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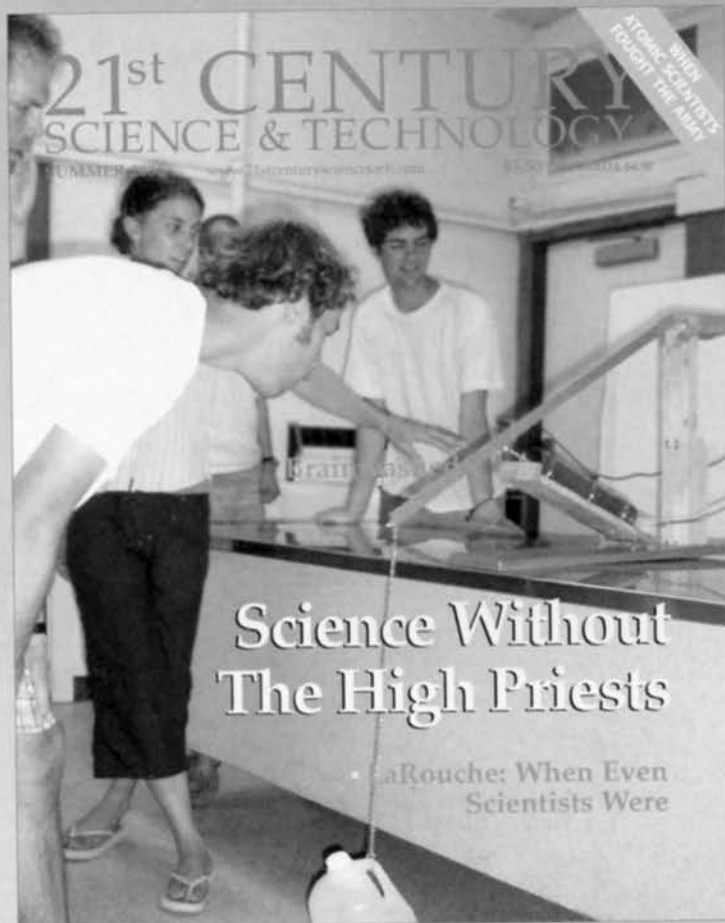
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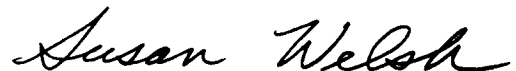
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From the Associate Editor

We begin this issue with the mass leaflet issued by Lyndon LaRouche on Sept. 20, "A Vote for Bush-Cheney Is a Vote for Perpetual War and Economic Hell," because it underlines the strategic urgency of decisions that will be made between now and the U.S. elections on Nov. 2. As we go to press, LaRouche is addressing a Schiller Institute conference in Europe on these matters (see *Editorial*), which we will report in full next week. In this vein, we vigorously endorse the recent statement by the Democratic Party's often-quotable James Carville: "Just think what damage this Bush/Cheney crowd can do to our hopes and dreams if they keep their grip on power for four more years. Just imagine what they'll try to pull once they know they will never have to face the voters again."

Our *Feature* gives a sensuous idea of what "they'll try to pull" in the domain of military/foreign policy. And the Senate confirmation of Porter Goss reveals, unfortunately, the spinelessness of most members of that institution, when it comes to a real, tough fight against the Cheneyacs. Our *Investigation* gives a full dossier on Goss—raising the questions that should *still* be asked, to make his tenure as Director of Central Intelligence a record in its brevity.

In *Economics*, our staff continues LaRouche's mandate, laid out in our Sept. 3 issue, "What the EIR Economic Charts Will Show You." "Henceforth," LaRouche wrote, "the core of *EIR*'s reporting on the U.S. economy, will be a graphic portrayal of the way in which the physical health of that economy is *measurable as changes in comparative physical, as distinct from monetary-financial values*. . . . These measurements will not be made as mere comparisons; they will be measured, where appropriate, by aid of animations, as ongoing processes." This week, we focus on the industrial takedown of Pennsylvania, the "Keystone State." The maps showing the deterioration of per-capital hospital care are available as animations on our website, www.larouchepub.com. The LaRouche Youth Movement has made similar national maps into flip-charts, for use as pedagogical on-the-spot "animations" on streetcorners and campuses. This material, as LaRouche has stressed, is the crucial flank that must be used by candidate Kerry, to defeat the Cheney-Bush beastmen.



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LaRouche: Defeat Bush-Cheney To Prevent Perpetual War

Lyndon H. LaRouche, Jr. issued this statement, titled “A Vote for Bush-Cheney Is a Vote for Perpetual War and Economic Hell,” on Sept. 20, through the LaRouche Political Action Committee. LaRouche, who was a candidate for the Democratic Party Presidential nomination in 2004, has endorsed John Kerry and John Edwards, and is aggressively campaigning for a landslide Democratic Party victory on Nov. 2.

“Over the course of the past 72 hours, I have conferred with some leading Western European statesmen, and I can tell you that they are self-deluded in the extreme. They believe that they can ‘live’ with a second Bush-Cheney term in office in the United States. They are insane. They fail to realize that Bush and Cheney are not prepared to ‘live’ with them. Bush

is a stooge of Cheney and the forces behind Cheney, who are committed to a new string of wars that will soon engulf the entire planet, if they are not stopped through a landslide defeat on Nov. 2. If you are mad enough to want wars against Iran, North Korea, Syria, China, the Caucasus region of Russia—perpetual wars that, like the Thirty Years’ War of the 17th Century, wipe out whole populations—then vote for Bush and Cheney.

“If you want a viable alternative, then follow my lead: Vote for John Kerry. The alternative is too horrific to even contemplate. A John Kerry, elected into the White House by my methods, mobilizing the lower-80%-income households on behalf of a radical change in policy, back to policies associated with Franklin Roosevelt’s bankruptcy reorganization/



The mother of an Iraqi man, taken into custody by U.S. forces during Operation Grizzly Forced Entry on Aug. 21, 2004, pleads for the release of her son. The National Security Estimate on Iraq, which was leaked to the press on Sept. 16, expresses the view of nearly all American military experts, that the Iraq War has been lost. But the neo-cons want to march on to Iran, Syria, and North Korea.

economic recovery, will function as President.

“A Bush-Cheney re-election by a terrorized, manipulated American electorate would bring on not only perpetual wars all over the planet: It would bring about the biggest economic collapse in modern history. This week, my PAC is issuing a pamphlet, documenting the total collapse of the physical economy of the United States, and outlining the emergency steps that can and must be taken to rebuild America out of the present state of worse-than-Great Depression misery. We included a list of existing legislation before the U.S. Congress, that would get this process going. All this legislation has been stalled by the Bush-Cheney White House, and by their Congressional hatchet-men like Tom DeLay (R-Texas).

“You, the American people, must fight for these policies, as if your very lives and the lives of your children and grandchildren depended on it—because they do!

“Don’t allow your own fears to self-delude you into believing that George W. Bush is the President of the United States. He is a mental case. Don’t ask what Bush is thinking, because he can’t. Ask what Cheney is thinking, and the people who stand behind Cheney. They are the ones promoting policies of endless war and economic looting.

“I know that many of you harbor these same views, and are deeply concerned that John Kerry and John Edwards, so far, have failed to address these issues in such a blunt and straightforward fashion as I am accustomed to doing. I know that this is John Kerry’s election to lose, unless he begins to speak his mind, and ignore the counsel of cowardly campaign advisors. But I must also speak to you bluntly: The United States and the world will not survive a re-election of Bush and Cheney. It is that simple. John Kerry’s shortcomings can be overcome—if you, the American people, take responsibility for your own destiny, and decisively vote Bush and Cheney out of office. The fate of the United States, indeed, the fate of the entire world, is in your hands. Do not shirk that responsibility.”

In Iraq: The Neo-Con Perpetual War Policy

by Carl Osgood

While the content of a July 2004 National Intelligence Estimate (NIE) on Iraq, leaked to the *New York Times* on Sept. 16, shows the folly of the Bush-Cheney war policy in Iraq, Bush’s public response to that intelligence estimate puts a fine point on Lyndon LaRouche’s warning that a second Bush-Cheney Administration would mean “perpetual war and economic hell.” According to the *Times*, the NIE outlines three

possible scenarios for Iraq, ranging from a tenuous stability at best, to a civil war at worst. “There’s a significant amount of pessimism,” one government official told the *Times*.

Significantly, the estimate was initiated by then-CIA director George Tenet, not long before he resigned on July 9, and the completed document was approved by the National Intelligence Council soon after, by acting CIA director John McLaughlin and the heads of other intelligence agencies.

Bush’s response to the NIE document was first indicated by White House spokesman Scott McClellan, who told reporters travelling with Bush on Air Force One on Sept. 17 that “The role of the CIA is to look at different scenarios” and that the “pessimists and naysayers” had been wrong about the Iraqi people’s ability to establish a transitional government, and so on. Speaking during an appearance with Iraqi interim Prime Minister Iyad Allawi in New York on Sept. 21, Bush said that the CIA was “just guessing as to what the conditions” in Iraq might be like. These statements followed a week in which some 300 Iraqi civilians were killed in insurgent attacks, and followed the first half of a month in which the U.S. death toll in Iraq is likely to reach highest monthly total since April.

Media commentaries attacking the Bush fantasy have been widespread. *Time* magazine’s Joe Klein commented, “Scott McClellan is beginning to sound like Baghdad Bob, the infamous spokesman for Saddam who announced hallucinatory Iraqi victories as the American troops closed in on Baghdad.” Klein warned that “If the National Intelligence Estimate is accurate, we are facing a far more dangerous world than existed before the war.”

An editorial in the *St. Petersburg Times* wrote, “U.S. generals and State Department experts warned before the start of the war that restoring Iraq’s political and economic stability would be more difficult and require a larger and lengthier U.S. commitment, than removing Hussein from power, but the President and his war council ignored those warnings and punished some of the officials who dared to issue them.”

Iraq Is Lost

Even before the leaking of the NIE, there were commentaries from retired military officers stating that the U.S. has lost the war in Iraq. Former Clinton Administration official Sidney Blumenthal, writing in the Sept. 16 London *Guardian*, quoted a number of retired generals to that effect. Blumenthal reported that retired Gen. William Odom had told him: “Bush hasn’t found the WMD. Al-Qaeda, it’s worse on that front. That he’s going to achieve a democracy there? That goal is lost, too. It’s lost.” Odom added, “Right now, the course we’re on, we’re achieving bin Laden’s ends.” Former U.S. Central Command chief Gen. Joseph Hoar told Blumenthal: “The idea that this is going the way these guys planned is ludicrous. There are no good options. We’re conducting a campaign as though it were being conducted in Iowa, no sense of the reali-

ties on the ground. It's so unrealistic for anyone who knows that part of the world. The priorities are just all wrong."

Hoar's view is also shared at U.S. military educational institutions. A professor of history at one such institution told *EIR*, "Ninety percent of the people here on the faculty have been convinced since the Summer that the Iraq war has been lost and the U.S. needs to get out before even more damage is done." He said that this view is shared by top faculty at all of the major U.S. military academies, and is now bolstered by the leak of the NIE assessment that Iraq is a total mess. The professor conceded that a U.S. pullout would likely trigger a civil war among rival factions in Iraq, but said that the continuing U.S. military presence is only exacerbating the problem. "The U.S. must leave, with firm commitments to the reconstruction of Iraq's economy once the power struggle has been sorted out," he said. "It is like Afghanistan in the 1990s but on a far grander and far more dangerous scale. The impact will spread from Morocco to Indonesia, impacting more than 1 billion Muslims," he warned.

These concerns are not recent. Back in July, recently retired Army Col. Douglas Macgregor, long a critic of how the Army organizes itself, noted, during testimony to the House Armed Services Committee on July 15, that, during World War II, the U.S. was very good at thinking through what must be done when occupying a defeated country. During the Korean War, he said, "Douglas MacArthur was criticized very heavily by the Truman Administration's State Department, because his first action once we landed at Inchon and had retaken Seoul, was to reinstall Syngman Rhee, the unelected dictator of South Korea. The State Department said, the man's not elected, he can't hold this position, get rid of him, we have to have a democratically elected person. General MacArthur said that's true and that will eventually happen, but Koreans must be governed by Koreans, not Americans, and we have to fight and win this war."

In Iraq, Macgregor said, "We forgot that Arabs ultimately must govern Arabs. We could have rounded up not exiles from outside the country, but people right there, general officers who did not fight, who were willing to cooperate with us. We could have forced to reconstitute as much of that army as possible as quickly as possible." The Iraqi Army, he said "was the only national institution in the country, and we didn't do that." Hence, the disaster that the U.S. faces, today.

None of this has been lost on Democratic Presidential candidate John Kerry, who came out swinging in a speech at New York University on Sept. 20. Kerry warned, "Invading Iraq has created a crisis of historic proportions, and if we don't change course, there is the prospect of a war with no end in sight." He noted that violence against Iraqis is on the rise, and that basic living conditions are deteriorating, including electricity blackouts of up to 14 hours per day, raw sewage and garbage is filling the streets, and unemployment is more than 50%. "Insurgents are able to find plenty of people willing

to take \$150 to toss a grenade at a passing U.S. convoy," he said.

Kerry charged that Bush "failed to tell the truth about the rationale for going to war, and he failed to tell the truth about the burden this war would impose on our soldiers and our citizens." He noted that the two main rationales for war, the Iraq-9/11 connection and weapons of mass destruction, have both been proved false, and that even Secretary of State Colin Powell has admitted as much. "Only Vice President Cheney still insists that the Earth is flat," Kerry said. Later in the speech, Kerry noted that 35 to 40 countries have a greater capability to build a nuclear bomb than Iraq did in 2003. "Is President Bush saying we should invade them all?" Kerry asked.

The Perpetual War Policy

Lyndon LaRouche provided the answer to Kerry's question in his Sept. 20 statement. "A Bush-Cheney re-election by a terrorized, manipulated American electorate would bring on not only perpetual wars all over the planet: It would bring about the biggest economic collapse in modern history," LaRouche said.

The entire so-called "War on Terrorism," with its associated wars in Iraq and Afghanistan, is, as *EIR* has shown, the product of a deliberate policy of perpetual war. That policy, formulated by a gang of neo-cons in the Bush Administration, is intended to take the world back to the condition it was in, prior to the 1648 Treaty of Westphalia, which brought to an end nearly 150 years of destructive, bloody, religious warfare in Europe.

The present policy was elaborated in the now-infamous "Clean Break" document in 1996 written under the auspices of a Jerusalem-Washington think tank, the Institute for Advanced Strategic and Policy Studies (IASPS), for the just-elected Jabotinskyite, Benjamin Netanyahu, as prime minister of Israel. That document, authored by former Defense Policy Board chairman Richard Perle and a team of fellow neo-cons, called for: 1) the destruction of Yasser Arafat and the Palestinian Authority, blaming them for every act of Palestinian terrorism, including the attacks from Hamas; 2) inducing the United States to overthrow Saddam Hussein in Iraq; 3) launching war against Syria after Saddam is overthrown; 4) parlaying the overthrow of the regimes in Syria and Iraq into the "democratization" of the entire Muslim world, including further military actions against Iran, Saudi Arabia, and even Egypt. In addition to Perle, the authors of "Clean Break" included Douglas Feith, now Undersecretary of Defense for Policy; David Wurmser, now an official in the office of Vice President Cheney; Wurmser's wife, Meyrav, of the Hudson Institute; Charles Fairbanks, Jr., and others.

It is no secret that the "Clean Break" document is the strategic doctrine of both the Bush 43 regime in the United States, and the Israeli government of Prime Minister Ariel



U.S. soldiers search the four Iraqi men they pulled out of a house in southern Baghdad on Sept. 16. They were looking for weapons dealers and insurgents, "but came up dry," according to the Army. The continuing U.S. military presence in Iraq is only making the resistance stronger, and the bloodshed worse.

Sharon. Both have pursued it with glee, especially since the Sept. 11, 2001, irregular warfare attacks on New York and Washington. Since the Iraq invasion alone, in March 2003, Sharon has managed to completely sabotage the tepid U.S. effort at finding a peace agreement between Israel and the Palestinians, to the point where he is now openly threatening to assassinate Arafat (as he already has done with numerous leaders of Hamas).

On the other side of the Atlantic, the U.S. has stepped up its diplomatic warfare against both Syria and Iran, with the passage and implementation of the Syria Accountability Act and the campaign against Iran's nuclear program. A pre-emptive strike on Iran, either by the U.S. or Israel, cannot be ruled out at this point, nor can an Israeli attack on Syria. That danger was underscored on Sept. 20 by reports that the U.S. was preparing to transfer 5,000 air-dropped bombs to Israel, under its military aid program. Included among the 5,000 bombs are: five hundred 2,000-pound BLU-109s, designed to penetrate more than six feet of reinforced concrete, obviously ideal for attacking reactor containment buildings, and other nuclear facilities.

Nor have the neo-cons ignored Saudi Arabia, as shown by a Sept. 9 forum on that country at the Hudson Institute, home of Meyrav Wurmser. A panel that included British Arab Bureau agent Prof. Bernard Lewis, argued that the U.S. has to cut all ties with Saudi Arabia, including cutting off oil imports. *National Review* editor David Pryce-Jones, who, like Lewis is British, complained that "stability means the continuation of tyranny," and said that the only way to destroy tyranny is "through force of arms." Pryce-Jones praised the U.S. intervention in Iraq as the way to the future, and warned,

"If we're not prepared to consider the occupation of Saudi Arabia or war on Iran, all of our good intentions [sic!] may pave the road to Hell."

These perpetual wars are not to be limited to Southwest Asia, either. They are to be spread to North Korea, and China, and perhaps even to Russia. As *EIR* reported last week ("Neo-Cons Knee Deep in Caucasus Provocations," by Jeffrey Steinberg), former Carter National Security Advisor Zbigniew Brzezinski is involved up to his ears in the ongoing provocations against Russia. Membership in Brzezinski's American Committee for Peace in Chechnya includes many of the neo-con leading lights behind Cheney's perpetual war policy: Perle and Fairbanks, as well as Michael Ledeen and Joshua Muravchik of the American Enterprise Institute, Frank Gaffney of the Center for Security Policy, and William Kristol, among many others. In a Sept. 20 op-ed in the *Wall Street Journal*, in which he compared Russian President Vladimir Putin to Mussolini, Brzezinski issued a veiled warning that Russia must get out of the Caucasus and that the U.S. must help secure Russia's neighbors in order for "democracy to thrive" in Russia.

War Will Be the Norm, Peace the Exception

The perpetual war policy, of course, requires an army designed to fight perpetually, which the U.S. Army, heretofore, has not been designed to do. The Cold War U.S. Army had been structured to fight short but decisive campaigns, and is now being reorganized to fight continuously. Senior Army leaders do not hide the fact that this is what is going on. Army Vice Chief of Staff Gen. Richard Cody, in remarks to a Sept. 17 luncheon on Capitol Hill, sponsored by the Defense Forum

Foundation, described the entire process in some detail. Among other things, Cody said that the institutional Army, including the logistics base, will have to be reorganized onto a “wartime footing,” because “we believe war will be the norm for a while and peace will be the exception.”

Within that context, and that of the commentary noted above, *EIR* asked Cody whether or not the insurgency war the U.S. is now fighting in Iraq is winnable. He first complained that the metric that people use “could lead you in different ways.” He then said that nobody should expect that transforming Iraq from 30 years of a brutal dictatorship to freedom and democracy can be done quickly, but he then expressed optimism. “I think over time this is winnable,” he said. “It has to be winnable because at the end of the day this is a test of wills, and we cannot falter. We have to stay the course.” He concluded that “you either understand” that this is a test of wills, “or you can start applying your own metrics and lane-grading it day by day and come out with the wrong conclusion. This is a test of wills, and we’ve absolutely got to win it, and if we falter, we will have home games,” meaning, there will be terrorist attacks on U.S. soil.

The way the Army is reorganizing itself reflects the implementation of the perpetual war policy, while at the same time rejecting the principles applied by President Franklin D. Roo-

sevelt and Gen. Douglas MacArthur to fight and bring to an end to World War II, as rapidly as possible. To begin with, there is no large-scale economic mobilization of the economy to fight and win the war. During World War II, the United States put 16 million men into uniform, trained and equipped them, and sustained them in combat from New Guinea to the fields of France and Germany. In the post-industrial “Information Age,” such a mobilization is deemed unnecessary.

When the World War II mobilization was pointed to by this author at an Aug. 19 Heritage Foundation forum on Army force structure, Brig. Gen. David Fastabend, the director of the Army Training and Doctrine Command’s Futures Center at Fort Monroe, Virginia, essentially said “Oh, we don’t do that, any more.” In other words, we don’t build conscript armies and we don’t accept the kinds of casualty rates that were normal during World War II. “It takes time to grow leaders, and to get equipment,” he said, not to mention the fact, that it takes time for the industrial base to produce the needed additional equipment. If Fastabend had been honest, he would have noted that the U.S. industrial base is no longer capable of being mobilized for a rapid expansion of the Army because it has been gutted by the post-industrial policies of the last 40 years.

Fastabend’s comments followed a discussion which ar-

Kerry: Iraq War A Crisis of ‘Historic Proportions’

Democratic Presidential candidate John Kerry spoke at New York University on Sept. 20, where he hammered on the fact that since the U.S. invasion, Iraq is less secure and more destitute, than before, as Americans now count more than 1,000 of their own troops killed. Here are excerpts from his remarks, as delivered.

National security is a central issue in this campaign. . . . That means that we must have a great and honest debate on Iraq. . . . Invading Iraq has created a crisis of historic proportions. And if we do not change course, there is the prospect of a war with no end in sight. . . .

In June the President declared, “The Iraqi people have their country back.” And just last week he told us this country is headed toward democracy; freedom is on the march.

But the administration’s own official intelligence estimate, given to the President last July, tells a very different story. . . .

And so do the facts on the ground.

Security is deteriorating, for us and for the Iraqis. . . .

Forty-two Americans died in Iraq in June, the month before the hand-over. But 54 died in July, 66 in August, and already 54 halfway through September.

And more than 1,100 Americans were wounded in August—more than in any other month since the invasion.

We are fighting a growing insurgency in an ever-widening war zone. In March, insurgents attacked our forces 700 times. In August they attacked 2,700 times—a 400% increase. . . .

Violence against Iraqis, from bombings to kidnappings to intimidation, is on the rise.

Basic living conditions are also deteriorating.

Residents of Baghdad are suffering electricity blackouts lasting up to 14 hours today, unprecedented.

Raw sewage fills the streets, rising above the hubcaps of our humvees. Children wade through garbage on their way to school.

Unemployment is over 50%. Insurgents are able to find plenty of people willing to take \$150 to toss a grenade at a passing U.S. convoy. . . .

I know this dilemma first-hand. I saw first-hand what happens when pride or arrogance take over from rational decision-making. And after serving in a war, I returned home to offer my own personal views of dissent. I did so

gued that the Army does not need an increase in personnel end strength, despite its heavy reliance on National Guard and Army Reserve units (140,000 people on active duty as of Sept. 22), its calling up of members of the Individual Ready Reserve, and its resort to measures such as stop-loss, to keep soldiers in the Army beyond the end of their obligations.

Secretary of Defense Donald Rumsfeld has granted the Army permission temporarily to go over its statutory end strength of 482,500 by 30,000, for a period of up to three years. This is to provide what they call "head space," so that the Army can reorganize itself to carry out the perpetual war policy. That reorganization includes increasing the Army's combat brigades from 33 to 43, with a new "modular" organization. The new brigades, termed "units of action," will be somewhat smaller than the current brigade combat teams and they are intended to provide a larger rotation base for operations in Iraq and Afghanistan, both of which the Army figures will go on for some time. These modular brigades will be of only three types, light, heavy and a medium type based on the Stryker wheeled armored vehicle. These brigades will consist of two combat battalions and a battalion of reconnaissance and support troops, allowing divisions to be reorganized with four brigades instead of the more traditional three.

Whether the modular brigade plan will actually work is another question. Colonel Macgregor told the House Armed Services Committee, on July 15, that the modular brigade plan "is a dangerous action and unsupported by either contemporary battlefield experience or rigorous analysis." He argued that the new formations will actually require more support from division and corps level headquarters and "will not be capable of independent operations inside a joint expeditionary force as a result." He added that the concept "looks like an attempt to equate a near-term requirement to rotate smaller formations through occupation duty with the transformation of the Army into a new war-fighting structure," but the two missions, he said, are not the same.

In fact, that is exactly what the Army is attempting to do. As Army Vice Chief of Staff Cody described in his Sept. 17 remarks, the Army is trying to transform itself into a new, Information Age army, while at the same time fighting the wars in Iraq and Afghanistan, and whatever future wars are imposed on it. That Army leaders have been so willing to "drink the Kool-Aid," rather than speak the truth as former Army Chief of Staff Gen. Eric Shinseki did, shows that their institution is fast becoming another victim of the perpetual wars of Dick Cheney and the neo-cons.

because I believed strongly that we owed it to those risking their lives to speak truth to power. And we still do. . . .

If George W. Bush is re-elected, he will cling to the same failed policies in Iraq, and he will repeat somewhere else the same reckless mistakes that have made America less secure than we can or should be.

In Iraq, we have a mess on our hands, but we cannot just throw up our hands. We cannot afford to see Iraq become a permanent source of terror that will endanger America's security for years to come. . . .

First, the President has to get the promised international support so our men and women in uniform don't have to go it alone. . . .

Second, the President must get serious about training Iraqi security forces.

Last February, Secretary Rumsfeld claimed that more than 210,000 Iraqis were in uniform. . . . But two weeks ago, he admitted that claim was exaggerated by more than 50%. Iraq, he said, now has 95,000 trained security forces.

Well guess what, America? Neither number bears any relationship to the truth. For example, just 5,000 Iraqi soldiers have been fully trained by the administration's own minimal standards. And of the 35,000 police now in uniform, not one, not one has completed a 24-week field training program. Is it any wonder that Iraqi security

forces can't stop the insurgency or provide basic law and order? . . .

Third, the President must carry out a reconstruction plan that finally brings tangible benefits to the Iraqi people, all of which, may I say, should have been in the plan and immediately launched with such a ferocity that there was no doubt about America's commitment or capacity in the very first moments afterwards. But they didn't plan. He ignored his own State Departments's plan. He discarded it. . . .

Fourth, the President must take immediate, urgent, essential steps to guarantee that the promised election can be held next year. . . .

The UN has less than 25% of the staff in Iraq that it needs to get the job done, and whole communities are even inaccessible to the delivery of ballots or participation in an election.

If the President would move in this direction, if he would bring in more help from other countries to provide resources and to train the Iraqis to provide their own security, and to develop a reconstruction plan that brings real benefits to the Iraqi people, and take the steps necessary to hold elections next year, if all of that happened, we could begin to withdraw U.S. forces starting next summer, and realistically aim to bring our troops home within the next four years. That can be achieved.

Israel Primed for Strike Against Iran

by Muriel Mirak-Weissbach

When the International Atomic Energy Agency (IAEA) passed a resolution Sept. 17, setting a Nov. 25 deadline to resolve open issues about Iran's nuclear program, and calling for Iran to immediately halt all activities related to uranium enrichment, the Rubicon was crossed, at least for Tehran. Iran made known that it would not allow any foreign interference in its nuclear program, and pledged to proceed—with or without the IAEA. President Mohammad Khatami himself issued a statement, saying: "We will resist the exorbitant demands of the great powers. What has happened in the past few days on the nuclear issue is a sign of the moral decadence of the world and the pre-eminence of force and hypocrisy in international relations."

Khatami demanded that the international community "acknowledge our natural and legal right and open the path for understanding . . . so we can accept comprehensive international supervision and we can continue our path to acquire nuclear technology for peaceful purposes. . . . Otherwise, we will continue on this path, even if the result is cutting off of international supervision."

Speaking later at a parade marking the beginning of Sacred Defense Week in Iran (on the anniversary of the Iran-Iraq war), Khatami said: "We have made our choice and it is now the turn of others to choose."

The same point was driven home by the head of Iran's Atomic Energy Organization (IAEO), Gholamreza Aqazadeh, and by Hassan Rowhani, secretary of Iran's Supreme National Security Council (SNSC). Rowhani rejected as illegal the demand in the IAEA resolution. Iran could accept a suspension of uranium enrichment only "through negotiations," he said. Enrichment is permitted under the Nuclear Non-Proliferation Treaty (NPT), Rowhani said, and Iran has suspended the enrichment of uranium, but not all support activities, as a voluntary measure to build confidence with the IAEA.

The IAEA resolution showed "no clear distinction between voluntary and obligatory measures," Aqazadeh said. "In addition to that, calling upon a member state to suspend or stop activities, such as enrichment, uranium conversion, as well as the construction of a research reactor planned to produce radioisotopes for medical, agricultural, and industrial purposes, which are in no way prohibited in the agency's statute and NPT, will undermine the credibility of the IAEA."

Speaking on Sept. 21, from Vienna where the IAEA is based, Aqazadeh pledged that Iran would continue to cooper-

ate with the IAEA; but he emphasized that Iran, which has reached a certain level of expertise in nuclear technology, would not give it up. "Currently, the Uranium Conversion Facility (UCF) is on stream for injecting uranium gas into the centrifuges for enrichment. Iran completely possesses the technology to manufacture every part of the centrifuges in Natanz," he said.

Although the position of the Bush Administration, as represented in Vienna by Undersecretary of State for Arms Control John Bolton, has been uncompromising, in its hard-line demand that the Iran dossier should be referred to the UN Security Council, others in U.S. foreign policymaking circles urged caution. Robert Einhorn, a former assistant undersecretary of state for non-proliferation during the Clinton Administration, told Agence France Presse Sept. 21, "If the U.S. administration would show it was prepared to put carrots on the table and not only sticks," it would have a better chance of garnering support from Russia, China, and the European Union—which favor a dialogue approach—in the event Iran were to reject a reasonable offer.

Israeli Propaganda Gears Up

In Israel, meanwhile, preparations for a strike against Iran's nuclear facilities appeared to move into high gear. On Sept. 18, the *Jerusalem Post* reported that Mossad director Meir Dagan, a well known flunky of Israeli Prime Minister Ariel Sharon, prepared the climate of opinion, by claiming that Iran could have nuclear weapons by 2005. It was the first time in 18 years, that a chief of the foreign intelligence agency, Mossad, had briefed the Knesset's Defense and Foreign Relations Committee. Dagan told the parliamentarians the Israeli argument that Iran's missile capability threatened Europe as well, and he asserted that Iran's Bushehr nuclear power plant was "too large" for producing electricity, and was also being built to enrich uranium along with a project at Kashan. Such a project, Dagan claimed, could produce enough enriched uranium to produce ten bombs a year.

Plans for an Israeli strike against Bushehr have been aired in the public domain increasingly over the past year. One problem raised by military experts, has been that of precision targetting. As if on cue, that problem was solved when, on Sept. 21, the United States announced it would sell Israel 5,000 "smart bombs," with which it could target Iran. The bombs include those that have satellite guidance systems, allowing their release a good distance from the target. Among the bombs are 500 one-ton bunker busters that can penetrate 2 meter-thick cement walls—like those on a reactor's outer containment walls.

The sale, which carries a price tag of \$319 million, was made known to Congress a few weeks ago. The cost is to come out of U.S. military aid allocations to Israel. At the same time, Israel has been demanding delivery of two German submarines, class 212, capable of firing nuclear-tipped cruise missiles.

Ready, and armed, Israel could attack at any time.

STORM OVER ASIA

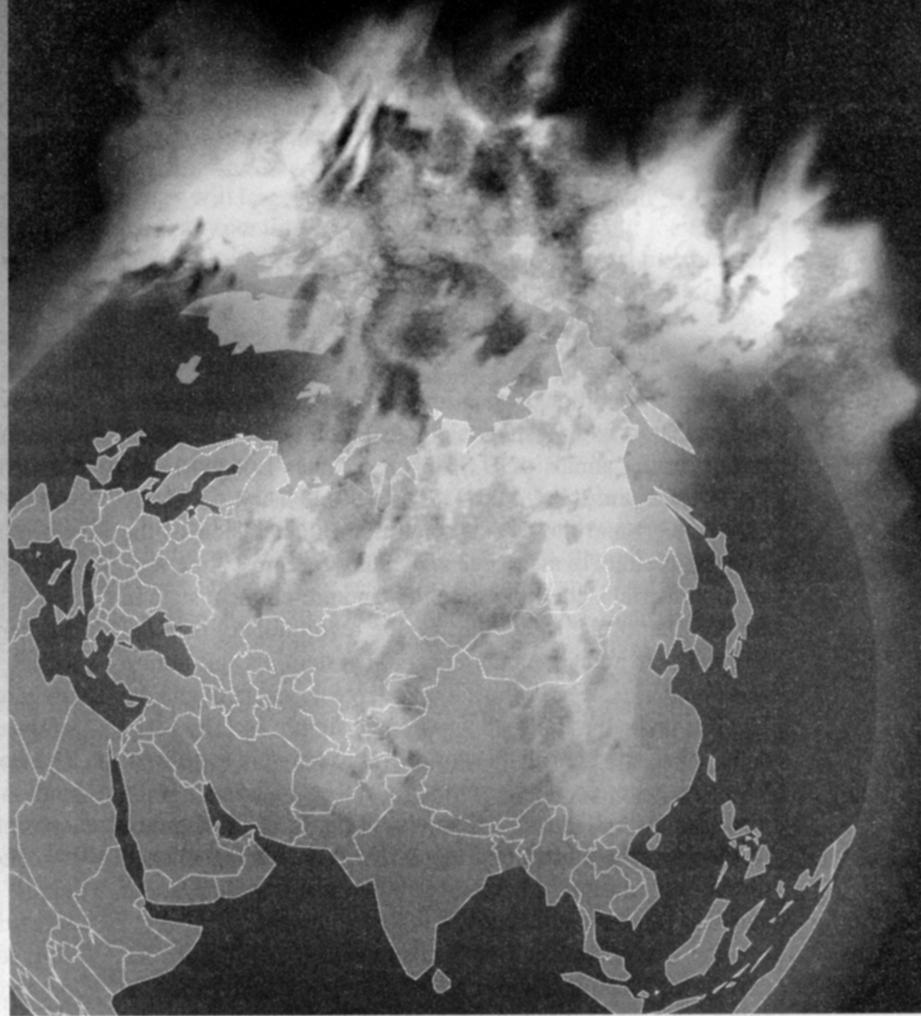
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LaRouche counterposes to this lunacy, a brilliant foreign policy for the United States. "Our interest," he states, "is to bring into being on this planet, a hegemonic community of perfectly sovereign nation-state republics, which share that commitment to defense of the general welfare, which is the cornerstone of our Federal Constitution."



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Bush/Cheney Have Meant Poverty to Pennsylvania

by Richard Freeman

The current condition of once-prosperous Pennsylvania is one of the clearest and most agonizing examples of deindustrialization in the annals of U.S. history. James Logan (1674-1751), Benjamin Franklin (1706-1790), Henry C. Carey (1793-1879) and their heirs acted upon their vision of the General Welfare to make Pennsylvania a foremost American agro-industrial state. It was the first and pre-eminent state in the building of the steel industry, the revolutionary national railroad grid, and the modern hospital system. Its agriculture was bounteous. It built the nation's largest system of canals. The Pennsylvania Railroad was known simply as "The Standard," against which all the world's railroads were measured. Workers, experiencing decent-paying jobs and living in well-made homes, reflected a productive pride. In colonial times, Pennsylvania's leaders envisaged the idea of using science for nation-building following the American Revolution; the idea was robustly implemented in Pennsylvania.

The Commonwealth of Pennsylvania's multifarious industry was identified, above all, with three sectors: steel, machine-tools, and railroads. From the 1820s onward, Pennsylvania was admirably known as the "World's Iron and Steel Capital," and in 1970 still produced more steel in its mills than all but six nations in the world. The planned development of Pennsylvania's industry continued during the American Civil War, thrived during the 1861-1900 building of the nation's far-flung rail system, and was enlarged by Franklin Roosevelt's 1933-45 implementation of American System economic policies.

All this came to a screeching halt starting the mid-1960s, when Wall Street financiers launched their policy of transforming America from the world's most powerful producer society, to a parasitical consumer society. A nodal point in this process was President Richard Nixon's foolhardy 1971 abandonment of the Bretton Woods fixed-exchange-rate sys-

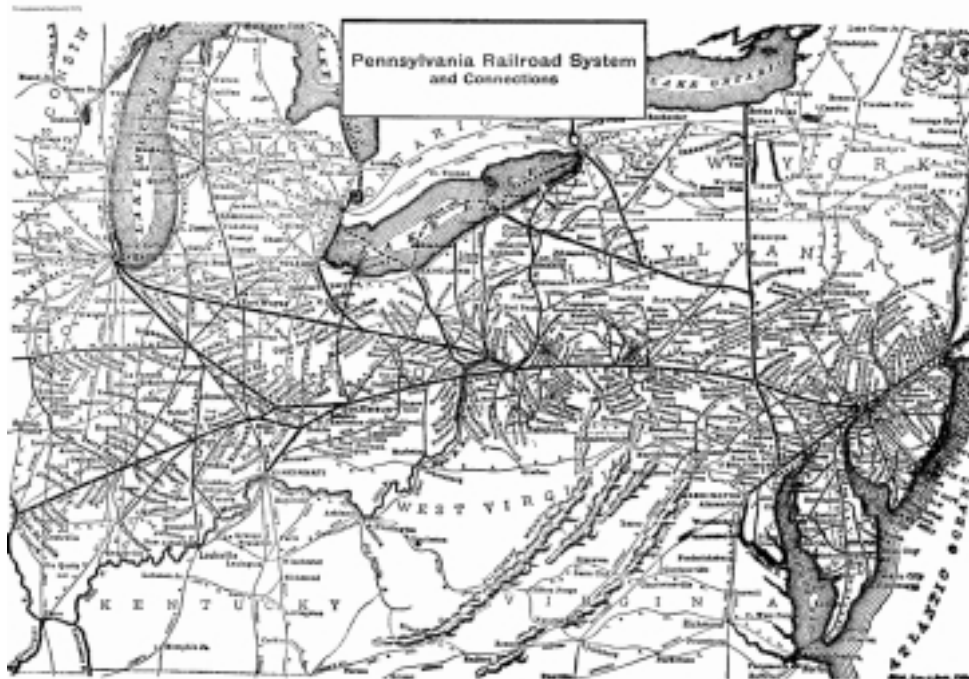
tem, which opened the door to globalization, and soon led to outsourcing of industry and jobs. There were two later, critical branching points. First, the 1974-88 process by which the nation's largest steel-maker, Morgan Bank-led U.S. Steel Corporation, and number-two Bethlehem Steel, shut down and blew up steel-making capacity (because in their own words, their own plants were "outmoded and unprofitable"), hit Pennsylvania with a sledge-hammer. Second, then-Federal Reserve Chairman Paul Volcker's 1979 action to deliberately impose a policy he called the "controlled disintegration of the economy"—sending interest rates into the stratosphere and holding them at double-digit levels for more than a decade—laid waste a physical-economy as productive as Pennsylvania's.

The result: in more than four dozen formerly industrial cities, population has emptied out; factories are shut; aged infrastructure has collapsed; and the state and its cities, starved of industrial-centered tax revenue, are plunged into perpetual fiscal crises. In August, the bankrupt city of Pittsburgh was forced into accepting "distressed city" status under Act 47; a financial "oversight" was established as a dictatorship which supplanted the elected government, and ordered draconian budget cuts of social services.

Looking at Pennsylvania's decline, from the nerve center of America's economic-political development, to a condition of ruin, shows us in concentrated form, the economic take-down of the former U.S. industrial heartland, including Ohio, Michigan, and the northern tier of Indiana; Chicago; and St. Louis. Pennsylvania is doubly important because it is also cited as a key electoral "battleground state." Appeals here to the vanishing "middle class" will not make the fundamental changes needed to reverse a deep-rooted 40-year wrecking of an economic policy. If George Bush and Dick Cheney are not defeated, Pennsylvania is leading the United States straight

FIGURE 1

The Pennsylvania Railroad System, 1917



The Pennsylvania Railroad system from the Atlantic to St. Louis in 1917, when it was the core of the nation's railroad grid. Today, 60% of the rail track mileage the Commonwealth of Pennsylvania still had in 1955, has been abandoned, emblematic of the deindustrialization and increasing poverty which have ravaged the state.

to economic hell.

As noted in leading economist and statesman Lyndon LaRouche's "Platform for Real Democrats," all leaders must address the real physical breakdown and onrushing global financial disintegration. LaRouche spelled out the necessary change involved: A massive investment in great infrastructure projects, reopening high-technology manufacturing, and re-establishing Classical education.

We give here a first-approximation assessment of this key state, using LaRouche's recommendations in "What the EIR Economic Charts Will Show You," (see *EIR*, Sept. 3): a county-by-county, and per-household and per-capita study of physical-economic reproduction.

Franklin's and Carey's Development of Pennsylvania

One of the grandest and most successful experiments carried out among some of the greatest minds of the American colonies, was to create the Commonwealth of Pennsylvania, a model for the American nation.

James Logan was one of these leaders. Logan was the secretary of William Penn, the head of the Pennsylvania colony, and through Penn, he attempted to shape Pennsylvania's development. In the 18th Century, Logan was the greatest exponent and defender in America, of the ideas of German scientist, statesman, and founder of physical economy, Gottfried Wilhelm Leibniz (1646-1714). Logan polemically at-



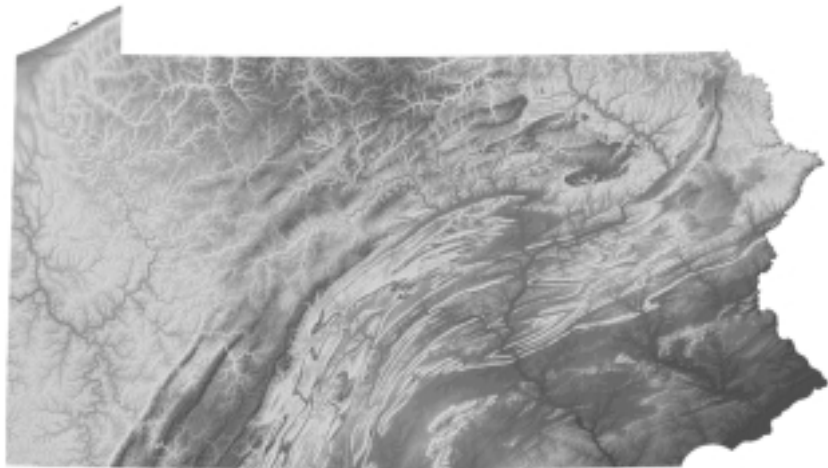
The Steeltown steelworks, one of the few of Pennsylvania's once-numerous productive steel complexes which is still producing—at 5% of its peak capacity.

tacked Leibniz's opponent, the pagan cultist Sir Isaac Newton.

The undisputed intellectual founder of the American Revolution was Benjamin Franklin, who was imbued with the ideas of Leibniz and of the leader of the Massachusetts Commonwealth, Cotton Mather (1663-1728)—as expressed in Mather's *Essay to Do Good*. Franklin conceived of promoting the General Welfare, through the development of science, high-technology farming and manufacturing, necessary infra-

FIGURE 2

The Three Physiographic Regions of Pennsylvania



A topographical view shows Pennsylvania's three distinct regions: the fertile Piedmont region on the Atlantic Coast; the central swath of the Appalachian Mountain range; and the Western Plateau. The state is very riverine, as can be seen, giving it high agro-industrial productive potential—and making it highly flood-prone.

structure, and raising the productive-cognitive powers of labor. In Philadelphia, where he moved in 1719, Franklin built the first lending library, first fire department, first public sewage disposal system, the city's first scientifically modern hospital with Dr. Benjamin Rush, and more. Philadelphia exists because of Franklin and his networks. He undertook these projects unadornedly, merely as features of nation-building.

Franklin's networks had to address Pennsylvania's geographic and topological conditions. Its three principal regions are: 1) the "Piedmont" region, which has rich soil, extending over the southeastern portion of the state; 2) the "Ridge and Valley" region, which encompasses most of the Appalachian Mountain range, in the central to northeastern part of the state; and 3) the "Appalachian Plateau" which slopes downward from the Allegheny Mountains in the western part of the state toward the Ohio border. Farming occurs in all three regions.

Pennsylvania's very extensive river system—the second largest in the United States—is marked by three main watersheds: the Allegheny/Ohio/Monongahela Rivers watershed which spans the western portion of the state; the Susquehanna River watershed through its the central portion; and the Schuylkill River watershed which spans the eastern portion. Pennsylvania is the most flood-prone state in the nation, and has the second-largest Dam Safety Program (only California's is larger). We will see below how the state's leaders constructed the flood-control and lock-and-dam system, exemplified by the Monongahela River.

The Canals and Railroads

Pennsylvania needed a transportation network to move vital goods of coal, iron, farm implements, and grain, as well

as people, within the Commonwealth and to other states. It developed two modes of transportation:

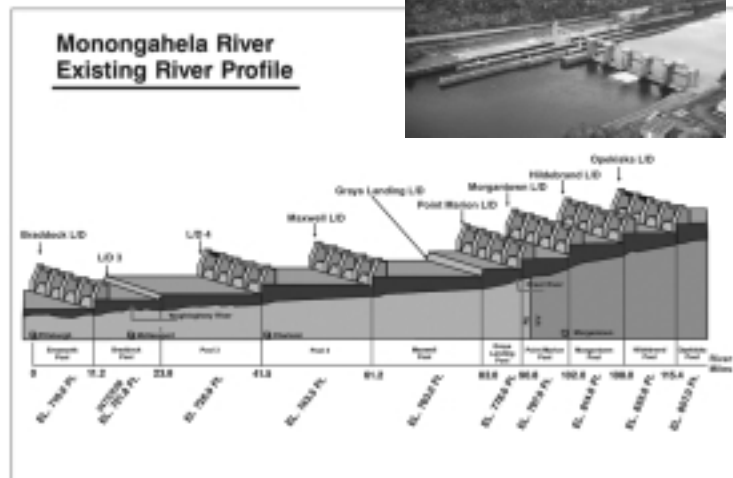
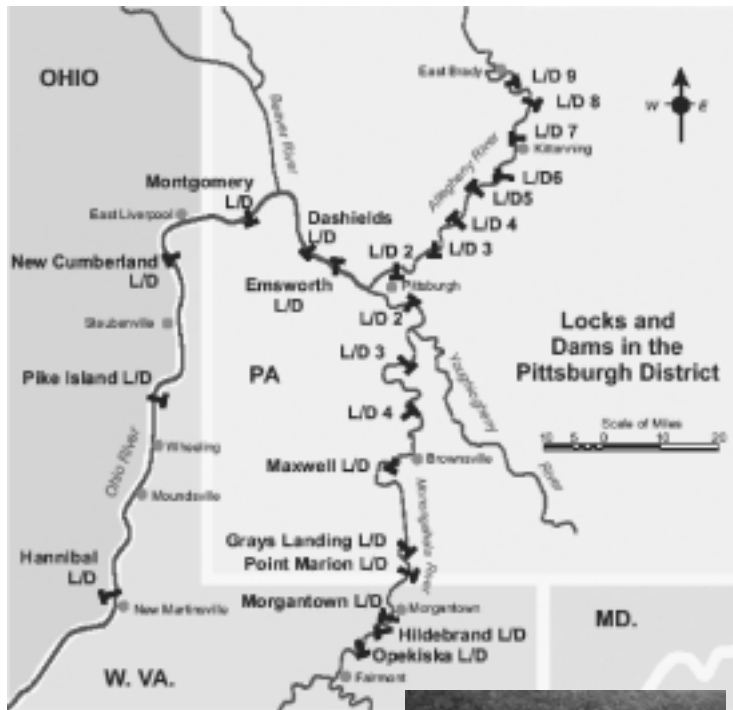
- **Canals.** Often using state and city government financing to finance part or all of the project, Pennsylvania built 1,356 miles of towpath canals to transport barges, more than one-third of all canals constructed in the United States. In 1826, the state legislature authorized construction of the engineering marvel, the Pennsylvania Canal, which was completed and opened for traffic in 1834, and ran from Philadelphia to Pittsburgh. To cross the Allegheny Mountains required the ingenious construction of ten inclines with trackage to carry canal boats on rail cars over the mountains, and offload them back into canals.

- **Railroads.** Ben Franklin's "Philadelphia Interests," as they became known, built the Pennsylvania Railroad as a conscious nation-building enterprise. Using money provided by the City of Philadel-

phia and other sources, the first phase of the Pennsylvania Railroad was completed in the early 1840s, connecting Philadelphia to Pittsburgh as well as other places in the state. This built up the cities of Reading, Altoona, Harrisburg, and Scranton. But the "Pennsy" Railroad went beyond that. It linked Philadelphia to other cities on the East Coast, and then busted through the forbidding Allegheny Mountains and far beyond, to Cleveland, Columbus, Chicago, Detroit, and as far west as St. Louis. The idea was to spread industrialization and civilization and build cities along the rail route, which functioned as a "development corridor." Under the revised 1846 charter, through building its own track and acquiring other rail lines, the Pennsy made this dream a reality (see **Figure 1.**)

That set the basis for two other developments. In the 1850s, Henry C. Carey, the publisher and son of the patriot Mathew Carey, and intellectual heir of Benjamin Franklin, became the unofficial head of the "Philadelphia Interests." One of Carey's close collaborators was Thomas A. Scott, first the head of the Western Division, and then president of the Pennsy. In 1853, Scott hired as his personal secretary and protégé, a young Scottish emigré named Andrew Carnegie. For the next 12 years, Scott tutored Carnegie, and then at the end of the Civil War, Scott and Carey, with financial backing from the Philadelphia Interests, launched Carnegie to construct steel plants. The steel was needed for railroad locomotives, rails, and bridges, and to build America. Over the next three decades, the Carnegie Steel Works in the Pittsburgh region became into the world's largest and most efficient steel company. Carnegie built many of its plants on the Monongahela River, which joins with the Allegheny River to form

FIGURE 3
The Army Corps of Engineers' Pittsburgh District



The Pittsburgh District of the U.S. Army Corps of Engineers, one of the nation's busiest with responsibility for the upper Ohio and Monogahela Rivers, has been forced by Bush Administration cuts to lay off nearly 30% of its engineer workforce. Lock-and-dams like Number 4 north of Brownsville (photo) are a century old and need replacement, for which the Corps has no budget.

the Ohio River at Pittsburgh. Once, discovering a new steel-making technology, Carnegie ripped out the system of a plant only two years old, and replaced it with the new technology, knowing that it would be more efficient and therefore produce a larger profit in the long run.

Second, to prevent flooding, and to transport goods—

including of course, coal for the steel-making process—improvements had to be made upon the northward-flowing Monongahela River. These improvements eliminated flooding and made the Monongahela navigable. A series of primitive locks and dams were built on Monongahela in the 19th Century, but during the early 20th, the U.S. Army Corps of Engineers constructed a new system (see **Figure 3**. The figure also shows the far-reaching series of locks and dams built on all the river systems located in the Army Corps' Pittsburgh District).

There is a 1940s-vintage description of the bustling industrial cities, written by the pilot of the barge *Coal Queen*, as he travelled up the Monongahela: "Going upstream through Pittsburgh especially at night, is an amazing experience. We are surrounded by the smoke and uproar of 62 glass factories, 350 coal mines, and 35 steel mills, plus uncountable other noisy enterprises, all blaring away."

Roosevelt's New Deal of 1933-37, and the economic mobilization for World War II of 1939-44, deepened Pennsylvania's industrial development. In 1973, Pennsylvania was still producing a near-record 35 million net tons of raw steel.

The Take-Down of Pennsylvania's Economy

Steel production in the United States today is not much more than half what it was in 1970; the Wall Street-City of London post-industrial policy hit the steel industry with full and deadly force from the mid-1970s. As the industry was the capstone of the Pennsylvania economy, upon which hundreds of cities depended, its collapse dragged down the state's whole economy. In an avalanche, industry, agriculture, and infrastructure were destroyed. The health and hospital system shrank, obsolete bridges could not be used, housing became increasingly unaffordable and inaccessible to the growing number of Pennsylvania poor, and cities emptied out. The lives of hundreds of thousands were harmed, or outright ruined.

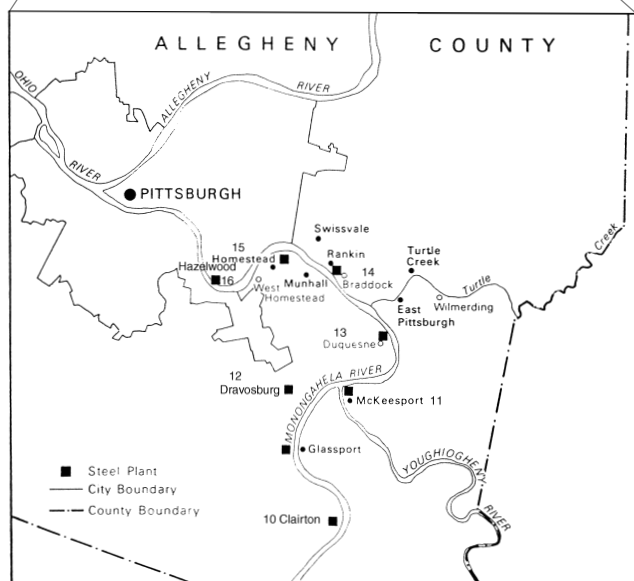
The decisive turning-point was Fed Chairman Volcker's huge interest-rate escalation beginning October 1979. By December 1980, the prime lending rate charged by commercial banks stood at 21.5%. Suddenly, there were no more orders for steel to build machinery, bridges, roads, and dwellings, because the economy was crippled. Over the next three years, steel output fell by half.

There was a further complication: corruption at the top of U.S. Steel, America's largest steel-maker. Back in 1901, the anti-American J.P. Morgan Bank had bought the Carnegie Steel Works, and merged it with a few smaller steel-makers, to form U.S. Steel Corporation. Over the years, U.S. Steel

FIGURE 4
Shut-Down of Pennsylvania's Steel Plants, 1970-2004



Source: *EIR*, 2004.



accelerated the shutdowns in the mid-1980s when Volcker continued to hold interest rates at double-digit levels. After many plant shutdowns from 1976-85, U.S. Steel, between November 1986 and May 1987, closed 35% of its steel-making capacity nationwide, with much of that in Pennsylvania. U.S. Steel didn't care about steel; it was diversifying out of the industry. In 1982, it purchased Marathon Oil for \$5.9 billion. Entry into the oil business, along with other asset sales and purchases, dramatically altered the composition of the company. Whereas 73% of its revenues had come from steel in 1978, by 1985 the measure was down to 33%; the oil and gas segment of the company now brought in 54% of revenues, and real estate holdings another chunk. In 1986, U.S. Steel changed its name to U.S.X, to forever erase its prime identity as a steel company.

In Pennsylvania, a bombshell had struck. In **Figure 4** and the accompanying **Table 1**, *EIR* examined what happened to 21 major Pennsylvania steel-making plants, the bulk owned by U.S. Steel and Bethlehem Steel. *EIR* was assisted with information by members of the United Steel Workers of America (USWA), and by USX, but could only obtain employment information on 14 of the 21 plants. At their peak, these 14 plants employed, at minimum, 147,000 workers. Today, according to the best information available, these 14 plants employ less than 5,000 workers. Here alone, at least

would produce steel only if kept in line by United States institutional forces. In the 1970s, the Morgan bankers saw an opportunity to collapse America's steel-making capability, and did so. They were joined in this by the second-largest steel-maker, the corrupted Bethlehem Steel Corporation.

U.S. Steel began closing steel plants in the 1970s, but it

TABLE 1

Pennsylvania's Steel Plants

Plant/City	County	Employment at Peak	Status	Present Employment
1. Bethlehem Steel at Philadelphia	Philadelphia	not known	Closed	0
2. US Steel at Fairless Hills	Buck	8,000	Closed	0
3. Bethlehem Steel at Pottstown	Montgomery	5,000+	Closed, 1975	0
4. Bethlehem Steel at Bethlehem	Lehigh	31,000	Closed, 1997	0
5. Bethlehem Steel at Lebanon	Lebanon	not known	Closed	0
6. Republic Steel at Harrisburg	Dauphin	not known	Closed	0
7. Bethlehem Steel at Steelton	Dauphin	12,000	Downsized	550
8. Bethlehem Steel at Williamsport	Lycoming	not known	Downsized and sold	500
9. US Steel at Johnstown	Cambria	18,000	Closed, 1992	0
10. US Steel at Clairton	Allegheny	7,200	Downsized	1,200
11. US Steel at McKeesport	Allegheny	8,500	Downsized	300
12. US Steel at Dravosburg	Allegheny	4,300	Downsized	1,200
13. US Steel at Duquesne	Allegheny	9,000	Closed, 1987	0
14. US Steel at Braddock	Allegheny	5,000	Downsized	600
15. US Steel at Homestead	Allegheny	15,000	Closed, 1980s	0
16. Jones & Laughlin Steel at Hazelwood	Allegheny	12,000	Closed, 1980s	0
17. US Steel at Donora	Washington	6,000	Closed, 1960	0
18. Wheeling-Pittsburgh Steel at Monessen	Westmoreland	6,000	Closed, 1985	0
19. US Steel at Vandergrift	Westmoreland	not known	Downsized, sold to Allegheny Ludlum	500+
20. Republic Steel at Beaver Falls	Beaver	not known	Closed	0
21. US Steel at Ellwood City	Beaver	not known	Closed	0

142,000 high-paying Pennsylvania steel jobs are gone.

Fourteen, or two-thirds of the steel plants shown in the map, have been permanently closed down. Some are demolished; the remaining seven steel plants have been significantly downsized. These 21 plants are spread over 13 counties in Pennsylvania. Including those steel plants not shown on *EIR*'s list and map, approximately 23 Pennsylvania counties have directly suffered steel plant closures or downsizing. Moreover, since many workers work in a steel county such as Allegheny (Pittsburgh is the main city), but may live in a neighboring county; and since so many "non-steel" counties produced goods that figure prominently into the steel-making process; one can say that almost all of Pennsylvania's 67 counties were directly affected by the steel industry's demise.

Let us specifically consider some of these plants:

- The Wheeling-Pittsburgh Steel plant, in Monessen, which is on the Monongahela River. This plant had installed a modern rail-making mill, which was only four or five years old, when it was shut down in 1985. There are only two other major rail-making plants in the nation, one of which is owned by Bethlehem Steel (now ISG Steel); but they use much older technology. When Wheeling-Pittsburgh's Monessen rail-making plant first got into financial trouble, Bethlehem Steel bought the plant, and then permanently closed it in 1985, to

ensure that no other company or individuals could get their hands on this advanced capacity, and use it to compete with Bethlehem's other rail-making plant.

- The Bethlehem Steel plant in Bethlehem City. This complex, which at its peak employed 31,000 workers, was simply known to everyone in the city as "The Steel." In the 1980s, the plant's workers tried everything to keep the plant open and producing, but Bethlehem management insisted it be closed. It was downsized and finally shut in 1997. The final indignity came, as the *Williamsport Sun-Gazette* reported on Sept. 16, when a high-powered financier group had bought the 120 acres of property on which the plant sat, and after clearing off the remnants of the plant, will build a \$450 million retail, entertainment, and residential district.

- In the 1960s and '70s, six integrated steel plants—capable of making steel in a furnace from scratch from iron ore, lime, coal, etc.—operated in the region around Pittsburgh. Today, there is only one.

- An older United Steel Workers of America official, who has lived and worked his whole life in Allegheny County, explained to *EIR*, "Today is worse than the 1930s Depression. Back then, it was bad, but you could get three or four days of work per month. *Today, there is no hope, because the steel plants have been torn down, and they're never coming back.*"

FIGURE 5

Pennsylvania Steel Production, 1900-2003

(Millions of Net Tons)

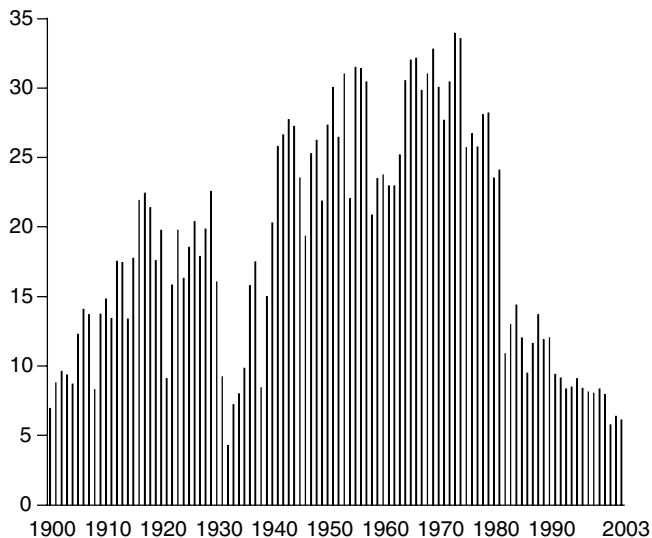
Sources: American Iron and Steel Institute; *EIR*.

Figure 5 shows Pennsylvania's annual steel production, from 1900 until 2003. Today, Pennsylvania produces 6 million tons, less than it did a century ago (*and only one-fifth the 1973 production level*)! On a per-capita basis, today, Pennsylvania produces 0.50 tons of steel per person, a mere 45% of the 1900 level of 1.10 tons per person.

The Pennsylvania steel take-down was the leading edge of the national steel collapse. Since 1973, nationwide, U.S. Steel and Bethlehem Steel combined have reduced their steel workforce from 275,000 to 37,000 workers. **Figures 6a-b** show the breathtaking wiping out of America's steel production, especially in America's former industrial heartland. Instead, steel production has shifted to mini-mill production in the South, using electric arc furnaces, and often employing, as in the case of Nucor Steel, non-union labor. Mini-mills are not integrated plants that produce new steel; they merely re-heat old scrap, and produce a steel of inferior quality. Yet, today, nearly half of all America's steel production occurs in mini-mills. Even counting mini-mills, America's steel production has been reduced drastically from its early 1970s level.

Machine Tools and Manufacturing

Pennsylvania was traditionally one of America's leading producers of machine tools, the machines that are critical for capital formation and the transmission of new scientific ideas. **Figures 7a-b** show the number of machine tool establishments in Pennsylvania, and the number of workers employed,

for select years between 1977 and 2002. After 1979, and Volcker's implementation of "controlled disintegration of the economy," the number of Pennsylvania's machine tool establishments and workers, as well as machine tool output, fell by 60%.

Figures 8a-b show the loss of Pennsylvania's entire manufacturing superstructure on a county-by-county basis. Figure 8a shows that in 1980, in an extraordinary 39 of Pennsylvania's 67 counties, 30% or more of the workforce was employed in manufacturing, including many counties where the steel and machine tool sectors still functioned. Figure 8b shows that in 2000, the number of Pennsylvania counties where 30% or more of the workforce remained employed in manufacturing, had plummeted to four.

Figures 9 through **14a-c** show the depopulation, deindustrialization, and spread of poverty in Pennsylvania's leading urban centers. **Figures 10a-c** show the change for 10 leading Pennsylvania cities between 1970 and 2000. **Figures 11a-c, 12a-c, 13a-c, and 14a-c** show the change in the individual circumstances of four Pennsylvania former industrial cities: Philadelphia, Pittsburgh, Johnstown, and Erie. In Pittsburgh, and Johnstown, the central city population shrank by more than a third. In all four cities, the manufacturing workforce collapsed by 50% or more.

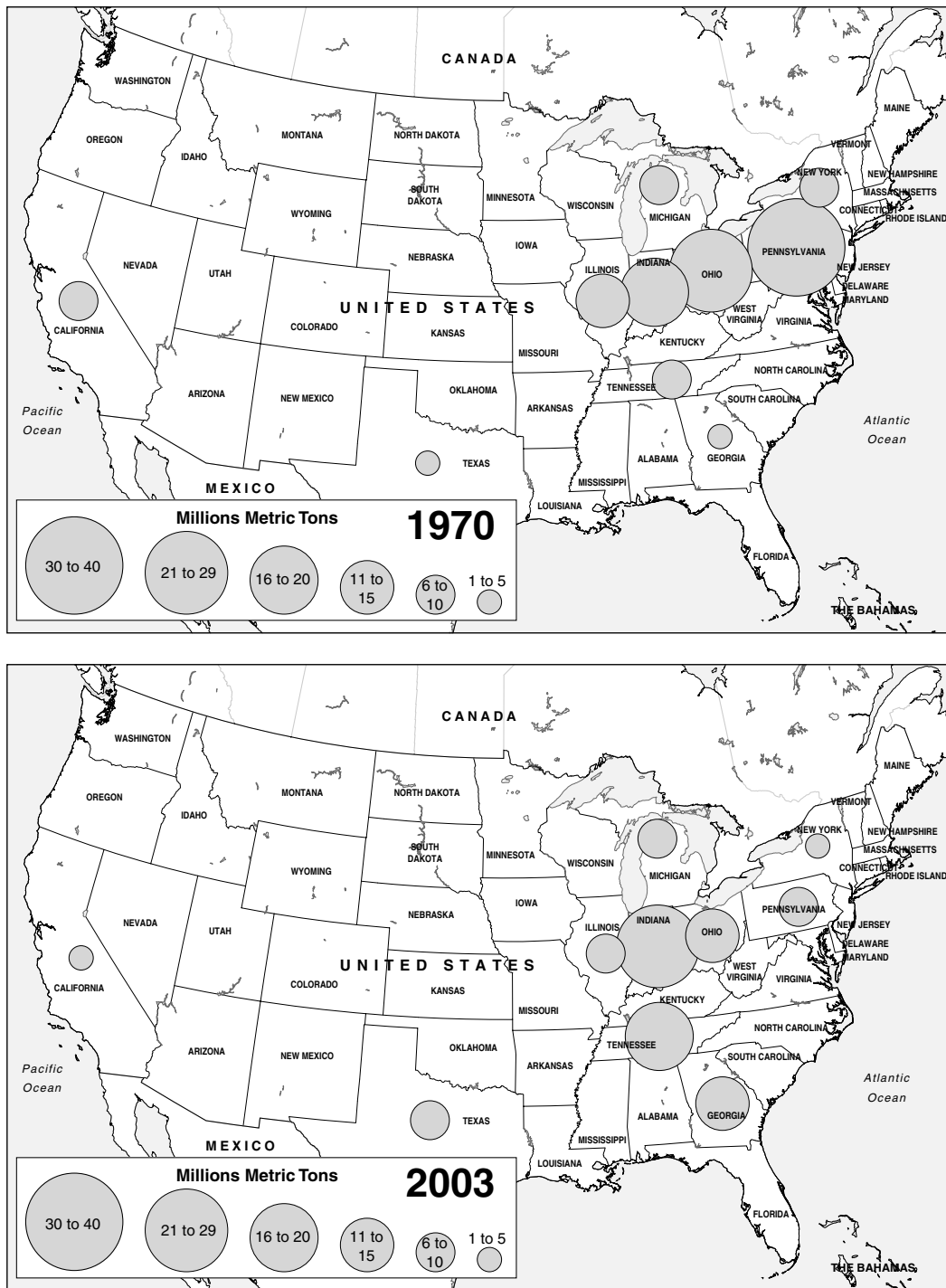
Poverty now pervades these cities. A USWA official in eastern Pennsylvania told *EIR*, "If you worked for Bethlehem Steel and retired in the 1970s, you get a monthly pension of about \$700. But the health-care benefits for retirees, which were very valuable, were eliminated by Bethlehem, and by the company that bought Bethlehem when it went bankrupt, ISG Steel. Health-care costs above Medicare can run you \$300-\$600 per month. That eats up what you get for your pension; it leaves you only your small Social Security check to live on."

Agriculture

Farming, one of Pennsylvania's three pillars, along with industry and infrastructure, has been equally trampled by the end of the producer society. Pennsylvania has long been an important farm state, and over the past 40 years of increasingly rigged "free trade" and deregulation, it has suffered major dislocation in farm counties and food-processing centers. Pennsylvania ranks fourth nationally in number of milk cows, and tonnage of milk output. It ranks first in output of mushrooms and buckwheat, and produces significant amounts of other crops from hay to corn.

But the area under farming in Pennsylvania today is about 9 million acres (4 million hectares), way down from 13.2 million acres in 1955. As of 2002, there are 59,000 farms, compared with 128,900 in 1955. The independent family farm, the backbone of Pennsylvania's agriculture, is vanishing. Pennsylvania's dairy farm sector has been the target of free-trade policy, as Milk Protein Concentrate (MPC) is imported from New Zealand and Australia.

FIGURES 6a-b
Steel Regions' Raw Steel Production, 1970 and 2003



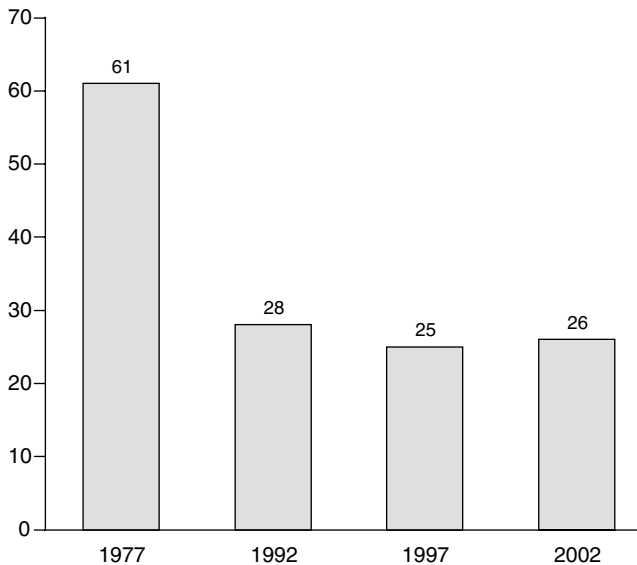
Source: EIRNS/2004.

LaRouche, on his record the leading long-term economic forecaster, emphasizes the current breakdown “crisis has two principal aspects. One aspect is monetary-financial; that is the imminent collapse before us, as the world as a whole. The other aspect is economic—by which I mean real economy: physical economy, not monetary or financial economy.” This physical breakdown is shown by lapsed-time maps of production of steel in America, selected from a series spanning 1900-2003. Since 1970, steel production has shrunk dramatically, and what remained shifted south to non-union electric-arc furnace plants.

The marker in Georgia represents seven southeastern states’ production; that in Tennessee represents five south central states’ production; that in New York includes also three mid-Atlantic states and Connecticut; that in California represents five western states.

FIGURE 7a

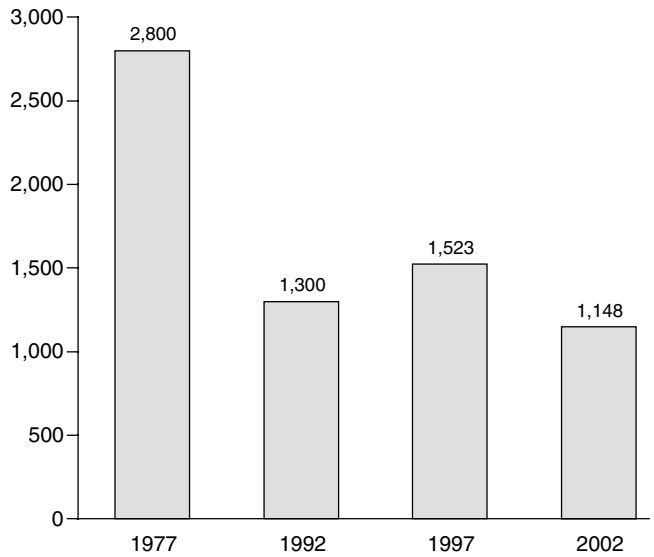
Pennsylvania: Number of Machine-Tool Establishments



Source: U.S. Dept. of Commerce, Bureau of the Census.

FIGURE 7b

Pennsylvania: Number of Machine-Tool Workers



Source: U.S. Dept. of Commerce, Bureau of the Census.

Pennsylvania still possesses the skills among its rural families and institutions—such as the Dairy Science Department of Pennsylvania State University, and the county extension services—to ramp up dairy and other agricultural output, once destructive free-trade practices are brought to an end as Federal policy.

Infrastructure Destruction

The increased age and obsolescence of infrastructure, and the policy of refusing to invest to repair and upgrade it, has reached a crisis in Pennsylvania. This in the state which pioneered and set standards for high-technology rail and other infrastructure.

- **Rail:** During the past 50 years, the magnificent Pennsylvania Railroad was pillaged by Wall Street, merged with the Central Railroad, pillaged again, drastically downsized, put into bankruptcy, and then all of its pieces were eventually sold off. **Figure 15** shows that the historic cradle of America's rail development has seen extensive parts of its rail system abandoned. From its peak of 11,693 miles, Pennsylvania's Class I rail system trackage has been cut 60%, to 5,103 miles.

- **Health and Hospitals:** Pennsylvania's hospital system, which from the time of the achievements of Benjamin Franklin was an envy of the nation, is in shambles (see page 27).

- **Dams and Locks; Water Management:** As reported, the dams and locks that the U.S. Army Corps of Engineers built on the Monongahela River in the early 20th Century,

made possible the modern development of Pittsburgh, and the entire region north and south of it. It set up a "ladder-system" of locks and chambers to move goods. But the Braddock Lock and Dam was erected in 1905; Lock No. 3 was built in 1907, and Lock No. 4 was built in 1932. The Braddock Lock is being rebuilt in stages by the Army Corps, in a remarkable engineering job, one that should be repeated for Locks 3 and 4, and many other aged structures on the Monongahela, Allegheny and Ohio Rivers.

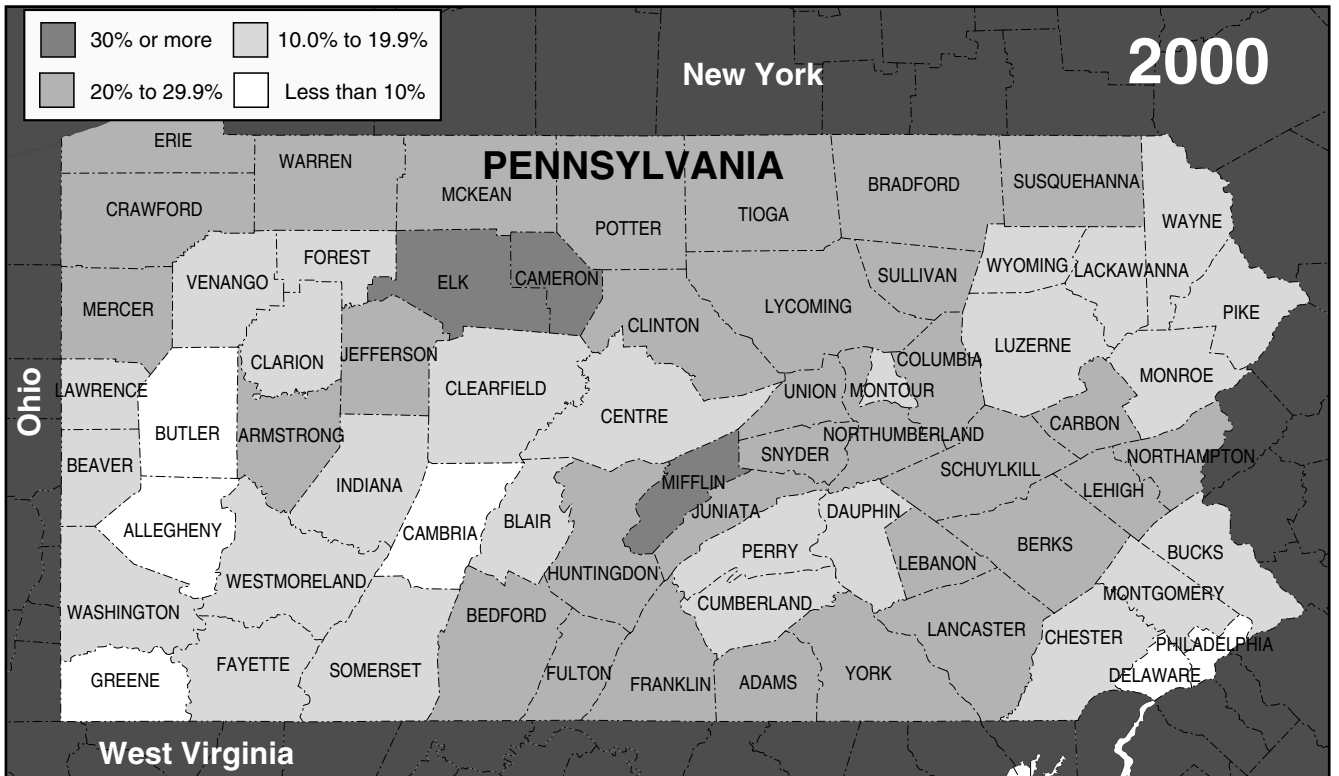
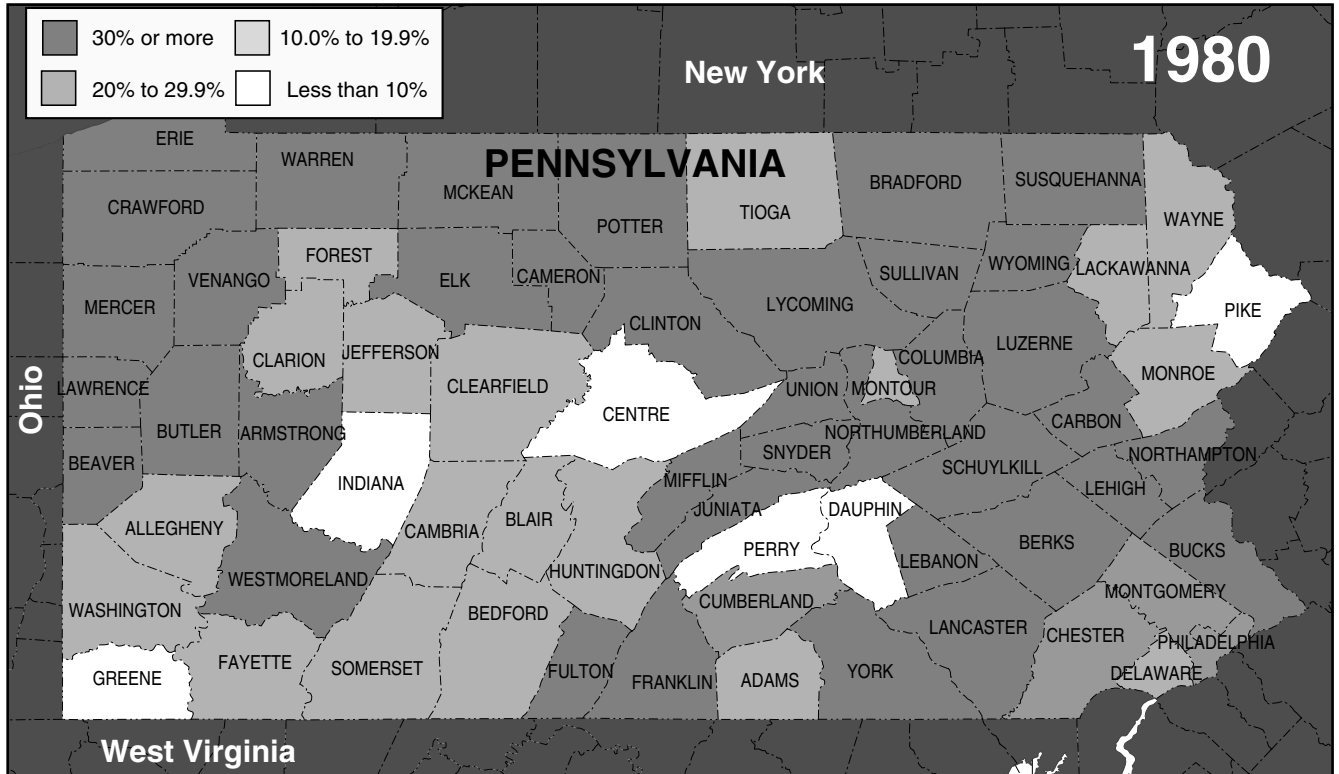
But the Dick Cheney-Tom DeLay forces in the U.S. Congress are working overtime to gut the budget of the Army Corps. The Pittsburgh District of the Corps has had to lay off 29% of its engineers, because of recent budget cuts.

Pennsylvania is the most flood-prone state in the nation, with 83,161 miles of rivers and streams. The state has 3,100 non-Federally owned or operated dams, a considerable proportion of which are 30 years or older. The Pennsylvania Department of Environmental Protection, which monitors the state's regulated dams, put out a statement on July 27, that it considers 44 of the state's "high-hazard" dams "unsafe." This means that were they to breach, they could cause serious loss of life, wash out roads, and create extensive property damage.

The state of Pennsylvania's flood-control system on rivers and smaller streams was evidenced, when the remnants of Hurricane Ivan dumped over nine inches of rain on much of the state on Sept. 18-19. Pennsylvania has extensive water control systems, many built and operated by the Army Corps of Engineers, and wherever structures were present and

FIGURES 8a-b

Manufacturing as a Percent of Total Employment in Pennsylvania Counties



Source: EIRNS, 2004.

FIGURE 9

Depopulation, Deindustrialization, Poverty in 10 Pennsylvania Cities

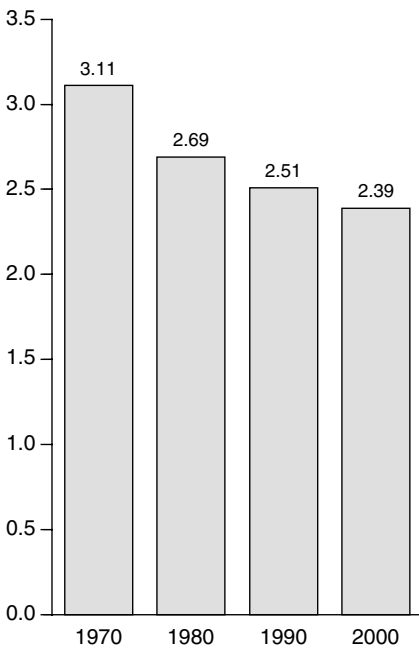


Source: EIR.

FIGURE 10a

10 Leading Pennsylvania Cities: Population Falls by 36%

(Millions)

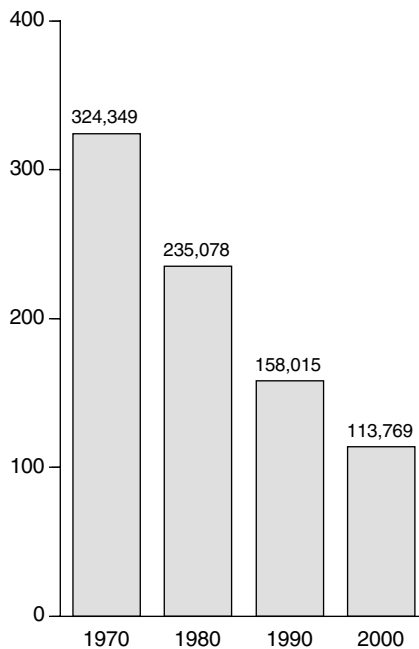


Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 10b

10 Pennsylvania Cities: Manufacturing Workforce Falls by 65%

(Thousands)

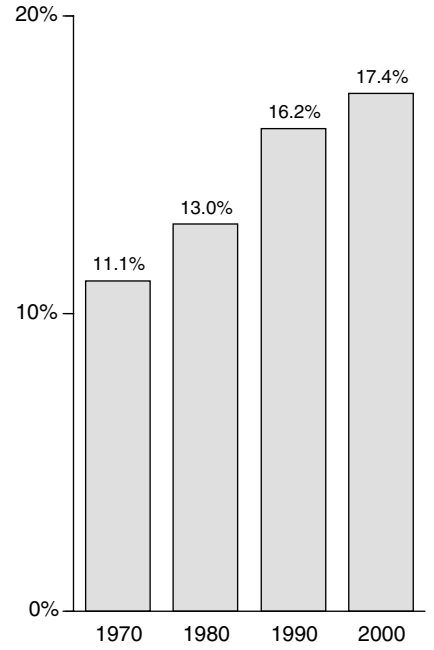


Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 10c

10 Pennsylvania Cities: Poverty Rate

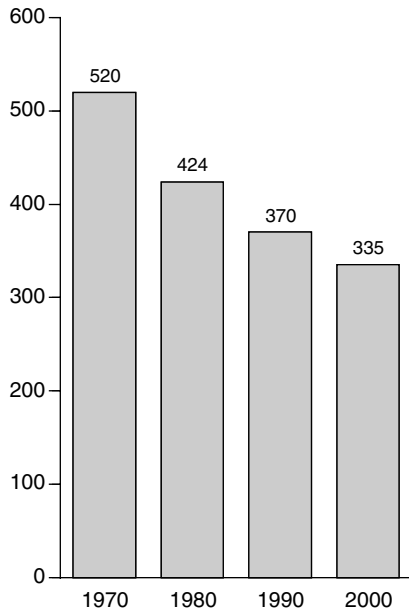
(Percent)



Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 11a
Pittsburgh: Population Falls by 36%

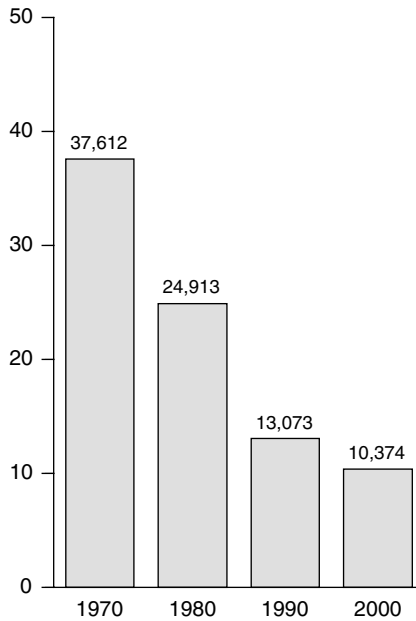
(Thousands)



Sources: Dept. of Housing and Urban Development; *EIR*.

FIGURE 11b
Pittsburgh: Manufacturing Workforce Falls by 72%

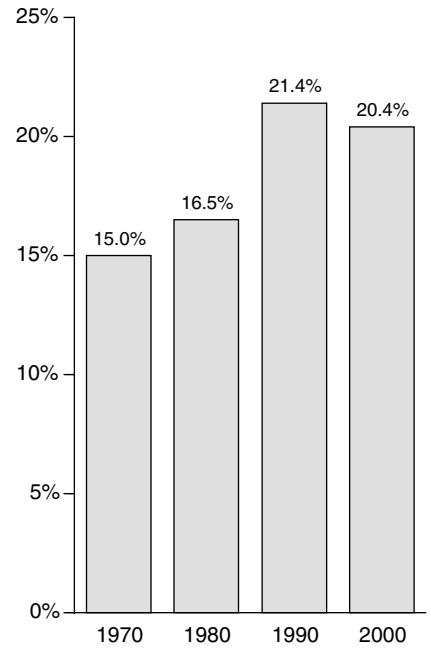
(Thousands)



Sources: Dept. of Housing and Urban Development; *EIR*.

FIGURE 11c
Pittsburgh: Poverty Rate

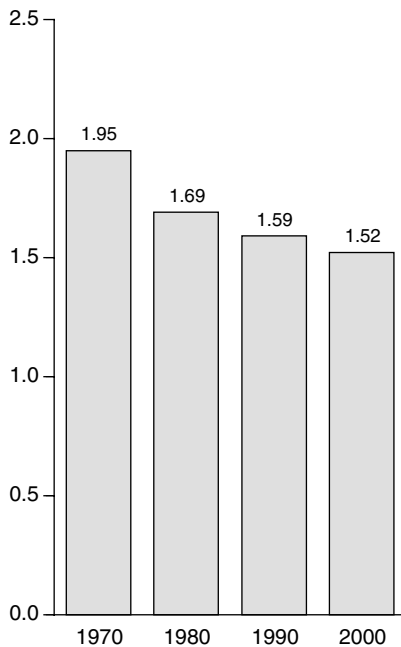
(Percent)



Sources: Dept. of Housing and Urban Development; *EIR*.

FIGURE 12a
Philadelphia: Population Falls by 22%

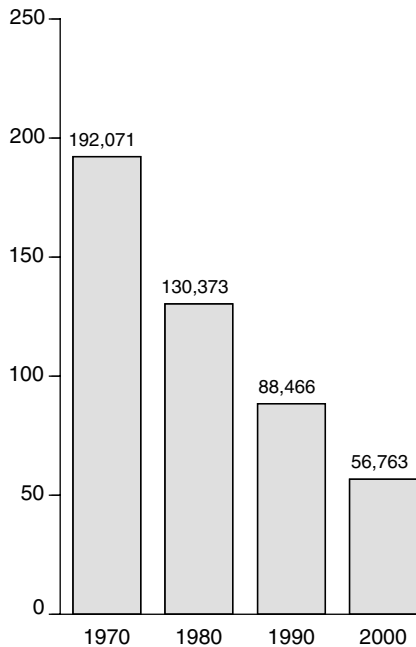
(Millions)



Sources: Dept. of Housing and Urban Development; *EIR*.

FIGURE 12b
Philadelphia: Manufacturing Workforce Falls by 70%

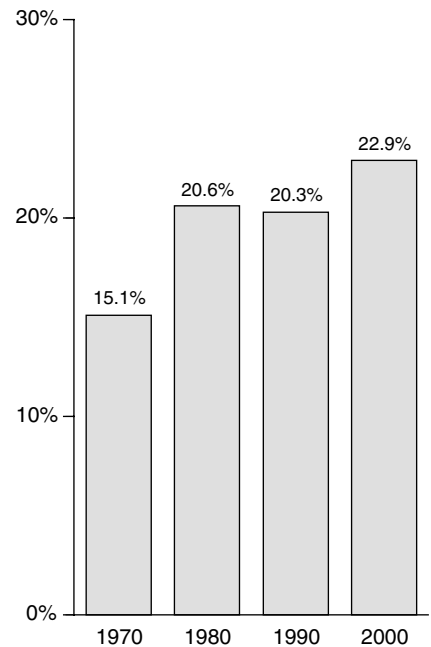
(Thousands)



Sources: Dept. of Housing and Urban Development; *EIR*.

FIGURE 12c
Philadelphia: Poverty Rate

(Percent)

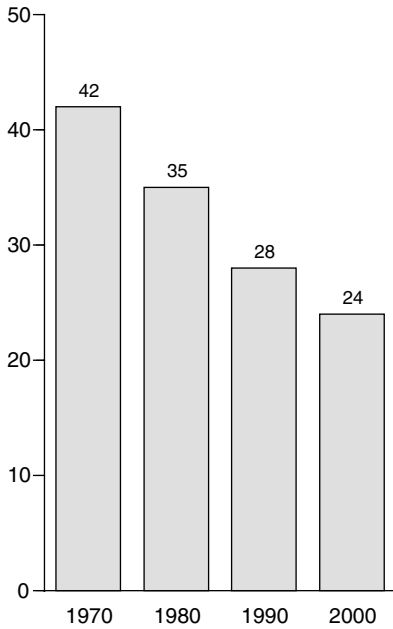


Sources: Dept. of Housing and Urban Development; *EIR*.

FIGURE 13a

Johnstown: Population Falls by 44%

(Thousands)

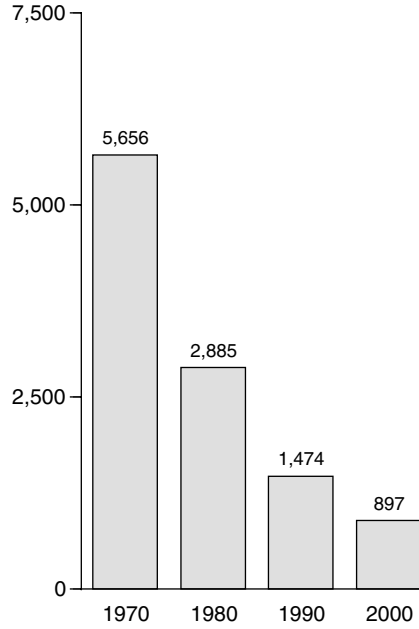


Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 13b

Johnstown: Manufacturing Workforce Falls by 44%

(Thousands)

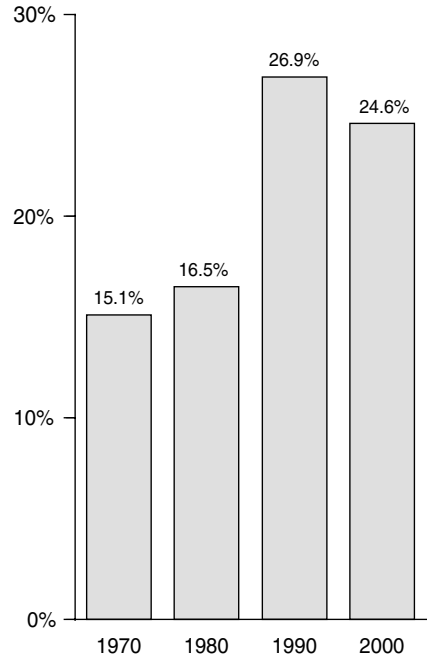


Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 13c

Johnstown: Poverty Rate

(Percent)

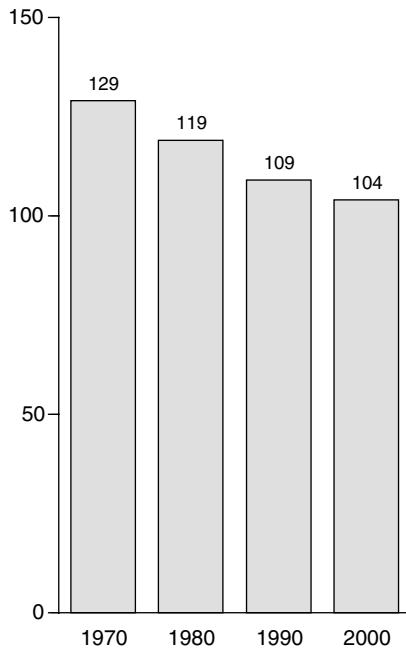


Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 14a

Erie: Population Falls by 20%

(Thousands)

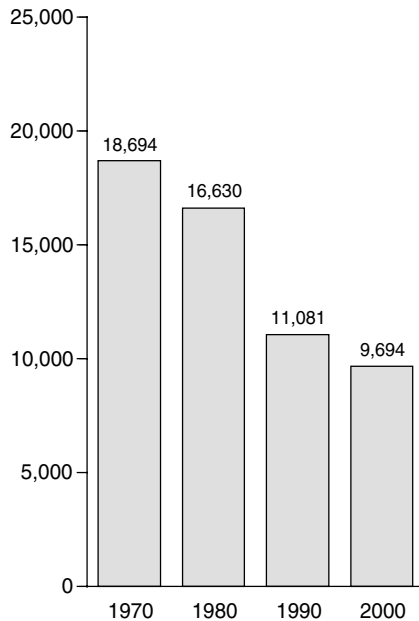


Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 14b

Erie: Manufacturing Workforce Falls by 48%

(Thousands)

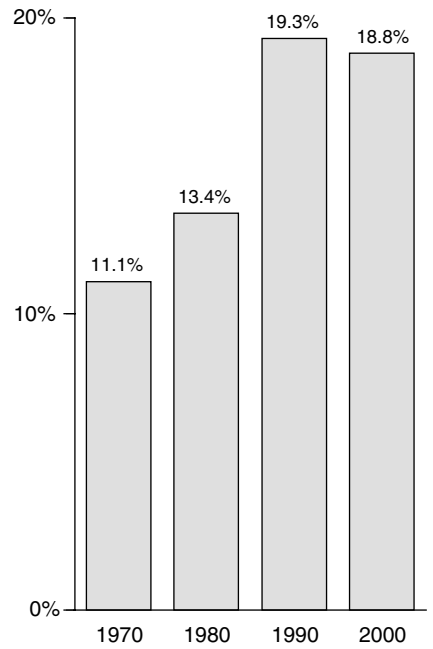


Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 14c

Erie: Poverty Rate

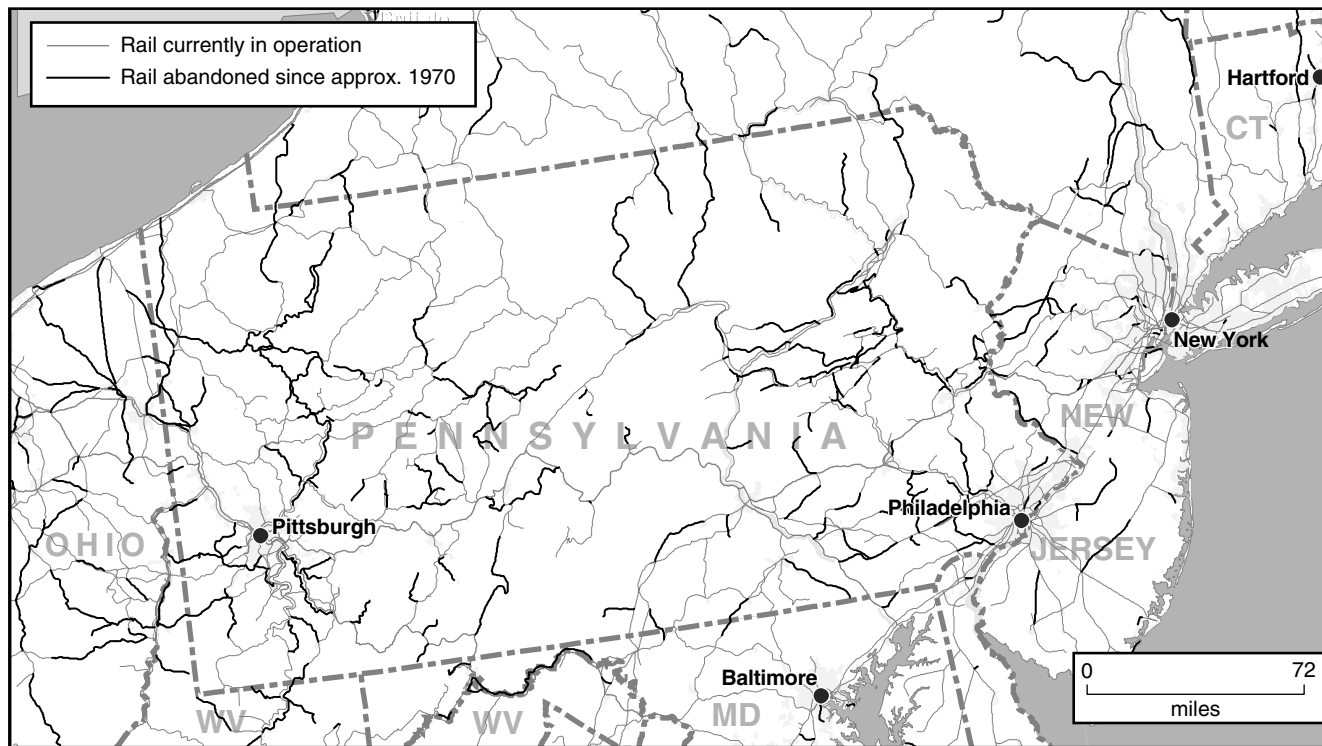
(Percent)



Sources: Dept. of Housing and Urban Development; EIR.

FIGURE 15

Pennsylvania: Abandoned and Existing Rail



John Sigerson / EIRNS 2002

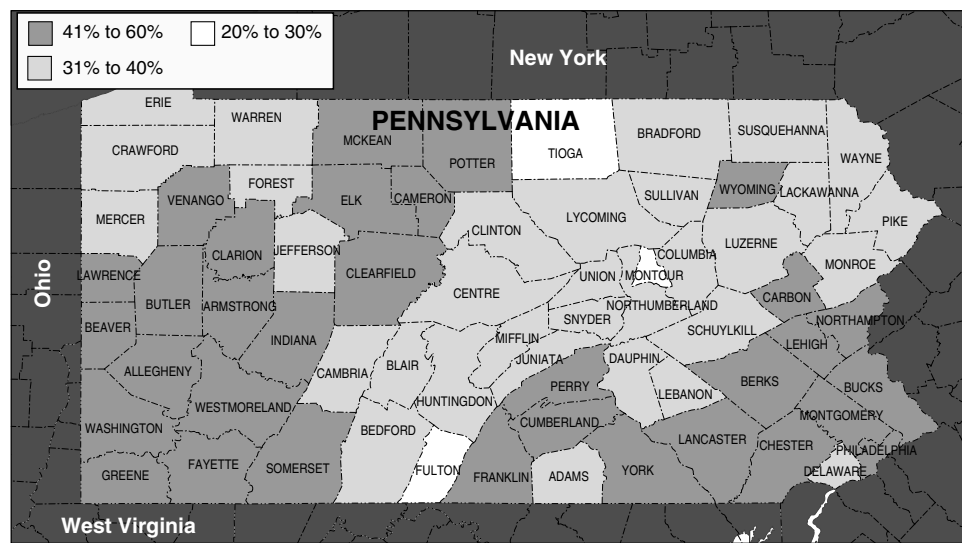
maintained, the floods were mitigated. But the town of Etna near Pittsburgh, on the Little Pine Creek tributary of the Allegheny River, needed flood-control structures, which the Army Corps has been eager to build, but lacked the money. Etna was inundated.

As well, according to the Southwestern Pennsylvania Water and Sewer Infrastructure Project, aging infrastructure and underfunding now make Pennsylvania the state with the most combined sewer overflows, posing a genuine health hazard.

Bridges: Figure 16 shows the percentage of Pennsylvania 22,174 bridges that are rated by the Federal National Bridge Inventory of the Federal Highway Administration

FIGURE 16

Percent of Bridges Obsolete or Structurally Deficient, by County



Source: EIRNS, 2004.

(FHWA), as “structurally deficient” or “functionally obsolete.” These classifications do not mean that the bridges are “unsafe” per se, but many of them in this classification do not meet adequate standards for design and volume, and several of them *are* unsafe. The Road Information Program (TRIP), a private think-tank, reported in June 2003, “Pennsylvania’s bridges are aging, and many have outdated designs and inadequate safety features. . . . The cost of repairing all bridge deficiencies in Pennsylvania is approximately \$7 billion.”

The real world consequences of this were shown when Hurricane Ivan recently destroyed or severely damaged 20 inadequate bridges in Allegheny County, and 15 in Fulton County.

Airlines: U.S. Airways’ filing for bankruptcy protection on Sep. 12—the second time it has been bankrupt in two years—portends the drastic shrinkage of the Pennsylvania’s region’s air grid. For years, Pittsburgh International Airport (PIA) had been the center of U.S. Airways’ hub-and-spokes air system. Due to financial problems, between 2000 and 2002, U.S. Airways cut 14% of the flights that departed from PIA. Now, made even more desperate by its imperiled financial condition, U.S. Airways announced this Summer the discontinuation of flights out of Pittsburgh to Reading, Williamsport, and State College, Pennsylvania. And in early November, U.S. Airways will eliminate all flights from Pittsburgh to Europe. The main terminal at PIA, built at the city’s expense for more than \$600 million, is increasingly underutilized; the number of flights departing from each of Pennsylvania’s regional airports is down 15% or more since 2000.

Housing: Housing is unavailable or unaffordable to increasing numbers of people (see page 35 for Philadelphia case study).

No Industrial Revenue Means City Budget Crises

The close-down of steel and other manufacturing since the 1970s has imploded many cities’ revenue base. Dozens of towns became shells of their former selves. Young people moved out to look for jobs; and middle-aged and elderly were trapped in cities that could not provide even minimal basic services.

Table 2 shows, for the early 1980s, U.S. Steel’s contribution to municipal revenues of steel towns, expressed as a percentage of the total. For example, in Duquesne, U.S. Steel had accounted for 44% of Duquesne’s real estate tax collections, and 60% of that city’s wage tax collections. When U.S. Steel closed its plants, such towns not only had an increased number of unemployed, and increased costs of services, but far less revenue.

This is the case for Pittsburgh, two decades after the steel plants closed. Pittsburgh is in an horrendous budget crisis caused by the lack of revenue. During the first week of August 2003, in order to cover a \$60 million shortfall, Pittsburgh fired

TABLE 2
U.S. Steel’s Contribution to Municipal Revenues, 1980
(Percent)

Community	Of Real Estate Taxes	Of Wage Taxes
Braddock	32	31
Clairton	47	51
Duquesne	44	60
Homestead	60	30
McKeesport	20	57
West Mifflin	21	30
Munhall	25	35
North Braddock	44	31
Rankin	55	40
West Homestead	37	40

Source: 97th Congress, 1st Session *Hearings on the Economic Health of the Steel Industry and the Relationship of Steel to Other Sectors of the Economy*.

731 city employees. This did not solve the problem. At the point of bankruptcy, Pittsburgh was put under Act 47, the “distressed cities” program. Since Act 47 came into force in the mid-1980s, 19 Pennsylvania municipalities have been declared distressed cities.

What this means in practice, is that a five-person dictatorial financial oversight board has been set up with complete budgeting authority over Pittsburgh for a period of five years. It can order draconian cuts in social services. Pittsburgh, once the epicenter of world steel production, is reduced to the satrap of a group of bankers.

From its inception, Benjamin Franklin and the leaders of Pennsylvania saw their mission as building a nation. They constructed the Pennsylvania Railroad to link the cities of Pennsylvania, but beyond that, to spread industrialization and civilization across the nation. This called for tremendous quantities of steel.

Today, we don’t want to build 19th-Century rail steam locomotives. However, the construction of a magnetic levitation train system in the United States, would cause an immeasurable leap in productivity for the whole nation. This is spelled out in LaRouche’s Super-TVA proposal. A maglev vehicle floats on a magnetic cushion, cruising at speeds of 300 miles per hour. Revolutionizing the movement of people and goods, this would connect United States to Ibero-America, and through the Bering Straits, to Asia and Europe. And it will call for very large amounts of high-strength, high-quality steel and a new machine-tool industry.

Ben Franklin’s and Alexander Hamilton’s “American System of political economy” revived by Lyndon LaRouche, is the method by which Pennsylvania could build itself and the world out of depression.

Pennsylvania Hospitals And Healthcare Vanishing

by Mary Jane Freeman

Sell not virtue to purchase wealth nor liberty to purchase power.

—Benjamin Franklin

Pennsylvania, the cradle of American healthcare, where Benjamin Franklin and others established the first hospital on these shores and promoted medical scientific research, has had its hospital infrastructure systematically looted and shut down over the last two and a half decades. The ongoing disappearance of hospital care in Pennsylvania—in particular, of the availability of hospital beds to the people of the Commonwealth, county by county—is emblematic of the destruction of healthcare infrastructure nationwide in the “HMO era.” Since the impact of the Nixon-era legislation promoting the creation of health maintenance organizations, and the follow-on of “managed care” policies which made “shareholder value” the driver for healthcare, America’s hospital infrastructure and the healthcare needs of our citizens have become

merely another source of revenues to bleed for loot.

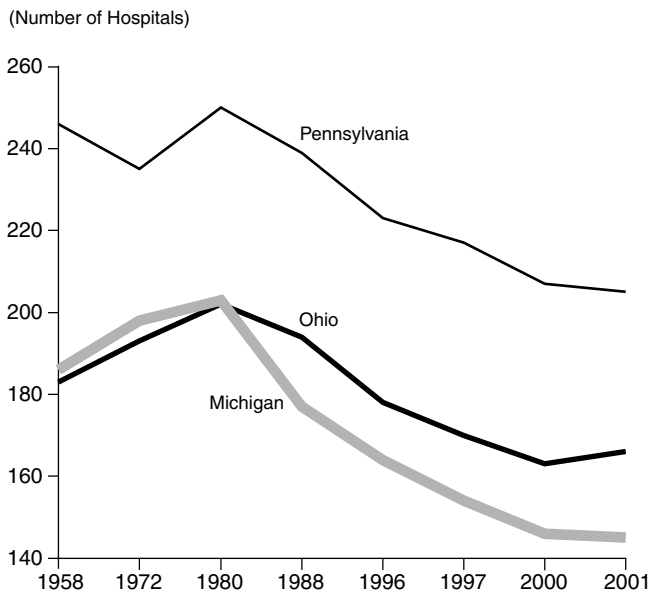
The post-1960s paradigm shift from a producer to a consumer society has left the physical infrastructure upon which we rely for our existence in shambles, as this feature, as a whole, depicts. In the healthcare field, the signing into law by President Richard Nixon of the Health Maintenance Organization and Resources Development Act of 1973, replaced the mission of healthcare to provide for the general welfare, with the diktat that “cost containment” comes first. The concept is completely antithetical to Franklin’s advice, quoted above.

Rather than “containing costs,” HMO/managed care policies have led to unaffordable and less accessible healthcare. Nearly half of personal bankruptcy filings are caused by medical bill debt, while the number of uninsured citizens has risen to 45 million, as jobs are cut and health insurance premiums rise. Most dramatically, the HMO/managed care policies have led to the disappearance of hospitals—hundreds of them each decade since the late 1970s.

Successful Legislation Was Undone

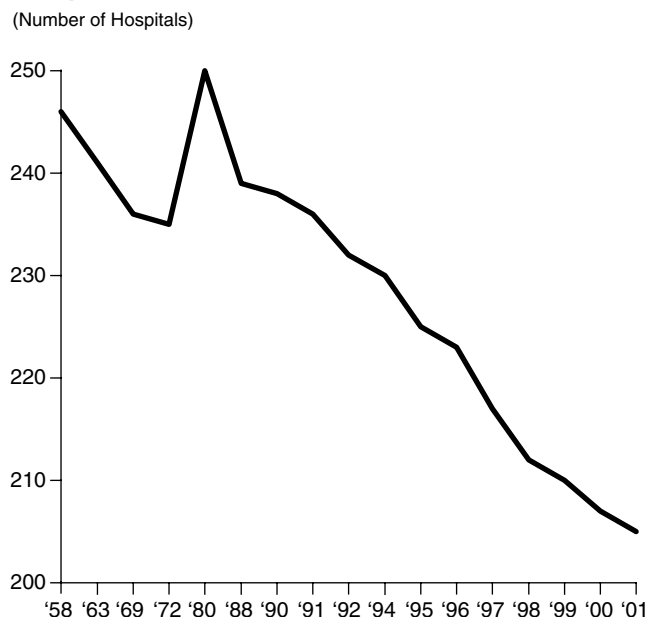
HMO policies dismantled the FDR legacy of protecting the general welfare, as carried on by Senators Lister Hill (D-Ala.) and Harold Burton (R-Ohio) in their 1946 Hill-Burton Act, which mandated and assisted the construction of hospitals and the staffing of hospital beds of various types for each of the 3,600 counties in the United States. The Act set a ratio

FIGURE 1
Gain/Loss in Community Hospitals, 1958-2001



Sources: U.S. Statistical Abstracts; EIR.

FIGURE 2
Gain/Loss in Pennsylvania Community Hospitals, 1958-2001



Sources: U.S. Statistical Abstracts; EIR.

of 4.5-5.5 beds per 1,000 population as a baseline to build an adequate infrastructure for a good national healthcare system.

From 1958-1980 under the Hill-Burton mandate, 583 community or general acute-care hospitals and 378,000 staffed community hospital beds were added to America's healthcare infrastructure for preserving life, advancing medical science, or coping with emergencies, epidemics, or natural disasters. But between 1980 and 2001, the shift into HMO-dictated cost accounting policies hit. The result was: 902 community hospitals and 161,000 beds *disappeared* between 1980 and 2001.

During this time, the American population continued to grow. Up through 1980, the Hill-Burton ratio of beds to 1,000 people improved. But after 1980, it declined dramatically.

Figures 3 a-c show that whereas in 1958, only 4 states met the Hill-Burton minimum ratio, 21 states had sufficient hospital infrastructure by 1980. But by 1990, the number of states above the minimum required level had fallen to 14, and by 2000, it was nearly back to the 1958 level—only 5 states. This reversal of the post-World War II buildup of the nation's community hospital base, intersected the take-down of the entire physical economy—especially America's manufacturing base, as *EIR* has documented.

Figure 1 shows this shut-down of hospitals in three key industrial heartland states—Michigan, Ohio, and Pennsylvania. Only five other states had larger 1980-2001 losses of hospitals than these three; they were California (which saw 120 hospitals shut), Illinois (49), Massachusetts (39), New York (59), and Texas (79). Nationwide, all but five states lost hospitals between 1980-2001.

FIGURES 3a-c

States with Federal-Standard Level of Hospital Beds per Capita



The 1946 Hill-Burton Act was successful in its purpose to lift most counties about a minimum standard of 4.5 hospital beds per 1,000 population. From five states in 1958, 21 states in 1980 were fully over the minimum. In the HMO era, the number has fallen back to five.

Exact data are not yet available for 2002-2004, but the trend continues.

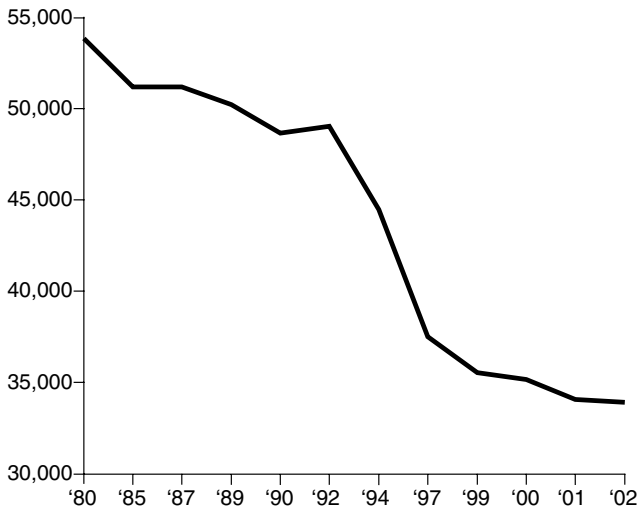
The dramatic shutdown of Pennsylvania's community hospitals since 1980 is shown in **Figure 2**. U.S. Census data shows that 45 hospitals, or 18% of those in the state in 1980, have been lost, along with 15,000 staffed beds—26.5% of the



Source: U.S. Statistic Abstracts; EIRNS, 2004.

FIGURE 4
Loss of Community Hospital Beds in Pennsylvania, 1980-2002

(Number of Beds)



Sources: Pennsylvania Counties, Health Profiles, Commonwealth of Pennsylvania Dept. of Health, State Center for Health Statistics and Research.

total. Data from the Pennsylvania Department of Health’s Bureau of Health Statistics and Research, only available from 1980 on, has smaller aggregate totals for hospitals and beds, but shows larger losses for this period: 47 hospitals lost

(20%); and 19,764 beds (36.7%). **Figure 4** uses the Pennsylvania Bureau’s statistics, adds 2002 data, and shows the drastic decline of beds since 1980. Even before this, the seismic 1977 shutdown of Philadelphia General Hospital had left tens of thousands of indigent citizens in the nation’s fourth-largest city without a public hospital to go to.

Pennsylvania Shakedown—Sharks in the Water

It was in 1986—the end-point of the 1980-1988 fall shown in Figure 3—that Wall Street merger mania hit Pennsylvania’s health system. Sheriff Abdelhak, in cahoots with others using the Allegheny

Health, Education, and Research Foundation (AHERF), began an ambitious strategy of acquisitions of hospitals, medical schools, and primary care physician practices, to create the largest statewide integrated healthcare delivery system. Full service healthcare for all Pennsylvanians was not the objective, but rather gaming the market—as Enron notoriously did to California’s deregulated electricity “market.” In fact, the financial tools used by Abdelhak to fuel the “growth” were similar to Enron’s: faked balance sheets, hidden internal cash transfers, raids on hospital endowments, and piling up of debt from acquisitions.

The deadly game was up in 1998, when AHERF filed the nation’s largest non-profit healthcare bankruptcy. In its wake came a swath of hospital closures, thousands of layoffs, a \$1.4 billion debt, dismantled physician practices, etc. Creditors ended up with 12¢ on the dollar, Abdelhak had 1,500 felony charges reduced to one misdemeanor, for misappropriating not-for-profit funds, and the state had 10% fewer hospitals and 26.7% fewer beds to provide for its citizens’ needs.

Not only was it a ruthless, folly-filled scheme, but this looting of the healthcare revenue stream hit as deindustrialization of the economy continued, reimbursement levels from HMOs were cut back, and Congress curtailed funding for Medicare and Medicaid—sources of income hospitals heavily rely upon. Adding to this, in 1996, then-Governor Tom Ridge signed SB-1441 (called a “prescription for death” bill by State Rep. Harold James of Philadelphia), axing 223,448 persons from medical assistance to help balance the budget. Ridge’s cut was expected to result in over \$270 million in lost hospital revenues. Lost revenues translates into lost capacity. Between 1997 and 2001, another 16 hospitals disappeared or merged, and 3,436 beds were gone.



Sources: Pennsylvania Counties, Health Profiles, Commonwealth of Pennsylvania Dept. of Health, State Center for Health Statistics and Research; *EIR*.

This swath of destruction to the state's health infrastructure is indicated by the maps in **Figures 5a-d**. They show that the Hill-Burton standard of 4.5 beds per 1,000 people had been built up in 27 out of the state's 67 counties in 1980, but by 2002 this infrastructure had been wiped out. The state's two most populous counties, Philadelphia in the east and Allegheny in the west, suffered huge contraction of their health infrastructure. **Figures 6 and 7** show that from 1980-2002, 43% of Philadelphia's hospitals and 35.5% of its beds were lost, while Allegheny County lost 20.8% of its hospitals and 36% of its beds. What cannot be quantified is the untold number of lives lost needlessly because of this greed and budget cutting.

The impact of this 20-year long flirtation with market medicine has been a disaster. In June, the *Philadelphia Inquirer* reported: "Starved for payments, hospitals have been shrinking . . . especially in poor areas. Twelve hospitals have closed in Southeastern Pennsylvania since 1993. Other hospitals have quietly mothballed some beds." Overcrowding and long waits at still-operating emergency rooms has be-

come the norm as ER visits jumped 30% since 1999, the paper reported.

As more people lose jobs and health insurance, the number of Pennsylvanians uninsured has risen to 12%. Just since February 2004, the wait list for the state's *adultBasic* health insurance program grew by one-third to over 100,000 adults. A full 69% of these uninsured work full or part time.

Heritage of Healing Must Be Restored

Hemorrhaging of the state's hospital infrastructure has not halted. The Pennsylvania Health Care Cost Containment Council's April 2004 "2003 Financial Analysis" reported that 48% of general acute-care hospitals reported losses for Fiscal Year 2003, and that 60% are barely surviving, as measured by their total margin over three years. Gov. Ed Rendell stepped in to save the 153-year old Medical College of Pennsylvania Hospital after the blood-sucker Tenet Healthcare Corp. had bled it dry and planned to close it this year. Much more must be done to restore adequate access and affordable healthcare (see box).

LaRouche: Healthcare As Infrastructure

From a September 2002 EIR Special Report on Science and Infrastructure, the statement excerpted here was written on Aug. 23, 2002 by then-Presidential candidate Lyn-don LaRouche.

HMO law is not merely an inevitable failure, now becoming a national catastrophe; it is a predatory medical malpractice performed by shareholder value. We must reverse the presently continuing, disastrous course.

Among the principal changes to be made, we must end the worsening trend toward basing the financial system of health-care on that usurious illogic, of using case-by-case accounting as an instrument of accountants' financial control of the medical practice, respecting the functions of diagnosis and care for the individual patient. It is ultimately as injurious to the U.S. national interest to regulate the delivery of medical service on a patient-case by patient-case basis, as it would be to provide public sanitation for the sole benefit of one residence, but not the adjoining ones. My neighbor's disease is a disease of our neighborhood—or, like epidemic contagious disease, or pollution, a disease of the nation as a whole. Health-care for a society is a matter of national-security interest.

The delivery of health-care by the medical profession is "entrepreneurial" in respect to its most essential characteristic: the application of the developed creative mental

powers of the individual professional; public-health policy is a matter of the interdependency of the universal and particular role of the professional. *The provision of available health-care is universal; the professional care for the patient, is a privileged action by the relevant individual professional's direct relationship to the patient.*

The arrangement under which quacks, guised as financial executives or accountants, engage in the malpractice of medicine, must be ended, and banned from future recurrence.

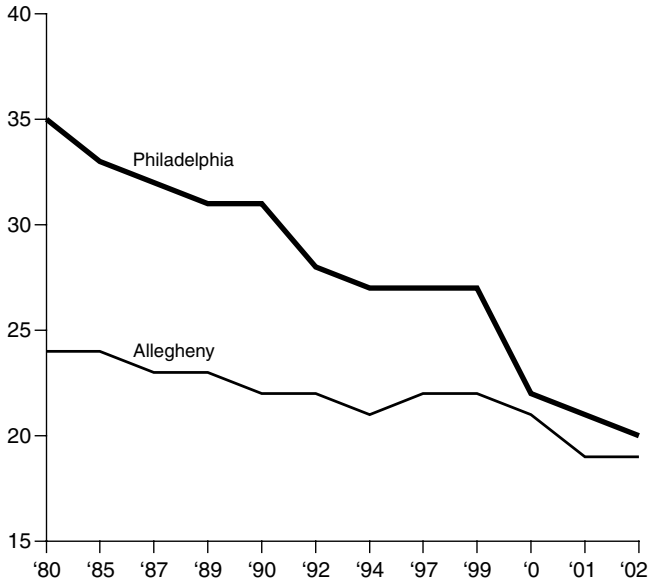
The leading edge of the process of rebuilding our national health-care system, will be the emphasis of public effort, by the Federal and state governments, on buttressing existing full-service general hospitals, and re-establishing them where closures of essential such institutions have occurred. Full-service general hospitals which function as teaching institutions, are crucial. Such an emphasis on general hospitals, and enhancement of their relations with the related research functions of universities, will provide the technological lever of reconstruction of the nation's health-care potential as a whole.

On the financing of health-care, we must return to the pre-HMO system. Health-care as a whole, is a bulk-purchase, not a retail sales outlet. The forecast payments from private patients, and from those under insurance or related programs, must be supplemented by the combination of contributions to hospital budget-requirements, and also capital improvements, by fund-raising, with contributions from agencies of government as that last-resort amount which enables the institution to meet the requirements of relatively indigent patients.

FIGURE 6

Loss of Hospitals, Allegheny and Philadelphia Counties, 1980-2002

(Number of Hospitals)

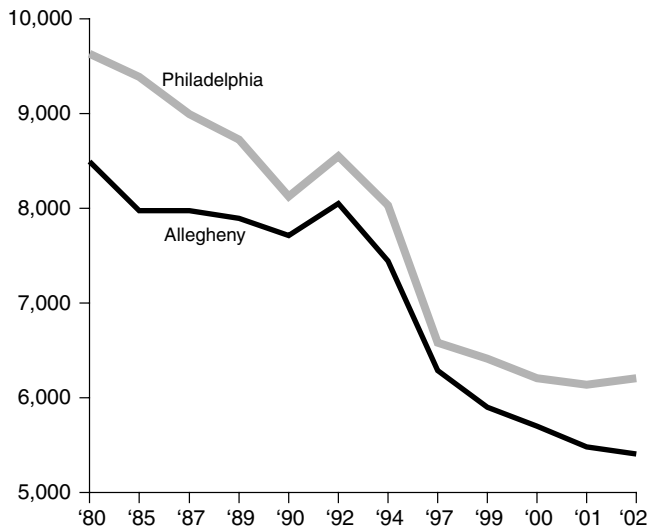


Sources: Pennsylvania Counties, Health Profiles, Commonwealth of Pennsylvania Dept. of Health, State Center for Health Statistics and Research; *EIR*.

FIGURE 7

Loss of Hospital Beds, Allegheny and Philadelphia Counties, 1980-2002

((Number of Beds))



Sources: Pennsylvania Counties, Health Profiles, Commonwealth of Pennsylvania Dept. of Health, State Center for Health Statistics and Research; *EIR*.

California's Hospitals Closing, More Cuts Ahead

by Linda Everett

The Los Angeles County Board of Supervisors announced on Sept. 13 that Los Angeles County will lose yet another of its trauma centers—the Martin Luther King-Charles Drew Center which serves the very, very poor population of Watts. The King-Drew Hospital and Trauma Center was built after the 1965 Watts riots to serve the inner city population. Now, the Trauma Center is to close within 90 days—and it is not yet known if the Hospital itself will survive its multitude of financial crises. The shutting of the trauma center is emblematic of the crisis devastating California's entire healthcare infrastructure.

California displays in extreme form the physical destruction of healthcare capability which has resulted, over 25 years, from the replacement of the national hospital-sufficiency strategy of the 1946 Hill-Burton Law, with the "free market-driven" healthcare of the 1973 HMO law passed under Nixon, with its totally illusory "cost-containment" veneer. The percentage of California's population "covered" by managed care or health maintenance organizations (HMOs) is double that of the nation as a whole. Therefore, many more hospitals and physicians in California, than in other states, are reimbursed at *below their own costs* for care they provide to patients. Far more California hospitals are operating in the red, and closing. And the problem is getting worse as "Terminator" Gov. Arnold Schwarzenegger cuts down the state's health insurance program.

The most populous state in the country is officially in a healthcare meltdown, with its hospitals, Emergency Departments (EDs), and trauma centers facing mounting risks on all fronts. According to the head of the California Medical Association, every hospital in the state is "on the verge of a whole series of unraveling events." Only through an FDR-type "Super TVA" proposed by economist Lyndon LaRouche, a national program of economic infrastructure construction and credits to states, could California dodge what will otherwise quickly become a public health catastrophe.

A Beds-per-Population Emergency

According to the California Healthcare Association *CHA*, 70 acute care hospitals closed in California between 1993 and 2003—a 13.33% drop in hospital capacity. During the same period, about 11,000 staffed hospital beds were lost (staffed beds are those which are both licensed *and* have the requisite

staff available to care for patients). As the state's population grew by 13.44% over that decade, acute care hospital bed capacity dropped by 14.24%.

A real measure of how well a state can provide for its sick and disabled population is the ratio of hospital beds per 1,000 population. The minimum national standard set by the 1946 Hill Burton Law was 4.5-5.4 beds per 1,000 population. In 1993, California had 2.5 medical-surgical beds per 1,000 population, statewide. The California Office of Statewide Health Planning and Development reports that, between 1992 and 2001, the number of *licensed* med-surgical hospital beds dropped by 11%, and the per-capita ratio to 2.13 beds/1,000 population. The number of licensed beds is much higher than the actual number of staffed beds. By 2003, the statewide ratio dropped to just 1.9 beds per 1,000.

It has continued to fall during 2004, as seven more hospitals in the state have closed—six of them in Los Angeles County—with at least three more slated for closure in the county. The CHA told *EIR* that in 2004, California will have lost another 1,000 hospital beds—more closings and downsizings are imminent—as the state population grew to 36 million residents. The bed/population ratio will fall to 1.8/1,000.

On Sept. 8, the infamous and largest for-profit hospital cartel in the nation, HCA, announced it will close the San Jose Medical Center, with its Emergency Room and Trauma Center, in December—three years earlier than expected. That will leave downtown San Jose, which has a diverse population, without a hospital, ER, or trauma center. HCA intends to raze the hospital to sell off the lucrative property.

The epicenter of the crisis is Los Angeles. L.A. County is the nation's largest, covering 4,084 square miles, larger than the combined areas of Delaware and Rhode Island. It has the largest population (10,103,000 as of 2004) of any county in the nation, and it is exceeded by only eight states. L.A. County has lost 27 acute care hospitals in a decade, from 126 in 1994 to 99 in 2004. Besides the seven closed in 2004, seven other hospitals in the County have either scaled back or eliminated mental health care units. Of its 23 trauma centers, 13 have closed or were downgraded to emergency rooms. Now, it will lose the Watts trauma center—and possibly more hospitals, since the County health system is verging on collapse.

EDs all over the state are overcrowded, and understaffed, and some are forced out of business, even if their attached hospitals don't close. One disastrous Federal act, the 1973 Health Maintenance Organization and Resources Development Act, eventually wrecked both the infrastructure and financial ability of hospitals to treat patients. Another Federal law, the Balanced Budget Act of 1997, gutted reimbursement rates to hospitals and doctors. Throughout the 1993-2003 period, some hospitals closed their EDs to bar uninsured patients, as well as those "covered" by managed care and health maintenance organizations (HMOs), which were notorious for simply not paying ED doctors and specialists for treating

emergency patients. Several private hospitals are either eliminating certain emergency services, such as orthopedics, or privatizing their emergency rooms, that is, closing them to ambulances.

Now, 58% of California's hospitals operate in the red. Hospitals that contract with state's Medicaid program, called Medi-Cal, are locked into a five year freeze on their reimbursement rates—it doesn't matter how much or how costly the care a patient needs, the hospital will be paid the same low rate.

7.5 Million Uninsured

The uninsured population in California is higher than the 18.7% documented for 2003, when it was already 3.6% higher than the rest of the nation. While one in five is uninsured in the state, in Los Angeles, it is one in three. California hospitals provide \$5.1 billion in uncompensated care to the state's indigent population annually. Private hospitals dealt with the ever-growing number of uninsured by transferring these patients to Los Angeles County public hospitals. But the L.A. County health system has been in crisis since 1988. In 2002, it closed 16 community health clinics. In 2003, it restricted the number of uninsured patients that private hospitals could transfer to its public hospitals. Federally-funded community health centers are overwhelmed by the uninsured.

There are an estimated 2.2 million undocumented workers in California. The Bush Administration plans to "help" hospitals nationally to cover the costs of emergency care to illegal immigrants, but only under the condition that hospitals force their already frenzied ER staff to act like the Border Patrol and quiz every patient on their status: Are they citizens, documented, illegal; do they have visas, current authorization cards? Of the \$1 billion Congress allotted for this over four years, California, if its hospitals willingly police immigrants, would get the largest amount—about \$72 million a year.

But Los Angeles County alone spends \$350 million a year on treating undocumented immigrants.

The state's fascist Governor, Arnold Schwarzenegger, has pledged to cut \$400 million from the state's Medicaid program (Medi-Cal); this would result in a loss of another \$400 million more in Federal matching funds. In addition, Schwarzenegger plans to restructure Medi-Cal, inflicting higher co-pays and reducing services for some of the state's poor and disabled. This plan is so controversial that Schwarzenegger has twice held off release of his mega-restructuring outline. It will allegedly be released in January 2005 with the budget.

California already ranks dead last in what Medi-Cal reimburses its hospitals. Doctors are in a pitched battle with Medi-Cal because their fee-for-services reimbursement rates are being slashed by 5%. This arbitrary cut had devastating results: 55% of physicians in California refuse to accept any new Medi-Cal patients in 2003. Disabled children and those with chronic conditions were hit the hardest.

A City in Need of Shelter

by Richard Freeman

In Philadelphia, one-sixth of all households pay 50% or more of their income for housing. The number of vacant apartments in the city has doubled over the past three decades; the rate of evictions from homes is running at 600-1,000 per month; and, at least 33,000 affordable housing units need to be built for the poor. Philadelphia echoes the nation's economic crisis: Its loss of 230,000 decent-paying manufacturing jobs over the past 35 years has created a large number of poor, who cannot afford housing.

The 2000 Decennial Census reported that Philadelphia has 589,280 households. Some 261,251 of them, 35%, earned annual incomes of less than \$20,000, which should classify all of them as poor. And even above that level, another 129,109 Philadelphia households pay 30% or more of their income on housing. Moreover, 90,376 households (earning \$20,000 or less) pay a staggering 50% or of their income for shelter.

More than half of all the housing units in Philadelphia were built before 1934. It has 70,009 units that are vacant, double the level of 1975. Philadelphia needs massive housing construction. In a March, 2003 study, entitled, *Closing the Gap: Housing (un)Affordability in Philadelphia*, authors Amy Hiller and Dennis Culhane reported, "There are at least 30,000 fewer affordable housing units in Philadelphia than needed for rental households with incomes below \$20,000." The authors conclude that the City of Philadelphia needs to build 33,000 more units just for the poorest of the poor. But the great age of the city's housing stock defines a building project of perhaps 50,000-100,000 units.

In the U.S., an estimated 6 million households live on the edge of homelessness, because of the unaffordability of housing. Many poor families can afford to pay for housing only because of the assistance of Section 8 vouchers provided by the U.S. Department of Housing and Urban Development, which pays for a portion of these families housing cost. However, the Bush-Cheney White House proposes new rules to cut \$1.6 billion from the Section 8 program in the Fiscal Year 2004-05 budget, which means that 250,000 households nationwide are threatened with being thrown into homelessness after Oct. 1, of which several thousand are in Philadelphia. Federal funding to Philadelphia has already been slashed by 8%.

High-priced, high-rise apartments may be built at the site of the dismantled Philadelphia Navy Yard. But at the Richard Allen Homes in North Philadelphia, 1,324 units for the poor, were torn down, and 408 duplex homes were built in their place. Of the new duplex units, 178 have been set aside for the poor. Where are the rest of the former residents to live?

The IMF Is Killing Mexico With Thirst

by Alberto Vizcarra Osuna

In the Summer of 1982, Mexican President José López Portillo launched the construction of the Fuerte-Mayo Canal in the border area between the northwestern states of Sonora and Sinaloa, for the purpose of reactivating the Water Plan of the Northwest (PLHINO). But ever since then, all succeeding governments have submitted to the fiscal austerity and budget-balancing policies dictated by the International Monetary Fund (IMF). The result has been turning Mexico away from public investment in basic infrastructure and, simultaneously, the suspension of strategic public works for national economic development.

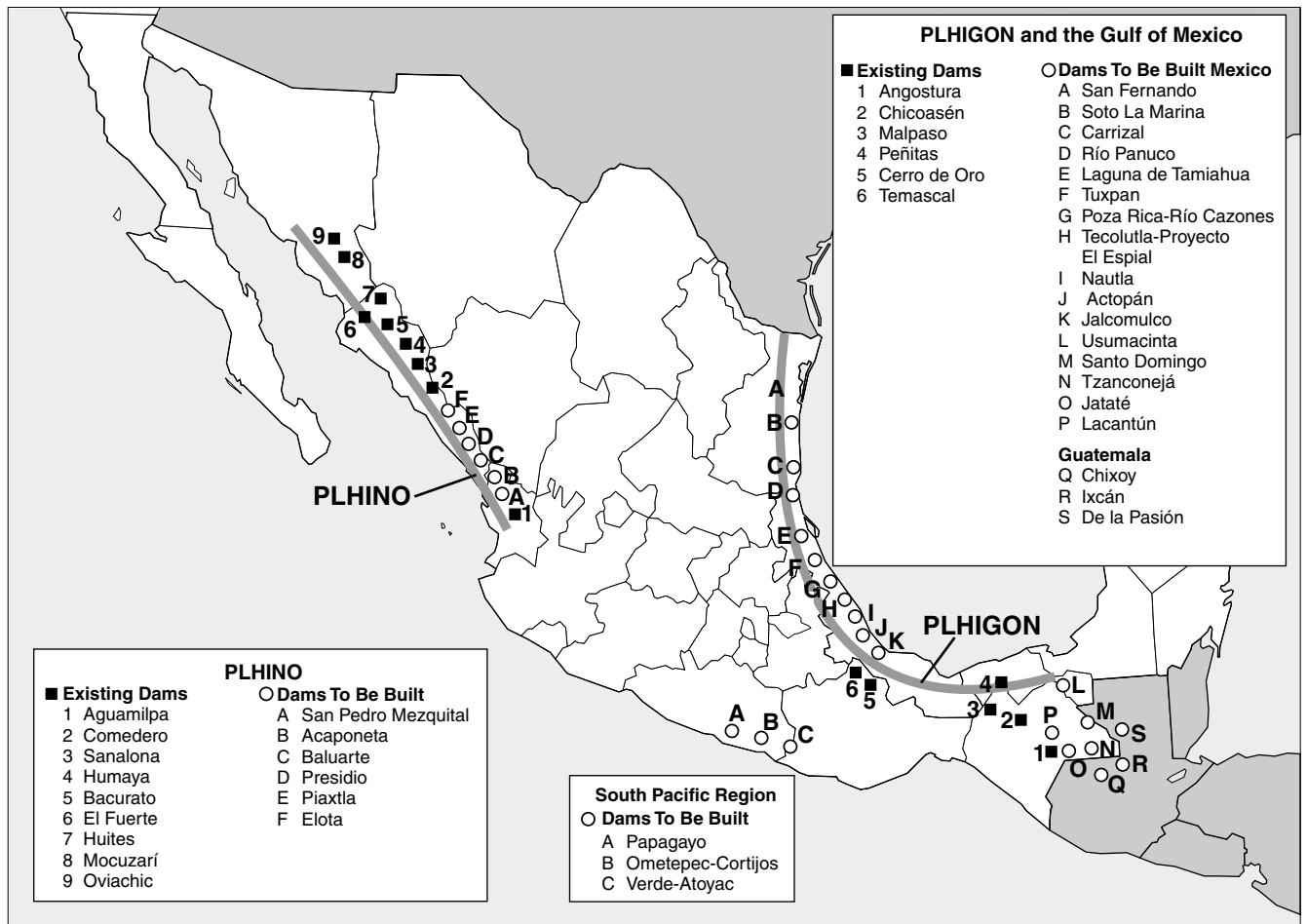
Apart from the Ibero-American Labor Committees, and several growers' organizations like the Permanent Forum of Rural Producers, which have maintained a systematic support of the PLINHO, inspired by the economic concepts of Lyndon H. LaRouche, Jr., the great majority of government, agricultural, and business institutions in Mexico, along with the political parties, have succumbed to the illusion that the North American Free Trade Agreement (NAFTA) and globalization would guarantee the region's future and the country's economic growth.

Nonetheless, the prolonged drought that has ravaged the states of Sonora, Chihuahua, and the northern part of Sinaloa for more than a decade, leaving hundreds of thousands of hectares parched and fallow, has finally driven many people back to reality, and the PLINHO is once again receiving publicity as a much-needed project, without which there can be no future to the region's—and the country's—plans for food self-sufficiency.

What Really Is the PLHINO?

During the six-year term of President Carlos Salinas de Gortari, his government's technocrats rebaptized it the Hydraulic System of the Northwest. The new name was not merely a semantic change. By abandoning the term "Plan" for that of "System," the disease of Salinism killed the original concept of the PLHINO, which was to link the hydroelectric dams, thereby assuring the transfer of surplus water from Nayarit, and southern Sinaloa to the northern lands of that same state and to all of southern Sonora as well. Today, as then, the arguments of these idiots is reducible to the alleged "financial inviability" of the original project. This is the same chorus of fools who faithfully repeat the "analysis" of the World Bank that there will be an inevitable war over water

Mexico: The PLHINO and the PLHIGON



resources, as if this fate were somehow “cheaper” than building the hydraulic infrastructure that would guarantee an adequate supply of the water necessary for Mexico’s economic development.

The PLHINO is part of the planned hydraulic revolution which was formulated as far back as the mid-1960s, under the concept of exploiting the vast quantities of water in the south and southeast of the country, and transferring this water to the huge agricultural regions in northern and northwestern Mexico. This plan embraces practically the entirety of the states of Sonora and Sinaloa, as well as large areas of Chihuahua, Durango, Nayarit, and a small portion of Jalisco state.

The plan was designed as a means of resolving the serious problems stemming from the irregular distribution of water in this vast portion of the national territory, and encompasses the combined control and exploitation of the hydraulic resources of 16 rivers and 7 tributaries, which have a combined annual runoff of 28 million cubic meters (m³). The PLHINO would also incorporate an annual volume of 1.3 million cubic

meters of underground water, to be administered in combination with surface water.

In its original design, the plan involves a system of reservoirs and canals which originate in the south, in the central area of the state of Nayarit, where the average annual rainfall reaches 1,500 millimeters, and the average annual runoff of the rivers exceeds 300,000 m³/km² of the basin. Meanwhile, in the north, in the central zone of Sonora, average annual rainfall is barely 150 mm, and runoff is only 6,000 m³/km², that is, 10 times less precipitation than in the south. Thus, the hydrological potential of the river basins of the south per square kilometer, is 50 times greater than that of the northern rivers. The project was already 30% completed by the early 1980s.

According to studies that have been conducted, the large volumes of surplus water in southern Sinaloa and Nayarit, after satisfying the hydraulic requirements of these zones, would more than meet the long-term water demands of northern Sinaloa and of Sonora, up as far as the Sonora River.

The impact of the prolonged drought, and especially in the irrigation districts of the Yaqui and Mayo valleys in southern Sonora, fulfills the old adage that “Nature is unforgiving.” This aberration of nature dramatically confirms the lunacy of having subjected ourselves unconditionally to free-trade policies, which have defined the agricultural zones of the country—in particular, those with a vast potential to product basic cereals—as “non-strategic zones.” These policies, in effect, state that it is cheaper to import grain than it is to produce it. In this same vein, the World Bank has indicated that, given the shortage of water, priority should be given in northern Mexico to supplying the *maquiladoras* (foreign-owned assembly plants), rather than to agriculture!

As a result of the drought, these two once-fertile valleys have stopped sowing nearly 200,000 of their combined 300,000 hectares. There have been attempts to ameliorate this disaster by drilling wells to extract water from the subsoil, but the cost of electricity, added to the hyperinflated costs of other inputs, and added to the free-trade policy toward prices, have made the sowing of crops such as wheat and corn financially unviable. In the case of Yaqui Valley, the area of corn planned to be under pump irrigation for the next planting cycle will not even reach 12,000 hectares. In general terms, the estimates are that, during the October 2004-September 2005 farming cycle, farmers will scarcely be able to sow 40,000 hectares with free-flowing water, and perhaps a similar amount with pumped water. That is, only some 80,000 of the 220,000 hectares in the Yaqui Valley.

This situation has left the region in a deep economic depression, since all economic activities center around the primary agricultural sector. Poverty and unemployment have grown dramatically. The drought has scourged an agricultural sector which is already crushed by policies which, in the past 20 years, have stripped away all mechanisms of protection, in particular, guaranteed prices. The impotent response of the Federal government has been limited to offering miserable crumbs of assistance, in the form of so-called marketing support and the program Procampo—aid which will disappear in 2005 in any case, under the NAFTA agreement.

The Return to Reality

Given this situation, members of the Permanent Forum of Rural Producers (FPPR) and the International Caucus of Labor Committees (ICLC), since May 2003, have been intensifying their campaign to re-launch the great hydraulic infrastructure projects, among these the great Mexico-U.S. cross-border projects such as the proposed North American Water and Power Alliance (NAWAPA), which would provide vast quantities of water to the region of the Great American Desert, supplying more than 12 million m³ of water from Arizona to northern Sonora, through a canal that would connect the Fronteras River to the Yaqui River basin. Thus, Sonora would receive water from the south through PLHINO, and from the north through NAWAPA.

Since the beginning of 2004, the press has been reporting on this mobilization of the FPPR and ICLC in Sonora for these proposals, in particular for the completion of the PLHINO, which other producer organizations have also adopted. For example, in a recent meeting with Secretary of Agriculture Javier Usabiaga, the president of the Farmer Alliance of the Northwest, former Federal Deputy Juan Leyva Méndivil, demanded that the drought be addressed by finishing the PLHINO. This same argument was made by Sen. Carlos Villalobos Organista, as well as by organized merchants and presidents of farmer organizations in southern Sonora.

From this spreading mobilization has emerged a document, addressed to the governor of Sonora state, Eduardo Bours Castelo, which proposes the reactivation and economic reconstruction of the region, with the completion of the PLHINO has the centerpiece. The document was approved by the Association of Agricultural Organizations of Southern Sonora—which incorporates all the private federations of growers—as well as the Principal Marketing Committee, the Union of Rural Producer Societies of Southern Sonora, the Farmer Alliance of the Northwest, the Agricultural Credit Union of the Yaqui River, the Association of Insurance Funds of Sonora State, the National Union of Farmer Organizations, and the Association of Users of the Yaqui River Irrigation District.

In this document, all of these organizations recognize the fact that the existing hydraulic infrastructure of the Yaqui River basin has already completed its cycle of capitalization, and that the existing hydraulic works along the Pacific Coast were originally conceived as part of the PLHINO. The document concludes that, by admitting that the economic development of Sonora will have no future without water, “we must therefore recognize that the fight to finish the PLHINO is a matter of existential survival.”

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Germany Prepares for An Economic Emergency

by Lothar Komp

Remarkable things are happening in Berlin these days. On Aug. 12, the German government introduced a revision of the 1968 economic emergency law. In the absence of any public debate and any coverage so far by the established media (the new law was published in the official journal for legal affairs, the *Bundesgesetzblatt*, on Aug. 17), the new order has already been approved by the Bundesrat, the upper house of parliament.

A question to the Economics and Justice Ministries elicited great astonishment: “We’ve never heard of this!” But after some back and forth, the ministers’ co-workers admitted that this new measure is operational. In Internet fora, it is being heavily discussed whether the economic emergency law, at the present point in time, had undergone such a great revision because people expect a warlike confrontation, which would endanger social peace in Germany, or because “the international financial system” is about to collapse.

Yet the International Monetary Fund stressed in its “Report on Global Financial Stability 2004,” which was presented on Sept. 15, that the financial markets at this time are in the best of condition, and that it is impossible to discern “from what side sudden systemic threats could show up.” Everything is obviously in good shape. Why then a new emergency law?

The Measures

As in the 1968 version, the government is empowered to take control of certain goods produced by private corporations, of machines and equipment used by the corporate sector, and of private facilities to construct or repair buildings, technical facilities, and infrastructure. These emergency powers are reserved for times of war as well as for circumstances, when supplying the population with basic needs can no longer be guaranteed by “market mechanisms.”

What is new in the revision of the economic emergency laws, is the definition of several specific legal instruments by which the government can impose its emergency powers.

- **Priorities:** The first such instrument is the issuance of a “priority declaration” (*Vorrangerklärung*). The Federal government, the state governments, the municipalities, and entities in charge of crucial supplies or infrastructure can send such a declaration to a private company, forcing it to shift its

production mode in order to fulfill a specified priority task. If a private company has received a “priority declaration” from any of the mentioned institutions, but it needs certain supplies from other private companies to do the job, it will itself be allowed to issue a priority declaration to that company.

- **Compulsory orders:** By issuing these orders (*Verpflichtungsbescheiden*), government agencies can force private companies “to deliver or receive goods,” “to extract, produce, manufacture or use goods,” “to deliver services,” and “to maintain, produce, use or give away its capital stock.”

- **Coupons:** The Economics and Labor Ministry can impose restrictions on the trade of certain goods. Government agencies could then issue and distribute coupons, which allow the respective company to receive a specified amount of such goods. The coupons are not allowed to be transferred to a third party.

On top of the overall economic emergency laws, there already exists a special emergency law for the oil and gasoline sector, another one for power transmission, and yet another one for natural gas deliveries.

The Real Implications

The logical inference from this situation is that the Federal government is a lot more worried about the preservation of the world financial system than it lets on. Within the bureaucracy, there is presumably tremendous concern over the danger of terrorist attacks. But in actuality they are burying the worries that the global financial system will find itself in an unmanageable situation, and that a possible collapse could throw the whole economy into chaos.

On the other hand, the pushing through of this emergency law means a confirmation of the efforts by the LaRouche movement in Germany, the Civil Rights Movement Solidarity (Bürgerrechtsbewegung Solidarität, or BüSo), to work out concrete plans for the reconstruction of Germany’s productive capacity under conditions of a systemic crisis. Reconstruction after World War II led to an “economic miracle,” because during the first ten years, a largely dirigistic economic policy dominated. In different sectors, regulation, even of housing, was lifted at first stepwise, after dirigistic credit and investment policies had achieved success.

In this connection, there is a parallel between the “priority declaration” of the Emergency Law 2004 and the decisions of the Kreditanstalt für Wiederaufbau (Reconstruction Finance Agency), which gave its investment credits to those enterprises whose products were classified as priorities for reconstruction.

This is the model which the BüSo has put forward, in many years of political campaigning, for how the German economy and the world economy could be rebuilt: with a government role in prioritizing credit for infrastructure projects, and other vital endeavors in the interest of the general welfare.

Business Briefs

Mexico

Government 'Of, By And For the Banks'

The Fox government has used the windfall profits from the soaring price of oil to bail out the banks. Between January and August, the national oil company, Pemex, received \$3.6 billion more than what was projected in the 2004 budget, due to the oil price increase. Such windfalls in Mexico are channeled into a special reserve fund, which the government uses as it sees fit.

The windfall was used, according to an exposé published in *La Jornada* Sept. 20, by the Central Bank auctioning off those dollars—and \$1.75 billion more—to the private banks in Mexico, at a price 9% below what the banks are required to sell them at to the public. The result, by *La Jornada's* calculations, was a \$444 million profit for the banks.

The Central Bank adopted the policy of selling foreign exchange to the banks in May 2003, officially explained as a measure to slow the rate of accumulation of foreign exchange. In reality, the Central Bank's sale of dollars has kept up the value of the peso, and kept domestic interest rates down, while providing a juicy stream of income to the banks—which are more than 80% foreign-owned, as *EIR's* July 2, 2004 study demonstrated. Since the banks in Mexico have not made loans to Mexican companies or individuals since the 1995 blow-out, in effect the Mexican Central Bank has been channeling Pemex's windfall profits into capital flight out of Mexico.

Monetary System

UNCTAD Chief Economist Wants 'New Bretton Woods'

In an interview with the German edition of the London *Financial Times*, United Nations Conference for Trade and Development (UNCTAD) chief economist Heiner Flassbeck, Deputy of former German Finance Minister Oskar Lafontaine, notes: "It's becoming ever more obvious that we need a new Bretton Woods system." He added: "A

globalized economy cannot function without either a global currency or a global fixing of foreign exchange relations." He pointed to the huge imbalances in the world economy where, contrary to all the textbooks, countries in the developing sector are channelling a net \$200 billion each year into the richer countries, just in order to stabilize the foreign exchange values of their currencies.

Flassbeck lists all the recent financial and monetary crises: Asia, 1997; Argentina, 2001; and Brazil, 2002. But if the richer countries fail to implement a new fixed exchange rate system, he says, they themselves will also have to suffer great damage. There is a real danger of a system crash, warns Flassbeck. And in particular for the export-dependent German economy, the implications would be disastrous.

Transport

Indian Railways Going High-Speed

Indian Railways is developing a five-year integrated modernization plan, focussing on development of high-speed trains and tracks, train sets (locomotive and coach), and signalling mechanisms, according to the daily *Business Standard*. The Railways Ministry has asked all directorates to provide inputs on areas they consider eligible for inclusion in the modernization plan.

The Plan will be implemented between 2005 and 2010. The proposed high-speed network will have trains running at an average speed of over 150 miles per hour on dedicated high-speed tracks. The tracks will be fully fenced and isolated from road traffic and the trains will have enhanced safety features and signal warning system.

Manufacturing

Japan To Build New Indian Steel Plant

Mitsui and Co. has expressed keen interest to set up a 5-million-ton steel plant in the Indian state of Orissa. "We are now explor-

ing the possibilities and gathering information on the prospects of putting up" the plant, Mitsui Chairman Takao Miyachi told the press Sept. 9. He pointed out that the most significant aspect of the proposed venture is that for the first time in India, it will use the high-tech (not based on coking-coal) steel production developed by a Mitsui subsidiary. This technology is expected to overcome the crisis faced by many steel producers due to a shortfall in supply of coking coal.

If Mitsui goes ahead with its plan, it will be the third steel plant to be set up in Orissa in the coming years. Tata Steel has already announced a plan to set up a 6-million-ton steel plant in the state, and the Vedanata Resources—a holding company of Sterlite Industries of India—has also announced an investment of almost \$2.8 billion to set up a 1-million-ton steel plant in Orissa.

Brazil

President Lula wants TVA-Style Project

"I want to do in the semi-arid Northeast, what Roosevelt did in the Tennessee Valley," Brazilian President Lula da Silva stated during a ceremony to inaugurate a refinery on Sept. 14. Lula has been personally campaigning for his biggest investment project planned for 2005: the centuries-old plan to divert the waters in the São Francisco River basin to irrigate four of Brazil's poorest states in the Northeast, which suffer constant droughts. The modern version of the São Francisco project, which includes 500 km of canals, was drafted decades ago, after direct study of FDR's TVA.

Despite opposition by parochial interests, Lula said on Sept. 2, that this project must be carried out, because it will "revolutionize" the Northeast over the next 5-10 years. The President—who grew up in extreme poverty in that area—called it an "historic error" that the project had never been implemented. "Those who criticize . . . the project didn't drink dirty water as my brothers and sisters and I did when we were growing up in the Northeast. We drank the same water as the cattle, and this must end," he told an audience on Sept. 14.

Elections in Saxony Transform German Politics

by Rainer Apel

The results of the Sept. 19 elections for state parliament in the German state of Saxony show the beginning of a qualitative shift in German politics. The inability to deal with the worsening economic crisis has devastated the “established” national parties, first of all the Christian Democratic Union (CDU), and, to a slightly lesser extent, the Social Democratic Party (SPD) of Chancellor Gerhard Schröder and his Green Party coalition partner. Despite appeals from establishment institutions and the mainstream media to the voters not to voice their protest by boycotting the ballots, 39% of voters in Saxony and 44% in Brandenburg stayed home, on Sept. 19. The direct protest vote, benefitting the right-extremist National Democratic Party (NPD) in Saxony, and its sister party, the German People’s Union (Deutsche Volksunion, DVU) in the state of Brandenburg, has been played up by the national and international media.

The Civil Rights Movement Solidarity party (BüSo), led by Helga Zepp-LaRouche, campaigned hard in Saxony, and achieved a higher total than ever before, with nearly 6% in some districts. The party’s slate as a whole won 0.5% of the statewide vote, and 2-5% for each of its 21, predominantly young, candidates. The following are some BüSo results from individual election districts: Schwarzenberg, 2.2%; Zwickau 2, 3.6%; Zwickau 3, 3.0%; Chemnitz 4, 3.8%; Freiberg, 2.2%; Görlitz, 2.7%; Kamenz, 2.4%; Meissen, 2.4%; Mittweida, 5.7%. In numerous sub-districts, between 5 and 8% of the vote was recorded.

Although these vote totals appear small from the vantage-point of American politics, they represent a more than fivefold increase from the BüSo vote in 1999. Voting for the 21 direct candidates were 18,034 people; for the whole slate, 11,284. Further, in Germany’s parliamentary system, small parties can play an important leverage role that does not exist in the American electoral system. Once a party achieves 5% on the

national level, it becomes eligible for seats in parliament, and can be a coalition partner in the national government.

In spite of very modest campaign funds, the forceful campaigning of the young BüSo activists and the BüSo’s job-creation program—8 million productive jobs through 200 billion euros of state-directed annual investments—made the difference. Party chairwoman Helga Zepp-LaRouche called her party’s vote: “a breakthrough—it proves that we are on the right track. This is real outreach, and it was done by the LaRouche Youth and the Monday Demonstrations. The major parties are paying the bill for Hartz IV [the government’s vicious austerity program]. If they don’t change, it will get worse for them.”

The BüSo was directly responsible for sparking the Monday demonstrations, which spread from Leipzig, in Saxony, on July 12, to cities throughout Germany, and now to other nations in Europe. Although the election is over, the demonstration process continues to grow, and reshape politics.

Problems for the CDU

Saxony’s CDU State Governor Georg Milbradt paid the highest price for the neo-liberal social-economic policies of national party chairwoman Angela Merkel: The CDU lost 15.8%, compared to its 1999 vote. The Christian Democrats ignored the fact that 75% of the CDU voter base, according to an opinion poll published three weeks before election day, supported (and still supports) the Monday demonstrations. The CDU also lost heavily (7.1%) in the state elections in Brandenburg, while the post-communist Party of Democratic Socialism (PDS) consolidated its position in both states. The SPD lost 7.4% in Brandenburg, and lost 18 of its 37 election districts to the PDS, but it remained the strongest party there, in terms of the statewide vote. While losing only slightly (0.9%) in Saxony, the SPD’s 9.8% there nevertheless repre-



The LaRouche Youth Movement and the Civil Rights Movement Solidarity party (BüSo), during a week of action in Berlin earlier this year. The BüSo's fivefold vote increase in the state of Saxony during the Sept. 19 elections, is the harbinger of political earthquakes to come.

sent the party's worst election result in Germany's post-war history.

The Monday demonstrations have proven to be the main catalyst of the expanding debate on economic alternatives to the austerity policies of the Schröder government and the other parties. Monday rallies, held in about 240 cities of Germany the day after the Saxony election, will continue, in spite of the political establishment telling the citizens that "now after the elections, protests are no longer meaningful." The pressure of the protesting population on the government and the establishment parties to change policies, will increase, as will the recognition of the BüSo and the LaRouche Youth, who again on Sept. 20 intervened in 17 Monday rallies, either with speakers or in other forms.

A specific pressure to change can be observed inside the CDU, where a revolt is building against Chairwoman Angela Merkel and her neo-con leadership circle. Christian Democrats in Saxony feel quite frustrated at the fact that their party "did not listen in time, to what the voters think about Hartz IV," that after some statements of sympathy with the Monday protests in early August, Governor Milbradt returned to party discipline, namely Merkel's hard line of "budget reforms." Merkel, in interviews, as well as during her visits to Saxony during the election campaign, left no doubt that she not only backed Hartz IV, but insisted that budget cuts had to be even deeper. Voters were scared away from the CDU.

And even after the election debacle, Merkel urged her party to "close ranks" and "stay the course," but, as the afore-said Saxon opinion poll shows, 75% of her party in Saxony

alone wants another policy. On a national scale, Merkel's hard-headedness has decreased popularity ratings for the CDU from 50% at the end of May, to 42% in mid-September. With her suicidal policy course, she will not be able to chase Chancellor Schröder out of office.

Dilemma for the SPD

For the SPD, however, there is no real reason to applaud the rapid drop in CDU popularity, because it does not solve the Social Democrats' problem that they still have no policy to address the nation's catastrophic unemployment situation. Leading SPD politicians, including the Chancellor himself, have repeatedly admitted in public, that their Hartz IV package of drastic cutting in labor market and welfare budgets will not create any real new jobs. For young Saxons or Brandenburgians who finish school and find no job in their state or city, the alternative is either to seek a job in one of the western states, or to

join the long queues of jobless at home.

Since official statistics omit all jobless citizens who are above age 58, or who are involved in make-work programs of 6-9 months duration, real unemployment in the east of Germany generally is 50% above the official figure. This means that the real average unemployment in Saxony is not 18%, but rather 27%, and in the crisis regions, it is not 21 or 22% as claimed, but above 30%. There is generally one free job offered to 50, 80, or even 100 jobless citizens, in Germany's eastern regions, where full employment will be achieved, only if 2-3 million new jobs are created. So far, only the BüSo program has shown how this can be done, with high-technology infrastructure development, linked up to the Eurasian Land-Bridge.

Unless the SPD finally listens to the BüSo, there is no question but that the frustration level will rise. Current plans are for a huge rally in Berlin on Oct. 2, the day before German Unity Day. Nor is the unrest likely to end then, because Hartz IV will actually go into effect in January.

In addition, the ferment is now spreading throughout the rest of Europe, where every country is under assault from the austerity diktat of the European Commission and the International Monetary Fund. Demonstrations have occurred in France and Austria, and on Sept. 23, labor unions and leftist organizations, with a total membership of more than 300,000, are planning a day of national protest against austerity in seven cities in Switzerland. On Sept. 21, protests broke out in the Netherlands, with more than 30,000 people taking to the streets of Rotterdam.

Who, or What, Is the ‘Islamic Army of Iraq’?

by Muriel Mirak-Weissbach and Hussein Askary

When Russian President Vladimir Putin, on Sept. 4, identified terrorists, like those who had organized the massacre of Beslan, North Ossetia, as “instruments” backed by foreign powers, committed to destroying Russia, he relocated “terrorism” in the global strategy of tension. In later statements, he identified those forces harboring such terrorist leaders (in London and Washington), thus pinpointing the origin of the threat. As Lyndon LaRouche has insisted for decades, naming the names is one crucial step in defusing terrorist threats.

A case in point is that of the “Islamic Army of Iraq” (IAI) which has recently grabbed headlines for a series of kidnappings and killings in Iraq. Although it operates on a smaller scale than the perpetrators in the Russian Federation, if the IAI can be exposed and identified, it could have strategic implications.

The IAI kidnapped Iranian diplomat Ferejun Jahani on Aug. 4, accusing him of having interfered in the internal affairs of Iraq. Then they kidnapped Italian journalist Enzo Baldoni on Aug. 21, and killed him shortly thereafter. French journalists Christian Chesnot and Georges Malbrunot were abducted on the same day, and have not been heard from since. Finally, two Italian women working with the Bridge to Baghdad humanitarian aid organization, were kidnapped on Sept. 8.

All the European hostages were explicitly opposed to the war and the occupation. So, why would any Iraqi resistance movement, fighting the occupation, have an interest in kidnapping or killing such people? Why kidnap French journalists, when France opposed the war?

Sheikh Abdul Salam al-Kubaisi, who is a Sunni leader of Iraq’s National Muslim Alliance, and who has helped negotiate the release of hostages, broke a taboo, when he questioned the authenticity of the IAI. It was reported in a German wire service, *Junge Welt*, that al-Kubaisi had been picked up for questioning by the U.S. authorities because of his search for the identity of the group. The real story, as reported to *EIR* by a high-level Iraqi source, is more intriguing: Al-Kubaisi had been negotiating the release of the two French journalists, and was on his way to a crucial appointment with representatives of the kidnappers. He was ambushed by American authorities, which action sabotaged his mission.

Al-Kubaisi’s explicit questioning of the authenticity of the IAI has been covered in the Arabic and Italian press, and

in the London *Guardian* of Sept. 16. In an article entitled, “Who Seized Simona Torretta?” the *Guardian* provided the most detailed picture of the Italian case. Torretta, who had begun her humanitarian aid work in Iraq in 1996, returned during the March 2003 war, and, despite security risks, remained during the occupation. On Sept. 8, she was kidnapped, along with her Italian colleague, Simona Paris, plus Iraqi colleagues Raad Ali Abdul Azziz and Mahnouz Bassam.

The political response to the event was two-fold: Some pro-war voices claimed that the women had been naive pacifists, who supported a vicious resistance. “Meanwhile,” wrote the *Guardian*, “a growing number of Islamic leaders are hinting that the raid on A Bridge to Baghdad was not the work of mujahideen, but of foreign intelligence agencies out to discredit the resistance.” What prompted this hypothesis was the unusual *modus operandi* of the kidnappers. “Nothing about this kidnapping fits the pattern of other abductions. Most are opportunistic attacks on treacherous stretches of road. Torretta and her colleagues were coldly hunted down in their home. And while mujahideen in Iraq scrupulously hide their identities, making sure to wrap their faces in scarves, these kidnappers were bare-faced and clean-shaven, some in business suits. One assailant was addressed by the others as ‘sir.’ ”

Furthermore, the assailants asked staff members for the women, by name, and dragged an Iraqi woman by her headscarf—not the behavior of an Islamist! “Most extraordinary was the size of the operation: rather than the usual three or four fighters, 20 armed men pulled up to the house in broad daylight, seemingly unconcerned about being caught. Only blocks from the heavily patrolled Green Zone, the whole operation went off with no interference from Iraqi police or U.S. military—although *Newsweek* reported that ‘about 15 minutes afterwards, an American Humvee convoy passed hardly a block away.’ ”

The kidnappers had AK-47s and other weapons not usually used by the resistance, and many wore Iraqi National Guard uniforms, “and identified themselves as working for Ayad Allawi, the interim prime minister.”

Thus the question raised is whether this was a “covert police operation.” Sheikh al-Kubaisi’s testimony on the affair supported this hypothesis. He reported that he had received the two women the day prior to their abduction. “‘They were scared,’ the cleric said. ‘They told me that someone threatened them.’ Asked who was behind the threats, al-Kubaisi replied: ‘We suspect some foreign intelligence.’ ” In other accounts, al-Kubaisi said they confided other important matters to him, which he did not want to reveal, out of concern for their security. He also said they had sought his assistance, to organize a humanitarian aid convoy to Fallujah. The *Guardian* noted that his views cannot be considered conspiracy theories, given his ties to many resistance groups, and his help in securing the release of hostages.

Independently of press reports, *EIR* has received confir-

mation by authoritative Iraqi sources, that the IAI is phony. One Iraqi source reported on Sept. 17, that the kidnapers of the French, whether Iraqis or other Arabs, were “penetrated by foreign intelligence,” by the Americans or British. As for the Italian women, he said, “I can swear 100 oaths, that their kidnapers are from intelligence services, either those of the current Iraqi government, or other foreign intelligence services which are active in Iraq.” He believed that one aim of the operation was to discredit the resistance, and noted that demonstrations mounted against the resistance, had indeed been organized by the Allawi government, by Ahmed Chalabi networks, and by some non-governmental organizations financed by the occupation.

Also on Sept. 17, when reports were published that French Defense Minister Michèle Alliot-Marie had reason to believe that the journalists were alive, another member of the al-Kubaisi family, and representative of the top Sunni religious association trying to negotiate their release, reiterated the charge that such attempts were being sabotaged. “We are under the impression that the American forces do not want the hostages to be freed, because each time we get near a solution, these forces push for a military escalation,” said Mohammed Ayash al-Kubaisi, the group’s representative abroad. “We believe these forces have political aims, seeking to create a chaotic situation which does not contribute to progress,” he told Agence France Presse.

Such continuing exposure of the IAI has upped the pressure on the political forces behind the group. According to one Saudi website on Sept. 19, the IAI had delivered the two journalists to a recognized resistance movement, which was proceeding to negotiate a release.

Cui Bono?

To fill out the picture, one must add a few other pieces to the puzzle, to wit, the political responses by the Allawi government. The Prime Minister himself issued an outrageous statement in a meeting with foreign press, on Aug. 29, in which he said that the French were themselves to blame. As quoted by *El Pais*, Allawi stated: “What happened to the Italian journalist is what right now the French journalists are living through, and this is what will happen also to all those who like France were opposing the war against terrorism; nobody is safe. And to avoid the confrontation is not a solution. France and other democratic nations cannot just feel comfortable by taking a passive position. The United States and Great Britain and all those states which fight in Iraq are not only fighting to protect Iraqis, but also to protect their own country.” In a clear threat to France, Allawi then said: “Those governments which take a passive position with respect to the situation in Iraq will be the next targets of the terrorists. There will be attacks in Paris, Nizza, Cannes. . . . Now is the time to fight against terrorism the same way Europe fought against Hitler.” He again warned France, mafia-style: “Let me tell you that the French, despite all the noise which they make with

their ‘No to the war,’ will soon have to fight against terrorists.”

The French government, appalled by this attitude, avoided any direct contact with the Allawi government or the U.S. authorities, in its attempt to free the journalists. As reported above, Sheikh al-Kubaisi, who was working closely with the French, was prevented from carrying out his mission, by U.S. interference. In addition, a new offensive launched by the U.S. military in the area where they had been kidnapped, also reportedly frustrated plans to have the journalists released.

That the French government may share al-Kubaisi’s suspicions, was indicated by the dramatic cooling of relations between Paris and Baghdad. Interim President Ghazi al-Yawer had been invited to visit France, during a European tour in early September, but the French cancelled the invitation. He had planned to address the European Parliament in Strasbourg on Sept. 14, but after the French made known that they considered his presence there “inopportune,” as long as the fate of the journalists remained unknown, al-Yawer cancelled the visit.

Also in the case of the Iranian diplomat kidnapped, reportedly by the same group, the political context is important. Allawi’s government, most notably his Defense Minister al-Shalaan, had publicly accused Iran of meddling in Iraqi affairs, and gone so far as to label the neighboring country “Iraq’s number one enemy.” When Ferejun Jahani was abducted, it was reported that he had been accused of interfering in Iraqi internal affairs. Statements charging Iran with interference are a regular feature of press briefings by Defense Secretary Donald Rumsfeld and other neo-cons in Washington.

All major Islamic organizations, including the Hezbollah, Islamic Jihad, the International Association of Islamic Scholars, Iraqi resistance groups, and Islamic groups in Europe, have roundly condemned the kidnappings and the IAI, and demanded the release of the hostages. Yet, as noted by the *Guardian*, neither the Allawi government nor the White House has followed suit.

Finally, a note on Allawi. As widely reported after the June “transfer of sovereignty” to the interim government, Allawi had been an intelligence official working for Saddam Hussein in England, surveilling Iraqi students there. He became a dissident and was signed up by both British and U.S. intelligence, beginning in the 1980s. He was the proponent of a military coup against the regime, which was attempted, but failed. He bragged, in a meeting with journalists on Sept. 7, that he had worked with “at least 15” foreign intelligence services.

If the preliminary identification of the IAI can be fully documented—and *EIR* is continuing its investigation—it will drive the last nail into the coffin of the Allawi government. It would also fuel the process of discrediting the entire war adventure launched by the Cheney-Bush regime, helping it along to a speedy downfall.

Let's Tell the Truth About Sudan

by Lawrence K. Freeman

Washington, D.C. has been awash over recent weeks with forums about the crisis in Darfur, Sudan, which feature speakers from the far lunatic right to those with a more moderate outlook. The *Washington Post* has been filled with editorials and commentary attacking Sudan. Hypocritically, many of the sponsors and participants in these events don't really give a damn about the people of Sudan, much less about the welfare of hundreds of millions of sub-Saharan Africans, who are barely existing in some of the worst conditions, not fit for human beings on this planet. Otherwise the conditions in Darfur, and other regions like Darfur, would never have been allowed to fester. Members of the Congressional Black Caucus demonstrate and partake in their symbolic arrests outside the Sudanese Embassy, with support from many gullible and naive African Americans.

Of course, no one would deny that there is a grave humanitarian crisis in Darfur, accentuated by tribal militia fighting. But, how did it come about? Why has it flared up over the recent period? What forces are behind this "new" hot spot boiling over at this time, and for what purpose? An intelligent citizen concerned about the world might ask such questions, rather than mindlessly following what passes for public opinion about Sudan and Africa. Remember several years ago, when all the same institutions were whipping up the American population, and the same "black leaders," over slavery in Sudan, and then it finally leaked out that it was all a big scam.

Don't be fooled again.

Development or Genocide?

The truth is that forces in the Anglo-American establishment led by Great Britain, have sought the dismembering of the nation of Sudan for decades. Nothing less than the overthrow of the Khartoum government, and division of the nation into warring factions, and/or the imposition of an international military strike force, acting as mercenaries operating freely inside Sudan, are their ultimate goals. In the present collapse of the world financial-monetary system, Sudan's land, resources, and its geopolitical strategic positioning in Eastern Africa, which borders Southwest Asia, are coveted as valuable possessions. Add to this Harvard ideologue Samuel Huntington's racist "Clash of Civilization" diatribe against Islam, and Britain's vintage racial-imperialist dreams about Africa, as outlined in Henry Kissinger's National Security Study Memorandum 200 (Dec. 10, 1974), and you have some very ugly-evil motivations at work.

As anyone who has been to Sudan (or other sub-Saharan nations) can easily know, this is a poor nation, but one, like many others, super-rich in human and physical potential. Since the 1960s cultural paradigm-shift against technological development of the "Third World" in favor of malthusian depopulation, the policy of the International Monetary Fund, World Bank, and allied institutions has been to reduce the sub-Saharan population by war, famine, disease, and pestilence. Let the Four Horseman of the Apocalypse be the instrument of genocide for much of the continent, they say. Why allege genocide only in Darfur? Haven't more horrible crimes against humanity been done to almost the whole continent for over 30 years, under the bankers' rule?

Why haven't there been massive national and regional infrastructure projects to provide clean and safe water, plentiful electrical power, and efficient transportation in Africa? Because they were not *intended* to be built. Look at Darfur. How much water is available for personal consumption, for livestock and agriculture? For decades, the Darfur region like many others has suffered, including local armed struggles, due to the *lack of water*. Any sane concerned person would help Darfur, Sudan, and the rest of Africa, to develop their vast agricultural potential, with basic water projects like canals, so the swamps don't absorb what little water there is, and through water management increase the flow of fresh water. What hypocrisy it is to talk about genocide against the Darfurians, when the policy from Western institutions has been genocide all along, through the deliberate prevention of the growth of their physical economies.

United Nations Secretary General Kofi Annan said, that only 40% of the humanitarian needs for Darfur have been met so far. Yet wouldn't it be far wiser in the long term to help this region agriculturally blossom, than have dozens of NGOs fail in their effort, no matter how heroic some of their efforts may be in attempting to provide emergency food, water, and other vital supplies? But such long-term investments in basic infrastructure are not considered *profitable* by the so-called markets, and especially not for Africans!

Some Signs of Moderation

When Secretary of State Colin Powell foolishly declared the crisis in Darfur to be genocide, whether out of ignorance, or pressure, he gave the two rebel organizations that initiated the military escalation last February, the green light to ignore the peace talks sponsored by the African Union, in Abuja,

Nigeria, and virtually guaranteed the killings would continue. Kofi Annan has not accepted this formulation, and is sending a team to Sudan to investigate. So far neither the European Union, nor any single European nation, has echoed Powell's formulation. Jan Pronk, the UN special envoy to Sudan, has rejected the use of sanctions called for in UN Resolution 1564, as counterproductive and harmful to the population of Sudan.

Former U.S. Ambassador Richard Holbrooke, who is also one of Presidential candidate John Kerry's top foreign policy advisors, while praising Powell's characterization of the crisis in Darfur as genocide, has for the moment staked out a more moderate position. At a recent forum in Washington, D.C., Holbrooke called for the United States to give considerable financial and logistical support to the African Union's deployment into Darfur, ruling out any U.S. military role. He also called for the United States to send a full-time ambassador to the African Union, and for a higher-level representative to attend the Abuja peace talks. While these contributions are useful to counteract those advocating a regime change Iraq-style, unfortunately this thinking is still within the accepted Washington "rules of the game," and does not address the fundamental flawed axioms of U.S. policy toward Africa.

Interview: Khidir Ahmed

Second Front Opened Against Sudan

Sudan's Ambassador to the United States, Khidir H. Ahmed, was interviewed by Lawrence Freeman, on Sept. 20.

EIR: Ambassador Ahmed, there has been a great deal of focus in the United States on the situation in Darfur, Sudan. Recently U.S. Secretary of State Colin Powell declared the situation over there genocide, and a UN resolution was passed over this weekend—Resolution 1564. I have a series of questions on this I would like to ask you.

First of all, could you tell us exactly what is happening on the ground in Darfur at this moment?

Ahmed: What is happening right now in Darfur at this moment—even according to the United States report to the UN Security Council recently—things are improving. Two days ago we had the foreign minister of Spain, who just concluded a visit to Khartoum. He met with the President and other senior officials there. He concluded that the situation is improving. Also the state minister of the Foreign Secretary of Britain also said three days ago that surely the situation is improving. So it came as a surprise to everybody that despite this improvement on the ground, the United States is in fact

too hasty to punish the government of Sudan, rather than to acknowledge and build upon the improvement which is taking place now.

EIR: Mr. LaRouche has said that the situation in Darfur is being orchestrated by outside forces for geopolitical reasons against the Sudan government. Both of the rebel groups¹ are supported by forces that are opposed to the Sudan government, and are the ones responsible for starting the crisis. How do you see the Sudan government finding a solution to this crisis in dealing with these outside forces?

Ahmed: Well, I think it was not a coincidence that, at the time when we signed a memorandum on the cessation of hostilities back in February 2003, these two groups—in the same month—attacked the major city of El Fasher: they disabled four airplanes on the runway; they destroyed two helicopters; they killed scores of civilians as well as military people in El Fasher itself; and they went on a rampage. They killed any police officer they could catch there, and also they destroyed the police station for the entire region. By that they created a security vacuum, which is unfortunately filled by different tribal militias there, and the natural result of that was this tragic humanitarian situation.

That was not a coincidence, because the agreement which we signed at that time, with the SPLM/SPLA [southern anti-government groups—ed.] in February 2003, was the major one. It was the memorandum on the cessation of hostilities which technically stopped the war between the North and the South. So there was a deliberate effort to open a new front there [in the Darfur area in western Sudan—ed.]. And it is no secret now, even the United States admitted that the Eritrean government was involved, and is still involved. The SPLM also, according to Charles R. Snyder, Principal Deputy Assistant Secretary for African Affairs, in his testimony before the Senate on June 15. He put it quite clearly that they are totally convinced that the SPLM/SPLA trained, and provided arms and munitions to these two rebel groups in order to open a new front, and also to weaken the position of the government at the negotiating table there. And I would assume that some friends of all these people from outside are also part of that.

We heard about the whole strategy of making the situation similar to the civil war in the South by creating a very similar front on the western part of the country, in which the El Khufra region of Libya will serve as does Lokichokio, in Kenya,² to

1. The two anti-government rebel groups are: Justice and Equality Movement (JEM), connected to Hassan al-Turabi (who himself left the government in 2002); and the Sudan Liberation Movement/Army (SLA), founded by former state minister Khalil Ibrahim, (who sided with Turabi in 2002). See *EIR* Aug. 6, 2004, "Western Powers Seek Sudan Disintegration," for a more detailed description of the background of these groups.

2. The anti-government rebellion in southern Sudan receives significant support via this airbase. Despite being in a remote, sparsely populated part of Kenya, it is reportedly the busiest airport in the country. The airbase is a ChevronTexaco refueling facility. ChevronTexaco has no oil interests in neighboring Sudan, and only marketing interests in Kenya.



is now happening with the African Union deployment, and what do you hope will happen over the weeks and months ahead?

Ahmed: The African Union, as a newly founded entity, was supposed to be given time in order to resolve this problem. They know the situation very well, better than anybody else. But unfortunately, twice their efforts have been jeopardized by the United States. In fact, according to the UN Charter, whenever you have a conflict being handled by a regional organization, it should remain there unless the regional organization itself came to the United Nations, and said: "Well, we couldn't resolve it." What happened is that while the African Union is working hard in order to resolve this problem, and is sponsoring one or two agreements between the government and the rebel movements, the United States took the issue to the United Nations Security Council, issued resolution 1556, and again, also at a very critical time, the United States intervened by supporting and helping the passage of this recent United Nations Security Council Resolution 1564, which in fact jeopardized the efforts of the African Union, and took the whole issue from their hands. What they are saying about supporting the African Union, to us is just lip service.

EIR: Sir, could you tell us how many troops are there, sponsored by the African Union, and how many troops do you expect will be there to help in the Darfur crisis?

Ahmed: According to the African summit last June in Addis Ababa, they decided to send 150 monitors, and to protect them with 300 African Union troops. We have now about 355 troops from Rwanda and Nigeria. We have around 100 monitors in the region. The government said it would have no problem to receive more African Union monitors, and people to protect them there. We are open to that, but from the beginning we said this should be the decision of the African Union, not anybody else. So this is the situation, and ironically, if you look into this recent resolution, it will tell you a lot about that.

The United Nations, in a way, unfortunately contradicted itself. Before me here is the Resolution 1564, which has just been passed, just two days ago. The first paragraph says the following: "Declares its grave concern that the government of Sudan has not fully met its obligations noted in resolution 1556, 2004." This is what they said here. The other document is the United Nations Secretary General Kofi Annan report to the Council on September 2nd. This is prepared, of course, by Mr. Jan Pronk, UN Special Envoy to Sudan, who is on the ground there. He said the following to justify how the government [of Sudan] could not fully act upon its obligation. He said the following: "First, the acknowledgement that not all commitments made by the government could be fully implemented within 30 days. Making an area the size of Darfur, in view of the number of armed men there, and violent recent history, safe and secure for all civilians, takes more than 30

just recreate the civil war that the country suffered from in the South, in the western part of the country, in order to weaken the government, to dismember the country. And so some forces from outside the country in collaboration with the elements which I just mentioned, contributed a great deal to this situation.

Again, we feel that there is a great reluctance here to condemn openly these two groups, to the degree that when the African Union invited the government, and these two groups for negotiations in Addis Ababa, on July 17, these two groups walked out from this. Again, at the time when negotiations in Abuja, which was sponsored by the African Union, showed a great deal of progress, the testimony of the Secretary of State came at that critical time in order to discourage them from continuing negotiations, and technically the negotiations between the government and these two rebel groups collapsed.

So this is exactly the situation. It shows you that outside elements are working hard, they are in business in order not to enable the Sudanese people to enjoy the peace they have been waiting for for a long time.

EIR: Recently, this past week, former Ambassador Richard Holbrooke said that the main responsibility for the policy of the United States should be to support the African Union, to supply finances and logistics, for the African Union to deploy troops into the Darfur area. Could you tell us what

days.” So the United Nations is asking you to do a certain job within 30 days, and then they say “Okay, we are wrong. You couldn’t do it in that time.” Despite that, they would punish you. So I think this is, unfortunately, in my opinion, what academicians call a case study of how even international agencies could be pushed to pass very hasty, very irrational, very unfair resolutions against small and poor nations.

EIR: Are you expecting more troops from the African Union to be deployed in the area?

Ahmed: With respect to sending troops there, again I said that the government has not any problem with that. It is up to the African Union to decide the number and mechanism of deploying these troops in the region. But we believe that the best thing to do is to leave the protection of the civilians to the government, because having foreign troops who are totally alien to the region, with a conspicuous kind of uniform would make themselves targets of the different outlaw militias in the region, and the region itself might attract some extremists, some terrorists into the region in order to wage a war against what they might call foreign invasions.

So for these reasons we think that the international community should give ample time for that. Domestic elections in the United States should not in any way result in more suffering of the Sudanese people, who have nothing to do with this election.

EIR: If you could tell us as clearly as possible, what is the solution, what is the government of Sudan proposing as a solution to resolve this crisis? There obviously is great humanitarian suffering going on, and obviously there is a great deal of military fighting going on between the Janjawid and the rebel groups; how do you see this crisis being resolved? What steps need to be taken?

Ahmed: The African Union suggested a certain kind of solution to this, which is in fact accepted by the government: designate certain areas for the rebels to be amassed in, and the government is ready even to allow the African Union to send troops in order to protect them in those designated areas. This will enable the government to roam the entire region, disarming anybody else. And here, you could set a time for that. But allowing these people to function, roaming the entire region, it will be very difficult to distinguish who is who; if the concentration unfortunately of the government is to disarm only the Janjawid or the Arab tribal militias, it is unrealistic. Since you have other tribal militias, to ask the government just to disarm only certain tribal groups, because they wouldn’t disarm themselves, [the other groups would say] the government is not available here, it could not protect us; we are not going to disarm ourselves, unless you disarm the others, which is very natural. And the African Union is for this; but the two rebel groups are not receptive to that, so I think, in order to bring back security and safety to the region, and to allow people to go back to their villages, the solution is to

disarm all non-governmental militias in the region. So we think this is the best way to do it. Just to concentrate on certain kinds of missions—Janjawid are outlawed, we said that they are a bunch of criminals. But you have a larger number of other nomadic tribal militias, who would not accept this, because they have been attacked by these people in the past, and still they are under attack from the two rebel groups there. So, I think we are really supportive to the African Union design, in order to designate certain areas for these people to disarm simultaneously. This is the only way that would bring back peace and security to the people of Darfur.

EIR: What about economic development, sir? Obviously this is a poor area of Sudan. One of the major concerns has been the lack of water for both the farmers and the ranchers. What steps would the Sudanese government like to take to develop this area economically?

Ahmed: The government committed itself to all kinds of solutions to this problem. You know Sudan itself is potentially a very rich country. But right now it is still designated by the United Nations as among the least-developed countries, which includes about 48 sub-Saharan African countries. So to talk about marginalization, or to use it as a pretext to wage war against the government, is unrealistic because you have the entire country, even in Khartoum itself, if you go just ten miles out of Khartoum, you will find people who have no real facilities of water, electricity, or anything. So you cannot pinpoint certain areas in Sudan, and say they are developed, and other areas are undeveloped. All the country is a very poor country. So the international community should be very careful about that. You should not condone armed struggle as a means to address grievances. If you do that, you are going to enflame the entire African continent, because you have a very similar situation in every single country in Africa.

Ironically, despite all this outcry about the humanitarian situation, you have resolution after resolution being adopted, and the contribution of the international community to the needs of the people there is still less than 50%, which is a very strange situation, in terms of the real needs of the people in Darfur. So if these people are serious about the situation, they would not have been very hasty in penalizing the government; the priority should have been to serve, and secure, and feed these people, and to protect them from epidemics in that part of the region. So the first step, after disarming all these militias, should be some kind of international donation forum for helping the government to end . . . and frankly, according to statistics, this is the only government that has really developed this region of Darfur. You would be surprised to know that in 1989 this area had about six or seven high schools; today they have 250. They have three universities in the region, three international airports, many dams have been established in that part of the country. So I think there is a lot for the international community to do, in terms of helping development of this region the way you just mentioned.

Democrats At a Turning Point: Kerry Starts Telling the Truth

by Nancy Spannaus

A shift in the campaign strategy and tactics of Democratic Presidential candidate John Kerry, to hold President George W. Bush and his controller, Vice President Dick Cheney, accountable for disaster in Iraq and for the horrendous condition of the U.S. economy—a shift demanded by leading Democrats Lyndon LaRouche and former President Bill Clinton, among others—holds the promise of victory for the Kerry-Edwards ticket in November.

That shift, which has been taking place as incompetents and saboteurs within the campaign, such as the consultant Bob “Loser” Shrum, have been downgraded in favor of several former Clinton aides, has been evident on the stump and in campaign ads in the two weeks immediately following Labor Day. Democratic insiders saw a key, and perhaps decisive, turning point in this battle—and the election—on Sept. 20, in Kerry’s policy address on the Iraq War at New York University. That speech was clearly intended to pre-empt the President’s remarks before the United Nations General Assembly the next day.

Kerry kept up his tough, and increasing Presidential, assault on Bush over the next days, during a trip to Florida. Over and over, he hammered on the fact that the President is not in reality: Before a rally of 9,000 gathered at the T.D. Waterhouse Center, near Orlando, Kerry said, “I’ll tell you, I’ve traveled to something like 47 states in the United States over the last two years. George Bush has only been traveling in one state, the state of denial,” and then lit into Bush on Iraq. Noting that the campaign had neared Disney’s “fantasy land” in Orlando, Kerry said, “The difference between George Bush and me, is that I drove by it. He lives in it.”

It is Lyndon LaRouche’s assessment that, if Kerry keeps up these tough, high-impact, focussed attacks, and extends them to the economy, before the Sept. 30 debate with the President, that he will have his campaign on track.

At the same time, LaRouche is deploying his Youth

Movement (the LYM) in a crucial ground-assault, with particular focus on the swing state of Ohio. On Sept. 22, LaRouche’s political action committee issued a salvo to shape the Democratic campaign, entitled “It’s the Physical Economy, Stupid!” This 32-page pamphlet documents the 40-year collapse of the nation’s infrastructure and manufacturing workforce, and lays out LaRouche’s proposals for reconstruction. It’s a hit on the flank that Bush-Cheney cannot defend—the real collapse of living standards of the forgotten men and women of the United States. If these citizens can be brought out to vote, as the LYM intends, Kerry can be elected in a landslide.

The New York University Speech

Speaking with great force and passion in New York on Sept. 20, Kerry compared Bush to the fools who led the United States into the swamps of Vietnam, where he had fought, and where tens of thousands of Americans died—and still the foolish leaders refused to see their errors. Iraq, he said, was a similarly avoidable disaster, and those responsible must be held accountable. The President, he said, denies that he makes mistakes, denies reality, and the nation and the world suffer.

“Now, I will say to you it is never easy to discuss what has gone wrong while our troops are in constant danger,” said Kerry, in marking the difference between himself and Bush as a leader. “But it is essential, if you want to correct the course and do what’s right for those troops, instead of repeating the same old mistakes over and over again. I know this dilemma first-hand. I saw first-hand what happens when pride or arrogance take over from rational decision-making. And after serving in a war, I returned home to offer my own personal views of dissent. I did so, because I believed strongly that we owed it to those risking their lives, to speak truth to power. And we still do.”

Kerry hammered away at the fact that the President and the Vice President are continually refusing to tell the Ameri-

can people the truth about what's going on in Iraq, as well as about what drove them to invade. He put it more toughly than he has done before:

"A month before the war, President Bush told the nation, 'If we have to act, we will take every precaution that is possible. We will plan carefully. We will act with the full power of the United States military. We will act with allies at our side and we will prevail.' He said that military action was not unavoidable. Instead, the President rushed to war, without letting the weapons inspectors finish their work. He went purposefully, by choice, without a broad and deep coalition of allies. He acted by choice, without making sure that our troops even had enough body armor. And he plunged ahead by choice, without understanding or preparing for the consequences of post-war, none of which I would have done.

"Yet today President Bush tells us that he would do everything all over again the same way. How can he possibly be serious? Is he really saying to America that if we know there was no imminent threat, no weapons of mass destruction, no ties to al-Qaeda, the United States should have invaded Iraq? My answer, resoundingly: No, because a commander in chief's first responsibility is to make a wise and responsible decision to keep America safe.

"Now—now the President is looking for a reason, a new reason to hang his hat on. It's the capability to acquire weapons. But ladies and gentlemen, my fellow Americans, that was not the reason given to the nation. That was not the reason that Congress voted on. That is not a reason today; it is an excuse.

"Thirty-five to 40 countries have greater capability to build a nuclear bomb than Iraq did in 2003. Is President Bush saying we should invade all of them? I would have personally concentrated our power and resources on defeating global terrorism and capturing Osama bin Laden.

"I would have tightened the noose and continued to pressure and isolate Saddam Hussein, who was getting weak, who was weak and getting weaker, so that he would pose no threat to the region or to America.

"The President's insistence that he would do the same thing all over again in Iraq is a clear warning for the future, and it makes the choice in this election clear: more of the same with President Bush or a new, smarter direction with John Kerry that makes our troops and America safer. That's the choice."

Kerry then offered a four-point program to end the spreading conflict in Iraq, which included language that mirrored LaRouche's Southwest Asia peace plan, issued four months ago, in calling for bringing in regional powers and nations to guarantee the country's sovereignty, as the United States withdraws its forces (see also excerpts in this week's *Feature*).

Dealing With an Idiot

Kerry seems to have realized that he has to puncture President Bush's world, including by treating him as the idiot he

is. In his appearance on the David Letterman show Sept. 21, Kerry poked fun at the protracted negotiations with the Republicans over the Presidential debates, saying he had wanted Vice Presidential candidate John Edwards to stand in the debate, while Cheney wanted to sit, so "we compromised and now George Bush is going to sit on Dick Cheney's lap." This reference to the well-known, and sadly accurate, joke about Bush being a puppet of the Vice President, is likely to get under the President's skin.

When asked about Bush's tax plan on that same show, Kerry quipped that under the plan, Cheney can claim Bush as a dependent, that your refund check can go directly to Halliburton, and that Attorney General John Ashcroft gets to write off the entire U.S. Constitution.

The format of the upcoming three Presidential debates was also a source of humor, as the President's men are making endless demands in order to control the questioning, particularly in the debate where the public is to be allowed to question the candidates. Kerry joked about this, on the "Live with Regis and Kelly" show, saying that negotiations had been hung up because of Bush's insistence on "lifelines," so he could call for help on tough questions.

As far as this author knows, this is not really the case, but the Bush campaign is insisting that no surprise questions get asked, and that the moderator actually cut off a questioner from the audience who deviates substantially from his or her written text.

The Economy

It is increasingly being recognized in the Kerry campaign, that the attack must be pressed harder on the economy. Kerry had picked up the spirit in his attack on Bush's proposal for privatizing Social Security. Speaking in West Palm Beach, Florida on Sept. 21, Kerry said that the scheme is a "rip-off, not a plan."

And in Ohio, where, contrary to ballyhooed polls, the race is toe-to-toe, the Kerry-Edwards campaign has put out a 16-page pamphlet on a "real economic plan" for the state. In addition to documenting the loss of manufacturing jobs and health care in the state, the plan hits the decline in wages, and proposes various kinds of tax incentives for job creation.

What the Kerry campaign is missing, however, is the courage to tell the truth about the systemic nature of the current crisis, and the need for a radical shift to FDR-style solutions. When the candidate spoke to the Detroit Economic Club on Sept. 15, with former Treasury Secretary Bob Rubin at his side, he came closest to exposing the fraud of the so-called recovery. George Bush has created more excuses than jobs, Kerry said, and has become the first President since Herbert Hoover to see a decline in jobs during his Presidency.

Now, with the release of the LaRouche PAC pamphlet, a clear attack on the collapse and solution for the economy is available for all those Democrats who want to fight. With about four weeks to the election, the battle is joined.

Is 'the Hammer' Headed For the Slammer?

by Harley Schlanger

In the often strange and fascinating world that is Texas politics, allegations of illegal fundraising and abuse of power are not exactly unheard of. Yet, rarely are they so closely intertwined, as in the unfolding scandal surrounding U.S. House of Representatives Majority Leader Tom DeLay ("the Hammer"), whose fundraising apparatus and political hit team were served with 32 felony counts of indictment on Sept. 21, for allegedly funneling corporate campaign contributions to Republican candidates for the Texas state legislature.

Under Texas law, it is illegal for corporations or unions to contribute money to individual political candidates. Although DeLay was not among those indicted, Travis County District Attorney Ronnie Earle told the press that he will continue his investigation, after a new grand jury is empanelled. The consensus among leading political and legal circles in Austin is that DeLay and his close ally, Texas House Speaker Tom Craddick (R-Midland), will be among those investigated in the next round. It is thus looking more likely that the slogan on a bumper sticker circulated by LaRouche PAC throughout his Congressional district and statewide—"Save the Congress Without DELAY"—may soon be a reality. The scope of the continuing investigation led one well-known Democratic Party opponent of DeLay to quip, "I wonder if he will be able to continue serving as Majority Leader—from jail!"

DeLay's Agenda: Corporate Fascism

It is too early to know if the self-styled "Hammer" of the Congress will soon be housed in the slammer. However, the indictments handed down so far cover a pattern of corrupt behavior and illegal activity conducted on behalf of securing a prize long coveted by DeLay: top-down control over the U.S. House of Representatives. The indictments stem from a scheme hatched by DeLay to create a money machine to fund Republican candidates for the Texas House of Representatives, and thus give him a majority in that body. This would enable DeLay to push a radical redistricting plan through the Texas House, thereby increasing the number of Republicans elected to the U.S. House from Texas.

With a stronger Congressional majority, DeLay would then eliminate every remaining piece of legislation which protects working people, the poor, the sick, and the elderly. Instead, DeLay would push his agenda of bankers' fascism, including full deregulation; privatization of Social Security;



The LaRouche Youth Movement in Texas campaigns against "The Hammer," whose bizarre Congressional redistricting scheme is depicted on the poster.

free trade agreements for his corporate backers, such as those profiting from slave labor practices in the Marianas Islands; and labor "reform" measures—i.e., attacks on wages, benefits, pensions, and other measures which protect American jobs and workers.

To pull this off, DeLay founded Texans for a Republican Majority (TRMPAC), in association with another DeLay operation, Americans for a Republican Majority (ARMPAC). Among those indicted were John Colyandro, the executive director of TRMPAC; John Ellis, one of DeLay's chief political operatives, who is the executive director of ARMPAC; and fundraiser Warren RoBold, who worked for both ARMPAC and TRMPAC. TRMPAC raised nearly \$600,000 from corporate contributors. DeLay has tried to minimize his connection to TRMPAC, saying: "I was not involved in the day-to-day operations of TRMPAC. . . . I raised money for them and made appearances for them when they had fundraisers." However, the *Houston Chronicle* reports that TRMPAC was set up at DeLay's direction, that he served on its board of advisors, and that much of its funds were collected at fundraising events addressed by DeLay.

The Hammer's Redistricting Scam

Money contributed to TRMPAC was then delivered to about 20 Republican candidates for the Texas House in 2002, with \$152,000 of that personally delivered by Texas Rep. Tom Craddick to 14 of them. When the GOP took over the Texas House in the November 2002 elections, Craddick was elected Speaker. Once DeLay had control over the Texas House, he used his newly purchased clout to push through redistricting. The contentious session of 2001 failed to pass a redistricting plan, so a Federal court drew up the new districts. This was challenged in 2003, as DeLay's flunkies backed his new plan. It took three special sessions before the Texas Democrats gave in to the DeLay-controlled legislature, which

then imposed a plan acceptable to their boss.

Under this plan, DeLay redrew the U.S. Congressional districts to provide the GOP with a gain of at least six seats, taking seats away from Democrats not submissive to DeLay, such as U.S. Reps. Nick Lampson, Lloyd Doggett, Chet Edwards, Martin Frost, Charles Stenholm, and Max Sandlin. Unfortunately for DeLay, these Representatives are fighting for their seats, and all are in a position to win, despite DeLay's rigging of their districts.

DeLay is himself facing a tougher-than-expected race, as Democrats in his district, spearheaded by an aggressive campaign by the Democratic candidate, Richard Morrison, and backed by the growing force of the LaRouche Youth Movement (LYM), now sense that DeLay is vulnerable. The LYM is finding great demand for LaRouche PAC bumper stickers, "Improve Texas Without DELAY," and "Save the Congress Without DELAY," and expect to get out thousands of LaRouche PAC's book, *Children of Satan*, which has a chapter on "Beast-Man" DeLay.

Can DeLay Survive?

In addition to the indictments against three DeLay political hacks, the grand jury issued indictments against eight corporations. These include: two energy companies, the Williams Companies Inc., and Westar Energy Inc.; both expected to benefit from DeLay-backed legislation for expanded deregulation; and a special DeLay favorite, Bacardi USA Inc.

There will be a close watch to see what effect the corporate indictments have on DeLay's ability to raise money. His success has stemmed from his ability to deliver to his corporate backers. DeLay is a bully. But will his corporate cronies pull back now, knowing that giving to DeLay may make them a target for investigation?

And what effect will this have on the Republican Party, in Texas and nationally? With Craddick, the first Republican Speaker since Reconstruction, facing grand jury scrutiny along with DeLay, will the Texas money machine that fueled both DeLay's and President Bush's march to power begin having second thoughts, especially as Bush is showing signs of cracking under a sharpened assault by John Kerry?

There is also the still-unresolved complaint before the U.S. House Ethics Committee, which DeLay is furiously trying to squelch. The complaint was filed by freshman U.S. Rep. Chris Bell, a Houston Democrat, who was the first victim of DeLay's redistricting. Bell's complaint accuses DeLay of abusing power, misusing government resources, and improperly raising campaign funds. While DeLay attacks the complaint as the result of "frivolous charges" by Bell, the action by the Travis County grand jury this week may turn some heads in Congress. After hearing about the indictments, Bell said, "These indictments are a clear indication that the ethics complaint against Mr. DeLay is substantive and extremely serious. "Anything less than a full investigation would signify a failure on the part of the committee to fulfill their responsibility to protect the integrity of the House."

LaRouche Youth Expose Naderites as Fascists

by Our Boston Bureau

A Sept. 21 meeting of the Nader-Camejo Presidential campaign at Northeastern University in Boston, was the scene of a confrontation which exposed the Naderites as the fascist "beast-men" they are. Under questioning from representatives of the LaRouche Youth Movement (LYM), Vice Presidential candidate Peter Camejo, a Wall Street speculator and veteran of the Socialist Workers Party, started raving, and ordered his goons to physically attack and drag out LYM member Nick Walsh, scratching, kicking, and nearly strangling him in the process. As violent as the suppression of dissent by the Naderites, was the attack by Camejo and his sidekick Dedric Muhammad (a self-described former aide to Al Sharpton) on the Kerry campaign, and, de facto, *in defense of President Bush!*

Anyone who doubts that the Nader operation is a left-synarchist *fascist* operation, in support of the very same genocidal program as the Cheney-Bush regime, should read this report carefully.

'Feel Good'—Vote for Nader

The meeting of approximately 100 people at the African-American Institute was opened by Dedric Muhammad, who began by saying that the Democrats and Republicans are "two parties and one ideology," and that everyone must vote for Nader. A student speaking for the Nader campaign added: Even though voting for Nader means you will *lose*, he said, you will *feel better* for doing it. That's what is important: You will feel better "throwing your vote away for Nader," than throwing it away on Kerry.

This is part of the vote-suppression campaign of the Republican-financed and -supported Nader campaign: *Lie* that there is no difference between Kerry and Bush. Even if you don't convince people, you will appeal to their cynicism, and keep people from voting to defeat the fascist Bush-Cheney ticket of perpetual war.

When Muhammad opened up for questions, the first came from Nick Walsh, who started to brief him and the audience on the role of Lyndon LaRouche and his platform in the election, in support of the Kerry-Edwards ticket.

Wham! Muhammad cut Walsh off, and began screaming. "I can't stand the LaRouche people!" He ranted about the fact that the LYM "sent in people to sing freedom songs at black people's meetings," a reference to the LYM's interventions at debates where LaRouche had been excluded. And he kept on screaming, raving about how LaRouche has no influence

with black people, and so forth and so on.

When Muhammad called on the next questioner, he made sure he was a “brother,” an African-American whom he thought was “safe.” It happened to be LYM member Ed Hamler, who lit into the victim mentality that Muhammad and the Nader line represents. He told Muhammad he was acting as an underling, rather than following the example of the great Frederick Douglass, and identified himself as having participated in many meetings with LaRouche and members of the black community. In fact, a majority of LaRouche’s support comes from the Black community, Hamler said,

As the Naderites in the audience got more enraged, Muhammad moved on to the next African-American questioner, LYM member Delante Bess! (You get the idea that outside of the LYM, there were few, if any, Americans of African descent present.) Bess continued Hamler’s attack on the corruption of the black leadership, which takes money from financial speculator George Soros, AIPAC (the American-Israel Public Affairs Committee), and the Republicans, and went on to attack Sharpton for his collaboration with Roy Cohn-J. Edgar Hoover flunkies like Roger Stone. You need leadership like that of Frederick Douglass, or Lyndon LaRouche, Bess concluded.

Muhammad was destabilized and began to admit that he was in a rant, and how the “left” was in bad shape, because all the “black brothers” who are here, “are with Lyndon LaRouche.”

Enter Avocado Fascist Camejo

At that point, the sleazy-looking Peter Camejo walked in. Camejo is a wealthy Venezuelan-born stockbroker, who backs leftist projects, and receives the backing of pro-dope globalists such as George Soros. (Soros’s chief pro-drug legalization operative, Kevin Zeese, is the official spokesman for the Nader-Camejo campaign.) Camejo’s “Avocado Declaration” of January 2004 explicitly attacked Franklin Delano Roosevelt and the United States—both of whose republican traditions he and his running mate clearly are committed to destroy, by, among other ways, promoting the election of Cheney-Bush. Camejo’s speech at this event took precisely the same tack: a no-holds-barred assault on Kerry and the Democrats. He attacked former California Democratic Governor Gray Davis, blaming the looting of California on him, instead of on Enron, Cheney, and the real criminals. He totally let Enron, et al. off the hook. Camejo called Kerry a liar, and then lied himself, by repeating the Republican campaign canard that Kerry had received his military decoration for killing a 15-year-old Vietnamese child.

At this point, LYM member Nick Walsh couldn’t take the lies any longer. He stood up and confronted the synarchist’s lies:

“You put Gorgias to shame,” he said. “Your sophism is what Plato documented to have destroyed Athens. It’s these clever lies and manipulative psychological tricks that the

Sophists used to destroy Athens—and you know what I’m talking about.”

As Walsh was speaking, Camejo’s two spokesmen from the podium came down, along with another goon, to surround him. After a slight nervous hesitation, Camejo theatrically jumped up and started yelling, “Take him out! Drag him out!”

The goons, led by Dedric Muhammad, then assaulted Walsh, who tried to sit down on the floor in passive resistance. The assaulters strangled him in a choke-hold that cut off his breathing for several seconds. Walsh’s arms were gashed and scratched. They then dragged him outside the meeting room, and began to kick and pummel him. The beating would have proceeded if another LYM member had not interfered to stop them.

Meanwhile, Camejo kept hollering from the podium about how the *Naderites* were allegedly under assault. This is the Democrats’ attempt to implement the Patriot Act! They hate dissent! They are using lawyers to kick us off the ballot around the country, he said. The Green Party, the Nader ticket—we are the real rebellion! This is the Democrats pushing the Patriot Act! All the while, Camejo’s three goons were outside attacking a very slender member of the LaRouche Youth Movement who had dared ask a question.

At this point, LYM member Aaron Yule stood up, and repeated Walsh’s charges. “You are a sophist,” he said. “You are playing on people’s fantasies, and you should not do this in a time of crisis. This is how Athens was destroyed.” Yule was also dragged out.

Camejo then became unhinged, ranting against the Democratic Party, blasting it as the party of Jim Crow, the party of racism, the party that dropped the nuclear bombs on Japan. We can *never* vote for a party with such a history, he said.

And what about the racism and murderous military actions of the Cheney-Bush Administration? “It is insane to call Bush a fascist,” Camejo said. So far, a complaint to the campus police has not yet led to charges being brought against the goons, but the case is being pursued.

The Truth Works

And where was the audience while all this was going on, you might ask? At least one quarter of them were sufficiently shocked, to approach the LaRouche Youth for discussion, and eight of them attended a meeting of the LYM.

What the Nader-Camejo team is discovering is that their slimy operation does not work so well, when the LYM is around. Camejo himself is touring campuses throughout the United States, hoping to dupe youth with his cynical lies. The previous week he was at the University of California at Berkeley, where he was also confronted by an LYM team, which dramatized the Naderites’ commitment to depopulation by bringing along a hooded creature called Death. Camejo went from there to Maine, then Boston, and is expected at a Washington, D.C. campus on Sept. 24.

There, again, he may find he must confront the truth.

Establishment Figures Demand That Candidates Address Pressing Issues

by William Jones

In two conferences in Washington at the beginning of September, angry voices have been raised by leading political figures about the paucity of discussion that had hitherto been held on the major issues facing the nation in this election campaign. In what Lyndon LaRouche characterized as the most important election in U.S. history, the political debate in the first weeks of the Presidential campaign consisted largely of attacks by the Karl Rove-instigated medley of discontents, the “Swift Boat Veterans for Truth,” whose sole interest has been to besmirch the military record of Democratic candidate John Kerry, a decorated Vietnam veteran, and the fending off of those attacks by the Kerry campaign. Rove’s candidate, President George Bush, has no military record to speak of, having come much closer in his brief time in uniform to a dressing-down than to a decoration. And thanks to the intervention of Lyndon LaRouche and the LaRouche Youth Movement, and of President Clinton, the Kerry campaign has finally started to revamp its campaign team and go on the offensive.

One of the establishment critics, former Indiana Congressman Lee Hamilton, the vice chairman of the 9/11 Commission, said in a speech on Sept. 14 to the Dwight Eisenhower National Security Conference, an annual event sponsored jointly by the U.S. Army and the Atlantic Council of the United States: “In this critical period in the life of our nation, you and I should expect, indeed demand, that candidates for President tell us how they will provide leadership for extraordinary times. Otherwise we leave tomorrow’s history to chance, not choice.” The voters indeed must take their responsibility for the future of the nation. The responsibility of the candidates is to explain what they hoped to accomplish with the power of the Presidency.

The Eisenhower National Security Conference on Sept. 14-15 brought together military officers, business people, as well as political and intelligence analysts from around the country to discuss the important national security issues facing the nation in the aftermath of Sept. 11, 2001.

Speaking the day before at another event, the 13th Annual Arab-U.S. Policymakers Conference, Chas W. Freeman, Jr., the former ambassador to Saudi Arabia and former Assistant Secretary of Defense for International Security Affairs, had delivered a scathing critique of U.S. government policy in the Arab world. Freeman demanded that the two candidates begin

to debate these issues in order to provide the American population with an idea of what they were voting for.

The Arab-U.S. Policymakers Conference is an annual event that brings together a variety of people, former ministers, journalists, think-tankers, military personnel, and political leaders from the United States and the Arab world.

Both Hamilton and Freeman presented their list of important topics that they felt must be dealt with in the campaign. It was not by coincidence that most of these topics were the same: dealing with the Palestinian-Israeli conflict, resolving the quagmire in Iraq, how to deal with Iran, how to form our relationship with the Muslim world as a whole, how to deal with the North Korean nuclear program, relations with Russia, relations with China, how to deal with the Darfur crisis, how to stabilize Afghanistan.

The Economic Crisis

Among both these groups, the issue of the looming collapse of the U.S. economy, about which Lyndon LaRouche has spoken as a veritable Cassandra, remained ever-present as a topic, sometimes only a dim foreboding shadow in the background. Ambassador Freeman said: “With some of our most senior economists telling us that there is a 75% chance of a dollar collapse sometime over the next five years, I think it might be helpful for you [the two candidates] to tell us what you propose to do about the budget, trade, and balance of payments deficits that threaten both our national prosperity and the global economy.”

Hamilton also touched upon the global economic issues, including global poverty and AIDS.

Democratic liberal economist Clyde Prestowitz, in his concise presentation at the U.S.-Arab Policymakers Conference, developed a scenario in which Japan and China withdrew their holdings in dollars to invest in European currencies. This threat of a pull-out of the dollar by our major creditors because of the huge deficit that the United States is running to finance the war in Iraq and in Afghanistan, was also underlined in a keynote speech at the Eisenhower National Security Conference, by Gen. Montgomery Meigs (ret.), the former commander of U.S. forces in Bosnia. He underlined for his audience of largely uniformed military the importance of financial stability as a primary national security concern of the United States.



Ambassador Chas Freeman addresses a news conference on June 16, of the Diplomats and Military Commanders for Change. The bipartisan group of 27 retired generals, admirals, and ambassadors, called for the Bush-Cheney Administration to be swept out of office in November. Since that press conference, the momentum has been building, for a drastic change in Washington policy. Left to right: Freeman, Amb. Phyllis Oakley, Amb. Robert Oakley, Amb. Donald Easum, and Amb. Donald McHenry.

In the interest of shifting the political discussion away from those phony “wedge issues” that Rove and Company would like to place in the foreground during the election campaign, in order to shift voters from voting on the issues to voting on the innuendo of concocted charges, we present some of these important conference presentations to our readers.

Chas Freeman

‘The Serious Questions Are Being Ignored’

The National Council on U.S.-Arab Relations (NCUSAR) held its 13th annual conference in Washington on Sept. 12-13, attended by about 300 oil industry executives, diplomats, journalists, and Middle East political activists. Chas Freeman, who was an Undersecretary of Defense and the U.S. ambassador to Saudi Arabia, delivered these closing remarks. Subheads have been added.

Once again, I have been honored by the National Council on U.S.-Arab Relations and stand before you to offer a few thoughts on where we—Americans and Arabs—go from here. Rereading what I said to this conference about this in

2001, 2002, and 2003, I am pleased to find that I got a few things right. This year I am far less confident I can see the future.

Seven weeks before elections in this country, neither candidate is saying much, if anything, about how he would address the very serious problems he will confront at home and abroad, including in the Middle East. Instead, the parties are engaged in an embarrassingly trivial debate about whether John Kerry really earned his silver star in Vietnam and whether George Bush did or did not make himself available to bomb the Vietcong if they turned up in Alabama. This is too bad. There are a lot of serious questions before our country, our army, and our people. What we decide and do greatly affect the world.

‘Most Erratic’ Foreign Policy

The past four years have established what honesty compels me to describe as without doubt the most erratic foreign policy record in our history. 9/11 showed the Administration’s early obsession with national missile defense and indifference to more conventional terrorist threats to have been fundamentally in error. Fortunately, the President reacted effectively by rallying the country to fight the “terrorists with global reach” who had attacked us.

But no sooner had we successfully dispersed al-Qaeda’s leaders and punished their hosts in Afghanistan, than we lurched off “in search of” other “monsters to destroy” and invaded Iraq. Ill-defined as they were, our objectives and priorities in that new battlefield shifted with kaleidoscopic ease under the ministrations of the spin-doctors. WMD, then democratization. Deba’athification, then remobilization. Im-

proving the lot of ordinary Iraqis, then restoring their oil production and exports. Transformation of the region, then killing the jihadis and anti-occupation rebels our presence spawned. Now we're told that this hugely costly adventure was really just about getting rid of one man—Saddam Hussein. With the dictator exhumed from his manhole, "mission accomplished." But for some, so far unexplained reason, we nevertheless have to keep forces in Iraq for at least another four years. Or is it five, or twenty years?

The flip-flops, ad-hoc'ery, and confusion about objectives are not limited to our policies on terrorism or Iraq. Consider North Korea. The Administration first declared Pyongyang's nuclear program intolerable, threatened dire consequences, and refused to talk to the North Koreans until they ended their program. When years of all-stick-no-carrot diplomacy predictably failed, the White House began to prepare us to live with a nuclear-armed North Korea. Some suspect we are seeing the same pattern with respect to Iran.

Then there's the Israeli-Palestinian issue. Disengagement, followed by half-hearted diplomacy, followed by passivity. A Road Map drawn, muttered over, revised, shelved, announced as a major initiative, and then set aside. Israeli military incursions in the occupied territories opposed, then endorsed. Israeli unilateralism condemned, then acquiesced in, and finally applauded. Negotiations by Americans with Israelis and Palestinians, then with Israelis alone, and now only among Israelis, with no American input except from the Israeli lobby here.

I have catalogued only a fraction of the numerous examples of this amazing pattern of strategic about-faces, convulsions, and abdications. It's hard to imagine how it could get worse. But if George Bush and Dick Cheney are right, and perhaps they are, John Kerry and John Edwards would be equally or even more spastic and inconstant as policymakers. Apparently, whoever wins, the United States will continue to vex and alarm the world with idiosyncratic and erratic actions abroad. This is not encouraging.

Come on, guys! There are issues of peace and war that you know and we all know you will have to deal with if you are elected. Serious, real problems with major consequences for the United States and the world. Is it asking too much for you to reassure us that you are at least thinking about these issues by telling us something about how you expect to manage them?

How about explaining to us:

What are we now trying to accomplish in the war in Afghanistan beyond running down Osama bin Laden? What would victory look like? Are we into long-term nation-building in Afghanistan? What's the end game or is this the forever war?

What do we need to accomplish in Iraq to enable us to claim success for our invasion and occupation of that nation? In a region in which we kill one enemy and get five free, what needs to happen to let us stop killing Iraqis and other Arabs

and being killed by them?

With Arabs concluding that Americans are indifferent to their suffering and untroubled by injustice, and Americans equating Islam with terrorism, the estrangement between Americans and the Muslim fifth of the human race continues to deepen. By every measure available, the pool of potential recruits for terrorism against the United States and the long-term danger to our country from aggrieved Muslims are expanding. How do you propose to reverse these trends? If they cannot be reversed, what further measures do you propose to restore our security and domestic tranquility while preserving our civil liberties?

Given all the threats that neo-conservatives and right-wing Israelis have uttered, level with us, please. If you're elected, is the invasion of Iran a serious prospect? How about Syria? What does all the current demagoguery against the Saudi royal family portend for policy?

What do you propose to do about the mounting bloodshed in the Holy Land? Let it burn? Whatever Sharon asks you to do? Or something else? If so, what?

What are you going to do about the acknowledged "genocide" in Darfur?

What role do you foresee for a liberated Iraq in the balance of power and security in the Persian Gulf? What role for the GCC or other Arabs in defending themselves?

How do you propose to deal with the requirement of Arab states for a deterrent against nuclear attack, once Iran joins Israel in acquiring nuclear weapons?

I also wouldn't mind hearing what you intend to do about the Korean nuclear issue, which now apparently has a South as well as a North Korean dimension. Or about the Taiwan issue and China. Or about Russia. Or about rebuilding relations with allies and reestablishing a mutually productive relationship with the United Nations.

And, with some of our most senior economists telling us that there is a 75% chance of a dollar collapse sometime over the next five years, I think it might be helpful for you to tell us what you propose to do about the budget, trade, and balance of payments deficits that threaten both our national prosperity and the global economy.

Ladies and gentlemen, I was asked to tell you where I thought we might go from here. I apologize for not doing so. But I've given up on the possibility of either the media or the Congress asking the questions that need to be asked of our Presidential candidates and other politicians. As in the run-up to the Iraq invasion, both have defaulted on their responsibility to question those who lead or aspire to lead us. So I have fallen back on asking these questions myself.

If I've asked the wrong questions, please step forward and ask the right ones. Maybe, if we all ask with sufficient insistence, one or the other of the candidates will actually address an issue or two. That would be most welcome. I, for one, would like to be reassured that we're going somewhere better than where we've been.

Toward a Substantive Dialogue of Democracy

Lee Hamilton is the president and director of the Woodrow Wilson Center for Scholars. A former Congressman from Indiana, he was also the vice chairman of the National Commission on Terrorist Attacks Upon the United States ("9/11 Commission"). He gave the speech excerpted here to the Eisenhower National Security Conference, in Washington, D.C. on Sept. 15.



I want to talk about the Presidential campaign and the dialogue of democracy.

The stakes in this election are high, at home and abroad, and the next President will have momentous choices to make, choices that will directly affect the lives of all Americans, and billions of people around the world.

A robust debate about American foreign policy and national security is surely in order. There are many questions about the war on terror, Afghanistan, Iraq, nuclear proliferation, Iran, North Korea, global trade, poverty, and tumult.

Several months ago I was hopeful that this would be a unique election, unique because foreign policy questions appeared to be playing a central role, and it seemed they would be seriously addressed. And to some extent, the Presidential debate has focussed on the war on terror, at least parts of it.

But a familiar disappointment strikes me every four years. Each presidential election, I hope for a serious, civil, enlightening discussion of foreign policy challenges. Each time I have been disappointed.

In campaigns, foreign policy is usually referred to in generalities with references to "leadership," "strength" and "security." This campaign is no different. There is a glaring lack of discussion about a plan in Iraq, or on the generational struggle against Islamist terrorism, or for securing the world's most dangerous weapons.

The words "Iran" and "North Korea" hardly ever come up. Indeed, they are mentioned about as frequently as the

word "terrorism" was mentioned in the 2000 campaign. In that election, even after the first World Trade Center bombing, the embassy bombings, the Millennium plot, and the bombing of the *USS Cole* in October 2000, the 9/11 Commission was able to find only one use of the word "terrorism" in the campaign.

In this campaign, at least from my perception, there has been an extraordinary emphasis on the past events that happened 35 years ago. The candidates are spending too much time looking back and not enough time looking forward. I believe the American voter cares more about the choices the candidates offer for tomorrow than the choices they made decades ago.

What bothers me, this year as in the past, is that we are missing a real opportunity to address global challenges and the U.S. role in the world. In a democracy, it is not only the choices that you make which are important; it is also the manner in which you make those choices. The 2004 election may prove to be a precursor to extraordinary choices, but you wouldn't know that from the campaign. . . .

The Issues

Let me suggest some questions that I would place on the foreign policy agenda, along with some of my own views.

For most voters, terrorism and Iraq are understandably at the top of the list. But these two issues should not constitute the beginning and end of the foreign policy debate.

The war on terror is a great test for American foreign policy. But terrorism and Iraq are only parts of a swelling turmoil. Conflict, violence, proliferation, repression, poverty, inequality, disease, and environmental degradation are spiraling out of control in parts of the world. Great power politics, alliances, and the global economy are shifting.

So we should not approach terrorism and Iraq in a vacuum. Our efforts on these issues are tied to our efforts on a host of other challenges.

The overarching question for the next President, whether President Bush or Senator Kerry, is: How do you intend to use unrivalled American power and our blend of idealism and pragmatism to help the U.S. preserve American security and global stability? How will you define global stability? What threats do you see? And how do you plan to deal with them?

1. Terrorism

All Americans should ask the candidates: How do you plan to wage the war on terror? For instance, how do you, President Bush and Senator Kerry, define the enemy? In the 9/11 Commission, we said the enemy is twofold: al-Qaeda, the terrorist network that struck us on 9/11; and a radical ideological movement across the Islamic world, inspired in part by al Qaeda, which has spawned more terrorist groups and violence. . . .

2. Nuclear Proliferation

Turning to another challenge: How will you, President Bush and Senator Kerry, restrict the proliferation of nuclear

weapons? I would place the growing danger from nuclear weapons at the top of the list of issues for the candidates. Nuclear terrorism is our nightmare scenario. . . .

3. Iran and North Korea

The nuclear issue leads to an urgent question for the candidates: what will you do about Iran and North Korea's nuclear programs?

We should not let the candidates avoid talking in detail about Iran and North Korea just because there are no easy options for dealing with them. Both countries are openly hostile to the U.S., and both have or are close to having a nuclear weapon. Four years from now, the next Administration will probably have faced one of the following:

1. a military confrontation with one or both countries;
2. the acceptance of one or two new members of the nuclear club;
3. or a peaceful resolution of differences with one or both countries that leads to their nuclear disarmament.

What choices can we make to advance the third outcome? . . .

4. The Middle East

And, of course, there is the perennial challenge for American foreign policy: what is the comprehensive plan for peace, stability and security in the Middle East? This breaks down into multiple thorny challenges for U.S. policy:

Iraq: Iraq will and should be a central issue. In many respects, President Bush and Senator Kerry will be responding to unpredictable events in the coming weeks: the rate of U.S. casualties, the strain on U.S. forces, the widening insurgency, the performance of the Iraqi interim government, and the potential for civil war or chaos. The problems in Iraq may not be cause for despair, but they are cause for deep concern.

We need more than statements responding to headlines. Both President Bush and Senator Kerry must answer key questions:

- How do we use the dominance of the U.S. military without raising strong resentment, even hate, against the U.S. presence? How can we restore security?
- What role will our allies play?
- What will Iraq's government look like? Can we keep the country unified?
- Is the effort to create democracy in the Middle East beyond our capacity? What are the costs in military and financial terms for pursuing this goal?
- What are our end goals? Do we aim to build a full democracy, or do we simply seek stability? And, of course, how long will we stay in Iraq?

From my perspective, we need patience and sacrifice. We also need more troops from the U.S., our allies, and Iraqis. That means training Iraqi security forces; welcoming all Iraqis to the political process if they reject violence; seeking and cultivating stable, credible and popular Iraqi groups; and moderating the grander visions of democracy in Iraq and

throughout the Middle East. The goal should be a stable, unified, non-threatening Iraq.

Israeli-Palestinian Conflict: Both candidates should also have to face the tough question: How will you resolve the Israeli-Palestinian conflict?

No other issue polarizes relations between the U.S. and the Islamic world as much as this one. Stability in the Middle East will never be achieved without a solution. The current situation raises immediate questions for whoever becomes the next President, centered around the overarching question of how we advance peace:

- Should we support Prime Minister Sharon's security barrier and proposal for withdrawal from Gaza?
- How do we help reform the Palestinian Authority while combating Palestinian terrorism?
- What next for the Road Map?

This issue is always complicated in American politics. We are a steadfast ally of Israel. And we also have a national interest in a peaceful two-state solution.

My view is that we need to engage as an honest broker pushing both sides to take simultaneous steps to freeze settlements and halt violence. We must commit to a vigorous peace process and put the final status issues—borders, refugees, and Jerusalem—on the table now. American political capital and resources should be invested in reaching a settlement.

5. Great Powers

The next President will have to deal with China, Russia and Europe. . . .

6. Trade

We must also ask the candidates: What are your positions on trade? What will you do about competition from China in manufacturing, and India in services? . . .

7. Swelling Turmoil

Global Poverty: Finally, what do you have to say, President Bush and Senator Kerry, about global poverty and suffering? Of the 6 billion people on Earth:

- half of them live on less than \$2 a day;
- 3 billion are under 25;
- HIV/AIDS continues to plague Africa and is making inroads in other countries;
- environmental degradation looms on the horizon;
- and the migration of peoples continues to sow conflict and instability. . . .

What happens in a Presidential election matters a lot. And when this election is over, someone will have to govern this politically divided country, and deal with the challenges I have outlined, not to mention the unexpected ones. We will be better able to face those challenges if we have explored the choices before us through vigorous dialogue and debate. . . .

In this critical period in the life of our Nation, you and I should expect, indeed demand, that candidates for President tell us how they will provide leadership for extraordinary times. Otherwise we leave tomorrow's history to chance, not choice.

Book Review

The Lessons of the 1932 Democratic Convention for Political Victory Today

by John Ascher

Happy Days Are Here Again: The 1932 Democratic Convention, the Emergence of FDR—and How America Was Changed Forever

by Steve Neal

New York: William Morrow, 2004

384 pages, hardcover, \$26.95

A unique and excellent study has been made available with this work by Steve Neal, published posthumously and released just before the Democratic Convention in Boston. Neal develops the dramatis personae of the 1932 convention, in which the popular Governor of New York, Franklin Roosevelt, faced the possibility of a deadlocked convention of the sort witnessed in 1912 or 1924.

Beyond the profiles of William Randolph Hearst, the Texan and House Speaker John Nance Garner, Governor Albert Cabell Ritchie of Maryland, and many others, is a story revealed (inadvertently) in this book, which adds a fuller picture to the level of the hysteria of the synarchist/fascists concerning the prospect of an FDR presidency. Here we find stage one of the bankers' plot, seen later in the attempted assassination, and then coup attempt against FDR,¹ that began with the effort to orchestrate the convention deadlock, which, if successful, would have led to the insertion of a top synarchist operative into the White House.

Perhaps some of the brainwash victims of anti-FDR historical revisionism might become unstuck, or unglued, if they understood this story.

But first, a picture of the environment surrounding the convention, portrayed vividly by Neal.

The convention city, Chicago, was run by Anton Cermak, a big city boss, who had recently run Al Capone out of town. However, at the time of the Democratic meeting, total economic breakdown ruled: The bottom had fallen out.

1. See L. Wolfe, "Morgan's Fascist Plot Against the United States and How It Was Defeated," *New Federalist*, June 27, July 4, July 18, and July 25, 1994.

One week before the convention, thousands of garbage collectors had quit after two months of no pay, and police guarded mounting piles of garbage all over the city. "Hooverville" shanties for the homeless abounded. Hundreds of thousands faced evictions due to delinquent tax payments and auctions. Cermak was trying to get the Reconstruction Finance Corporation (RFC) to bail out the city, bankrupted by paying jobless benefits under conditions of a collapse of revenue.

On the weekend leading into the convention, an emergency meeting was convened by Charles Dawes (of the famous Dawes plan), an executive at the Central Republic Bank and Trust Company, to set off alarms concerning the impending shutdown of his bank by the following Monday. First National Bank, run by Democrat and mooted Presidential contender Melvin A. Traylor, had barely survived a \$50 million run earlier in the week. A shutdown of Republic would collapse all of Chicago's banks.

President Hoover intervened. Through the RFC, a banking bailout was arranged, making available \$100 million that Dawes had demanded. (Later, FDR was to transform the RFC as part of the New Deal, away from a bankers bailout operation. But, as one can see from this incident, the leading banks at this point were desperate.)

Neal draws out the plans of various circles in the party to use the "two thirds" rule, requiring two thirds of the delegates to select the nominee, meaning that a popular candidate, even having a majority, could be blocked and out-manuevered in a deadlocked convention. This had happened in 1924, when Al Smith and William McAdoo deadlocked the convention, leading to the Morgan attorney John Davis gaining the nomi-



nation. Davis was not the first Morgan lawyer to get the nomination, and if the bankers were to have their way, he would not be the last. In fact, the first Democratic President after the Civil War, Grover Cleveland, worked for a Morgan law firm.

FDR's Unique Role

What the author tends to downplay, was the revolution in Party politics brought about by FDR, prior to the convention, so Roosevelt tends to become simply another player amongst various colorful figures of the time.

For example, Roosevelt succeeded not only in mobilizing the “forgotten man” and the unorganized in the country. He also was able to bring together, for the first time, elements of the Progressive movement into the Democratic Party, in an alliance with the Southern and rural wings of the party, which had long been under the sway of William Jennings Bryant.

Key to this was FDR's addressing the reality of the economic collapse, with his unique ability to transmit optimism to a nation undergoing a halving of its living standard during the Hoover Administration disaster. This ability to address reality, counterposed to the hangover of the single-issuism of the day, and bankers' control over the Democratic Party, holds many important lessons for the fight today.

As Lonnie Wolfe documented in a *New Federalist* article² on the 1932 Convention, the Democratic National Committee of the late 1920s and early '30s was as Wall Street-controlled and anti-FDR then, as the DNC has been today against Lyndon LaRouche, as seen in his exclusion from the 2004 primary process, prior to the national convention in Boston in July.

Roosevelt had been excluded from a Spring DNC meeting prior to the Summer convention, at which event former New York Governor and 1928 Presidential Nominee Al Smith denounced FDR's appeal as demagoguery and a move toward class warfare. Smith, by this point in his career, was run by the Wall Street heavyweights in the party, John J. Raskob and Jouett Shouse.

A Minefield

FDR had to maneuver through a minefield at this convention.

One segment of the Party attempted to trap Roosevelt around the leading emotional hot button of the era, the 18th Amendment (Prohibition). Smith had made his 1928 campaign, a “wet” one, pitting him against the “dry” forces typified by the remnants of the Bryant machine. Note that in 1924,

2. L. Wolfe, “The Battle for the Soul of the Democratic Party,” *New Federalist*, July 26, 2004.



Franklin Roosevelt's arrival in Chicago to accept the Democratic Presidential nomination. Air flight was risky in those years, and FDR broke tradition by appearing in person at the convention, in order to underline the gravity of the situation and the awesome responsibility he was going to assume.

the Democratic Party, by one vote, failed to pass a resolution condemning the Ku Klux Klan, which, besides its well-known hatred of African Americans, targeted Catholics (Smith was Catholic) and fought to maintain Prohibition.

Roosevelt skillfully avoided this trap, over many years.

Another mine, which was exploded prior to the convention, involved a criminal probe of Tammany Hall, the machine that ran New York.

Judge Samuel Seabury, whom Governor Roosevelt had appointed to investigate corruption, had built a case against many of the major figures in New York politics, including powerful New York Mayor James Walker. This exploded just prior to the convention, putting FDR in potentially an antagonistic position with the party machine in New York. FDR's enemies, such as newspaperman and establishment insider Walter Lippmann, thought he would be snared.

FDR refused the trap. “Never will I let it be said that I climbed to a position of power on the back of someone else,” was his response.

From the primaries and pre-convention campaign, Roosevelt was way ahead going into Chicago. Of the 1,154 delegates, he had secured more than half, but needed 770 to win. Therefore, his enemies needed only 385 committed delegates, and it was thought if the convention was driven, deadlocked to a fourth or fifth ballot, Roosevelt would be stopped.

While the Wall Street forces clearly had their hooks in several of the alternate candidates, who savored the chance of being the “unity candidate” to win a deadlocked convention, their pick was Newton Baker, a dark horse candidate.

I will not recount here the fight waged to overturn the two-



FDR greets the crowd at the airport in Chicago.

thirds rule, involving Huey Long of Louisiana. FDR's forces were clearly desperate to enable a simple majority to choose the nominee, but they failed; they did succeed in choosing the Progressive from Montana, Wheeler, as the Chair of the Convention, stopping the Raskob ally, Shouse.

By the end of the third ballot, everything was on the verge of collapse for Roosevelt, as he was still short, with 650 solid delegates. He had picked up only 5 delegates in the third ballot.

Neal recounts what then occurred: "At 9:15 a.m. the convention finally adjourned until Friday night. Delegates were flooded with thousands of telegrams from across the country urging Baker's nomination. Walter Lippmann began circulating a petition among prominent Democrats calling on the convention to draft Baker. 'The way out of the danger of a deadlock is not only open, but it is attractive,' Lippmann wrote. 'For all through these various delegations there is an astonishing strong though quiet conviction that the party can unite on a man who is stronger than any of the leading contenders. That man is Newton Baker of Ohio.' "

Neal reports that FDR, who was not at the convention but in Albany, called Baker to offer him support, if he would decide to run at this point. But clearly, as can be seen in Roosevelt's public response, he was just testing out his enemy. Roosevelt's public statement at the time was as follows: "My friends will not be misled by organized propoganda by telegrams now being sent to delegates. Stick to your guns. It is clear that the nation must not and shall not be overridden. Now is the time to make clear that we intend to stand fast and win."

Who was Newton Baker? The former mayor of Cleveland, he had served as Woodrow Wilson's Secretary of War. He was closely associated with the Anglophile Wilson, having taken his politics course at Johns Hopkins. After leaving office, he became the attorney for the J.P Morgan Company.

He became a candidate in 1932, with Lippmann as his chief backer, and was seen as the continuation of the Wilson Administration within the Democratic Party.

Continuing with the convention, Neal highlights the role of Joseph P. Kennedy in moving William Randolph Hearst, and through him, Sen. William McAdoo (Calif.), out of their fear of Baker, to support FDR. The break by the California delegation, pledged to Garner, was then leveraged with the Texas delegation, Garner's home state, with Garner agreeing to become FDR's Vice Presidential nominee.

John Nance Garner had already been fighting under Hoover for massive public works and infrastructure, as a way to ameliorate the conditions of economic misery.

This break by California and Texas was sufficient to secure the nomination for Roosevelt.

No Turning Back

Capturing Roosevelt's sense of the emergency facing the nation at that moment, he broke tradition and flew to Chicago to accept the nomination. Not only was air flight considered unprecedented at that time, but nominees traditionally waited until well after the convention, to accept the nomination in their home cities. FDR took a rather rocky flight into Chicago, and made a triumphant entry into the city, going through working-class districts, being greeted by large crowds, and then went to deliver his historic "New Deal" speech.

He made it clear in Chicago, that there would be no turning back in his revolution.

"This is no time for fear, for reaction or for timidity. And here and now I invite those nominal Republicans who would find that their conscience cannot be squared with the groping and failure of their party leaders to join hands with us; here and now, in equal measure, I warn those nominal Democrats who squint at the future with their faces turned toward the past, and who feel no responsibility to the demands of the new time, that they are out of step with the party. . . . The people of this country want a genuine choice this year . . . not a choice between two names for the same reactionary doctrine. . . .

"Throughout the nation, men and women, forgotten in the political philosophy of the government of the last years, look to us here for guidance and for more equitable opportunity to share in the distribution of the national wealth.

"On the farms, in the large metropolitan areas, in the smaller cities and in the villages, millions of our citizens hope that their old standards of living and of thought are not gone forever. Those millions cannot and shall not hope in vain.

"I pledge you—I pledge myself to a new deal for the American people. Let us here assembled constitute ourselves prophets of a new order of competence and of courage. This is more than a political campaign; it is a call to arms. Give me your help, not to win votes alone, but to win in this crusade to restore America to its own people."

These are lessons which Lyndon LaRouche, today, is urgently teaching to John Kerry. He has little time to learn them.

Appropriations Process Shows Little Sign of Life

With time fast running out before the scheduled Oct. 8 adjournment of the 108th Congress, the only question remaining about the appropriations process, is not whether there will be a continuing resolution to fund agencies at existing levels into Fiscal 2005, but how long that continuing resolution will be. So far, only one of the 13 annual spending bills has been completed and signed into law, that being the defense bill, signed by President Bush on Aug. 5.

While the House has only two more bills to work on, the Senate has only passed two others, the homeland security bill and the military construction bill.

The homeland security bill, which the Senate voted up on Sept. 14, is now hung up in a dispute with the House over a Senate provision to extend Customs Service user fees to raise \$784 million. House Ways and Means Committee Chairman Bill Thomas (R-Calif.) is objecting to going to conference with the Senate on the bill, because under the Constitution, revenue-raising bills can only originate in the House.

The issue of the continuing resolution is what is causing the most nervousness, however, because it would fund affected agencies at Fiscal 2004 levels. The budget hawks want a year-long CR because they see it as a way to hold down spending.

Chief Justice of the Supreme Court William Rehnquist sees it as a disaster, however. In a Sept. 13 letter to House leaders, Rehnquist warned that a CR would result in "even larger staff reductions, possibly affecting thousands of valued employees," after low Fiscal 2004 funding already resulted in the forced firing of hundreds of court staff and probation officers to be fired.

Speaking to reporters on Sept. 21, Sen. Rick Santorum (R-Penn.) said that the Senate is working to pass more bills, but confirmed that wrapping up some of them in an omnibus bill is likely. Whether that happens in a lame duck session or in January will largely determine the outcome of any continuing resolution.

Senate Panel Haggles Over Intelligence Reform

The Senate Governmental Affairs Committee on Sept. 21 began work on a bill to reform the intelligence community. The bill had been introduced a week earlier, by committee chairman Susan Collins (R-Me.) and Sen. Joe Lieberman (D-Conn.), and drew largely from the recommendations of the 9/11 Commission as well as the eight hearings the committee held after the commission's report was released. On announcing the bill, Collins said that while the country has made progress since the 9/11 attacks, "we believe it is essential that we build on that progress by enacting the most sweeping and significant intelligence reforms in decades."

A major difference between the current bill, and an earlier one introduced by Lieberman and Sen. John McCain (R-Ariz.) on Sept. 7, is that the new National Intelligence Director would not have operational authority over intelligence agencies within the Department of Defense, though he would still have budget authority. The office of the NID is also structured differently. In the original McCain-Lieberman bill, the NID's deputies would come from other agencies, but in the committee bill, the NID chooses his own deputies.

Bush Policy in Iraq Slammed in Hearing

On Sept. 15, the Senate Foreign Relations Committee held a highly contentious hearing on accelerating U.S. assistance to Iraq. Committee Chairman Richard Lugar (R-Ind.), and Senators Chuck Hagel (R-Neb.) and Joe Biden (D-Del.) all expressed total frustration toward the Bush Administration, over having been originally told that they had to pass the \$18 billion supplemental appropriation to help the troops and rebuild Iraq, and now finding out that only about 6% of the supplemental has been used.

Lugar stated that in a society with no jobs, a faltering economy, and little or no infrastructure, there is plenty of reason to be angry and want to fight. He further commented that the Committee had heard blindly optimistic people from the Administration prior to the war, and people outside the Administration, "what I call the 'dancing in the street crowd,' [saying] that we just simply will be greeted with open arms. Now the nonsense of all of that is apparent and the lack of planning is apparent."

The funds that the Administration wants to shift around are those funds earmarked for water, sewer, and electricity. Senator Biden related a story of how Maj. Gen. Peter Chiarelli, the commander of the 1st Cavalry Division in Baghdad, had used \$30 million of the rebuilding money in the area around Sadr City, which had 12 feet of garbage piles and sewage flowing through the street.

General Chiarelli started to do something about the conditions, said Biden, and when he did, the number of attacks in the area dropped off, as if falling off a cliff. So, he emphasized, there is an obvious connection between security and the need for infrastructure.

LaRouche PAC Testifies To Senate Against Porter Goss

LaRouche PAC Executive Director Dr. Debra Hanania Freeman delivered written testimony, published here, to the Senate Select Committee on Intelligence on Sept. 21, opposing the nomination of Rep. Porter Goss (R-Fla.) to the post of Director of Central Intelligence.

The Freeman testimony, which was accompanied by EIR's articles documenting why Goss should be rejected, was widely distributed among Committee members and media and other attendees at the hearings. Her testimony buttressed strong attacks on Goss's qualifications by three Senate Democrats on the Committee, Jay Rockefeller (W.Va.), Carl Levin (Mich.), and Ron Wyden (Ore.). In the hearings, Rockefeller and Levin, in particular, backed Goss into a corner over the role of Vice President Dick Cheney in peddling fake allegations about Saddam Hussein's ties to the 9/11 attacks. We publish in this section a report on the hearing, and an investigative dossier on the dirty underside of Goss's Florida connections.

My name is Dr. Debra Hanania Freeman and I am the Executive Director of LaRouche PAC, the political action committee founded, July 31, 2004, by former candidate for the Democratic Party Presidential nomination Lyndon H. LaRouche, Jr. I come before the Committee today to urge you to reject the nomination of Porter Goss to the post of Director of Central Intelligence. Mr. Goss, in our judgment, lacks the professional expertise, the intellectual depth, and the record of ruthless non-partisanship, which is so vitally needed in this critical post at this moment in our nation's history.

The Bush Administration and the Congress appear hell-bent on an ill-conceived intelligence reorganization, which could place Mr. Goss in a position of even greater responsibility as Director of National Intelligence, perhaps before the November Presidential elections. Indeed, through a series of Aug. 27, 2004 Executive Orders, President George W. Bush has already greatly enhanced the powers of the DCI.

In the interests of national security, the debate over the selection of a new Director of Central Intelligence must take

place in a deliberative atmosphere, far removed from the super-charged partisan political climate of the final weeks of the Presidential and Congressional election campaign. In this particularly brutal partisan climate, Democrats are threatened with the label "soft on national security" if they dare allow the DCI post to remain "vacant" or dare to question the nominee's qualifications or impartiality. This serves no party's interest. This demeans the Senate as an institution at the heart of our Constitutional system, at a moment when the other pillar of our legislative branch, the House of Representatives, is virtually shut down by a Tom DeLay-led partisan lock-out. Mr. Goss, in fact, has been a key DeLay asset in that lock-out.

The Qualifications Required of the DCI

On Aug. 3, 2004, Lyndon LaRouche issued a critical white paper on the 911 Commission's recommendations for an overhaul of the U.S. intelligence community. While he did not take up the question of the nomination of Porter Goss, he did address some vital issues related to the nature of the mission of the U.S. intelligence community and its leadership, which define the criteria for selecting a DCI. The full text of that white paper is appended to this testimony, along with several other relevant documents; however, a few critical portions of that report must be cited here.

LaRouche wrote:

"The best argument which should have been made in [the 911 Commission] report for reorganization of the intelligence establishment, would be to point out the failure of the intelligence establishment to prevent the U.S.A.'s going to war in Iraq, when we as a nation were incompetently prepared, in mind-set and deployed means, for the asymmetric-warfare reaction which was the virtually inevitable, foreseeable consequence of launching that war. All of this blundering and worse was crafted on the basis of fraudulently crafted false premises, concocted chiefly by aid of the 'stove-piping' actions of neo-conservative 'chickenhawks' associated with Vice-President Cheney and his office. This was a war crafted, by aid of fraud, in a way directly violating those constitutional



The LaRouche Youth Movement sings and organizes in Washington, D.C. on Sept. 20, as the Senate hearings on the Porter Goss nomination were under way.

conditions which the framers of our Constitution intended in designing the powers of an incumbent President.”

Where was Mr. Goss when those failures occurred? The House Select Committee on Intelligence, which Mr. Goss has chaired for years, has failed to hold a public hearing, failed to issue a bipartisan report, and failed to exert any oversight leadership. Instead, as Chairman, Mr. Goss has served the interests of Vice President Cheney, and other neo-conservatives in the upper echelons of the Bush Administration, who were directly responsible for those hideous intelligence hoaxes, which have resulted in tens of thousands of deaths and hundreds of thousands of casualties—American, British, Italian, Polish, and most of all, Iraqi.

The so-called “war on terrorism” which is the hallmark of the Bush-Cheney Administration’s foreign policy, has been drastically set back by that unilateral preventive war. This is not an issue of partisan squabbling. We have recently learned that the National Intelligence Council produced a July 2004 National Intelligence Estimate, warning that the so-far failed American-led Iraq occupation has created a “new Afghanistan” training ground for anti-American asymmetrical warfare cadre, which will haunt us for decades to come. When Mr. Goss received that NIE several months ago, did he take any corrective action? I think not.

Mr. LaRouche continued, addressing another issue of relevance to the case of Mr. Goss:

“Often, as in today’s crises, busy in-service political figures, gripped by the combination of their political-career ambitions and pressures of popular opinion, become so con-

cerned with near-term press and other public opinion, that they lose sight of the character of our nation, its purpose, and its future destiny, as a nation essentially rooted in the history of the way in which we came into being, and have survived ominous threats and other challenges over the course of the time since the founding of the first European colonies on our shores. Too often, as now, the in-service political figures’ preoccupation with notions of success of self or party faction, blinds them to those more profound, true interests of our republic, well known to the founders of our republic, which are rooted in our own history and the historical experience of a European civilization’s toils and torment, over a period since the time of the conflict between the struggle for freedom, led by Solon of Athens against the legacy of tyranny traced from Sparta’s Lycurgus.”

Mr. Goss’ record, particularly since the start of the Iraq war, as a shameless partisan, committed more to concealing the sins of the Vice President and his minions than pursuing the truth, has damaged the U.S. Congress. His now infamous “show me the blue dress” remarks, referring to the leaking of the identity of an undercover CIA officer, cannot be simply dismissed as unfortunate rhetorical carelessness. We are yet to learn of the full consequences of the leaking of the identity of the wife of Ambassador Joseph Wilson. At minimum, an undercover CIA officer’s cover was exposed, a longstanding CIA proprietary was blown, and assets built over years, providing crucial intelligence on weapons of mass destruction, were placed in grave danger. We have no access to classified material, so we do not know the severity of the damage, or

the results of the community's damage assessment, if one has been completed.

Whether or not prosecutors determine that the leak reached the threshold of a felony offense or not, the idea that top White House officials leaked the name of an active U.S. intelligence officer, as an act of revenge against an honest critic, is frightening. News reports in recent weeks make it clear that at least one focal point of the probe is the Office of Vice President Dick Cheney, and his chief of staff, Lewis Libby.

Three Major Intelligence Challenges

In his Aug. 3 paper, Mr. LaRouche next identified the leading threats to the security of our nation that must top the agenda of the intelligence community.

"The underlying root of our nation's present insecurity, which is only reflected by what the silly current Bush Presidency terms 'the war against terrorism,' is expressed in three principled forms.

"One: the insecurity caused by the onrushing general physical-economic collapse of the world's present monetary-financial system.

"Two: the reaction to the instabilities fostered by certain Anglo-American efforts to establish an imperialistic form of globalized society under conditions provided by the collapse of the Soviet system. The policy of the liberal-imperialist government of Fabian British Prime Minister Tony Blair and his Robert Cooper and Baroness Liz Symons, typifies a current expression of this.

"Three: the use of strategies mimicking Hermann Goering's setting fire to the Reichstag, in February 1933, to panic governments into proffering dictatorial powers to replace representative government, on the pretext of 'fighting terrorism,' for example.

"The role of the spin-offs of the British Foreign Office's child, the Muslim Brotherhood, such as Osama bin Laden's crew, is to be regarded as a typical reflection of the convergence of the effects of these three principal problems."

"Washington and London, chiefly, created Osama bin Laden as their instrument of policy [during the 1979-1990 'Afghanistan War' to uproot the Soviet Red Army from the Central Asian region]. We created and nurtured the operating environment in which he functions today. How do we dry out the conditions on which the continuation of his operations depends? What have we done wrong, not only to create him, but, as the Bush Administration did in its wildly insane and reckless launching of the current Iraq war (and it is still very much an ongoing, and spreading war) to nourish the kind of environment in which we, by our policies, are creating the very so-called 'terrorist' threat which we, on the other hand, claim to be devoutly committed to uprooting?"

These are tough words, but words which genuinely reflect the challenges facing the incoming DCI and the entire intelligence community. An extraordinary degree of intellectual integrity is going to be required of the new leader of the

nation's intelligence establishment, to take on those types of taboo issues and provide the President and the Cabinet with qualified, unbiased assessments and advice. Held up to those lofty standards, which are the only appropriate standards, given today's crisis-ridden world, Mr. Goss is found, in our judgment, to be seriously lacking.

An Appropriate Reform

Finally, Mr. LaRouche then addressed the issue of what kinds of structural reforms of the U.S. intelligence community would actually make sense, on the basis of the standards he spelled out:

"Before proposing to change the top-down organization of our republic's intelligence-security functions, consider a crucial test-question. Why did we not clean house of those accomplices of Vice-President Dick Cheney whose fraudulent concoctions and duplicitous schemes led the U.S.A. into an Iraq war which simply should not have happened as it did? In other words, why did we not fire Wolfowitz's and Cheney's crews, and do the same thing, in effect, with the core of the security problem, Secretary of Defense Rumsfeld and Vice-President Cheney? What prevented us from doing that in a timely way, and what changes might have caused that necessary reversal of the folly of failing to dump them before the war actually started?

"Any proposed change in the structuring of our intelligence-security establishment, which does not meet that test-question standard, should be sent back to the drawing board, or, probably, to a new firm of architects."

He continued:

"Would an 'intelligence czar's' appointment provide a solution? By no means. We must build into our intelligence-security system a set of checks and balances of the type which would have tended to break through the barriers against a constitutional regard for truth, barriers erected by those behind Tony Blair, Dick Cheney, and the latter's 'chickenhawk' crew.

"A replacement for the incompetent notion of a super-Golem of security intelligence, should be a process of controversy which will be efficiently brought to bear, even to the degree that discoveries made could lead to the impeachment of the incumbent President which that intelligence community has dutifully served, in bringing about the duly considered removal of that particular President from office. The standard of performance required, is not the assertion of absolute truth, but simply the fruit of competently pursued discovery of truthful conclusions.

"To that end, the functions of intelligence and security planning must assume the quality of a Platonic Socratic dialogue, a dialogue thus composed as a search for discovery of truth. All views must be openly set forth at a common table. In that function, leadership, strong leadership is needed, but no arbitrary boss can be tolerated. This will succeed only if the government, and a large portion of the citizenry is committed to, and supports the methods of a Socratic dialogue as the

means by which estimates of truth are composed.

“The standard for truthfulness we require to such ends, is the form of controversy we associate, typically, with great experimentally validated discoveries of universal physical principle, discoveries made in defiance of all supposedly self-evident definitions, axioms, and postulates. This requires a form of organization of the intelligence community at large, in which the inherent tendency for fallacy of composition by specialist agencies, or intruding partisanship, is corrected through an office which functions, not as a czar, but as a secretary of the assembled functions of all the relevant intelligence and security services. The secretary is so defined, as one which can never enjoy the authority of suppressing the evidence of any participating agency, but, on the contrary, acts as chief among equals in a general staff system, comparable to a military general staff system, in the assigned mission of ensuring that the government of the U.S.A. has the advantage of knowing even when it is wrong in even its currently steadfast, ostensibly principled opinion.

“Such a general staff mode of organization, can be achieved with the desirable least change in organization of government, by a certain concretizing of the separation of the function of Director of Intelligence from that of Director of Central Intelligence. The Director of Intelligence, functioning as a non-elected professional officer to the body of the Cabinet, with voice equal to that of the rank of a member of the Cabinet, would be a recommended change producing the needed Secretary-coordinator of a general staff system composed of the principal representatives of the various security and intelligence agencies of the Federal government. Under that Secretary (Director of Intelligence), the Director of Central Intelligence would rank as a coordinating first among equals for all other intelligence functions, but without the authority to suppress the voice of peers in matters presented to the Secretary and to the body of distinguished advisors associated with that Secretary.

“The included objective is to rid the system, as much as is feasible, of those abuses of the intelligence and security functions associated with the regrettable memories of such as Allen Dulles and James J. Angleton. This requires an adjustment, elevating the responsible directors of intelligence for other Federal agencies to the authority for intelligence matters associated with membership in a general staff system. If that specific intention is not made emphatically, even the best intentions otherwise, will fail; one can not cure the patient without addressing the disease, and the Dulles-Angleton syndrome has been an ugly disease.

“By a general staff system, we should intend to avoid the evils of a bureaucratic system. The serving director of each agency must have the degree of independence for investigations which the term general staff system connotes.”

The Case of Porter Goss

Nothing in Mr. Goss’ background, or his performance in his present post as Chairman of the House Select Committee

on Intelligence, suggests that he comes close to meeting the criteria set forward above. If anything, what little has been revealed publicly about Mr. Goss’ career as an intelligence officer, raises more questions and possible areas of concern, than confidence.

According to the available public record, Mr. Goss served in the CIA as a case officer from 1961-1971. His early postings were with the JM-Wave station in Miami, which was in charge of CIA covert operations against Cuban dictator Fidel Castro. He continued on the Cuban case, in subsequent postings in Haiti, the Dominican Republic and Mexico.

In 1975, the Church Committee revealed that the CIA had carried out assassination programs against foreign leaders, including Castro. “United States government personnel plotted to kill Castro from 1960 to 1965,” the report stated. “American underworld figures and Cubans hostile to Castro were used in these plots, and were provided encouragement and material support by the United States.”

Among the CIA officers with whom Mr. Goss served in JM-Wave were a number of individuals who directly participated in Operation Mongoose, the Castro assassination program. Some of these individuals later participated in the Watergate burglary, on behalf of the Nixon White House, and later surfaced as key players in the 1980s Iran-Contra debacle.

Upon his medically-forced retirement from the CIA, Mr. Goss moved to the Gulf Coast of Florida, became involved in local businesses, including the newspaper business, and then became involved in local and state politics, eventually winning his present U.S. Congressional seat in 1988.

Mr. Goss’ involvement in county government in Lee County, Fla. in the mid-1980s overlapped the period of the now infamous Iran-Contra affair. One often buried aspect of that runaway intelligence fiasco was the involvement of rightwing Cuban exiles and Ibero-American organized crime figures in the secret supply operations to the Nicaraguan Contra rebels—what came to be known as “The Enterprise.” Sen. John Kerry produced the most comprehensive account of the involvement of narcotics traffickers in the Contra supply effort, in his 1988 Senate Foreign Relations Subcommittee report, “Drugs, Law Enforcement and Foreign Policy.” In 1996, Mr. Goss, in an appearance on nationwide television, deliberately misrepresented the Kerry Commission findings, claiming that there was no evidence that the Contras had any involvement in or with drug traffickers.

Was this misstatement by Mr. Goss a simple matter of partisan Sophistry, or was it something far worse? At the height of the secret Contra supply operations, Mr. Goss was a member of the Lee County Commission. During that period, leading members of the Lee County Sheriff’s Department were caught, smuggling large quantities of drugs into the County, in league with former federal law enforcement officials and previously convicted narcotics dealers. We have interviewed members of the Joint Narcotics Task Force, who participated in that probe, and they still, to this day, complain bitterly, about interference by local officials and local mem-

bers of “the intelligence industry” in their efforts to shut down a major trafficking organization. I append several news accounts of the drug scandal to this testimony.

We are not making a “guilt-by-association” charge against Mr. Goss. We are merely raising one of a number of issues that remain unresolved, as this Committee, under clear political pressure from the White House, rushes to judgment on Mr. Goss’ qualifications to head up the American intelligence community.

Would the nation not be better served by a more careful look? Has this Committee gone into closed session to thoroughly probe Mr. Goss’ relationship to those Lee County events? Have the members of the Joint Narcotics Task Force been invited to appear? Has Mr. Goss been asked to discuss his knowledge about those events?

Can we afford to rush to confirm a highly partisan figure, with potential still-unexplored skeletons in his closet, as the new Director of Central Intelligence? We are convinced that Mr. Goss is not qualified or suited to assume the post. We oppose his nomination. But some of you, who may be inclined to give Mr. Goss the benefit of the doubt, should consider the option of shelving the nomination, pending a far more thorough review of the concerns that I have raised here today. Either way, the United States interests, at home and abroad, will be ill-served by a Senate confirmation of Porter Goss as Director of Central Intelligence.

Thank you.

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Goss Hammered For Protecting Cheney

by Michele Steinberg

Dick Cheney’s neo-conservative cabal, which has run the nation as its own private fascist state since the Sept. 11, 2001 attacks, is finally about to get what it has long wanted: control of the Central Intelligence Agency. On Sept. 21, the Senate Select Committee on Intelligence voted 12-4 to send the appointment of Porter Goss as Director of Central Intelligence (DCI), to the Senate for a vote in the immediate days ahead. The Democratic leadership did not oppose Goss, and he was confirmed on Sept. 22, by a vote of 77-17.

Goss showed he is a “true believer” in a government of secret tribunals, of maneuvers to legalize torturing prisoners, of corporate corruption, and will serve nicely as Bush-Cheney’s “Heinrich Himmler.” And, if Cheney and Goss have their way, the Sept. 20 hearing on Goss’s nomination will be the *last* chance the committee will ever have to exercise “oversight” of U.S. intelligence.

Senators Expose Cheney

The questions put to Goss by three senior Democratic Senators, Jay Rockefeller (W.Va.), Carl Levin (Mich.), and Ron Wyden (Ore.), on Sept. 20 were the most detailed and rigorous defense of Constitutional rights, and of U.S. national security, to come from the Congress since 9/11. And appropriately, they exposed the abuses of Dick Cheney.

Early on, Rockefeller asked, “What kind of a man is Porter Goss? . . . [F]or example, in the case of Mohammed Atta and the famed non-trip to Prague [allegedly to meet with Iraqi intelligence], which the Vice President is still referring to and talking about, proving therefore a relationship between 9/11 and—quote, ‘proving’—and the Twin Towers. *That’s stunning to me, shocking to me. I mean, I don’t know why he says that, how he says that. It’s not responsible.*

“Now, you’re the head of the CIA, and he says that, but he says it very—he says it publicly, as he does. What do you do about that? You can answer, ‘Well, that’s a policymaking question and not a matter for me.’ On the other hand, you are the head of the CIA and he is misusing intelligence, he’s misleading the American people. . . . What do you do with that?” [Emphasis added.]

When Goss said he would only *privately* talk to the policymaker, Rockefeller pressed him, saying, “Would you correct the public record on the matter?” Goss again tried to evade, but Rockefeller again pressed asking, wouldn’t the “only

way” to deal with this be “by correcting the public record?” Goss finally conceded, “I agree that if somebody is abusing the product [i.e., intelligence reports] . . . [the DCI] has a reason to go forward and say that’s not what we said.”

But later, after Chairman Pat Roberts (R-Kans.) lambasted the Democratic Senators for “partisanship,” especially because Rockefeller’s staff had prepared ten volumes of Goss’s speeches and statements, in order to hold him to the truth, Goss went on the offensive, trying to twist the questions put to him.

The Goss-Levin exchange says it all. Levin returned to probing about Cheney’s statements on the Mohammed Atta meetings, and Goss shot back: “Senator, I don’t believe any public official in a position of responsibility has deliberately mischaracterized or misled anybody in the United States or anyplace else.” The exchange continues:

Levin: That wasn’t my question.

Goss: You asked me if I could give you an example. I can’t—

Levin: Example—I didn’t use the word deliberately or intentionally or purposefully or willfully. . . . I just simply said mischaracterized the intelligence. . . . I’m looking for independence. Can you give us an example to show that you are willing to challenge the policymakers, that you are willing to speak truth to power?

Later, Goss again said, “If you’re asking me do I know of anybody who has deliberately mischaracterized or exaggerated intelligence, I don’t believe that’s the case.”

Levin replied: “That’s not what I asked you, but you’re again responding to a question that wasn’t asked. . . . Let me give you an example. Dec. 9th, 2001. Vice President Cheney said that it’s ‘been pretty well confirmed’ that 9/11 al-Qaeda hijacker Mohammed Atta did go to Prague, and ‘he did meet with a senior official of the Iraqi intelligence service in Czechoslovakia last April, several months before the attack.’ Now that went significantly beyond what the underlying intelligence said.”

Next Goss claimed that there might be information that Cheney used that he did not know about, and tried to contradict Levin’s assertion that the documents about Atta had all been declassified.

Levin: I’m just asking you a very simple question.

Goss: Yes.

Levin: Do you believe the statement that was made on Dec. 9th, 2001, by Vice President Cheney, that it’s “been pretty well confirmed” that that meeting took place, was an accurate reflection of intelligence that existed at the time. . . ? Do you—I’m just asking you a direct question.

Goss: Is the statement itself, that it was “pretty well confirmed”—if that’s your question—is I don’t think it was as well confirmed perhaps as the Vice President thought. But I don’t know what was in the Vice President’s mind, and I’ve

certainly never talked with him about this. So I don’t know how we came to that conclusion.

There were also tough questions, and more evasive answers about Cheney’s assertions about Iraq training al-Qaeda in using chemical weapons, about Doug Feith’s “rogue intelligence” operation in the Pentagon, and the recent National Intelligence Estimate that indicates that the Administration is *again* misleading the American people and Congress about what is happening in Iraq (see *Feature* in this issue).

Goss Protects Feith

Goss’s own testimony established that he believes in the following policies:

- allowing the CIA to surveil, and possibly even assassinate American citizens and foreigners in the United States. He sanctimoniously insists only that the CIA should *not* have “arrest powers” domestically, even though he sponsored a June 2004 bill giving the CIA all these powers. He claims he was just playing devil’s advocate;

- he would *not* publicly inform the American people that Cheney, or any other “policymaker,” had presented false information about security threats to the nation, because the intervention by the CIA head would have a chilling effect on policymakers. He made no commitment to correct disinformation, even to Congress;

- he will curtail, if not abolish, the House and Senate Intelligence Committees as oversight bodies by: 1) defining their role as dealing only with the intelligence “product” and *not* the actions of the President, Vice President, and the Executive branch; and 2) supporting the White House in withholding information from the Intelligence committees, on “national security” grounds. This “oversight” function was put into law in the 1970s, after the Senate’s Church Committee investigated the U.S. intelligence community’s programs to assassinate foreign leaders, and spy on Americans;

- he *rejects* the description by Senators Rockefeller and Levin of the neo-con apparatus in the Pentagon as a “rogue intelligence” outfit. Goss instead defends the neo-cons’ lie factory as an exemplar of healthy competitive “dissent” and a safeguard *against* “group think.”

- he believes that Iraq did have WMD up through 2002-03, and that “we still don’t know what happened about the weapons.”

One consolation is that Goss will be a lame duck, if thinking Americans make sure his tenure at the CIA will only hasten the defeat of Dick Cheney’s police state in the November elections.

As Goss was confirmed, the neo-conservatives’ war-whoops against Iran have gotten louder and louder, and wildly exaggerated claims are emanating from Israeli Likud fanatics that Iran will have nuclear weapons “by 2005.” Having Goss in the CIA director position could mean that a Cheney-directed military action against Iran, could be the “October surprise.”

A Question for DCI Porter Goss

by Anton Chaitkin

On Sept. 13, the eve of hearings scheduled on the nomination of Florida Congressman Porter Goss as Director of Central Intelligence, LaRouche PAC released a question about the narcotics trafficking events around Lee County, Florida, where Goss had served as County Commissioner. The Sept. 13 question was appended to the LaRouche PAC testimony submitted to the Intelligence Committee (see p. 62). That question is still unanswered, and this report provides the dramatic background for what Goss must still be asked.

Porter Goss was a County Commissioner in Lee County from 1982 to 1988, during a protracted Federal investigation into a narcotics-smuggling ring that was thought to be coordinated through leaders of Lee County's Sheriff's Department. The investigation occurred as dope-running was exploding, mainly through Florida, deluging decaying American cities and destroying young lives, as the U.S. industrial economy fell apart. This same time-frame was the period of the "Iran-Contra" crimes, cocaine smuggling, and money-laundering enterprises protected by the Reagan Administration apparatus that was led by Vice President George H.W. Bush and was identified with Oliver North.

Federal and state law enforcement officials who pursued that Lee County drug ring still express shock and bitterness at the squelching of the investigation. They state that it was stopped by higher-ups, and that officers who cooperated with the probe were fired and moved out of the way. Those who wanted to push the investigation were warned, "You must stay away from this affair; it is off-limits." The Fort Myers *News-Press*, the paper that carried the story as it unfolded in the mid-1980s, was sued for defamation. A local judge twice dismissed the suit against the newspaper, but this decision was reversed by a higher court. The case was ultimately settled out of court.

Some members of the Federal task force that investigated the case, today state that they are "petrified" about going public, because Porter Goss is going into such a high national position, and because the very targets of the 1980s probe, who went free, may now be coming back into local government.

Who blocked the investigation and prosecutions? This is the question that Porter Goss should be asked.

As a Lee County Commissioner (and Commission chairman 1985-86), Goss was responsible for the budget of the Sheriff's Department, and should be presumed to be in touch with such a high-profile affair.

When the lead investigator, U.S. Attorney Robert Merkle,

reportedly complained that "the intelligence industry" was putting roadblocks in the way of the probe, former CIA officer Porter Goss was the highest-connected leader, socially and financially, among the many intelligence community veterans who then dominated the political life of the local area, along with certain lawyers and other power brokers.

Merkle was in a position to know of such intelligence intrigues, because he had led the prosecutions of Carlos Lehder and Manuel Noriega.

As reported here, Goss's personal, family, and Agency background combined to put him into the ranks of the immediate servants of the Harriman and Dulles faction of the British and Wall Street financiers, who have twisted U.S. strategic policy to sponsor the emergence of narcotics cartels and the cartels' bankers as a unified "Dope, Inc." world power.¹

It was this Dope, Inc. apparatus that flew its planes into Lee County, and positioned itself to protect those suspected of coordinating the smuggling.

The Corkscrew Incident

The Fort Myers *News-Press* reported on Dec. 11, 1983: "Narcotics agents and a federal grand jury are focusing a major drug smuggling investigation on members of the Lee County Sheriff's Department, including the second in command, Col. David Wilson. Wilson—who is Sheriff Frank Wanicka's chief administrative officer—confirmed he has been the target of the federal grand jury investigation for more than two years. A former special deputy, Danny Moss, who Wilson said is his close friend, also has been under investigation."

Colonel Wilson was the "undersheriff" to Sheriff Frank Wanicka, and, according to sources, the actual power in the Sheriff's Department from 1973 until he retired in 1996. Thus, Wilson's reign began two years after Goss retired from the CIA, came into the county, and was set up by CIA colleagues as the manager of Sanibel Island. Wilson left his post when Goss was the area's Congressman, on the House Intelligence Committee, and soon to be its chairman.

The *News-Press* reported: Former U.S. Attorney William King "wrote that the drug ring is thought to be responsible for bringing in at least one load of marijuana and cocaine a month . . . [and] to have been led by former FBI special agent J.R.

1. See *Dope, Inc.: The Book That Drove Kissinger Crazy* (Washington, D.C.: Executive Intelligence Review, 1992).



International political operative Louis St. Laurent II (on left), attorney for Undersheriff Col. David Wilson (on right). Wilson was the target of Federal drug probes in Porter Goss's district.

'Buddy' Carter of Fort Myers and Key Largo. Carter, 57, was convicted . . . in connection with \$240,000 worth of marijuana flown into southeast Lee County."

The paper said that the investigation arose out of "at least two federal drug cases during the past three years." One convicted cocaine dealer, David Pattison, testified to a grand jury that he "based his drug operation in Fort Myers because he had been told three top-ranking officials of the sheriff's department were involved in smuggling."

The other case was described by the *News-Press*: On the night of July 9, 1981, an "unlighted airplane with a false identification number on its tail and no identifying electronic signals was picked up on radar . . . by U.S. Customs officials. . . . Customs interdiction aircraft . . . followed the unlighted plane to an unlighted runway off Corkscrew Road near where [Danny] Moss manages the 6 L's Ranch. The unidentified plane landed first. As the Customs plane attempted to land behind it, a horse trailer was drawn across the runway by Carter's wife, Joy, and the Customs pilot was forced to veer away quickly to avoid a collision."

Customs got a helicopter in soon afterwards, but meanwhile "800 pounds of marijuana were unloaded from the plane and hidden in a nearby wooded area by Carter, his brother-in-law [and another man]. . . ." Carter proceeded to the Corkscrew Country Store, which Carter co-owned with Danny Moss's wife, Debra, to phone for a getaway car. But Buddy Carter, Joy Carter, and their two accomplices were at length convicted of smuggling, in a 1983 trial.

The *News-Press* reported as follows:

Twelve days after Carter's dope plane landed at Corkscrew, Undersheriff Wilson signed a bill of sale, selling an airplane he co-owned with Danny Moss, to "Paradise Aviation-Marine Inc.," a front run by smuggler Buddy Carter and his family. The *News-Press* stated: "No one signed the bill of sale on behalf of Paradise Aviation. . . . Florida corporate records show Paradise Aviation wasn't a registered corporation in Florida until October, 1981 . . . three months after the company bought Wilson's plane. . . ."

This report was the subject of the defamation suit brought by Wilson against the *News-Press*.

Two deputies testified that they saw Wilson at the scene of the Corkscrew landing, although he claimed he was not there. Deputies testified that orders, on false pretenses, came through the Sheriff's Department dispatcher that night, ordering deputies away from the scene before the marijuana was located.

Driven by Tampa-based U.S. Attorney Robert Merkle, grand juries continued pursuing Colonel Wilson, former part-time deputy Danny Moss, and others.

The *News-Press* reported that an Arcadia, Florida contractor "has testified that a former Lee County Sheriff's Department special deputy once offered police protection and a rural airstrip to land a plane load of marijuana for a price of \$20,000. The contractor . . . said the offer was made in 1979 by Danny Moss. . . . Moss told the *News-Press* this week [the contractor's] statement is true. . . . Moss said he was trying to 'set up' the smugglers by offering them the landing strip and protection. Moss said he planned to arrest them when they

landed the drugs. ‘The only thing I connived at was, I was trying to figure out a way where I could keep the money and put them in jail,’ Moss said. . . . In the sworn statement, [the contractor] said the airstrip Moss was offering the smugglers . . . was in Corkscrew,” near the site of the Carter-Moss 1981 dope landing that led to Carter’s conviction.

The *News-Press* reported on March 1, 1984, that Sheriff Wanicka had met the previous week in Washington, D.C., with representatives of the Department of Justice, demanding that the Federal investigation of Colonel Wilson and other Sheriff’s personnel be quashed.

On July 11, 1984, “Debra Moss, a key figure in a federal investigation of possible corruption and drug smuggling within the Lee County Sheriff’s Department, was indicted . . . on two counts of lying to federal juries and two counts of obstruction of justice. [She] is the wife of former special deputy Danny Moss . . . [who with] Col. David Wilson and other current and former members of the department . . . are being investigated by a federal organized crime task force and the same federal grand jury which handed up [the] charges against Debra Moss. . . .”

Dope, Inc. Protects Itself

Yet, Debra Moss was no kingpin. And despite a reported five grand juries going after the ring based at the Sheriff’s Department, Colonel Wilson was not indicted, nor were Sheriff Wanicka, or others, although Merkle had reportedly prepared indictments and arrests for them and many other associates. According to law enforcement sources, in the early 1990s, when a new lead officer for the Fort Myers area came into one of the Federal agencies and reviewed that agency’s records of its probe of Colonel Wilson, the officer asked with anger, “Why is that man still not in prison?” The officer went to higher authorities to complain; Colonel Wilson went to Congressman Porter Goss for protection. The Federal officer was asked to a meeting with Goss—and nothing changed.

Robert Merkle died in 2003. The records of the grand juries are secret. Tired of litigation, fearful current employees of the *News-Press* “will not touch” this story, and will not cooperate in retrieving their own articles.

It is well known that within the Federal government, during the 1981-89 Reagan Administration, factions opposed each other on vital policy issues, and the Bush/North/Contras faction was deeply involved in domestic law enforcement matters—as will be seen below.

A key to the successful quashing of this probe, however, may be found in a close review of the career of one unusual local official, Louis St. Laurent II—one of the handful of top power brokers alongside Porter Goss throughout the entire war between the drug investigators and the Sheriff’s Department.

The *News-Press* reported (ca. Spring 1984) that the paper had obtained the Sheriff’s Department’s telephone toll records for July 10, 1981, the day after the Carter/Moss dope

landing at Corkscrew. Colonel Wilson evidently made no calls that day to either Buddy Carter’s business or home on the island, Key Largo.

“The only calls to the Keys reflected in the telephone records are one to the business and one to the home of Louis St. Laurent, who is a personal friend of Wilson’s and former chief assistant prosecutor for State Attorney Joseph D’Alessandro.

“St. Laurent, who runs an investment firm in the Keys, said he was subpoenaed by the grand jury and asked about the calls to him. St. Laurent said he and Wilson were planning a fishing trip in the Keys the following weekend and that he believes the calls were from Wilson making arrangements for the trip.” The *News-Press* had earlier reported (Dec. 11, 1983) that: “A few days later [after the Corkscrew incident] Wilson flew to Key Largo. He says he went there to visit a friend, Louis St. Laurent, who formerly was chief assistant prosecutor for State Attorney Joseph D’Alessandro in Fort Myers. . . . Wilson said St. Laurent told the grand jury Wilson had visited him in Key Largo.”

Louis St. Laurent spoke to *EIR* on Sept. 22, 2004, by telephone from his home in south Florida. He said that U.S. Attorney Robert Merkle “said I was running an investment business for dope smugglers, money launderers.” Laurent told *EIR* that he himself was the leading instigator of what became a national attack on Robert Merkle’s reputation, and that he had singlehandedly arranged a nationally televised “60 Minutes” program with Morley Safer, attacking Merkle as a “mad dog” prosecutor. St. Laurent was also the lawyer who sued the *News-Press* for defamation on behalf of Wilson.

This same St. Laurent was the campaign manager for Frank Wanicka’s original 1972 election as Lee County Sheriff. From 1969 to 1980, St. Laurent was Chief Assistant State Attorney for Lee County and four other counties, working directly with international law enforcement officials—under State Attorney Joe D’Alessandro, for whom he was the 1978 campaign manager. St. Laurent was a campaign leader in 1992 for Lee County Sheriff John McDougall. McDougall had replaced the disgraced Sheriff Wanicka, but Undersheriff Wilson stayed on, in power.

St. Laurent told *EIR* that during the battles against the drug prosecutors, he felt safe from anyone in Washington, because “people from Canada were backing me.”

His grandfather, the first Louis St. Laurent, after serving as Canadian Prime Minister (1948-57), was chairman of the international cigarette firm Rothmans during the 1960s. This Laurent family enterprise, Rothmans, was a personal financial and political project of South Africa’s Anton Rupert, a founder with Netherlands’ Prince Bernhard of the “1001 Club,” and other of the most extreme “Black Oligarchy” intrigues against national sovereignty in Africa and Ibero-America. Rupert brought into the Rothmans directorate Henry N.L. Keswick, former chairman of Hong Kong and Shanghai Banking Corp. and arguably the world head of Dope



Porter Goss (left) with Vice President Dick Cheney, who was responsible for ramming his nomination as CIA director through the Senate. Goss should be asked bluntly: “Porter, what squelched the dope probe in Lee County?”

Incorporated, and others in the circles of the highest British banking supporters of the shift of the world economy into dope and out of productive life.

This is the family background of Col. David Wilson’s protector, Louis St. Laurent II, a Canadian citizen until 1965, a man with good enough connections to possess transcripts of the entire secret grand jury proceedings from the 1980s Lee County dope war.

Enter Porter Goss

Let us now place the new CIA director, Porter Goss, in the same financial-political universe.

The *Washington Post* reported on May 18, 2002, that Goss, as Sanibel mayor, attended a meeting with mayors from nearby Naples, Fort Myers, and Cape Coral, and also with reporters; Goss acknowledged that all those mayors and all but one of the reporters were CIA men.

But it is his high social connections that put Goss above those other locals.

Goss’s family was the principal owner of the Scovill Manufacturing Company of Waterbury, Connecticut, from the late 19th Century. The Gosses used Scovill to get into the London-Wall Street financiers’ circuit, and to intermarry with the family of J.P. Morgan. Throughout the dope battle of the 1980s, Porter Goss was a director of the Mellon Family’s PNC bank of Florida, while the Mellons financed the “Conservative Revolution.” Porter’s brother married the sister of Pierre “Pete” du Pont IV, Delaware’s political leader.

Porter Goss then followed his brother-in-law du Pont, the chief financier behind Newt Gingrich’s rightist “revolution,” which overturned the Republicans’ moderate Eisenhower wing. Goss thus became a Congressional activist for the Gingrichism which has put through crushing austerity against the lower 80% of income brackets, on behalf of the desperately insolvent big bankers—and the Bush machine, with its sordid Florida base. When Goss arrived in Lee County in the early 1970s, he was so plugged in as to hold stock in Dresser Industries—the personal fiefdom of Harri-man’s Prescott Bush, grandfather of the current President—before Dick Cheney brought it into Halliburton.

Lehder, Bush, and Florida

U.S. Attorney Robert Merkle, blocked in Lee County, went on to prosecute Carlos Lehder—the Hitler-loving mass killer and master of Colombia’s Medellín dope cartel, who

had gotten out of jail in Miami in 1978. By the mid-1980s, Lehder was flooding Florida with cocaine that he viewed as an “atomic weapon” against the U.S.A. Merkle nailed Lehder, but Lehder was released from prison early, in exchange for testifying against Manuel Noriega, a deal arranged behind the back of Merkle, who had also prosecuted Noriega. The *Pittsburgh Post-Gazette*, May 26-31, 1996, reported that beginning in 1987: “Lehder got special handling from the start. Instead of being held in Florida where he would be tried, Lehder was housed in a two-cell unit at the U.S. Penitentiary in Marion, Ill., and given a telephone. There he made contact with aides to Vice President George Bush, who had run the Central Intelligence Agency during the early years of the cartel. Over the next 18 months, senior officials from the FBI, CIA, and other investigatory agencies interviewed Lehder. Merkle, the man who prosecuted Lehder, knew none of this.”

The elder Bush had inserted himself in the Florida dope crisis in the early 1980s, and had gotten directly involved in the probe in Porter Goss’s county. As the Fort Myers *News-Press* reported, June 12, 1984: “Robin Cushing, head of the Fort Myers office of the U.S. Drug Enforcement Administration, said . . . the investigation of sheriff’s deputies is being pursued by a U.S. attorney’s task force with the assistance of Vice President George Bush’s Task Force on Drugs in South Florida.”

Today, the new Bush CIA Director, Porter Goss, should be asked bluntly, what squelched the dope probe in your home territory?

Put People First!

During an international conference in Germany on Sept. 24-26, world-renowned economist and former Democratic Presidential candidate Lyndon LaRouche will once again put forward for a Eurasian audience, the reality of the systemic crisis of the world financial system, and the measures that are required to reverse the ongoing collapse. He will do that in the hope that leading circles in countries such as Russia, India, Germany, France, and Italy will take significant steps toward rejecting the fascist globalization perspective of the International Monetary Fund (IMF), and toward preparing for a new Bretton Woods System and funding a massive global infrastructure boom.

But, contrary to what some might think, LaRouche does not expect the European or Asian nations to make the radical shifts required to replace the current bankrupt system. That responsibility, he is clear, lies with the United States, and, in particular, a United States under a Kerry Administration advised by, among others, LaRouche himself.

The reality is, it is only the United States which has the tradition, and the power, to initiate and follow through with such a reform. And, if the U.S. does not take such positive actions, it will instead act to instigate a series of wars internationally, that would make any "alternative" a fool's errand.

As LaRouche will emphasize, the emergency measures that are required to reverse the results of the "post-industrial" policies of the past 40 years, can only be found in the program pushed through by U.S. President Franklin D. Roosevelt beginning March 1933. Such measures, complemented by a restoration of the fixed-exchange rate and a regulated system of currency arrangements and national banking represented by the original Bretton Woods System, would rightly lead to a set of nested treaty-agreements, providing the mechanisms for long-term credit arrangements of up to between a quarter-century and a half-century.

There are many who would say that the FDR tradition has been successfully wiped out in the United States, and that there is little hope that such a shift could

be made. Fortunately, this is not true. Embedded in the base of the Democratic Party, still; in sane sections of the Republican Party; and in the Constitution itself, is a commitment to republican government acting on behalf of the general welfare, which will be the salvation of the situation.

So far, of course, you don't hear Senator Kerry talking about restoring the FDR tradition, but the clarity with which FDR defended the American population, against the cartels and the banks, is beginning to peep through. Recent attacks by the Kerry-Edwards campaign against Bush's privatization (read, theft) of Social Security schemes echo FDR: "Kerry pledges to protect Social Security and Seniors, Not Give Billions to Banks." This follows citation by the Kerry campaign of new studies documenting the fact that so-called private retirement accounts would provide a nearly \$1 trillion windfall for the financial sector, all the while making retirees with private accounts more insecure, and possibly saddled with a huge tax payment as well.

FDR took his commitment to the people over the banks, a lot further. With his bank holiday, he effectively put the banking system into receivership, only to be reopened on the new regulated terms which his Banking Act put into effect. He overrode the wrath of the bankers and the private cartels, to establish huge infrastructure projects to provide cheap electricity, and water management, such as the Tennessee Valley Authority. He insisted upon the Federal government providing the safety net for the unemployed and the elderly, against those who argued that their welfare had to be sacrificed to the vagaries of the "marketplace."

In fact, such FDR-style measures are going to have to be taken again in the next months, as the financial crisis deepens, and the physical economic collapse gets even worse. A new President Kerry is going to have to not only admit the systemic nature of the crisis, but act decisively to replace the system, with one that puts people first.

Lyndon LaRouche and his Youth Movement are committed to making this happen. Are you?

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Those Populist Fools Who Would Seek A Contract Even With God

Lyndon H. LaRouche, Jr.

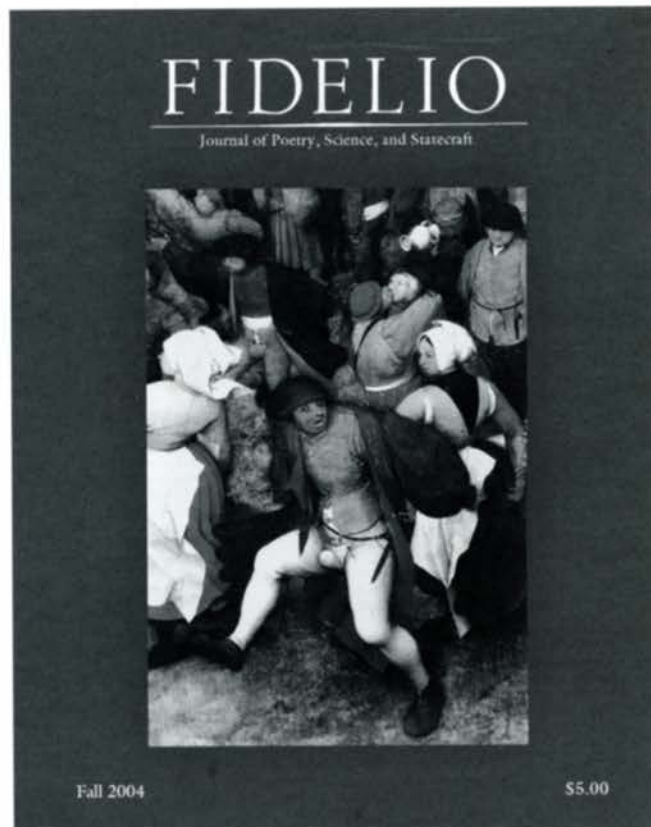
In the works of Erasmus, More, Rabelais, Cervantes, and Shakespeare, the word 'folly' has a profoundly ironical, ambiguous meaning. In their usage, it refers to a time when madness had overtaken a nation and its people, a time of foolishness, like that of the recent decades of our own U.S.A., which prompts the foolish popular opinion of that time to regard as fools their contemporary wise men and women, rather than their own misguided, foolish selves.

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