to Mexico by William F. Buckley, senior and son, in the postwar period, as a CIA office agent in Mexico. That kind of stuff.

To find what creates these kinds of things, LaRouche elaborated, people must know something about history. "The top power in the world is not people in governments. The top power in the world is represented by international, financier oligarchical cartel interests, typified by the Synarchist International of the period 1918-1945, which was responsible for

the entirety of the fascist phenomenon in Europe, and the wars of that period. Entirely, including Japan. Entirely.

"These were financier interests who were protected by the Truman Administration at the end of the war. They are intact. They exist today. These are the guys, these banking circles, which run government from above, which have a separate ability, a separate capability, to use even facilities of government, to get access to everything, and to run such an operation. Who could run 9/11? These guys. They are the ones who can run such an operation."

The 'Quijano Dossier' and the National Security Threat to the United States

The LaRouche in 2004 campaign committee released this chronology and fact-sheet on July 23 in connection with Lyndon LaRouche's July 15 webcast statement on the terrorist threat.

Democratic Party Presidential candidate Lyndon H. LaRouche, Jr. on July 15 identified former associate Fernando Quijano as part of a serious national security threat to the United States. He identified Quijano as a bit-player in a third-generation Nazi International apparatus, involving the likes of Spanish Falange fascist Blas Piñar, and leading Mexican Synarchist circles. It is this apparatus of Spain, Italy, France, and Western Hemispheric-based, regrouped Falange Fascists and outright Nazis, which is being primed for terrorist operations, targetting the United States, of both a right-wing and left-wing Synarchist pedigree. The so-called left-wing Synarchist apparatus is typified today by the *putschist* networks of the Humala brothers in Peru; the *cocalero* narco-insurgents now staging an insurrection to break up Bolivia, along ethnic lines; and the ruling Hugo Chávez regime in Venezuela, which flaunts its support for the legal theories of the "Crown Jurist" of Hitler's Nazi state, Carl Schmitt. The right-wing Synarchist manifestation is typified by Quijano and his handful of collaborationists in the splinter group MSI-a, who are openly allied with Spain's Blas Piñar, and the circles of Roberto Fiore and Alessandra Mussolini in Italy, who promote their neo-Fascist revival under the banner "We are the children of Mussolini."

The active involvement of Roberto Fiore in the present activation of the trans-Atlantic Nazi/Fascist revival is the clearest indication of the

terrorist potential embedded in this right-wing Synarchist apparatus. Fiore fled to Great Britain in the early 1980s to avoid prosecution for membership in an illegal association, after he was implicated in the 1969-81 "Strategy of Tension" irregular warfare destabilization of Italy, which culminated with the December 1980 Bologna train station bombing which killed more than 80 people. As LaRouche warned earlier this year, the March 11, 2004 Madrid train bombings conformed precisely to the "Strategy of Tension" modus operandi of the right-wing Synarchist circles, typified by Fiore.



Spanish Franco fascist Blas Piñar (above), the Fernando Quijano group's ideological mentor, has been trying for years to regroup and mobilize various "small but muscular" pro-fascist groups in Spain, Italy, and Ibero-America which include terrorist profiles, around Piñar's Franco fascist group, Frente Español.

The central, albeit underling role of Quijano in the neo-Nazi resurgence and the consequent terrorist threat to the U.S.A., is of added significance due to Quijano's longstanding status as an asset of former CIA death-squad liaison (1960-67), Nestor Sanchez.

Sanchez was identified in the Lawrence Walsh Iran-Contra independent counsel report as a pivotal Pentagon participant in the Crisis Pre-Planning Group and the Special Situation Group, two White House intelligence units, headed by Vice President George H.W. Bush. Lt. Col. Oliver North was the staff secretary of both the CPPG and SSG.

The career CIA officer Sanchez was, at the time, the Undersecretary of Defense for International Security Affairs, and served as the point-of-contact for another "former" CIA officer, Félix Rodríguez, who ran the right-wing assets in Central America in Honduras and El Salvador. Rodríguez's operation included guns-for-drugs trafficking between Colombia, Central America, and the United States. Aspects of this narco-insurgency feature of the Nicaraguan "Contras" White House program was documented by Sen. John Kerry in his "Kerry Commission" study for the Senate Foreign Relations Committee.

In Spring 1985, when LaRouche sponsored the production of a published report and an hour-long video documentary, "Soviet Unconventional Warfare in Ibero-America: The Case of Guatemala," exposing the narco-insurgency in the region, Nestor Sanchez personally intervened to spike the collaboration between the LaRouche associates and the Guatemalan participants. Despite the fact that Sanchez's role in this effort was known to Quijano, two years later, at the latest, Sanchez had cultivated a special relationship with Quijano. By 1987, Quijano was boasting to select colleagues that Sanchez was his "high-level CIA channel," and that Sanchez had assured him that LaRouche would go to prison and never get out alive. This was more than a year prior to the Federal trial in Alexandria, Virginia, in which LaRouche was railroaded into Federal prison on a 15-year sentence. Quijano continued to spread the lie that LaRouche would never leave prison alive, among members of the LaRouche association in Ibero-America, Germany, and the United States up through Jan. 26, 1994, when LaRouche was released from Federal prison on parole.

In the same timeframe that the Sanchez-Quijano relationship was developing, Quijano was also establishing deep ties to the Blas Piñar, the former official in the Franco government in charge of the Institute for Hispanic Culture in Madrid, which ran Falangist recruiting operations throughout Ibero-America. During the period of Sanchez's active CIA involvement with the Central American death squads, Blas Piñar's



Leading elements of Blas Piñar's regroupment in Italy formed a front earlier this year; they include Il Duce's fascist granddaughter Alessandra Mussolini; formerly jailed 1980s terrorist leader Roberto Fiori (right); and Piñar's representative Rafael López-Diéguez (between them).

son had participated in an attempted military coup in Spain, which was crushed when the new King Juan Carlos refused to give his imprimatur to the Fascist *putsch*.

The Quijano dossier is of vital importance for security services responsible for counter-terrorist intelligence, particularly in the Washington, D.C./Northern Virginia region. What follows is a summary chronology of events, documenting the outright German Nazi origins of the networks presently operating in Europe and the Western Hemisphere. The chronology is principally based on the recent article by William F. Wertz, Jr., published in the July 9 and July 16 issues of *Executive Intelligence Review*, "The Nazi-Instigated National Synarchist Union of Mexico: What It Means for Today."

Timeline of Synarchist Terror Threat

1910: Beginning of Mexican Revolution to establish Mexican national sovereignty. The Revolution is an historical continuation of earlier efforts including those of Mexican President Benito Juárez, who forged an alliance with U.S. President Abraham Lincoln to establish a community of principle between Mexico and the U.S.A.

1917: Mexican Constitution includes articles which declare that Mexican subsoil resources belong to Mexico and which limit the power of the Catholic Church, according to the principle of separation of Church and State as reflected in

the U.S. Constitution and in the precedent of Spain's Bourbon King Carlos III.

1921: Oilman William F. Buckley, Sr. and Thomas W. Lamont of the J.P. Morgan banking interests form the American Association of Mexico to overthrow the Mexican Revolution.

November 1921: Buckley is expelled from Mexico by President Álvaro Obregón, for participation in a "counterrevolutionary conspiracy." Obregón is then assassinated in 1928.

1926-29: The Cristero Rebellion is launched in Mexico to back the feudal privileges of the Jesuit-controlled, ultramontane Mexican Catholic Church in alliance with foreign oil interests. The rebellion is backed by Buckley-Morgan interests. Buckley refers René Capistrán Garza—leader of the Jesuit-created Catholic Association of Mexican Youth (ACJM) and the National League for the Defense of Religious Liberty, which form the core of the Cristeros—to Nicholas Brady, president of the New York Edison Company and the United Electric Light and Power Company for funding.

1934: The National League for the Defense of Religious Liberty is replaced by the "Legion" and subsequently by "The Base." The Base is a secret Church-controlled organization, which has 11 sections. Acción Nacional, which later became the PAN, is the first, and the National Synarchist Union (UNS) is the eleventh.

1934: Hitler, who consolidated his power in Nazi Germany in 1933, begins to focus on Mexico as the key to his strategy for Ibero-America.

1934: Hitler appoints Gen. Wilhelm von Faupel to direct the Ibero-American Institute in Berlin. Von Faupel was a member of the staff of the Argentine War College in Buenos Aires in 1911; the military counselor to the Inspector General of the Argentine Army in 1921; held a high military post in the Brazilian Army in 1926; and later in 1926 became Inspector General of the Peruvian Army.

1936: The Nazis and Mussolini's Fascists back the fascist insurgency of Gen. Francisco Franco in Spain and promote the Falange of José Antonio Primo de Rivera in Spain as the vehicle for penetrating Ibero-America against the United States. The Falange Exterior is created as a Spanish-speaking division of the Foreign Organization of the German Nazi Party.

June 13, 1936: Oscar Hellmuth Schreiter, a card-carrying member of the Nazi Party, founds the Anti-Communist Center in Guanajuato, Mexico.

May 23, 1937: According to now-declassified U.S. and Mexican intelligence documents, the same Schreiter founds the National Synarchist Union in the city of León, in the Mexican state of Guanajuato. According to U.S. intelligence, the Nazi Schreiter provided all of the finances for the UNS during its first year of operation from the Nazi German Legation in Mexico City.

Nov. 1, 1937: The first National Synarchist Union Regional Committee in the United States is founded in Los



Spanish Falange founder and ideologue José Antonio Primo de Rivera, another of the Quijano group's models.

Angeles. Other regional committees are founded in Bakersfield, California, and El Paso and McAllen, Texas. Over 50 local committees existed. The Synarchists plan to organize espionage and sabotage in the United States on behalf of the Nazis and the Imperial Japanese.

March 18, 1938: Mexican President Lázaro Cárdenas expropriates foreign oil holdings. Standard Oil and Royal Dutch Shell launch a boycott of Mexico, which forces Mexico to sell its oil to the Axis powers and opens Mexico to Nazi penetration operations.

Oct. 8, 1938: Hitler and Franco sign a pact giving the Nazis the power to direct Spain's national and international policy. Schools are established for Spanish fascists in Hamburg, Bremen, Hanover, and Vienna. Hans Hellerman, the head of the Nazi Party in Spain in 1936, is deployed to Mexico on orders of the Ibero-American Institute to give military training to the Spanish Falange.

Aug. 23, 1939-June 22, 1941: While the Hitler-Stalin Pact is in effect, the Nazis and the Communists work together to oppose "Yankee imperialism."

End of 1940: Von Faupel arranges for General Franco and Colonel Fugirito, representing Japan's General Tojo, to sign a secret treaty laying the basis for Nazi, Falange, and Imperial Japanese coordination of military operations in Mexico, the rest of Ibero-America, and the Philippines. The plan for Mexico includes the option of an invasion of the United States from Mexico.

1940: William F. Buckley, Sr. promotes Nelson Rockefeller to head the Office of Coordination of Inter-American Affairs. Rockefeller is an executive of Standard Oil, which supplies oil to Nazi Germany and Japan before Pearl Harbor and continues to supply oil to Franco's Spain after Pearl Harbor. Before the war, Avery Rockefeller, nephew of John D. Rockefeller, was a partner in Schröder, Rockefeller and Com-

pany, an investment bank whose other partners included Baron Bruno von Schröder in London and Kurt von Schröder of the Bank for International Settlements and the Gestapo in Cologne, Germany. Allen Dulles was a board member of this bank.

Jan. 8, 1941: Franco establishes the Council of Hispanidad as the avenue through which to re-establish the Spanish Empire under Nazi domination. The fascist ideology of Hispanidad, designed by von Faupel, is to be used against Roosevelt's Pan-American Good Neighbor policy.

1941: Cardinal Francis J. Spellman becomes the "Grand Protector" and "Spiritual Advisor" to the Sovereign Military Order of Malta (SMOM). The treasurer of SMOM is John J. Raskob, who, as head of the Democratic National Committee, opposed Franklin D. Roosevelt's nomination and election in 1932, and worked with the Morgan Bank's John Davis to finance a planned military coup against FDR in 1934. William F. Buckley, Sr., Nicholas Brady, William F. Buckley, Jr., and James Jesus Angleton are all members of the SMOM.

November 1941: U.S. intelligence reports that the Japanese Legation in Mexico has set aside a large fund to finance an armed movement of Synarchists in the U.S. Southwest.

November 1941: Roosevelt and Mexican President Avila Camacho sign Good Neighbor Agreement recognizing Mexican sovereign control over its oil resources.

Nov. 30, 1941: Creation of National Anti-Synarchist Committee for the Defense of Democracy in the Mexican Congress.

Dec. 7, 1941: Pearl Harbor is attacked by the Imperial Japanese.

Dec. 12, 1941: National Synarchist Union chief Salvador Abascal is replaced by Manuel Torres Bueno. Abascal proceeds to set up a colony in Baja California Sur near the Bay of Magdalena, where the Japanese have plans to establish a naval base. One of his closest collaborators is a Japanese-Mexican. His personal secretary is a member of the Nazi Party of Mexico, operating under a Mexican pseudonym. The project is identified by Mexican Deputy Alfredo Félix Díaz Escobar as a "German and Japanese concern."

November 1943: Bishop Fulton J. Sheen, the pro-Franco ally of the equally pro-Franco Cardinal Francis J. Spellman, visits Mexico and meets with the leadership of the National Synarchist Union and PAN. In the aftermath of the U.S. victory at Midway and the Russian victory at Stalingrad, Sheen and Spellman persuade the Church-controlled UNS to abandon its public anti-American rhetoric and reorient towards a post-war form of Anglo-American fascism, based on the



Argentine collaborators of Blas Piñar's groups who have been allied with Quijano, Mario Caponnetto (left), and Rafael Breide Obeid.

writings of the Argentine fascist priest, Julio Meinvielle.

April 10, 1944: José Antonio de la Lama y Rojas attempts to assassinate Mexican President Avila Camacho. The National Synarchist Union holds a memorial for de la Lama.

June 1944: The National Synarchist Union newspaper appeals to the Mexican Army to carry out a coup. Synarchist meetings are banned, its newspaper is suspended, and its editor indicted.

February 1945: The Base, which controls the National Synarchist Union, moves to replace Torres Bueno as UNS chief. When he refuses to resign, the Base takes over the UNS, thus creating two factions, which continue to the present day.

1952: William F. Buckley, Jr. is assigned by James Jesus Angleton, director of counterintelligence for the CIA under Allen Dulles, to set up the first CIA office in Mexico City. After World War II, Dulles, who headed the wartime Office of Strategic Services (OSS) operations in Germany and who worked with Angleton, head of the OSS in Italy, protected his Nazi collaborators. Members of the Nazi SS leadership were spirited out of Germany via the "Rat Line," first to Italy and then to Franco's Spain, whence they escaped to Ibero-American countries.

1954: The National Synarchist Union reorganizes itself, creating a series of primary schools and institutes. The latter are military, confessional schools of the medieval type. The purpose is to take over Mexico from within.

1955: The Falange-Church Council is reorganized into the National Organization of the Anvil. Its leadership includes Salvador Abascal until his death in 2000. In 1955, the Anvil creates the Frente Universitario Anticomunista in Puebla; in 1961, the Movimiento Universitario de Renovadora Orientación in Mexico City; and in 1971, the Tecos at the Universidad Autónoma de Guadalajara. These organizations constitute notorious and savage street-thug capabilities that figure in several attempted destabilizations of the Mexican nation in

The BUCKLEYS

A Family Examined

BY CHARLES LAM MARKMANN



William F. Buckley, Sr. fostered the Cristero revolt on behalf of Anglo-American financial interests. Ninety years later, his son William F. Buckley, Jr. is a coordinator of Carlist/Synarchist operations against LaRouche. In this photo, the younger Buckley is seated; the elder is standing to his left.

the late 1960s and early 1970s. In the late 1960s, the Tecos, under the leadership of the son of the founder of the Popular Union, Anacleto González Flores, emerges as a faction in opposition to the Anvil. The Popular Union, based in Jalisco, was the core of the Cristero movement. Before she resigned from association with Lyndon LaRouche, Marivilia Carrasco and her collaborators would give their political contacts a copy of Anacleto González Flores's book, *You Will Be King*.

1966: Blas Piñar founds the pro-Franco fascist party, Fuerza Nueva, in Madrid, Spain.

1968: Salvador Abascal publishes the bi-monthly *Combat Newsletter* with his Synarchist collaborator Salvador Borrego.

1972: The Anvil creates a religious order called the Society of Crusaders for Christ the King to infiltrate the Mexican Armed Forces.

December 1981: Blas Piñar's son, Spanish Army Capt.

Blas Piñar Gutiérrez, publishes a manifesto defending military officers implicated in a coup attempt 10 months earlier, for which he is incarcerated for two months. Today, the rehabilitated younger Piñar is a Brigadier General in the Spanish Army.

1985: The Society of Crusaders for Christ the King becomes the official spiritual advisors to the Mexican Army, thus effecting a significant takeover of the Mexican Army on behalf of the organizers of the synarchist Cristero Rebellion.

1985: LaRouche's associates in Mexico publish a book, entitled *The PAN: Party of Treason*, which documents the Nazi origins of the National Synarchist Union and the PAN.

1985: In reaction to the publication of the PAN book, Fernando Quijano defends José Vasconcelos, who was a member of the Church-Falange Council of Hispanidad, a sub-chief of the National Synarchist Union, and the editor of *Timón*, a magazine shut down in 1940 by the Mexican government because it was pro-Nazi. Quijano begins to attack Friedrich Schiller and Erasmus and to defend the Hapsburgs, while denouncing Spain's Carlos III as Masonic. Salvador Lozano, Quijano's ghost-writer, makes the same argument. Quijano deploys Ricardo Olvera of Mexico to Spain for eight months to establish an office there. Before his trip, Olvera is a supporter of Mexican President Benito Juárez. Upon his return he is a brainwashed supporter of Franco. At a Christmas party, Quijano sings the song of the Cristeros.

1985-87: Fernando Quijano becomes an asset of former CIA death-squad liaison (1960-67) Nestor Sanchez, who assures him that LaRouche will go to prison and never get out alive.

August 1988: Amphichion Congress takes place in Panama organized by General Antonio Noriega. Fernando Quijano organizes Argentine fascists Mario Caponnetto and Rafael Breide Obeid to attend, both of whom four years later attend the founding conference of the Ibero-American Solidarity Movement (MSI-a) in Tlaxcala, Mexico.

Jan. 27, 1989: LaRouche and several of his associates are framed up and railroaded into prison.

1988-90: Marivilia Carrasco travels to Spain, meets Franco-ite fascist Piñar, who introduces her to other high-level Spanish fascists.

1990: Alejandro Peña of Venezuela is sent to Argentina for the first time by Quijano.

September 1990: While LaRouche is wrongfully imprisoned in the United States, Fernando Quijano delivers an anti-Semitic, fascist speech entitled " 'Black Legend' Hides Truth on History of Americas," defending the Spanish Inquisition and the expulsion of the Jews and Moors from Spain, in a repudiation of everything LaRouche stands for.

1991: Alejandro Peña goes to Argentina for the second time, and returns with a new line defending Tradition, Family and Property (TFP) as *caballeros* (gentlemen). LaRouche had previously exposed TFP as an oligarchical secretive paramilitary cult, militantly opposed to Pope John Paul II.

August 1991: Alejandro Peña begins study of the Argentine anti-Semitic, fascist priest Julio Meinville, whose “economic views” he promotes under the influence of Fernando Quijano.

1991-92: Carrasco meets frequently with the National Synarchist Union chief Salvador Abascal and his collaborator Salvador Borrego.

May 1992: While LaRouche is still wrongfully imprisoned, Quijano founds the Ibero-American Solidarity Movement (MSI-a), with the same initials as Mussolini’s MSI, in Tlaxcala, Mexico. Attendees include Argentine fascists Mario Caponnetto and Rafael Breide Obeid and the brother of Hugo Chávez of Venezuela.

The MSI-a functions as a Trojan horse deployed against LaRouche from its inception. Ricardo Olvera gives a speech praising Franco and *Hispanidad*, which he ends with: “Viva Franco! Viva Iturbide!” Iturbide had proclaimed himself Emperor of Mexico in 1822 and was executed as a traitor in 1824. He is the hero of Jesuit Father Bernard Bergoend and National Synarchist Union chief Salvador Abascal.

1992: Alejandro Peña’s third trip to Argentina lasts eight months, during which he begins to do “research” on José Antonio Primo de Rivera, the founder of the Spanish Falange, whose theories Quijano had already begun to advocate in 1991 prior to the Tlaxcala conference.

June 1992: The Spaniard Eduardo Casarramona Obiols, who is the personal representative of Blas Piñar in Ibero-America, contacts the MSI-a in Mexico. His wife is the personal secretary of former Chilean dictator Gen. Augusto Pinochet.

During the 1990s, he stays with the MSI-a’s Alejandro Peña whenever he visits Venezuela. He is so close to Peña that he knows about Peña’s resignation from association with LaRouche in 1998 before it is made public. Casarramona’s first contacts are with Ada and Ricardo Olvera. Olvera, who was brainwashed during eight months in Spain in 1985, now works for the newspaper of the Catholic Diocese in Sacramento, California, where he has penned slanders of LaRouche from a synarchist standpoint.

Early 1990s: Blas Piñar travels frequently to Mexico where he gives classes to the youth of the PAN in Puebla, Mexico City, and Monterrey. He is protected by his friend, Fernando Gutiérrez Barrios, the Interior Secretary of Mexico.

1990s: Rafael Breide Obeid and Mario Caponnetto visit the Escuela Preparatoria Vasconcelos in Tijuana, Mexico every year. This school is part of the Autonomous University of Guadalajara run by the Tecos faction of the Anvil.

1993: Alejandro Peña begins teaching “clandestine”



Mexican Synarchist Union leader Salvador Abascal (left) met with Quijano/Carrasco leaders in Mexico, who have been circulating his tracts, along with those of another Synarchist leader, Anacleto González Flores (right).



classes in Barquisimeto, Venezuela to a grouplet around Virgin-seer Yelidza Querales, with Fernando Quijano’s approval. At this time, Quijano puts out the line that the only way change will occur in Ibero-America is via military coups. Quijano drops any pretext of organizing around the ideas of LaRouche in favor of organizing the armed forces of Ibero-American nations.

1994: Carrasco makes a second trip to Spain, organized by Quijano, during which she stays in Blas Piñar’s house for a week and a half to two weeks. During this trip she visits the Escorial and the Franco mausoleum. Upon her return she tells a colleague in Mexico that her visit to Franco’s burial site in the Valley of the Fallen had been an electrifying experience which began the process of her conversion to “real” Catholicism.

1995: Peña begins to organize in Chile, making 4-5 trips to Chile over the 1990s. He resists distributing the July 1995 issue of *EIR’s Resumen Ejecutivo* magazine, which contains an attack on the Chilean neo-liberal economic model.

April 1996: Clemente Gutiérrez Pérez becomes national chief of the National Synarchist Union faction controlled by the Anvil.

1996: Blas Piñar visits Peru and gives an address on the “Black Legend and the Role of Spain” to the Association of Notaries, during which he cites Fernando Quijano as a source, but when approached by LaRouche’s associates in Peru, refuses all discussion.

1996: In a private meeting, Salvador Abascal tells Mari- vilia Carrasco that she will be excommunicated if she attacks Aristotle. He also says LaRouche is a pantheist for promoting Nicolaus of Cusa.

October 2000: Several months after LaRouche is finally released from parole, Quijano is forced to resign. Quijano has functioned as a Nazi-Falange agent against LaRouche since at least 1985.

2000: Vicente Fox, the candidate of the PAN, is elected



The “Good Neighbor” alliance between Presidents Franklin Roosevelt (left) and Lázaro Cárdenas was the historical target of the Spanish Franco-ites and Nazis, their Mexican Synarchist Union, and the Buckley family circles operating in Mexico.

President of Mexico. Fox was the first PAN candidate elected governor in Mexico in the state of Guanajuato, the birthplace of the National Synarchist Union of Mexico. The son of Salvador Abascal, Carlos Abascal Carranza, who is the former President of Coparmex, becomes the Minister of Labor. The current National President of the PAN, Luis Felipe Bravo Mena, is a follower of Blas Piñar, as is the PAN leader Felipe Calderon, who is considering becoming a candidate for President to succeed Fox.

November 2001: The magazine *Maritornes: Notebooks of Hispanidad* is launched in Argentina. Its editorial board includes Blas Piñar of Spain; Antonio Caponnetto, Rafael Breide Obeid, and Víctor Raúl Ordóñez of Argentina; and Alexandra Wilhelmsen, daughter and political heir of Frederick Wilhelmsen, co-founder of Northern Virginia’s Christendom College, along with William F. Buckley’s brother-in-law, L. Brent Bozell. Alexandra Wilhelmsen, like her now-deceased father, is based at the University of Dallas in Texas, which is a base of operations for Otto von Hapsburg and the Buckley-connected pro-Franco Nashville Agrarian-Distributist alliance.

Anne Carroll, the wife of Christendom College co-founder Warren Carroll, establishes a network of pro-Franco, Carlist private Catholic schools in Northern Virginia, attended by the children of Fernando Quijano’s collaborators beginning approximately 1995. During the 1970s, the Wilhelmsens and Carrolls attend annual two-month-long seminars at the Escorial in Spain.

January 2002: Carrasco has a phone conversation with LaRouche and other colleagues, in which she defends synarchism, and *Hispanidad* more generally.

Feb. 2002: Carrasco visits Leesburg, Virginia, where she

celebrates her 50th birthday with Delia and Salvador Lozano, who had resigned from the LaRouche organization only days earlier after being questioned about the Christendom College-centered, pro-Franco network of private Catholic schools in Northern Virginia. She also meets with Fernando Quijano at the same party.

April 19, 2002: *EIR* publishes “‘Catholic’ Schools Plot Exposed: Who Is Snuffing Your Neighbor’s Kittens?”

June 27, 2002: Gutiérrez Pérez states in an interview in *Falange Today* that he works with Blas Piñar’s Fuerza Nueva, Falange Española Tradicionalista de las JONS, Falange Española Independiente, la Comunidad Tradicionalista, Juventudes Tradicionalistas Españolas in Spain,

Patria Argentina in Argentina, the International Third Position in England (the organization of Roberto Fiore), and with groups of radical Mexicans and a group of exiled Cubans in the United States.

Nov. 16-17, 2002: The Falange Española and Blas Piñar’s Fuerza Nueva hold a meeting in Madrid, attended by Roberto Fiore of the Forza Nuova in Italy, also by former Argentine Army Capt. Gustavo Breide Obeid of the Popular Party for Reconstruction (PPR), whose brother had attended the Tlaxcala MSI-a conference, and by the National Front of France, among others.

Jan. 26, 2003: Madrid follow-up meeting organized by Blas Piñar’s Fuerza Nueva and the Spanish Falange is attended by 3,000 people. Forza Nuova and the National Front are again there. The PPR sends a message of support, as does Alejandro Peña of Venezuela’s Democratic Bloc, who was at the MSI-a founding conference in 1992 and who resigned from the LaRouche organization in May 1998.

Feb. 5, 2003: Gustavo Breide, leader of the Argentine PPR, appears in a Trento, Italy meeting sponsored by Forza Nuova, as part of a national tour of Italy with Forza Nuova.

April 2003: Blas Piñar founds the Alternativa Nacional party in Spain. Piñar’s Alternativa Nacional and Roberto Fiore’s Forza Nuova work closely with the Liberta d’ Azione of Alessandra Mussolini, the granddaughter of Il Duce.

May 2003: Marivilia Carrasco tells colleagues at a Monterrey, Mexico youth cadre school that she “cannot endorse LaRouche’s attacks on synarchism,” such as those included in the speech LaRouche had just given. She also defends Mexico’s Cristero Rebellion.

July 21, 2003: Carrasco resigns from association with LaRouche, while continuing to organize the MSI-a, which

she and her collaborators set up from the beginning as a separate organization hostile to LaRouche. The immediate trigger for the resignation is her opposition to the publication of an article entitled “The Cristero War on Mexico: Synarchism Then and Now” in *EIR*.

Aug. 5, 2003: Marivilia’s brother and sister-in-law, Lorenzo Carrasco and Silvia Palacios, who organize for the MSI-a in Brazil, resign from association with LaRouche.

Aug. 5, 2003: *EIR* issues public notice of the resignation of the Carrascos, over the issue of synarchism.

Aug. 9, 2003: LaRouche issues his “Which Terrorists, Dick?” warning of a possible “9/11-like attack on the United States which would be traceable to Blas Piñar, as 9/11 was traced to Arabs.”

November 2003: The Carrascos release the first issue of their publication, *MSI-a Página Iberoamericana*.

Dec. 10, 2003: *Maritornes* founding editor Víctor Eduardo Ordóñez sends a slanderous, threatening, wildly anti-American open letter to LaRouche.

Dec. 17, 2003: *Maritornes* editorial board member Antonio Caponnetto sends a psychotic, slanderous open letter to LaRouche.

Jan. 25, 2004: “Together for a Social Movement” is founded in Milan, Italy under the slogans “Our Fascist Pride” and “We Are the Children of Mussolini,” and receives a telegram of support from Blas Piñar’s *Alternativa Nacional*.

March 11, 2004: Train bombings in Madrid, Spain, which LaRouche attributes to synarchist networks. Blas Piñar writes that he received phone calls of condolences over the Madrid terror bombing that day, from “our friends from Argentina,” Mario Caponnetto (who attended Quijano’s Tlaxcala conference and is brother of *Maritornes* editorial board member Antonio Caponnetto) and his wife.

March 19, 2004: Marivilia Carrasco defends Blas Piñar in a broadcast interview with Monterrey, Mexico’s radio station Tele Radio. Asked about LaRouche’s public attack on Piñar in connection with the Madrid terror bombing, during his then-ongoing visit to Monterrey, Carrasco called LaRouche’s remarks “obscene,” adding that Piñar and their mutual friends in Mexico and Argentina “would be incapable of doing something like that.”

May 14, 2004: Spain’s former Prime Minister José María Aznar, an ally of Dick Cheney, warns that he is certain that there will be a terrorist incident in the United States before the U.S. elections. The March 11 terrorist bombings in Spain occurred just before Spain’s national elections, in which Aznar’s party was defeated.

2004: Harvard’s Samuel Huntington publishes *Who Are We? The Challenges to America’s National Identity*, which



CIA chief Allen Dulles (left) and CIA counterintelligence director James Jesus Angleton pushed the growth of the (still strongly anti-American) synarchist groups in Mexico.

promotes a Clash of Civilizations between the United States and Mexico by falsely arguing that there is a conflict between the Catholic Hispanic culture of Mexican immigrants, and the Anglo-Protestant culture of the United States. This is precisely the line developed at the Nazi Ibero-America Institute in Berlin prior to World War II.

May 15, 2004: Juan Vicente Ugarte del Pino, who describes himself as “Blas Piñar’s best friend in Peru,” publishes an article in the Lima daily *La Razón* defending coca legalization. Ugarte del Pino and other Peruvian followers of Piñar systematically use the pages of *La Razón* to promote the Humala brothers, who head a fascist movement of “ethno-nationalist” storm-troopers modelled on Spanish dictator Franco’s Falange.

July 2004: The government of Mexican President Vicente Fox (PAN) threatens to charge former Mexican President Luis Echeverría and others in connection with several deaths which occurred on June 10, 1971. The special prosecutor is Ignacio Carrillo Prieto, whose grandfather, Jorge Prieto Laurens, was a founder of the ACJM. He later founded the Revolutionary Anti-Communist Party, which in 1940 backed the Presidential candidacy of Gen. Juan Andrew Almazán, who was supported by the Nazis. His campaign manager was Manuel Gómez Morín, the founder of the PAN and a member of the Church-Falange Council of Hispanidad.

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Past Time for a New Bretton Woods

Financial papers and gatherings this week were full of discussions of the 60th anniversary of the Bretton Woods Conference, convened in Bretton Woods, New Hampshire in 1944 at the instigation of President Franklin Roosevelt. The lead editorial in the economics section of the German daily *Frankfurter Allgemeine Zeitung* (FAZ) hysterically headlined, “There is no way back to Bretton Woods.” The German edition of the *Financial Times* ran a feature reporting a kind of “renaissance” of Bretton Woods ideas. And in Italy, none other than Mt. Pelerinite guru Robert Mundell took the occasion of a 60th anniversary conference, to push for a “reinvention” of Bretton Woods with his single world currency (fascist) scheme.

Those who hysterically insist that there is “no problem” with the world financial system and its economy, should take special note of these remarks. These statements—made by those who make a living out of following financial trends, especially hangers-on of the international financial oligarchy—reflect the knowledge that the global monetary system is at a breaking point. Indeed, we are at the edge of a global abyss. There is no question but that there will be a collapse of the bankrupt system. The only serious question on the table is: What kind of financial reorganization is going to take place?

While it would be foolish to assume that the financial oligarchy is unified around a reorganization plan, the principle behind what they are planning is clear. It is the principle of putting banking interests before that of the population, an idea that will lead inexorably, under current conditions, to the imposition of fascist-style policies. National sovereignty will be obliterated, because it is a means of protection for populations. Instead, there will be moves toward some form of global fascist economy, somewhat like Lazard Frères’ Felix Rohatyn’s fascist-like economic and social effects produced by the “Big Mac” horrors in New York City 30 years ago. Under today’s circumstances, this could be more vicious in its social effects than those under Adolf Hitler’s regime.

The outlines of such a policy are already evident in

the wanton destruction carried out by global financial institutions in Africa, Asia, and Ibero-America—and coming to a place near you.

The alternative to this genocidal horror lies with the revival of the principles of the first Bretton Woods system, the one whose ghost has the FAZ so disturbed. Bretton Woods established a fixed-exchange rate system conducive to long-term trading and investment relationships, geared toward industrial development worldwide. While all governments were clearly not equal, *governments* were the entities in charge of their economies, and the purpose of the whole system was the improvement in the general welfare of populations, in the long term.

While others have utilized the term “New Bretton Woods,” only economist and statesman Lyndon LaRouche has put forward a competent proposal in the tradition of FDR. The aim of LaRouche’s system—the complete antithesis of a new global currency and bank—is to recreate the success of the U.S. economic recovery launched under FDR, but in all nations throughout the world. That means stopping speculation, re-establishing fixed currency rates, and encouraging the protection of labor and resources, in direct opposition to the predatory system of free trade that has driven living conditions to the bottom over the last 40 years. It likely also means a set of debt negotiations, which freezes unpayable and illegitimate debt, and provides a framework for the issuance of new credits for long-term investment, especially in infrastructure development.

LaRouche first put forward his New Bretton Woods proposal in 1997. Since then, it has gained broad popularity, not only in Italy, where its outlines were adopted by the lower house of parliament, but also among governments in Asia, Ibero-America, and Eastern Europe. But, for the plan to succeed requires decisive action behind it here in the United States.

In 1998, President Clinton threatened to go in this direction, but backed down. Today, we are faced with another chance, to mobilize the Democratic Party around this perspective. It’s past time to revive Franklin Roosevelt’s spirit in a New Bretton Woods.

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Tuesdays—7 pm
- PLACENTIA
Adelphia Ch.65
Tuesdays—6:30 pm

- SANDIEGO Ch.19
Wednesdays—6 pm
- SANTA ANA
Adelphia Ch.53
Tuesdays—6:30 pm
- STA. CLAR. VLY.
T/W & AT&T Ch.20
Fridays—1:30 pm
- SANTA MONICA
Adelphia Ch. 77
Thursdays—4:30 pm
- TUJUNGA—Ch.19
Mondays—8 pm
- VENICE—Ch.43
Wednesdays—7 pm
- VENTURA—Ch.6
Mon & Fri—10 am
- WALNUT CREEK
AT&T Ch.6
2nd Fridays—9 pm
Astound Ch.31
Tuesdays—7:30 pm
- W.HOLLYWOOD
Adelphia Ch.3
Thursdays—4:30 pm
- W.SAN FDO.VLY.
Time Warner Ch.34
Wed.—5:30 pm

CONNECTICUT

- GROTON—Ch.12
Mondays—5 pm
- MANCHESTER Ch.15
Mondays—10 pm
- MIDDLETOWN—Ch.3
Thursdays—5 pm
- NEW HAVEN—Ch.29
Sundays—5 pm
Wednesdays—7 pm
- NEWTOWN/NEW MIL.
Cablevision Ch.21
Mondays—9:30 pm
Thursdays—11:30 am

ILLINOIS

- QUAD CITIES
MediaCom Ch.19
Thursdays—11 pm
- PEORIA COUNTY
Insight Ch.22
Sundays—7:30 pm
- SPRINGFIELD Ch.4
Mon-Fri: 5-9 pm
Sat-Sun: 1-5 pm

INDIANA

- BLOOMINGTON
Insight Ch.3
Tuesdays—8 pm
- DELAWARE COUNTY
Comcast Ch.42
Mondays—11 pm
- GARY
AT&T Ch.21
Monday-Thursdays
8 am - 12 Noon

KENTUCKY

- BOONE/KENTON
Insight Ch.21
Mon: 4 pm; Sat: 5 pm
- JEFFERSON Ch.98
Fridays—2 pm

LOUISIANA

- ORLEANS PARISH
Cox Ch.78
Tuesdays & Saturdays
4 am & 4 pm

MARYLAND

- ANNE ARUNDEL
Annapolis Ch.20
Millenium Ch.99
Sat & Sun: 12:30 am

All programs are *The LaRouche Connection* unless otherwise noted. (*) Call station for times.

MONTGOMERY Ch.19

- MONTGOMERY Ch.19
Fridays—7 pm
- P.G.COUNTY Ch.76
Mondays—10:30 pm

MASSACHUSETTS

- BRAINTREE
AT&T Ch.31
BELD Ch.16
Tuesdays—8 pm
- CAMBRIDGE
MediaOne Ch.10
Mondays—4 pm
- WORCESTER—Ch.13
Tue—8:30 pm

MICHIGAN

- CALHOON
ATT Ch.11
Mondays—4 pm
- CANTON TWP.
Comcast Ch.18
Zajak Presents
Mondays: 6-8 pm
- DEARBORN
Comcast Ch.16
Zajak Presents
Mondays: 6-8 pm
- DEARBORN HTS.
Comcast Ch.18
Zajak Presents
Mondays: 6-8 pm
- GRAND RAPIDS
AT&T Ch.25
Fridays—1:30 pm
- KALAMAZOO
Thu: 11 pm (Ch.20)
Sat: 10 pm (Ch.22)
- KENT COUNTY
Charter Ch.7
Tue—12 Noon,
7:30 pm, 11 pm
- LAKE ORION
Comcast Ch.65
Mondays & Tuesdays
2 pm & 9 pm
- LIVONIA
BrightHouse Ch.12
Thursdays—4:30 pm
- MT.PLEASANT
Charter Ch. 3
Sundays—5:30 pm
- PLYMOUTH
Comcast Ch.18
Zajak Presents
Mondays: 6-8 pm
- SHELBY TWP.
Comcast Ch.20
WOW Ch.18
Mon/Wed: 6:30 pm
- WAYNE COUNTY
Comcast Ch.68
Unscheduled pop-ins
- WYOMING
AT&T Ch.25
Wednesdays—10 am

MINNESOTA

- ANOKA
Comcast Ch.15
Thu: 3 pm & 9 pm
- BURNSVILLE/EGAN
ATT Ch.14,57,96
Tuesdays—5:30 pm
- SATURDAYS—9 pm
- CAMBRIDGE
US Cable Ch.10
Wednesdays—2 pm

COLD SPRING

- COLD SPRING
US Cable Ch.10
Wednesdays—5 pm
- COLUMBIA HTS.
MediaOne Ch.15
Wednesdays—8 pm
- DULUTH—Ch.20
Mondays—9 pm
Wednesdays—12 pm
Fridays 1 pm
- FRIDLEY—Ch.5
Thursdays—5:30 pm
Saturdays—8 pm
- MINNEAPOLIS
PARAGON Ch.67
Saturdays—7 pm
- NEW ULM—Ch.14
Fridays—5 pm
- PROCTOR/
HERMANTOWN—Ch.12
Tue: Btw. 5 pm-1 am
- ST.CLOUD AREA
Charter Ch.10
Astound Ch.12
Thursdays—8 pm
- ST.CROIX VLY.
Valley Access Ch.14
Thursdays: 4 & 10 pm
Fridays—8 am
- ST.LOUIS PARK
Paragon Ch.15
Wed, Thu, Fri:
12 am, 8 am, 4 pm
- ST.PAUL (city)
SPNN Ch.15
Saturdays—10 pm
- ST.PAUL (N Burbs)
AT&T Ch.14
Thu: -6 pm & Midnite
Fri: -6 am & Noon
- ST.PAUL (NE burbs)*
Suburban Ch.15
ST.PAUL (S&W burbs)
AT&T-Comcast Ch.15
Tue & Fri: -8 pm
Wednesdays—10:30 pm
- SOUTH WASHINGTON
ATT Ch.14—1:30 pm
Mon, Tue, Wed, Thu

NEW MEXICO

- ALBUQUERQUE
Comcast Ch.27
Mondays—3 pm
- ANTHONY/SUNLAND
T/W Ch.15
Wednesdays 5:05 pm
- LOS ALAMOS
Comcast Ch.8
Mondays—10 pm
- SANTA FE
Comcast—Ch.8
Saturdays—6:30 pm
- TAOS—Ch.2
Thursdays—7 pm

NEW YORK

- AMSTERDAM
Time Warner Ch.16
Wednesdays—7 pm
- BRONX
Cablevision Ch.70
Fridays—4:30 pm
- BROOKLYN
T/W Ch.34
Cablevision Ch.67
Tue: 12 Noon & 8 pm
- BUFFALO
Adelphia Ch.20
Thursdays—4 pm
- SATURDAYS—1 pm
- CHEMUNG/STEBEN
Time Warner Ch.1
Mon & Fri: 4:30 pm
- ERIE COUNTY
Adelphia Intl. Ch.20
Thursdays—10:35 pm
- ILION—Ch.10
Mon & Wed—11 am
Saturdays—11:30 pm
- IRONDEQUOIT Ch.15
Mondays—7:30 pm
Thursdays—7 pm
- JEFFERSON/LEWIS
Time Warner Ch.2
Unscheduled pop-ins
- MANHATTAN—MNN
T/W Ch.34; RCN Ch.109
Alt. Sundays—9 am
- NIAGARA COUNTY
Adelphia Ch.20
Thursdays—10:35 pm
- ONEIDA—Ch.10
Thu: 8 or 9 pm
- PENFIELD—Ch.15
Penfield Comm. TV*
- QUEENS QPTV Ch.34
Fridays—5 pm
Tuesdays—9 pm
- QUEENSBURY Ch.71
Thursdays—7 pm
- RIVERHEAD Ch.70
Thu—12 Midnight
- ROCHESTER—Ch.15
Sundays—3 pm
- MONDAYS—10 pm
- ROCKLAND—Ch.71
Mondays—6 pm
- STATEN ISL.
Time Warner Cable
Thu—11 pm (Ch.35)
Sat—8 am (Ch.34)

MISSISSIPPI

- MARSHALL COUNTY
Galaxy Ch. 2
Mondays—7 pm

MISSOURI

- ST.LOUIS
AT&T Ch.22
Wednesdays—5 pm
Thursdays—12 Noon

NEBRASKA

- LINCOLN
T/W Ch.80
Citizen Watchdog
Tuesdays—7 pm
Wednesdays—10 pm

NEVADA

- CARSON—Ch.10
Wednesdays—7 pm
Saturdays—3 pm
- RENO/SPARKS
Charter Ch.16
Wednesdays—9 pm

NEW JERSEY

- MERCER COUNTY
Comcast*
- TRENTON Ch.81
WINDSORS Ch.27

MONTVALE/MAHWAH

- MONTVALE/MAHWAH
Time Warner Ch.27
Wednesdays—4 pm
- NORTHERN NJ
Comcast Ch.57*
PISCATAWAY
Cablevision Ch.71
Wed—11:30 pm
- PLAINSBORO
Comcast Ch.3*

NEW MEXICO

- ALBUQUERQUE
Comcast Ch.27
Mondays—3 pm
- ANTHONY/SUNLAND
T/W Ch.15
Wednesdays 5:05 pm
- LOS ALAMOS
Comcast Ch.8
Mondays—10 pm
- SANTA FE
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- QUEENSBURY Ch.71
Thursdays—7 pm
- RIVERHEAD Ch.70
Thu—12 Midnight
- ROCHESTER—Ch.15
Sundays—3 pm
- MONDAYS—10 pm
- ROCKLAND—Ch.71
Mondays—6 pm
- STATEN ISL.
Time Warner Cable
Thu—11 pm (Ch.35)
Sat—8 am (Ch.34)

TOMPKINS COUNTY

- TOMPKINS COUNTY
Time Warner Ch.13
Sun—1 pm & 9 pm
Saturdays—9 pm
- TRI-LAKES
Adelphia Ch.2
Cablevision Ch.71
Sun: 7 am, 1 pm, 8 pm
- WEBSTER—Ch.12
Wednesdays—9 pm

OHIO

- CUYAHOGA COUNTY
Ch.21: Wed—3:30 pm
- FRANKLIN COUNTY
Ch.21: Sun.—6 pm
- LORAIN COUNTY
Adelphia Ch.30
Daily: 10 am; or
12 Noon; or 2 pm;
or 12 Midnight
- OBERLIN—Ch.9
Tuesdays—7 pm
- REYNOLDSBURG
Ch.6: Sun.—6 pm

OREGON

- LINN/BENTON
AT&T Ch.99
Tuesdays—1 pm
- PORTLAND
Tue—6 pm (Ch.22)
Thu—3 pm (Ch.23)
- SALEM—Ch.23
Tuesdays—12 Noon
Thursdays 8 pm
Saturdays 10 am
- SILVERTON
Charter Ch.10
Mon, Tue, Thu, Fri:
Betw. 5 pm - 9 am
- WASHINGTON
AT&T Ch.29/77
Comcast Ch. 23
Wed: 7 pm; Fri: 10 am
Sun: 8 am; Mon: 11 pm

RHODE ISLAND

- E. PROV.—Ch.18
Thursdays—6:30 pm
- STATEWIDE
RI Interconnect
Cox Ch.13
Full Ch.49
Thursdays—10 am

TEXAS

- AUSTIN Ch.10
T/W & Grande
Wednesdays—7 pm
- DALLAS Ch.13-B
Tuesdays—10:30 pm
- EL PASO COUNTY
Adelphia Ch.4
Tuesdays—8 pm
Thursdays—11 am
- HOUSTON
Time Warner Ch.17
Saturdays—9 am
Mon, 12/29: 4 pm
Wed, 12/31: 4 pm
Tue, 1/6: 4 pm
Wed, 1/14: 8 pm
- KINGWOOD Ch.98
Kingwood Cablevision
Saturdays—9 am
Mon, 12/29: 4 pm
Wed, 12/31: 4 pm
Tue, 1/6: 4 pm
Wed, 1/14: 8 pm
- RICHARDSON
AT&T Ch.10-A
Thursdays—6 pm

UTAH

- E.MILLARD
Precis Ch.10
Tuesdays—5 pm
- SEVERE/SAN PETE
Precis Ch.10
Sundays & Mondays
6 pm & 9 pm

VERMONT

- GREATER FALLS
Adelphia Ch.8
Thursdays—1 pm

VIRGINIA

- ALBERMARLE
Adelphia Ch.13
Fridays—3 pm
- ARLINGTON
ACT Ch.33
Mondays—4 pm
Tuesdays—9 am
- BLACKSBURG
WTOB Ch.2
Wednesdays—6 pm
- CHESTERFIELD
Comcast Ch.6
Tuesdays—5 pm
- FAIRFAX—Ch.10
Tuesdays—12 Noon
Thursdays—7 pm
- LOUDOUN
Adelphia Ch. 23/24
Thursdays—7 pm
- ROANOKE—Ch.19
Tuesdays—7 pm
Thursdays—2 pm

WASHINGTON

- KING COUNTY
AT&T Ch.29/77
Comcast—7 pm
- KENNEWICK
Charter Ch.12
Mondays—12 Noon
Thursdays—8:30 pm
- PASCO
Charter Ch.12
Mondays—12 Noon
Thursdays—8:30 pm
- RICHLAND
Charter Ch.12
Mondays—12 Noon
Thursdays—8:30 pm
- SPOKANE—Ch.14
Wednesdays—6 pm
- WENATCHEE
Charter Ch.98
Thu: 10 am & 5 pm

WISCONSIN

- MADISON—Ch.4
Tuesdays—3 PM
Wednesdays—12 Noon
- MARATHON COUNTY
Charter Ch.10
Thursdays—9:30 pm
Fridays—12 Noon
- SUPERIOR
Charter Ch.20
Mondays—7:30 pm
Wednesdays—11 pm
Fridays 1 pm

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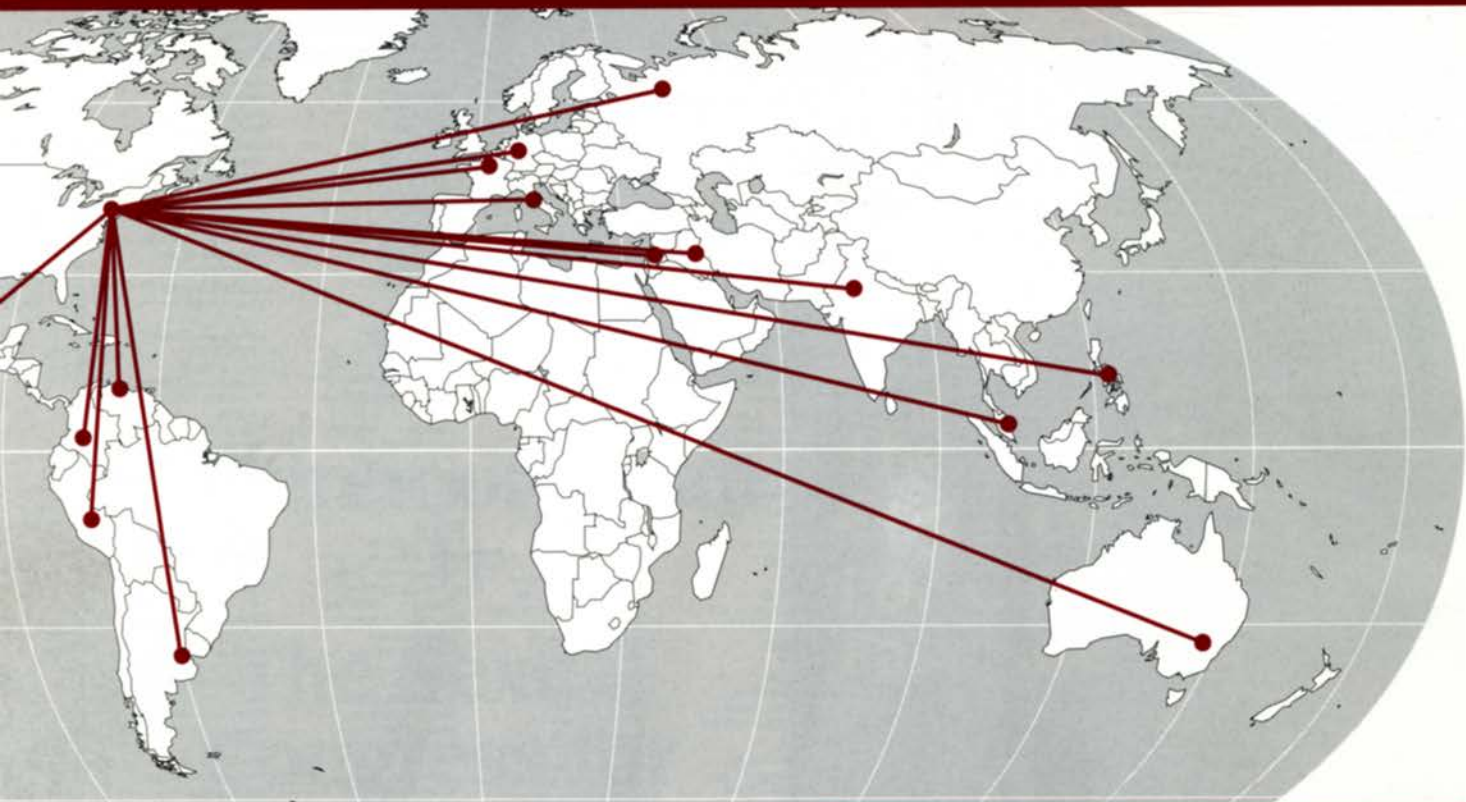
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